2025 ANNUAL FOREST STEWARDSHIP COUNCIL® MONITORING REPORT

PF Olsen FSC® Group Scheme (SCS-FM/COC-400064)
& Ponga Silva FSC Group Scheme (SCS-FM/COC-400072)

Reporting Period: JANUARY – DECEMBER 2025

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25 March 2026

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1. Introduction

1.1 Combined Annual Monitoring Report

This is a combined Annual Monitoring Report for the PF Olsen FSC Group Scheme (SCS-FM/COC-400064) and the Ponga Silva Group Scheme (SCS-FM/COC-400072).

It presents an aggregated summary of the respective Groups, by Group where practicable and combined information where it is not possible to separate the data. Due to the diverse environments of the forests in the PF Olsen and Ponga Silva FSC Group Schemes, combining some data, such as monitoring data, would give an inadequate and misleading summary and is therefore not provided within this report. Specific monitoring information for a given forest can be provided on request. However, commercially sensitive information will NOT be publicised or provided to third parties.

The Annual Monitoring Report illustrates conformance with FSC-STD-NZL-02.1-2023 Plantations EN – The FSC Forest Stewardship Standard for New Zealand.

1.2 About PF Olsen

PF Olsen manages significant plantation forest estates and many small to medium-sized forests across New Zealand. We pride ourselves on our reputation for delivering a wide range of professional forestry services to a diverse range of clients including TIMOs, farmers, investors, Māori groups, government agencies and others.

We assist forest owners to minimise and manage investment risks, establish, grow and protect high-quality forests and finally maximise the recovery of value from forest harvest operations.

We manage two FSC Group Schemes for our New Zealand clients, the:

- PF Olsen FSC Group Scheme (SCS-FM/COC-400064).
- Ponga Silva FSC Group Scheme (SCS-FM/COC-400072).

1.3 Forest Stewardship Council® (FSC®)

The Forest Stewardship Council (FSC) is an independent, not-for-profit organisation headquartered in Germany, founded to promote the responsible management of the world's forests. FSC certification is a means by which our clients can be confident that we are managing their forests in a legal, responsible and sustainable manner.

All forests certified by FSC must comply with an international set Principles and Criteria. The requirements of FSC cover the full range of forest management, including complying with

the law, environmental requirements (e.g., water quality impacts, soil conservation, biodiversity management, chemical use), social requirements (worker rights, indigenous people's rights, stakeholder and community benefits etc.), alternative benefits of the forest beyond core forest products, and thorough, economically viable, forest management practices.

FSC accredits auditors, who undertake annual audits of FSC certified forestry operations to confirm compliance with FSC requirements. The PF Olsen FSC Group Scheme is currently audited by SCS Global Services.

For further information about FSC visit https:// fsc.org/en, or https://nz.fsc.org/en-nz.

1.4 Our Environment and Sustainability Policy

Our Environment and Sustainability Policy is our commitment to appropriate environmental management.

PFOLSEN

ENVIRONMENT & SUSTAINABILITY POLICY AU/NZ

OBJECTIVE

PF Olsen is committed to sustainable forest and land management, through:

- Promoting and applying high environmental performance standards
- Careful use of natural & physical resources for the production of food and fibre.

WE COMMIT TO:

1. Avoid unnecessary degradation of cultural, ecological, heritage and amenity values and, where possible, enhance these values.
2. Comply with all relevant laws and, where appropriate, exceed environmental statutory requirements and codes of practice.
3. Conform with the requirements of sustainable management standards and other accords and agreements of relevance to our clients.

WE WILL ACHIEVE OUR ENVIRONMENT & SUSTAINABILITY POLICY BY:

- Identifying, evaluating and managing the key environmental impacts of our activities
- Training all employees and contractors to ensure understanding of our commitment to high standards of environmental performance and empowering them to plan and achieve accepted and sustainable environmental outcomes
- Supporting and applying the outcomes of environmental and socio-economic research and international agreements to improve environmental performance
- Promoting the prevention of pollution and waste
- Promoting the effective and efficient use of energy
- Demonstrating care for the wellbeing of our community
- Engaging with our clients, employees, contractors and community and valuing their positive contribution to our business.
- Recognising the significance of Tangata Whenua and Mana Whenua / Traditional Owner's stewardship of cultural heritage, places and values.

Secondary policies:

Cultural and Archaeological Heritage Protection	Soil, Water & Biodiversity Protection
Environmental Effects and Social Impact	Land Tenure & Resource Rights
Use of Chemicals, Fuels, Oils & Biological Agents	Use and control of fire
Use of Exotic Species & Genetically Modified Organisms	Optimising the value of resources
Property Access – ancillary commercial use	Property Access – public access

This document, signed and dated by the CEO, certifies our commitment.

PF Olsen Ltd – CEO Signature Date: 20/01/2025

1.5 PF Olsen FSC Group Scheme

PF Olsen established and maintains New Zealand's first FSC Group Scheme. The certificate (SCS-FM/COC-400064) is held by PF Olsen on behalf of its clients. Should a client choose to leave PF Olsen and/or the PF Olsen FSC Group Scheme, the certificate remains with PF Olsen, the client's forest is deregistered and decertified.

1.6 Ponga Silva FSC Group Scheme

PF Olsen also manages and holds a second FSC Group Scheme certificate on behalf of Ponga Silva (SCS-FM/COC-400072). This Group Scheme contains forests owned by Ponga Silva in New Zealand.

2. Estate Description

2.1 PF Olsen Group Scheme Members

As at 31-Dec-2025 PF Olsen's FSC Group Scheme consisted of the following members:

Client members	Number of Forests	Certified Area (ha)
Craigmore Sustainable NZ Ltd	7	7,529.2
Nelson City Forests	4	1,965.2
Oji Fibre Solutions Ltd	21	6,038.1
ROBMIJON Holdings Ltd	1	223.0
Tasman District Council	6	3,291.7
Te Rata LP	1	1,864.7
TGH Natural Resources Ltd	1	549.5
W&S Garland & Tintagel Trust	1	22.5
Wightman Forestries	3	596.4
Independent members	**Number of Forests**	**Certified Area (ha)**
Summerhill Timbers Ltd	1	243.2
Torlesse Pine Company Ltd	1	20.2
Total	**49**	**22,343.6**

Client members have forests that are under the full management of PF Olsen Ltd under the framework of their FSC systems.

Independent members manage their forests, but under the oversight and within the framework of the PF Olsen Ltd FSC systems.

2.2 Ponga Silva Group Scheme Members

As at 31-Dec-2025 the Ponga Silva Group Scheme Members by Management Unit

Management Unit	Forest	Certified Area (ha)
Central North Island (CNI)	Burklee	454.5
	Te Akau	1,228.2
	Waimai	190.8
	Waiotahe	1,575.2
CNI MU Total Area (ha)		**3,448.7**
Gisborne	Mangatarata	1,516.3
	Mata	253.9

Management Unit	Forest	Certified Area (ha)
	Onetohunga	589.6
	Te Rawhiti	312.4
Gisborne		**2,672.2**
Southern	Castle Downs	56.0
	Hokonui	208.8
	Monavae	165.1
	Pinnacle Pines	349.8
	Rugged Hills	557.5
	Waitane	669.3
	Groveburn	526.4
	Middle Mount	694.3
	O'Brien	663.8
	Opio	626.8
Southern MU Total Area (ha)		**4,517.8**
Ponga Silva FSC Group Scheme Total Area (ha)		**10,638.7**

At the beginning of 2026 Ponga Silva added 17 forests to their Group Scheme in Northland, Gisborne and Marlborough. These forests will appear in the 2026 Annual Report.

2.3 Additions / losses to the PF Olsen FSC Group Scheme

During 2025, 18 Ponga Silva Forests were removed from the PF Olsen FSC Group Scheme at the request of their owner to form their own Group Scheme. Oji also removed several of their forests from certification on the completion of harvest and they handed the land back to the owners as per their forestry right agreements.

Forests are typically withdrawn due to changes of manager, completion of harvesting and transfer of cutting rights, or landowners indicating that they will not pursue certification maintenance. Within the PF Olsen Group Scheme, Oji's certified area has been decreasing as they harvest areas and then hand them back to the landowners as part of their forestry right agreements.

2.4 Management Units

The forests within both Group Schemes are allocated into six Management Units based on geographical location of the forests management. The two independent client's forests are each their own management unit. The management units (as at 31-Dec-2025) in summary are:

Management Unit	PF Olsen Group Scheme Certified Area (ha)	Ponga Silva Group Scheme Certified Area (ha)
Northland	7,427.0	N/A

Management Unit	PF Olsen Group Scheme Certified Area (ha)	Ponga Silva Group Scheme Certified Area (ha)
Central North Island (CNI)	6,709.8	3,448.7
Gisborne	1,863.6	2,672.2
SNI	237.1	N/A
Nelson/Marlborough	5,326.4	N/A
Otago/Southland (Southern)	595.2	4,517.8
Independent 1	243.2	N/A
Independent 2	20.2	N/A
Total Area (ha)	**22,422.5**	**10,638.7**

2.5 Area

The two Group Schemes comprise of the following productive/reserve areas. On an aggregated basis, the area of indigenous reserves and protected areas is substantial at 22% of the total land area for the PF Olsen FSC Group Scheme, and 15.2% for the Ponga Silva FSC Group Scheme.

Group Scheme	Productive Area	Indigenous Reserve Area	Exotic Reserve Area	Total Area
PF Olsen	17,341.9 ha 77.6%	4,860.4 ha 21.8%	141.4 ha 0.6%	22,343.6 ha 100%
Ponga Silva	9,022.4 ha 84.8%	1,612.8 ha 15.2%	3.5 ha 0.03%	10,638.7 ha 100%

Productive areas are accurate. Reserve areas are subject to variation as ongoing programmes of assessment and in some cases, retirement from production forest and/or 'setting-back' from streams leads to redefinition and minor area changes. Equally, as some cutting rights are completed and the underlying land is returned to the owners, some of the indigenous reserves may also be "returned" leading to deductions from the totals on a year-to-year basis.

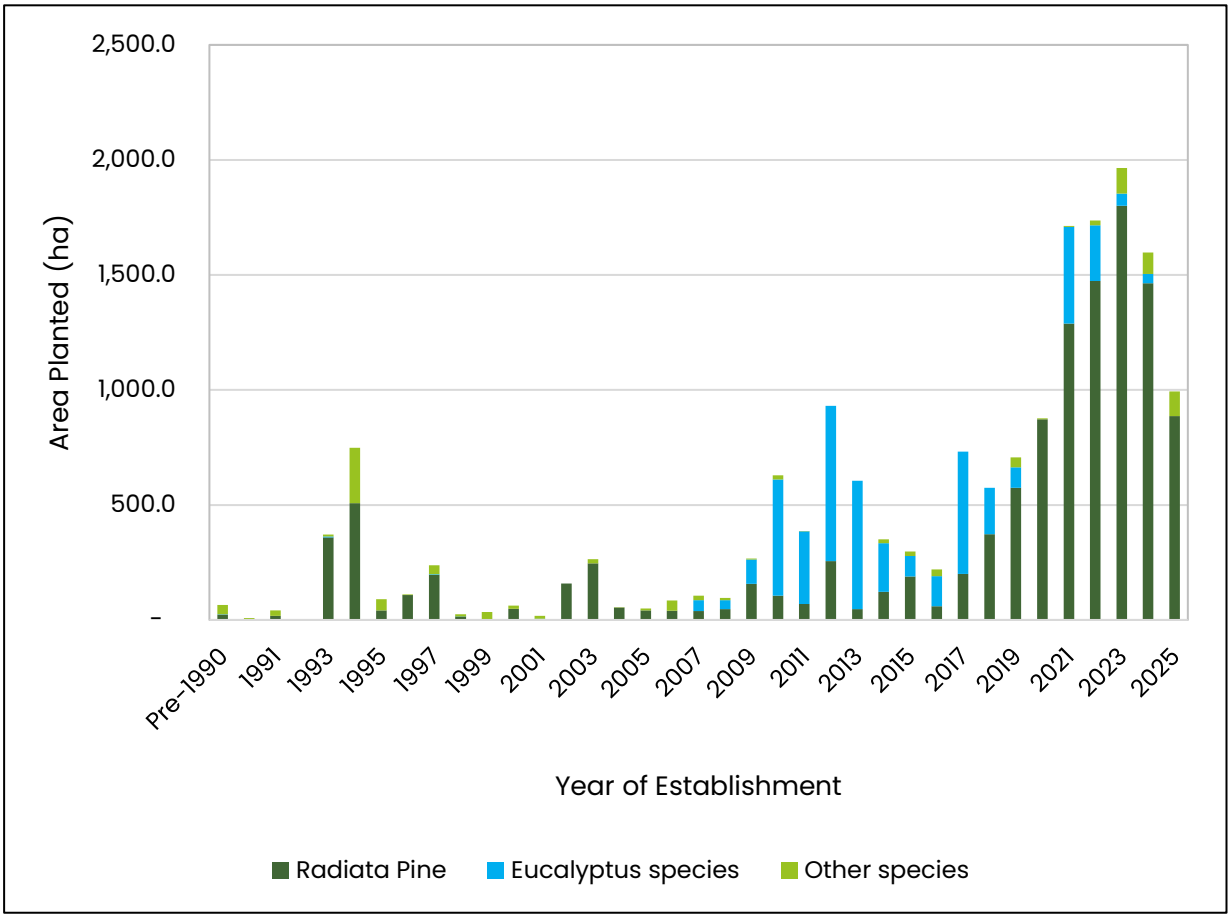
2.6 Species mix

The productive plantation forest within both Group Schemes is made up of a range of species with the predominant species being *Pinus radiata*. This species is present throughout most of New Zealand due to its capability to grow rapidly and predictably on a wide range of sites, paired with well-established markets and processing capability.

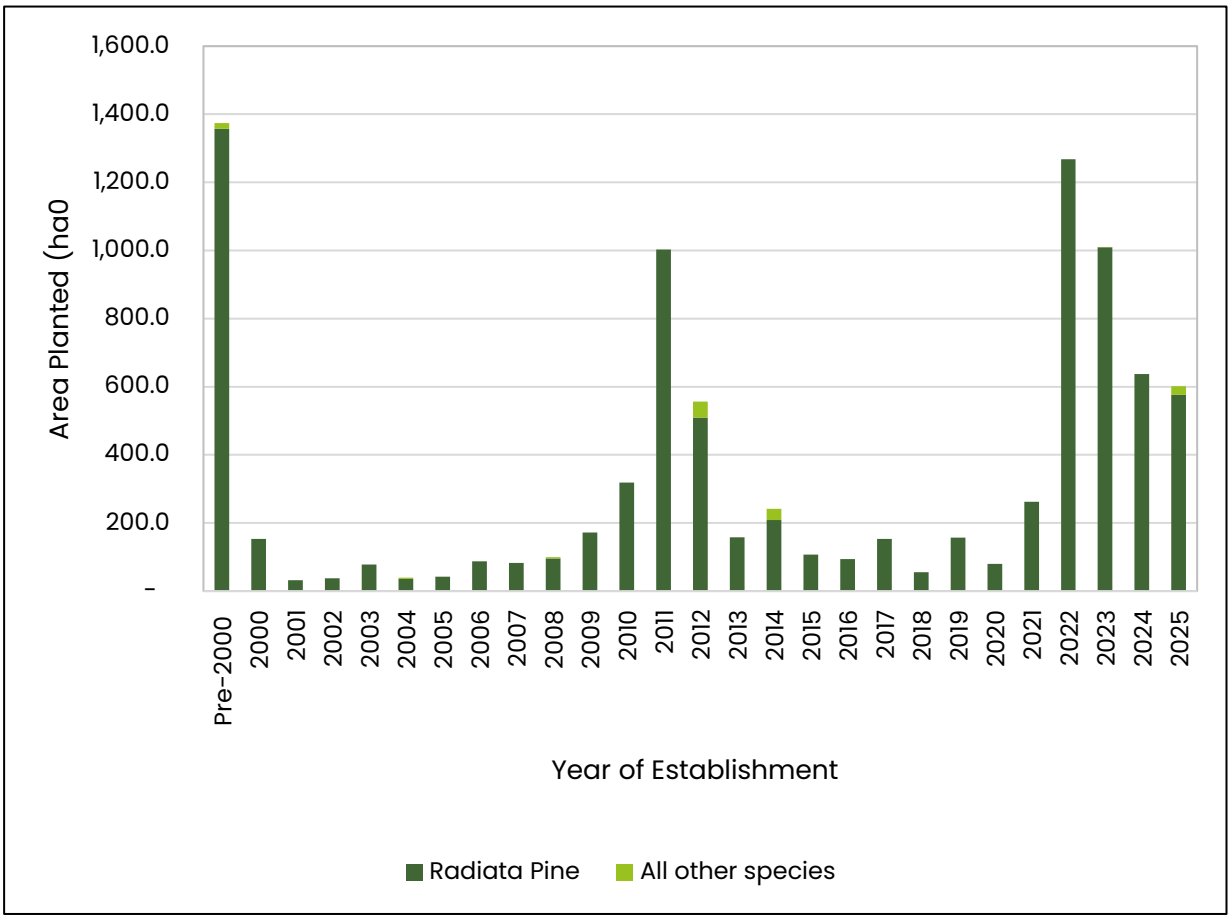
2.7 Age distribution

The age-class distribution of forests ranges from newly planted stands to those ready for harvest. The distribution illustrates a loss in area for stands of harvesting age (as would be expected) but also gains in area from the younger age classes as forests have been added to the certificate register and replanting occurs.

Species and age distribution of the PF Olsen FSC Group Scheme forests



Species and age distribution of the Ponga Silva FSC Group Scheme forests



2.8 Stakeholders

Based on the nature of both Group Schemes, stakeholders are categorised as local or national stakeholders.

Local stakeholders typically consist of forest neighbours, local councils, iwi, and any other groups that may have an interest in the forest (e.g. recreational users, hunters, community conservation groups). National stakeholders are the people and entities that are notified of every certification regardless of the forest's location. They tend to be other forestry companies with FSC certified forests, government/statutory agencies (e.g. Department of Conservation, Herenga ā Nuku Aotearoa - the Outdoor Access Commission, Fish and Game Councils) and environmental non-governmental organisations (e.g. Forest and Bird).

Stakeholders are consulted during the initial stages of a forest/client joining a Group Scheme, to provide feedback on the forest management plan. After certification, stakeholders are consulted if planned forestry operations may impact their land, their interests, or their activities (e.g. when harvesting may impact a property boundary or recreational area).

2.9 Monitoring

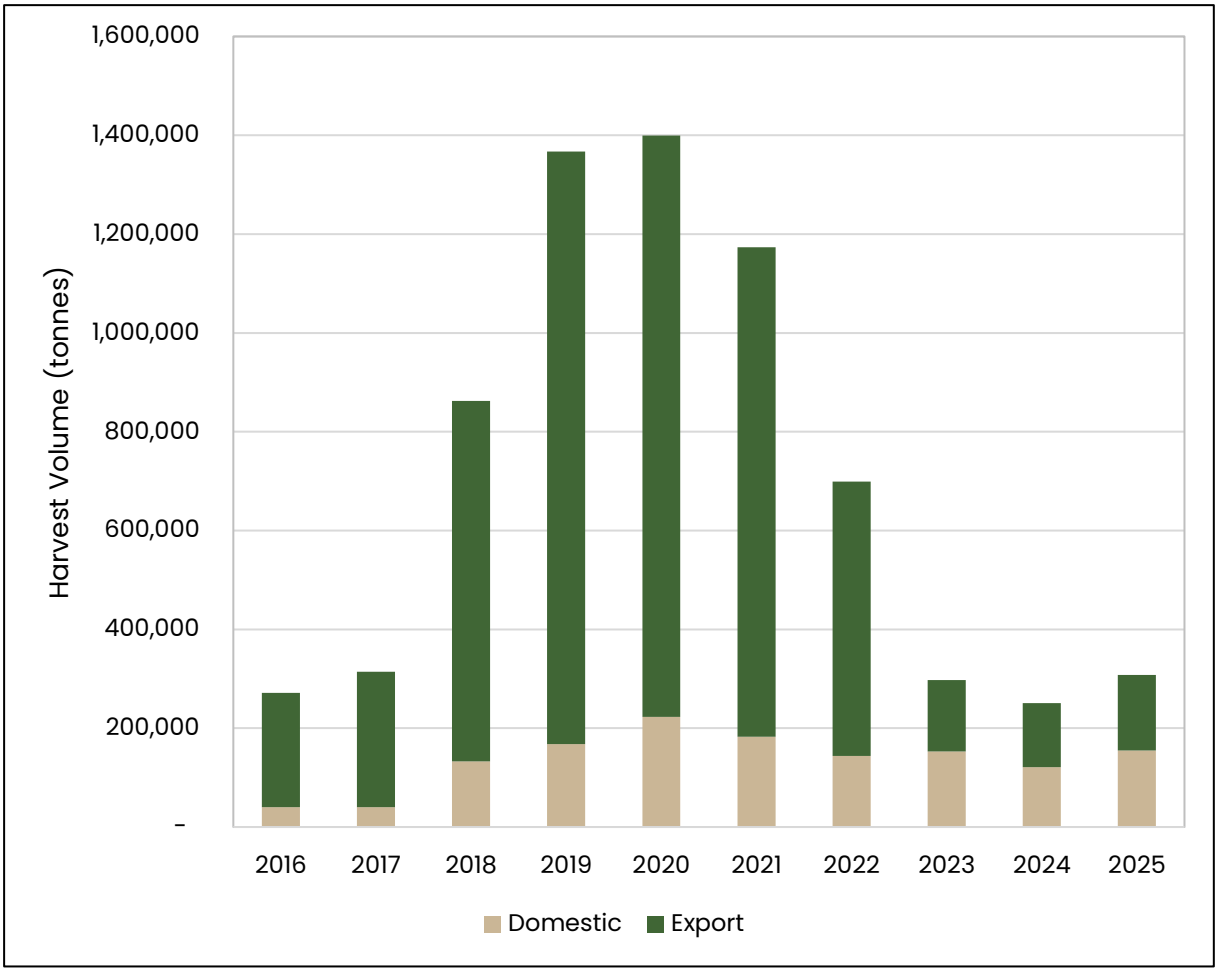
As the forests grow and are tended, a range of forest monitoring activities may take place. Details on the full range of potential monitoring activities can be found in the Standard FSC Management Plan (Section 14 – Monitoring), while actual monitoring activities can be found in each forest's Specific Management Plan.

2.10 Yield

The volume harvested from both of the Group Schemes varies each year, depending on the area of trees at harvestable age, market conditions, and the number of clients/forests within each Group Scheme.

The graph below shows the volumes harvested from the FSC forests over the past 10 years by market type. As the Ponga Silva Group Scheme only started in 2025 there is only one year of data for them – 25 tonnes of firewood.

Harvest volumes by market type from the PF Olsen FSC Group Scheme



For the PF Olsen FSC Group Scheme, the annual allowable cut for 2025 was 473,000. In 2025, 308,000 tonnes were harvested, a difference of almost 165,000 tonnes. The difference was due to low log prices and rising costs, resulting in forest owners delaying harvest. This was also the case for the Ponga Silva FSC Group Scheme, as recorded above. Their annual allowable cut was 310,000 tonnes for the 2025 calendar year.

2.11 Non-timber forest products (NTFP)

No NTFP's are produced by either the PF Olsen Group Scheme or the Ponga Silva Group Scheme forests.

2.12 Map of FSC forest locations

A map showing the locations of all of the certified forests under both Group Schemes can be found on the PF Olsen website.

3. Health and Safety

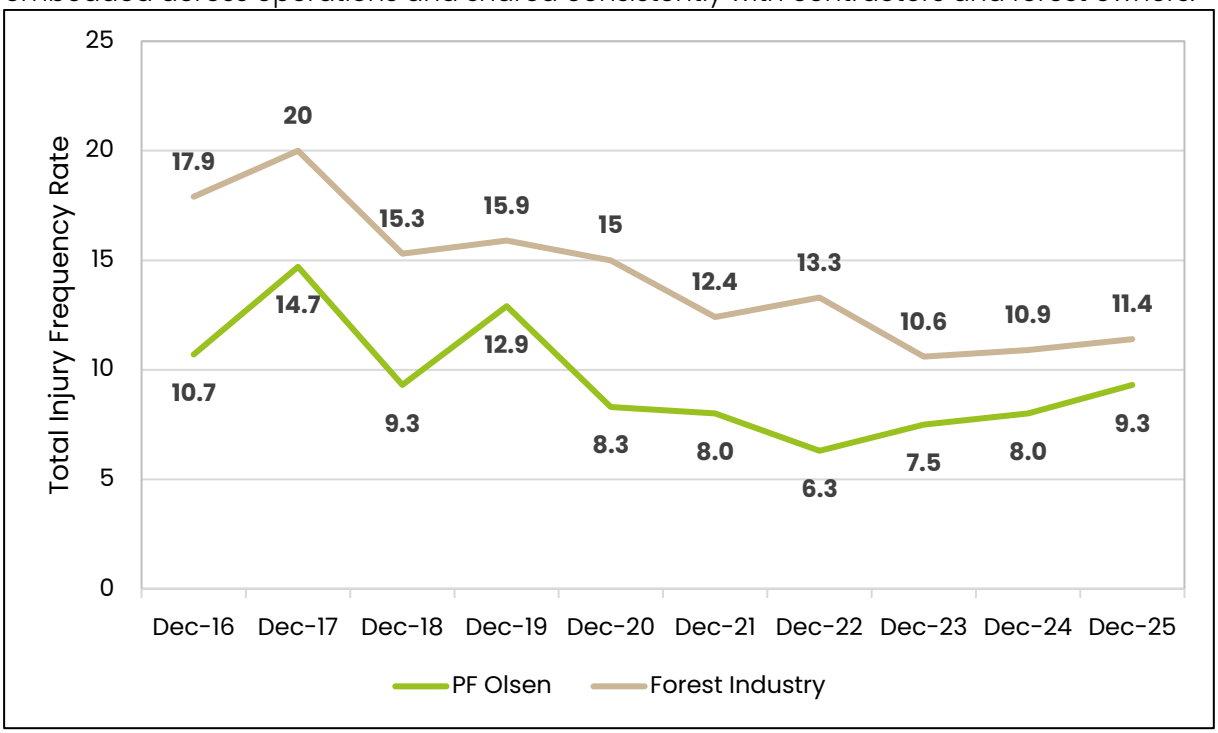
3.1 Safety Performance

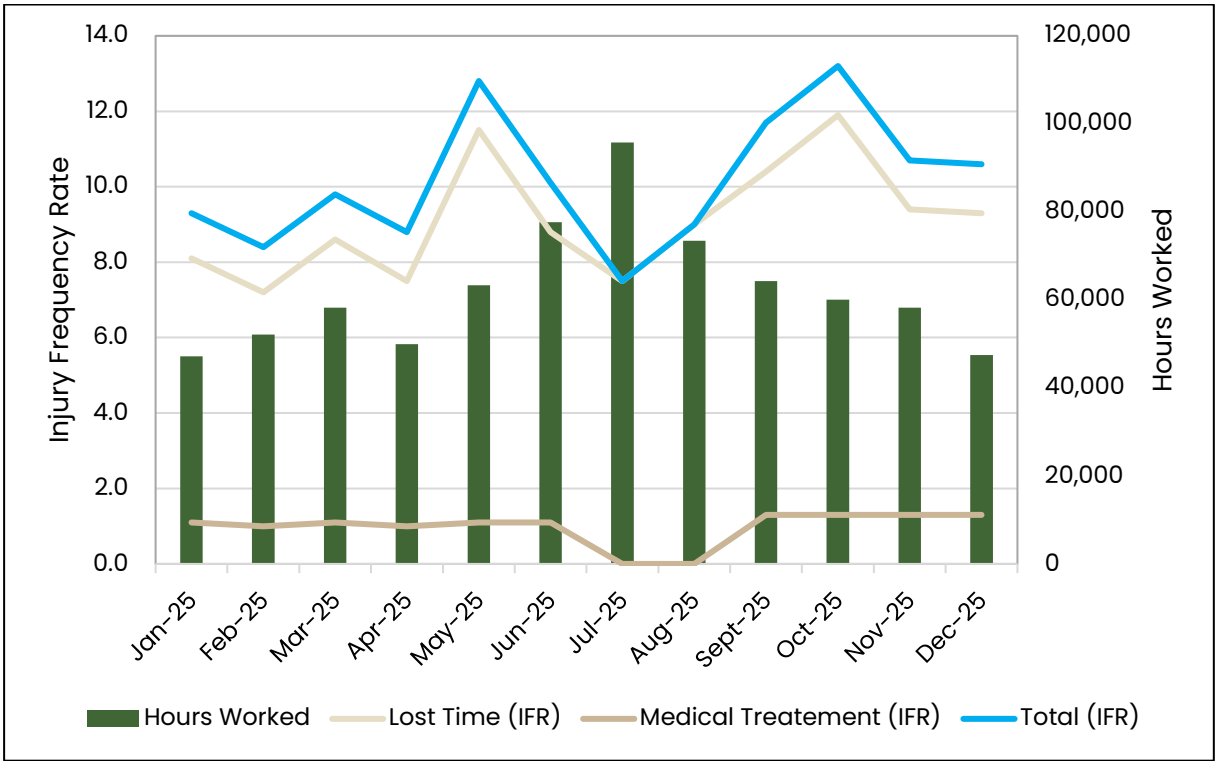
Health and safety performance across 2025 reflected a challenging operating environment, with reduced harvesting volumes and lower total exposure hours placing upward pressure on frequency rates. At year-end, our LTIFR and TIFR were higher than target and above our historical trend. While injury numbers were not disproportionate in absolute terms, fewer hours worked amplified the impact on reported rates.

Encouragingly, the final quarter of 2025 and the start of 2026 showed improved stability, with no serious harm incidents recorded through the start-up period and into the new year. An injury-free January has provided a positive platform for resetting expectations and reinforcing core safety disciplines across both schemes.

A number of the year's lost time injuries were linked to well-understood forestry risks — including steep terrain, manual handling, vehicle movements, and slip/trip/fall mechanisms — rather than systemic control failure. Nevertheless, several events highlighted the need for tighter supervision, improved communication between PCBUs, clearer safe operating procedures, and stronger reinforcement of safe behaviours under production pressure.

All serious incidents continue to be reviewed by a senior leadership group, with findings translated into practical system improvements, toolbox safety alerts, and updates to Safe Operating Procedures (Safe Ops). This structured review process ensures learnings are embedded across operations and shared consistently with contractors and forest owners.





3.2 Critical risk management

Our critical risk focus remains unchanged. The highest-risk activities — including vehicle operations (public and forest roads), steep terrain harvesting and breaking-out, manual tree felling, ATV use, working alone, and fatigue management — continue to receive priority oversight.

During 2025, particular emphasis was placed on:

- **Steep terrain and mechanisation:** Following a bulldozer operator fatality, a serious breaker-out injury, and a high-potential felling near miss, further emphasis has been placed on prioritising mechanised solutions wherever practicable, improving terrain assessment after adverse weather, and reinforcing escape route discipline and observer systems where manual felling remains necessary.
- **Forest road engineering and heavy vehicle movements:** Several truck-related events (including rollovers and high-potential slides on wet gradients) prompted peer review of roads approaching NZFOA design limits, improved monitoring of edge stability during adverse weather, and clearer communication regarding engine braking and descent protocols.
- **Safe Operating Procedures (Safe Ops):** A structured review of Safe Ops has progressed, prioritised against critical risks and the 2026 Approved Code of Practice. New or revised guidance has been developed in areas such as chemical e-thinning, access and egress from vehicles, and steep slope operations. This ensures field

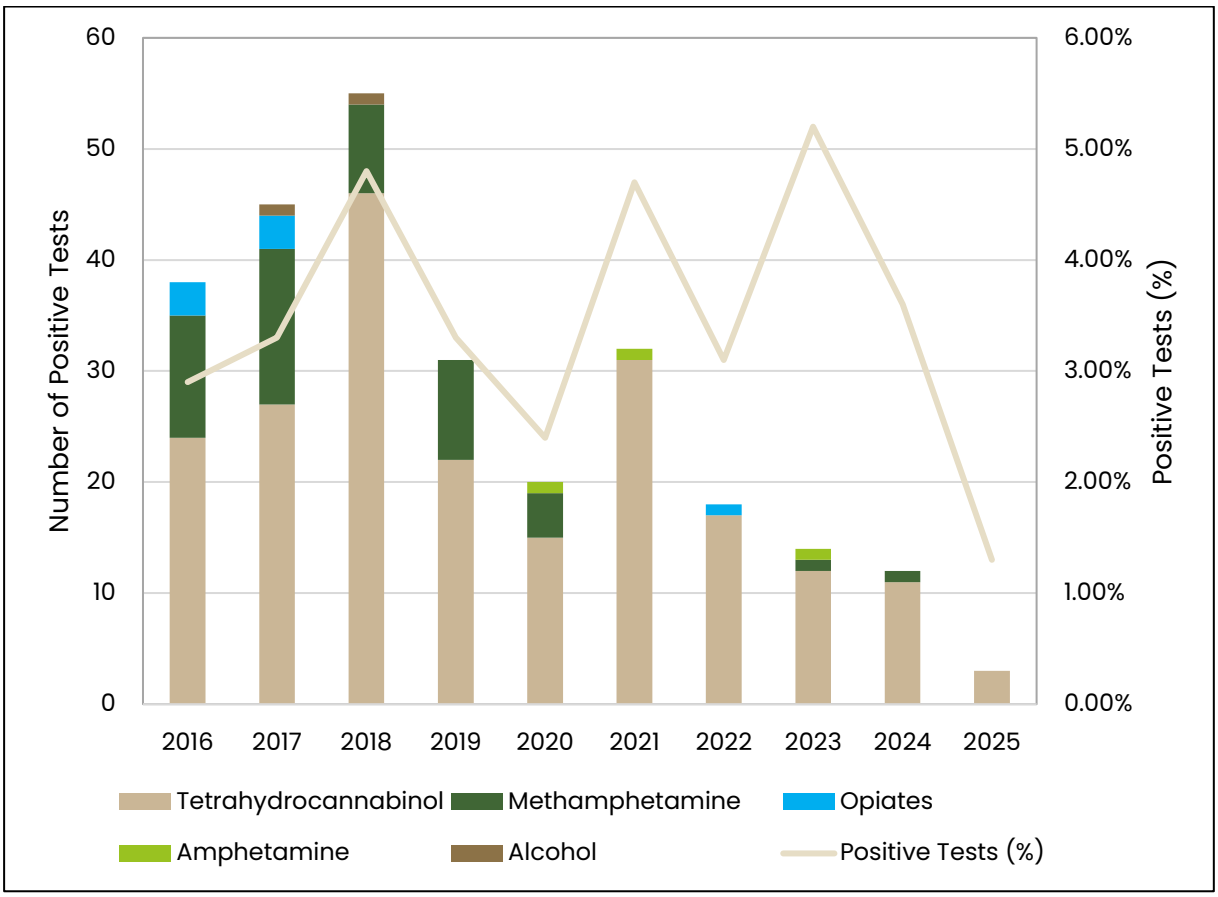
practice aligns with current industry expectations and Approved Code of Practice requirements.

This deliberate prioritisation reflects a maturing approach to risk management — focusing resources and leadership attention where the potential for catastrophic harm is greatest. This aligns well with the possible direction forecast by the HSW Amendment Bill 2026.

3.3 Random drug and alcohol testing

The PF Olsen Random Drug Testing Program, now in its 15th year, has played a central role in shaping a strong "forestry and drugs don't mix" culture. Early in the program, positive results were as high as 15%, with some planting start-ups losing nearly half of crews on testing day. With strong support from contractors and workers, the program quickly drove change, reaching a low of 2.9% positives in 2016 – well below industry averages – through a fully independent, third-party testing system.

After a rise during the COVID-19 years, peaking at 5.2% in 2023, results have improved sharply. In 2025, the program is at its best level yet, recording no positives in the first half of the year and a final national rate of just 1.3% – the lowest in the program's history. This achievement demonstrates real commitment across the workforce, strengthening forestry's reputation as a safe and professional industry.



3.4 Contractor engagement and safety culture

Strengthening contractor safety culture remained a key focus in 2025. In addition to our standard audit and monitoring programme, targeted Safety Culture interventions were undertaken with selected crews following significant incidents.

The programme includes culture surveys, facilitated workshops, and structured improvement plans focused on work pressure, risk-taking behaviours, supervision quality, and reward/recognition balance. Early feedback indicates strong engagement and practical, crew-led improvement initiatives.

Local Safety Meetings and Safe Start-Up events are now predominantly field-based. This "go to the people" approach has improved engagement with crews and enabled real-time discussion of site-specific hazards, including windthrow, steep terrain, and changing road conditions. These sessions reinforce expectations around production pacing, fatigue management, and safe decision-making.

3.5 Lead indicators and monitoring

Drug and Alcohol Testing

The 2025 random testing programme delivered the strongest result in the 16-year history of the programme, with a significantly reduced positive rate compared with previous years. We finished the 2025 year with 1.1% positive tests. Early 2026 testing has continued this positive trend, indicating a strong fit-for-work culture across both schemes.

Audit Completion Rates

Annual System Audits (ASA) and Contractor Monitoring Audits (CMA) remained close to target (90%) through most of the year. Some shortfalls late in the year reflected weather disruption and contractor availability rather than systemic disengagement. Independent audit performance within the Ponga Silva Forests was particularly strong, achieving a high compliance score (96%) with no major or minor non-conformances.

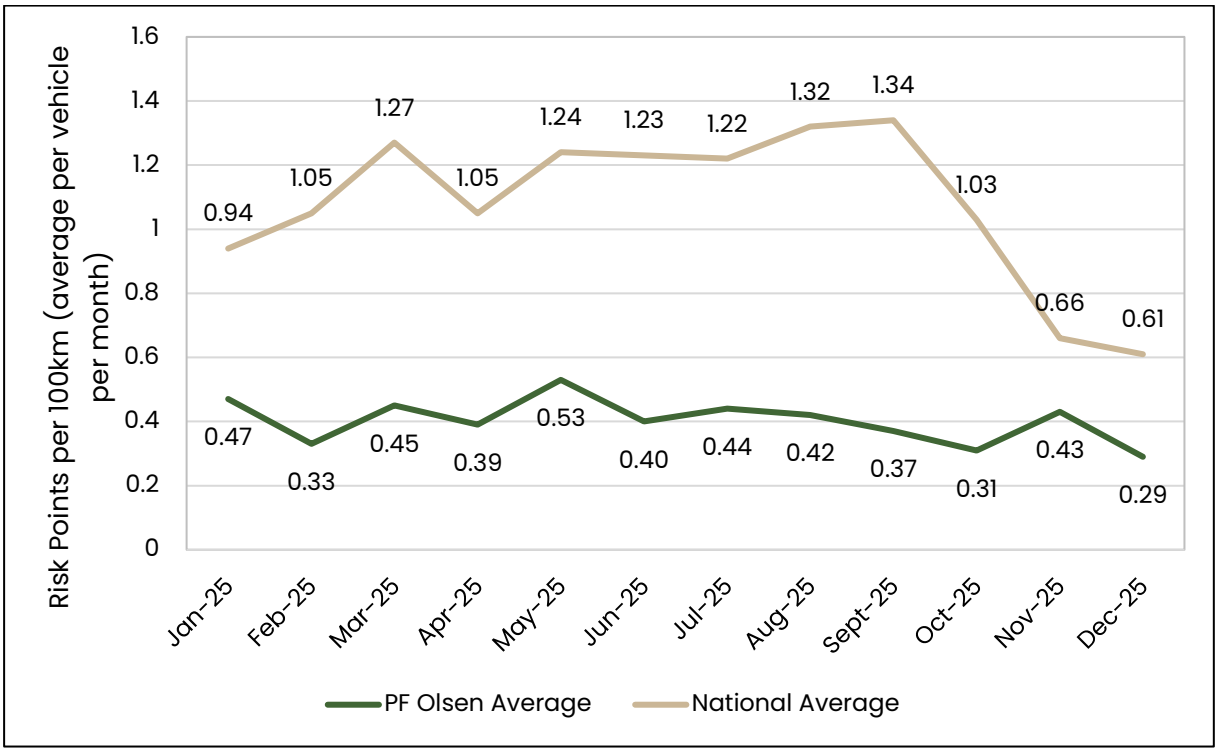
Incident Reporting

Despite reduced hours worked, overall incident reporting remained strong, with reporting rates per hours worked improving year-on-year. This indicates continued engagement in hazard identification and near-hit reporting — a critical leading indicator of safety culture maturity.

Vehicle Risk Management and Telematics

Driving remains our highest exposure risk for staff. GPS telematics monitoring shows overall driver risk points remain below or close to national averages, although isolated high-risk

behaviours were identified and addressed through targeted coaching and follow-up. Transition to updated 4G-enabled telematics units is underway, ensuring continuity of monitoring capability and improved system responsiveness.



3.6 2026 Health and Safety focus

The 2026 strategy centres on:

- Resetting LTIFR and TIFR performance through disciplined control in critical risk management.
- Completing the Safe Ops review programme aligned to the Forestry Approved Code of Practice.
- Prioritising mechanisation and fatigue management in steep terrain harvesting.
- Prioritising Safety culture maturity among staff and contractors and strengthening contractor oversight where repeated system weaknesses are identified.
- Maintaining high drug and alcohol testing standards.
- Reinforcing visible safety leadership presence at worksites.

The overarching objective remains clear: protect people from critical risks (and the known resultant harm) while maintaining operational integrity and certification standards.

4. Ecological Management and Monitoring

4.1 Protected ecosystems

One of the key components of FSC certification is the protection and management of indigenous flora and fauna. When a forest/client joins either of the Group Schemes, every effort is made to locate, assess and describe all of the indigenous ecosystems located within the client's forest land. The areas are mapped and added to the PF Olsen indigenous vegetation/protected ecosystem database.

In addition to determining each area's vegetation composition and type (terrestrial, riparian, wetland or waterbody), care is also taken to determine if each area is protected under other mechanisms (e.g. Significant Natural Areas, Ngā Whenua Rāhui or QEII Trust covenants).

Management plans may also be developed in conjunction with ecologists for these special areas. Typically, they would include a range of activities – such as restoration (e.g. indigenous planting), protection (e.g. weed control or fencing) or monitoring (e.g. bat monitoring or drone survey of vegetation).

The management and monitoring activities for each forest can be found in the appendices of specific Forest Management Plans (which are publicly available on request).

4.2 High Conservation Value Forest (HCVF) areas

Under the FSC Principles and Criteria, indigenous vegetation within the forest estate that meets the FSC definition of a High Conservation Value Forest (HCVF) must be identified, and management plans developed to maintain or enhance the HCVF.

HCVF's are defined as areas that possess one or more of the following attributes:

- HCV1 - Species diversity: Concentrations of biological diversity including endemic species, and rare, threatened or endangered species, that are significant* at global, regional or national levels.
- HCV2 – Landscape-level ecosystems and mosaics: Intact Forest Landscapes and large landscape-level ecosystems and ecosystem mosaics that are significant at global, regional or national levels, and that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance.
- HCV3 – Ecosystems and habitats: Rare, threatened or endangered ecosystems, habitats or refugia.
- HCV4 – Critical ecosystem services: Basic ecosystem services in critical situations, including protection of water catchments and control of erosion of vulnerable soils.
- HCV5 – Community needs: Sites and resources fundamental for satisfying the basic necessities of local communities or indigenous peoples (for livelihoods, health, nutrition,

water, etc.) identified through engagement with these communities or indigenous peoples.

- HCV6 – Cultural values: Sites, resources, habitats, and landscapes of global or national cultural, archaeological, or historical significance, and/or of critical cultural, ecological, economic, or religious/sacred importance for the traditional cultures of local communities or indigenous peoples, identified though engagement with these local communities or indigenous peoples.

The table below shows the areas of HVCF present within each forest by Group Scheme; approximately 1,200 ha for the PF Olsen Group Scheme and 12.5 hectares within the Ponga Silva Groups Scheme. The management and monitoring activities for each HCVF area can be found in the appendices of specific Forest Management Plans.

Group Scheme	Forest	HCV1	HCV2	HCV3	HCV4	HCV5	HCV6	Total Area (ha)
PF Olsen Group Scheme	Bookers			20.0				20.0
	Brook			9.6				9.6
	Kingsland			23.4				23.4
	Maitai				53.8			53.8
	Mangapakeha			54.3				54.3
	Moturoa / Rabbit Island	6.1		5.4				11.5
	Port Underwood			1.6				1.6
	Roding	421.9			58.1			480.0
	Te Rata			553.0				553.0
PF Olsen Group Scheme – Total HCV Area		**428.0**	**-**	**667.3**	**111.9**	**-**	**-**	**1,207.2**
Ponga Silva Group Scheme	Middle Mount			8.3				8.3
	Opio			1.0				1.0
	Pinnacle Pine			2.7				2.7
	Waiotahe			0.5				0.5
Ponga Silva Group Scheme - Total HCV Area (ha)		**-**	**-**	**12.5**	**-**	**-**	**-**	**12.5**

4.3 Rapid Assessment Forms (RAF) for HCV areas

To more fully understand changes in the status of high conservation values, from the start of 2026, Rapid Assessment Forms (RAF's) have been put in place for all forest, wetland and tussock HCV areas.

The forest RAF was developed by Tane's Tree Trust [1]. It has been modified for use in Tussock areas by the Environmental Team. The Wetlands Monitoring and Assessment Kit [2] developed by NZ Landcare Trust is being used for wetland HCV's.

2026 was the first year of using these tools for HCV monitoring, so the results will be presented in the 2026 Annual Report for both Group Schemes.

4.4 Photopoint Monitoring

Photopoints are used in both PF Olsen and Ponga Silva Group Scheme forests to monitor (typically indigenous areas) for changes over time. Taken at regular intervals they visually show the following:

- If weed control is required
- Growth of indigenous vegetation
- The slow breakdown of wilding conifers poisoned in situ

The below photo pairs show examples of photopoint monitoring at two different sites over different timeframes. In the first pair weed control of gorse has been carried out, while the second pair shows the removal of wilding conifers around the edge of the area being monitored.

Site 1

2016

2025

[1] Cameron, C., Thoresen, J., Stuart, R., Storey, R., Tracy-Mines, M., Ball, O., McQueen, J., Burns, B., Aimers, J., Bergin, D., Landles, W., Williams, G. and Tait, P. (2026), Strong relationship between qualitative Rapid Assessment Forms and quantitative indices used to assess the ecological quality of forests in Northland, New Zealand. *Restoration Ecology*, e70272. https://doi.org/10.1111/rec.70272

[2] Karen Denyer and Monica Peters. (2012) NZ Landcare Trust, Wetlands Monitoring and Assessment Kit, https://landcare.org.nz/wp-content/uploads/2025/05/WETMAK-2015-1-1.pdf

Site 2

2025

2026

4.5 Threatened Species

Sightings of New Zealand's threatened species within PF Olsen managed forests are recorded in iNaturalist and linked to the 'Biodiversity in Plantations' project (New Zealand plantation forest industry database) to record information on the species that use and/or are present in our plantation forests.

During 2025, PF Olsen staff used iNaturalist to record 17 observations (threatened and non-threatened species), three of which were in PF Olsen FSC Group Scheme forests, and 7 were in Ponga Silva FSC Group Scheme forests, as shown in the following table. Around 3,000 observations have been made by PF Olsen staff, across all PF Olsen managed forests, since records began.

Species	Present in:		
	PF Olsen Group Scheme	Ponga Silva Group Scheme	Non-certified forests
Forest Cabbage Tree			x
Himalayan Honeysuckle		x	
Kārearea (New Zealand Falcon)		x	x
Lacebark			x
Longfin Eel			x
North Island Tomtit	x	x	
Nursery Web Spider	x		
South Island Rifleman	x		
Tree Privet		x	
Tui		x	

Data logged in iNaturalist is used to assist in identifying where management requirements and or specialist advice might be needed prior to planned forestry operations.

4.6 Water quality

Water quality monitoring aids understanding of the impacts of plantation forest operations on receiving waterbodies or can be undertaken to comply with resource consent conditions. Monitoring can either be one-off or repeated over time. Where possible, long-term monitoring sites are paired with comparative sites under different land uses (indigenous forest or agricultural land, or harvested with mid-rotation), to understand the impact of different land uses on water quality. One of the best-known New Zealand examples is the Pakuratahi Land Use Study [3].

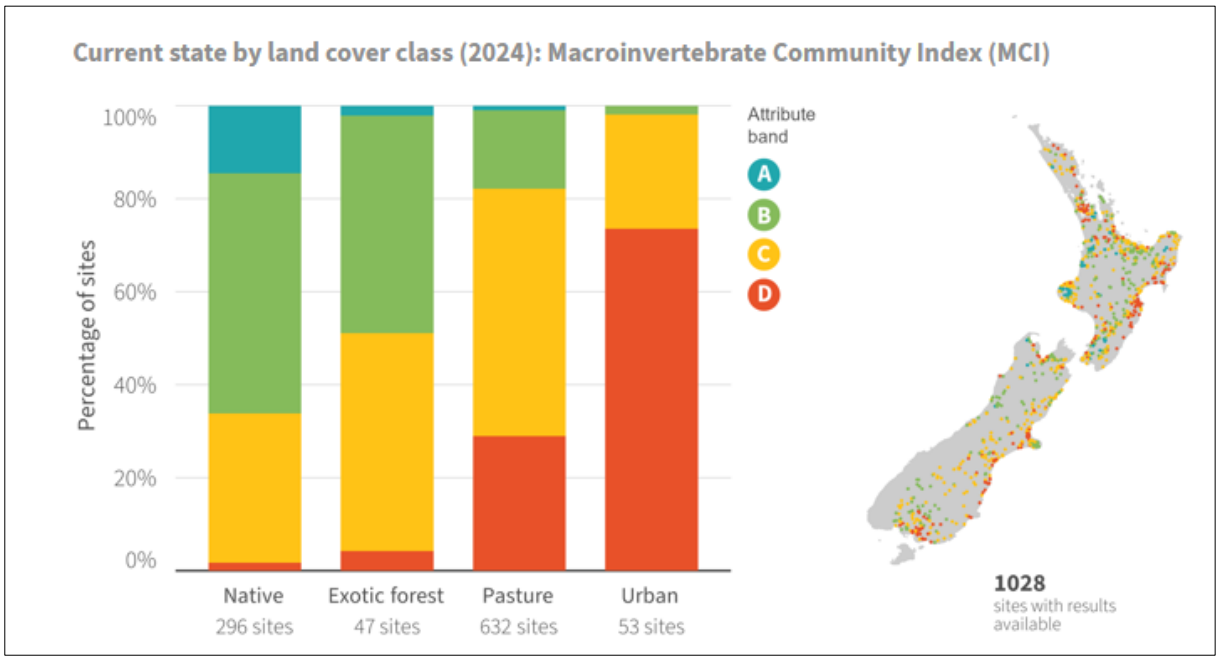
Regional and District Councils combine their environmental monitoring into the Land, Air, Water Aotearoa (LAWA) database. On the LAWA website, users can search for data by region, by survey point location, or gain a national perspective. The LAWA River Quality page presents the national river health summary.

The National Objectives Framework (NOF – National Policy Statement for Freshwater Management) bands are calculated for each land class type from median scores across a five-year period (1 July 2016 – 30 June 2021). The NOF bands range from Good (A grade) to Poor (D or E grade). The locations of the monitoring sites are shown in each map.

The current recorded state of NZ's rivers and streams using MCI as the reportable attribute is shown in the LAWA graph below. Notable is the close correlation between indigenous (native) catchments and plantation (exotic) forest catchments.

This correlation is reflected in all attributes reported in LAWA (MCI, ammonia toxicity, nitrate toxicity, dissolved reactive phosphorus, clarity and E. coli) and there is a consistent pattern among the land cover categories for all four indicators covered by the national summary – with the better scoring streams located in areas of indigenous vegetation, followed by exotic forest and then pasture.

[3] Eyles, G. O., Fahey, B. D. (2006). *The Pakuratahi land use study: a 12-year paired catchment study of the environmental effects of Pinus Radiata forestry*. Hawkes Bay Regional Council, New Zealand. Note: this study is currently being re-activated to monitor the effects of second rotation forest harvesting.



Rivers and streams with catchments classified as being predominantly indigenous vegetation make up 48% of Aotearoa New Zealand's channel length, while pasture is also common making up 45%. Exotic forestry streams (5% of channel length) and urban streams (1%) are less common. While urban streams generally have the worst water quality, they are relatively uncommon throughout New Zealand.

Proportionally, across all four indicators, monitoring sites within indigenous forests are under-represented (approximately 20% of the sample size), while pasture and urban sampling sites are over-represented (50 – 65% and 9% of the sample sizes respectively). Exotic forestry water monitoring sites are also under-represented for three of the four national indicators.

Although catchments in the indigenous vegetation land cover class are the least affected by our activities, they are not fully representative of natural conditions because, their definition allows them to include some urban, pasture, and exotic forest land cover in the upstream catchment, if the catchment is still predominantly in indigenous vegetation. This might explain why some "native vegetation" sites are in the "D" band. Geological differences among streams may also explain high concentrations for some parameters, for example, phosphorus concentrations tend to be naturally high in catchments draining volcanic soils.

4.7 Environmental DNA (eDNA)

We use Environmental DNA (eDNA) to determine the presence or absence of species in a catchment and from this can determine the health of the water body ecosystem, by looking for key good water quality indicator species (such as mayflies and stoneflies – found in the insect species group).

eDNA is genetic material that is shed by organisms through the loss of skin, hair, scales, fluids and faeces. The DNA can be isolated and used to monitor the likely presence and distribution of species through time and space. Using this simple method, eDNA tests can identify thousands of species of fish, birds, mammals, reptiles, amphibians, plants, fungi, protists, bacteria, and other organisms, in every water sample submitted.

eDNA results are uploaded into a national dataset.

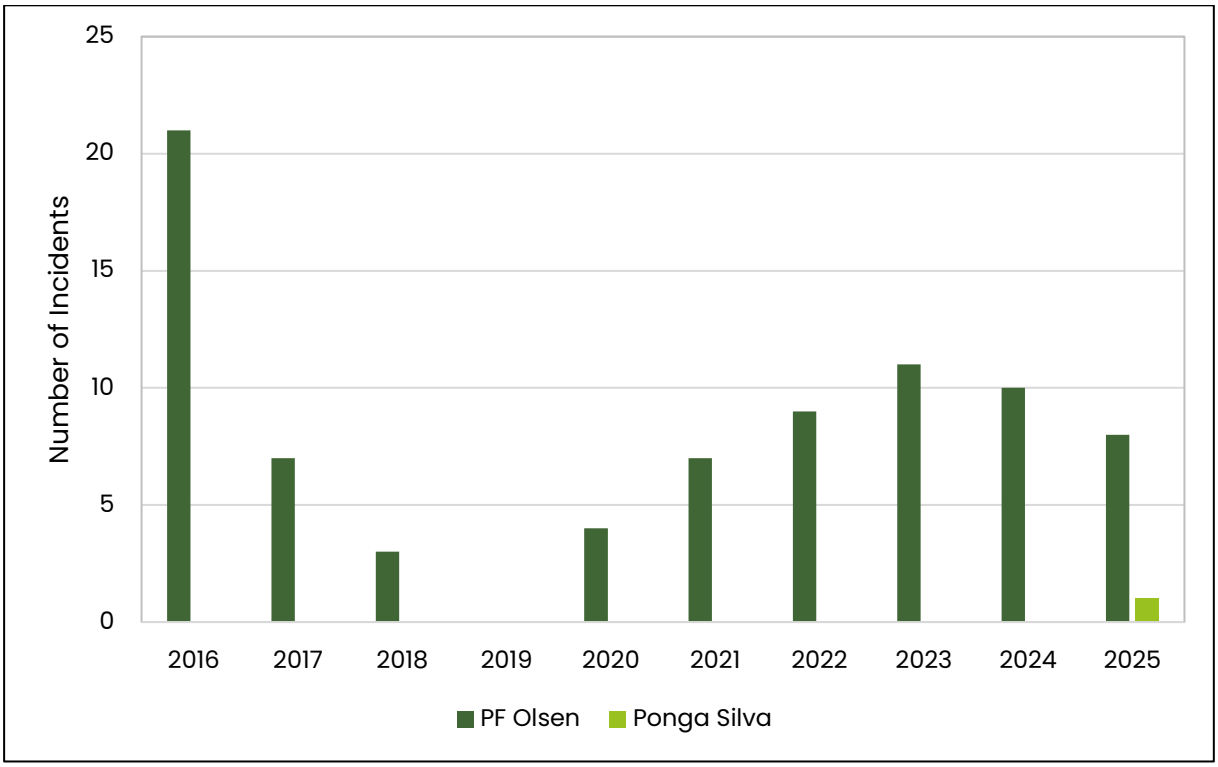
The table below shows a sample (2025 – 2026) of eDNA results from within two Ponga Silva Group Scheme forests and a PF Olsen Group Scheme forest. Across the eight sites, 320 species were identified within 33 different species groups. The higher the count for a species, the more likely it is present at the site.

Species Group	Ponga Silva Group Scheme			PF Olsen Group Scheme				
	Site A	Site B	Site C	Site A	Site B	Site C	Site D	Site E
Amoebae	924	1139	1231	14	8	41	20	19
Amphibians	134	0	385	0	0	0	0	0
Archaea	60	0	22	0	0	0	0	0
Bacteria	134448	124148	157341	0	4	0	11	46
Birds	1235	870	11351	0	128	318	0	125
Centipedes	7	0	0	0	0	0	0	0
Ciliates	0	0	0	696	704	1350	1011	915
Cnidarians	0	0	0	0	0	0	0	5
Crustaceans	19238	13373	51671	846	9	0	27	59
Cryptomonads	1254	34048	604	0	0	0	0	0
Diatoms	46	64	117	136	184	219	116	60
Dinoflagellates	0	68	44	0	0	0	0	0
Fish	23	0	0	327	2071	1141	0	712
Flatworms	7138	50854	62754	19	0	0	56	9
Fungi	6182	1614	13885	426	422	210	473	200
Green algae	6675	26053	2497	34	12	75	38	66
Heterokont algae	90	204	50	272	447	953	421	835
Insects	1969	3323	2477	227	505	1025	402	819
Liverworts	0	0	0	4	0	0	10	9
Mammals	7699	32231	13493	3619	2310	6825	4565	4872
Mites and ticks	3358	2076	7098	0	0	0	0	0

Species Group	Ponga Silva Group Scheme			PF Olsen Group Scheme				
	Site A	Site B	Site C	Site A	Site B	Site C	Site D	Site E
Molluscs	5183	876	8063	53	170	122	158	143
Mosses	0	0	0	40	0	29	40	19
Oomycetes	1051	3121	1496	0	0	0	0	0
Other	1571	2161	6389	5834	6952	7629	5010	6796
Plants	114945	429692	148092	6210	5649	5401	7226	6332
Red algae	0	0	0	0	321	214	276	211
Ribbon worms	181508	60142	306149	0	0	0	0	0
Rotifers	203	0	14	48	11	80	9	12
Roundworms	72	980	1044	0	0	0	0	0
Spiders	28	39	290	0	0	0	0	0
Springtails	895	33535	64	0	5	22	0	27
Worms	2604	65131	2074	608	178	501	345	684

5. Environmental Incidents

Staff and contractors report and respond to environmental incidents. During 2025, 33 environmental incidents were recorded – eight within PF Olsen FSC Group Scheme forests, one in a Ponga Silva Group Scheme forest, and the rest in non-certified forests. The graph below shows the number of recorded environmental incidents from 2016 – 2025 in both Group Scheme's managed forests.



The below table breaks down the environmental incidents by type. An incident can be classified as more than one type, hence why the total is greater than 33. While most environmental incidents are generally weather-related (e.g. storm events causing slips, mass movement, or damage to waterways etc), other incidents are a result of human activities (e.g. chemical spill or policy/regulation breach).

Incident Type	PF Olsen Group Scheme	Ponga Silva Group Scheme	Non-certified forests
Contamination - agrichemical	2	-	4
Contamination – other (fuel, oil or rubbish)	1	-	1
Damage to stream/watercourse, wetland or riparian zone	1	1	2
Near Miss	2	-	

Incident Type	PF Olsen Group Scheme	Ponga Silva Group Scheme	Non-certified forests
Regulation, consent and/or policy breach	-	-	3
Soil mass movement and/or shallow landsliding	2	-	10
Soil surface erosion	1	1	1
Water quality impacted	1	-	-
Other	-	-	2

All incidents are reviewed by senior management to ensure that the incident is fully understood and has been appropriately controlled and mitigated.

6. Resource Consents and Archaeological Authorities

6.1 Archaeological Sites

Records of archaeological and historic places are maintained in the New Zealand Archaeological Association (NZAA) archaeological site recording scheme (https://archsite.eaglegis.co.nz/NZAAPublic).

If a site is found or suspected in any forest, PF Olsen's archaeological site management protocols are followed. Additionally, site specific management plans may also be developed in conjunction with Heritage New Zealand (HNZ), archaeologists, Iwi or other stakeholders.

Where there is the potential for disturbance or destruction of a site, an 'Authority to Modify or Destroy' will be sought from Heritage New Zealand under the Heritage New Zealand Pouhere Taonga Act 2014. Such authorities are similar to resource consents and, if granted, normally have conditions that must be met. In some cases, permission to modify an archaeological site may also be required from the appropriate District or Regional Council.

Checks for the presence of archaeological sites, and their exact locations and boundaries, are required before any harvesting or related earthworks commence.

6.2 Resource Consents

Forestry operations are regulated by the Resource Management Act 1991, including the National Environmental Standards for Commercial Forestry (NES-CF) and Regional and District Council rules.

When proposed forestry activities are unable to be undertaken as a permitted activity under the NES-CF and/or under the relevant regional or district plan, resource consent is obtained for the activity. Electronic copies are held, as well as accessible copies being on-site for the associated activity. Internal compliance with the conditions of consent is undertaken by operational staff.

6.3 Compliance Monitoring

The 78 regional, unitary and district councils in New Zealand can audit operations to ensure compliance with consent conditions or permitted activity regulations. Compliance monitoring is commonly undertaken by regional and unitary councils. Heritage NZ may also undertake compliance monitoring of Archaeological Authorities.

PF Olsen records the compliance outcomes of these audits. Regulatory authorities report their compliance inspections differently (requiring some interpretation of the compliance outcome to enable standardised reporting across PF Olsen). The data provides an independent assessment of compliance.

During 2025, three councils undertook six compliance monitoring inspections of PF Olsen managed operations within our Group Scheme forests: five with PF Olsen Group Scheme forests, and one in a Ponga Silva Group Scheme forest. Ponga Silva's single compliance inspection was carried out by Gisborne District Council and received a compliance rating of Low Risk Non-compliance.

Compliance monitoring results by council for all PF Olsen Group Scheme forests in 2025

Council	Full compliance	Low risk non-compliance	Moderate non-compliance	Significant non-compliance
Northland Regional Council	1			
Gisborne District Council		1		
Tasman District Council	2	1		
Total	3	2	0	0

NOTE: compliance grades are those stated in the Ministry for the Environment's Best Practice Guidelines for Compliance, Monitoring and Enforcement under the Resource Management Act 1991.

Compliance grade	Definition
Full compliance	Fully compliant with all relevant consent conditions, plan rules, regulations and national environmental standards.
Low risk non-compliance	Compliance with most of the relevant consent conditions, plan rules, regulations and national environmental standards. Non-compliance carries a low risk of adverse environmental effects or is technical in nature (e.g., failure to submit a monitoring report).
Moderate non-compliance	Non-compliance with some of the relevant consent conditions, plan rules, regulations and national environmental standards, where there are some environmental consequences and/or there is a moderate risk of adverse environmental effects.
Significant non-compliance	Non-compliance with many of the relevant consent conditions, plan rules, regulations and national environmental standards, where there are significant environmental consequences and/or a high risk of adverse environmental effects.

7. Chemicals

7.1 FSC Highly Hazardous Pesticides

FSC requires certificate holders to identify the best feasible approach to reduce the quantity and use of chemical pesticides in FSC certified forests and to prevent, minimise and mitigate any related environmental and social impacts.

FSC's pesticides policy is regularly updated to reflect changing global requirements and new technologies. The policy, which considers both global differences and social, environmental and economic needs, outlines FSC's commitment to ensuring that:

- the use of highly hazardous pesticides (HHP) in FSC certified forests is reduced and managed responsibly when there is no alternative
- the use of the most hazardous chemical pesticides is eliminated

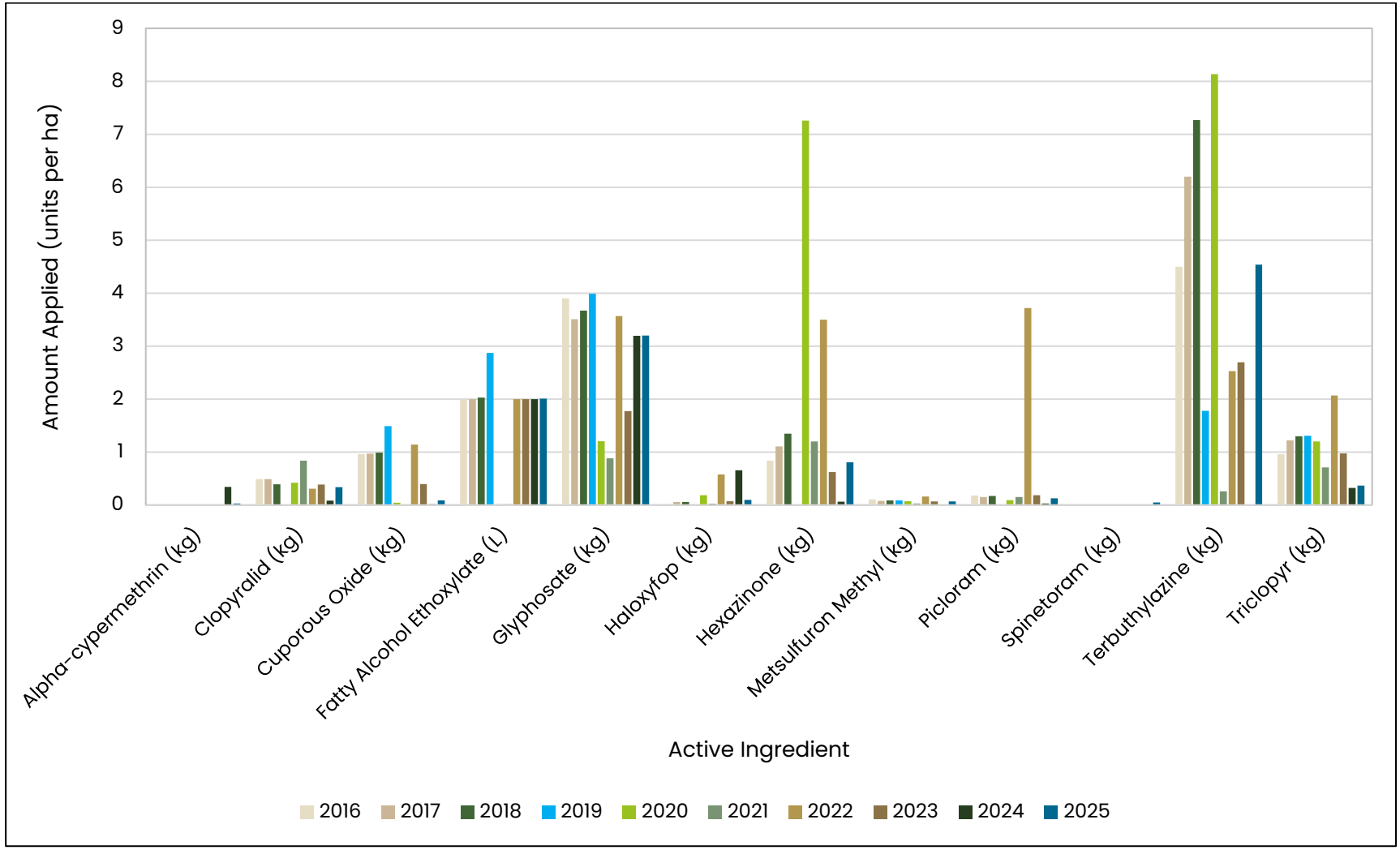
FSC maintains a list of highly hazardous pesticides; classified as prohibited (e.g. Arsenic, DDT), highly restricted (e.g. brodifacoum) and restricted (e.g. cuprous oxide). Forest owners / managers who wish to use the restricted substances must complete an Environmental and Social Risk Assessment (ESRA) for each chemical prior to use. The New Zealand forest industry has collectively produced ESRA's for many of the key chemicals used within New Zealand plantation forests.

7.2 Chemical use in the Group Scheme Forests

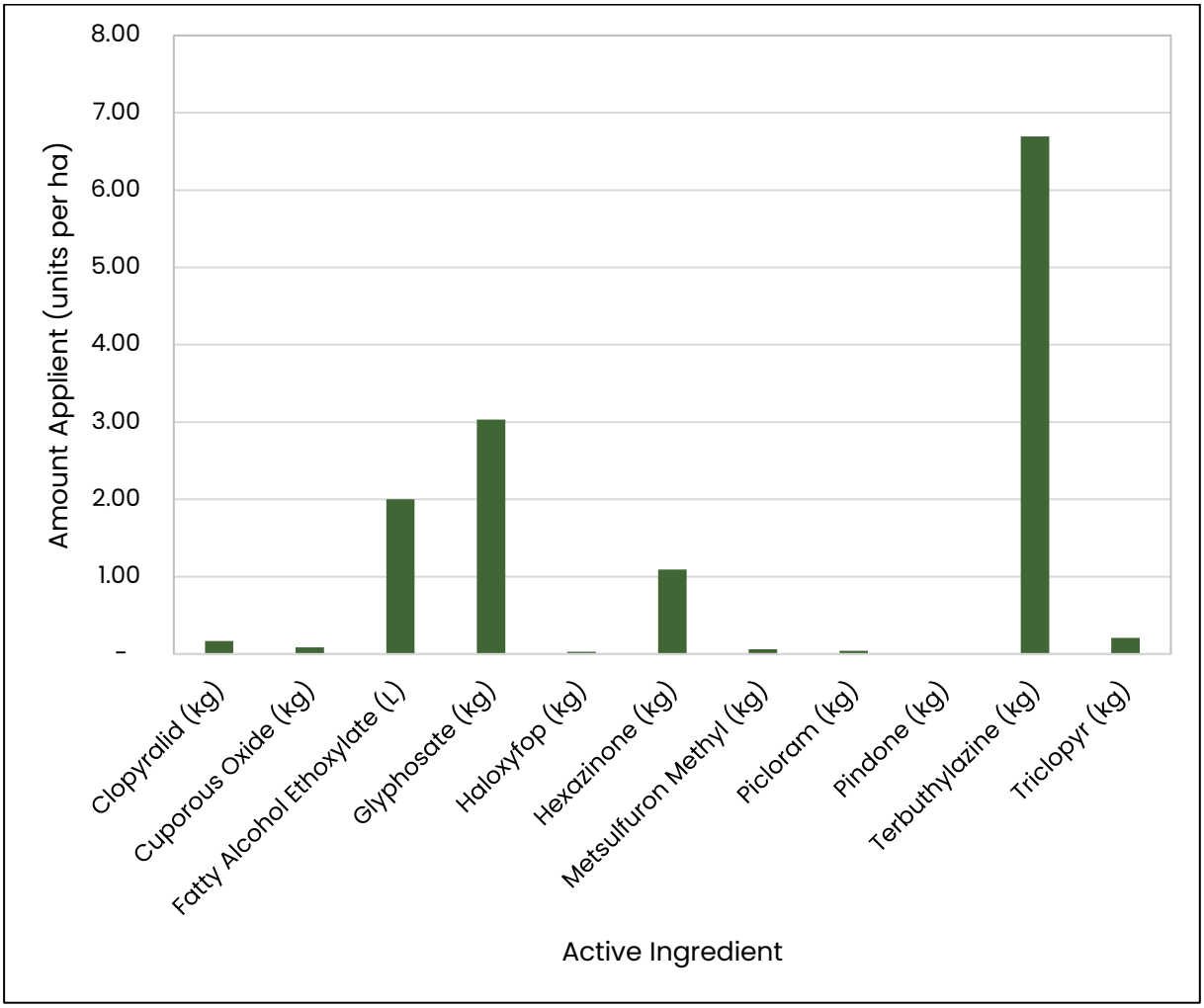
PF Olsen records the chemical usage (total amount, area treated etc) for all the forests, including those in either of the Group Schemes. The majority of the chemicals are used for weed control and some thinning, with pesticide application also being required to control noxious weeds in accordance with the requirements of Regional Council regional pest management plans. Other substances are used for crop protection (e.g. cuprous oxide for Dothistroma control).

The graphs below show the quantities of key plantation forest chemicals used within the two Group Scheme's forests over time (there is only data for 2025 for the Ponga Silva Group Scheme forests). What is evident is that there is significant variance in the amount of chemical used year to year. This reflects the changing area of forests in the PF Olsen FSC Group Scheme, the type of treatment (i.e. aerial spraying versus spot spraying), as well as the need to respond to climatic conditions which affects weed types and vigour.

Chemicals used in PF Olsen FSC Group Scheme forests (amount applied per hectare)



Chemicals used in Ponga Silva FSC Group Scheme forests (amount applied per hectare 2025)



7.3 Research into Alternatives

PF Olsen has provided financial support to industry co-operative research programmes aiming to advance vegetation weed management efficacy and reduce chemical reliance, including the use of biological control.

Key focus of this work was:

- Chemical safety characteristics
- Alternative FSC compliant formulations and treatment
- 'Best Practice' tools

A number of alternative FSC compliant active ingredients have been tested against the main plantation forest establishment weeds. This resulted in a shortlist of alternatives, with

potential for further investigation, that formed part of the first year's field trial testing as part of an Industry / Sustainable Farming Fund (SFF) three-year programme (project 12/038) which started in 2012. The project tested a range of chemicals in operational field trials determined from the earlier research. Mixes include those free from either terbuthylazine or hexazinone, mixes with some terbuthylazine and a baseline standard practice control of Valzine (a terbuthylazine-hexazinone mix).

The completed project found that the industry standards for terbuthylazine and hexazinone use remained the most effective, although there were some alternative active ingredients offering efficacy under limited conditions, and others that may yet have potential subject to further research. The information has been published and may be accessed from the Sustainable Farming Fund website, Scion Research website and NZ Forest Owners Association website. The published reports can be accessed via the links below:

- Minimising the environmental impact of weed management in New Zealand's planted forests
- Final report on field trials

Research is now funded by way of a national levy on all forest growers with research programmes directed through the Forest Growers Levy Trust.

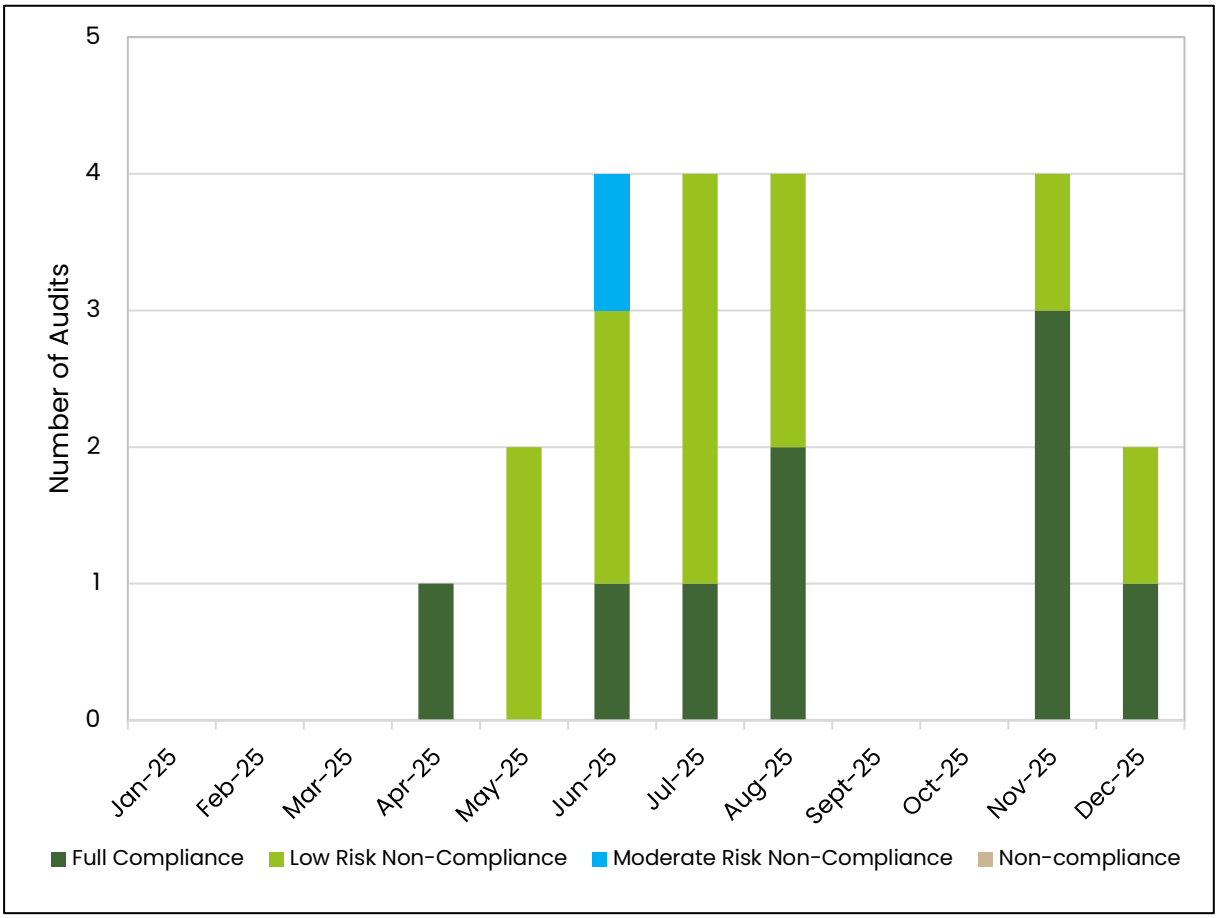
Work has subsequently focussed on the environmental fate aspects of herbicide use, with hexazinone and terbuthylazine tested in two of the soil groups most likely prone to leaching, followed in 2015 by similar trials for copper fungicide, recognising the new "highly hazardous" classification attributed to that active ingredient. In all cases, the trials reflected standard operational procedure and, while there was an initial detectable spike in presence in water in the hours immediately after application, rates degraded very quickly. The results concluded that human health risks were very low, as were the risk of impacts on aquatic fauna.

8. Operational Monitoring

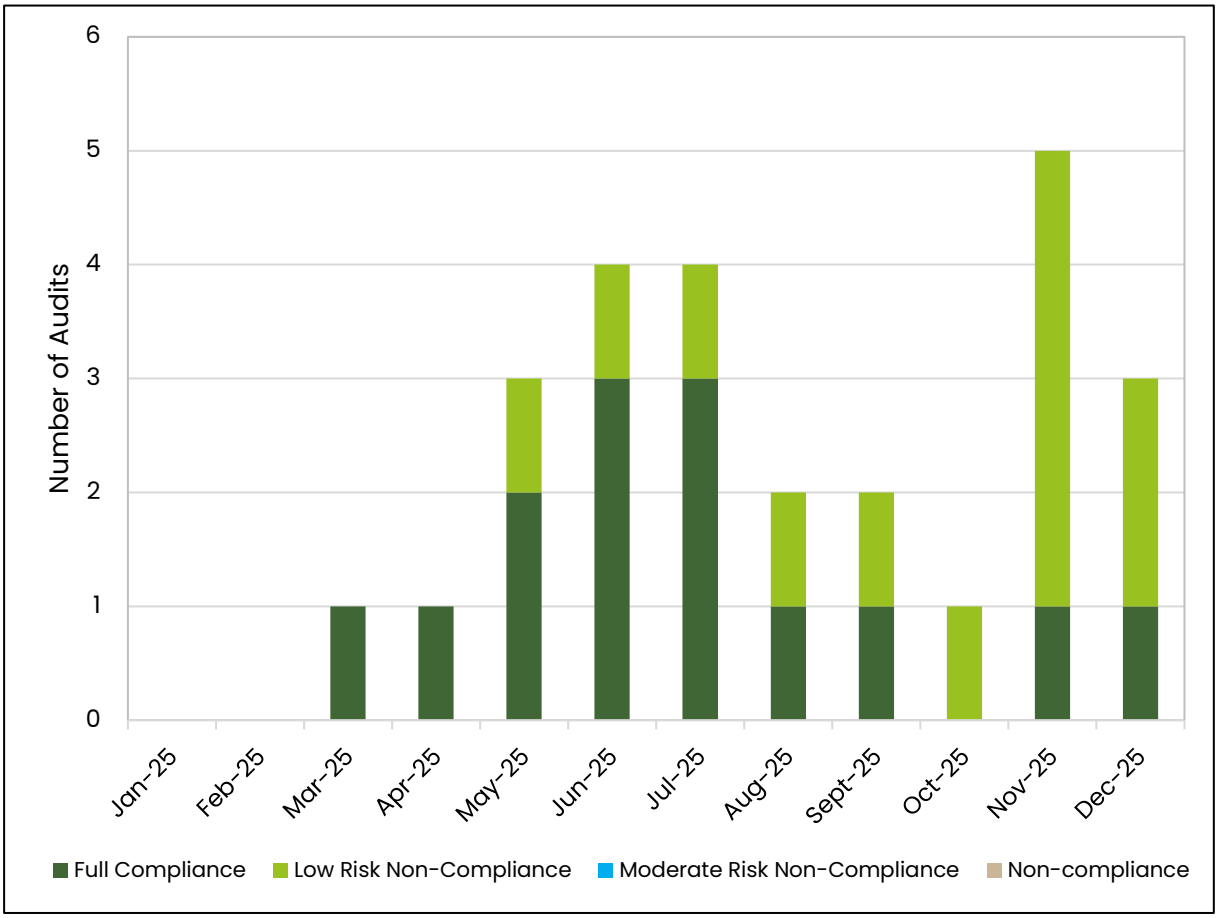
PF Olsen staff carry out the monitoring of harvesting, engineering and mechanical land preparation operations on a fortnightly or monthly basis, depending on the risk level of the operation. Staff also carry out post-storm event checks as required.

Earthworks, harvesting and mechanical land preparation operations occurred for PF Olsen FSC Group Scheme forests in 2025. For both earthworks and harvesting operational audits the split was fairly even between the number of full compliance and low-risk non-compliance. All of the mechanical land preparation audits were fully compliant. The below graphs show the monitoring results for earth works and harvesting operations within PF Olsen FSC Group Scheme forests.

Operational audit scores for PF Olsen Group Scheme earthworks operations in 2025



Operational audit scores for PF Olsen Group Scheme harvesting operations in 2025



The Ponga Silva FSC Group Scheme only had two operational audits carried out across 2025. Both audits were for earthworks operations and were fully compliant. There were no harvesting or mechanical land preparation operations in 2025.

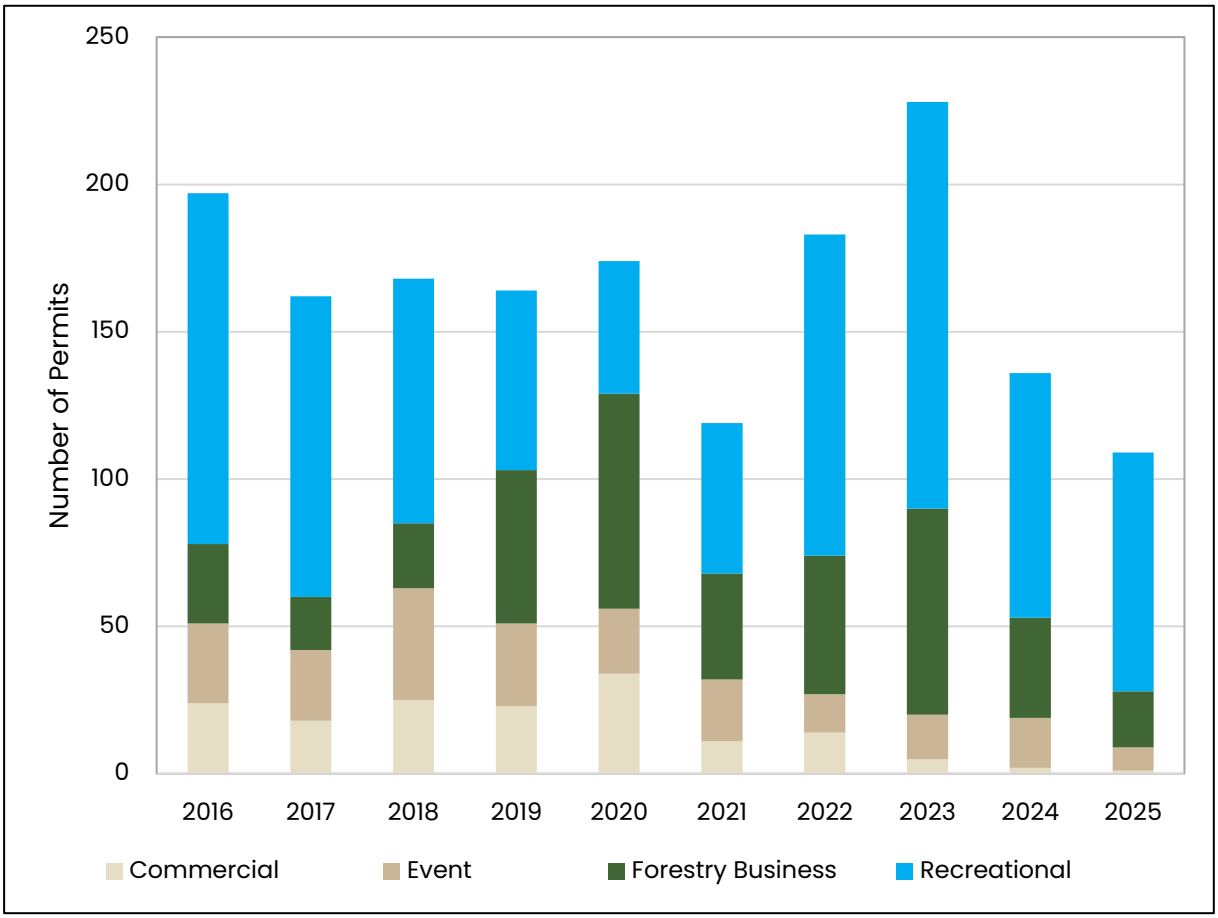
9. Social, Recreational Use and Community Benefits

9.1 Permits

Recreational use of the forests is permitted where it does not conflict with operational logistics, client requirements and safety. Recreational use ranges from passive use to active hunting or vehicle-based activities. Recreational access for both Group Schemes is managed through a permit system. Permits for small group scheme members are either controlled directly by the member or through PF Olsen's regional offices. All permit data is stored in PF Olsen's databases.

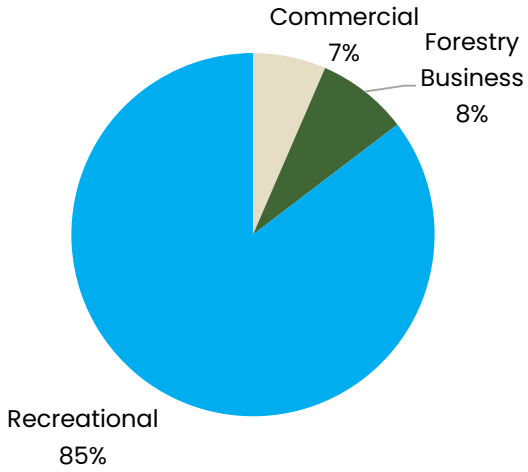
The graph below illustrates the relative proportions of permit types issued over the last ten years within the PF Olsen FSC Group Scheme forests.

All permits by type issued for PF Olsen FSC managed forests



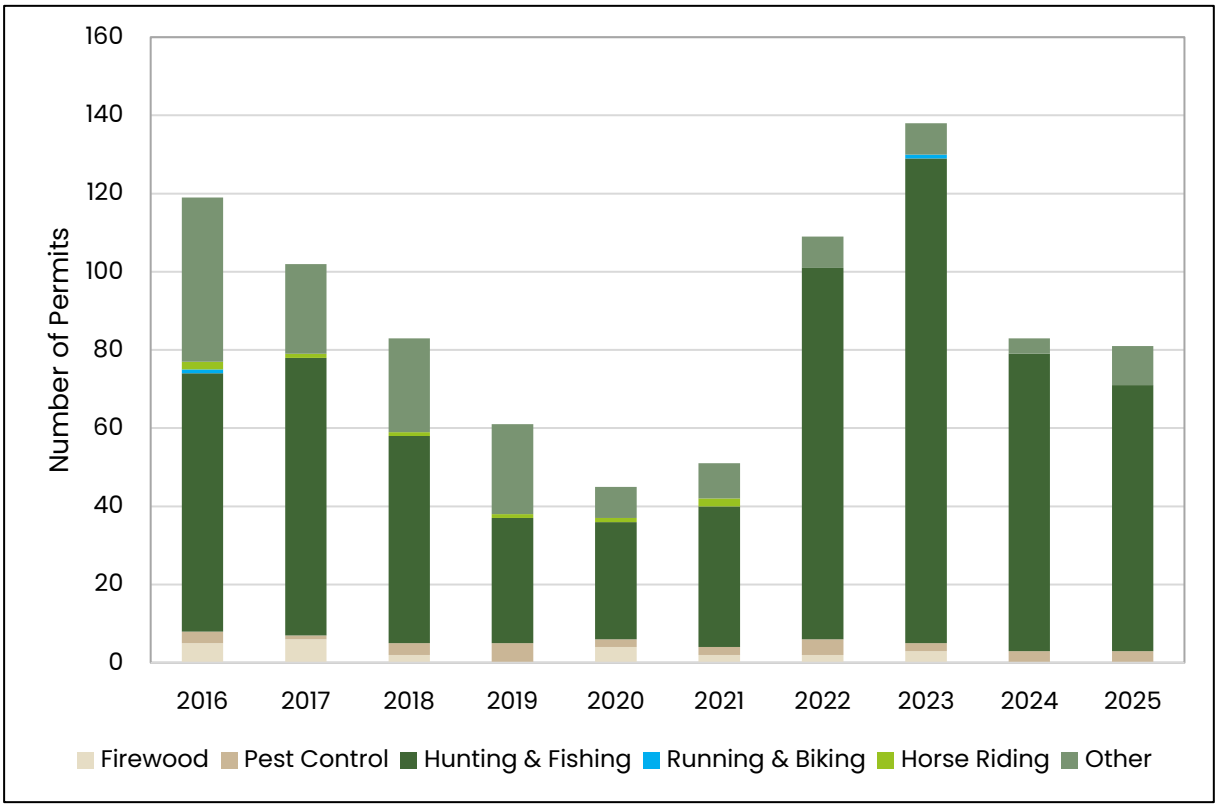
Permits issued for the Ponga Silva FSC Group Scheme only cover the 2025 year.

All permits by type issued for Ponga Silva FSC managed forests in 2025

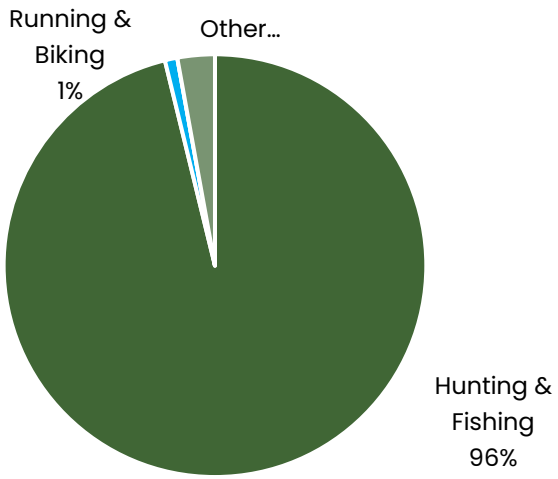


Permits issued for recreational use are the most common across both Group Schemes, followed by those issued to contractors and service providers for forestry business. Hunting permits make up the majority of recreational permits issued as shown in the graph below.

Recreational permits issued for PF Olsen FSC managed forests



Recreational permits issued for Ponga Silva FSC managed forests



9.2 Social survey

Every three years since 2012 a social survey is conducted across all staff and contractors who work for PF Olsen. The last survey was carried out in 2024, with the next one due in 2027.

9.3 Training

In the past 12 months, staff have undertaken the following training sessions:

- Fair Work in Forests: Understanding Labour Law Requirements - for FSC Certificate Holders. External course run by the Ministry of Business, Innovation and Employment.
- FSC Training – Staff training and reference guide. Internal course for staff.
- New Group Scheme Member training. Internal training for clients.

10. 2026 Outlook

10.1 PF Olsen FSC Group Scheme

The PF Olsen FSC Group Scheme remains strong. Small changes are expected as forests are harvested and returned to landowners, and where practicable, new members may be added into the Group Scheme.

10.2 Ponga Silva FSC Group Scheme

The Ponga Silva FSC Group Scheme is growing, with the certification of additional hectares in the Northland, Marlborough, and Central North Island MUs occurring throughout 2026.

10.3 Operating Environment

Global demand for fibre remains positive, underpinned by continued urbanisation and the transition toward low-emissions materials. The 2026 outlook indicates tighter economic and regulatory conditions. Key points of note are:

- Market diversification, including through the India free trade agreement, is strategically important but will take time to materialise.
- Fuel and freight costs are a primary operational constraint, directly affecting harvest decisions and profitability.
- Regulatory expectations have shifted from policy development to enforcement and performance.
- Environmental performance and social licence are increasingly central to operational viability.

Continued engagement across industry, government, and supply chain participants will be critical to ensure the forestry sector remains resilient, socially appropriate and commercially viable.