2026 ESG Report

Timberland
Investment
Advisory

Content

TIA: Timberland Investment Advisory, IWC's advisory business. ESG: Environmental, Social, and Governance.

ESG & Sustainability at IWC TIA

At The International Woodland Company Timberland Investment Advisory (IWC TIA) we are committed to the principles governing responsible investing and sustainable management of natural resources. From our perspective, environmental, social, and governance factors affect organizations' bottom line and success, their natural and social capital, as well as habitats, communities, and stakeholders directly or indirectly involved in their activities.

We believe that integrating ESG criteria into our investment processes – from due diligence to exit – is critical, not only for the environmental and social sustainability of our investments, but also to achieve competitive returns and positively contribute to humanity's wellbeing and the planet's prosperity.

IWC TIA's core principles and values are inspired by accredited international principles, guidelines, and standards as we strive to consistently improve practices across our sector. Moreover, we believe third-party forest certification to be an essential tool for the management of our forest investments, driving best practices, positive outcomes for the environment and local stakeholders, while reducing operational risk.

IWC is a signatory of the United Nations Principles for Responsible Investment (UNPRI) and the Danish Sustainable Investment Forum (DanSIF), a member of the Forest Stewardship Council (FSC), a participant in the Programme for Endorsement of Forest Certification (PEFC) – a stakeholder consultation forum - and forum member of the Task Force on Nature-related Financial Disclosure (TNFD).

PRI Principles for Responsible Investment

TNFD

FINANSTILSYNET

U.S. SECURITIES AND EXCHANGE COMMISSION MCMXXXIV

FSC

PEFC

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The ESG Report

The ESG Report produced by TIA is the outcome of a long and structured process occurring across several months each year, divided in six main phases: Design, Collection, Validation, Assessment, Reporting, Review. While the process is led by the ESG specialists in TIA, the entire team is involved – especially in relation to Validation and Assessment – demonstrating the high level of integration across the team and the strong relationship between ESG, forestry, financial data, and performance.

The report's quality and coverage is founded on data we receive from our partner managers (TIMOs). For this reason, over the years we have established strong relationships with them and have structured internal procedures and tools to ensure the highest possible level of alignment between the different TIMOs and reporting standards.

Ultimately, we have been guiding several of the managers we work with in the process of improving their sustainability profiles and reporting, and we are on a journey that benefits all parties, including the investors.

Our aim is to continuously improve the coverage – in terms of quality and extent – of sustainability-related metrics in a transparent and professional manner. As a team, we believe the value of ESG metrics to go beyond reporting, and we are increasingly utilizing the collected datapoints to enhance our understanding of the investments' risks and opportunities, to support our decision-making processes, and as driving force of our engagement.

Design
Preparation of background materials
Planning & assignment of goals

Collection
Delivery of data requests to the managers

Validation
Revision and review of data
Active engagement with the managers

Assessment
Storage of data in dedicated database
Data activation

Reporting
Production of entity-level ESG Reports
Delivery of entity-level ESG Reports

Review
Feedback sessions
Identification of potential improvements

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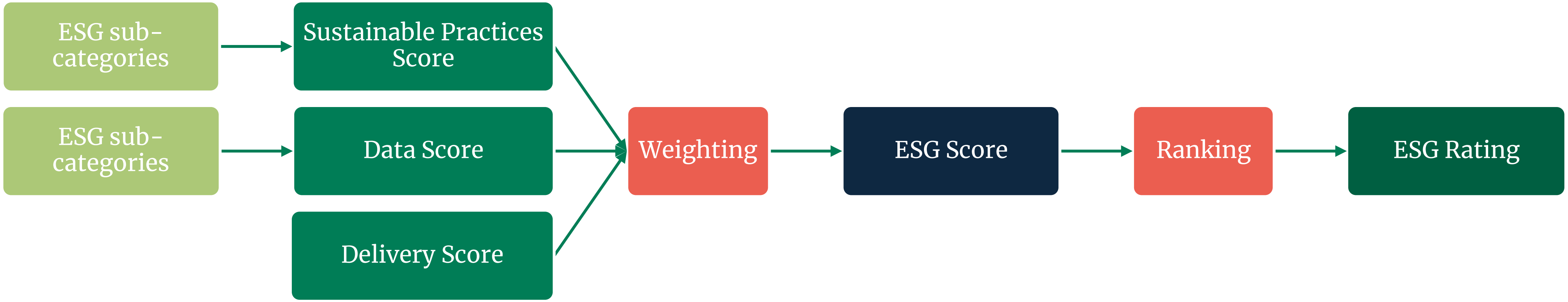
ESG Score & Rating Methodology

IWC TIA deems ESG integration to be both a risk mitigant and value driver in natural capital investments and, while we recognize that ratings and scorings have limitations, we have been developing methodologies to consistently compare managers and investments across portfolios. While Scores provide higher differentiation between the TIMOs, Ratings group them in categories and are less sensitive to single metrics and parameters – being complementary. Notably, one of the main aims of our Scores and Ratings is to identify weaknesses to address and strengths to leverage.

Over time, our ESG Scoring and Rating system evolved to better reflect best practices and emerging standards. However, the journey is not completed, and adjustments will continue to occur as the industry and the markets evolve.

ESG Scores and Ratings are compiled annually and are relative to the year's market practices – in this sense, comparing Ratings and Scores over years should be done carefully. Moreover, Scores and Ratings tend to focus on the annual data delivery rather than on-the-ground sustainability practices – the latter more detailed assessments belong to a different set of ESG processes within our team.

The ESG Score is the weighted average of 1) Sustainable Practices Score – evaluating company-level practices and commitments; 2) Delivery Score – evaluating managers timeliness and quality of reporting; 3) Data Score – evaluating the managers ability to report the set of metrics. Both the Sustainable Practices and Data Scores are based on 10 sub-categories addressing different aspects of ESG integration.



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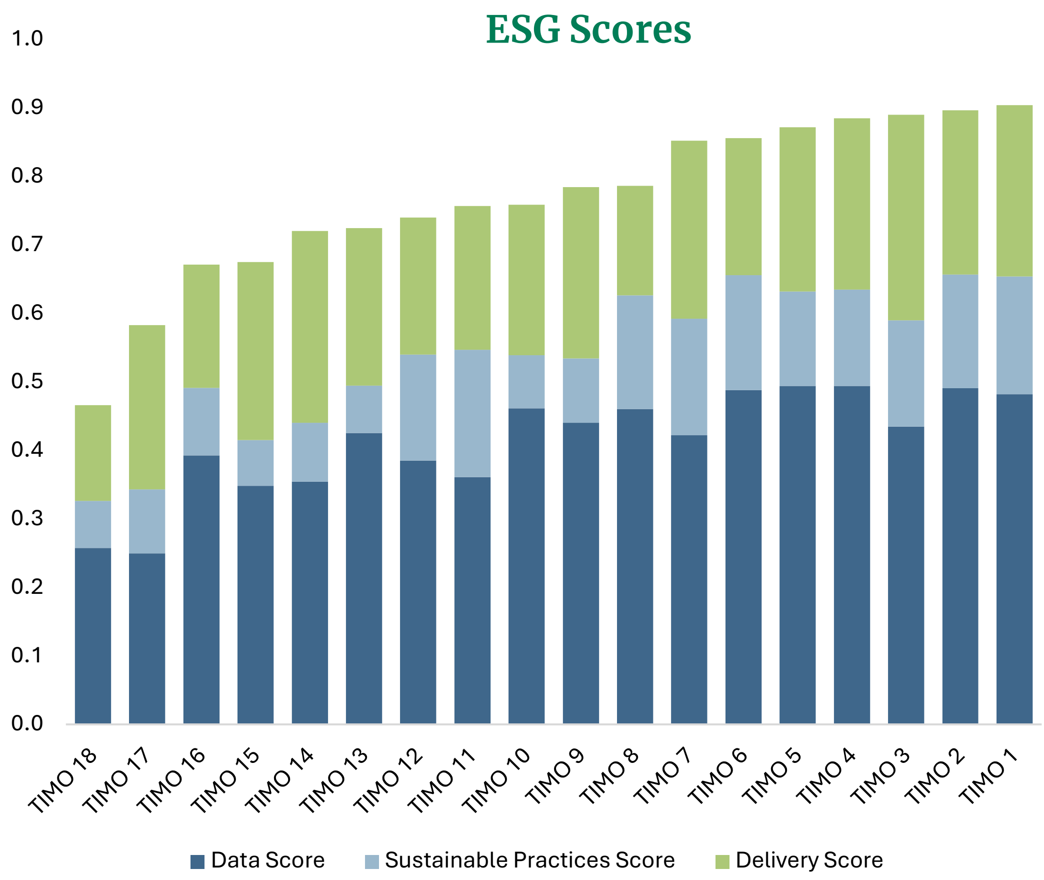
2025 ESG Score Results

Final Average Score	**0.79**
Delivery Score	0.76
Sustainable Practices Score	0.72
Data Score	0.84

In 2025, IWC TIA assessed 18 different TIMOs, being a significant part of the total institutional market. Over the years, most companies have been improving their ESG capabilities and the ranking differences across several players are, in many cases, decided by a single datapoint or practice. Moreover, several managers have changed their raking position since 2024. These two dynamics demonstrate that the industry continues to change and is increasingly embracing sustainability.

Among the TIMOs, ESG is recognized as both a value-add component and risk mitigant, with the most advanced players increasing the level of ESG integration across the company. Sustainable forest management certifications are widespread and core, pushing the use of other initiatives to provide differentiation.

Alignment in the data deliveries and reporting is improving across the industry with several metrics nowadays being standard and robust, e.g. carbon metrics. Moreover, due to direct access to most data inputs, the majority of the TIMOs opt to use internal estimation models. In the end, over the last few years the industry is becoming more aligned with investors requests and frameworks, recognizing the value of reporting.



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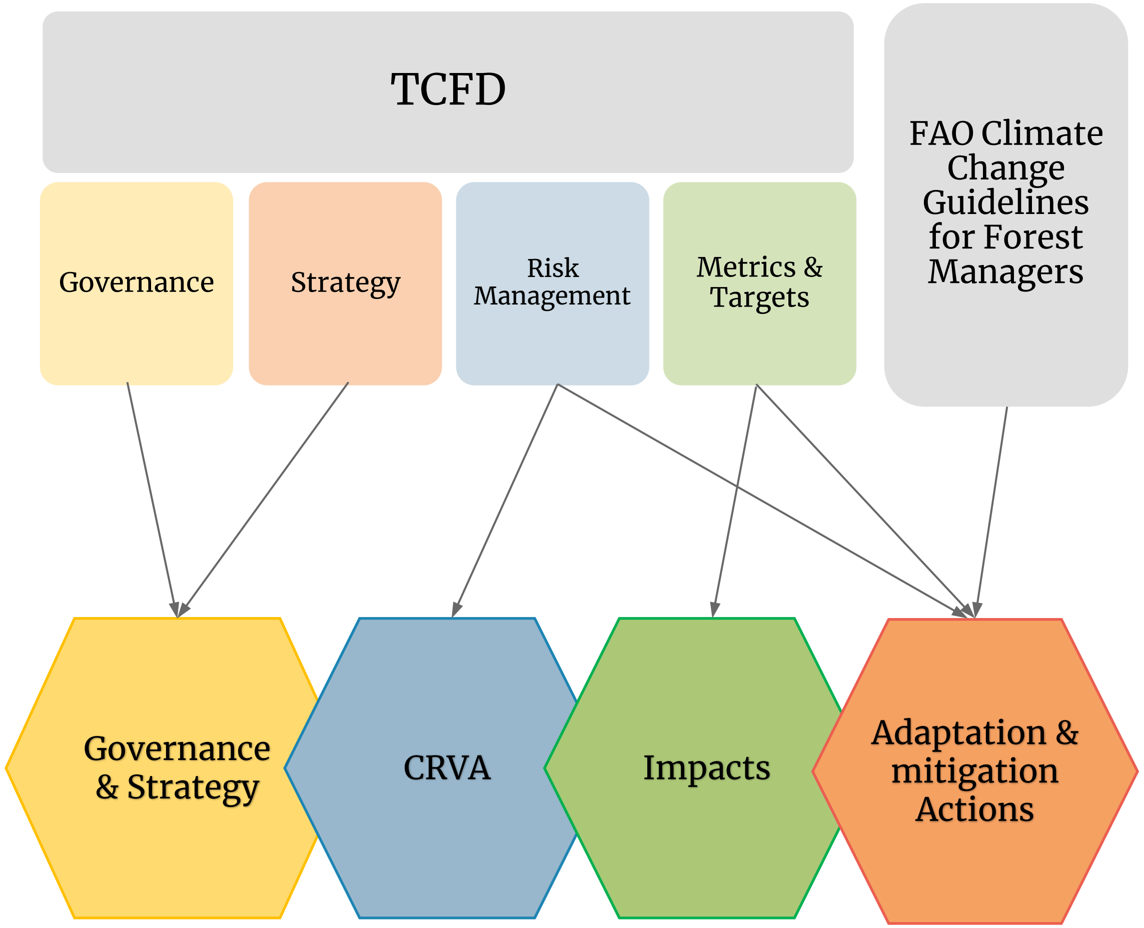
Climate Change Score Methodology



Climate change is increasingly threatening the planet, and natural capital investments may be at severe risk with changing natural cycles and worsening climate hazards. In this context, preparedness to climate change is likely to provide competitive advantage and unlock potential opportunities in the industry.

While IWC TIA extensively integrate climate change in our investment management (see IWC TIA's Climate Assessment), we also developed a simpler Score to assess the managers' approach to climate change for quick overviews and comparability purposes. Indeed, at IWC TIA we also conduct structured and thorough climate preparation assessments, which, on the other hand, require additional involvement and time to be performed.

Based on the TCFD and FAO Climate Change Guidelines for Forest Managers, we established our Climate Change Score methodology focusing on four main aspects:

1) Governance & Strategy – evaluating the overall company approach to climate change

2) Climate Risk and Vulnerability Assessment (CRVA) – evaluating the managers ability to assess investments climate risks and opportunities

3) Impacts – evaluating the managers ability to monitor climate-related impacts, utilizing a double materiality perspective

4) Adaptation & Mitigation Actions – evaluating the presence of appropriate climate adaptation and mitigation practices.

TIA: Timberland Investment Advisory, IWC's advisory business. FAO: United Nations Food and Agriculture Organization. TCFD: Taskforce for Climate-related Financial Disclosures.

Climate Change Integration Score Results

Governance & Strategy	0.22
CRVA	0.83
Impacts	0.65
Adaptation & Mitigation Actions	0.59

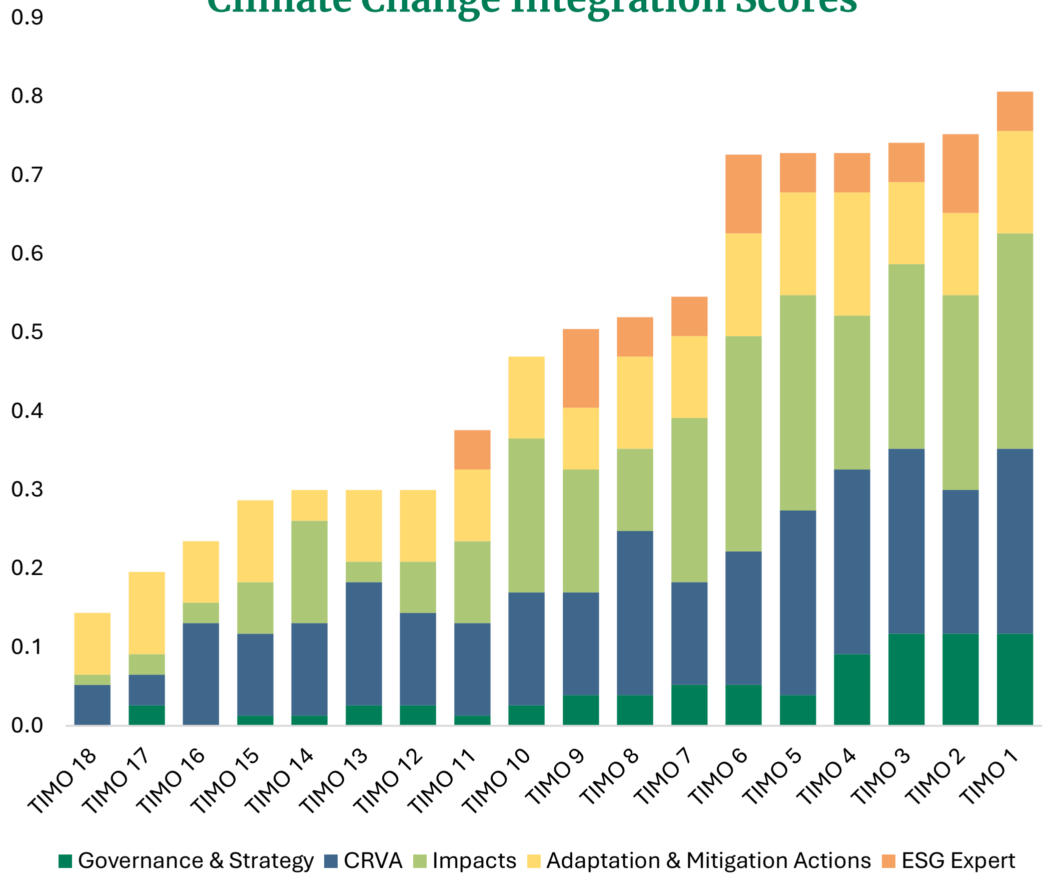
Climatic factors have always been a core aspect in forestry investments, being a driver of success or cause of failure. On the other hand, the degree of progress in integrating climate change in investment decisions is significantly different across companies. This is reflected by the large spread between TIMOs' Climate Change Integration Scores, with a clear group of leading companies and laggards.

The phenomenon is mainly due to the dedication and the time and resource investment that this process requires, which need to be supported by executives and boards – the reason for Governance & Strategy being the least developed area for most of the TIMOs (lack of structures, endorsement at company level, top-down support).

Importantly, several TIMOs conduct climate impact assessments and have processes in place to mitigate climate hazards. The main difference here lies in the quality of the assessments and adaptation measures, aspects not fully captured by these Scores.

Finally, some TIMOs have been able to demonstrate climate integration beyond the Score standard assessment and have been rewarded with ESG Expert extra points.

Climate Change Integration Scores



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IWC TIA's 2025 ESG Highlights





15 LIFE ON LAND

470,000 hectares of sustainable productive forests

99,000 hectares of protected areas

14 million trees planted

400 species protected

13 CLIMATE ACTION

120 million tCO_2e stored in forests

2.1 million tCO_2e of biological sequestration

320,000 tCO_2e of forestry emission in 2025

1.2 million tCO_2e stored in harvested wood products

3 million tCO_2e of net sequestration in 2025 = **440,00 EU citizens** annual emissions

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

5.9 million m^3 of annual timber growth

4.6 m^3 of sustainable timber production in 2025

66% as construction materials = **120,000 houses**

34% as paper-related products

6 CLEAN WATER AND SANITATION

6,100 hectares of wetlands protected

1,400 hectares of wetlands restored

41,000 hectares riverbanks protected

56 kilometers of streams restored

8 DECENT WORK AND ECONOMIC GROWTH
5 GENDER EQUALITY

1,700 people directly employed by IWC TIA's managers

31% of employees identify as female

110 new employees hired by IWC TIA's managers

29% of new employees identify as female

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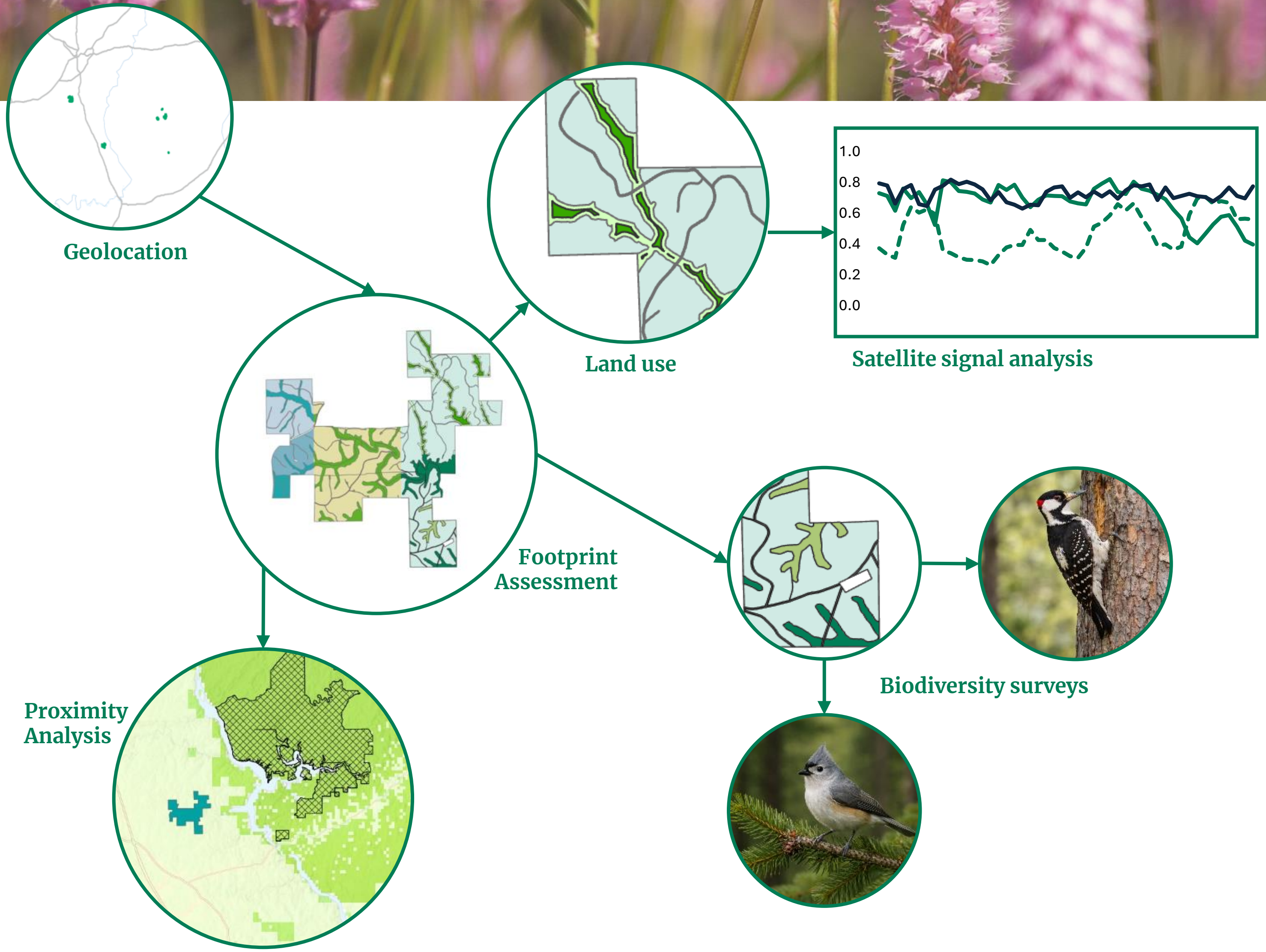
Case Study – IWC TIA's biodiversity assessment



Biodiversity is a fundamental component of our stewardship approach and integral in the management of our forests. To anchor our ambitions, over the years we developed an assessment framework built around four key dimensions—biodiversity composition, habitat connectivity, ecological integrity, and high conservation value.

The framework is supported by an assessment methodology based on *foundation* and *focus* metrics: the first are applied consistently across all investments to enable comparability and baseline assessments, while the latter are tailored to the specific characteristics of each forest. The methodology also combines established field-based surveys with evolving monitoring technologies to cover the broadest set of features.

Acknowledging the continuous developments in this filed, our assessments are continuously refined through feedback and learnings and align with TNFD as we biodiversity-related risks, opportunities, dependencies, and impacts.

While robust data and monitoring are essential, this is only the first step; our objective is to translate information into management decisions and meaningful action on the ground.

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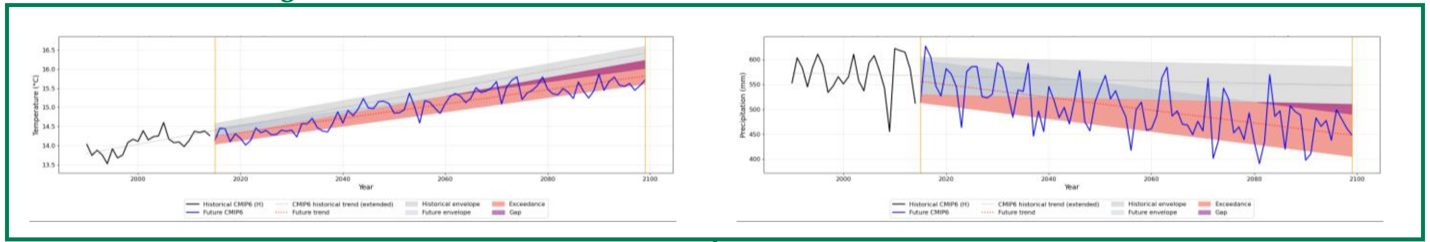
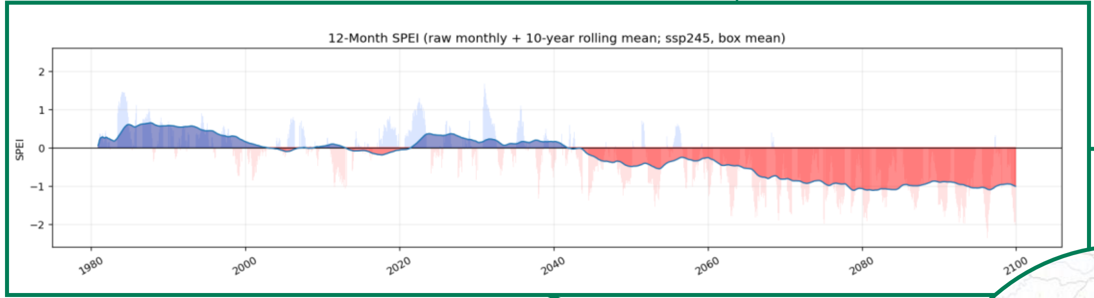
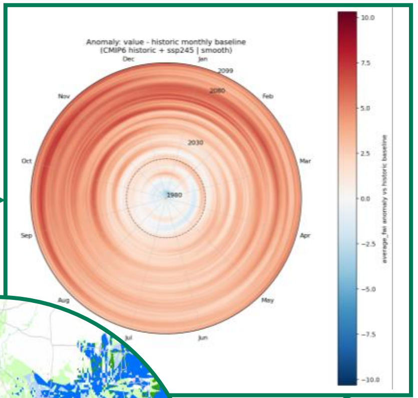
Case Study – IWC TIA's climate assessment

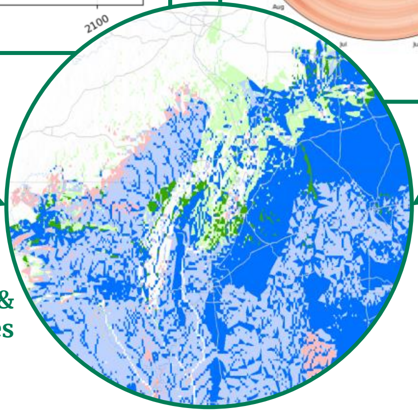
Chronic climate change



Acute climate change







Species suitability & Growth rates

Climate change is one of the most significant long-term risks affecting natural capital, through both chronic climatic shifts and natural hazards. Hence, integrating climate considerations in our investment process is essential to maintaining healthy, productive, and resilient ecosystems.

IWC TIA developed proprietary climate assessment models based on the latest IPCC scenarios and ERA5 climate data, complemented by peer-reviewed scientific research, forest, soil, and geographical data to assess the real impact of climate change on forest productivity, species suitability, and ecosystem resilience. The models utilizes industry-proven techniques and cutting-edge machine learning algorithms to analyze large multidimensional datasets and identify meaningful relationships across variables.

Developing these assessments in-house provides full transparency into underlying assumptions, allows us to tailor assessments to our investment needs, and ensures seamless integration into portfolio and forest management. The resulting analyses support informed climate diversification across investments, establishment of adaptation solutions, and are aligned with TCFD recommendations and the requirements of the EU Taxonomy.

Graphs: mean annual temperature (top left), annual precipitation (top right), SPEI (Standardized Precipitation-Evapotranspiration Index) (mid-left), fire weather index (mid-right), species suitability range (bottom). TIA: Timberland Investment Advisory, IWC's advisory business. TCFD: Taskforce for Climate-related Financial Disclosures. IPCC: Intergovernmental Panel on Climate Change. ERA5: global climate reanalysis produced on behalf of the Copernicus Climate Change Service.

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For regulatory reasons, IWC carries out its main activities through the International Woodland Company ApS and IWC Investment Partners A/S (both wholly owned subsidiaries of the parent company, International Woodland Company Holding A/S). IWC Investment Partners A/S, a Danish limited liability company established in 2012, is the only IWC company under the supervision of and authorized by the Danish Financial Supervisory Authority as an alternative investment fund manager ("AIFM") and the only IWC company which is a Registered Investment Advisor with the SEC in the United States.

IWC International Woodland Company ApS
CVR no. 15 01 31 76

IWC IWC Investment Partners A/S
CVR no. 34 46 52 90

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