

Ernslaw One Ltd. FSC® Monitoring Report 2026

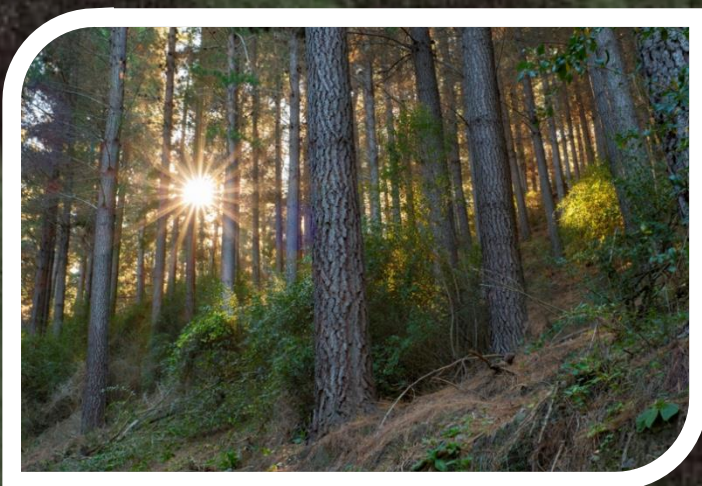
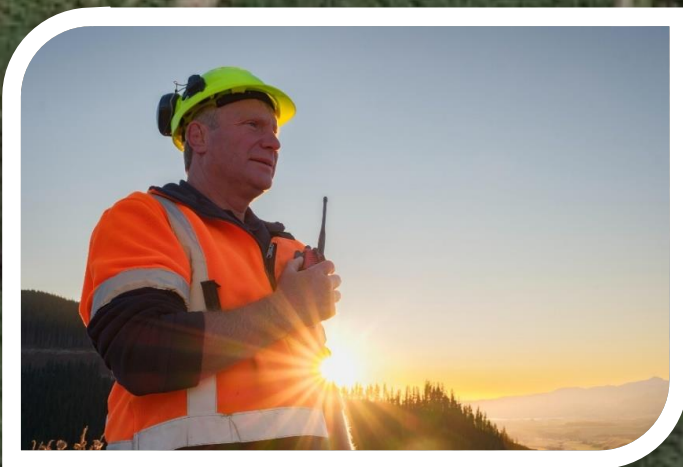


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1 Introduction

This report summarises the operational, environmental, and social monitoring undertaken across Ernslaw One Limited's forest estates during the reporting period 1 July 2025 to 30 June 2026. As a Forest Stewardship Council® (FSC®) certified forest manager, Ernslaw One maintains a comprehensive monitoring programme to evaluate management performance, demonstrate compliance with legal and certification requirements, and support sustainable forest management. Our Monitoring encompasses a range of environmental, social, and operational indicators, including freshwater quality, biodiversity, threatened species, soil conservation, cultural values, health and safety, and stakeholder engagement. The results presented in this report highlight key findings, trends, and management responses, supporting adaptive management through the identification of successes, opportunities for improvement, and emerging risks. Together, these outcomes demonstrate Ernslaw One's commitment to responsible forest stewardship and continuous improvement.

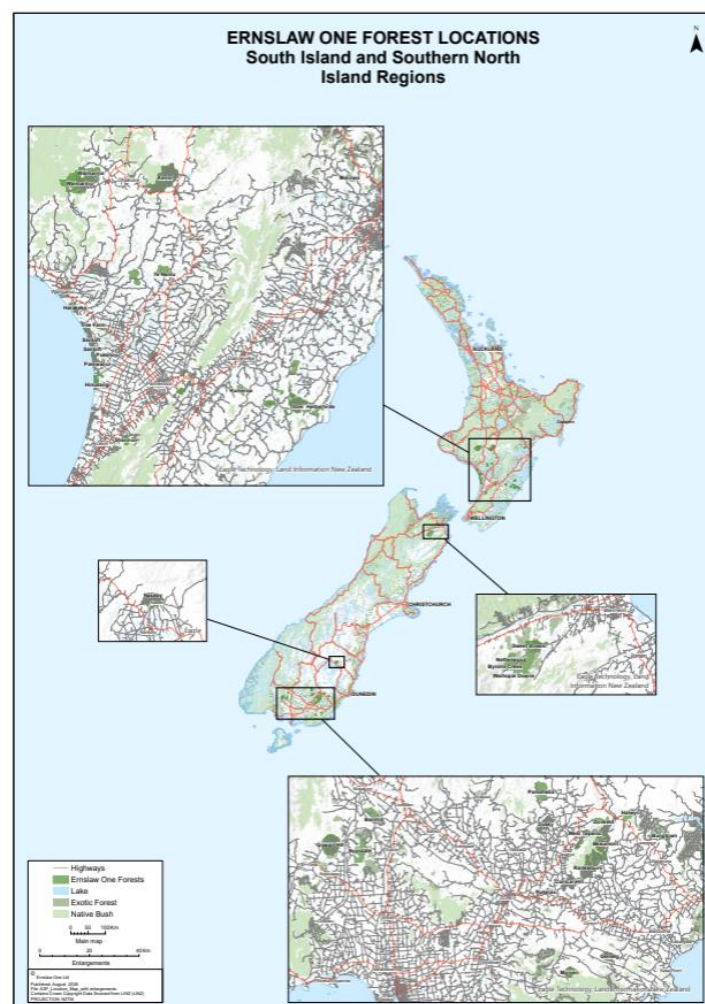


Figure 1. Ernslaw One Ltd. FSC® certified forest locations

2 About Ernslaw One Limited

Ernslaw One Limited (Ernslaw) is a New Zealand registered forestry company founded in 1991. The company owns or manages more than 83,000 hectares of forest certified under the Forest Stewardship Council® (FSC®) standard (FSC®-CO10424), including over 63,000 hectares of productive plantation forest across the southern North Island and South Island (Figure 1, Tables 1 and 2). Ernslaw is committed to responsible forest management that balances commercial forestry operations with environmental stewardship, community engagement and the long-term sustainability of forest resources.

3 Forestry Management

Ernslaw maintains forest inventory and monitoring systems to provide data on forest conditions, growth, yield, and productivity across the estate. Inventory information is collected through a combination of pre-assessment data, mid-rotation inventories, pre-harvest inventories, permanent sample plots, and other monitoring programs. Growth and yield models are used to estimate future forest development, forecast harvest volumes, and evaluate the impacts of different management regimes. A new forecasting tool for tactical planning was introduced into our harvest planning management in the last year with the aim of increasing the transparency and accuracy of operational planning, harvest scheduling, and long-term estate management, including carbon holdings, by pulling together information on expected productivity, yield and log grade outcomes and tracking that against actuals.

Table 1. Total area under Ernslaw One Ltd. management: 30 June 2026 (combined Ernslaw One Limited, Timbergrow Limited and Forestland Investments ownership) (AWR = area awaiting restocking).

Group	Region	Mapped Area	Stocked Area by species (ha)				AWR (ha)	Productive area (ha)
			<i>P. rad</i>	<i>D. fir</i>	Other	Total		
Ernslaw One Limited	Southern North Island	44,276	27,269	227	184	27,681	2,365	30,046
	South Island	31,387	6,274	16,830	1,437	24,541	775	25,315
		75,662	33,543	17,057	1,621	52,221	3,140	55,361
Timber Grow	Southern North Island	725	348	-	-	348	154	502
	South Island	6,172	4,207	188	30	4,425	308	4,734
		6,897	4,555	188	30	4,773	463	5,236
Forestland Investments	Southern North Island	1,158	929	-	2	931	32	963
	South Island	2,499	541	477	472	1,490	699	2,189
		3,657	1,470	477	474	2,420	731	3,152
Total Management Area		83,718	39,567	17,722	2,125	59,415	4,334	63,748

Guided by a commitment to responsible forest stewardship, Ernslaw applies an adaptive management approach that supports continual improvement in environmental, operational, and social performance.

Table 2. FSC® area, and total area under Ernslaw One Ltd. Management for the Southern North Island and South Island Regions: 30 June 2026 (combined Ernslaw One Limited, Timbergrow Limited and Forestland Investments ownership).

Group	Region	FSC (ha)	Without FSC (ha)	Total (ha)	FSC (%)	Without FSC (%)
Ernslaw One Limited	Southern North Island	44,276	-	44,276	100%	0%
	South Island	31,387	-	31,387	100%	0%
		75,662	-	75,662	100%	0%
Timber Grow	Southern North Island	725	-	725	100%	0%
	South Island	6,172	-	6,172	100%	0%
		6,897		6,897	100%	0%
Forestland Investments	Southern North Island	1,158	-	1,158	100%	0%
	South Island	-	2,499	2,499	0%	100%
		1,158	2,499	3,657	32%	68%
Total		83,718	2,499	86,216	97%	3%

4 Species Selection and Silviculture

Silviculture is the science and practice of establishing, growing, and managing forests. At Ernslaw, species selection is a key component of this process and involves consideration of a range of factors, including terrain, climatic conditions, productivity, erosion susceptibility, and wilding conifer risk. Silvicultural practices are reviewed each rotation, including assessments of planting setbacks, to ensure a high level of environmental protection is maintained for downstream receiving environments.

Ernslaw's forest estate consists of 64% Radiata pine (*Pinus radiata*) and 36% Douglas fir (*Pseudotsuga menziesii*), 98% of the Douglas fir is located within the South Island Management unit. This species mix provides a long-term, intergenerational investment that contributes to the diversity and resilience of Ernslaw's forest portfolio. To further address site-specific environmental challenges and improve forest resilience Ernslaw has launched an updated a policy on replanting in high-risk erosion areas and is trialling longer-rotation coppicing species through in planned trials. In our SNI region 64 ha were planted in alternative species, and 35 ha has been left to natural reversion. These species contribute to the diversity of the forest estate and provide opportunities to apply silvicultural systems that support both production objectives and environmental outcomes (Table 3).

As part of this review around species selection and the new replanting policy for high-risk areas, some staff completed forest regeneration training, aimed at increasing the skills of our people with knowledge and practical application to confidently evaluate regeneration potential in our landscapes.

Table 3. Total hectares of trees planted in the 2025/2026 financial year by species and management unit.

Region	Species	Other Name	Ernslaw One	Timber Grow	Total
Southern North Island	<i>Alnus nitida</i>	west himalayan alder	1		1
	<i>Eucalyptus fastigata</i>	brown barrel ash	28		28
	<i>Eucalyptus globoidea</i>	white stringybark	33		33
	<i>Pinus radiata</i>	radiata pine	403		403
	<i>Sequoia sempervirens</i>	californian redwood/coast redwood	3		3
South Island	<i>Pinus nigra</i>	corsican pine	14		14
	<i>Pinus radiata</i>	radiata pine	390	121	511
	<i>Sequoiadendron giganteum</i>	giant redwood/wellingtonia	3		3
Total			875	121	996

The health and safety incident trends for injuries from thinning to waste operations, combined with looking for new ways to reduce our cost of production meant that it was a logical decision for Ernslaw to move towards waste thinning using drill and fill chemical application instead of chainsaws. This method has significant health and safety and productivity benefits where it can be deployed. 859 hectares were thinned using this method (Figure 2).



Figure 2. Drill and Fill trial for thinning to waste.

5 Harvesting

All harvesting operations are planned through a comprehensive process to determine how and when to harvest our plantation resource. Planning includes consideration of forest age, product estimates, terrain, safety, watercourse values, other values and risks. Our management plans specify the harvesting methodology, stream crossing locations, water and sediment control, slash management, RTES management, historic sites and other regulatory management requirements applicable to each location. 1350 hectares of forest were harvested, yielding approximately 1.3 million tonnes of logs in the last financial year (Table 4 & 5).

Table 4. Total hectares of trees harvested in the 2025/2026 year by company and management unit.

Region	Ernslaw One	Timbergrow	Total
Southern North Island	857	113	970
South Island	282	98	380
Total	1,138	211	1,350

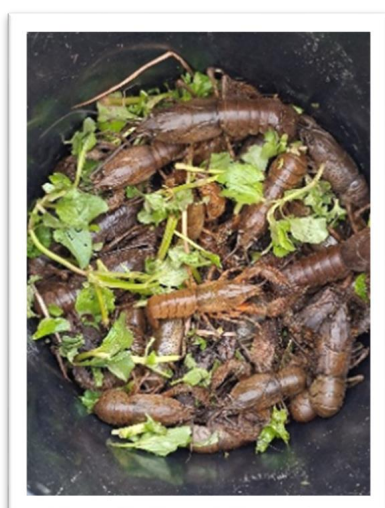
Table 5. Tonnes of wood harvested in the 2025/2026 year.

Species	Ernslaw	Timbergrow	Total
Radiata Pine	1,088,980	156,910	1,245,890
Douglas Fir	53,020	-	53,020
Macrocarpa	310	-	310
Eucalypt	80	-	80
	1,142,390	156,910	1,299,300

Based on learnings from storm events a significant project regarding improving slash management practices has been ongoing throughout the reporting period. The project looks specifically at the internal processes Ernslaw uses to pre and post operational risk of infrastructure, the land and downstream environments and then use that to determine appropriate levels of mitigations and controls to be used during operations. A large component of this project is also looking at how we are documenting our decision making so that it is accessible and transparent. This project will officially launch in October of 2026.

6 Non-timber products

6.1 KEEWAI



Ernslaw operates New Zealand's only commercial kōura farm under the KEEWAI brand. It is a unique concept that has triple bottom line values of conservation, environment and economic. It generates revenue between wood harvests, provides an indicator of forest stream health, and offers educational opportunities for schools, university iwi, and the wider community. Five University students have completed postgraduate thesis with KEEWAI from Ernslaw's forests along with visits from national and international freshwater crayfish scientists (Figure 3).

Figure 3. KEEWAI from our Southern Forests.

6.2 Seed Orchard



Figure 4. Douglas fir flower.

Ernslaw established a Douglas-fir seed orchard in 2001, with the location in Otago chosen for its natural cold-air drainage, and seasonal summer soil moisture deficit, all of which contribute to improved seed production. The orchard contains four distinct Douglas-fir genetic families, Tramway, Pomahaka, Fort Bragg and Pomahaka Plus, representing provenances from Washington, Oregon, and California in the United States. Over time, additional improved genetic material, has been introduced to further enhance wood quality, growth rates, and tree form. The orchard produces genetically improved Douglas-fir seed for Ernslaw's reforestation programme and for sale to other forestry nurseries (Figure 4).

6.3 Carbon

Post 1989 carbon monitoring is completed annually via the estate modelling processes to ensure our future harvest plans never create a negative carbon position. Also on an annual basis, our valuers independently model our carbon position using their own models and ensure safe carbon levels are managed to avoid any carbon liabilities.

7 Regulatory and Voluntary Operational Compliance – *making sure we meet the standards*

7.1 Compliance Monitoring

Through ongoing monitoring, inspections, and management system reviews, Ernslaw tracks a wide range of performance indicators to ensure we are compliant with our internal standards, New Zealand law and FSC® requirements. The years monitoring included:

- 149 post-harvest audits
- 67 road construction audits
- 299 H&S assessments were completed
- 8 council compliance inspections
- 16 environmental incidents were investigated
- 142 water clarity samples collected.

This information is stored in the company's database for analysis and review. This enables the company to identify emerging trends, address risks, and ensure environmental and operational performance is maintained and continually improved across the estate.

Ernslaw has undertaken a comprehensive Wilding Conifer review with the assistance of an external consultant. The findings from this review have informed the development of a Wilding Conifer Management Framework. Implementation of the framework will commence during the current financial year and will provide a structured approach to identifying, monitoring, and managing wilding conifers both within and beyond the forest estate.

8 Agrichemical Use – *monitoring how we use chemicals*

Ernslaw One Ltd. is committed to responsible pest management and agrichemical use in accordance with legal requirements, industry best practice, and Forest Stewardship Council® (FSC®) certification standards. While non-chemical methods are preferred wherever practical, chemical controls remain an important tool within pre-planting and post-planting vegetation management programmes. Where chemical intervention is necessary, Ernslaw selects the least hazardous and most appropriate products to achieve operational and environmental objectives.

Agrichemicals restricted under FSC® and used within the estate undergo assessment through Environmental and Social Risk Assessments (ESRAs). Chemical use is reported annually as part of the FSC® audit and certification process. Ernslaw maintains detailed records of chemical use, including the type, quantity, location, and area treated, ensuring transparency and compliance with certification requirements. Ernslaw has not used any pesticides listed as FSC® Prohibited or Highly Restricted or used biological control agents for pest management in the past reporting year (Figure 5).

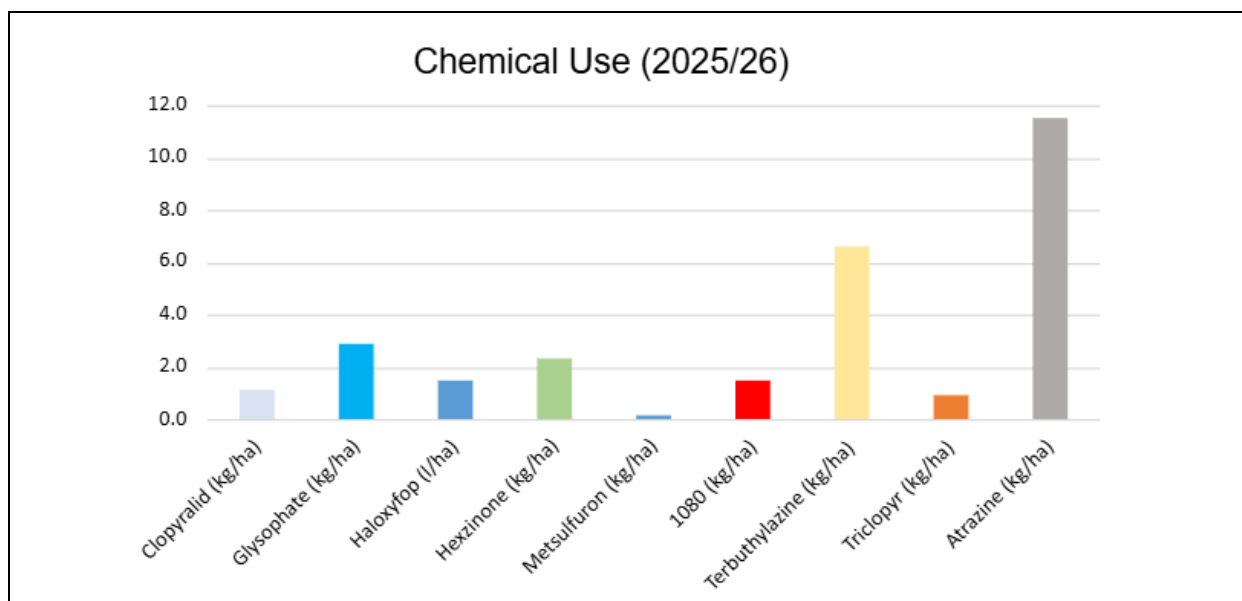


Figure 5. Chemical use in 2026. Combined South Island and Southern North Island Forests.

The koura ponds located throughout our Otago and Southland forests serve as a long-term indicator of responsible chemical use. As koura are highly sensitive to chemicals, their continued presence and health provide evidence that forestry chemical applications are being managed appropriately and are not causing adverse effects on freshwater ecosystems. In addition, we collaborated with Ngati Rangī on water sampling in streams in Karioi Forest to determine possible chemical transmission to waterways with no chemical transmission detected.

Ernslaw is actively working to reduce agrichemical use where practicable. A weed assessment protocol has been implemented following harvesting and during the first two years after replanting to identify stands requiring treatment. This targeted approach ensures residual herbicides are only applied where necessary, while alternative treatment methods are considered for sites with lower weed pressure. Through ongoing monitoring, review, and reporting, Ernslaw seeks to continually improve the effectiveness and sustainability of its pest and vegetation management programmes.

9 Forest health & biosecurity – *making sure our forests stay healthy and pest-free*

To support the long-term health and sustainability of its forests, Ernslaw employs a range of monitoring and research initiatives. These include partnerships with universities, regional councils, and Crown Research Institutes to improve understanding and management of key factors such as biosecurity, soil nutrition, tree health, and soil mapping. Early identification is critical for minimising potential damage and reducing the risk. Incidents such as theft, intentional damage, animal browsing, and invasive plant species are recorded, with Ernslaw working alongside local communities and regulatory authorities to ensure appropriate management responses are implemented.

We work closely with local communities to ensure mammalian pest populations are managed at levels that minimise impacts on neighbouring properties, indigenous biodiversity, and forestry operations. We removed 15,000 mammalian pests from our forests for the year. We are developing a pest control project with the aim of better understanding pest behaviour, damage to crops, and costs associated with different control outcomes. Ernslaw partnered with the Department of Conservation in the Blue Mountains to reduce mustelid and possum populations, helping to support the recovery of the threatened native bird, mōhua (*Mohoua ochrocephala*).

Pest conifers are actively managed within our forests and on neighbouring properties where their spread has occurred. We treated 588 hectares of wilding conifers in our South Island estate (Figure 6). Ernslaw is responsible for managing the Karioi Forest Contorta Management plan in conjunction with Ngati Rangī and Horizons Regional Council which sees 50% of the forest managed annually. Our staff are members of national and local wilding groups, and we continue to exceed our regulatory requirements as part of being good neighbours. We implemented internal systems to more effectively quantify and manage pest wildings within and adjacent to our forests. This will enable

Ernslaw to have increased visibility on any wilding issues, treatment and success in achieving their Wilding Conifer Framework.



Figure 6. Contorta pest conifers drilled and filled on Ernslaw and Department of Conservation management land (DoC). Planted 1928. Contractors have also removed pest wildings from the DoC estate on adjacent river flats including an area of regionally significant wetland.

10 Storm Events and Response - tracking major weather events and how we respond

The increasing frequency of high-intensity rainfall events is impacting forests across the Ernslaw estate. By analysing storm impacts and response outcomes, we can continually improve our preparedness and recovery efforts. Ernslaw has strengthened its approach to storm readiness by improving communication with contractors and bringing in a risk-based approach for when forests will be closed based on forecasted weather events. We have an emergency hub site on our SharePoint site where staff now have access to all emergency information in one location.

We undertook 95 storm event assessments checks where the forests were surveyed for infrastructure resilience or damage with 82 identified corrective actions identified and actioned. This proactive approach helps ensure the safety of our people while enabling environmental protection measures to be put in place before storm conditions escalate. Each management unit operates under a dedicated Storm Response Plan, which includes rainfall trigger levels for targeted forest inspections, identifies key infrastructure and higher-risk areas requiring post-storm assessment. We utilise an online field application to efficiently capture and report inspection data. This structured approach supports consistent decision-making and timely responses following storm events.

Ernslaw experienced its largest-ever windthrow event in 36 years of operating in New Zealand. The event affected approximately 1,200 ha across our Southern North Island sand and hill country forests and resulted in an estimated 700,000 tonnes of windthrown timber. To maximise value recovery, while maintaining high standards of safety and

environmental performance, existing contractors were redeployed and additional contractors were brought in to assist with the salvage programme. Key risks requiring increased management oversight included higher volumes of heavy vehicle traffic on roads, community engagement, contractor and worker fatigue management, and the removal of windthrown trees from regionally significant mudfish habitat.

Ernslaw has been working to build resilience to storm events through the installation of slash traps. Currently these have been installed in Waimarino Forest with installation ongoing in forests where shallow landslide erosion has occurred or is likely to occur as identified through our monitoring and planning processes.

11 Forest Values - *understanding the natural values of our forests*

11.1 Freshwater Monitoring – checking water quality and aquatic life

Ernslaw undertakes annual stream health monitoring to assess water quality and instream habitat trends over time. Monitoring is designed to benchmark stream health before harvest, during harvesting operations, and throughout the establishment of the next forest rotation, tracking trends over time and identify any effects of forestry activities on freshwater values.

We have a range of monitoring types ranging from monthly water clarity sampling and sampling for resource consents applications through to annual state of the environment monitoring. The data we collect allows comparisons with other sites within the forest or catchment to determine any trends in water quality related to forestry operations. The Land, Air, Water Aotearoa (LAWA) website provides summaries of river health across New Zealand and allows users comparisons by region or monitoring location, or at a national level.

Monitoring locations are regularly reviewed to ensure they continue to provide representative information on stream health across the full forest lifecycle. The collective results from these monitoring programmes are used to inform management decisions and reduce potential impacts on freshwater and instream biodiversity values. Water monitoring undertaken across a range of operational areas with median clarity results generally high in most forests with most variance related to rain events and easily weathered material (Table 6).

Table 6. Combined water sampling results for selected analytes for 2026. N/A denotes unable to be compared against national water-quality standards.

Parameter	Samples	Range	Median	Grade
Clarity (cm)	126	10-100	78	Excellent
Habitat Score	4	43-54	46	Good
E-coli	6	8-430	93	N/A
TICl stream health Score	7	110-120	115	Excellent
Dissolved Reactive Phosphorus (mg/l)	4	0.008-0.11	0.009	N/A
Total Suspended Solids	4	3-65	8	N/A

11.2 Ecological Areas

Ernslaw currently exceeds the minimum 10% of the total management unit that is to be kept or restored to a natural condition with ~14% (10,216 ha) protected (Table 7).

Table 7. Ecological District, Total Ecological area (ha), Total productive area (ha) and Percentage ecological area for FSC® forests under Ernslaw's Management 2026.

Ecological District	Ecological Area	Total productive area	Percent
Eastern Hawkes Bay	754	7853	10
Foxton	571	4362	13
Gore	96	5817	2
Heretaunga	123	517	24
Hilliersden	0	824	0
Lawrence	99	1676	6
Manawatu Gorge South	350	874	40
Manawatu Plains	12	436	3
Maniototo	0	2114	0
Matemateaonga	4502	7362	61
Puketoi	75	928	8
Rangitikei	826	2897	29
Tahakopa	255	947	27
Tapanui	358	5624	6
Taringatura	1108	6923	16
Tongariro	276	9425	3
Umbrella	6	2314	0
Waihopai	702	6267	11
Waipahi	93	930	10
Waipori	8	194	4
	10216	68284	14

11.3 Rare, Threatened & Endangered (RTE) Species Management – keeping an eye on vulnerable wildlife

Our forests support a rich range of biodiversity, including 32 rare, threatened, and endangered (RTE) species having been recorded within the Ernslaw estate (Figure 7). Animal species recorded within our forests include kiwi, New Zealand falcon (Kārearea), Powelliphanta snails, Blue Ducks (ko whio whio) galaxiid fishes, eels (tuna) and long-tailed bats (pekapeka). RTE plant species include Swamp Leek Orchid, Porcupine Shrub, Woolly Head Daisy, Small Leaved Tree Daisy, and Greenhood Orchid.

Records of RTE species are maintained internally and within the NZ Plantations i-Naturalist portal (Figure 8). Sightings and monitoring data are used to inform management decisions, improve habitat protection, and support conservation outcomes across the estate.

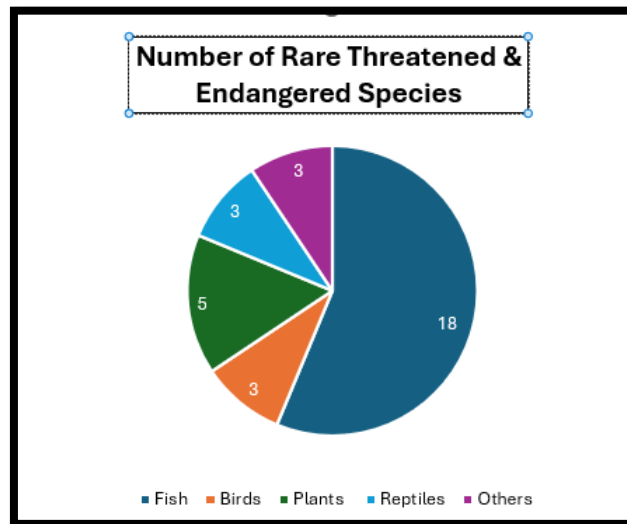


Figure 7. Total number of RTE species identified in the management units

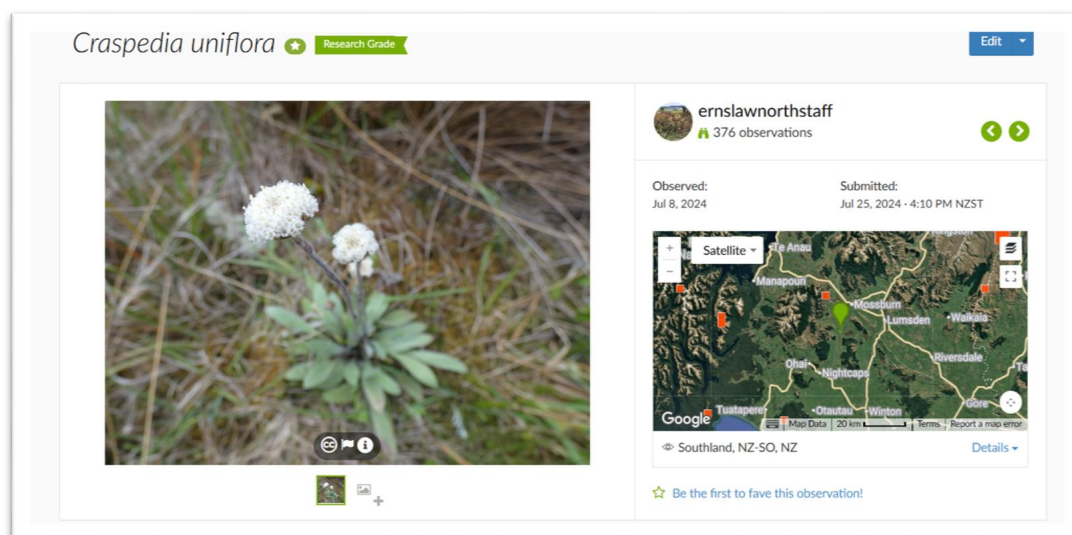


Figure 8. Results from Ernslaw's sampling have identified a large range of terrestrial and aquatic taxa including rare woolly-head daisy (*Craspedia uniflora*).

Forest operations are carefully planned and implemented to avoid or minimise impacts on RTE species and their habitats. Where sensitive species are known to occur, management plans guide operational activities and ensure appropriate protection measures are in place. These plans provide staff and contractors with clear requirements for managing activities around these species and their habitats. Through ongoing monitoring, targeted management, and collaboration with conservation initiatives, Ernslaw is committed to protecting and enhancing biodiversity values throughout its forests. Current Initiatives include:

- The Department of Conservation to inventory *Powelliphanta* snail populations in Shannon Forest.
- Horizons Regional Council to monitor mudfish populations at Santoft Forest.

- Collaboration with Save the Kiwi, Ngati Rangi and University of Canterbury looking at the impacts of harvesting on kiwi habitat and movement (Figure 9)
- Ongoing collaboration with Horizons as part of Kia Wharite pest management programme (kiwi and whio indicator species)
- Reporting on kiwi populations dynamics at Waimarino Forest by Enviro Research Ltd
- The Department of Conservation to protect Mohua in the Blue Mountains Forests.
- Fish & Game to remove brown trout from a stream to protect the native Galaxias fish (*G.pomahaka*).



Figure 9. Joint project in Karioi forest (Ngati Rangi, University of Canterbury, Ernslaw One Ltd.) to understand forestry and kiwi interactions.

11.4 Fish Surveys

Fish communities were assessed using eDNA-based species detection. Given the limitations of eDNA for estimating abundance, monitoring focused on species richness, occurrence of indigenous fish, and detection of threatened species rather than a traditional Fish Index of Biotic Integrity. Examples of native fish populations identified included many RTE species such as Long Finned eels Lamprey, Lower Clutha Galaxiids and Koaro.

11.5 Conservation Project – looking after special fish

Following storm damage to a culvert in 2023, brown trout were able to gain upstream access in the stream, posing a threat to the endangered native Pomahaka galaxiid (*Galaxias Pomahaka*). After repairing the culvert and restoring its function as an effective fish barrier, we partnered with Otago Fish & Game to remove brown trout from the upstream habitat (Figure 10). More than 400 brown trout have been removed over the past three years with work continuing to protect and restore habitat for the Pomahaka galaxiid and support the long-term recovery of this unique native species.

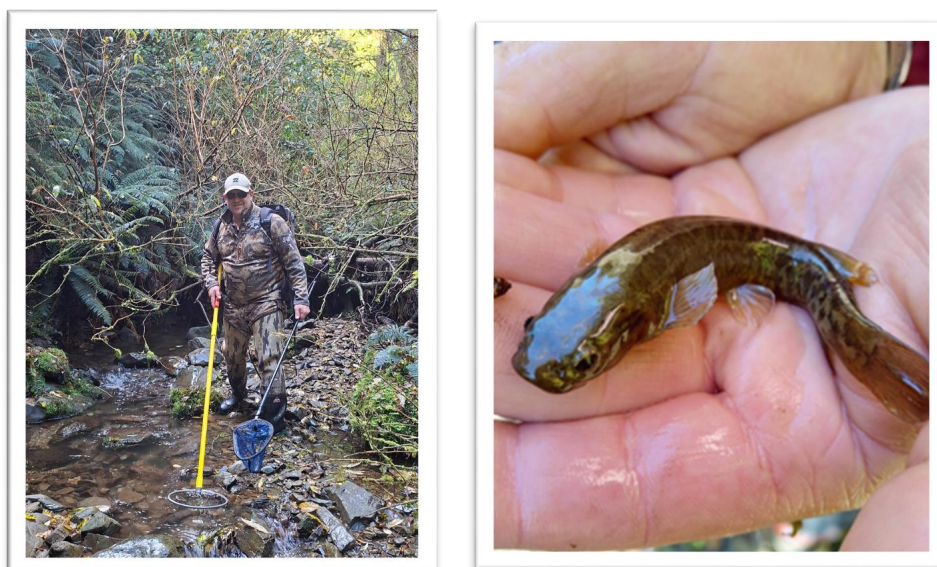


Figure 10. Electric fishing machine in operation and *Pomahaka galaxiid*.

11.6 Conservation Project – *Powelliphanta* Snail Survey

In early July 2025, members of Ernslaw's staff accompanied Department of Conservation (DOC) rangers into Shannon Forest to assist with a population survey of the nationally significant giant carnivorous land snail, *Powelliphanta traversi*. The survey contributes to ongoing efforts to monitor and protect this endemic species and improve understanding of its distribution and population status within the forest (Figure 11). A targeted possum control programme is being implemented within Shannon Forest. to reduce possum numbers and help protect the snails.



Figure 11. *Powelliphanta* snail found during surveys in Shannon Forest.

11.7 High Conservation Value areas (HCVs) – protecting special places with high ecological importance

FSC® certification has six criteria for High Conservation Value (HCV) forests that identify criteria such as species diversity (HCV1), landscape-level ecosystems (HCV 2), ecosystems and habitats (HCV 3), critical ecosystem services (HCV 4), community needs (HCV 5) and cultural values (HCV 6). We have HCV 1 and 3 lands within our estate totaling 258 ha (Table 8). HCV areas need to be appropriately managed to maintain or enhance the conservation values. Specific management plans have been developed to protect the values of these areas. We re-assess and consult on areas that have potential HCV values and develop management plans in line with provisions in regional and national legislation.

Table 8. Forest, Reserve Name, and ecological classification for Ernslaw HCV reserves.

Forest	Reserve	Ecological Region	Ecological District	Status	Area (ha)
Gowan Hill	Dunrobin Tussock	Southland Foothills	Taringatura	HCV 1 & 3 QEII	20
Morven	Tahakopa Wetland	Catlins	Tahakopa	HCV 3 Regionally Significant Wetland	13
Herbertville	Herbertville	Eastern Hawkes Bay	Eastern Hawkes Bay	HCV 3	40
Tordarroch	Jacks Sub-alpine	Marlborough	Waihopai	HCV 3	185
Total					258

13 Health & Safety

Ernslaw commissioned an independent Safe plus audit to identify where systems and structures were working well and where there were gaps. The key recommendations from the report included, strengthening incident investigation processes and adopting HOP principles, strengthening identification and verification of critical risks and controls, and Strengthening health and safety governance. The recommendations from this monitoring assessment have been adopted and provide the foundation for continuous improvement across the three recommendation areas.

Changes that have already been made include the creation of a Health and Safety and Environmental Committee of the Ernslaw Board that now meets quarterly. The H&S strategy has been updated, and a new Environmental strategy was developed. This process involved staff and contractor consultation. Both strategies, along with tactical plans, provide guidance and direction for the management and oversight of these risk areas of the business.

All operational staff have had updated investigation training, and a new investigation standard was launched. Critical risk identification training has commenced using bowtie analysis, and this work will continue and be completed in the following year.

Safe Start Breakfasts in January and Mid-Year Breakfasts each year, provide an opportunity for contractors to come together and for Ernslaw to provide business updates and messages around health and safety and environmental requirements. These meetings also provide opportunities to recognise good contractor performance through a contractor awards programme.

Health, Safety and Environment (HSE) representative meetings are held to ensure staff have a pathway to working on employee safety and ensure issues are heard and addressed by the company. Contractor H&S/E rep meetings are also run each quarter in all regions, which gives contractors the opportunity to discuss issues with Ernslaw.

We continue to monitor health and safety lead and lag indicators and reviewed our internal requirements with new updates to the Approved Code of Practice for Forestry Operations.

Lead and lag indicators include:

- Incident investigation reporting, severity, and type (Figure 12)
- Mechanisation of processing, falling and extraction - Fourth quarter of reported 100%, 98.2% and 94.6%, respectively.
- Tailgate attendance - Ernslaw staff attended fifty tailgate meetings.
- Get Home Safe use for lone worker management was used 942 times.
- Random drug and alcohol testing - 128 random drug tests were undertaken with more than 94% of tests completed on time and no non-negative result recorded for the year.

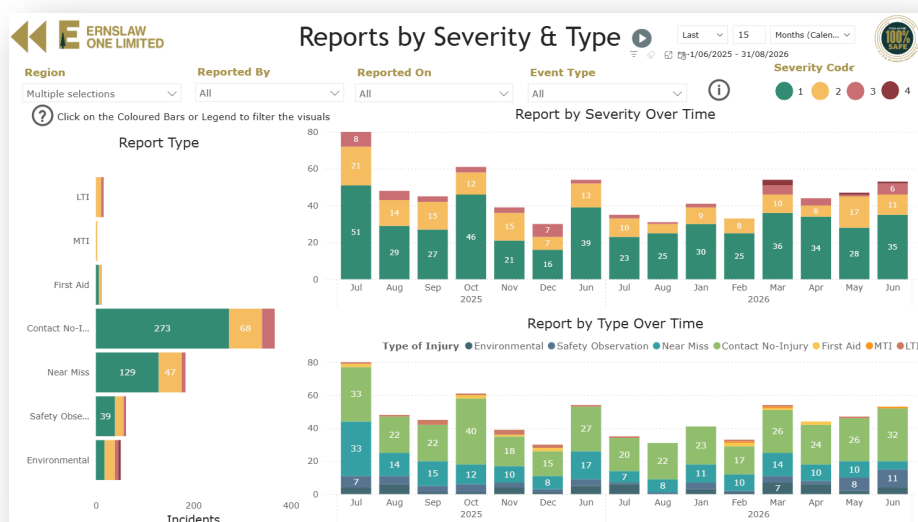


Figure 12. Health and Safety dashboard with severity and type indices and reporting levels.

14.1 Social Values - living and working in our community

Ernslaw maintains strong relationships with the communities surrounding our forests, with many employees and contractors living and working locally. This creates significant social and economic benefits through employment opportunities, the purchase of local goods and services, and support for community initiatives.

We actively engage with local communities and stakeholders regarding our forestry operations and value ongoing consultation to ensure our forests continue to provide social, recreational, environmental, and economic benefits alongside sustainable timber production. Ernslaw staff actively participate in local catchment and community groups and work closely with organisations such as sports clubs, Fire and Emergency New Zealand (FENZ), hunting clubs and schools.



Figure 13. Dog sled race participant in Naseby Forest

Ernslaw staff actively participate in local catchment and community groups and work closely with organisations such as sports clubs, Fire and Emergency New Zealand (FENZ), hunting clubs and schools. We provide forests access for a wide range of recreational, educational, and training activities, including mountain biking, hunting, NZ Army training exercises, motorsport events, rogaining, horse trekking, dogsledding (Figure 13), firewood collection, and community events such as the Great Naseby Water Race. We also support local communities through sponsorships, meat and firewood donations, educational programmes, and the hosting of community events and training activities.

Ernslaw staff have donated over 1.7 tonnes of venison mince to food banks in the West Otago area in the last two years (Figure 14).



Figure 14. Venison mince delivery to the Salvation Army.

The health, safety, and wellbeing of workers throughout Ernslaw's forest operations. Ernslaw is committed to upholding workers' rights, ensuring freedom of association and access to union representation, alongside the company's commitment to paying the New Zealand Living Wage, and managing modern slavery risks across its operations and supply chain. During the reporting period, no requests for union access were received. Compliance with worker rights, Living Wage commitments, and modern slavery requirements was monitored in accordance with Ernslaw's Modern Slavery Policy, with no non-conformances identified.

14.2 Cultural and Heritage Sites – protecting the past for the future

Ernslaw manages and protects a diverse range of archaeological and cultural heritage sites across its forest estate. These include historically significant gold-mining sites in the South Island and areas of cultural significance to Tangata whenua throughout the North Island. Heritage New Zealand Pouhere Taonga granted Ernslaw a 15-year archaeological authority for Naseby Forest in recognition of the high standard of care and management applied to archaeological sites during forestry operations. The authority reflects confidence in Ernslaw's processes for identifying, protecting, and managing archaeological values while undertaking operational activities (Figure 15). In the past year

we have worked closely with iwi on a range of activities including GIS information relating to cultural sites location and an access policy for iwi on land we lease from them.



Figure 15. Aerial view of protected remains of the Ballarat Hotel and Mountain Biking Tracks in Naseby Forest.

15 Conclusion

The monitoring undertaken across the estate is underpinned by adaptive management and continuous improvement principles. Monitoring programmes covering environmental, operational, social, cultural, and health and safety values have provided valuable information to assess performance, identify emerging risks, and guide management responses.

Freshwater monitoring results continue to indicate generally good to excellent stream health across monitored sites, while ecological area assessments confirm that Ernslaw exceeds FSC® requirements for protected and restored natural areas. Social monitoring, stakeholder engagement, and cultural heritage management continue to strengthen relationships with local communities, iwi, regulators, and conservation organisations.

Health and safety monitoring has also supported ongoing improvements in mechanisation, contractor engagement, and critical risk management. Specifically, during the 2025/26 reporting period, monitoring outcomes have influenced several management initiatives including:

- Strengthen health and safety and environmental governance
- Forest Ops tactical harvest planning and scheduling tool to improve transparency of planned harvest and tracking actuals.
- Forest health, pest monitoring, and wilding conifer assessments informed the development of a new Wilding Conifer Management Framework.

- Monitoring of weed pressure following harvesting has enabled a more targeted approach to herbicide application, reducing agrichemical use where it is not required.
- Storm-event and council compliance inspections and corrective actions have strengthened emergency preparedness, informed infrastructure investment. Strengthened by the ongoing installation of slash traps in suitable locations in higher-risk catchments.
- Biodiversity monitoring and threatened species surveys and management have guided pest control programmes, species-specific management actions, and collaborations with conservation partners to improve outcomes for indigenous species and habitats.