Core U.S. Timberland Strategy Sustainability Report

2024

btg pactual | Timberland Investment Group | natureVest | The Nature Conservancy

Contents

Loblolly pine tree farm in East Texas, managed by TIG. © TIG & TNC; COVER: © Caddo

Introduction[1]

Pacific Northwest evergreen tree farm managed by TIG. © TIG and subsidiaries

In 2024, the BTG Pactual Timberland Investment Group (TIG) continued to advance its core U.S. timberland strategy, reflecting the growing potential of aligning institutional timberland investment with conservation outcomes. Since 2021, TIG has worked with The Nature Conservancy (TNC), which serves as conservation advisor to TIG's core U.S. timberland strategy, to help TIG further integrate conservation science into land management practices—supporting biodiversity, climate mitigation, and permanent protection.

2024 saw clear progress as nearly 9,400 acres of new investments were added to TIG's core U.S. timberland strategy.[1] TIG began integrating biodiversity-focused conservation recommendations directly into its forest management plans, impacting over 8,800 acres in 2024.[2] Following a prescribed burn on TIG's East Texas properties, 14 new occurrences of the federally endangered *Texas Trailing Phlox* were observed—showing how controlled burns can benefit ecosystems and highlighting the value of science-based forest management.[2]

TIG and TNC began efforts to permanently protect 42,000 acres of high conservation value land—identified through TNC's datasets of biodiversity and habitat connectivity—to benefit threatened, endangered, and locally significant species, as well as surrounding communities.[2] These efforts were informed by rigorous science, executed by experienced teams, and driven by a shared belief that conservation and economic value are not only compatible—they can be mutually reinforcing.

In addition to environmental initiatives, TIG's management strategy emphasizes supporting the people connected to its managed areas, including workers and nearby communities. This includes fostering safe and fair employment, engaging local communities through education and outreach, and promoting access to natural spaces for recreation and learning. By integrating these social initiatives with responsible forest management, TIG and TNC aim to generate lasting social as well as environmental benefits.

Pacific Northwest foxglove (*Digitalis purpurea*) growing on a TIG-managed property.
© TIG and subsidiaries; INSET: Charlotte Kaiser speaking at GIIN Global Impact Forum 2024.
© TIG and subsidiaries

In 2024, TIG piloted new tools and technologies to support better decision-making and results. This included two distinct initiatives: first, testing mycorrhizal fungi to enhance forest health and resilience; and second, partnering with a remote sensing firm using backpack-mounted LiDAR to gather detailed forest data. These technologies are improving forest modeling and carbon measurement while reducing the need for manual fieldwork.

Beyond the field, TIG and TNC teams contributed to key industry dialogues. A highlight was TIG's Head of Impact Finance, Charlotte Kaiser, speaking at the Global Impact Investing Network's (GIIN) Global Impact Forum, where she shared how sustainable forestry can help meet climate, biodiversity, and community goals. These platforms amplify the insights and lessons learned from our collaboration.

Looking ahead, the team at TIG is fully committed to managing this strategy sustainably and to the values that guide the TIG and TNC collaboration—transparency, science-based action, and long-term stewardship. This report highlights progress made in 2024 and outlines what's next, serving not only as a progress update, but also as an invitation to others across the forestry, finance, and conservation sectors to join us in building a more resilient, nature-positive future.

Core U.S. Timberland Strategy Portfolio Manager and Conservation Committee

David Cassels
Head of U.S. Portfolio Management, TIG

Charlotte Kaiser
Head of Impact Finance, TIG

Gregory Meade
Cumberland Forest Project Director, TNC

Ekaterina Alexandrova
Program Director, TNC

Sustainability Highlights[2]

13.8 million
trees planted on over 28,000 acres

100%
of eligible land area SFI certified

285,000 acres
under special management designation[3]

2.95 million m³
certified harvest volume

96 million tCO_2e
stored in the strategy's forests[5]

20
professional training programs provided to employees and contracted third parties[4]

185
community members engaged through community programs[4]

AWARDS[6]

Environmental Finance Sustainable Investment Awards 2024

Environmental Finance Sustainable Investment Awards 2024 Winner — Environmental fund of the year, Americas

Environmental fund of the year, Americas

Environmental Finance Sustainable Investment Awards 2024 Winner — Real assets manager of the year

Real assets manager of the year

ImpactAssets 50 list 2024 manager

IA 50 2024 MANAGER

Awards may not be representative of any one client's experience and are not indicative of the future performance of the BTG Pactual Timberland Investment Group, LLC or BTG Pactual. Please see Endnotes for important information regarding these awards.

About TNC and TIG

Lanceleaf tickseed (*Coreopsis lanceolata*) blooming on a TIG-managed property. © Caddo; PREVIOUS PAGE: © Caddo

The Nature Conservancy

The Nature Conservancy (TNC) is a global conservation nonprofit that, since 1951, has worked to conserve the lands and waters on which all life depends. Grounded in local experience and deep scientific expertise, TNC leverages science, real-world solutions, and partnerships to protect land and water and support climate action. TNC has over 5,000 staff, including 1,000 scientists, working in 81 countries and territories, and across all 50 U.S. states.[7]

BTG Pactual Timberland Investment Group

The BTG Pactual Timberland Investment Group (TIG) is one of the world's largest timberland investment management organizations. TIG manages assets and commitments of US$ 7.3 billion across 2.6 million acres.[1] TIG is an indirect, wholly owned subsidiary of BTG Pactual (B3: BPAC11), a publicly traded investment bank headquartered in Brazil with a market capitalization of more than US$ 25 billion.[8] TIG resides within BTG Pactual's Global Alternatives Group, which has approximately US$ 8.1 billion in AUM and invests in specialized alternatives across the U.S. and Latin America.[9]

About the Core U.S. Timberland Strategy and the Collaboration

Site of TIG Conservation Sale in Ohio's Hocking Hills Region. © Appalachia Ohio Alliance

TIG's core U.S. timberland strategy covers a diversified portfolio of over 1.1 million acres of timberland properties across 11 states in three target regions: the Pacific Northwest, the U.S. South, and the Northern mixed hardwoods region.[10,11] Since its launch in 2016, the strategy has included sustainable forest management practices. This approach aligns with regulatory requirements and industry best practices, aiming to ensure the long-term health, productivity, and resilience of working forests.

The strategy's investment committee includes four TIG staff and one independent member, drawing from a range of perspectives in finance, economics, risk management, impact, and industry-specific knowledge.

The collaboration between TIG and TNC was launched in 2021 to leverage the scale of the strategy and the specific expertise of both organizations to deliver biodiversity, climate, and community benefits at a meaningful scale alongside potential financial returns. Through this 10-year collaboration, TIG and TNC aim to demonstrate how sustainable forest management can support environmental stewardship, biodiversity conservation, thriving communities and climate action.

INVESTMENT COMMITTEE MEMBERS				
Timberland Investment Group				Duke University
Gerrity Lansing Managing Director and Partner, BTG Pactual and Head, TIG	**Mitchell Kosches** Associate Partner, BTG Pactual, Chief Operating Officer and Head of Investment Management, TIG	**David Cassels** Head of U.S. Portfolio Management, TIG	**Charlotte Kaiser** Head of Impact Finance, TIG	**Richard Mei** Professor of the Practice & Director of Natural Resources Finance Initiative, Nicholas School of the Environment

Impact Thesis

The collaboration's impact thesis centers on demonstrating that conservation and social benefits can be delivered alongside maintained or enhanced economic value, creating the opportunity to expand the innovations developed in the strategy's portfolio to millions of additional timberland acres across the U.S. Currently, corporate owners manage about 20% of U.S. forestland—156 million acres, or roughly the size of California and Oregon combined—offering significant potential to sustain ecosystem functions and biodiversity while supporting commercial forestry.[12] As corporate ownership grows, the opportunity for impact will expand.

With 1.1 million acres under management across multiple U.S. regions, the collaboration between TIG and TNC uses this scale to create meaningful conservation impact.[10]

The collaboration is focused on achieving the following goals

Biodiversity enhancement: Amplifying biodiversity within high conservation value areas of the strategy's portfolio

Permanent protection: Permanently protecting ecologically valuable forest habitat

Climate mitigation: Mitigating climate change through Natural Climate Solutions

Community impact: Providing access for people to natural areas, building environmental awareness, and supporting local economic development

Loblolly pine tree farm managed by TIG. © Caddo

Conservation Targets of the Collaboration

Together, TIG and TNC have developed targets based on an assessment of the existing and potential future strategy—targets that will evolve over time to reflect new data, insights, and strategy developments.[13]

TIG and TNC targets include

42,000 acres
of forest actively managed to enhance biodiversity

130 miles
of streams with enhanced water quality and aquatic biodiversity

75,000 acres
of forest permanently protected[14]

At least
500,000 tCO_2e
of additional carbon sequestered[15]

Given the strategy's geographic diversity, spanning the Pacific Northwest, U.S. South, and Northern Hardwoods regions, TIG and TNC have established region-specific sustainability priorities that reflect the unique ecological, social, and economic contexts of each area. These tailored priorities serve as the foundation for advancing the strategy's broader dynamic conservation goals.

Informed by local stakeholder engagement and grounded in regional risk and opportunity assessments, these priorities ensure that the sustainability strategy is not only comprehensive but also contextually relevant and actionable.

Juvenile loblolly pine tree farm managed by TIG. © Caddo

Core U.S. Timberland Strategy Current Portfolio[2,16,17,18]

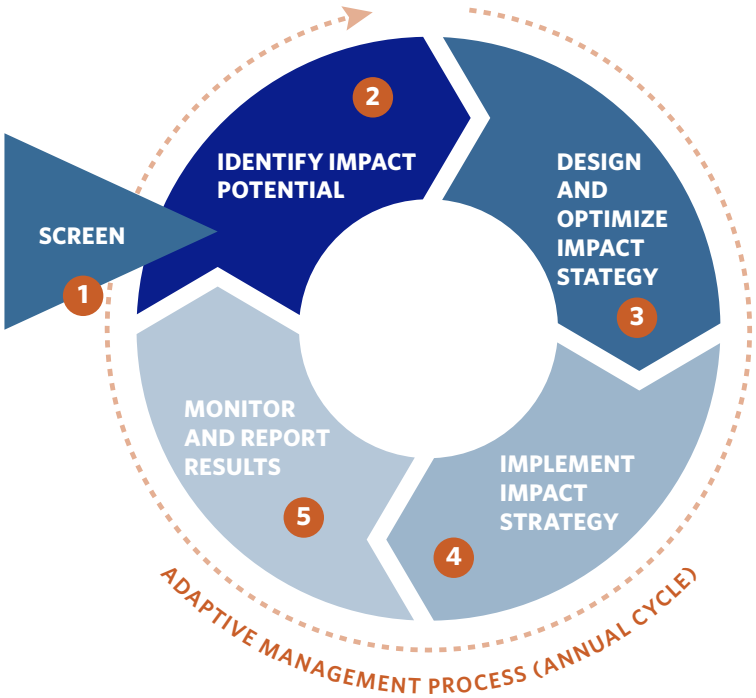
**TNC does not provide any of the services described herein on current assets in Oregon.*

Barbara's-buttons (*Marshallia caespitosa*) blooming on a TIG-managed property. © Caddo

TIG-TNC Collaboration Governance and Impact Management Process

TIG and TNC have jointly developed a robust process for identifying and executing on opportunities for impact. The collaboration is governed by a Conservation Committee, chaired by TNC, which oversees impact target-setting and provides strategic guidance to maximize impact towards those targets. Impact is considered at every stage of the investment and asset management processes. This is supported by a suite of tools, designed by TNC scientists to optimize the strategy's benefits and to avoid harm to nature and people.

Impact Management Process



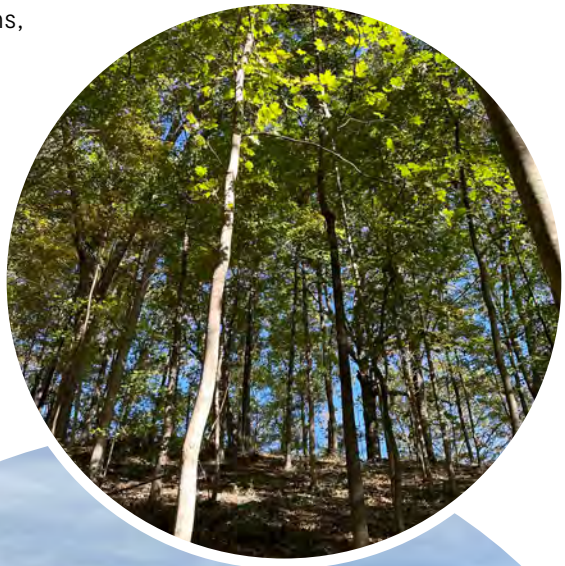
1. Prescreen
2. Biodiversity Assessment and Impact Rating
3. Conservation Memo
4. Integration and Feasibility Assessment
5. Conservation Review

Screen New Acquisitions for Impact Opportunities

TNC (1) pre-screens potential new acquisitions for compliance with the Minimum Acceptable Standards[19] and makes a (2) preliminary assessment of opportunities for conservation impact.

Design and Optimize Impact Strategy

When a property enters the strategy's portfolio, TIG and TNC jointly design property-specific plans for forest management and permanent protection of ecologically significant areas. TNC also conducts a carbon stock assessment to identify areas that may be suitable for high-quality climate mitigation projects. The (3) Conservation Memo for each property details these plans, as well as a set of conservation targets against which the collaboration tracks progress.



Implement Impact Strategy

TIG and TNC work to (4) integrate the forest management interventions—which are designed around planned timber harvests and other silvicultural activities—into each property's forest management plan. The teams also pursue conservation transactions, continuously refining the protection targets based on the outcomes of each potential transaction.

Monitor and Report Results

Annually, the Conservation Committee conducts a (5) conservation review of the strategy's portfolio to ensure continued compliance of timberland properties with the Minimum Acceptable Standards, to verify completion of pre-established forest management and protection targets, and to adjust the conservation strategy or propose new conservation targets for each asset.

In 2024, the team used GIS data to analyze forest management information and monitor the progress of each investment on a quarterly basis. This desk-based approach is complemented by site visits and frequent collaboration with on-the-ground managers. The monitoring and reporting strategy aims to verify and transparently disclose the conservation outcomes of the collaboration.

TOP: Appalachian hardwood forest on a TIG-managed property. © TIG and subsidiaries; BOTTOM: Northeast hardwoods on a TIG-managed property. © TIG and subsidiaries

2024 Sustainability Outcomes[2]

Loblolly pine growing on a TIG-managed property in Texas. © Caddo

Through consistent monitoring of the core U.S. timberland strategy, TIG and TNC are committed to providing clear and transparent reporting on the strategy's sustainability outcomes, including progress toward its conservation targets.

This section highlights measurable progress across TIG's sustainability pillars: nature-positive landscapes, climate action, opportunity for all, and good governance. These results show how sustainable forest management can unlock the full potential of working forests to maintain or potentially enhance economic value while supporting biodiversity, long-term conservation goals, and community well-being.

Nature-Positive Landscapes

TIG prioritizes the protection and improvement of ecosystems within managed landscapes by safeguarding diverse habitats, supporting endangered species, and fostering long-term ecosystem resilience. This work is grounded in sustainable forest management practices aligned with locally and internationally recognized standards, including the Programme for the Endorsement of Forest Certification (PEFC). Across the strategy, this means adherence to Sustainable Forestry Initiative (SFI) certification standards, which guide the responsible management of forests in ways that conserve biodiversity and ecosystem functions while supporting environmental and social outcomes.

To strengthen these efforts, TIG and TNC are dedicated to further protecting and enhancing biodiversity and ecosystem health provided by managed forests. The collaboration supports nature-positive landscapes primarily through two approaches:

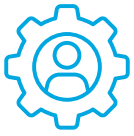
1) Implementing enhanced forest management practices that help working forests maintain or improve biodiversity and critical habitats; and

2) Supporting the permanent protection of ecologically significant lands, helping to safeguard important areas over the long term. In many cases, these protected areas also serve to connect existing conservation lands—expanding habitat and enabling wildlife movement.

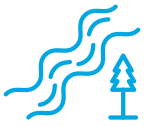
Through these complementary efforts, TIG and TNC aim to demonstrate how working forests can contribute to broader conservation goals while continuing to deliver value over the long term.

Key Highlights[2]

687 acres
permanently protected



Implemented enhanced sustainable forest management activities on more than
8,800 acres



Benefited
54 miles of rivers
through biodiversity-enhancing management practices

285,000 total acres
under special management designation[3]

2.95 million m³
certified harvest volume

100%
of eligible land area SFI certified

Enhanced Sustainable Forest Management

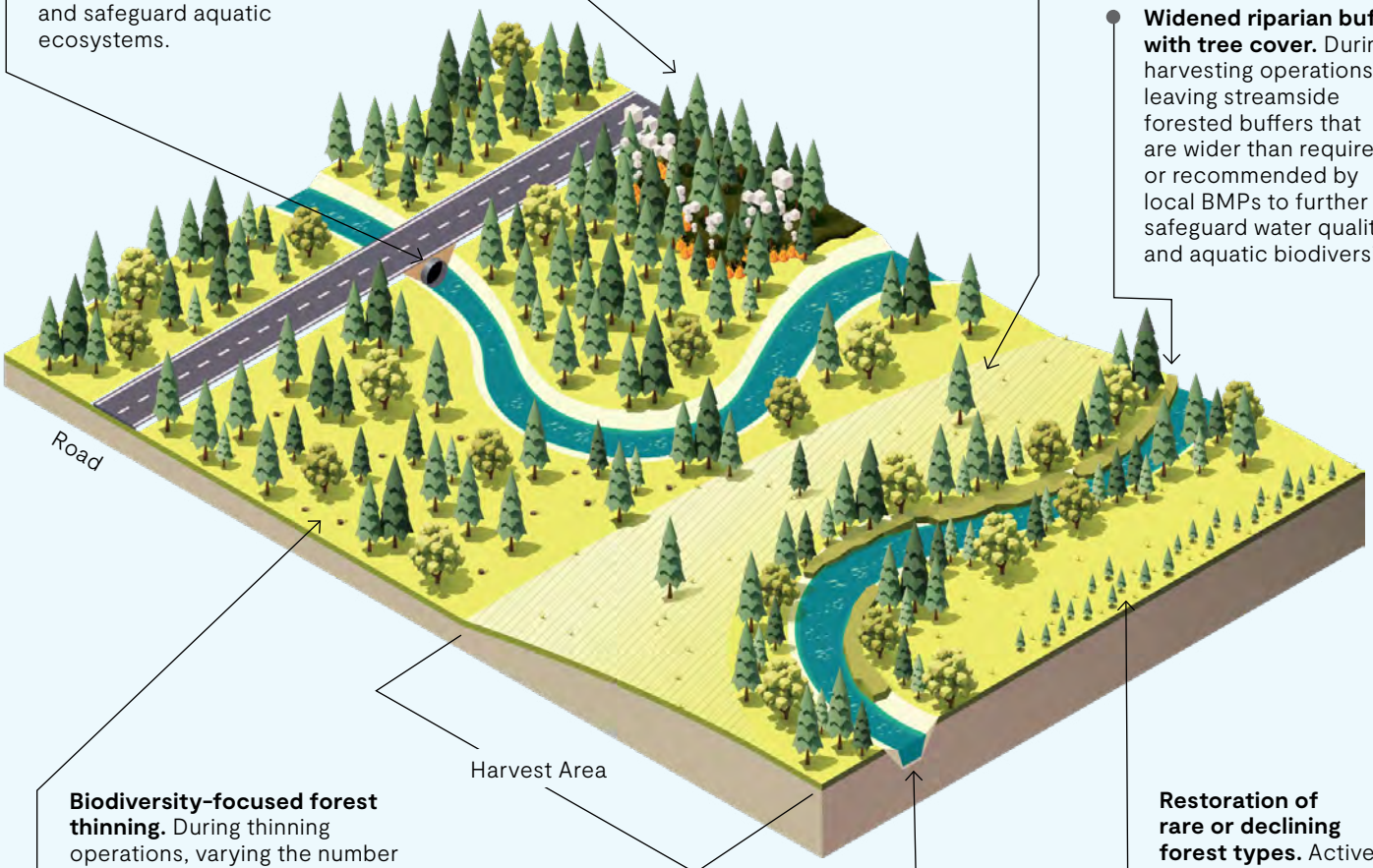
Enhanced sustainable forest management seeks to integrate practices that are beneficial for local biodiversity into forest operations and harvest plans. The collaboration has prioritized six management practices for the strategy, which are optimized for each site.

Prescribed burning. Implementing controlled application of fire, where appropriate, to reduce fuel levels and manage unwanted vegetation such as invasive species, and to promote native plant growth in fire-adapted ecosystems, benefiting associated wildlife and biodiversity.

Increasing green-tree retention. Leaving a portion of healthy overstory trees onsite after harvest to create diverse microclimates and habitat features that can support complex mixtures of plants and animals.

Enhancing road maintenance and upgrading stream crossings. Undertaking measures to enhance forest road infrastructure, including upsizing culverts and increasing water diversion features to mitigate erosion into waterways and safeguard aquatic ecosystems.

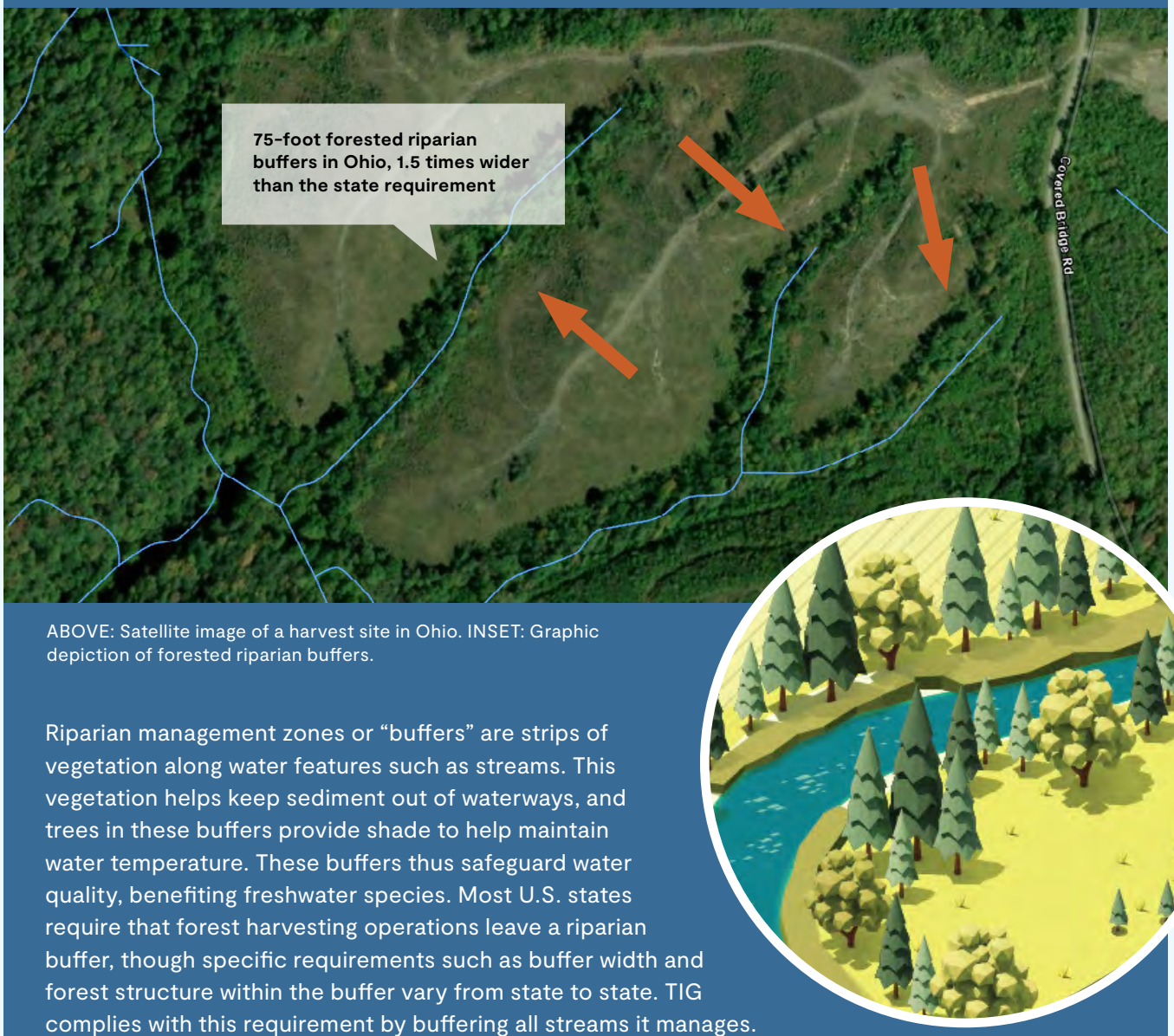
Widened riparian buffers with tree cover. During harvesting operations, leaving streamside forested buffers that are wider than required or recommended by local BMPs to further safeguard water quality and aquatic biodiversity.



Biodiversity-focused forest thinning. During thinning operations, varying the number and type of trees that are removed from different sections of the forest to increase diversity in tree density and light levels that reach the forest floor, thus supporting a wider variety of understory plants and animals.

Restoration of rare or declining forest types. Active restoration of native forest communities, such as longleaf pine and upland oak, to enhance biodiversity and resilience.

Forested Streamside Buffers[2]



ABOVE: Satellite image of a harvest site in Ohio. INSET: Graphic depiction of forested riparian buffers.

Riparian management zones or "buffers" are strips of vegetation along water features such as streams. This vegetation helps keep sediment out of waterways, and trees in these buffers provide shade to help maintain water temperature. These buffers thus safeguard water quality, benefiting freshwater species. Most U.S. states require that forest harvesting operations leave a riparian buffer, though specific requirements such as buffer width and forest structure within the buffer vary from state to state. TIG complies with this requirement by buffering all streams it manages. Across the strategy, these buffered streams cover approximately 6,000 miles.[1] The collaboration builds on these existing regulatory standards by planning harvesting operations in ways that further protect and strengthen riparian function. In areas where it is ecologically beneficial, this includes implementing wider and more structurally diverse buffers than required by law, recognizing the added safeguards they provide for water quality, habitat, and ecosystem resilience. Thanks to widening buffers and retaining more standing trees than required by regulation, in 2024, the collaboration delivered positive impact on 54 miles of rivers and streams.

Prescribed Burning[2]

Prescribed burning is a practice that utilizes controlled low-intensity fire where low-intensity fire is a natural part of ecosystems to remove unwanted understory vegetation, which often includes many invasive or encroaching species. The open forest conditions created by prescribed burns support native vegetation and reduce the risk of catastrophic wildfires that can destroy valuable forest resources. The risk of wildfires is well documented and is rising as climate conditions continue to change. Taking this and other benefits into account, prescribed burning can be a prudent and effective strategy to manage both forest productivity and resilience. For example, the benefits of prescribed burning can be amplified when applied in areas of recognized biodiversity and can substantially improve habitat quality and support local biodiversity.

In 2024, Caddo Sustainable Timberlands (Caddo), a TIG platform company in Texas, treated nearly 8,000 acres with prescribed fire, about half of which were located in areas of recognized biodiversity. Several months after the prescribed burning, a plant biodiversity assessment revealed that native understory plant communities are regenerating and noted 14 new occurrences of the federally endangered Texas Trailing Phlox (*Phlox nivalis ssp. texensis*).

ABOVE: A prescribed fire specialist, or burn boss, conducts a controlled fire on one of TIG's managed proprieties in East Texas. © TIG and TNC; INSET: Texas Trailing Phlox (*Phlox nivalis ssp. texensis*). © Matt Buckingham

Permanent Protection

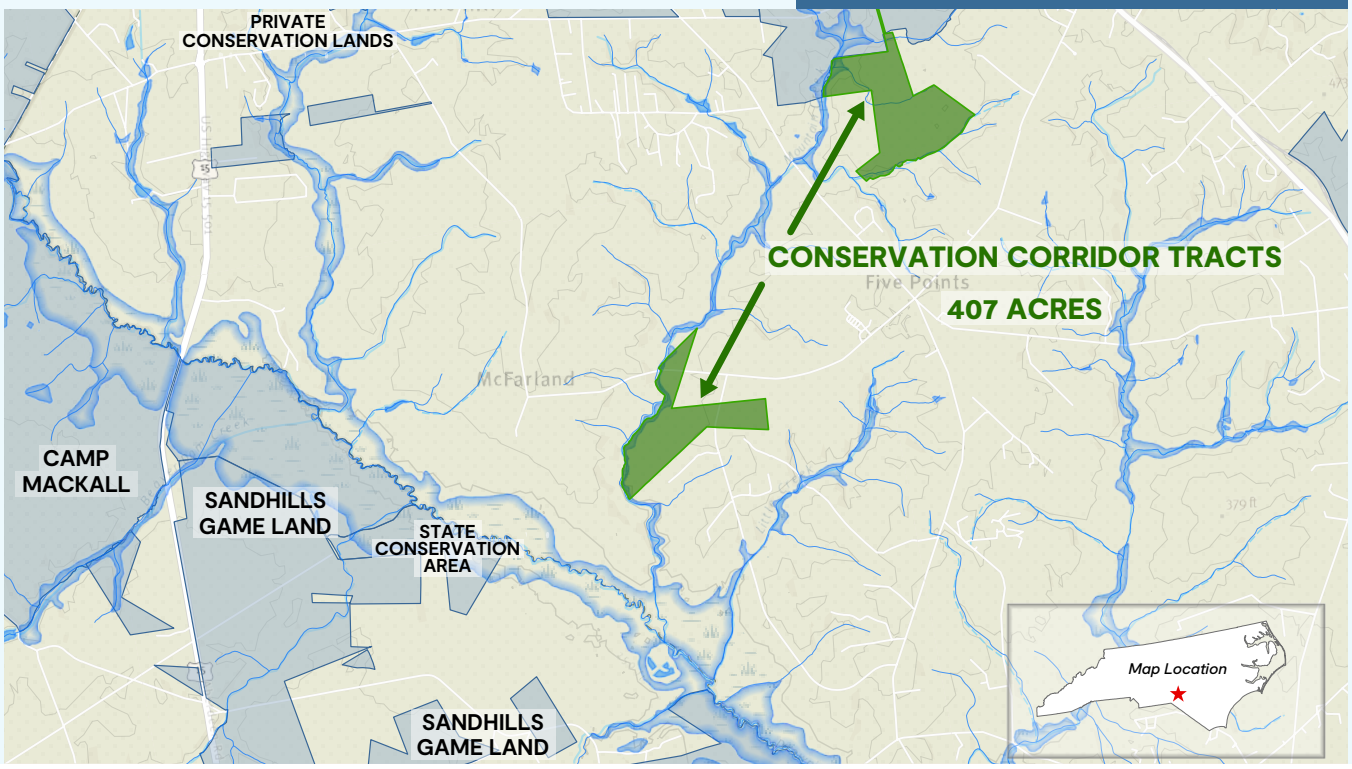
Permanent protection supports biodiversity and ecosystem health by legally safeguarding ecologically significant lands in perpetuity. Beyond these immediate effects, permanent protection also delivers a range of indirect benefits. Protected ecosystems help regulate climate by storing carbon, filtering and replenishing freshwater supplies, and supporting pollinators essential to agriculture. They also act as natural buffers against disasters like floods and wildfires, reducing risks to nearby communities. In many regions, protected areas provide long-term economic opportunities through sustainable tourism and local livelihoods. Additionally, they serve as living laboratories for scientific research and environmental education and often hold deep cultural or spiritual significance for local and traditional communities.

The strategy's permanent protection transactions may take two forms:

1. **Fee Sale:** A direct sale of land to a public agency or land trust to create a nature preserve or public recreation area.
2. **Working Forest Conservation Easement:** A legal agreement which includes managment plans for the property oftentimes with operating restrictions that protect the conservation values on the property while allowing for compatible forest management activities.

Protecting the Grey Eagle Corridor[2]

In 2024, TIG and TNC worked together to protect 407 acres in the Sandhills region of North Carolina through a conservation sale to the Three Rivers Land Trust. As a result of this transaction, these parcels will never be developed and will remain forested indefinitely. Their location adjacent to other large protected areas provides an important travel corridor for multiple species, including threatened and endangered species such as the red-cockaded woodpecker (*Picoides borealis*). Traditional conservation transactions typically take years to execute, and it can be challenging to align public sector and private sector interests to achieve permanent land protection. This project demonstrates that through trusted collaboration, such obstacles can be navigated to deliver meaningful conservation impact.



Climate Action

Mitigating climate change through Natural Climate Solutions (NCS) is a key strategic goal for the TNC-TIG collaboration. Research indicates that the preservation, restoration, and effective management of forests represent significant opportunities to mitigate the effects of climate change, accounting for over two-thirds of cost-effective NCS mitigation needed to hold global warming below 2°C.[20] Furthermore, when forests are sustainably managed—harvested, replanted, and their products utilized in climate-positive applications—the climate benefits extend beyond the forest itself.[21]

The collaboration seeks to increase the carbon sequestration of the strategy through enhanced sustainable forest management practices. These include identifying and developing opportunities for generating carbon offsets through improved forest management. Enhanced sustainable forest management practices such as widening streamside management zones (SMZs) and retaining increased tree cover in SMZs can lead to increased carbon sequestration above business-as-usual practices. Currently, TIG and TNC are exploring opportunities for high-quality carbon project development across the strategy's portfolio.

Hardwood tree farm in Ohio's Appalachian region on a TIG-managed property. © TIG and subsidiaries

Key Highlights[1]

13.8 million
trees planted on over 28,000 acres

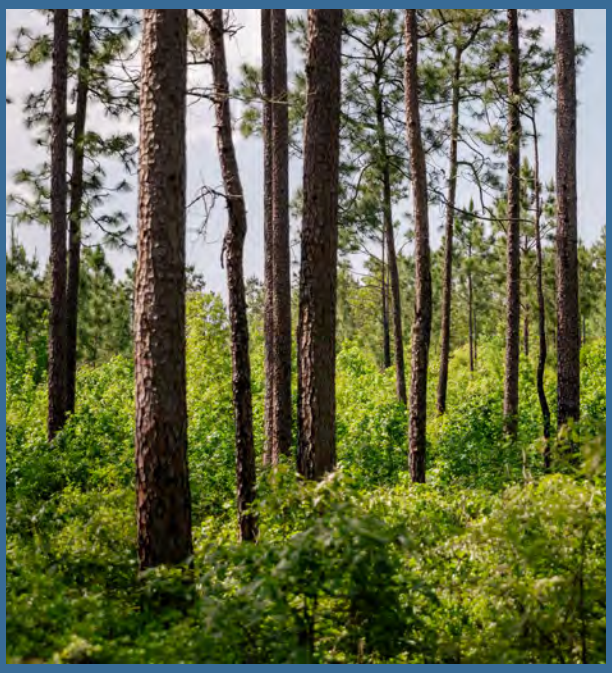
96 million tCO_2e
stored in the strategy's forests[5]

Nearly 500,000 tCO_2e
contributed to long lived wood products pool[5]

Maintaining Carbon Stocks

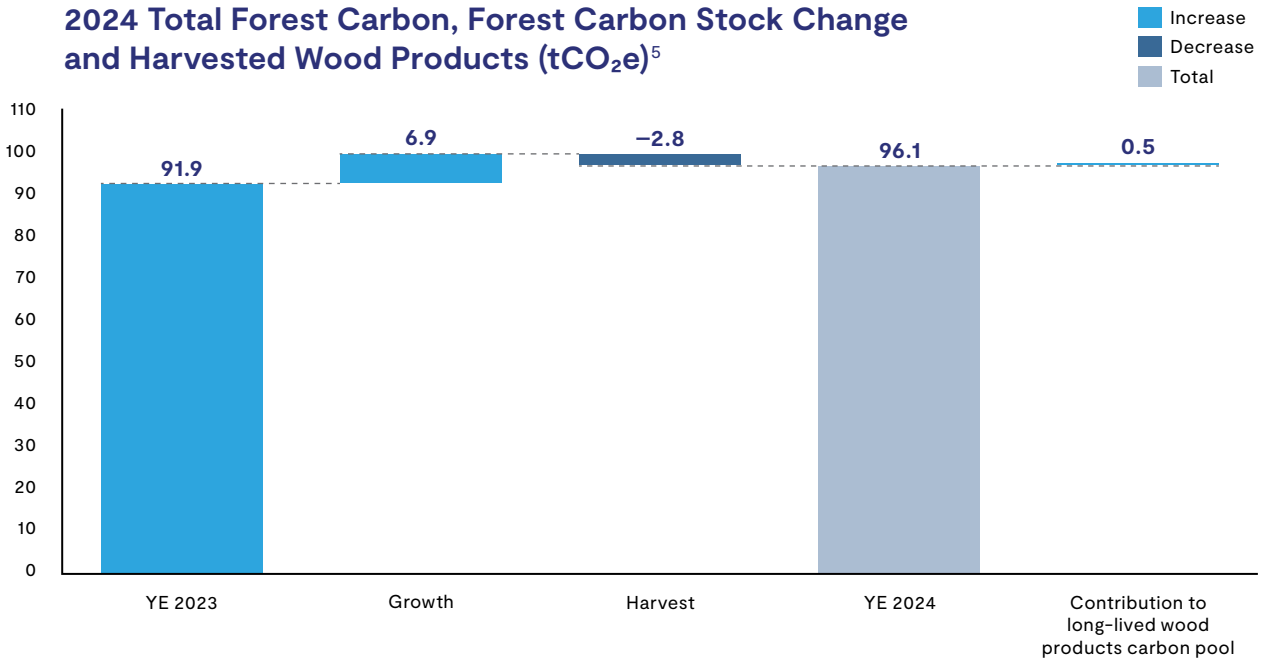
Forests play a vital role in mitigating climate change by capturing and storing carbon dioxide. TIG's management of the strategy aims to maintain a stable carbon stock stored in the forest. Tree harvesting is balanced by proportional planting and regeneration efforts through which TIG replants or naturally regenerates 100% of harvested land in accordance with best practices and third-party certification standards.

In 2024, TIG's core U.S. timberland strategy's portfolio stored 96 million metric tons of carbon dioxide equivalent (tCO_2e) and sustainably harvested timber contributed almost 500,000 tCO_2e to the long-lived wood products (LLWP) carbon pool.[5] These carbon stocks are not used to offset corporate emissions.



East Texas longleaf pine tree farm managed by TIG.
© TIG and TNC

2024 Total Forest Carbon, Forest Carbon Stock Change and Harvested Wood Products (tCO_2e)[5]



Climate Adaptation

Adapting to changes in climate is essential for landscapes to maintain long-term resilience against rising threats such as wildfires, pests, drought, and shifting species ranges. Without proactive adaptation, the ecological and economic value of forests is increasingly at risk. Integrating climate-smart management helps safeguard both the productivity and sustainability of forest investments amid accelerating climate change.

The Role of Culverts in Climate Resilience and Biodiversity

Culvert in stream crossing in East Texas. © TIG and subsidiaries

Working forests across the U.S. contain thousands of miles of roads to provide access for harvesting, silvicultural, and recreation activities. Roads cross rivers and streams along the way. Rather than driving directly over the streambed, to minimize environmental impacts, roads include stream crossings, usually bridges or culverts—structures that allow water to flow under the road and help to keep water flowing freely for fish and other wildlife.

Not all stream crossings are equal. Poorly designed culverts can block fish and amphibian migration by causing fast flows, high drop-offs, shallow depths, or a physical barrier. Even well-designed culverts age and need maintenance or replacement. Without proper design, installation, and maintenance, culverts can fail, which often occurs when rainfall exceeds capacity. When culverts fail, it can cause roadbed collapse, blockages, and sediment pollution. With climate change driving more extreme weather and altered rainfall patterns, undersized or poorly managed culverts are increasingly at risk.

Right-sized culverts are critical to maintaining aquatic ecosystem health across the strategy. Consequently, the collaboration has prioritized improving stream crossing infrastructure on key properties. At Caddo, which has an estimated 5,000 stream crossings, an ambitious effort is underway to improve management of culverts and road infrastructure.[2] Caddo is assessing the current condition of each culvert and prioritizes maintenance or replacement needs. In the first year, 575 stream crossings—approximately 10% of the total—were surveyed, with one-third located in areas of recognized biodiversity.[2]

In 2025, data collection of this infrastructure will continue, alongside the start of targeted corrective actions. Priority will be given to interventions on culverts located in areas of recognized biodiversity where harvest activity is planned.

AI-Powered Stream Flow Modeling for Climate-Resilient Forests

In 2024, TIG expanded its climate-smart forest management toolkit with the development of an in-house AI-powered water model to better understand and plan for current and future rainfall and stream flow. The model simulates stream depth, speed, flow rate, and direction based on predicted localized rainfall duration and intensity. By forecasting how rainfall events will affect water moving across the landscape, the model enables forest managers to determine the optimal culvert sizes for each stream crossing, reducing the risk of washouts. As climate patterns grow increasingly variable and extreme, the tool supports proactive scenario planning and infrastructure investment, increasing the climate resilience of the strategy.

Opportunity for All

TIG and TNC recognize that environmental stewardship requires a deep connection between people and nature. Across the core U.S. timberland strategy, the collaboration is committed to building strong relationships within the workforce and with local communities. To do this, we are advancing efforts in four key areas: promoting **fair employment** by providing ongoing support and continuing education to employees; **contributing to local economies** through job creation; increasing **public access to natural areas** through environmental education and recreational initiatives; and enhancing **community well-being** through direct contributions and in-kind support to local organizations.

TIG and TNC teams visiting a Caddo site in East Texas.
© TIG and TNC

Fair employment[1]

TIG is committed to building a workforce rooted in collaboration and environmental stewardship, delivering positive outcomes for investors, communities, and the environment. Through a focus on local hiring, recruiting talent from nearby colleges and schools, training, and professional development, TIG supports long-term job creation that strengthens regional resilience and prosperity.

Fostering a safe and healthy workplace is recognized as essential for both employee well-being and business success. A strong culture of safety is deeply embedded across all investments and operations, with teams trained to operate safely and in alignment with sustainability policies aligned with global best practices. For example, TIG partnered with the Ohio Forestry Association in 2024 to host the Chainsaw Safety Awareness that Works (CSAW) program at its Ohio property, equipping the workforce with essential safety and operational skills.

Key Highlights[1]

105 people
employed by TIG and its U.S. operational subsidiary[22]

9 people
employed by Caddo, TIG's platform company

20 training programs,
covering over 580 hours, provided to over 200 employees and contracted third parties[23]

Recordable incident rate:[24]
TIG and subsidiaries. **1.83**[25]
Caddo: **0**

Contribution to local economies[1]

In addition to direct employment, TIG actively seeks to engage with local businesses, associations, and organizations. These partnerships support regional economic development and strengthen community relationships.

61
external businesses engaged on strategy operations

Over 380 full-time equivalent (FTE)
supported and financed jobs through the strategy's activities

Public access to natural areas

TIG is committed to creating inclusive opportunities for communities to connect with forests through environmental education, recreation, and research. These programs seek to build awareness of sustainable forest management and ensure that working forests provide social and cultural benefits.

Education

Through the SFI Mentorship Program, two senior members of TIG's operational team volunteered as mentors to early-career foresters in the Pacific Northwest and the Carolinas. The mentorship program provided practical hands-on guidance in sustainable forest management, helping to build technical skills. TIG's operational team also hosts student interns from nearby universities, offering them hands-on experience.

TIG hosted a forest-based learning session for a youth camp in southern Ohio. Students explored the wide variety of resources offered by forests—from wood products to food, medicine, and recreational opportunities.

Recreation Access

In 2024, Caddo, hosted its third annual youth hunt, offering outdoor experiences for underserved youth. The event introduced ten young participants to ethical hunting practices, wildlife conservation, and responsible land stewardship.

TIG commissioned public hunting leases across 256,000 acres of the strategy's footprint, providing outdoor recreational access to an estimated 2,560 individuals.[26] TIG has also kept over 23,000 acres of land open for public use, offering local communities opportunities to engage in outdoor activities such as hiking, biking, and camping.[1]

Research

Continuing its collaboration with Stephen F. Austin State University, Caddo facilitated a graduate research project conducted on TIG-managed forestland. The project supports academic development while advancing understanding of forest dynamics in the region.

Caddo is also actively collaborating with Louisiana Tech University and the University of Arkansas at Monticello on a research study focused on Town Ant (*Atta texana*) population control.

Community wellbeing[1]

TIG is deeply committed to enhancing the wellbeing of the communities where the strategy operates. This commitment takes many forms, including financial contributions and in-kind assistance to community-based projects. Through these efforts, TIG seeks to support community-driven initiatives that protect natural resources, promote environmental stewardship, and foster strong connections between people and nature.

In 2024, TIG prioritized donations to local organizations focused on community health, environmental cleanups, and forestry associations. For example, in eastern Texas, Caddo partnered with the Texas A&M Forest Service and local groups to plant more than 150 trees in public parks as part of the Green Future Program, with an additional 280 trees donated for future planting. This effort revitalized urban green spaces, creating healthier environments for residents.

185

community members engaged through community programs impacted[4]

24

community organizations supported

TIG, subsidiary, and Caddo staff together at a community engagement event in East Texas. © TIG and subsidiaries

Good Governance

Pinecone. © Caddo

TIG upholds a strong corporate governance system that supports responsible, transparent, and ethical business practices across its operations. As part of BTG Pactual, TIG benefits from the bank's policies, oversight structures, and compliance systems, which guide our approach to risk management, anti-corruption, data privacy, and regulatory compliance. TIG's governance system integrates internal controls, third-party audits, and due diligence processes to ensure high standards of accountability and integrity.

Sound governance also underpins TIG's commitment to sustainability and responsible investment. All eligible properties are certified to leading third-party sustainability standards, including those of the Sustainable Forestry Initiative (SFI), which are endorsed by the Programme for the Endorsement of Forest Certification (PEFC). An environmental and social risk management process is maintained, embedded from acquisition through ongoing operations. Independent perspectives are incorporated into investment decisions through external participation on fund and strategy committees.

TIG's governance approach extends to people and culture by fostering a workplace built on fairness, safety, and performance. This commitment is anchored by formal codes of conduct, annual training programs, and a zero-tolerance policy for misconduct. A diverse and inclusive workforce is promoted through clearly defined policies and dedicated initiatives. To ensure long-term organizational strength, TIG invests in talent development through structured performance reviews, succession planning, and leadership training—ensuring we retain and grow the capabilities needed to deliver long-term value.

Looking Ahead

Longleaf pine tree farm managed by TIG. © Caddo

In 2025, TIG and TNC continue to pursue increasingly ambitious impact targets, with a focus on measurable outcomes and continuous improvement.

Across the strategy, TIG's approach is being refined to actively manage forests for biodiversity outcomes and continually adapt to prioritize the actions that deliver the most benefit for biodiversity while being operationally feasible to execute at scale. TIG has committed to managing the hardwood properties in Appalachia with enhanced/widened forested buffers on all streams mapped by the U.S. Geological Survey. In the U.S. South, we are exploring targets for forest management to benefit understory biodiversity, building on our success with Caddo's properties.

In 2025, TIG and TNC approved a set of specific priorities for social impact, focusing on increasing community access to nature and supporting local economies, which will be tracked and reported on in future years.

Going forward, TIG and TNC are committed to moving from annual management actions to portfolio-wide strategies which aim to deliver meaningful impact for biodiversity and climate. This approach not only improves the quality and credibility of impact outcomes across the strategy, but also underlines a shared commitment to continuous learning, innovation, and long-term environmental stewardship.

Endnotes

1. Source: TIG analysis. All metrics and data depicted as of December 31, 2024.

2. Source: TIG and TNC analysis. All metrics and data depicted as of December 31, 2024.

3. Includes areas in streamside management zones (SMZ), areas of permanent protection, areas under conservation easement, areas in other special riparian protection or management, and areas under other special management for conservation, restoration, or habitat related purposes.

4. Metric is inclusive of impact across all TIG-managed properties in the Pacific Northwest.

5. Source: BTG Pactual Timberland Investment Group as of December 31, 2024. Forest carbon stock is estimated by converting estimates of above-ground woody biomass derived from forest inventory, remote sensing, and other means to metric tons of above- and below-ground total biomass using regionally appropriate biometric models, published conversion factors, peer-reviewed research, or other means. Estimated biomass is then converted to metric tons of CO_2 equivalent (tCO_2e). Estimates do not include emissions associated with forest operations or management, and do not include carbon stock or stock change in dead biomass, soil organic carbon, leaf litter, or understory vegetation. Carbon stocks and stock change do not include consideration of the carbon stocks or emissions of processing facilities or certain investee companies. The estimated change in carbon stocks attributed to growth includes growth, inventory updates, map updates, and other adjustments. Contributions to long-lived wood products (LLWP) are calculated based on harvested commercial volumes by log assortment, including estimated recovery rates for LLWP. Only areas owned by TIG and its clients for the full year are included in these calculations. The estimates shown are not actual results. Actual results may vary widely from the estimates shown. TIG has no obligation to provide updates to such estimates.

6. EF Sustainable Investment Awards 2024: Environmental fund of the year, Americas and Real assets manager of the year. Awarded on 28 June 2024. The EF Sustainable Investment Awards are issued by Environmental Finance, an online news and analysis service that reports on sustainable investment, green finance, and environmental markets. A judging panel consisting of over 40 investors and industry experts chosen for their knowledge, objectivity and credibility along with the Environmental Finance editorial team reviewed the submitted entry material for this award. Judges scored each entry individually and any conflict of interest was removed. The judge's scores are confidential. Award based on information relating to the period of March 2023 to April 2024. TIG did not pay a fee to participate in this award. However, TIG did pay a fee to Environmental Finance in connection with publishing an announcement of the award and award redistribution rights.

   ImpactAssets 50 2024: Selected for ImpactAssets 50 2024 Annual Fund Managers List on 12 March 2024. ImpactAssets is an independent 501(c)3 organization and impact investing firm that seeks to help its clients define and execute on their impact goals. To compile the annual IA 50 list of fund managers, ImpactAssets assembles an annual Review Committee of experienced impact investment leaders.

   The IA 50 Review Committee selects firms according to a set of criteria developed to ensure that the list includes a diverse set of firms with experience in the field, scale in terms of AUM and investor base, commitment to impact and representing a range of approaches, asset classes and impact areas. Particular consideration will be given to firms that demonstrate a unique strategy, underrepresented impact theme and leadership diversity in view of application pool. 2024 selection based on 2023 data. TIG did not pay a fee to participate in this award.

7. Source: TNC analysis, as of December 31, 2024.

8. Source: BTG Pactual 4Q24 Results Presentation, BTG Pactual Annual Report 2024, and TIG analysis, as of December 31, 2024. The figures presented are those of Banco BTG Pactual S.A., and its affiliates – PTAX rate of BRL/USD at 6.1923.

9. Source: Global Alternatives analysis, as of December 31, 2024.

10. Inclusive of comingles and co-investment managed acreage.

11. Defined as resilient, high-quality timberland assets located in deep and stable markets producing consistent cash flows.

12. Congressional Research Service, 2021. https://sgp.fas.org/crs/misc/IF12001.pdf.

13. Goals reflect a percent of total portfolio acreage, which are expected to change over time.

14. Increased from 30,000 acres to set a more ambitious goal due to the significant potential present across the portfolio.

15. This figure includes projections of sequestration potential from two possible carbon projects calculated by a third-party project developer. Additionally, this figure includes 90,000 tCO2e of sequestration potential from the implementation of improved forest management practices between 2024 and 2031. Carbon volumes associated with improved forest management practices were estimated by multiplying mean above

and belowground live and standing dead carbon volumes (derived from forest inventory data analyzed using the Fire and Fuels Extension of the Forest Vegetation Simulator) by projected land area on which these practices will be implemented. Mean per-acre carbon volumes were further adjusted to reflect recommended overstory retention levels within these areas. These estimates do not include future growth of retained trees or deductions for leakage or permanence. These estimated emissions reductions have not been third-party verified and thus are not eligible for sale as credits or for use to offset internal emissions.

16. Hexagons representing TIG-TNC portfolio are a generalized representation and not to scale.

17. Acreage calculated as total ownership of Caddo Sustainable Timberlands (CST) as of December 31, 2024. BTG proportional ownership (40%) stake in CST is 353,791 acres.

18. Map includes Noble Farm, which is included in TIG's core U.S. Open-ended Strategy, but not under advisement from TNC.

19. Minimum Acceptable Standards include 1.) Forest Management: meet or exceed relevant Best Management Practices, appropriate third-party certification of eligible properties, use of region-appropriate native species; 2.) Land Uses: no conversion of forestland to non-forestland and vice versa, renewable energy development with appropriate mitigation of impacts to timberland, targeting the extraction & development of hydrocarbons is prohibited; 3.) Ecosystems and Biodiversity: Adherence to relevant regulations and standards for threatened or imperiled species or ecosystems both within and outside properties, no investments that may adversely affect native or migratory species or ecosystems, no introduction (and active prevention) of invasive species spread; and 4.) Local Communities seek positive impact on local communities, no violation of labor laws, Fundamental Human Rights Convention, and UN International Labor Organization "Rights at Work," no investments or management practices that may adversely affect local communities, including indigenous peoples.

20. Source: Griscom, B.W. et al. Natural climate solutions. 2017. Proceedings of the National Academy of Sciences. https://doi.org/10.1073/pnas.1710465114.

21. Source: Mishra, A., Humpenöder, F., Churkina, G. et al. Land use change and carbon emissions of a transformation to timber cities. 2022. Nature Communications. https://doi.org/10.1038/s41467-022-32244-w.

22. Includes entirety of TIG and TIG's U.S. operational subsidiary workforce, including employees not entirely dedicated to the core U.S. open-ended strategy.

23. Figures include trainings provided to TIG's portfolio companies' employees.

24. The incident rate calculation is: (N/EH) x 200,000, where N = number of injuries and illnesses; EH = total hours worked by all employees during a 52-week calendar year; and 200,000 = base for 100 equivalent full-time workers (working 40 hours per week, 50 weeks per year).

25. Calculation includes TIG and TTG FS employees.

26. Assumption estimates 1 hunter per 100 acres of forest.

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