

TIMBERLANDS



SUSTAINABILITY

2024



TIMBERLANDS

SUSTAINABILITY AT TIMBERLANDS

Timberlands Restorative Development Goals

The Kaingaroa Forest Estate is remarkable for many reasons. Not only is it where we undertake comprehensive commercial forestry operations, but it is also a place of cultural importance and connection, a place to bike and hike, a forest to hunt and gather, home to rare species and a vital carbon sink. The trees in the Kaingaroa Forest Estate absorb carbon dioxide, help maintain biodiversity, and provide various ecosystem services contributing to a more sustainable and resilient planet.

By providing access to the forest, Timberlands supports the Central North Island region both economically and socially.

Our commitment to sustainable practice will not waiver.

We hope the following stories help demonstrate the care and stewardship we continue to undertake in our mahi.

The forest management practices of Timberlands are certified with two independent forest certification schemes: Forest Stewardship Council® [FSC®] and the Programme for the Endorsement of Forest Certification Standards [PEFC].



By 2050

Our Restorative Development Goals involve initiatives and commitments to sustain and regenerate natural resources, support our people, our community and our environment. We seek environmental and social restoration and strive for a positive impact on the ecosystems, people, and communities we work with.

01 Climate Positive

Eliminate climate pollutants and create a positive carbon balance

02 Enhanced Biodiversity

Demonstrably increase natural resources

03 Prosperous Communities

Help local communities become prosperous

04 Tikanga Embraced

Actively practice Tikanga while protecting & restoring cultural values

05 Clean Water

Improve freshwater quality and ecosystem health

06 Sustainable Lands

Eliminate waste and pollutants and avoid land degradation

07 Strong Governance

Promote & practice strong, equitable & transparent governance.

FOREWORD



**Chief Executive
Timberlands
Ryan Cavanagh**

**Chairperson
Timberlands
Jon Hartley**

We are proud to lead an organisation that places people and sustainability at the heart of everything we do. We acknowledge the hard work and mahi of all those that have gone before us and we now have an obligation to build on this and take action to create a legacy that we are all proud of. At Timberlands we call this Mahi Tatou, working together, with our people, our communities, our partners, our customers and our owners; our culture is one where we grow better every day.

We recognise the profound impact our actions today will have on future generations, and therefore our strategic decisions are guided by a long-term perspective that will prioritise sustainability and resilience. To support the taonga that is the Kaingaroa forest, we seek to integrate traditional Māori knowledge and values to our approach. We go beyond compliance and ensure intergenerational thinking and practice.

Timberlands has implemented sustainable forestry practices which are represented by our Restorative Development Goals which are aligned to the United Nations Sustainability initiatives.

Our leading research and development drive us towards a more sustainable future which is underpinned by our commitment of transparent measuring and reporting on our progress within a forest management certification framework.

I hope you enjoy reading our inaugural sustainability report and welcome any suggestions you may have to help us on our journey to being the best and safest production forest in the world, mō āke tonu atu.

ENHANCED BIODIVERSITY

DEMONSTRABLY INCREASE NATURAL BIODIVERSITY

Timberlands has an enduring relationship with the Kārearea (New Zealand Falcon) and their stewards wingspan.

Our forest estate has a reputation of having the highest mainland density of New Zealand falcons. Wingspan has taken a great interest in the management of our Kārearea. Wingspan focuses on New Zealand raptors, and rehabilitates sick, or orphaned birds of prey. They also study the behaviour and breeding of captive birds and monitor populations, to preserve these rare species.

Image: Kurien Koshy Yohannan
- Wingspan Birds of Prey Trust.



Wingspan is a charitable trust restoring birds of prey to New Zealand and is recognised as NZ's leading conservation, education and research organisation for birds of prey.

To learn more: www.wingspan.co.nz



ENHANCED BIODIVERSITY

DEMONSTRABLY INCREASE NATURAL BIODIVERSITY



When there is a sighting of a falcon, Wingspan visit the forest to locate nests and provide management advice to Timberlands during nesting season. They also tag and monitor the fledglings and take in rescued raptors (including falcon, harrier hawks and morepork from our forests).

Wingspan has been operating for over 30 years and we are proud to be the main sponsor for their work and vision.

Wingspan understands the benefits of plantation forestry for conservation and is often an advocate for our efforts in this space. Wingspan has shared, that without plantation forests such as the Kaingaroa Timberlands Estate, the New Zealand falcon may not survive in our country.

Wingspan recently revealed their new centre located on Ngati Whakaue land on Paradise Valley Road. This contemporary centre has been in the planning for many years. Timberlands support Wingspan with \$50,000 per annum in sponsorship. In the last seven years – that equates to \$350,000 of financial contribution.

Wingspan is currently over halfway through a three-stage development, with aviaries in place, a great flying/observing space, and a visitor centre.

You can report sightings of falcons and rare species in the Kaingaroa Forest Estate by emailing the location, pictures, and observation notes to rarespecies@tll.co.nz

TIKANGA EMBRACED

ACTIVELY PRACTICE TIKANGA
WHILE PROTECTING & RESTORING
CULTURAL VALUES

Theresa HoneyCombe recalls the exact moment she learned she was receiving the Timberlands Kaitiaki o te Ngahere Scholarship. It was a Friday afternoon on June 26th when she picked up the phone to hear the welcome news.

“I thought I had missed out on getting the scholarship. I wanted to do this for all my uncles, aunties, and everybody before me at Murupara. I told Timberlands that I am representing my iwi and want to make a difference however I can.”

Theresa was motivated by the legacy of her (now late) father and whanau when she applied for the scholarship in 2022. “My husband encouraged me, and my father was like, ‘do it’. We need more people like you. My dad was forestry. He was in the forest service.”

Working and living a life entwined with the bush runs through her veins—generations of her whanau work in forestry, including a Murupara logging contract that continues today. Theresa says that the ngahere is her home away from home.

Today, as a mother of four, Theresa is enjoying her two year, full-time Forest Management | Toi oho mai course at the age of 43. Returning to full-time education as an adult student takes courage. She says, like many kids she didn’t want to be in a classroom when she was younger.

MEET THERESA



*Ngati Manawa Recipient
of Timberlands Kaitiaki o
te Ngahere Scholarship*

The Kaitiaki o te Ngahere scholarship is offered to students undertaking a course of study in a forestry discipline. Priority is given to students with a connection to the whenua of the Kaingaroa Forest Estate. The scholarship covers the total cost of tuition fees, for up to four years, and paid work experience during semester breaks.

Continues...



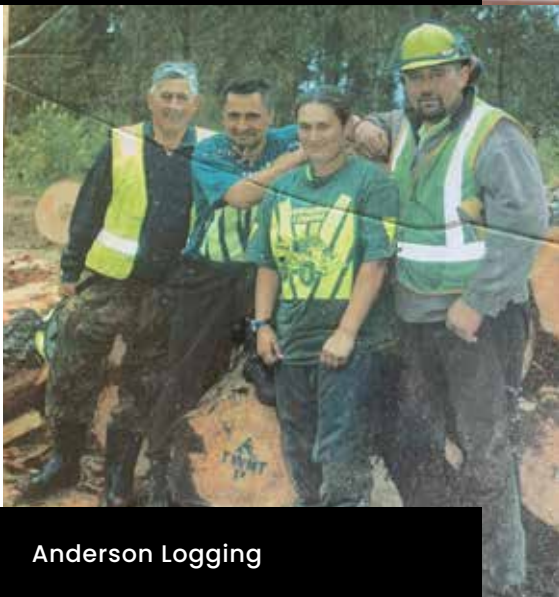
MEET THERESA HONEYCOMBE



Kuia Ora Anderson



BALCO & the Anderson whanau



Anderson Logging

"I was no angel kid. I left school at 15, was a mum with two children by the age of 18, had no education and had been through a tough stage of life. Everybody knows the 'old me', and they have seen how far I have come."

Theresa worked in the forest for many years before undertaking her scholarship. She started logging for a Murupara hauler crew, working on a skid. It became 16 years of doing clearfell, and she welcomed having time in the bush.

"Being at work was my time out from being a mum and a wife." Theresa laughs, "I was free to be me; I was like one of the boys. I never wanted to be treated differently, so I told them I can do what you can and maybe with much more care—that woman's touch."

She worked full-time in the bush throughout her last two pregnancies and was proud to do so. Theresa is candid about the sacrifice and effort it takes to complete the Forestry Management Course.

Moving into full-time study was not a small decision for Theresa and her whanau.

"Going all in with my studies meant saying goodbye to my full-time job; trying to juggle both wasn't in the cards. It was a big change from the hands-on work I was used to. Balancing my mortgage and figuring out if we could make it on one income added another challenge."

Continues...

Theresa's father Mr Rangī Anderson recognised

Theresa explains that the forest is her backyard. "We are in a rural social community; the only thing around us is our ngāhere. There are job opportunities, but it doesn't mean you must drive a machine. You can be in an office as well."

Theresa will use her life experience and forestry management education to impact others positively. She says that over the years, she has worked in forestry alongside colleagues in their seventies, and they wanted to retire but could not afford to do so. Theresa is keen to be a role model on how to upskill and change how her whānau works in forestry.

"I realised you can still go to school; it doesn't matter how old you are when you return. I am now 43 years old, and it is never too late. You can still do it."

If you wish to apply for a Kaitiaki o te Ngāhere scholarship, the application form can be found on our website, or you can call us on +64 7 343 1070

Scholarship applications are invited through to 31 March in the year of application.



Forest Service Crew ~ early 80s



Theresa's late father | Mr Rangī Anderson



CLIMATE POSITIVE

ELIMINATE CLIMATE POLLUTANTS AND
CREATE A POSITIVE CARBON BALANCE



Excavating reduced emissions

Our forestry operations are undergoing a tech transformation that will provide new pathways to reducing our carbon footprint.

Blair Cooper of Southern Cross Harvesting is an experienced and progressive forestry contractor exploring technology to improve the sustainability of his operations.

With the support of Timberlands and Volvo supplier (TDX)], Blair invested in a Hybrid Excavator that his Southern Cross Harvesting crew use to take care of the fleeting and loading on the skid. For Blair, this is not merely about a new piece of machinery but a conscious effort to reduce our environmental footprint.

The EC250E Hybrid crawler excavator uses pioneering hydraulic hybrid technology to improve fuel efficiency by using the 'boom down' motion to charge the

accumulator. The excavator then uses this stored energy to drive the assist motor, which powers the hydraulic pump.

The manufacturer forecasts up to 17% improved fuel efficiency, 15% lower fuel consumption and a 15% reduction in CO2 emissions for operators, depending on how the machine is used.

Blair is cautiously optimistic about the impact of the excavator and is committed to comparing and analysing the data and metrics. The Hybrid excavator is in a trial phase, and the early indications are positive.

CLIMATE POSITIVE

EXCAVATING REDUCED EMISSIONS

“There is a new generation coming through in forestry that has contemporary thinking. I can feel it when I’m talking to different contractors or operators, and most definitely, there’s a change. Timberlands is backing contractors with a pioneering approach because that takes courage.”

With a potential 10% or more reduction in fuel consumption, this investment has long-term cost-saving benefits. The sustainability journey Blair has undertaken has not gone unnoticed.

The positive feedback from the sector and other contractors and awards we’ve received has been good, and we want to exercise patience to ensure we are considered with the information about the outcomes,” says Blair.



Our journey involves embracing change and setting new standards in forestry. ”

Blair Cooper

Timberlands’ General Manager of Sustainability, Colin Maunder says, “The decision to support and adopt the hybrid excavator is tied to a broader focus on technology development, which will be a key component to being fossil fuel free before 2050.”

Hybrid Excavator



17% greater fuel efficiency



15% reduction in CO2 emissions



15% lower fuel consumption*

*Estimated forecasts

PROSPEROUS COMMUNITIES

HELP LOCAL COMMUNITIES BECOME PROSPEROUS

Providing Mountain Biking access to Whakarewarewa Forest

The Whakarewarewa Forest spans 3,500 hectares and serves as a recreational haven for mountain biking enthusiasts, hikers, and horse riders. The biking trails are located inside native foliage, and exotic tree plantations, mostly pine.

Timberlands in conjunction with the iwi landowners provide access to 200 kilometres of mountain biking routes within the Whakarewarewa Forest. We recognise the importance that these trails provide to the local Rotorua economy. Mountain Biking is a core attraction for international and domestic tourism and the value of the access provided by Timberlands has been quantified in a report commissioned by Rotorua NZ.

“Total spend by visitors who mountain bike while staying in Rotorua was \$139.8 million in 2021, with \$103.4 million of this being from bike visitors whose main purpose of visiting was to bike.”

Benje Patterson | People and Places Report.

These bike trails cater to a diverse range of riding enthusiasts, and we see riders ranging from novices to seasoned competitors, various age groups, thousands of locals, tourists, and at all fitness levels!

Timberlands is committed to supporting and helping our local communities become prosperous and healthy.



5,573

locals mountain biked at least weekly in Rotorua Lakes in 2021

\$139.8m

Total spend by visitors who mountain bike

1,153

jobs supported by mountain bike visitor spending (indicative)

Source: Benje Patterson People & Places The contribution of mountain biking to the Rotorua Lakes economy.

SUSTAINABLE LANDS

ELIMINATE WASTE AND POLLUTANTS AND AVOID LAND DEGRADATION



Capital investment into replacing drum debarker

The 15-year-old drum debarker at Kaingaroa Processing Plant (KPP) recently underwent replacement and an upgrade.

The drum debarker supports the removal of forest slash and maximises the eco supply chain.

A recent Timberlands review found that investment into the drum debarker will eliminate bottlenecks to operations and reduce the need for constant operator intervention. The improvements will result in increased capacity, improved safety, and operational efficiency.

The amount of wood pieces generated as a byproduct of forestry operations (known as binwood) from the Kaingaroa and Rotoehu forests currently exceeds the chip processing capacity at

KPP. Expanding chip processing capabilities at KPP will help manage the surplus volume more effectively.

Morbark Rotorua, a local business, was tasked with fabricating and installing the new drum, while Phoenix Maintenance and Metalform Engineering handled additional modifications.

The drum debarker initiative sits inside a wider strategy to upgrade Kaingaroa Processing Plant facilities, including USNR scanning, which uses advanced sensors, cameras, and computer systems to automate and optimise processes. The ongoing commitment and investment into KPP will improve efficiency and ensure the long-term viability of the KPP site and continue to contribute to the sustainability gains from not participating in Methyl Bromide treatment to logs.



CLEAN WATER

IMPROVE FRESHWATER QUALITY AND ECOSYSTEM HEALTH



Forestry Engineering Manager
Andy Percy

New plastic culverts made from recycled milk bottles

When Forest Engineering Manager Andy Percy had to undertake a significant culvert repair due to storm damage, he investigated a pioneering plastic pipe product made from recycled milk bottles.

The Waitaruna culvert failed following a major storm event. The Culvert Construction Team working the project undertook a pilot programme to test the plastic pipes and found a range of environmental, cost, and operational benefits.

The 5.8m length of the plastic pipe meant a reduction in heavy handling and installation was undertaken by small machines which eliminated the need for large cranes. The savings in installation costs are significant.

Every day we work hard to improve sustainability outcomes inside our operations. The successful pilot led to ongoing investment.

PLASTIC PIPES

- 1/2 the price of steel pipes
- 100 yr asset life
- Can be replaced, and recycled
- Plastic pipes 1144 kgs vs. 7 tonne for steel pipes
- Small machines used for installation
- Made from 3000 recycled milk bottles



OUR SUSTAINABILITY JOURNEY

zero

Methyl bromide to treat export logs at the Port in the past two years due to investment in the Murupara de-barker.

Timberlands has committed to 2 PhD level studies on avian and soil biodiversity in Kaingaroa.

30 Rare species sighted in our forest, one more than last year.

30

\$1,176,000

HAS BEEN INVESTED INTO WILDING CONIFER CONTROL IN THE LAST FINANCIAL YEAR

Mountain Biking was found to contribute \$139.8M per annum to the Rotorua Lakes economy and supports 1153 jobs.

\$139,800,000

Timberlands are actively involved in 4 biodiversity restoration projects with iwi at Te Putake o Tawa (Whakarewarewa), Waitapu geothermal area, Whirinaki and Tarawera

4

13

Alongside iwi, over the last 3 years we have restored 3 pā and over 10 other cultural sites, including native plant (kanuka) establishment and weed control.

OUR SUSTAINABILITY JOURNEY

Slash management

10

At replanting we setback 10 metres from streams where the legal minimum is 5 metres

2 of our hauler crews operate specialised slash grapples that are effectively used to remove slash from vulnerable areas - if required.



80%

Approximately 80% of the forest estate is flat or flat-rolling, 10% rolling steep and 10% steep

100

We install culverts to cope with flows from a 1 in 100 year rainfall where the legal minimum is 1 in 20 year rainfall event

We undertake an environmental surveillance flight once per quarter to determine if there are issues to remedy in the 'hard to see' and high risk places

Kaingarua estate is predominantly low risk soils:
<1% is Very High Risk (NES-CF erosion risk criteria)

<1%

SUSTAINABILITY AT TIMBERLANDS

At Timberlands our comprehensive sustainability framework is guided by our core values of Manaaki (care), Mahi Tahi (collaborate) and Whanake (grow). We recognise that our commercial success is inseparable from the wellbeing of people, of the whenua and the community we do business with.

Our commitment to sustainable business practice extends beyond compliance as we seek to embrace and support activity, innovation and policy that advances our people, our communities, and the environment.

As a forest management company, we understand collaboration is essential to driving meaningful social, cultural and environmental change. Our people and partners are our greatest assets as we strive to fulfil our company vision of being the best and safest production forest in the world, mō āke tonu atu (forever and ever).

Thank you for sharing in our dedication to growing better every day.

Colin Maunder

General Manager Sustainability
Timberlands

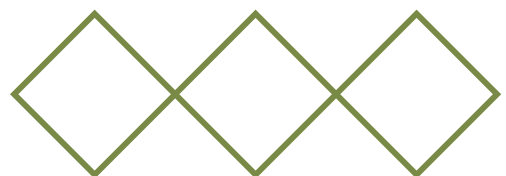




Image: Kurien Koshy Yohannan
- Wingspan Birds of Prey Trust.



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