



CLIMATE TRANSPARENCY REPORT 2020

Resource Management Service, LLC

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-C626313E-1703-4299-990B-FE742F0E46A5/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2020 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 07.5 CC	✓	Private				
SG 07.6 CC	✓	Private				
SG 07.7 CC	✓	Private				
SG 07.8 CC	-	Private				
SG 13.1	✓	Public				
SG 13.2	-	Public				
SG 13.4 CC	-					
SG 13.5 CC	-					
SG 13.6 CC	-					
SG 13.7 CC	-					
SG 13.8 CC	-					
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.6 CC	-	Private				
SG 14.7 CC	-	Private				
SG 14.8 CC	✓	Private				
SG 14.9 CC	-	Private				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	Resource Management Service, LLC
Signatory Category	Other
Signatory Type	Investment Manager
Size	US\$ 1 - 4.99 billion AUM
Main Asset Class	>50% Forestry Internally Managed
Signed PRI Initiative	2016
Region	North America
Country	United States
Disclosure of Voluntary Indicators	64% from 38 Voluntary indicators

Resource Management Service, LLC

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01	Mandatory	Public	Core Assessed	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1	Indicate if you have an investment policy that covers your responsible investment approach.
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SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 01.6 CC	Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.
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Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.
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The physical climate-related risks for forest management are the same as the physical risks traditionally associated with the sector, although heightened in some cases. As part of our organizational commitment to sustainable forestry, RMS implements site-specific silvicultural management techniques to cultivate healthy, resilient forests. Through this framework, the physical risks associated with climate change are appropriately considered at all scales of forest management - ranging at the fine scale within specific forest areas, to broader scale landscapes. Examples of management techniques implemented by RMS that address physical risks of climate change include species selection, forest thinning, and productivity investments to reduce the risk of pest infestations and disease.

Additionally, RMS continues to engage with external research groups, such as Manomet and the National Council for Air and Stream Improvement (NCASI), to formulate assessment frameworks for climate-related risks in working forests. Previously, RMS participated in the PINEMAP project, a USD 20 million federal grant to educational and research cooperatives to examine the impact of climate change on conifer tree species. Through this project, several research installations were established and monitored on RMS managed forest assets.

While the organization is well versed in the physical climate related risk factors, we have been less active in identifying and assessing transition risks. In 2020, RMS will be assessing the suitability of conducting a climate scenario analysis and will incorporate the identification and evaluation of transition risks in that assessment. Additionally, RMS senior managers are regularly engaged in discussions of potential opportunities that may benefit investors resulting from the power of forests as a natural climate solution.

RMS has a staff of more than 165 experienced and highly skilled forest investment professionals and we directly oversee all core functions and processes along the timberland value chain for our investors. As a timberland investment management organization (TIMO), forestry is in our DNA and our people are experts in every aspect of timberland investing, including: acquisition sourcing, transaction negotiation, due diligence, forest genetics, forest management, timber merchandising, land marketing, regulatory compliance, environmental stewardship, and wildlife management. As an organization of professional foresters, we have actively participated in the forest research community for over 50 years, and as experienced managers of a biologic asset, RMS foresters are engaging daily with the environment and observing any changes resulting from climate change.

No

**SG 01.7
CC**

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

Describe the associated timescales linked to these risks and opportunities.

Risks

- Droughts - short term and long term
- Heat - long term
- Storms - current
- Pests - long term
- Flood - current, small scale
- Fire - current, small scale
- Tree disease - long term

Opportunities

- Carbon offset projects - current
- Long term increases in growth and yield of actively managed forestland - long term
- Water quality offset projects - current and long term
- Species habitat mitigation projects - current and long term

No

**SG 01.8
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

Explain the rationale

We are at the beginning of our journey in developing an appropriate effort of disclosures addressing climate change and related issues, and as such we have not yet determined how our business priorities intersect with the work of the TCFD. Generally, RMS is in the process of evaluating how best to engage with climate related organizations, frameworks, and collaborative initiatives. RMS conducted our first Materiality Assessment in 2019. Key stakeholders noted the importance of climate change mitigation and adaptation as material issues for RMS. This strong signal from stakeholders has confirmed the need to craft a path forward for engagement broadly with organizations such as TCFD.

**SG 01.9
CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

	Describe
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RMS incorporates climate-related risks and opportunities into our forest management strategy. Currently, as a manager of forestland assets, RMS is actively engaged with the leading organizations in our field that are examining how climate change impacts forestland through basic and applied science. We continue to leverage learnings from these institutions and will refine our efforts based upon the results of our recently completed materiality assessment. Through our long history of engagement with such groups, including forest research cooperatives, independent research organizations, and government agencies, we believe we are well-informed on the relevant risks on behalf of our investors and already manage these issues as part of the daily course of business.

Additionally, RMS has adopted an updated corporate strategic objective to deepen efforts to identify and act upon climate-related opportunities on behalf of investors, including extensive exploration of market opportunities for forestry carbon offset projects.

No

SG 1.10 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
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- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other
- We currently do not publish TCFD disclosures

Governance and human resources

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
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- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.3	Additional information. [OPTIONAL]
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While RMS does not undertake formal scenario analysis of ESG factors, specifically climate-related issues, the complex forest growth and yield modelling conducted regularly to facilitate sustainable management of forest assets under RMS management authority solves for a long-term sustainable solution to meet the requirements of our third-party audit certifications and to meet RMS policy.

Additionally, we evaluate potential investments for environmental and social issues and opportunities during acquisition due diligence. Prior to acquiring an investment, RMS extensively screens candidate investments for environmental and social risks using environmental consultants, legal consultants, or our own internal experts depending on the nature of the investment. If any environmental risks are identified, we can choose to:

- Remove the area with risks from the investment footprint
- Require current owners to clean waste sites to an acceptable standard
- Reduce the purchase price by the cost of a well-defined remediation program

Although the specific actions may vary by investment, our commitment to ensuring positive ESG outcomes does not. We are committed to robust governance structures that promote accountability, to screening prospective investments for risks, to managing forests with a focus on sustainability, and to having a third party verify our performance on ESG for all investments.

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.
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- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)

	other description (1)
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- Threatened, Endangered, and other “at-risk” wildlife and plant species and associated impacts of sustainable forest operations
- Other, specify(2)
 - None of the above

SG 14.2	Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity
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- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify

	other description
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- Developing replicable carbon storage measurement procedures in all RMS operating regions. Carbon storage measurements are shared publicly within the RMS Global Sustainability Report.
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify

other description

Carbon stock analysis of all forestland under management. Actively engaged in research collaboratives focused on climate-related risks with material impacts on forest management activities

- None of the above

SG 14.5

Additional information [Optional]

RMS addresses the long term trend of resource scarcity through two primary mechanisms - production of raw materials for sustainable wood production, and protection of water quality through proven management efforts.

Sustainably managed working forests provide the renewable raw materials for a wide variety of products that meet our global society's diverse needs, including building materials, which require less energy to produce than less sustainable alternatives such as steel and concrete, fiber for paper and packaging, chemicals, pharmaceuticals, textiles, and many other products. Unlike extractive industries, the forest investment sector stewards a renewable resource to provide the inputs for industrial and consumer products. Our SFI, PEFC, and FSC sustainability certifications evaluate specific and measurable indicators related to efficient wood utilization that ensure RMS employs appropriate forest harvesting technologies to minimize waste of harvested trees.

Forests are a powerful natural technology for providing abundant clean water resources. Forests filter sediments and nutrients from water runoff before it enters streams, lakes, and other water bodies and are a critical component of water resource infrastructure. Scientific studies of watersheds in the Southeastern U.S., RMS' largest operating region, have demonstrated much lower concentrations of nitrogen and phosphorous compounds in forested streams than those found in streams within agricultural and urban land use areas (National Council for Air and Stream Improvement, Inc. (NCASI). 2001. Patterns and processes of variation in nitrogen and phosphorous concentrations in forested streams. Technical Bulletin No.836). We protect water resources through the implementation of scientifically supported best management practices. We also require and provide regular and comprehensive training for our foresters, contractors, and loggers on issues related to water quality protection. The outcomes of these management activities are evaluated during certification audits performed by independent, third-party auditors. Our SFI, PEFC, and FSC sustainability certifications evaluate specific and measurable indicators to ensure water quality is protected during forest management activities.

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1

Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

Yes

SG 15.2

Indicate the percentage of your total AUM invested in environmental and social themed areas.

%

100

SG 15.3

Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area

- Energy efficiency / Clean technology
- Renewable energy
- Green buildings
- Sustainable forestry

Asset class invested

- Forestry

Percentage of AUM (+/-5%) per asset class invested in the area

100

Brief description and measures of investment

All forest investments are third party certified to a PEFC endorsed or FSC forest management certification scheme

- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water
- Other area, specify

No

