

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MAINE

MAINE PEOPLE’S ALLIANCE and)
NATURAL RESOURCES DEFENSE)
COUNCIL, INC.,)

Plaintiffs,)

v.)

1:00-CV-00069-JAW

HOLTRACHEM MANUFACTURING)
COMPANY, LLC and)
MALLINCKRODT US LLC,)

Defendants.)

**QUARTERLY PROGRESS REPORT FOR THE SECOND QUARTER OF 2023
GREENFIELD PENOBSCOT ESTUARY PROJECT TRUST LLC, TRUSTEE
FOR PENOBSCOT ESTUARY BENEFICIAL ENVIRONMENTAL PROJECTS
TRUST**

Greenfield Penobscot Estuary Project Trust LLC, not individually but solely in its representative capacity as Trustee for the Penobscot Estuary Beneficial Environmental Projects Trust, respectfully files this Quarterly Progress Report for the Second Quarter of 2023. This report is submitted in accordance with the Consent Decree in the above-captioned case (ECF 1187) and covers the period from April 1, 2023, through June 30, 2023.

Respectfully,

GREENFIELD PENOBSCOT ESTUARY
PROJECT TRUST LLC, TRUSTEE

By: /s/ Anna Grace
Senior Counsel

September 28, 2023

QUARTERLY PROGRESS REPORT FOR THE SECOND QUARTER 2023

GREENFIELD PENOBSCOT ESTUARY PROJECT TRUST LLC, TRUSTEE
PENOBSCOT ESTUARY BENEFICIAL ENVIRONMENTAL PROJECTS TRUST



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GREENFIELD PENOBSCOT ESTUARY PROJECT TRUST LLC, TRUSTEE
FOR PENOBSCOT ESTUARY BENEFICIAL ENVIRONMENTAL
PROJECTS TRUST**

I. Overview

A. Introduction

Greenfield Penobscot Estuary Project Trust LLC (the Trustee), not individually but solely in its representative capacity as Trustee of the Penobscot Estuary Beneficial Environmental Projects Trust (the Project Trust), respectfully submits this Quarterly Progress Report for the Second Quarter of 2023 (the 2Q23 Progress Report). The Trustee prepared this 2Q23 Progress Report in accordance with the Consent Decree in the case *Me. People's All. and Nat. Res. Def. Council, Inc. v. HoltraChem Mfg. Co., LLC and Mallinckrodt US LLC*, Case No. 1:00-cv-00069-JAW (D. Me.) (the Consent Decree). The Consent Decree requires the Trustee to submit quarterly reports describing progress to date toward fulfilling the Trustee's and the Project Trust's obligations under the Consent Decree. This 2Q23 Progress Report is the third Quarterly Progress Report prepared and submitted by the Trustee.

On March 19, 2021, the Parties lodged a proposed consent decree with the United States District Court for the District of Maine (the Court), including a proposed trust agreement, the Penobscot Estuary Beneficial Environmental Projects Trust Agreement (Appendix C to the Consent Decree).¹ On March 30, 2021, the Parties executed the trust agreement (as amended from time to time, the Project Trust Agreement) and Mallinckrodt created the Project Trust. The Court issued an Order conditionally approving the proposed consent decree on August 4, 2022. *Order on Consent Decree and Proposed Bar Order* (ECF No. 1180). The Parties subsequently filed a revised proposed consent decree and amended the Project Trust Agreement in compliance with the Court's Order. The Court entered the Consent Decree (as revised) on October 11, 2022. *Consent Decree* (ECF No. 1187).

B. Report Contents and Structure

The Consent Decree requires the Trustee to submit to the Beneficiaries and file with the Court a written report describing the cumulative actions taken by the Project Trust or the Trustee in the performance of duties required under the Consent Decree. The Statement of Work (Appendix A to the Consent Decree) refers to these reports as

¹ Capitalized terms not defined herein have the meanings ascribed to them in the Consent Decree.

Quarterly Progress Reports. The Quarterly Progress Reports must be submitted and filed within ninety days after the end of each calendar quarter. Each report must also include financial statements and receipts and disbursements for the preceding quarter, and a description of plans for upcoming Work.

Under Paragraph 25(c) of the Statement of Work, each Quarterly Progress Report “should be a standalone document that succinctly summarizes the current status of the Work without a need to refer to other documents or reports.” Paragraph 25(b) of the Statement of Work sets out specific categories of information that must be included in the Quarterly Progress Report, as follows: (i) actions taken toward achieving compliance with the Consent Decree; (ii) a summary of key results of sampling, tests, and all other data generated by the Project Trust and its contractors; (iii) a list and brief description of submitted Deliverables; (iv) a description of activities relating to the Work scheduled for the next four months; (v) an updated Milestone Work Schedule; (vi) modifications to work plans or schedules; (vii) activities undertaken in support of the Community Involvement Plan; (viii) updates to the form, location, or management of the project database; and (ix) financial statements, and receipts and disbursements.

The 2Q23 Progress Report presents the information required by the Consent Decree in six Sections, as described below.

- Section II – Summary of Work Progress

Section II summarizes the Project Trust’s Work progress during the Reporting Period (as defined in Section I.C, below) and Work planned during the following four months. Section II presents the information required under Paragraph 25(b) in the following sequence: (i) actions taken toward achieving compliance with the Consent Decree; and (ii) a description of Work activities planned during the following four months. Because the Project Trust has not funded or implemented Beneficial Environmental Projects, no sampling or test results, or other data were generated during the Reporting Period.

- Section III – Milestone Work Schedule

In future Quarterly Progress Reports, Section III will present the current Milestone Work Schedule required by Paragraphs 25(b)(v) and 32 of the Statement of Work. The Milestone Work Schedule will identify key activities and plans for the five-year period starting with the subject quarter. Quarterly Progress Reports will also present information on the percentage of completion for Work identified to date, delays encountered or anticipated that may have a substantive effect on future Work

implementation schedules, and efforts made to anticipate and mitigate delays.

- Section IV – Community Involvement Plan

Section IV provides a summary of the current status of activities undertaken in support of the Community Involvement Plan.

- Section V – Project Database

Section V provides a summary of coordination with the Trustee for the Remediation Trust concerning the form, location, or management of the project database.

- Section VI – Administrative Activities

Section VI describes activities performed by the Project Trust that are administrative in nature and funded by the Administrative Account, including the financial affairs of the Project Trust, insurance, general contracting and procurement, and Beneficiary communications.

- Section VII - Financial Statements

Section VII presents the financial statements of the Project Trust and Trust Accounts through the end of the most recent calendar quarter, including receipts and disbursements of the Trust for the subject quarter.

C. Period Covered by the 2Q23 Progress Report

This 2Q23 Progress Report summarizes the current status of the Work for the period April 1, 2023, through the end of the most recent quarter, June 30, 2023 (the Reporting Period). This report also includes a description of activities planned for July 1 through October 31, 2023.²

II. Summary of Project Trust Work Progress

Section II of the 2Q23 Progress Report provides a summary of the Project Trust's and the Trustee's cumulative actions taken during the Reporting Period in the performance of duties related to the Work required under the Consent Decree.

² For cumulative actions taken by the Project Trust and the Trustee during prior reporting periods, please see the links to the previously filed Quarterly Progress Reports, available in Section VIII.

Paragraphs 13, 23, 29, and 32 of the Consent Decree describe Work activities and other obligations related to the Beneficial Environmental Projects Work Category.

Consistent with Paragraph 25(b) of the Statement of Work, this Section II of the 2Q23 Progress Report provides the following information concerning Work related to Beneficial Environmental Projects: (i) a summary of actions taken toward achieving compliance with the Consent Decree; and (ii) a description of activities relating to Beneficial Environmental Projects that are scheduled for the next four months.

A. Actions Taken Toward Achieving Consent Decree Compliance

The Project Trust is responsible for overseeing, funding, and implementing Beneficial Environmental Projects, which may also be Restoration Projects. The Consent Decree sets out general decision-making procedures for selecting Beneficial Environmental Projects. Under Paragraph 32 of the Consent Decree, the Trustee is responsible for recommending Beneficial Environmental Projects for funding and implementation to the Beneficiaries for comment or objection. Additionally, each of the Beneficiaries may propose Beneficial Environmental Projects to the Trustee.

The Consent Decree describes several factors that the Trustee must consider when determining what projects to recommend and fund as Beneficial Environmental Projects, which include: (i) whether the project was recommended by a Beneficiary; (ii) the requirements of Paragraph 13 of the Consent Decree; and (iii) the funding schedule set forth in Paragraph 32(b) of the Consent Decree. The Trustee may also consider other factors. To efficiently administer Trust funds and to assist the Trustee in recommending projects designed to provide tangible environmental or public benefits to affected communities and the environment, the Trustee intends to continue developing processes and protocols for selecting, funding, and implementing Beneficial Environmental Projects (BEPs) consistent with the requirements of the Consent Decree, including the development of objective criteria for evaluating proposed projects.

During the Reporting Period, the Trustee continued developing such processes and protocols. In connection with these efforts, on April 28, 2023, the Trustee and the Beneficiaries met to discuss the Beneficiaries' comments on the Draft BEP Framework for Funding Beneficial Environmental Projects (the Draft BEP Framework) that was submitted to the Beneficiaries on February 14, 2023. The Draft BEP Framework outlined a proposed process for soliciting stakeholder proposals for BEPs and objective criteria to be used for evaluating proposed projects.

On May 2, 2023, the Trustee submitted a revised Draft BEP Framework (the Revised Draft Framework), incorporating Beneficiary comments. On May 3, 2023, the Trustee and the Beneficiaries met for continued discussions regarding the Draft BEP Framework. During this meeting, the Trustee also discussed with the Beneficiaries (1)

the retention of a consultant to assist the Trustee in evaluating proposals and (2) potential BEPs identified by the Beneficiaries, among other matters. On May 17, 2023, the Trustee received Beneficiary comments on the Revised Draft Framework. On June 21, 2023, the Trustee and the Beneficiaries met to discuss further revisions to the Revised Draft Framework, the Trustee's plans to engage a third-party consultant to support the BEP solicitation and evaluation process (BEP Consultant), and the schedule for seeking BEP proposals. During the Reporting Period, the Trustee interviewed several BEP Consultant candidates and informally engaged with stakeholders concerning potential BEP proposals.

B. Work Planned for the Period from July 1, 2023, through October 31, 2023

During the period July 1–October 31, 2023, the Trustee expects to finalize and submit to the Beneficiaries the final BEP Framework, submit a notice and request for comment or objection concerning the Trustee's selected BEP Consultant, and prepare BEP proposal submission guidelines for stakeholders seeking funding for potential BEPs. A draft of the BEP proposal submission guidelines will be submitted to the Beneficiaries for comment, in accordance with Paragraph 23 of the Statement of Work. The Trustee expects to (1) issue the BEP proposal submission guidelines in September 2023 by publishing them on the Project Trust webpage and by transmitting them to stakeholders identified by the Beneficiaries and the Trustee, (2) offer online sessions to answer questions from the community about the BEP proposal process, and (3) continue engaging in informal discussions with stakeholders concerning potential BEPs.

III. Milestone Work Schedule

In future Quarterly Progress Reports, after commencement of the process for selecting, funding, and implementing BEPs, Section III will present a Milestone Work Schedule summarizing key activities and estimated timeframes for Work anticipated during the five-year period, starting with the relevant reporting period. Key submittals and specific Work completion targets for BEPs that have been selected will also be included in the Milestone Work Schedule, as appropriate.

IV. Community Involvement Activities

A. Activities in Support of Community Involvement During the Reporting Period

During the Reporting Period, all actions undertaken to achieve compliance with Consent Decree requirements concerning community involvement have been performed by the Remediation Trust or the Trustee for the Remediation Trust. These activities are described in the Quarterly Progress Report for the Second Quarter of 2023 prepared and filed by the Trustee for the Remediation Trust.

B. Activities Planned in Support of Community Involvement During the Period from July 1, 2023, through October 31, 2023

During the coming four months, consistent with Paragraph 21 of the Statement of Work, the Trustee expects to support community involvement by attending community events, such as the Orland River Day celebration, and by issuing a fact sheet about the BEP proposal process. Consistent with Paragraph 22(a) of the Statement of Work, the Trustee also plans to create a Project Trust webpage where BEP proposal submission guidelines and the fact sheet will be publicly available. In future Quarterly Progress Reports, after commencement of the process for selecting, funding, and implementing BEPs, Section IV will present a description of activities undertaken by the Project Trust or the Trustee in support of the Community Involvement Plan during the Reporting Period and a description of those activities planned in the next four months.

V. Updates to Project Database

Paragraph 26 of the Statement of Work requires the Trustee to “maintain a project database containing all data generated by the Trustee and its contractors necessary to complete the required Work....” The database must include all Site data provided by the Beneficiaries, and the Trustee must provide the Beneficiaries with access to the project database. Paragraph 25(b)(viii) of the Statement of Work requires the Quarterly Progress Report to include a summary of updates to the form, location, or management of the project database. During the reporting period, all actions to achieve compliance with Consent Decree requirements related to the project database have been undertaken by the Trustee for the Remediation Trust. These activities are described in the Quarterly Progress Report for the First Quarter of 2023 prepared and filed by the Trustee for the Remediation Trust.

VI. Administrative Activities

Section VI of the 2Q23 Progress Report describes activities undertaken by the Project Trust associated with administration or management of the Project Trust, including taxes, investment, and safekeeping of assets, insurance, and financial affairs. Section VI also covers administrative activities the Project Trust expects to undertake during the period from July 1, 2023, to October 31, 2023. All costs related to the administrative activities described in this Section are paid from the Administrative Account for the Project Trust.

A. Actions Taken to Achieve Compliance with the Consent Decree and Fulfill Administrative Duties During the Reporting Period

1. Communications with the Beneficiaries

a) Beneficiary Meetings

During the Reporting Period, the Project Trust participated in two meetings with representatives for the Beneficiaries (by videoconference). The purposes of these meetings included discussing the Draft BEP Framework, the Trustee’s recommendations regarding retention of a BEP Consultant, and a variety of matters including Consent Decree interpretation. A list of these meetings with the Beneficiaries, including a brief description of each event’s purpose or subject matter, is included in Table 6-1.

b) Written Beneficiary Communications

Paragraph 27 of the Statement of Work requires the Trustee to submit draft and final copies of Deliverables to the Beneficiaries as required by the Consent Decree and the Statement of Work. The Consent Decree and the Statement of Work include additional specific requirements concerning the submission of various notices and other documents to the Beneficiaries. In compliance with these requirements, during the Reporting Period, the Trustee submitted various required notices and other documents to the Beneficiaries by electronic mail. This included submissions and consultations to provide opportunity for Beneficiary comment or objection within the prescribed timeframes set out in the Consent Decree, the Project Trust Agreement, and the Statement of Work. A list of all such notifications, consultations, and submittals to the Beneficiaries during the Reporting Period is included in Table 6-2. The Project Trust has also provided information and progress updates and sought feedback from the Beneficiaries on a host of other matters during the Reporting Period.

c) Tables 6-1 and 6-2

Table 6-1 (below) lists the Trustee’s meetings with the Beneficiaries, including a brief description of the purpose or subject matter of each meeting.

| Table 6-1 | |
|---|--|
| Beneficiary Meetings During Reporting Period | |
| Date | Purpose of Meeting |
| April 28, 2023 | Discuss Beneficiary comments concerning Draft BEP Framework. |
| May 3, 2023 | Discuss retention of consultant to assist Trustee in proposal evaluation process; the Draft BEP Framework; and Beneficiary-identified potential Beneficial Environmental Projects. |

Table 6-2 (below) sets out the Trustee’s notifications and consultations provided to the Beneficiaries during the Reporting Period.

| Table 6-2 Beneficiary Notification, Consultation, or Submittal During Reporting Period | |
|---|---|
| Date | Brief Description and Reference to Consent Decree Requirement |
| April 10, 2023 | Recommendation Regarding Next Steps for Draft Beneficial Environmental Projects Framework |
| May 2, 2023 | Revised Draft Beneficial Environmental Projects Framework |
| May 22, 2023 | Questions and Comments Concerning Third-Party Independent Auditor Candidate's Audit Proposal |
| June 2, 2023 | Invoice with 1Q23 Trustee Fees and Expenses for Beneficiary Comment or Objection (TA § 3.2.4) |
| June 22, 2023 | Invoice with April 2023 Trustee Fees for Beneficiary Comment or Objection (TA § 3.2.4) |

2. Financial Affairs

The Project Trust has taken the following actions related to management of its financial affairs to achieve compliance with the Consent Decree during the Reporting Period.

a) Investments

Project Trust funds remain invested in accordance with the investment parameters set forth in Section 2.5.1 of the Project Trust Agreement. During the Reporting Period, the Trustee continued steps to update the investment allocation.

b) Banking

In accordance with Section 3.4 of the Project Trust Agreement, the Project Trust continued to retain a local bank in Maine to provide checking (i.e., working) account services to support disbursement of operational expenses.

c) Tax Reporting

Consistent with Section 6.3 of the Project Trust Agreement, the Trustee has taken all reasonable actions necessary to ensure that the Project Trust qualifies as an environmental remediation trust as described in Treasury Regulation Section 301.7701-4(e) and a "grantor trust" within the meaning of Sections 671 through 679 of the Internal Revenue Code of 1986, as amended, for federal income tax purposes, with Mallinckrodt

treated as the owner of the Project Trust and Trust Assets for federal tax purposes, including by filing required documents with the Internal Revenue Service.

d) Trustee Invoices

In accordance with Section 3.2.4 of the Project Trust Agreement, on June 2, 2023, the Trustee submitted to the Beneficiaries for comment and objection an invoice detailing its fees and expenses for the first quarter of 2023. On June 22, 2023, the Trustee submitted to the Beneficiaries for comment and objection an invoice detailing its fees for April 2023.

e) Third Party Auditor

On May 22, 2023, at the Beneficiaries' invitation, the Trustee submitted questions and comments concerning an audit proposal by a candidate being considered for the independent third-party auditor and audit required by the Consent Decree and Project Trust Agreement. On May 30, 2023, the Beneficiaries filed with the Court a *Joint Motion for Approval of Independent Public Accounting Firm* (ECF 1207) which the Court approved on June 1, 2023 (ECF 1208).

f) Recordkeeping and Financial Controls

In accordance with Paragraph 36 of the Consent Decree, the Trustee maintains proper books, records, and accounts relating to the Project Trust. In addition, consistent with its fiduciary duties, the Trustee established a comprehensive, fully integrated financial and project controls system designed to safeguard funds dedicated to the protection of human health and the environment, ensure compliance with the requirements of the Consent Decree, and provide timely, meaningful financial information to the Beneficiaries. By employing a broad range of internal and third-party controls, the Trustee has established efficient, cost-effective, consistent protocols that, among other things: (i) clearly define roles, responsibilities and authorities; (ii) ensure accuracy of financial, technical and legal information; and (iii) provide multiple points of independent verification and validation of financial matters, as further described in the Quarterly Progress Report for the Fourth Quarter of 2022 prepared and submitted by the Trustee of the Remediation Trust.

g) Financial Assurance

Paragraph 20 of the Consent Decree requires Mallinckrodt to secure a surety bond in the amount of \$65 million for the benefit of the Project Trust³ that substantially conforms to the form of surety bond set out in Appendix D to the Consent Decree.

³ The surety bond must be posted for the benefit of the Project Trust and the Remediation Trust.

During 2Q23, the Trustee continued to diligently monitor the adequacy of the financial assurance (including the surety bond and the surety company that issued the bond), as required by Paragraph 20(d) of the Consent Decree.

3. Records and Data Management

The Trustee maintained records management protocols and the preferred records management repositories (for working and permanent files) during the Reporting Period.

A. Administrative Activities Planned for the Period from July 1, 2023, through October 31, 2023

1. Communications with the Beneficiaries

The Trustee will submit to the Beneficiaries for review and comment a final BEP Framework and materials for public dissemination regarding the BEP submission and proposal process, including proposal guidelines and a fact sheet. The Trustee also plans to continue to participate in meetings with the Beneficiaries, provide written notices and submissions to the Beneficiaries as required by the Consent Decree, the Statement of Work, and the Project Trust Agreement, and consult with the Beneficiaries as needed to carry out its responsibilities. The Trustee will also prepare the Quarterly Progress Report for the Third Quarter of 2023.

2. Financial Affairs

a) Investments

During the period from July 1, 2023, to October 31, 2023, the Trustee expects to finalize an investment policy statement for the Project Trust and to prepare a notice to the Beneficiaries concerning updates to the investment allocation.

b) Banking

During the period from July 1, 2023, to October 31, 2023, the Trustee plans to continue its banking relationship with the local bank in Maine.

c) Budgets

During the period from July 1, 2023, to October 31, 2023, the Trustee expects to submit the 2024 Annual Budgets, Work Plans, and Cash Flow Forecasts, and the Five-Year Forecast.

d) Financial and Project Controls

The Project Trust will maintain comprehensive financial and project controls to fulfill its fiduciary duties to the Beneficiaries.

e) Third Party Auditor

The Trustee will commence communications with the Beneficiaries and the Court-approved public accounting firm regarding planning for the 2022/2023 audit that will be performed in the first or second quarter of 2024.

f) Tax Return

The Trustee will prepare and file IRS Form 1041, U.S. Income Tax Return for Trusts and Estates for the 2022 tax year on or before September 30, 2023.

3. Records and Data Management

The Trustee will maintain the comprehensive online storage and records management system for permanent and working files.

VII. Financial Statements

As required under Paragraph 25(b)(ix) of the Statement of Work, financial statements of the Trust and Trust Accounts for the Reporting Period are set forth on the following pages.

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Accountant's Compilation Report

To the Trustees and Beneficiaries
Greenfield Penobscot Estuary Project Trust LLC
Trustee of the Penobscot Estuary Beneficial Environmental Projects Trust

The Trustees are responsible for the accompanying special purpose financial statements of the Penobscot Estuary Beneficial Environmental Projects Trust, which comprise the statements of net trust assets as of June 30, 2023 and December 31, 2022, and the related statements of changes in net trust assets for the six months ended June 30, 2023 and the year ended December 31, 2022 and for determining that the special purpose basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by the trustees. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the special purpose basis of accounting in accordance with the requirements of the Trust's obligations under ¶ 38 of the Consent Decree approved and entered by the U.S. District Court for the District of Maine (*Maine Peoples Alliance and NRDC v. Holtrachem Manufacturing Company, LLC*, et al., No. 1:00-cv-00069-JAW (D. Maine)), which is a basis of accounting other than accounting principles generally accepted in the United States.

Management has elected to omit substantially all the disclosures ordinarily included in special purpose financial statements prepared in accordance with the prescribed format basis of accounting. If the omitted disclosures were included in the special purpose financial statements, they might influence the user's conclusions about the Trust's assets, liabilities, net assets, additions, and deductions. Accordingly, the special purpose financial statements are not designed for those who are not informed about such matters.

Supplementary Information

The Trust Administrative Account, the Trust Remediation Account (General), and the Trust Remediation Account for Beneficial Environmental Projects Supplemental Statements of Net Trust Assets, Supplemental Statements of Changes in Net Trust Assets, Supplemental Schedule of Detail Changes in Net Trust Asset and Budget to Actual information are presented for purposes of additional analysis and are not a required part of the special purpose financial statements. This information is the representation of the trustees. The information was subject to our compilation engagements; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

We are not independent with respect to Greenfield Penobscot Estuary Project Trust LLC.

Wipfli LLP

Wipfli LLP
September 5, 2023

Penobscot Estuary Beneficial Environmental Projects Trust (Project Trust)
Statement of Net Trust Assets
As of June 30, 2023

| | Project Trust Total | Trust Administrative Account | Trust Remediation Account | | |
|---|------------------------|---------------------------------|---------------------------------------|--|---|
| | | | Total Trust Remediation Account | Trust Remediation Account (General) | Trust Remediation Account for Beneficial Environmental Projects |
| Assets | | | | | |
| Cash | \$ 39,069.32 | \$ 34,684.32 | \$ 4,385.00 | \$ - | \$ 4,385.00 |
| Investments, money market funds | 5,169,948.52 | 250,393.64 | 4,919,554.88 | - | 4,919,554.88 |
| Total Assets | \$ 5,209,017.84 | \$ 285,077.96 | \$ 4,923,939.88 | \$ - | \$ 4,923,939.88 |
| Liabilities | | | | | |
| Accounts Payable | \$ 57,633.74 | \$ 57,633.74 | \$ - | \$ - | \$ - |
| Due to Remediation Trust | 373.85 | 373.85 | - | - | - |
| Total Liabilities | 58,007.59 | 58,007.59 | - | - | - |
| Net Trust Assets | 5,151,010.25 | 227,070.37 | 4,923,939.88 | - | 4,923,939.88 |
| Total Liabilities & Net Trust Assets | \$ 5,209,017.84 | \$ 285,077.96 | \$ 4,923,939.88 | \$ - | \$ 4,923,939.88 |

Statement of Changes in Net Trust Assets
For the Six Months Ended June 30, 2023

| | Project Trust Total | Trust Administrative Account | Trust Remediation Account | | |
|--|------------------------|---------------------------------|---------------------------------------|--|---|
| | | | Total Trust Remediation Account | Trust Remediation Account (General) | Trust Remediation Account for Beneficial Environmental Projects |
| Total Deductions from Net Trust Assets | \$ (110,269.49) | \$ (110,269.49) | \$ - | \$ - | \$ - |
| Total Additions to Net Trust Assets | 117,178.79 | 4,846.32 | 112,332.47 | - | 112,332.47 |
| Change in Net Trust Assets | 6,909.30 | (105,423.17) | 112,332.47 | - | 112,332.47 |
| Net Trust Assets, Beginning | 5,144,100.95 | 332,493.54 | 4,811,607.41 | - | 4,811,607.41 |
| Funding | - | - | - | - | - |
| Net Trust Assets, Ending | \$ 5,151,010.25 | \$ 227,070.37 | \$ 4,923,939.88 | \$ - | \$ 4,923,939.88 |

Penobscot Estuary Beneficial Environmental Projects Trust (Project Trust)
Statement of Net Trust Assets
As of December 31, 2022

| | Project Trust Total | Trust Administrative Account | Trust Remediation Account | | |
|---|------------------------|---------------------------------|---------------------------------------|--|---|
| | | | Total Trust Remediation Account | Trust Remediation Account (General) | Trust Remediation Account for Beneficial Environmental Projects |
| Assets | | | | | |
| Cash | \$ 24,201.94 | \$ 19,816.94 | \$ 4,385.00 | \$ - | \$ 4,385.00 |
| Investments, money market funds | 5,132,754.73 | 25,532.32 | 5,107,222.41 | 4,650,000.00 | 457,222.41 |
| Total Assets | \$ 5,156,956.67 | \$ 45,349.26 | \$ 5,111,607.41 | \$ 4,650,000.00 | \$ 461,607.41 |
| Liabilities | | | | | |
| Accounts Payable | \$ 10,804.62 | \$ 10,804.62 | \$ - | \$ - | \$ - |
| Due to Remediation Trust | 2,051.10 | 2,051.10 | - | - | - |
| Due to (from) Inter-Trust Accounts ¹ | - | (300,000.00) | 300,000.00 | 4,650,000.00 | (4,350,000.00) |
| Total Liabilities | 12,855.72 | (287,144.28) | 300,000.00 | 4,650,000.00 | (4,350,000.00) |
| Net Trust Assets | 5,144,100.95 | 332,493.54 | 4,811,607.41 | - | 4,811,607.41 |
| Total Liabilities & Net Trust Assets | \$ 5,156,956.67 | \$ 45,349.26 | \$ 5,111,607.41 | \$ 4,650,000.00 | \$ 461,607.41 |

Statement of Changes in Net Trust Assets
For the Year Ended December 31, 2022

| | Project Trust Total | Trust Administrative Account | Trust Remediation Account | | |
|--|------------------------|---------------------------------|---------------------------------------|--|---|
| | | | Total Trust Remediation Account | Trust Remediation Account (General) | Trust Remediation Account for Beneficial Environmental Projects |
| Total Deductions from Net Trust Assets | \$ (14,161.62) | \$ (14,161.62) | \$ - | \$ - | \$ - |
| Total Additions to Net Trust Assets | 12,043.50 | 514.22 | 11,529.28 | - | 11,529.28 |
| Change in Net Trust Assets | (2,118.12) | (13,647.40) | 11,529.28 | - | 11,529.28 |
| Net Trust Assets, Beginning | 496,219.07 | 46,140.94 | 450,078.13 | - | 450,078.13 |
| Funding | 4,650,000.00 | 300,000.00 | 4,350,000.00 | - | 4,350,000.00 |
| Net Trust Assets, Ending | \$ 5,144,100.95 | \$ 332,493.54 | \$ 4,811,607.41 | \$ - | \$ 4,811,607.41 |

¹Pursuant to ¶ 19(c) of the Consent Decree, required 2022 funding in the amount of \$15,000,000 was received from Mallinckrodt in December 2022. Of the total \$15,000,000 received, the portion allocated to the Project Trust in the amount of \$4,650,000 was deposited into the Trust Remediation Account (General). Funds were distributed to the Administrative Account and the Trust Remediation Account for Beneficial Environmental Projects after 2023 final budgets were issued. The remaining \$10,350,000 was allocated to the Penobscot Estuary Mercury Remediation Trust.

Penobscot Estuary Beneficial Environmental Projects Trust (Project Trust)
Trust Administrative Account
Supplemental Statements of Net Trust Assets
As of June 30, 2023 and December 31, 2022

| | <u>June 30, 2023</u> | <u>December 31, 2022</u> |
|---|----------------------|--------------------------|
| Assets | | |
| Cash | \$ 34,684.32 | \$ 19,816.94 |
| Due from Trust Remediation Account (General) ¹ | - | 300,000.00 |
| Investments, money market funds | 250,393.64 | 25,532.32 |
| Total Assets | <u>\$ 285,077.96</u> | <u>\$ 345,349.26</u> |
| Liabilities | | |
| Accounts Payable | \$ 57,633.74 | \$ 10,804.62 |
| Due to Remediation Trust | 373.85 | 2,051.10 |
| Total Liabilities | <u>58,007.59</u> | <u>12,855.72</u> |
| Net Trust Assets, Administrative | <u>227,070.37</u> | <u>332,493.54</u> |
| Total Liabilities & Net Trust Assets | <u>\$ 285,077.96</u> | <u>\$ 345,349.26</u> |

Supplemental Statements of Changes in Net Trust Assets
For the Six Months Ended June 30, 2023 and the Year Ended December 31, 2022

| | <u>Six Months Ended June 30, 2023</u> | <u>Year Ended December 31, 2022</u> |
|---|---|---|
| Total Deductions from Net Trust Assets | \$ (110,269.49) | \$ (14,161.62) |
| Total Additions to Net Trust Assets | 4,846.32 | 514.22 |
| Change in Net Trust Assets | <u>(105,423.17)</u> | <u>(13,647.40)</u> |
| Net Trust Assets, Administrative Beginning | 332,493.54 | 46,140.94 |
| Funding | - | 300,000.00 |
| Net Trust Assets, Administrative Ending | <u>\$ 227,070.37</u> | <u>\$ 332,493.54</u> |

¹Pursuant to ¶ 19(c) of the Consent Decree, 2022 funding was received from Mallinckrodt in December 2022. The required 2022 funding for the Trust Administrative Account, in the amount of \$300,000, was deposited into the Trust Remediation Account (General) and transferred into the Administrative Account after 2023 final budgets were issued.

Penobscot Estuary Beneficial Environmental Projects Trust (Project Trust)
Trust Administrative Account
Supplemental Schedule of Detail Changes in Net Trust Assets and Budget to Actual
For the Six Months Ended June 30, 2023

| | Second Quarter Ended June 30, 2023 | Six Months Ended June 30, 2023 | Annual Budget | Variance | % of Budget |
|---|---------------------------------------|-----------------------------------|------------------------|----------------------|----------------|
| Deductions from Net Trust Assets: | | | | | |
| 1.A · Trust Management and Beneficiary Communications | \$ 50,860.25 | \$ 90,826.97 | \$ 173,000.00 | \$ (82,173.03) | 52.5% |
| 1.B · Financial Affairs | 7,448.47 | 19,068.67 | 61,000.00 | (41,931.33) | 31.3% |
| 1.C · General Contracting and Procurement | - | - | - | - | 0.0% |
| 1.D · Insurance | - | - | 2,000.00 | (2,000.00) | 0.0% |
| 1.E · Records and Data Management | 258.58 | 373.85 | 5,000.00 | (4,626.15) | 7.5% |
| Total Deductions from Net Trust Assets | <u>58,567.30</u> | <u>110,269.49</u> | <u>241,000.00</u> | <u>(130,730.51)</u> | <u>45.8%</u> |
| Additions to Net Trust Assets: | | | | | |
| Investment Income, net of expenses | 3,758.11 | 4,846.32 | - | 4,846.32 | |
| Total Additions to Net Trust Assets | <u>3,758.11</u> | <u>4,846.32</u> | <u>-</u> | <u>4,846.32</u> | |
| Change in Net Trust Assets | <u>\$ (54,809.19)</u> | <u>\$ (105,423.17)</u> | <u>\$ (241,000.00)</u> | <u>\$ 135,576.83</u> | |
| Net Trust Assets, Administrative Beginning Funding | | 332,493.54 | | | |
| Net Trust Assets, Administrative Ending | | <u>\$ 227,070.37</u> | | | |

Supplemental Schedule of Detail Changes in Net Trust Assets and Budget to Actual
For the Year Ended December 31, 2022

| | Year Ended December 31, 2022 | Revised Annual Budget | Variance | % of Budget |
|---|---------------------------------|--------------------------|---------------------|----------------|
| Deductions from Net Trust Assets: | | | | |
| 1.A · Trust Management and Beneficiary Communications | \$ 1,492.40 | \$ 8,100.00 | \$ (6,607.60) | 18.4% |
| 1.B · Financial Affairs | 9,419.12 | 12,400.00 | (2,980.88) | 76.0% |
| 1.C · General Contracting and Procurement | - | - | - | 0.0% |
| 1.D · Insurance | 2,166.10 | 3,100.00 | (933.90) | 69.9% |
| 1.E · Records and Data Management | - | - | - | 0.0% |
| 1.F · Pre-Effective Date Setup Activities | 1,084.00 | 1,200.00 | (116.00) | 90.3% |
| Total Deductions from Net Trust Assets | <u>14,161.62</u> | <u>24,800.00</u> | <u>(10,638.38)</u> | <u>57.1%</u> |
| Additions to Net Trust Assets: | | | | |
| Investment Income, net of expenses | 514.22 | - | 514.22 | |
| Total Additions to Net Trust Assets | <u>514.22</u> | <u>-</u> | <u>514.22</u> | |
| Change in Net Trust Assets | <u>\$ (13,647.40)</u> | <u>\$ (24,800.00)</u> | <u>\$ 11,152.60</u> | |
| Net Trust Assets, Administrative Beginning Funding | | 46,140.94 | | |
| Net Trust Assets, Administrative Ending | | <u>\$ 332,493.54</u> | | |

Penobscot Estuary Beneficial Environmental Projects Trust (Project Trust)
Trust Remediation Account (General)
Supplemental Statements of Net Trust Assets
As of June 30, 2023 and December 31, 2022

| | <u>June 30, 2023</u> | <u>December 31, 2022</u> |
|---|----------------------|--------------------------|
| Assets | | |
| Cash | \$ - | \$ - |
| Investments, money market funds | - | 4,650,000.00 |
| Total Assets | <u>\$ -</u> | <u>\$ 4,650,000.00</u> |
| Liabilities | | |
| Accounts Payable | \$ - | \$ - |
| Due to (from) Inter-Trust Accounts ¹ | - | 4,650,000.00 |
| Total Liabilities | - | 4,650,000.00 |
| Net Trust Assets, Remediation (General) | - | - |
| Total Liabilities & Net Trust Assets | <u>\$ -</u> | <u>\$ 4,650,000.00</u> |

Supplemental Statements of Changes in Net Trust Assets
For the Six Months Ended June 30, 2023 and the Year Ended December 31, 2022

| | <u>Six Months Ended June 30, 2023</u> | <u>Year Ended December 31, 2022</u> |
|---|---|---|
| Total Deductions from Net Trust Assets | \$ - | \$ - |
| Total Additions to Net Trust Assets | - | - |
| Change in Net Trust Assets | - | - |
| Net Trust Assets, Remediation (General) Beginning | - | - |
| Funding | - | - |
| Net Trust Assets, Remediation (General) Ending | <u>\$ -</u> | <u>\$ -</u> |

¹Pursuant to ¶ 19(c) of the Consent Decree, required 2022 funding in the amount of \$15,000,000 was received from Mallinckrodt in December 2022. Of the total \$15,000,000 received, the portion allocated to the Project Trust in the amount of \$4,650,000 was deposited into the Trust Remediation Account (General). Funds were distributed to the Administrative Account and the Trust Remediation Account for Beneficial Environmental Projects after the 2023 final budgets were issued. The remaining \$10,350,000 was allocated to the Penobscot Estuary Mercury Remediation Trust.

Penobscot Estuary Beneficial Environmental Projects Trust (Project Trust)
Trust Remediation Account (General)
Supplemental Schedule of Detail Changes in Net Trust Assets and Budget to Actual
For the Six Months Ended June 30, 2023

| | Second Quarter Ended June 30, 2023 | Six Months Ended June 30, 2023 | Annual Budget | Variance | % of Budget |
|---|---------------------------------------|-----------------------------------|---------------|-------------|----------------|
| Deductions from Net Trust Assets: | | | | | |
| A - Planning, Investigation, and Studies | \$ - | \$ - | \$ - | \$ - | 0.0% |
| B - Design, Construction, and Implementation | - | - | - | - | 0.0% |
| C - Community Involvement | - | - | - | - | 0.0% |
| D - Database and Records Management | - | - | - | - | 0.0% |
| E - Permitting and Regulatory Coordination | - | - | - | - | 0.0% |
| F - Trustee Technical, Contract, and Project Management | - | - | - | - | 0.0% |
| H - Access and Property Management | - | - | - | - | 0.0% |
| Total Deductions from Net Trust Assets | - | - | - | - | 0.0% |
| Additions to Net Trust Assets: | | | | | |
| Investment Income, net of expenses | - | - | - | - | |
| Total Additions to Net Trust Assets | - | - | - | - | |
| Change in Net Trust Assets | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | |
| Net Trust Assets, Remediation (General) Beginning | | - | | | |
| Funding | | - | | | |
| Net Trust Assets, Remediation (General) Ending | | <u>\$ -</u> | | | |

Supplemental Schedule of Detail Changes in Net Trust Assets and Budget to Actual
For the Year Ended December 31, 2022

| | Year Ended December 31, 2022 | Annual Budget | Variance | % of Budget |
|---|---------------------------------|---------------|-------------|----------------|
| Deductions from Net Trust Assets: | | | | |
| A - Planning, Investigation, and Studies | \$ - | \$ - | \$ - | 0.0% |
| B - Design, Construction, and Implementation | - | - | - | 0.0% |
| C - Community Involvement | - | - | - | 0.0% |
| D - Database and Records Management | - | - | - | 0.0% |
| E - Permitting and Regulatory Coordination | - | - | - | 0.0% |
| F - Trustee Technical, Contract, and Project Management | - | - | - | 0.0% |
| H - Access and Property Management | - | - | - | 0.0% |
| Total Deductions from Net Trust Assets | - | - | - | 0.0% |
| Additions to Net Trust Assets: | | | | |
| Investment Income, net of expenses | - | - | - | |
| Total Additions to Net Trust Assets | - | - | - | |
| Change in Net Trust Assets | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | |
| Net Trust Assets, Remediation (General) Beginning | | - | | |
| Funding | | - | | |
| Net Trust Assets, Remediation (General) Ending | | <u>\$ -</u> | | |

Penobscot Estuary Beneficial Environmental Projects Trust (Project Trust)
Trust Remediation Account for Beneficial Environmental Projects
Supplemental Statements of Net Trust Assets
As of June 30, 2023 and December 31, 2022

| | <u>June 30, 2023</u> | <u>December 31, 2022</u> |
|--|------------------------|--------------------------|
| Assets | | |
| Cash | \$ 4,385.00 | \$ 4,385.00 |
| Due from Trust Remediation Account (General) ¹ | - | 4,350,000.00 |
| Investments, money market funds | 4,919,554.88 | 457,222.41 |
| Total Assets | <u>\$ 4,923,939.88</u> | <u>\$ 4,811,607.41</u> |
| Liabilities | | |
| Accounts Payable | \$ - | \$ - |
| Due to (from) Inter-Trust Accounts | - | - |
| Total Liabilities | <u>-</u> | <u>-</u> |
| Net Trust Assets, Remediation Account for Beneficial Environmental Projects | <u>4,923,939.88</u> | <u>4,811,607.41</u> |
| Total Liabilities & Net Trust Assets | <u>\$ 4,923,939.88</u> | <u>\$ 4,811,607.41</u> |

Supplemental Statements of Changes in Net Trust Assets
For the Six Months Ended June 30, 2023 and the Year Ended December 31, 2022

| | <u>Six Months Ended June 30, 2023</u> | <u>Year Ended December 31, 2022</u> |
|--|---|---|
| Total Deductions from Net Trust Assets | \$ - | \$ - |
| Total Additions to Net Trust Assets | 112,332.47 | 11,529.28 |
| Change in Net Trust Assets | <u>112,332.47</u> | <u>11,529.28</u> |
| Net Trust Assets, Remediation Account for Beneficial Environmental Projects Beginning | 4,811,607.41 | 450,078.13 |
| Funding | - | 4,350,000.00 |
| Net Trust Assets, Remediation Account for Beneficial Environmental Projects Ending | <u>\$ 4,923,939.88</u> | <u>\$ 4,811,607.41</u> |

¹Pursuant to ¶ 19(c) of the Consent Decree, 2022 funding was received from Mallinckrodt in December 2022. The required 2022 funding for the Trust Remediation Account for Beneficial Environmental Projects, in the amount of \$4,350,000, was deposited into the Trust Remediation Account (General) and transferred into the Trust Remediation Account for Beneficial Environmental Projects after 2023 final budgets were issued.

Penobscot Estuary Beneficial Environmental Projects Trust (Project Trust)
Trust Remediation Account for Beneficial Environmental Projects
Supplemental Schedule of Detail Changes in Net Trust Assets and Budget to Actual
For the Six Months Ended June 30, 2023

| | Second Quarter Ended June 30, 2023 | Six Months Ended June 30, 2023 | Annual Budget | Variance | % of Budget |
|---|---------------------------------------|-----------------------------------|---------------|---------------|----------------|
| Deductions from Net Trust Assets: | | | | | |
| 2.A - Planning, Investigation, and Studies | \$ - | \$ - | \$ - | \$ - | 0.0% |
| 2.B - Design, Construction, and Implementation | - | - | - | - | 0.0% |
| 2.C - Community Involvement | - | - | - | - | 0.0% |
| 2.D - Database and Records Management | - | - | - | - | 0.0% |
| 2.E - Permitting and Regulatory Coordination | - | - | - | - | 0.0% |
| 2.F - Trustee Technical, Contract, and Project Management | - | - | - | - | 0.0% |
| 2.H - Access and Property Management | - | - | - | - | 0.0% |
| Total Deductions from Net Trust Assets | - | - | - | - | 0.0% |
| Additions to Net Trust Assets: | | | | | |
| Investment Income, net of expenses | 58,556.38 | 112,332.47 | - | 112,332.47 | |
| Total Additions to Net Trust Assets | 58,556.38 | 112,332.47 | - | 112,332.47 | |
| Change in Net Trust Assets | \$ 58,556.38 | \$ 112,332.47 | \$ - | \$ 112,332.47 | |
| Net Trust Assets, Remediation Account for Beneficial Environmental Projects Beginning | | 4,811,607.41 | | | |
| Funding | | - | | | |
| Net Trust Assets, Remediation Account for Beneficial Environmental Projects Ending | | \$ 4,923,939.88 | | | |

Supplemental Schedule of Detail Changes in Net Trust Assets and Budget to Actual
For the Year Ended December 31, 2022

| | Year Ended December 31, 2022 | Revised Annual Budget | Variance | % of Budget |
|---|---------------------------------|--------------------------|---------------|----------------|
| Deductions from Net Trust Assets: | | | | |
| 2.A - Planning, Investigation, and Studies | \$ - | \$ 5,500.00 | \$ (5,500.00) | 0.0% |
| 2.B - Design, Construction, and Implementation | - | - | - | 0.0% |
| 2.C - Community Involvement | - | - | - | 0.0% |
| 2.D - Database and Records Management | - | - | - | 0.0% |
| 2.E - Permitting and Regulatory Coordination | - | - | - | 0.0% |
| 2.F - Trustee Technical, Contract, and Project Management | - | - | - | 0.0% |
| 2.H - Access and Property Management | - | - | - | 0.0% |
| Total Deductions from Net Trust Assets | - | 5,500.00 | (5,500.00) | 0.0% |
| Additions to Net Trust Assets: | | | | |
| Investment Income, net of expenses | 11,529.28 | - | 11,529.28 | |
| Total Additions to Net Trust Assets | 11,529.28 | - | 11,529.28 | |
| Change in Net Trust Assets | \$ 11,529.28 | \$ (5,500.00) | \$ 17,029.28 | |
| Net Trust Assets, Remediation Account for Beneficial Environmental Projects Beginning | | 450,078.13 | | |
| Funding | | 4,350,000.00 | | |
| Net Trust Assets, Remediation Account for Beneficial Environmental Projects Ending | | \$ 4,811,607.41 | | |

VIII. Appendix

Weblinks to the Previous Quarterly Progress Reports

The Quarterly Progress Reports for the previous Reporting Period can be found at the following hyperlinks:

[Quarterly Progress Report for the First Quarter of 2023](#)

[Quarterly Progress Report for the Fourth Quarter of 2022](#)