

2024



# Impact & Sustainability Report

Aurora Sustainable Lands



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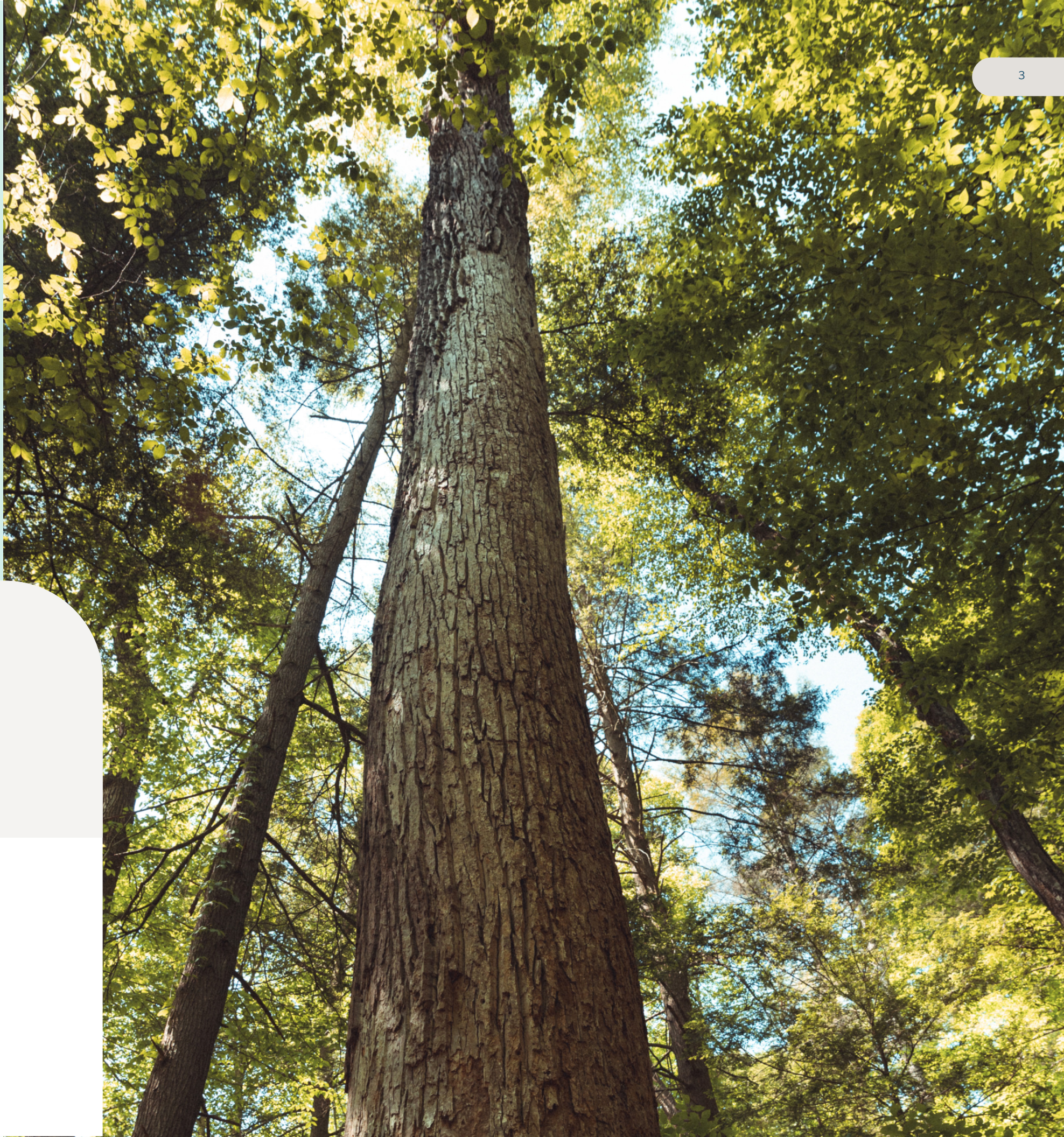
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# Introduction

## 1. CEO Letter

## 2. Who We Are (Now)

- Defining Impact vs. Sustainability
- Aurora's Four Guiding Principles
- Governance Updates



**I am pleased to present Aurora Sustainable Lands' second annual Impact and Sustainability Report. This report is a bold testament to our relentless drive for climate action, transparency, and accountability.**

2024 was a year of establishment. We have built a world-class team to achieve what no other U.S. landowner has done before: manage an unparalleled portfolio of hardwood timberlands for climate impact. Our highly accredited team, with expertise in forestry, law, carbon, natural resources, and business is poised to drive our sustainability and impact initiatives forward with passion. Guided by our four core principles—Transparency, Climate Impact, Ecological Function, and Adaptive Management—we are ready to lead the way. Our foundation is set.

We've forged significant relationships and partnerships within the communities where we operate, crucial to achieving our sustainability and impact goals. In 2024, we made substantial investments in watershed assessments in our northern hardwood forests and partnered with third-party firms to track biodiversity metrics. We also began exploring soil biodiversity enhancement, as well as partnerships with bird-friendly forestry and deer and elk management programs. These activities and partnerships, among others, are essential to guiding our adaptive management practices, ensuring we create healthy, resilient ecosystems. Alongside new initiatives, we continue to educate and collaborate with our existing partners, consultants, and employees to stay true to our mission and remain at the forefront of impactful work.

Looking forward, our dedicated team and valued stakeholders will help us meet our ambitious but essential goals for sustainability, climate impact, conservation, and biodiversity. The continued involvement and partnership of our stakeholders and investors are vital to the success of our overall investment thesis. This is an all-hands-on-deck situation, requiring collective effort to revolutionize our business. It will present challenges, we will have setbacks, and we will have to pivot. Yet, we commit to remaining open, transparent, and accountable in all aspects of our work. We are not just integrating sustainable practices—we are redefining them. Join us as we push boundaries and set new standards for a sustainable future.



**Jamie Houston**

Chief Executive Officer  
Aurora Sustainable Lands

## Who We Are (Now)

Aurora Sustainable Lands is one of the largest private forestland owners in the United States, with more than 1.6 million acres under management. Formerly Bluesource Sustainable Forests Company, Aurora was established in 2021 as a joint venture between Anew Climate and a group of equity investors led by Oak Hill Advisors, AB CarVal, EIG, and GenZero, among other leading financial sponsors. Guided by our mission statement, we are a carbon stewardship company that invests in converting industrially harvested forests to sustainably managed, climate-adapted forests that deliver high-integrity, verifiable carbon credits to climate-conscious companies.



## Defining Impact vs. Sustainability

In 2024, the terms “ESG”, “Sustainable”, and “Impact” are well-known, and sustainable and/or impact investments are becoming increasingly popular worldwide. While these terms have been around for some time, confusion around the definition of each of these terms is prevalent, leading to inconsistent application across institutions.

### So, what is the difference between the terms and why does it matter?

Sustainable Investing is a blanket term used to describe a universe of investment activity that includes Socially Responsible Investing (SRI); Environmental, Social, Governance (ESG) risk factors; and Impact Investing.

The table below defines each of these terms:<sup>1</sup>

Socially Responsible Investing (SRI)	Environmental, Social, Governance (ESG) Risk Factors	Impact Investing
Investors use screening and exclusion, divestment, positive reinvestment and shareholder activism to achieve positive social or environmental outcomes.	Metrics by which to measure a company's risks outside of a financial accounting framework.	Investing in companies and funds with an eye toward both financial returns and measurable social and/or environmental impact.

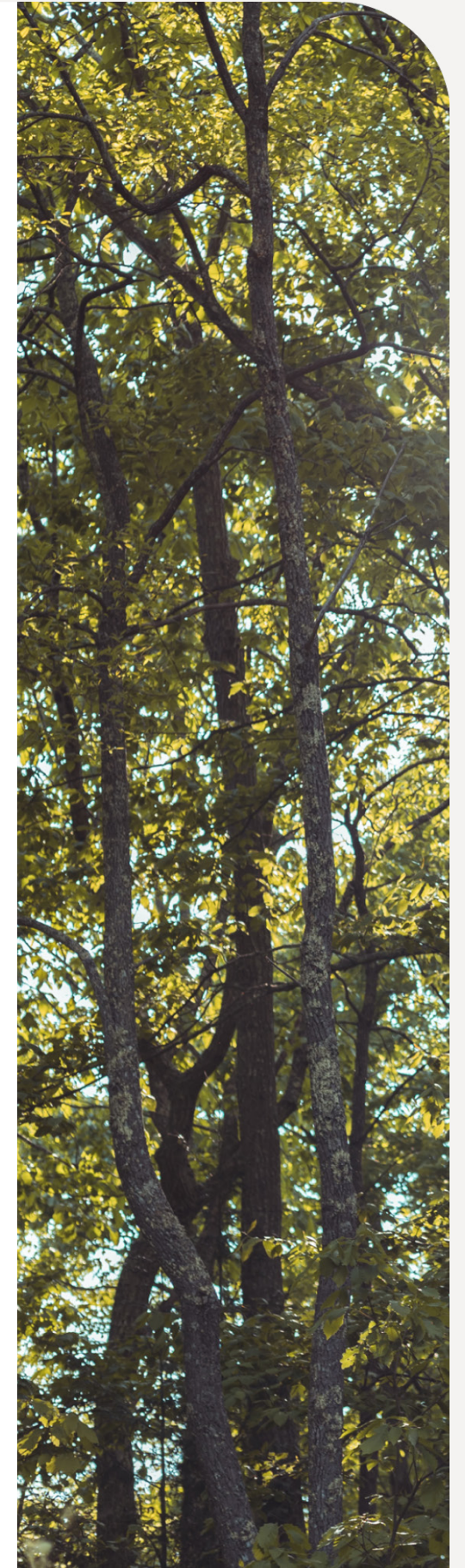
<sup>1</sup> PitchBook. (2021). The key differences between SRI, ESG, and impact investing. <https://pitchbook.com/blog/what-are-the-differences-between-sri-esg-and-impact-investing>

Funds that are Socially Responsible Investments (SRIs) screen assets and holdings to exclude those that are engaged in specific activities determined to have negative social or environmental impacts pursuant to the fund’s ethical framework. These funds will exclude categories of assets from their holdings to meet a defined set of investment activity goals. SRIs are defined by their choice to divest from certain activities to avoid negative social and/or environmental impact.

“Environmental, Social, Governance (ESG) risk factors”, on the other hand, do not necessarily describe the actions of a company, investor, or fund based on values. Instead, ESG risk factors are a framework used to assess the material risk of a company or fund in the areas defined in the term. An ESG Reporting Framework focused on ESG risk factors is an approach to disclosing to shareholders the potential risk they take on when investing in an entity. The Taskforce on Climate-related Financial Disclosures and Nature-related Financial Disclosures (TCFD/TNFD) and Global Reporting Initiative (GRI) are two examples of ESG Reporting Frameworks used to evaluate and disclose metrics relevant to successful continued operations.

Unlike ESG risk factors, the term “Impact” in an investment context is a term that describes intentional action taken by investors to drive positive social change. Impact Funds are a collection of entities engaged in social and environmental sectors with defined missions and clear metrics to show measurable influence in addition to a financial return. Companies engaged in Impact Investing aim to demonstrate a value-add beyond financial return and risk avoidance. For example, a bank that has a social mission of enabling loan access that would typically be unavailable to certain borrowers may be considered an example of Impact Investing.

The ever-expanding universe of vocabulary on these topics has led to general confusion, skepticism, and dilution. The growing focus on the influence funds and companies have on their broader social and environmental networks means that it is critical to understand what it means when a company discloses its ESG Framework (or describes the Impact it has on its shareholders). Aurora is unique—a first-mover in the forestland investment space that puts forest sustainability and climate impact at the core of its mission and business structure. As the language of our industry adapts and evolves, Aurora will be doing the work—and reporting to the standards—that we feel best provide not only clarity, but integrity, to the carbon market.



## Aurora's Four Guiding Principles

Aurora presented its Board of Managers with an initial vision for its sustainability and impact strategy in the spring of 2024. In addition to performing a stakeholder analysis, and evaluating key frameworks for quantifying this work, Aurora proposed a five (5) part implementation plan: (1) set values & decision frameworks, (2) analyze main framework requirements, (3) identify missing data, (4) analyze what Aurora is already doing well in the sustainability and impact space, and (5) set associated SMART Goals & Key Performance Indicators (KPIs).

**Aurora identified four (4) key values to guide our process as we implement our sustainability and impact work:**  
**(i) Transparency, (ii) Climate Impact, (iii) Ecological Function, and (iv) Adaptive Management.**

### Transparency

Transparency and accountability are foundational elements of an effective sustainability and impact strategy. It is a necessary condition for success; all good sustainable strategies are transparent. Transparency allows each of our stakeholders—investors, carbon credit buyers, the forestry community, local governments, and local communities—to have visibility into Aurora's sustainability and impact work. Accountability goes hand in hand with transparency. By setting SMART goals and KPIs, Aurora is setting clear standards and tracking progress of our efforts in a way that can be measured, quantified, and improved upon when necessary. Transparency and accountability demonstrate Aurora's commitment to long-term sustainability and impact goals across our portfolio.

### Climate Impact

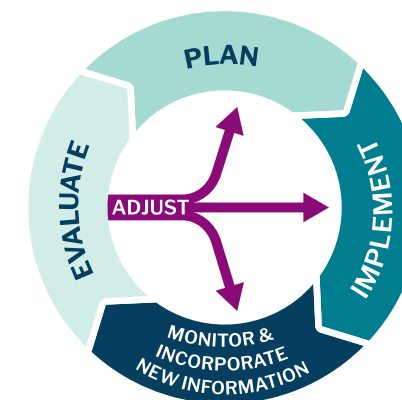
Decarbonization is fundamental to addressing the global climate crisis and is at the heart of Aurora's business model. Aurora's core practice is fundamentally aligned with the global effort to address the climate crisis. This understanding shapes the decisions we make in designing our sustainability and impact initiatives. Using forests to sequester atmospheric CO<sub>2</sub> provides a readily available, cost-effective solution for decarbonization and greenhouse gas emission reduction. Forestlands are expected to face higher frequency and severity of a wide variety of disturbances in an ever-changing climate; fire, windstorms, ice storms, floods, hurricanes, droughts, and pest and pathogen infestations. Developing resilient forests that can maintain the carbon sink in the face of these climate-driven impacts not only increases the durability of the carbon sequestered but allows forests to continue providing the myriad of other ecological services on which the world relies. Our forestland management practices focus not only on carbon stewardship, but are climate-informed, and this approach underpins how Aurora thinks about quantifying and capturing our sustainability and impact work.

### Ecological Function

Forests contain about 50% of global terrestrial carbon stocks but are at an ever-increasing risk of mortality as the global climate warms and drought conditions worsen.<sup>1</sup> As a culmination of our adaptive and climate-informed management, Aurora seeks to restore and enhance ecological function to our forestland where it may have been lost due to a changing climate or prior management regimes. Our forests provide essential ecosystem services, such as water filtration, wildlife habitat, and recreation, all of which are vital to the communities around which we operate. Aurora works with multiple partners and our land managers to implement silviculture and restoration projects designed to allow our forests to deliver and enhance these co-benefits. These forests will not only sequester carbon but will ultimately maximize the ecological benefits derived from healthy forest ecosystems as well.

### Adaptive Management

Our extensive forestland holdings, along with our changing climate, are dynamic, not static. This requires Aurora to embrace an adaptive management approach to stewarding our forestlands while tracking our correlated sustainability and impact goals. Adaptive management is a cyclical process for resource managers like Aurora, requiring: (i) the continuous processing of data (both in the field and in the office), (ii) constant analysis of data-driven insights in the context of shifting environmental conditions, (iii) implementing our findings on the land we manage, and (iv) tracking the ultimate effectiveness of our changes in the field. This cyclical process ensures our sustainability and impact reporting accurately reflects our active management in the vibrant forest ecosystems that we manage. The graphic below from the USDA's Forest Service captures the positive feedback loop of Aurora's approach to adaptive management.<sup>2</sup>



<sup>1</sup> Hudson, B. (2024, June 10). Resilient Forest Management and climate change: Published in Georgia law review. Georgia Law Review. <https://digitalcommons.law.uga.edu/cgi/viewcontent.cgi?article=1559&context=glr>

<sup>2</sup> Adaptive management, monitoring, and analysis. US Forest Service. (n.d.). <https://www.fs.usda.gov/about-agency/emc/amma>

## Governance Updates

### Improvements to Aurora

Aurora is dedicated to building a robust governance architecture to help us deliver on our ambition to be an industry leader in carbon stewardship. Our commitment to sustainability is at the core of everything we do, and this includes building out best-in-class policies and procedures to guide our operations, which in turn directly influence our impact on the forests and land we manage. Our approach to corporate governance is similarly influenced by our drive to be a market leader in sustainable active forest management that optimizes carbon sequestration and storage. Put simply, our mission informs us of our approach to scaling our operations as well as our governance structures.



### Policies and Procedures

#### Best Management Practices and Trainings

Aurora's portfolio is certified under the Forest Stewardship Council (FSC). FSC is a sustainable forestry standard responsible for overseeing forest management practices. It is the world's most rigorous and trusted forest verification system and sets the standard for responsible forest stewardship. It is Aurora's policy that all our eligible forestland management activities meet or exceed the principles articulated by FSC, in addition to all relevant state-specific Best Management Practices (BMPs).

This commitment to implementing BMPs across the forestland we manage involves continuous improvement to our policies and procedures for forestland management. Aurora maintains and regularly updates a Forest Operations Policy and Procedure Manual to that end. Our Forest Operations Policy and Procedure Manual includes 115+ pages of policies and procedures covering our operations and approximately half of the manual is dedicated to detailing 30+ different policies, principles, and procedures for managing our forestlands, including adherence to state-specific BMPs.

Policies and procedures for BMPs in the field are only ever truly effective to the extent they are routinely implemented in practice. To that end, Aurora regularly consults and holds trainings for our field staff and consultants, who collectively are our personnel in the woods actively managing our forestland. For example, in July of 2024, Aurora partnered with West Virginia's Department of Forestry to establish an independent BMP training class for our foresters and consultants working in West Virginia. More than 16 forestry professionals from three different firms helping us manage our West Virginia forestlands attended this day-long class in partnership with West Virginia's Division of Forestry. Topics included BMPs for loggers, reclamation process and requirements, and the use of mapping in logging operations.

#### Health, Safety, Security, and Environment (HSSE) Policies

As part of Aurora's commitment to have best-in-class policies and procedures for our operations and forestland management, Aurora updated its HSSE Policies in 2024. These HSSE Policy updates included the implementation of a new Global Human Rights Policy. Aurora's new Global Human Rights Policy formally recognizes the principles and standards set forth in the United Nation's Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization, the Voluntary Principles on Security and Human Rights of the Voluntary Principles Initiative, and other leading global standards for the safeguarding of human rights.

## Governance Updates (cont'd)

### Policies and Procedures

#### Health, Safety, Security, and Environment (HSSE) Policies (cont'd)

Our new Global Human Rights Policy declares that Aurora is committed to upholding leading standards for: (i) Safety and a Healthy Work Environment, (ii) Environmental Health, (iii) Labor, (iv) Grievances and Concerns, (v) Diversity and Anti-Discrimination, (vi) Security, and (vii) Privacy.

Aurora's Global Human Rights Policy applies to not only Aurora employees, but also our consultants hired by Aurora to work on its behalf. This new policy is in addition to our existing robust set of HSSE policies that further detail how to incorporate safety, ESG, and other HSSE standards in Aurora's operations.

As a part of our adaptive improvement process, Aurora is also currently working on developing a stand-alone emergency plan for its employees and operations. With an expected roll-out in the first half of 2025, this emergency plan will include instructions for risk assessment, emergency response team roles and responsibilities, communication protocols in an emergency, and employee safety and support. Aurora intends to conduct training on this new emergency plan, together with conducting live-action tabletop drills simulating a fictional emergency, to ensure employees can effectively follow and implement this plan in a real crisis. Aurora will further invest in crisis management and advanced wilderness medicine training for core field staff as well.



### Policies and Procedures

#### Corporate Governance

Aurora continues to improve and build on its policies and procedures mentioned above and its approach to Corporate Governance. In March of 2024, Aurora's Board formed the Investment and Risk Committee (I&R Committee), comprised of a set of Executive Team and Board members, to review investment and disposition decisions through the lens of sustainability, value creation, and risk management, in each case prior to presenting recommended transactions to the Board. The I&R Committee aims to promote sustainable investment practices that enhance long-term shareholder value while fostering positive societal impact and sustainability. The I&R Committee is responsible for selecting and assessing potential investments of more than \$5 million for recommendation to the Board of Managers. Long-term investment decisions and their impact on sustainability are integral components of our governance directives, with a focus on increasing impact through responsible investing principles, as emphasized by our founding investors.

Aurora's investment objectives encompass generating financial returns, mitigating climate change, and fostering positive ecological impact through the sustainable management of natural forest systems. All these principles are evaluated with a keen interest in limiting risk, including financial, ecological, and reputational risks. Throughout our investment process, the I&R Committee considers a wide spectrum of ESG issues when considering investments and divestures for recommendation to the Board.

Aurora's Board also formed a new Growth and Strategic and Development Committee (the GSD Committee) in January of 2024. The GSD Committee is responsible for identifying and guiding opportunities for expansion and innovation. This new Committee evaluates market trends, new business ventures, and strategic partnerships to drive sustainable growth. The GSD Committee also ensures that Aurora's long-term vision is aligned with our operational capabilities and environmental stewardship goals.

#### New Hires

Aurora realizes that its most valuable resource is its people. Aurora's personnel expanded greatly in 2024. We have onboarded 11 employees over the past 12 months. On our transactions team we hired a Senior Transactions Manager and a Transactions Analyst. In operations, Aurora hired eight new employees which include: an Associate General Counsel and Director of Impact, a Director of Communications, Sustainability Forester, VP of Portfolio Management, Sr. Director of Portfolio Management, a Portfolio and Operations Analyst, GIS Analyst, and a Carbon Forester. Our Finance team has also added a Sr. Accountant. Aurora's overall staff of 29 employees has 16 employees with forestry educational backgrounds, 10 of whom have advanced technical degrees in forestry. Four other employees have advanced degrees in law and/or business.



# / 02 Impact

## 1. Carbon Stewardship & Climate Adaptation

- Carbon Stewardship
- Climate Adaptation
- Climate Partnerships

## 2. Biodiversity & Ecosystems

- Portfolio-Level Metric Tracking: Biodiversity Consultancy
- Habitat, Wildlife, and Plant Partnerships
- Wildlife: Bird-Friendly Forestry Case Study
- Watershed Management: Stream Assessment Case Study
- Ecological Health: Funga Partnership

## 3. Community Engagement & Philanthropy

- Education
- Recreation
- Health
- Economies
- Engagement & Philanthropy



# Carbon Stewardship & Climate Adaptation

## Carbon Stewardship

### Carbon Stewardship Online Tour

As part of our efforts to be transparent, we developed an online carbon management field tour for our website in 2024. This was designed to be a convenient educational resource for understanding Aurora's forest practices. This virtual tour provides an accessible way to learn about improved forest management practices and the importance of carbon sequestration. By taking this tour, carbon credit buyers and Aurora stakeholders can gain insights into the rigorous methodologies we use to measure and verify carbon credits. As Aurora works to reach a broader audience of local and community stakeholders, media can also use the virtual carbon plot tour to gather accurate information for news stories, which helps to make complex topics more understandable.

Additionally, for those who are curious about forest carbon dynamics but are unable to visit the forests, this virtual tour offers a comprehensive and interactive learning experience, bridging the gap between theoretical knowledge and real-world application. By making this information accessible to all, the tour democratizes learning about our carbon-focused forests, ensuring that anyone, regardless of location or resources, can understand the critical role forests play in carbon sequestration. This transparency in our process aims to showcase our ongoing commitment to environmental integrity and accountability.

### Stop 1: Carbon Methodology

- 1 Introduction to Carbon Plot
- 2 Inventory Establishment
- 3 Plot Radius Location
- 4 Tree Measurement Overview
- 5 Tree Measurement Diameter
- 6 Tree Height
- 7 Biomass Calculations
- 8 Carbon Credit Calculations
- 9 Carbon Pools

#### 1. Introduction to Carbon Plot

A carbon inventory plot is a sample point for us to measure the carbon on the landscape. These plots are replicated across the landscape throughout our carbon projects to enable us to extrapolate carbon sequestration to a per-acre basis across the entire property.



## Climate Adaptation

In 2024, Aurora made strides in developing our approach to carbon stewardship. Having already reduced harvested volumes by 50% of historical averages, we shifted our focus on evaluating how the active forest management opportunities that remain can protect the health of our forestlands and improve their ability to mitigate, resist, or adapt to climate change.

Our approach is to optimize carbon storage within the context of healthy, dynamic forest ecosystems. Although short-term maximization of carbon could take the form of densely planted, fast-growing, monoculture plantations, the resulting forest would be lacking in biodiversity and more susceptible to pests, disease, and alterations in future climates. In short, such a strategy would create a risky climate asset with minimal ecological benefit. In contrast, our carbon stewardship begins with an assessment of our forests' vulnerabilities to climate change and a determination of where our management should focus on climate mitigation, resilience, or adaptation.

**A healthy forest is a resilient forest, and a resilient forest is a long-term carbon sink.**



## Climate Adaptation (cont'd)

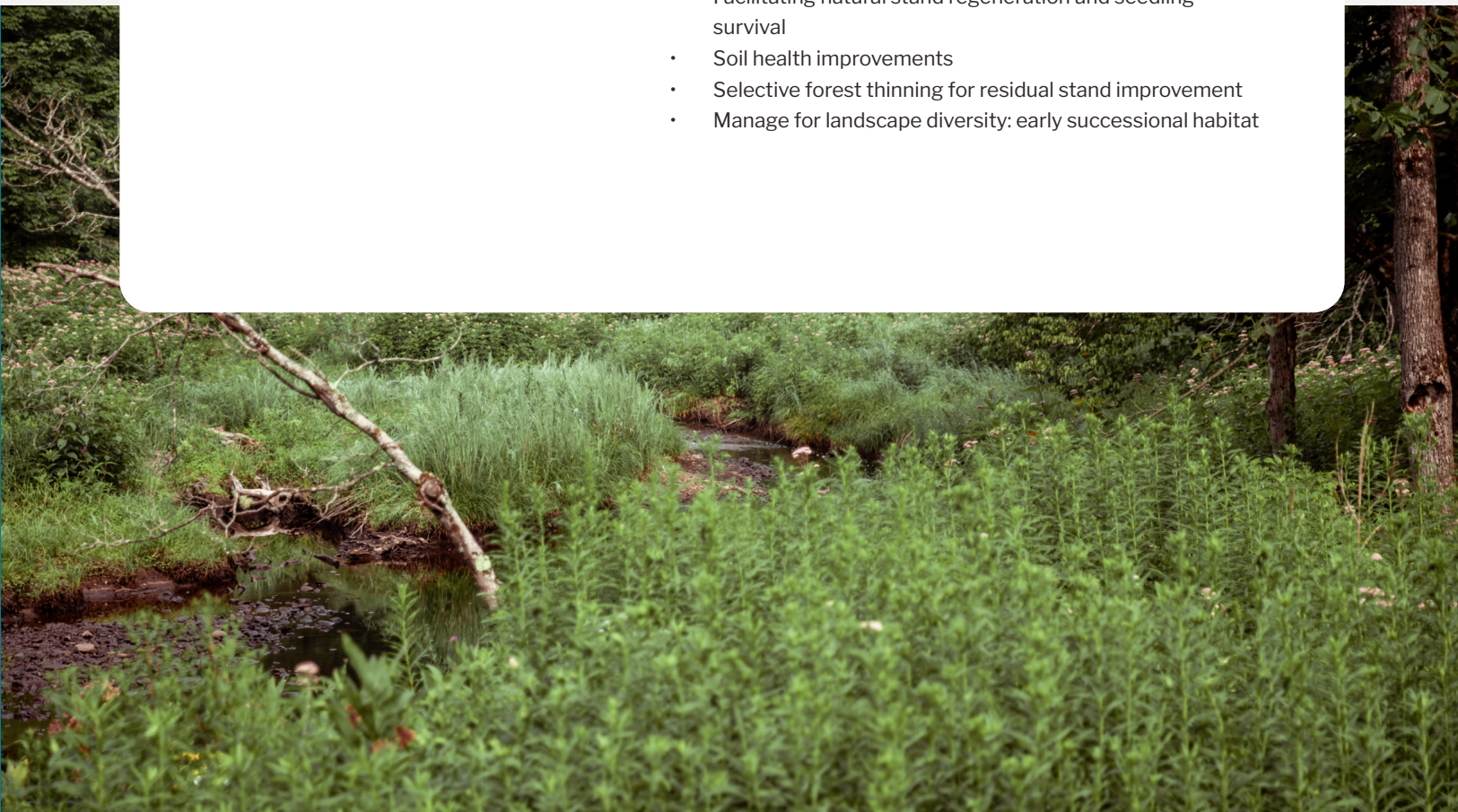
Our forest climate operations practices include but are not limited to:

### Carbon Storage Enhancement

- Extended-age harvest rotations
- Promoting or creating uneven-aged and diverse forest structure
- Selection for longer-lived and larger-growing species
- Fuel management associated with fire risk
- Minimizing soil disturbance
- Enhancing standing dead and coarse woody debris (i.e. morticulture)
- Manage for landscape diversity: old-growth characteristics

### Carbon Sequestration (“Removal”) Efficiency Enhancement

- Identifying and improving under-stocked stands
- Avoiding logging damage to residual trees
- Facilitating natural stand regeneration and seedling survival
- Soil health improvements
- Selective forest thinning for residual stand improvement
- Manage for landscape diversity: early successional habitat



## Climate Partnerships

In 2025, Aurora will begin working with the Northern Institute of Applied Climate Science (NIACS), USDA Climate Hubs, and academic research institutions to develop climate risk assessments and adaptation strategies across our portfolio. These assessments will determine how our forests may respond to anticipated changes in the climate (e.g., alterations in historic temperature, precipitation patterns, etc.). Such changes have major implications for the suitability of tree species adapted to current climate conditions and their ability to confer present-day carbon benefits into the future. Assessment results will reveal climate-related vulnerabilities in our forests (e.g., dominance of drought-sensitive species). Addressing these vulnerabilities will be the basis for targeted adaptation plans focused on securing a resilient long-term carbon sink.



# Biodiversity & Ecosystems

## Portfolio-Level Metric Tracking: Biodiversity Consultancy

In connection with further developing Aurora's Sustainability and Impact strategy, Aurora is partnering with key third-party firms to help us develop, implement, and maintain our ability to track biodiversity metrics. One key partnership involves the Biodiversity Consultancy in conjunction with Anew. The Biodiversity Consultancy is a global provider of strategic, technical, and policy services for biodiversity management. The Biodiversity Consultancy is helping us to develop frameworks and metrics for biodiversity indicators and monitoring. These metrics are being developed in alignment with corporate-disclosure frameworks and are unique to Improved Forest Management (IFM) regimes. It is Aurora's firm belief that compelling, high-quality, biodiversity metrics can increase not only the value of Aurora's carbon credits but increase our impact footprint as well. In the future, Aurora may be able to offer the opportunity for investors to fund separate impact projects in connection with this biodiversity work. Our partnership and work with the Biodiversity Consultancy is ongoing, but results of this work will help us finalize the SMART goals and KPIs associated with our sustainability and impact strategy.

**Initial phases of work to date include the following:**

**1. Data Review**

Review of location, ecology, management activities, and existing monitoring. Development and confirmation of key biodiversity indicators.

**2. Potential Biodiversity Outcome Identification**

Identification of biodiversity outcomes linked to improved forest management and identification of monitoring use cases.

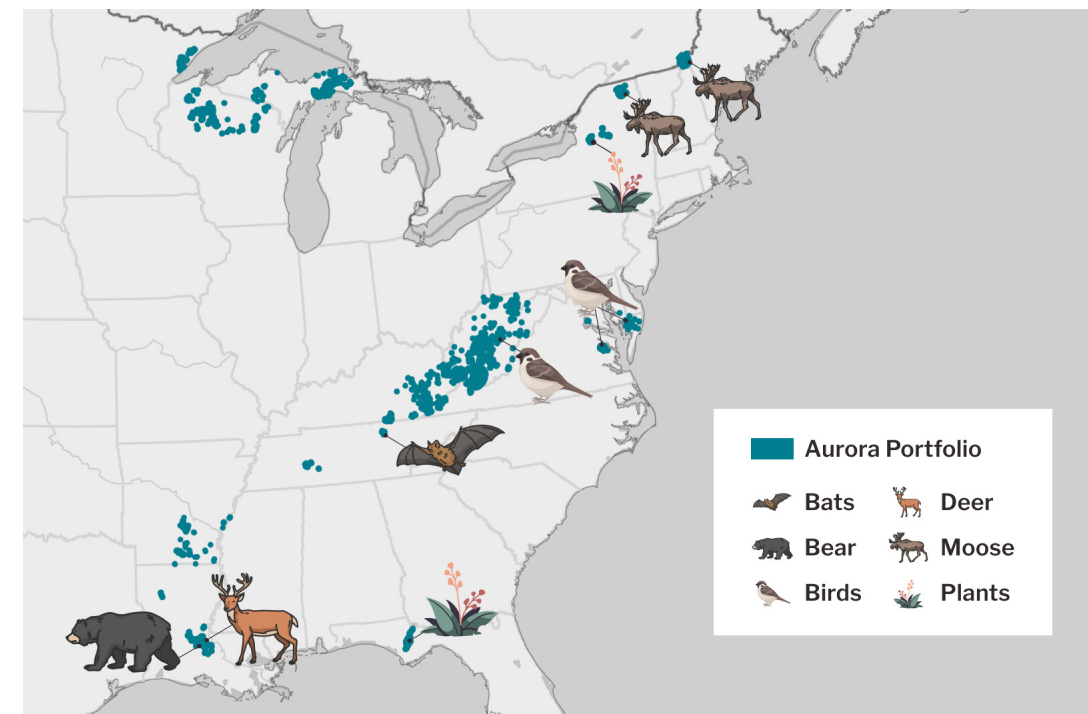
**3. Draft Monitoring Framework**

Refinement of key biodiversity indicators in collaboration with Anew and Aurora. Firm guidance on monitoring and reporting for each set of selected indicators.

**We look forward to reporting on our project progress with the Biodiversity Consultancy in Aurora's 2025 Sustainability and Impact report.**

## Habitat, Wildlife, and Plant Partnerships

Aurora values partnerships with external government agencies, non-profits, NGOs, academic institutions, and more. Especially when managing critical habitats and species on a landscape-scale, partnering with industry leaders, researchers, and neighbors is essential to making real progress at scale. In 2024, Aurora worked on active partnerships to support both habitats and populations of important species across the portfolio. In 2025 we will seek to expand our partnerships to reach our entire portfolio.



Locations of Aurora's 2024 habitat, wildlife, and plant partnerships.

## Wildlife: Bird-Friendly Forestry Case Study

As a landowner, Aurora recognizes the significance of our impact on forests and their inhabitants as well as the importance of biodiversity to the health of these areas. Birds in particular play a critical role in maintaining forest health as they perform many significant ecological functions including eating pests and dispersing seeds, each of which support our natural regeneration efforts. Beyond their value to forest health, specific species of birds can serve as indicators of healthy, desirable habitats for wildlife.

As the Forest Stewards Guild writes, “An unfragmented forest landscape with a diversity of habitats is likely flush with the sounds of songbirds.” With varying management regimes, forests in the Central Appalachian Mountains have lost habitat connectivity and suitability over time, resulting in a decline of local songbird populations in the region and global migratory songbirds that use this region for breeding. While most landowners care deeply for the wildlife in their forests, ecological management to support specific species can vary and this knowledge is not widespread.

Aurora has partnered with the Forest Stewards Guild, the Wildlands Network, the Appalachian Mountains Joint Venture, the West Virginia NRCS, and the West Virginia DNR to demonstrate bird-friendly forestry practices in Appalachian hardwood forests for three species of songbird: the cerulean warbler, the wood thrush, and the golden-wing warbler. This project was implemented on a contiguous forest block larger than 5,000+ acres in the Monongahela focal region of West Virginia to be managed specifically for healthy habitats of these three species.



### Habitat Niche Preferences



#### Cerulean warbler

- Older deciduous forests with larger trees and some gaps in the canopy.
- Steep, upper slopes and ridgetops.
- White-oak dominant forests with structurally complex canopies and grapevine for nesting sites.
- These songbirds' habitats serve as ideal habitats for other species including the blue-gray gnatcatcher, the brown creeper, the ovenbird, the kentucky warbler, the hooded arbler, the summer tanager, and several species of forest-dwelling bats.



#### Golden-winged warbler

- Forests that are at least 1,800+ feet in elevation and surrounded by >70% forest cover.
- Forests whose composition is at least 80% deciduous species and far from cropland or other major developments.
- Habitat suitable for the golden-wing warbler also supports the white-eyed vireo, the blue-gray gnatcatcher, the gray catbird, the brown thrasher, the yellow warbler, and other early successional species.



#### Wood thrush

- Cool and moist deciduous forests with canopies greater than 50+ feet tall.
- Hardwood and mixed forests near open water, streams, or wetlands.
- This species' habitat is also attractive to species including the acadian flycatcher, veery, the hermit thrush, the ovenbird, the kentucky warbler, the wooded warbler, and the scarlet tanager.

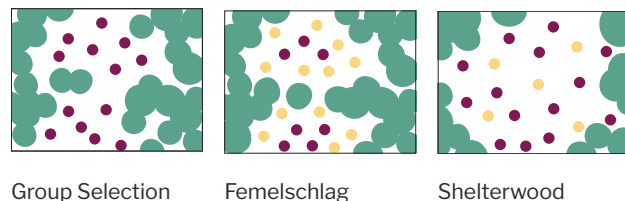
### Creating Habitat Niches

This year, Aurora worked with its partners to establish demonstration sites across approximately 200 acres of Aurora’s land as a shifting mosaic of habitat to support these key species. These sites serve as hubs for outreach and technical training in West Virginia for current and future forestry practitioners, loggers, and landowners. Along with shared resources like mapping tools, a silviculture guidebook, and Management Plan Template, the demonstration plots increase access to information on habitat connectivity and bird-friendly forestry specific to the Central Appalachian mountains and demonstrate management practices specific to each target species.

Below are excerpts from the silviculture guidebook as well as what management practices are taking place in these three demonstration plots:

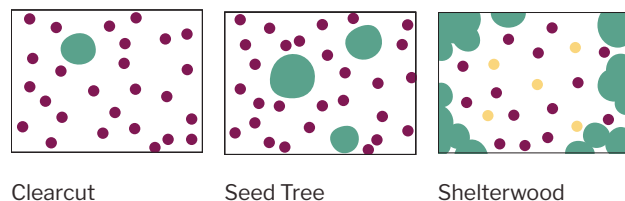
#### Cerulean warbler

The demonstration site for the cerulean warbler exhibits canopy gaps next to older growth forests with well-spaced residual trees greater than 16-inch diameter at breast height (DBH) and at least 300 saplings per acre of oaks and other desirable species. Management plans for this area follow these guidelines:



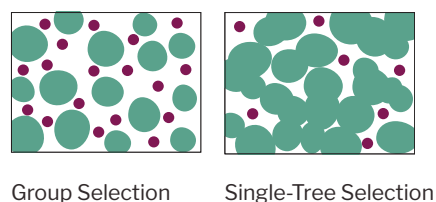
#### Golden-winged warbler

The golden-winged warbler demonstration site includes: 5–25 acre patch clearings with scattered widely spaced trees greater than a nine-inch DBH and a dispersed sapling and shrub layer. The following diagrams demonstrate how to achieve these objectives:



#### Wood thrush

The wood thrush demonstration site includes small (0.25 to one acre) patches of saplings within an older forest to provide the desired taller canopy and a forest cover of > 80%. Management for the wood thrush in its demonstration plot mimics the following:



■ Leave tree    ■ First entry cut    ■ Second entry cut

### Educating Our Local Neighbors and Practitioners

Putting this into practice, Aurora hosted workshops for natural resource practitioners and landowners in May and November of 2024. These workshops allowed participants to tour each of the demo sites and learn more about bird-friendly forestry and the application of specific management practices to the landscape. Catering each workshop to its audience, Aurora’s tour included tips on bird identification, tailored management practices, and resources for landowners to connect to local foresters if they had questions on management practices. The photo below shows attendees learning in the field on the Bird-Friendly Forestry tour in November 2024.

**Aurora is looking forward to its demonstration sites’ continued use as knowledge hubs for landowners and practitioners alike.**



## Watershed Management: Stream Assessment Case Study

Over a 12-week period in the summer, Aurora representatives conducted assessments on stream crossings within the Connecticut Lakes Headwaters Working Forest, focusing on fee-owned roads. Aurora hired a local New Hampshire intern with a background in forestry and environmental science to lead the assessment work. The New Hampshire Department of Environmental Services used geomorphic compatibility, aquatic organism passage, and structural condition data to determine the necessity and type of crossing replacements. This information is crucial for prioritizing road work, improving water quality, and ensuring aquatic life can navigate upstream. Aurora's recreation lessees will also benefit from better access to their camps, and the environment suffers less damage from improperly sized crossings. On a technical level, this work highlights the importance of maintaining and correctly sizing stream crossings to minimize environmental impact. Conceptually, this project is also a great example of Aurora's approach to prioritizing biodiversity and ecological health of the forests we manage.



## Ecological Health: Funga Partnership

Aurora began exploring soil biodiversity enhancement opportunities with Funga, a mycorrhizal soil fungi enhancement company, in 2024. Funga uses the forest fungal microbiome to improve forestry outcomes and address the climate crisis while enhancing beneficial microbial biodiversity. Funga combines modern DNA sequencing and machine learning technology with breakthrough research on the forest microbiome to put the right native, biodiverse communities of mycorrhizal fungi in the right place. This leads to greater quality wood being created more quickly, more carbon sequestered, and more resilient forests. Aurora seeks to accomplish three main goals through our partnership: (i) enhance forest growth rates thereby removing carbon from the atmosphere more quickly, (ii) restore soil mycorrhizal health in previously degraded sites, and (iii) re-establish climate-smart longleaf pine forests in properties overlapping the historic and future predicted ranges. This new partnership is ongoing, and we look forward to reporting on project developments in Aurora's 2025 Sustainability and Impact report.



# Community Engagement & Philanthropy

## Education

Aurora supports career development for future foresters, climate managers, forestland investment professionals, and ecologists through its Annual Summer Internship Program. In 2024, Aurora hired three interns from the University of Florida, NC State University, and Southern New Hampshire University to support special projects and research including process improvement for land valuation, harvest impacts on carbon stocking, climate adaptation and resilience, and watershed management. In 2025 and beyond, Aurora plans to expand educational career development opportunities beyond our internship program through partnerships with leading climate and forestry academic institutions on post-graduate research, client-based projects for master's students, and guest lecturing in relevant courses.

As part of our commitment to education, Aurora consistently strives to educate our neighbors, community groups, and the public about Aurora's mission and how we are achieving our goals through active management. In addition to website and social media presence where we regularly share stories of our on-the-ground management, we also work with NGO, non-profit, and government partners to facilitate education in person.



Pictured above: Aurora Summer 2024 intern, Dalton Rancourt, completes measurements for stream crossing condition and ecological suitability on one of the many structures conveying water throughout the Connecticut Lakes property's watershed. His work has been used to inform geomorphic compatibility and aquatic organism passage ability for the NH Stream Crossing Initiative.

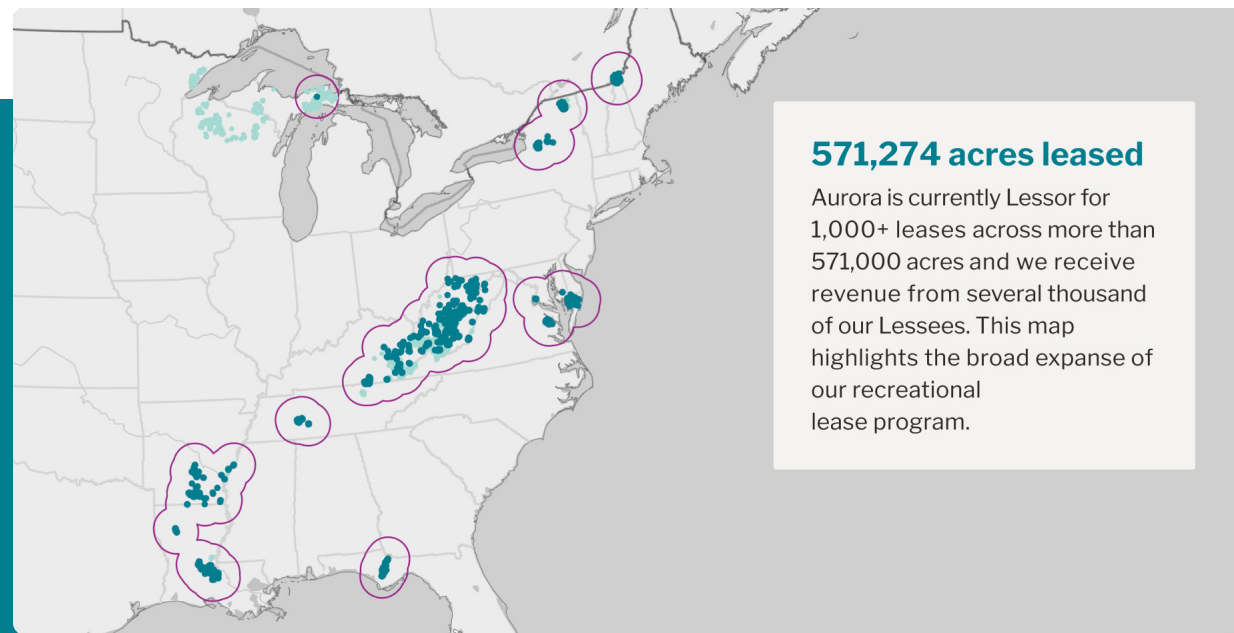


## Recreation

Aurora’s 1.6m+ acres of forestland provide ample opportunities to engage the community and public in meaningful ways. Healthy forests like ours provide many ways to connect with nature. More than 225 bird species live across our forestland and more than 60 different mammal species do as well. This is in addition to the more than 130 different tree species that populate our forests. Aurora provides both revenue generating activities and public access where possible across our forestland to help us connect and support the communities in which we work.

Providing opportunities for public access to forestland through recreational activities is a focus for Aurora. Often state-specific property laws prevent public access to forestland, but Aurora works strategically to remain compliant with these restrictions while also finding ways to provide public access to our forests. This provides people in local communities with the opportunity to connect with nature and wildlife and pursue a variety of fun recreational opportunities. Public recreational opportunities on a subset of our lands include, but are certainly not limited to, hiking, biking, fishing, snowmobiling and cross-country skiing. Several of our properties provide for limited ATV use and paddle access, too. Aurora also makes efforts to provide inclusive access to our forestlands. For example, our Empire Riverlands property provides disabled access to a fishing site through a partnership with the NY Department of Conservation. Aurora is proud to state that the majority of our forestlands in the northeast and several extensive properties in the Lake States are open to public recreation.

In addition to providing public access to a significant portion of our forestland, Aurora also provides revenue-generating recreational opportunities on our land. Aurora has an extensive recreation lease program that includes opportunities for camping and hunting. This provides people with a meaningful way to connect with nature and provides Aurora with additional oversight on our properties. We partner with these leaseholders to protect the land from illegal trespassing and dumping, which in turn enhances the conservational value.



## Deer Management Assistance Program in Louisiana

In addition to our public and private recreational program, Aurora continuously seeks out community engagement and partnership opportunities to enhance recreation across our portfolio. Aurora participates in the State of Louisiana’s Deer Management Assistance Program (DMAP) centered on the collection of biometric data and deer population management. Aurora is a Tier 1 level participant with more than 60,000+ acres enrolled—the highest-level participation available under LA’s DMAP program. The information we contribute to Louisiana’s Department of Wildlife and Fisheries’ (LDWF) biologists plays a vital role in the state’s management of its deer population and hunting seasons across Louisiana for the benefit of hunters, the State of Louisiana, and the public.

Louisiana’s DMAP program provides instructions to hunters (Aurora’s lessees) on harvesting and collecting relevant information and measurements to be transmitted back to the state. LA regional and program biologists then use the data collected on our land to make deer habitat and harvest management recommendations to us and other landowners. The DMAP program has improved the deer structure, disease management, and sex ratios for deer on enrolled properties such as ours. This helps create a healthy population of both bucks and does, which is increasingly important as chronic wasting disease is on the rise across the U.S.

The DMAP program provides a number of other associated biodiversity benefits. Our DMAP participation gives LDWF biologists and game wardens access to our extensive land holdings in LA for other aspects of their work. For example, LDWF biologists through the DMAP program are also doing studies on the Louisiana black bear (a formerly threatened sub-species of the American black bear) by collecting hair samples throughout our land ownership in LA. The non-invasive hair snares are used to estimate demographic and genetic characteristics of the population. LDWF also conducts winter den checks to monitor reproductive vital rates and live-trapping to deploy radio-collars for survival and cause-specific mortality estimations. LDWF game wardens also assist us by being additional eyes and ears on the ground to check our property for illegal trespassers and poachers.



## Recreation (cont'd)

### Elk Program

Aurora is partnered with the State of Kentucky's Department of Fish & Wildlife to maintain a Wildlife Management Area (WMA) on a portion of our KY acreage in order to foster the successful reintroduction and management of a keystone species: elk. This WMA, which now includes approximately 31,000 acres of our KY forestlands, provides for recreational access, wildlife management activities to be conducted by the State, and allows for limited publicly regulated hunting for elk and other species. The area of our WMA is located right in the heart of core elk restoration areas of interest for the State of Kentucky and other interested parties.

In addition to these partnerships, Aurora is currently in discussion, and in some cases negotiations, with certain states and non-profits over expanding recreational and conservation easements. This is a continuing focus for Aurora, and we anticipate being able to announce some of these potential partnerships over the course of the next year or two.



## Health

Forests in general provide a wide range of ecosystem services, which are the benefits that humans derive from ecosystems. These services are crucial for human well-being and the health of the planet.

Aurora's forests provide a multitude of benefits for human health: cleaning the air and water, regulating the climate, and supporting biodiversity. By allowing public and limited-private recreation access, our forests can also play a vital role in human mental and physical well-being: reducing stress, improving mood, and boosting the immune system. Protecting and sustainably managing forests is crucial to ensure the continued provision of these vital services for future generations.

### Some of the key services provided by Aurora's natural forests include:

1. Provisioning services including wood products and food resources
2. Regulating services essential for combating climate change including:
  - a. Carbon storage and sequestration
  - b. Air and water purification from forest filtration
  - c. Water regulation through storms, floods, and droughts
3. Supporting ecological services such as biodiversity, nutrient cycling, and pollination
4. Cultural services including recreation, cultural and historic values, and aesthetic values



## Economies

The core of our business is removing and storing carbon from the atmosphere through sustainable forestland management and carbon stewardship. Aurora is actively exploring several opportunities to participate in long-lived wood product economies including cross-laminated timber (CLT) and biochar. Both CLT and biochar represent opportunities for additional sustainable carbon sequestration and these efforts are aligned with Aurora's mission statement to deliver real and measurable benefits to the global climate while also conserving vital ecosystems in the forestlands we manage across the United States.

### Cross Laminated Timber

Construction accounts for nearly 40% of global carbon emissions and is one of the primary drivers of climate change. Builders, suppliers, and other stakeholders can reduce their carbon footprint by using renewable and sustainable materials in construction. CLT is emerging as a growing source of building materials for both residential and commercial construction across the United States and is one of the main products that goes into mass timber for building construction. CLT is a wood product made of several layers of structural-grade lumber that are arranged crosswise and glued together. The resulting product is unique in that it has a strength-to-weight ratio that is comparable to concrete. Studies show that CLT is just as strong as steel and 5x lighter than concrete.

CLT is made of wood and thus can store carbon during the lifetime of a building made with its materials. Creating wood products is not nearly as energy intensive as creating concrete or steel and CLT's manufacturing process emits less carbon than either product. When wood is harvested from sustainably managed forests, such as Aurora's 1.6M+ acres of forestland, it in effect creates a circular carbon cycle from harvesting, to manufacturing, through construction. Properly designed CLT structures counterintuitively provide significant fire resistance, seismic durability, and can shorten the length of construction projects through pre-fabrication off-site which isn't feasible with other construction materials like concrete. CLT has historically been constructed primarily from softwood materials, but as CLT continues to emerge as an industry, Aurora is actively exploring opportunities to be a sustainable source of hardwoods for CLT manufacturers.

## Biochar

Biochar is a charcoal-like substance that is made by burning organic material (such as forestry wastes/biomass) through a combustible low-oxygen process called pyrolysis. During the pyrolysis process, biochar is produced in a specific manner that reduces contamination and safely stores carbon. The pyrolysis process uses organic materials such as wood chips, leaf litter, and dead plants for its fuel and the resulting product is biochar, an organic material stable form of carbon that can't easily escape to the atmosphere.

The production of biochar is a carbon-negative process, effectively reducing the amount of carbon in the atmosphere. Biochar can be used to enhance crop yield and enrich soil due to its unique physical and chemical structure, which holds moisture and nutrients such as nitrogen and phosphorous that otherwise tend to run off in regular soils. It can even be used to enhance water retention as one cubic yard of biochar can absorb up to 150 gallons of water. The graphic below details the full range of atmospheric and soil benefits derived from biochar.

Aurora is actively exploring biochar opportunities. We are currently exploring a potential investment in a new biochar facility that would not only provide biochar but would also revitalize a shuttered sawmill operation (creating additional quality jobs in the local community). The synergy with Aurora's sustainability and climate-focused mission makes biochar an exciting mission-aligned industry for Aurora to engage with in the years to come.

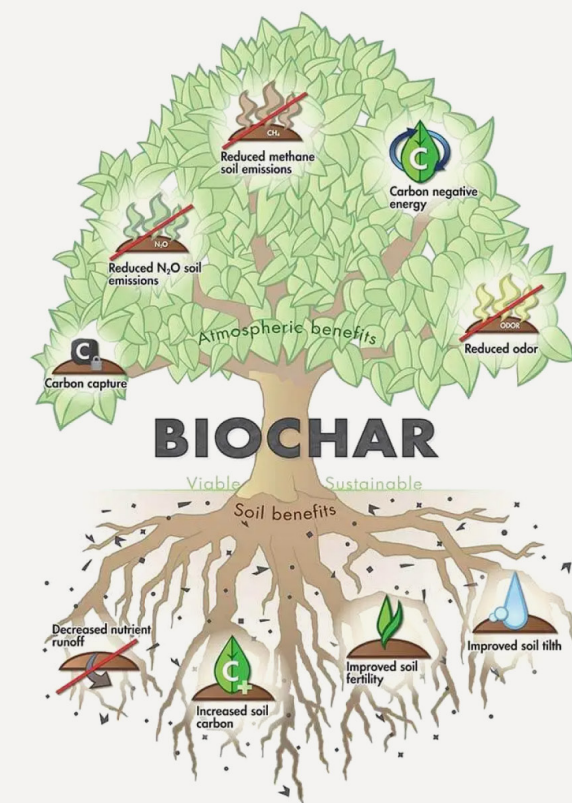


Image credit: About biochar. International Biochar Initiative. (2022, October 5). <https://biochar-international.org/about-biochar/>

## Engagement and Philanthropy

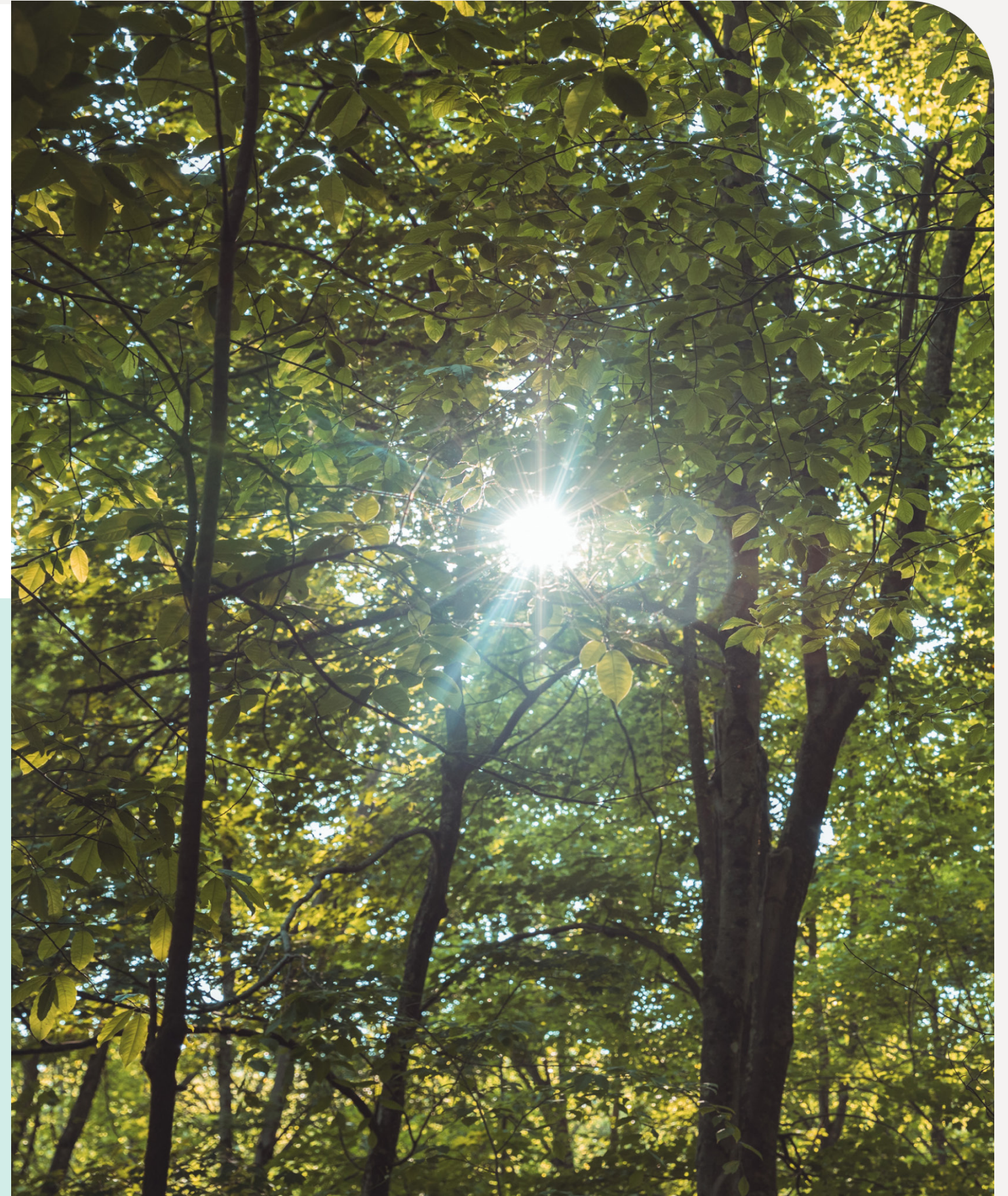
### TFG Legacy Fund

Aurora is proud to be an active philanthropic and charitable partner for mission-aligned projects through The Forestland Group Legacy Foundation (TFG Foundation). The TFG Foundation was formed by Aurora's investors in tandem with the acquisition of The Forestland Group in 2022 and was seeded with an initial \$4 million gift. Formed as a corporation organized under North Carolina's Nonprofit Corporation Act, the TFG Foundation is organized as a charitable organization that operates exclusively for charitable, educational, and scientific purposes within the meaning of 501(c)(3) of the Internal Revenue Code. Initial grants have supported university scholarships as well as a Forestry Entrepreneurship Center at West Virginia University.

The TFG Foundation Board (TFG Board) meets throughout the year to discuss operations and potential giving. The TFG Board is actively developing its investment policy and is exploring options to develop a formal grant process to streamline and enhance its charitable impact. The TFG Board is also actively evaluating the pros and cons of achieving formal 501(c)(3) status as a private foundation in 2025. Aurora is excited to further develop its philanthropic efforts to support the communities in which we work and live and through other mission-aligned charitable activities.

### Other Charitable Giving

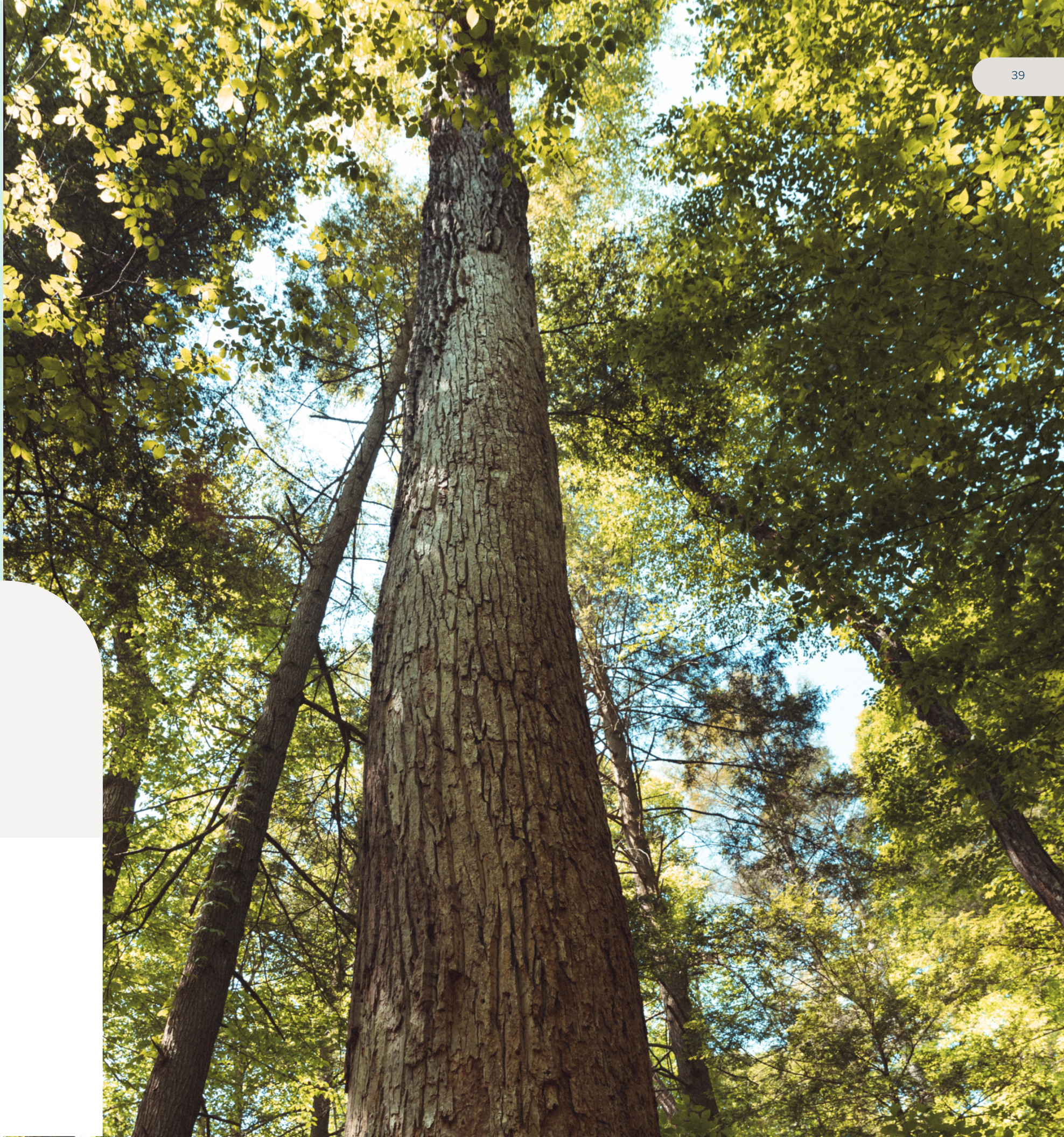
Aurora, as a steward for one of North America's largest holdings of forestland, believes that our work can't just be limited to our forests. We need to be good partners with the communities in which we live, work, and play. To that end, Aurora donated to American Red Cross Disaster Recovery efforts in the wake of Hurricanes Helene and Milton. Aurora matched 100% of all employee donations made to the Red Cross (or other qualifying organizations) working on disaster recovery in North Carolina during the entire month of November 2024. In total, Aurora donated approximately \$7,365 to 2024 disaster relief efforts.



# / 03 Sustainability

1. GHG / Scope Accounting

2. FSC



## GHG / Scope Accounting

Our 2024 greenhouse gas (GHG)/Scope Accounting consists of: Scope 2 (location-based), Scope 3, and total emissions by GHG. Standing behind the work we do, in early 2025, Aurora will retire our own high-quality carbon credits to offset our 2024 emissions. Aurora did not have any Scope 1 emissions in 2024.

**Emissions are estimated according to the following normative references from GHG Protocol<sup>1</sup>:**

- Corporate Accounting and Reporting Standard
- Scope 2 Guidance
- Corporate Value Chain (Scope 3) Standard

### Aurora 2024 Scope Emissions Reporting Table

Scope Category	Common Name (tCO <sub>2</sub> )	CH <sub>4</sub> Emissions (tCO <sub>2</sub> e)	N <sub>2</sub> O Emissions (tCO <sub>2</sub> e)	Total Emissions (tCO <sub>2</sub> e)
<b>Scope 2 (Location-based)</b>				
01_Electricity Purchases	14.22	0.03	0.04	<b>14.30</b>
02_Natural Gas Purchases	4.27	0.00	0.00	<b>4.28</b>
<b>Scope 3</b>				
03_Fuel- and energy-related activities	0.76	0.00	0.00	<b>0.77</b>
06_Business travel - Transport (distance-based)	102.21	0.08	0.83	<b>103.13</b>
06_Business travel - Lodging	9.82	0.02	0.02	<b>9.86</b>
07_Employee commuting	13.71	0.38	3.74	<b>17.83</b>
<b>Organization Total (Location-based)</b>				
Organization Total	<b>144.99</b>	<b>0.52</b>	<b>4.64</b>	<b>150.15</b>

<sup>1</sup>Standards & Guidance | GHG Protocol. (n.d.). <https://ghgprotocol.org/standards-guidance>



# Forest Stewardship Council® (FSC®)

Aurora is one of the largest FSC certificate holders in the United States. FSC forest management certification means committing to 10 principles to ensure our forest is managed in a way that is: (i) economically viable, (ii) environmentally friendly, and (iii) socially beneficial. Each Aurora property (called a Management Unit) included in the certificate must individually meet the criteria of all 10 principles under the U.S. Forest Management Standard.

FSC is the world's most trusted forest certification system. FSC certification is a proven solution to prevent deforestation, preserve biodiversity, and protect human rights. Only third-party, accredited certification bodies can conduct audits and provide FSC certification to organizations.



## Preferred by Nature

In 2024, Aurora completed a full re-certification of our five-year certificate with the accredited certification body, Preferred by Nature. Annually, Aurora will conduct internal audits that are reported to FSC and additionally engage third-party, accredited certification bodies in surveillance audits. Preferred by Nature is an international non-profit supporting better land management and business practices that benefit people, nature and climate.

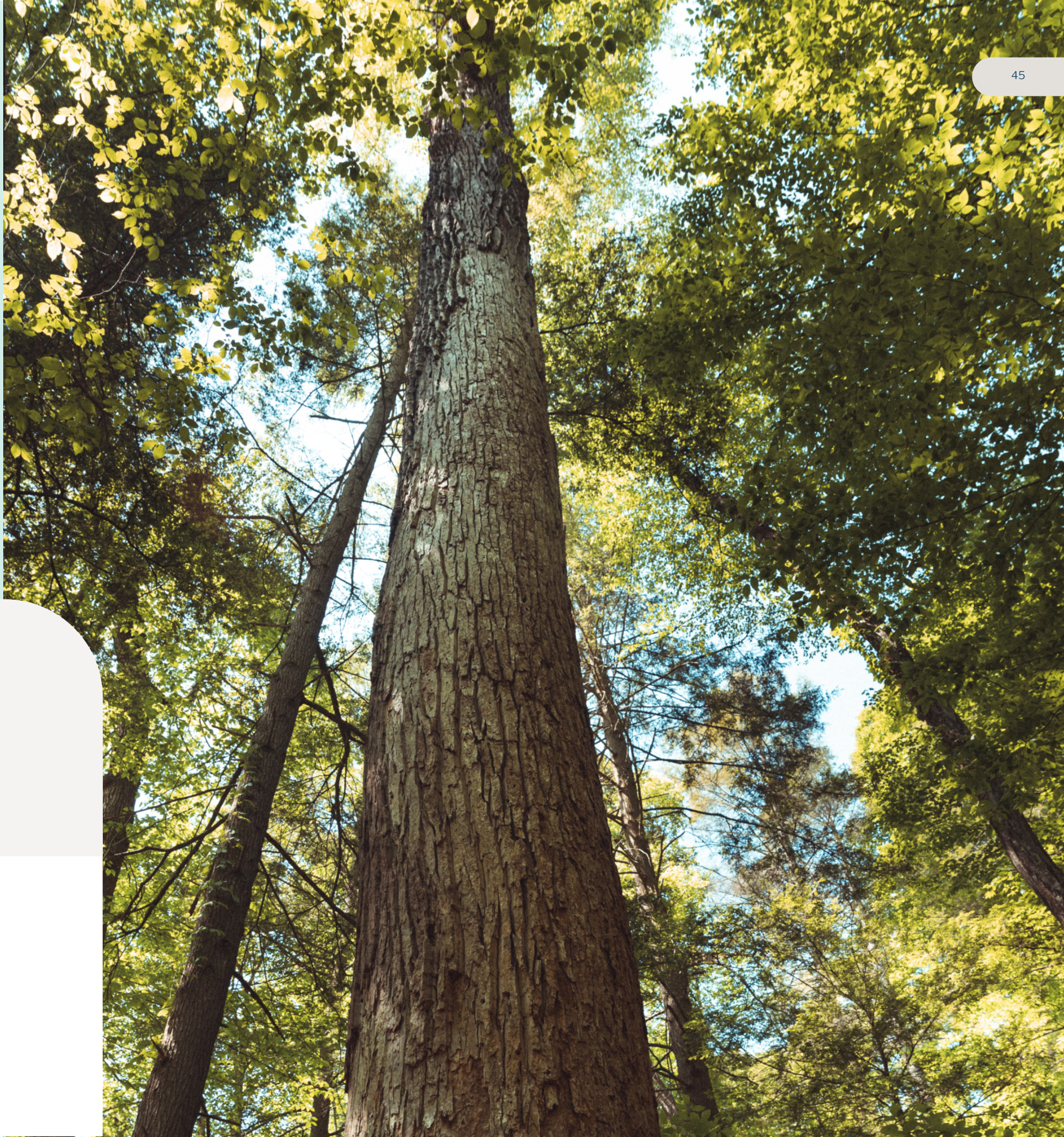


## U.S. Standard FSC Principles and Criteria

- 1. Compliance with Laws**  
Forest management shall respect all applicable laws of the country in which they occur, and international treaties and agreements to which the country is a signatory and comply with all FSC Principles and Criteria.
  - 2. Tenure and Use Rights and Responsibilities**  
Long-term tenure and use rights to the land and forest resources shall be clearly defined, documented and legally established.
  - 3. Indigenous Peoples' Rights**  
The legal and customary rights of indigenous peoples to own, use, and manage their lands, territories, and resources shall be recognized and respected.
  - 4. Community Relations and Worker's Rights**  
Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.
  - 5. Benefits from the Forest**  
Forest management operations shall encourage the efficient use of the forest's multiple products and services to ensure economic viability and a wide range of environmental and social benefits.
  - 6. Environmental Impact**  
Forest management shall conserve biological diversity and its associated values, water resources, soils, and unique and fragile ecosystems and landscapes, and, by so doing, maintain the ecological functions and the integrity of the forest.
  - 7. Management Plan**  
A management plan, appropriate to the scale and intensity of the operations, shall be written, implemented, and kept up to date. The long term objectives of management, and the means of achieving them, shall be clearly stated.
- In 2024, Aurora initiated an update of management plans across all properties in the portfolio to include Aurora's carbon stewardship and climate adaptation goals, landscape-level planning, and up-to-date inventory data.
- 8. Monitoring and Assessment**  
Monitoring shall be conducted, appropriate to the scale and intensity of forest management, to assess the condition of the forest, yields of forest products, chain of custody, management activities and their social and environmental impacts.
  - 9. Maintenance of High Conservation Value Forests**  
Management activities in high conservation value forests shall maintain or enhance the attributes which define such forests. Decisions regarding high conservation value forests shall always be considered in the context of a precautionary approach.
  - 10. Plantation Management**  
Plantations shall be planned and managed in accordance with Principles and Criteria 1- 9, and Principle 10 and its Criteria. While plantations can provide an array of social and economic benefits and can contribute to satisfying the world's needs for forest products, they should complement the management of, reduce pressures on, and promote the restoration and conservation of natural forests.

# / 04 Appendix

1. TCFD
2. SASB Materiality
3. SFDR Disclosures





## Aurora TCFD Framework Statement, 2024

Climate change cannot be addressed without protecting and expanding forest carbon and reforestation, as forests serve as a vital tool for carbon sequestration and storage globally. In fact, avoided forests conversion and improved forest management have the potential to contribute to sequestering as much as 50% of the total amount of carbon that needs to be removed from the atmosphere by 2050.<sup>1,2</sup>

As a forestland owner, Aurora manages its forests for carbon and sustainable harvesting using Improved Forest Management practices as allowed by the American Carbon Registry guidelines. Improved forest management facilitates the creation of carbon credits and generates long-lived wood products—tools for long-term carbon storage as well as revenue generators for Aurora.

To ensure our success as a carbon-focused forestry company, Aurora utilizes the Task Force for Climate-related Financial Disclosures (TCFD) framework to conduct periodic risk assessments material to our company. The results of our most recent assessment using this framework are below.

### Governance

Aurora is committed to managing our forest assets to sustain ecological benefits and enhance local economic opportunity using governance practices that ensure property oversight and worker safety. Our sustainability ideals are implemented through long-term, property-level sustainable management plans implemented through our regional field staff and vetted forestry consultants and contractors. We monitor and evaluate contractors' work and ensure they have sufficient training to execute day-to-day management decisions on our properties and adhere to our company-level ESG commitments. Our field staff manage relationships and stewardship activities to produce positive financial, ecological, and social outcomes that last far beyond our land ownership tenure.

More details and contextualized information can be found on Aurora's website.

### Strategy

#### Risks

We believe that in the longer term, climate change could impact the forest industry through physical disruptions that could add increased risk to some forestry operations. In addition, we believe that climate change will affect forest composition in the future. It is unlikely that the gradual changes in moisture and temperature regimes that we expect would create changes in the near to medium term (10 to 20 years), but we are monitoring closely. In terms of longer-term risk, Aurora monitors our forestlands for potential regional impacts from climate change through the National Climate Assessment. This Assessment is mandated by law, facilitated by the U.S. Global Change Research Project, and completed every four years to "[Analyze] the effects of global change [regionally and across sectors] and current trends in global change, both human-induced and natural, and project major trends for the subsequent 25 to 100 years."<sup>3</sup>

We monitor wildfire risks using USDA fire information in conjunction with in-house geospatial data. Our properties are routinely patrolled by local foresters and members of hunting clubs and local fire departments have keys or other gate access to Aurora properties as well.

Potential risks we are currently assessing include temperature and precipitation changes as identified in the U.S. National Fourth Climate Assessment (NCA4).<sup>4,5</sup> According to the NCA4, forests in the United States are vulnerable to the changing climate but impacts are highly region-specific. Our forests are primarily in the Northeastern and Southeastern regions and as such our evaluation of physical risks is limited to these two regions of the United States.

In the Northeast, seasonal temperature differences have decreased with winters warming three times faster than summer temperatures. By the middle part of the century, winters are expected to be even milder with fewer cold extremes and longer growing seasons (expected to increase the amount of carbon sequestered in regional forests). Warmer winters could result in an expansion in the geographic range and population size of tree pests like the hemlock woolly adelgid, emerald ash borer (EAB), and southern pine beetle. Northern and high-elevation tree types like spruce and fir were identified by NCA4 as among the most vulnerable to projected climate change in the Northeast.<sup>6</sup>

In the Southeast, precipitation trends have moved towards slightly drier summers and wetter fall seasons. Drier summers can exacerbate wildfire risks, a well-known risk in the Southeast region. Mitigation strategies such as the use of prescribed fire (already widely practiced in the region) have been proven to reduce this risk significantly.<sup>7</sup>

Changing precipitation patterns in our regions may also negatively affect our ability to harvest timber according to more traditional seasonal trends, which may reduce the number of potential harvest days in a year. For example, in the last 30 years, annual precipitation in eastern forests has increased significantly, especially in the historically dry fall season.

In terms of risk associated with pest infestation that could be exacerbated by climate change, Aurora's greatest biological forest risk is the EAB. We have been tracking this issue and USDA's discontinuation of domestic quarantines. We are optimistic that the new strategy of deploying parasitoid wasps that prey on EABs will be a successful USDA strategy in addressing this pest.

#### Opportunities

Opportunities currently being evaluated by Aurora include changes to our tree growing environs in the Northeast, increased demand/interest in our forestlands for climate mitigation, and increased carbon credit generation from our properties. We expect the importance of maintaining forest stocks and harvesting sustainably to only increase over time as interest in addressing climate change grows globally. Additionally, we anticipate that the demand for sequestered carbon and for forest carbon credits will increase over time. Our expectation is based on market experience and on the growing number of companies and other entities seeking to reduce their emissions as part of their net zero emission strategies. According to the UN-backed global campaign "Race to Zero", 52 regions, 1103 cities, 7126 companies, 1103 educational institutions, 541 financial institutions, over 3,000 hospitals from 60 healthcare institutions and 24 "other" institutions have committed to achieving net zero emissions by 2030.<sup>8</sup>

### Risk Management Strategies

Our risk management practices serve as a portfolio optimization strategy, a mitigation strategy, and a climate resilience initiative. In our initial risk assessment, the importance of identifying properties unsuitable for carbon project enrollment (before acquisition) and developing a portfolio with particular emphasis on diversity (geographically, tree species, and age class) emerged as key strategies. The diversity of tree species also helps manage potential insect infestations, which could be exacerbated by climate change.<sup>9</sup> Our risk management strategy places emphasis on adopting improved forest management practices to cultivate healthy, resilient, and working forestland. Aurora screens out properties that are managed under unethical or unsustainable practices that are fundamentally misaligned to our Natural Forest Management Principles, which dictate our approach to sustainable on-site operations.

1 Farigone et al. (2018) Natural climate solutions for the United States. *Science Advances*, 4, eaat1869. <https://doi.org/10.1126/sciadv.aat1869>

2 Griscom et al., (2017). Natural climate solutions. *Proceedings of the National Academy of Sciences*, 114, pp. 11645 – 11650. <https://doi.org/10.1073/pnas.1710465114>

3 Brown, M. E., et al. (2015). Climate change, global food security, and the U.S. food system. U.S. Global Change Research Program, Washington, DC. <https://nca2018.globalchange.gov/chapter/front-matter-about/>

4 Dupigny-Giroux, L.A., et al. (2018). Northeast. In *Impacts, Risks, and Adaptation in the United States: Fourth National Climate Assessment, Volume II* [Reidmiller, D.R., C.W. Avery, D.R. Easterling, K.E. Kunkel, K.L.M. Lewis, T.K. Maycock, and B.C. Stewart (eds.)]. U.S. Global Change Research Program, Washington, DC, USA, pp. 669–742. <https://nca2018.globalchange.gov/chapter/front-matter-about/>

Carter, L., et al. (2018). Southeast. In *Impacts, Risks, and Adaptation in the United States: Fourth National*

5 *Climate Assessment, Volume II* [Reidmiller, D.R., C.W. Avery, D.R. Easterling, K.E. Kunkel, K.L.M. Lewis, T.K. Maycock, and B.C. Stewart (eds.)]. U.S. Global Change Research Program, Washington, DC, USA, pp. 743–808. <https://nca2018.globalchange.gov/chapter/front-matter-about/>

6 NCA4 (2018). Northeast.

7 NCA4 (2018). Southeast.

8 The Race to Zero is a campaign designed to rally non-government entities, including companies, cities, regions, financial and educational institutions – to take action to halve global emissions by 2030 by taking net zero pledges themselves.

9 Aurora closely follows USDA and FSC options and opportunities for infestation management.

## TCFD Disclosures

PILLAR	RECOMMENDED TCFD DISCLOSURES	SUMMARY
GOVERNANCE	a) Describe the board’s oversight of climate-related risks and opportunities.	Aurora’s Board of Directors and Executive Committee have an explicit directive to increase impact and incorporate climate change in all decisions. Associated ESG policies are reviewed at minimum on an annual basis.
	b) Describe management’s role in assessing and managing climate-related risks and opportunities.	
STRATEGY	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Last year, a climate risks and opportunities assessment was completed on our portfolio. These risks, as well as their impacts on Aurora’s businesses, strategy, and financial planning, are described in our TCFD Statement above.
	b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	
	c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
RISK MANAGEMENT	a) Describe the organization’s processes for identifying and assessing climate-related risks.	Currently, Aurora relies on heavy vetting of forestry consultants and partners to identify, assess, and manage climate-related risks. These processes are refined by our Regional Directors and managed by our Executive Committee.  Our reporting to ACR & CARB also serves as a process for identifying and managing risks.
	b) Describe the organization’s processes for managing climate-related risks.	
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	Managing our forest inventory using improved forest management practices not only allows us to maximize the carbon benefits but also improves the climate and forest resilience of the lands we manage. Forest resilience—the ability to respond to and recover from climate impacts and changing conditions—historically has been key to ecosystem sustainability. Good forest management secures the survival of forest ecosystems and enhances their environmental, sociocultural, and economic functions. We believe that good management can both maximize forests’ contribution to climate change mitigation and help forests and forest-dependent communities better manage climate impacts. As such, our processes provide both a mitigation and a climate resilience benefit.
METRICS & TARGETS	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Aurora is continuing to refine its metrics and targets to identify natural forest management assets that present an opportunity to meet and exceed our sustainability and investment objectives. This year, Aurora completed a SASB and SFDR reporting assessment that included key metrics for assessing climate-related risks and opportunities. These metrics can be found in their respective tables below.
	b) Disclose Scope 1, Scope 2, and if appropriate Scope 3 greenhouse gas emissions, and the related risks.	Aurora did not have Scope 1 emissions in 2024. Scope 2 and partial Scope 3 emissions are reported above. Aurora will work to continue to expand analysis of downstream Scope 3 emissions in future years. Aurora will continue to offset our emissions through voluntary retirement of our own high-quality carbon offsets.
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Aurora is in the process of setting and integrating new sustainability goals, metrics, and standards across the organization.

## SASB Materiality Analysis

TOPIC	SASB METRIC	CODE	AURORA 2024 RESPONSE
ECOSYSTEM SERVICES & IMPACTS	Area of forestland certified to a third-party forest management standard. Percentage certified to each standard	RR-FM-106a.1	636,380ha 100% of Aurora’s certified acres are certified under FSC
	Area of forestland with protected conservation status	RR-FM-106a.2	136,784ha
	Area of forestland in endangered species habitat	RR-FM-160a.3	18,816ha
	Description of approach to optimizing opportunities from ecosystem services provided by forestlands	RR-FM-160a.4	As a carbon-focused forestland manager, Aurora’s core business model is to actively seek ways to enhance ecosystem services provided by our forests while optimizing carbon on the landscape. Through improved forest management practices and carbon stewardship principles, Aurora intentionally works to enhance ecosystem services including nutrient cycling, carbon storage and sequestration, air and water purification from forest filtration, water regulation through storms, floods, and droughts, biodiversity and pollinator species support, and cultural services.  These ecosystem services are interconnected, essential for the health of the planet and human well-being, and central to our business. Protecting and sustainably managing forests is crucial to ensure not only Aurora’s success, but the continued provision of these vital services for future generations.
RIGHTS OF INDIGENOUS PEOPLES	Area of forestland in indigenous land	RR-FM-210a.1	0ha
	Description of engagement process and due diligence practices with respect to human rights, indigenous rights, and the local community	RR-FM-210a.2	As part of Aurora’s FSC certified responsible land management practices, any areas of historical or cultural importance are identified in partnership with state Natural Heritage Program departments. Aurora protects and monitors these areas throughout our land tenure. Additionally, letters are sent to any surrounding indigenous communities about forest management in these areas.
CLIMATE CHANGE ADAPTATION	Description of strategy to manage opportunities for and risks to forest management and timber production presented by climate change	RR-FM-450a.1	As a company founded on providing nature-based climate solutions, climate management is part of our full operations. Aurora’s foundational documents outline alignment with TCFD frameworks to assess climate risks and opportunities. This framework informs how we assess and manage climate-related risks and opportunities.  Additionally, Aurora’s full board includes climate risk, impact, and sustainability in their responsibilities. Aurora’s board reviews ESG and climate risks and opportunities in each quarterly board meeting. These risks vary based on time and place but when they arise, they are disclosed to the Board, discussed, and subsequently managed. Climate-related risks as a landowner include wildfires, extreme weather events, and related risks. Aurora actively manages these risks in the ordinary course of its business.
ACTIVITY METRICS	Area of forestland owned, leased, and/or managed by the entity	RR-FM-000.A	665,000ha
	Aggregate standing timber inventory	RR-FM-000.B	138,656,039 m <sup>3</sup>
	Timber harvest volume	RR-FM-000.C	Confidential/not reported

## SFDR Disclosures

Table 1: Principal Adverse Sustainability Indicators

SUSTAINABILITY INDICATORS	METRICS	AURORA'S 2024 DATA	ACTIONS TAKEN/ PLANNED FOR NEXT PERIOD	DEFINITION
<b>Climate and Other Environment-related Indicators</b>				
<b>GREENHOUSE GAS EMISSIONS</b>	1. GHG Emissions	Aurora's Scope Emissions are reported above.	Aurora wants to expand Scope 3 emissions reporting to be more inclusive of downstream business operations in 2025.	Scope 1 GHG emissions Scope 2 GHG emissions Scope 3 GHG emissions Total GHG emissions (tCO <sub>2</sub> e)
	2. Carbon Footprint	Aurora does not currently track this metric.	Aurora plans to begin privately tracking this metric in 2025.	Scope 1 & Scope 2 GHG emissions over revenue (tCO <sub>2</sub> e / \$ revenue)
	3. GHG Intensity			
	4. Exposure to fossil fuel-related activities	Aurora does not believe it faces significant exposure or risks related to involvement in the fossil fuel industry.	Aurora will continue to conduct due diligence on investment and partnerships regarding fossil fuel risk in our portfolio.	Companies from non-renewable energy sources compared to renewable energy sources (involvement in the fossil fuel sector)
	5. Share of non-renewable energy consumption and production	Aurora does not currently track this metric.	Aurora wants to work with its partners to begin tracking this metric in 2025.	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources (% total energy sources)
	6. Energy consumption intensity (Gwh/\$ revenue)	Aurora does not currently track this method.	Aurora wants to work with its partners to begin tracking this metric in 2025.	Energy consumption in Gwh per USD of revenue
<b>BIODIVERSITY</b>	7. Activities negatively affecting biodiversity-sensitive areas	While Aurora's forestland is located in or near biodiversity sensitive areas, these areas are protected through our FSC certification and our responsible forest management practices. Aurora has not tracked any activity that would negatively affect these areas.	As part of Aurora's forest management plan re-write, areas of High Conservation Value are being re-assessed and third-party verified to ensure strong protections.	Sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas (%)
<b>WATER</b>	8. Emissions to water	Aurora does not believe it faces significant risks related to water emissions.	Aurora will continue to conduct due diligence on emissions to water risk in our operational practices.	Weighted average of tons of emissions to water generated / \$M USD
<b>WASTE</b>	9. Hazardous waste	Aurora does not believe it faces significant risks related to hazardous waste.	Aurora will continue to conduct due diligence on hazardous waste risk in our operational practices.	Weighted average of tons of hazardous & radioactive waste generated / \$M USD

Table 1: Principal Adverse Sustainability Indicators (cont'd)

SUSTAINABILITY INDICATORS	METRICS	AURORA'S 2024 DATA	ACTIONS TAKEN/ PLANNED FOR NEXT PERIOD	DEFINITION
<b>Indicators for Social &amp; Employee, Respect for Human Rights, Anti-Corruption, &amp; Anti-Bribery Matters</b>				
<b>SOCIAL AND EMPLOYEE MATTERS</b>	10. Violations of the UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Zero violations. In 2024, Aurora did not report any material legal proceedings in relation to violations of the UNGC principles or OECD Guidelines for Multinational Enterprises.	Aurora plans to continue to uphold practices in line with the UNGC principles and OECD Guidelines for Multinational Enterprises.	Number of violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Aurora has processes in place to ensure compliance with its Global Human Rights Policy.	Aurora plans to continue to uphold practices in line with its Human Rights Policy.	Lack of policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
	12. Unadjusted gender pay gap	48%	Aurora wants to improve both metric tracking and pay gap balance moving forward into 2025.	Unadjusted GPG = (Avg. gross hourly earning of male employees - Avg. gross hourly earnings of female employees) / Avg. gross hourly earnings of male employees
	13. Board gender diversity	20% of Aurora's Board is female identifying		Ratio of female to male board members
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons)	Aurora does not knowingly face significant risks related to controversial weapons.	N/A	Involvement in the manufacture of controversial weapons defined as anti-personnel mines, cluster munitions, chemical weapons, and biological weapons.

**Table 2: Additional Climate and Other Environment-related Indicators**

SUSTAINABILITY INDICATORS	METRICS	AURORA'S 2024 DATA	ACTIONS TAKEN/ PLANNED FOR NEXT PERIOD	DEFINITION
EMISSIONS	1. Emissions of inorganic pollutants	Aurora does not believe it faces significant exposure or risks related to inorganic pollutants.		Tons of inorganic pollutants equivalent / \$M USD, expressed as a weighted average
	2. Emissions of air pollutants	Aurora does not believe it faces significant exposure or risks related to air pollutants.		Tons of air pollutants equivalent / \$M USD, expressed as a weighted average
	3. Emissions of ozone depletion substances	Aurora does not believe it faces significant exposure or risks to ozone depletion substances.		Tons of ozone depletion substances equivalent / \$M USD, expressed as a weighted average
	4. Lack of carbon emission reduction initiatives aligned with the Paris Agreement	Aurora's business model is centered around decarbonization through the issuance of high-quality forest-based carbon offsets. We track our Scope 1 and Scope 2 emissions in partnership with Anew Climate and retire an equivalent amount of our own carbon credits to offset these emissions.	Aurora plans to continue to track emissions in partnership with Anew Climate as well as offset our own credits for emissions in 2024 and beyond.	Lack of carbon emission reduction initiatives aimed at aligning with the Paris Agreement
ENERGY PERFORMANCE	5. Breakdown of energy consumption by type of non-renewable sources of energy	Aurora does not currently track this metric.	Aurora wants to work with its partners to establish a tracking methodology for this metric in 2025.	Energy consumption from non-renewable sources broken down by each non-renewable energy source
WATER, WASTE, AND MATERIAL	6. Water usage and recycling	Aurora does not currently track this metric.	Aurora wants to work with its partners to establish a tracking methodology for this metric in 2025.	Average amount of water consumed and reclaimed (m <sup>3</sup> ) Average percentage of water recycled and reused
	7. Lack of water management policies	Water protection is important to Aurora's responsible forest management practices and is protected under requirements in our FSC certification. Many state's BMPs also have requirements to protect water quantity and quality, which Aurora aims to meet or surpass.		Lack of water management policies
	8. Exposure to areas of high-water stress	Aurora does not believe it faces significant exposure or risks related to high-water stress.		Sites located in areas of high-water stress without a water management policy
	9. Production of chemicals	Aurora's activities do not fall under Division 20.2 of Annex I to Regulation (EC) No. 1893/2006.		Company's activities fall under Division 20.2 of Annex I to Regulation (EC) No. 1893/2006

**Table 2: Additional Climate and Other Environment-related Indicators (cont'd)**

SUSTAINABILITY INDICATORS	METRICS	AURORA'S 2024 DATA	ACTIONS TAKEN/ PLANNED FOR NEXT PERIOD	DEFINITION
WATER, WASTE, AND MATERIAL (CONT'D)	10. Land degradation, desertification, soil sealing	Aurora does not believe it faces significant risks linked to land degradation, desertification, or soil sealing.		Company's activities cause land degradation, desertification, or soil sealing
	11. Lack of sustainable land/agricultural practices	Enhanced carbon sequestration and sustainable forest management are at the core of Aurora's investment objectives and criteria. Aurora is committed to managing its forestland assets to sustain ecological benefits and enhance local economic opportunity using governance practices that ensure property oversight and worker safety. Aurora stewards its properties in compliance with its written Forest Operations Policies and Procedures and, where applicable, under FSC certification standards.	Aurora aims to continue to uphold sustainable land practices as a core feature of its business model and continue to operate in compliance with its FSC certification in 2025.	Lack of sustainable land/agriculture practices or policies
	12. Lack of sustainable oceans/seas practices	Aurora does not believe it faces significant risks linked to sustainable oceans/seas practices.		Lack of sustainable oceans/seas practices or policies
	13. Non-recycled waste	Aurora does not currently track this metric.	Aurora wants to work with its partners to establish a tracking methodology for this metric in 2025.	Tons of non-recycled waste generated
	14. Operations affecting natural species and protected areas	1. Aurora does not believe its operations negatively affect threatened species. 2. Aurora's Forest Operations Policies and Procedures Manual outlines protection of sites owned, leased, managed in, or adjacent to a protected area or an area of high biodiversity value outside protected areas. Additionally, our properties certified under FSC have shown proof that they meet FSC Standards around biodiversity protection.		1. Company's operations affecting threatened species 2. Lack of a biodiversity protection policy covering operational sites owned, leased, managed in, or adjacent to, a protected area or an area of high biodiversity value outside protected areas
	15. Deforestation	Aurora purchases and manages existing forests and is committed to increasing landscape-level carbon stock. Further, it aims to remain in compliance with FSC Certification Standards.  Therefore, Aurora does not believe it faces significant risks linked to deforestation.		Lack of policy to address deforestation

**Table 3: Additional Indicators for Social and Employee, Respect for Human Rights, Anti-corruption, and Anti-bribery Matters**

SUSTAINABILITY INDICATORS	METRICS	AURORA'S 2024 DATA	ACTIONS TAKEN/ PLANNED FOR NEXT PERIOD	DEFINITION
SOCIAL AND EMPLOYEE MATTERS	1. Lack of a workplace accident prevention policy	No: Aurora's workplace accident prevention policy can be found in our Forest Operations Policies and Procedures Manual under the Safety Policy section.		Lack of a workplace accident prevention policy (Yes/No)
	2. Rate of accidents	Zero accidents: In 2024, there were no workplace employee fatalities at any of Aurora's locations.		Rate of accidents (#)
	4. Lack of a supplier code of conduct	Aurora does not currently track this metric.	Aurora wants to work with its partners to establish a tracking methodology for this metric in 2025.	Number of workdays lost to injuries, accidents, fatalities, or illness (#)
	5. Lack of grievance/complaints handling mechanism related to employee matters	No: Aurora extends its commitment to human rights throughout its supply chain, holding its suppliers and partners to the same rigorous standard as outlined in our Human Rights Policy.		Lack of any supplier code of conduct (against unsafe working conditions, precarious work, child labor, and forced labor) (Yes/No)
	5. Lack of grievance/complaints handling mechanism related to employee matters	No: Grievance Mechanisms are outlined in Aurora's Human Rights Policy.		Lack of grievance/complaints handling mechanism related to employee matters (Yes/No)
	6. Lack of Whistleblower protection	No: Aurora has a standalone policy on the protection of whistleblowers that will be fully implemented into 2025 contracts as well as an active reporting hotline.		Lack of policies on the protection of whistleblowers (Yes/No)
	7. Incidents of discrimination	Zero incidents of discrimination: In 2024, Aurora did not report any material legal proceedings in relation to discrimination.		1. Number of incidents of discrimination 2. Number of incidents of discrimination leading to sanctions
	8. Excessive CEO pay ratio	6:1		Average ratio of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees

**Table 3: Additional Indicators for Social and Employee, Respect for Human Rights, Anti-corruption, and Anti-bribery Matters (cont'd)**

SUSTAINABILITY INDICATORS	METRICS	AURORA'S 2024 DATA	ACTIONS TAKEN/ PLANNED FOR NEXT PERIOD	DEFINITION
EMISSIONS	9. Lack of a human rights policy	No: Aurora has a Human Rights Policy.		Lack of a human rights policy (Yes/No)
	10. Lack of due diligence on human rights	No: Aurora's human rights due diligence process is outlined in its Human Rights Policy.		Lack of a due diligence process to identify, prevent, mitigate, and address adverse human rights impacts (Yes/No)
	11. Lack of processes and measures for preventing trafficking in human beings	No: Aurora's human trafficking policy is outlined in its Human Rights Policy.		Lack of policies to identify, prevent, mitigate, and address adverse human rights impacts (Yes/No)
	12. Operations and suppliers at significant risk of incidents of child labor	No: Aurora does not believe it faces significant risk of child labor. Aurora's child labor policy is outlined in its Human Rights Policy and expects its suppliers to act in accordance with the guiding principles of this policy.		Company's operations and suppliers exposed to significant risk of incidents of child labor (Yes/No)
	13. Operations and suppliers at significant risk of incidents of forced or compulsory labor	No: Aurora does not believe it faces significant risk of forced labor. Aurora's forced labor policy is outlined in its Human Rights Policy and expects its suppliers to act in accordance with the guiding principles of this policy.		Company's operations and suppliers exposed to a significant risk of incidents of forced or compulsory labor in terms of geographic areas and /or the type of operation (Yes/No)
	14. Number and nature of identified cases of severe human rights issues and incidents	Zero cases: Aurora is not aware of identified cases of severe human rights issues and incidents associated with its operations.		Number of cases of severe human rights issues and incidents (#)
	15. Lack of anti-corruption and anti-bribery policies	No: Aurora maintains a Global Human Rights Policy.	Aurora plans on developing additional policies related to anti-corruption and anti-bribery in 2025.	Lack of policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption (Yes/No)
	16. Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery	Zero cases: In 2024, Aurora did not report any material legal proceedings in relation to insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery.		Cases of identified insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery (#)
	17. Number of convictions and level of fines for violation of anti-corruption and anti-bribery laws	Zero cases: In 2024, Aurora did not report any material legal proceedings in relation to convictions and/or fines for violation of anti-corruption and anti-bribery laws.		Number of convictions and level of fines for violation of anti-corruption and anti-bribery laws (#)

