



Forest Management Plan for FSC

Forest Management Plan for FSC

Document Management

Author Steve Hindley GM Signature
Approver Steve Hindley GM Signature
Date 28 Feb 2025

Revision	Name	Position	Date	Change Notes
1	Steve Hindley	GM	28-02-2025	First draft version new form
2	Steve Hindley	GM	08-03-2025	Various updates

Contents

Document Management..... 1

Contents 1

1 Purpose 2

2 Scope 2

 2.1 In Scope: 2

 2.2 Out of Scope: 2

3 Accountabilities..... 2

4 Definitions..... 2

5 Objectives..... 3

6 Requirements 3

 6.1 Principle 1: Compliance with laws..... 3

 6.2 Principle 2: Worker’s rights and employment conditions 5

 6.3 Principle 3: Indigenous people’s rights..... 6

 6.4 Principle 4: Community relations 7

 6.5 Principle 5: Benefits from the forest 9

 6.6 Principle 6: Environmental values and impacts 10

 6.7 Principle 7: Management planning..... 13

 6.8 Principle 8: Monitoring and assessment 15

 6.9 Principle 9: High conservation values 16

 6.10 Principle 10: Implementation of management activities..... 17

7 References 19

1 Purpose

The purpose of this management plan is to demonstrate conformance with the FSC New Zealand standard by the certificate holder Southland Plantation Forest Company of New Zealand (“SPFL”). SPFL has delegated the day to day management of its plantation estate to Southwood Export Ltd (“the Company”) by way of a management contract. The Company has a management system which guides its activities and ensures conformance with legal and contractual obligations and also its obligations under its various certification programmes.

2 Scope

2.1 In Scope:

All forest management activities covered by the FSC Forest Stewardship Standard for New Zealand *FSC-STD-NZL-02-2023 Plantations EN*.

The management unit consists of land owned by SPFL, land owned by SWEL and interests in forests owned by SPFL and SWEL by way of contractual arrangements.

2.2 Out of Scope:

Additional management requirements specifically for demonstrating compliance with the PEFC standard for New Zealand.

3 Accountabilities

General Manager	Accountable to ensure that this management plan aligns with the NZ FSC standard, there is adequate resources are made available for this management plan to be implemented, and that employees and contractors adhere to this plan during implementation.
Department Managers	Accountable for implementing this plan, and for ensuring that all employees have been trained and are adhering to this plan and associated policies, procedures and standards.
Employees, Contractors and their employees	Accountable for adhering to this plan and its associated policies, procedures and standards.

4 Definitions

Term	Definition
Company	Southwood Export Limited
FSC	Forest Stewardship Council
HCV	High Conservation Area

SVA	Special Values Area – the Company’s chosen term to incorporate both High Conservation Areas (FSC) and Significant Biodiversity Areas (PEFC) in order to consolidate to one management system in the future.
SPFL	Southland Plantation Forest Company of New Zealand Ltd
NZ	New Zealand
DMS	Document Management System
GIS	Geographic Information System
FMP	Forest Management Plan
IEA	Individual Employment Agreement
NES-CF	National Environmental Standard for Commercial Forestry
Forest Gate	The weighbridge at the Company chip mill at Awarua, Invercargill

Note: The use of capital letters in this Management Plan denotes either a defined term of a specific document contained in the Document Management System or a defined term listed above.

5 Objectives

For the objectives of this management plan refer to 6.7.3.

6 Requirements

6.1 Principle 1: Compliance with laws

6.1.1 Legal registration – Criterion 1.1

SPFL is a privately held company registered in New Zealand (“NZ”) with the following details verifiable on the NZ Companies Register. SPFL operates according to its constitution.

Company number	556544
NZ business number	9429038951602
Incorporation date	10 Sep 1992
Company status	Registered
Entity type	NZ limited company

6.1.2 Legal status of management unit – Criterion 1.2

Legal tenure of the estate is documented by freehold legal titles issued by the Government agency, joint venture agreements and forestry rights registered on legal titles. For details refer to Land Title – Instrument and Easement Register in the DMS.

The boundaries of the various legal instruments in the management units are contained and verifiable in the GIS and can be output as maps.

6.1.3 Legal rights to operate – Criterion 1.3

The activities of the Company are designed to comply with New Zealand applicable laws and regulations, legal and customary rights and industry codes of practice. This is verifiable through the Sustainable Forest Management Policy and implemented in this FMP.

The Company pays all legally prescribed charges prior to the payment due date. This is verifiable in the accounting system.

6.1.4 Protection of the management unit from illegal activities – Criterion 1.4

Public access to the Company managed estate is controlled by the Forest Access Policy in DMS. The Company discourages illegal activities in its managed estate. Activities to support this include locking of gates during forest activities to protect equipment damage and theft and cultivating supporting relationships with legal access permit holders and neighbours to report suspicious activities.

Once illegal activity has been discovered, the NZ Police are contacted.

6.1.5 Compliance with forest product trade laws – Criterion 1.5

The products that the Company grows and sells and their status in the IUCN¹ red list are listed below:

<i>Eucalyptus nitens</i>	Least concern
<i>Eucalyptus delegatensis</i>	Least concern
<i>Pinus radiata</i>	Endangered in its native habitat but proliferent in plantations around the southern hemisphere.
Douglas fir	Least concern
<i>Eucalyptus regnans</i>	Least concern

Based on the above assessment, the Company demonstrates compliance. The Company will assess how to comply with the Forests (Legal Harvest Assurance) Amendment Act 2023 prior to it coming into effect in 2027.

The species listed in the above table are not included in the CITES list of endangered species verifiable in the database.²

6.1.6 Dispute resolution regarding statutory or customary disputes – Criterion 1.6

Disputes and their status are entered into the Disputes Register in the DMS and the Company attempts to resolve the disputes outside of the courts by following the Disputes Resolution Procedure which is available for public perusal on application on the website. In the event the dispute cannot be settled, the Company will work in good faith through a courts-appointed process.

6.1.7 Anti bribery and corruption – Criterion 1.7

The Company follows its Anti Bribery and Corruption Policy which is available on request from the website. In the event of corruption being discovered the Company will initiate the discipline process in the Individual Employee Agreements and following NZ employment law due process.

¹ <https://www.iucnredlist.org/>

² <https://www.speciesplus.net/species#/>

6.1.8 Long-term commitment to the principles of FSC – Criterion 1.8

The Company has a long-term commitment to management practices consistent with the FSC principles and criteria and related policies and standards verifiable in its Forest Management Policy.

6.2 Principle 2: Worker’s rights and employment conditions

6.2.1 Upholding the principles and rights in ILO conventions – Criterion 2.1

Since New Zealand is a founding member of the International Labour Organisation (“ILO”), and has ratified ILO covenants, its legislation must comply with its obligations therein. Therefore, compliance with NZ labour laws demonstrates compliance with ILO conventions (as per FSC Standard guidance). The Company complies with the following employment related legislation:

- Health & Safety at Work Act 2015;
- Accident Compensation Act 2001;
- Employment Relations Act 2000;
- Holidays Act 2003;
- Human Rights Act 1993;
- Minimum Wage Act 1983;
- Parental Leave and Employment Protection Act 1987;
- Privacy Act 1993;
- Equal Pay Act 1972;
- Wages Protection Act 1983.

This can be verified in: IEAs and the Health and Safety Policy.

Employees are freely able to establish or join labour organisations and the Company does not discourage such membership or any of its benefits and will facilitate any such desire. There are no employees with membership of any labour organisation or collective agreements as at publish date.

There are no known or potential Treaty of Waitangi Claims over any part of the Company managed estate at this time.

6.2.2 Gender equality and Human Rights – Criterion 2.2

The Company encourages equality, inclusion and diversity and prevents gender discrimination by complying with NZ employment law and by adhering to the Employee Code of Conduct.

There are no discriminatory practices and all meetings and decision-making forums are based on position within the company and all positions are filled without discrimination.

Any cases of discrimination will be dealt with in accordance with the flowchart contained within the Employee Code of Conduct.

6.2.3 Health and safety system – Criterion 2.3

The Company operates a Health and Safety Management System which comprises:

1. Health and Safety Policy
2. Health and Safety Management Plan
3. Safety Standards
4. Mango – the Company compliance software including safety compliance.

Workers are included in the Company monthly health and safety meeting verifiable by the minutes. Employees are provided with PPE and this follows the PPE Standard. The use of PPE is enforced by inclusion in IEAs and by supervision.

All incidents are reported through the Mango system following the Incident Management Procedure.

6.2.4 Wages – Criterion 2.4

All wages paid by the Company comply with the Minimum Wage Act 1983 and exceed the Living Wage which at publish date is \$27.80. This can be verified in IEAs and contract rate determination (example the wage level calculated in the harvesting rate calculations).

All wages and contractor payments are made on time and by direct bank transfer.

6.2.5 Training – Criterion 2.5

Training records are kept in the Training Register in the DMS.

For training plans refer to Training Plan in DMS.

6.2.6 Employment relationship problems – Criterion 2.6

In the event of employment relationship problems or disputes, the parties follow the relevant process section in the IEAs. This process complies with the Employment Relations Act 2000 and has been independently verified by employment relations expert lawyers in 2024. At publish date there are no known employment relations grievances or disputes.

6.3 Principle 3: Indigenous people's rights

6.3.1 Identification and engagement with indigenous peoples – Criterion 3.1

There is one indigenous people (runaka) which covers the entire South Island of NZ (Ngai Tahu). It is represented locally by four runaka. They have formed a representative body called Te Ao Marama Incorporated ("TAMI") with a board comprising elected representatives from each runaka. According to the Charter of Understanding signed in 2016, TAMI is authorised to represent Te Runaka O Awarua, Hokonui Runanga, Oraka/Aparima Runaka, and Waihopai Runaka who hold mana whenua over all ancestral land in Southland and this charter is endorsed by Ngai Tahu. TAMI also represents Ngai Tahu for local government interaction.

The Company therefore engages in a culturally appropriate manner by engaging with TAMI when it has opportunities and obligations for engagement with local indigenous peoples.

In 2005 the Company and TAMI first met to begin engagement which culminated in the parties signing an MOU and in 2022 the parties updated that understanding. The MOU contains the following information:

1. There are no confirmed historical sites within the Company managed estate.
2. TAMI and Heritage New Zealand are to be contacted in the event of accidental discovery of any archaeological sites;
3. A process to authorise and manage access onto Company managed forests for the purpose of exercising customary rights. According to TAMI, this is usually for the purpose of gathering mahinga kai or customary food;
4. A dispute resolution process.

At publish date there have been no known disputes between the Company and any indigenous peoples.

In early 2025 the parties met to further their relationship and to discuss certain Company obligations from the FSC standard as to ascertaining the goals and aspirations of TAMI and ensuring the rights customs and culture of Tangata Whenua as described in UNDRIP and ILO Convention 169 are not violated.

6.3.2 Identification of special sites through engagement – Criterion 3.5

Additionally, as part of the ongoing discussions with TAMI, the parties discussed the opportunity for the Company to engage TAMI for professional services to identify water fauna (including mahinga kai) and opportunities to further protect and enhance the Waikawa stream environs where the stream crosses a Company managed forest. The Waikawa stream has been identified by TAMI as potentially having special traditional and historical values for mahinga kai. According to culturally appropriate engagement the Company is not pushing a specific timeframe for completion and those discussions are on-going as at time of publishing.

6.3.3 Use of traditional knowledge – Criterion 3.6

There is no known traditional knowledge used by the Company in its management activities. In the event of any future such utilisation, the Company will compensate the indigenous peoples from where such knowledge was obtained.

6.4 Principle 4: Community relations

6.4.1 Local communities (excluding indigenous peoples – see Principle 3 above) – Criterion 4.1

There are no local communities within the management unit.

The Company has determined there are a limited number of local communities which may be affected by its operations and with which it can engage at the community level and these are: local indigenous peoples and their representative body Te Ao Marama (see Principle 3 above), recreational clubs (mountain bike riding, trail bike riding, horse riding and hunting clubs) and local catchment groups (e.g. Waikawa Catchment Group). All other affected and interested stakeholders are either engaged with as individuals or as organisations. This includes neighbours, local government, Government agencies and departments, not for profit organisations and other interested individuals.

There are no local communities with any legal or customary rights of tenure. This is verified by freehold tenure evidence in land titles and according to NZ Property Law Act 2007.

Apart from customary access (see Principle 3 above), legal access to the Company's managed estate is provided for by the following:

1. Easements and Right of Way instruments registered on legal titles;
2. Public access rights on legal roads (whether formed or not), and esplanade strips and King's Chains adjacent to important waterways. These are publicly available at the Herenga a Nuku – The Outdoor Access Commission website³.

In terms of general public access for recreation purposes, including trout fishing, hunting and horse riding, and connecting with public access strips from formed public roads mentioned above, the Company responds to public access requests by following its Access Policy and Procedure in DMS. The Public Access Policy was developed in consultation with various stakeholders including the local Deerstalkers Association, liaison with the Deerstalkers national head office, the police, Fish and Game local staff and engagement with neighbours regarding public access over the years for various reasons. As an example of neighbour engagement, the Company corresponds with neighbours every year around lambing time (August). At this time farmers are wary of wild pigs attacking freshly born lambs. These wild pigs generally come out from native forests and plantation forests where they have been sheltering. During these times, farmers generally request that we temporarily halt our public access as the public tend to drive animals into the neighbours' farms. Instead, the farmers employ professional pig hunters and request access into plantations for those hunters to chase and kill wild pigs. We cooperate with these requests wherever possible.

³ <https://www.herengaanuku.govt.nz/maps/outdoor-access-maps>

6.4.2 Legal and customary rights to maintain control over management activities – Criterion 4.2

There are no known legal and customary rights of local communities to maintain control over management activities.

6.4.3 Reasonable opportunities for local communities – Criterion 4.3

The Company provides reasonable opportunities for local communities to benefit from employment, training and other services. At time of publish, all harvest, forwarding, loading, silviculture, and log transport contracts are with locally based contractors. This is verifiable in contracts for forestry services.

All employment offers are published on national web-based services such as Seek and also in the forestry industry online news service “Friday Offcuts” allowing local candidates the opportunity to apply.

The Company financially supports applicable harvesting contractors in training (SafeTree). Other training includes local student internships during university holidays.⁴

6.4.4 Contributing to social and economic benefit – Criterion 4.4

Through engagement with local communities, the Company identifies opportunities for social and economic development. Some examples include: trail bike riding in Company managed forests; working with local authorities for joint pest control exercises (possum and rat), visits to local schools to present forestry as a future career path⁵, sponsorship of prizes at the local Institute of Technology, participating in local catchment groups to help rejuvenate waterways in conjunction with other land owners.

The Company has contributed \$98,000 to local and national community groups, educational institutions and charities since records began in 2009 and although not easily summarised, such contributions began in 1984. For verification refer to Sponsorships and Donations Register in DMS.

6.4.5 Avoiding negative social, environmental and economic impacts on local communities – Criterion 4.5

In principle, the Company manages the estate using best practice and in an ethical, legal and professional manner seeking to avoid negative social, environmental and economic impacts on local communities.

In general, the Company seeks to avoid negative social, environmental and economic impacts by following its Operational Planning Process. This process identifies social and environmental values and methods to avoid or mitigate impacts are incorporated into the operational plans and prescriptions.

Avoiding negative social impacts includes, but is not limited to: maintaining boundary fences with neighbours, collaborating with neighbours by providing chemical and fencing resources for neighbours to control weeds and repair boundary fences, loss of productive land by ensuring trees do not shade dwellings, assisting local government to repair roads, costs associated with ensuring trees do not damage power and telephone lines, ensuring management activities do not impact neighbouring properties (e.g. herbicide spraying) and ensuring public access where legally permitted.

Avoiding negative environmental impacts on local communities includes ensuring activities do not impact landscape values, native flora and fauna, ensuring activities do not impact Special Values Areas (“SVA”), ensuring soil erosion is minimised during disturbance, and ensuring that slash is managed on steep slopes. This is verifiable through the Operational Planning Process.

Avoiding negative economic impact on local communities includes ensuring slash is properly managed to avoid it moving offsite during heavy rain events causing damage to infrastructure, farms and dwellings.

If a grievance is raised by a stakeholder, the Company works with the stakeholder to bring the matter to an agreed resolution. These stakeholder interactions are verifiable in ClickUp. A recent example is a neighbour

⁴ Note: “Local” means the nearest university forestry school.

⁵ In conjunction with Discover Forestry

who requested that we harvest trees that were shading his sheep yards and woolshed. Although there is no legal requirement to do so the Company agreed to harvest the trees (Voice forest).

6.4.6 Special areas with legal or customary rights for local communities – Criterion 4.7

There are no sites in the Company managed estate for which local communities hold legal or customary rights.

6.4.7 Utilizing traditional knowledge – Criterion 4.8

There is no known traditional knowledge of local communities utilised by the Company. In the event of any future such utilisation, the Company will compensate the local community.

6.5 Principle 5: Benefits from the forest

6.5.1 Products and benefits – Criterion 5.1

The Company manages Eucalyptus species plantations for the main purpose of supplying hardwood chip to paper mills in Japan. Secondary species present includes *Pinus radiata* which has been grown on land considered not suitable for eucalypt production. This is provided to local sawmills and exported as logs.

By-products which are made available to the local economy are: firewood, sawdust, bark and residues for biofuel.

Other benefits include recreation, economic development (by procurement of products e.g. fertiliser, herbicides, fuel and seedlings) and services (harvesting, forwarding, log transport, pest management and all their associated subcontractors), ecosystem services including water quality, biodiversity, carbon sequestration and flood mitigation.⁶

6.5.2 Annual harvest levels – Criterion 5.2

The Company has calculated its long-term sustainable harvest level as per the harvest profile contained in the Forest Valuation. The harvest profile has been independently calculated from growth plot data fed into a growth model.

Due to an unplanned period of lower than optimum harvesting level as a consequence of a time when market demand was unable to absorb the optimum volume, there are plantations that are currently beyond their optimum harvest age. As a result, to clear that stock, the harvest profile shows an initial higher level of harvest through to 2029 before reverting to the sustainable level. Disadvantages of harvesting past the optimum rotation age include suppression and natural mortality, and suppressed resilience to pests as a result of competition stress.

Harvest levels are carefully managed not to exceed the annual target volume using 'FY24 Chip Inventory spreadsheet'.

6.5.3 Positive and negative externalities – Criterion 5.3

All costs associated with the management activities are recorded in the Company accounting system. Costs associated with avoiding negative social, environmental and economic impacts identified in 6.4.5 are also captured and included in financial performance analysis. An example is the high proportion of rural road maintenance costs charged to plantation forest land to enable road maintenance at harvest time. Verification is available in correspondence with SDC and other forestry groups and rate notifications. Other negative externality costs include participating in wilding control programmes, being part of region-wide pest control programmes and fire prevention investment.

Benefits have been identified in 6.5.1.

⁶ Forest Ecosystem Services, SCION 2017

In summary, the positive benefits including externalities outweigh any negative impacts and negative externalities and our business remains economically viable after accounting for all the costs.

In terms of the wider forestry industry, the same conclusion has been reached by NZIER in their 2023 report⁷ where they surmise that, “the externality benefits significantly outweigh the costs of forestry.”

6.5.4 Local goods, services and processing – Criterion 5.4

It is the policy of the Company to procure goods, services and processing wherever physically and economically possible. All chip processing is done by the Company and wherever economically feasible pine logs are processed locally at Niagara Sawmill or Pankhurst Sawmill verifiable in the accounting system. When not possible the pine logs are exported. Where products or services are not available or economically feasible locally, then they are procured from further afield, firstly nationally, and then including overseas where necessary.

The Company has contributed to the establishment of local capacity previously not present by committing to use silviculture crews for operations and inventory work to enable the contractors to hire more staff and provide sustainable local services (verifiable at NZ Conservation Services and Venture Forestry).

6.5.5 Long-term economic viability – Criterion 5.5

Sufficient funds are allocated and spent to ensure the long-term viability of the Company and the plantations. This is verifiable in Company budgets and financial statements.

6.6 Principle 6: Environmental values and impacts

6.6.1 Environmental values assessment – Criterion 6.1

BACKGROUND

The Company has been managing eucalypt plantations in a significant way since the early 1990s. Since that time it has undertaken several environmental values assessments over the years. The results of those assessments have informed work to date and continue to do so. Examples of the assessments are below:

Assessments:

1. Original estate wide assessment, independent expert, 2003
2. Brian Rance, DOC 2004 – consultation of potential RTEs in the estate
3. Brian Rance, DOC, 2006 consultation on best practice RTE investigation methods and locations – suggested birds, lizards and native flora
4. Extensive Lizard survey 2007 – common lizards found but no RTE lizards detected. Not recommended to continue.
5. Historic bat automatic detector surveys ran for two years in Happy Valley did not find any bats present.
6. New bat survey (currently being undertaken in Overton)
7. Lloyd Esler annual survey and monitoring programme of permanent sites for Flora and Fauna
8. SHMAK water quality testing – ongoing

CURRENT

In 2024 it was decided to conduct an estate wide comprehensive assessment using an expert third party. The main purpose of this assessment is to determine if there are any areas matching the SBA or HCV requirements in PEFC and FSC standards. A secondary purpose of the project is to provide assurance that all of the work done to date in a piecemeal manner has indeed captured all the environmental values in the estate. This project is ongoing and is scheduled to finish in March 2026. The project consists of an estate

⁷ Forestry and Wood Processing Contribution to Otago and Southland – Updated Contribution, Oct 2023

wide desktop survey using best available information followed by in-field verification visits for any likely SBA or HCV values identified in the desktop survey.

The Company's Environmental Policy directs activities to avoid, minimise or mitigate adverse impacts on identified environmental values. Refer to Environmental Management Policy in DMS.

In implementing the policy, best available information has been used to identify environmental values associated with each managed property in the estate as described above. The results of all the myriad assessments carried out over the years have been captured in Forest Information Summaries in DMS. In essence, these summaries are the repository of identified values that require protection.

As and when further information is developed from field observations, audits, stakeholder feedback and the major project discussed above, this information will be used to update the Forest Information Summaries. Examples include the McKenzie Wetland and the Lilburn natural forest areas which have been identified as potential SVAs pending completion of the 2024 project assessment and reporting work.

6.6.2 Environmental impact assessment – Criterion 6.2

All Company forestry and harvesting operations follow the Operations Planning Process verifiable in DMS. The first stage of the process is the consultation of the Forest Information Summaries by the Harvest Manager and Forestry Manager when planning operations.

The second stage is the considering the scope of the operation (scale and intensity) and a risk assessment of the potential negative impacts on the values identified in the Forest Information Summary.

The outputs of this process are Establishment Management Plans and Harvest Plans capturing the controls and actions determined from Stage 1 & 2. Refer to Operations Planning Process in DMS and the plans.

6.6.3 Protection of RTE and their habitats – Criterion 6.4

The Company takes a holistic approach to managing its operations with regard to protecting rare, endangered and threatened species ("RTE"). Referring to "Background" above, the Company has undertaken a reasonable body of work over time to identify potential and actual RTE species within the managed estate.

Contractors have been trained on known RTE and to contact Company employees in the event an RTE species is sighted.

In 2024, the Company rolled out its site on iNaturalist and has requested staff and Contractors to post sightings there (verifiable at iNaturalist). The most common sightings are for the New Zealand Falcon. It is well known that falcons nest in forestry cutover blocks. It is general practice for forestry companies to avoid that area until the chicks have left the nest. The Company follows the New Zealand Falcon Management Guide Plantation Forestry.

All known and potentially present RTE species are listed in RTE Register in DMS and noted in Forest Information Summaries and consideration is included in the Operational Planning Process.

6.6.4 Identify and protect representative sample areas – Criterion 6.5

The Company has assessed and mapped areas of native ecosystems throughout its managed estate verifiable at Conservation Area Network by ED Summary in DMS. This network represents approximately 32% of the managed estate and complies with the standard.

The Company Environmental Policy precludes harming areas of native vegetation. A previously identified significant wetland, the Blair Fen, has been protected and actively restored through multiple weed and animal control activities.

It is hoped that the 2024 project will uncover more representative areas or SVAs that we can actively enhance or at least maintain and preserve.

6.6.5 Prevention of loss of biodiversity – Criterion 6.6

The Company's environmental policy precludes causing negative impacts on native flora and fauna.

In practice this means we do not disturb areas of native forest, riparian strips and watercourses to maintain native species and habitats within the estate.

Where possible we undertake active restoration of degraded areas. Two examples are the Andrews Native Restoration project and the Waikawa River Restoration project in conjunction with the Waikawa River Catchment Group.

6.6.6 Protection of watercourse and their riparian margins – Criterion 6.7

The Company has several obligations regarding planting proximity to watercourses.

The NES-CF stipulates the following:

- Bank full width <3m – 5m buffer required
- Bank full channel width >3m – 10m buffer required

The legal title of the land includes legal instruments which require compliance:

King's Chain along watercourses: 20m buffer

Various esplanade strips, reserves, and public roads all require observance.

Regarding FSC treatment of waterways, the Company has determined that it will follow Option 2 in the FSC standard in its treatment of waterways and riparian zones:

A minimum 25m continuous setback (each side) is applied on any 3rd order stream (where it reaches more than 100m into the MU) to the top of its sub-catchment that includes at least one significant headwater, and all other tributaries on that stream must have a minimum 5m setback and be replanted no closer than the previous planted stump line.

Since October 2024, the Company has outsourced its GIS mapping function. The first task has been to map all streams in the estate and to apply the order classification to the streams. This is verifiable in the GIS.

The Otago Regional Council as announced it would like 20m buffers on all watercourses but has yet to notify its proposed changes and the Otago Forestry Group (SWEL is member) is contesting this plan.

The above information on watercourses in the managed estate is entered into the Forest Information Summaries and this is consulted at the time of operation planning via the Operational Planning Process verifiable in the DMS. Replanting is the first opportunity to carry out this plan.

The Company has joined the Makarewa and Waikawa Catchment Groups and has begun actively restoring part of the riparian strip alongside the Waikawa River than flows through Voice Forest.

Roughly 90% of the estate is contained in the erosion susceptibility classes of low or moderate. There are two areas in the high classification: a small area of Happy Valley and the Groveburn. Due to the nature of these areas, with large swathes of intact native forest between the exotic plantation areas and waterways, the Company is currently in the process of applying for a resource consent to be exempted from having to remove harvest residues (slash) from these sites due to the low risk of this area.

6.6.7 Landscape management – Criterion 6.8

Southland contributes significantly to New Zealand's reputation as a beautiful and scenic country. World renowned Fiordland National Park is on the western end and various important geological features exist across the region.

According to a Boffa Miskell study of landscape values in Southland completed for the Southland District Council in 2019, there are several outstanding natural features, outstanding natural landscapes and visual amenity landscapes. The common theme of these areas is that they are untouched and retain the natural form. The Company managed estate was predominantly grown on highly modified ex-pasture sites and so they are excluded from the landscape values. Exotic plantation forestry has been excluded from the outstanding natural areas due to the highly modified nature of the areas in pasture and plantations.⁸

Southland also has a rich history of timber milling – originally native timber, but when this was stopped by

⁸ Southland Regional Landscapes Study 2019, pg 136, 160

Government policy, turned to exotic plantations, so plantation forests for timber have been an important part of Southland’s history. An example is the Waiau Valley in Western Southland⁹.

Taking into consideration the above, the Company does not consider any of its managed estate has significant landscape value to the extent that it needs to modify its current way of operating.

6.6.8 No conversion of natural forests to plantations – Criterion 6.9 & 6.10

The Company manages plantations that were predominately established on ex-farmland. Of the few plantations that have been established on ex-native forest land, the results of the Company’s investigations prove that this happened prior to 1994 (the threshold in the standard). Therefore, the Company demonstrates conformance with these two clauses. Verifiable at File Note SWEL Position on Conversion from Native Forest to Plantation in DMS.

6.7 Principle 7: Management planning

6.7.1 Management system, policies and objectives – Criterion 7.1

The Company uses a Management System to implement its overall strategy as well as its sustainable forest management activities verifiable at Management System Schematic in DMS. The Management System contains policies and management objectives to provide clear goals for the Company and its employees to achieve its strategy. The Sustainable Forest Management Policy directs the forest management activities which are implemented through this management plan and by the various processes, procedures and standards verifiable in the Management System Document Index.

6.7.2 Management plan – Criterion 7.2

Summaries of the management policies and objectives are contained in this Management Plan and a summarised version is made publicly available.

6.7.3 Objectives and verifiable targets – Criterion 7.3

Primary Objective: The Company’s primary objective is to sustainably provide wood chips to its customer that meet the customer’s quality specifications and timeframe.

In order to achieve this primary objective, the Company must manage its forests in a sustainable and profitable way. Sustainability means ensuring its activities don’t affect the long-term viability of its forest ecosystems and their productive capacity, biodiversity, soil and water resources, and cultural and social values while ensuring on-going economic benefits to owners, employees, contractors and local communities.

Specific objectives, their criteria and targets to achieve the above are:

Objective	Performance Criteria Target	Frequency of Assessment
Provide the required rate of return for shareholders	Net profit after tax Target 1: Achieve the annual budgeted NPAT Target 2: Create a long-term plan	Annual October 2025
Provide for a safe, healthy, and productive workforce	Minimise lost time injuries Target 1: zero LTIs Target 2: Implement H&S system	Monthly – IRIS Mango - current

⁹ Pg 71

FOREST MANAGEMENT SYSTEM – PLAN



Maintain certification under NZS AS 4708:2014/PEFC	Maintain certification Target: Continually certified	Annual audit
Maintain the productive capacity of the DFA	Long-term plan sustainable yield Target: Harvest at the long-term sustainable yield	Planned vs actual annual basis
Maintain forest health through weed and pest management programs and nutrition management	<ol style="list-style-type: none"> 1. Visual health Target: Visually healthy 2. Nutrition within the acceptable range Target: Develop thresholds for nutrients (NPKB) 3. PSP data analysis Target: PSPs are measured annually and new ones set up each year. 	<p>When visiting forests</p> <p>December 2025</p> <p>Annually</p>
Minimise harm to biodiversity values, soil and water values and cultural values when planning and conducting activities within the DFA (refer Section 3 & Section 8)	<ol style="list-style-type: none"> 1. Native vegetation protected Target: no native forest vegetation is harmed 2. Erosion is prevented Target: no uncontrolled large-scale erosion 3. Water quality within threshold Target: zero instance of chemical or sediment above threshold 4. Cultural engagement Target: zero cultural disputes 	<p>Post operation audit</p> <p>Post operation audit</p> <p>Per water sample</p> <p>Annually at management review</p>
Minimise the effect of pollution from forest operations	Minimise greenhouse gases Target: measure and track CO2 use	Annually
Contribute to the carbon cycle	Understand carbon sequestration within the estate Target: measure and track carbon sequestration	Annually
Minimise harm and provide economic and social benefits to the community	<ol style="list-style-type: none"> 1. Use of local contractors and suppliers Target: Use local unless not available or uneconomic 2. Sponsorship Target: Achieve budget 3. Stakeholder engagement Target: zero stakeholder disputes 	<p>Case by case for non-local procurement</p> <p>Annually</p> <p>Annually at management review</p>
Engage stakeholders during management planning	Stakeholders have been engaged Target: Able to demonstrate that a subset of stakeholders has been engaged and incorporated into annual management review.	Annually at audit
Maximise economic gain to the owners by long-term estate planning	Long term plan is in place and used as the starting point of the planning process	Pending estate model creation

6.7.4 *Planning Actions to Achieve Management Objectives*

The Company is in the process of developing and implementing a staged planning process:

1. Long-Term Plan (50 years) – estate modelling
2. 5-year Tactical Plan – harvesting system requirements, meeting bank loan requirements
3. 2-year roading and infrastructure plan
4. 18 months operational schedule
5. 12 months budget

6.7.5 *Periodic update of management system documentation – Criterion 7.4*

The Company Forest Management Plan is updated periodically with the following:

1. Annual management review results (refer to Management Review Procedure and Report);
2. Internal audits resulting in corrective actions (refer to Internal Audit Procedure and results);
3. Stakeholder engagement results (refer to Stakeholder Register in ClickUp);
4. New scientific information and the results of the Company's research and development;
5. Changes in the environmental, social and economic circumstances;
6. Changes in laws, local by-laws and the NES-CF.

6.7.6 *Stakeholder engagement in management planning – Criterion 7.6*

Stakeholders are actively culturally-appropriately engaged in the following processes:

1. Dispute resolution process: throughout the two disputes listed in the Disputes Register, the Company has actively engaged the affected stakeholders verifiable in the email correspondence.
2. Identification of rights, sites, and impacts. Refer to this Management Plan sections 6.3
3. Local communities' socio-economic development activities. Refer to this Management Plan section 6.4
4. SVA assessment, management and monitoring. Refer to this Management Plan
5. Operations notifications, ad-hoc neighbour interactions.

Culturally appropriate engagement is used to:

1. Determine appropriate mandated representatives and contact points. Refer to the Stakeholder Register in ClickUp complete with appropriate contact details;
2. Ensure all meetings, all points discussed, and all agreements reached are recorded; Refer to the Stakeholder Register in ClickUp and the Te Ao Marama MOU.
3. Ensure the content of meeting records is approved; Refer to Te Ao Marama correspondence.
4. Ensure that stakeholders are engaged in monitoring and planning processes of management activities – refer to Te Ao Marama eadya planning and monitoring engagement, and spraying notifications.
5. On request interested stakeholders are provided an opportunity to engage on planning and monitoring activities. Refer to Outdoor Access request.

6.8 **Principle 8: Monitoring and assessment**

6.8.1 *Monitoring the implementation of the management plan – Criterion 8.1*

The Company has procedures for monitoring the implementation of the management plan including Internal Audit Procedure and Management Review Procedure. Verifiable targets are monitored in accordance with the Monitoring Procedure and Report in DMS.

6.8.2 Environmental and social impacts monitoring – Criterion 8.2

The social and environmental impacts of the management activities are monitored according to the Monitoring Procedure and Report in DMS.

6.8.3 Analysis of monitoring results – Criterion 8.3

The Company analyses the results of the monitoring programme at the annual management review controlled by the Management Review Procedure in DMS. Actionable items from the results of the management review are tracked in ClickUp and incorporated back into the Management Plan where appropriate.

6.8.4 Monitoring report public version – Criterion 8.4

The Company makes a summarised version of the Monitoring Report available to the public on request at the website.

6.8.5 Tracking and tracing FSC certified material

From December 2023 when the Company was recertified the scope of the management unit was increased to include forests owned by Southwood Export. Prior to this, only those plantations owned by Southland Plantation Forest Company of NZ were certified. Since incorporation of Company owned forests, the entire managed estate is now FSC certified and all product originating from the Company managed estate is FSC certified.

All information related to volumes harvested by species, source forest, delivery data and delivery of logs to Forest Gate is captured in the company accounting system and in various accounting records available for verification.

6.9 Principle 9: High conservation values

6.9.1 Assessment for high conservation values – Criterion 9.1

In 2024, under new management, the Company decided to undertake a comprehensive estate-wide assessment of environmental values using a third-party independent expert. The project entails a desktop survey of best available information concerning conservation values within (and where potentially impacted by management activities, outside the estate), followed by field verification of any identified Special Values Areas (“SVA”) or HCVs. The project is planned to take two years to complete.

At publish date, this project has been 50% completed with half of the estate assessed and two field verifications complete. As a result of the verifications, two new SVA (HCV) areas have been identified, and the Company is in the process of developing the management plans for those SVA. The project will be completed in March 2026.

The results of this assessment will inform Forest Information Summaries which are consulted in the Operational Planning Process.

6.9.2 Development of strategies to maintain or enhance HCVs (SVAs)

The expert engaged to assess the estate for the presence of HCVs (SVAs) has also been engaged to provide expert recommendations for the maintenance or enhancement of the values identified in the assessment.

6.9.3 Implementation of strategies – Criterion 9.3

These recommendations will be followed wherever physically possible and economically viable. Each identified HCV (SVA) has a management plan that outlines the values being protected and the activities necessary to protect them. The activities are incorporated into annual budgets and operational schedules.

6.9.4 Periodic monitoring – Criterion 9.4

The activities are monitored for effectiveness and annual updates are made to the management plans. The results of the monitoring can be verified in the Monitoring Report.

6.10 Principle 10: Implementation of management activities

6.10.1 Post harvest replanting – Criterion 10.1

The Company has a general policy to replant the year following harvest. This is due to the economic benefit of not missing a growing year. In practical terms there is a cutoff each year after which date it is too late to prepare the land, treat for weeds and have time to plant seedlings at the optimal time.

Due to the soil erosion risk being assessed as low compared to other forestry operations across New Zealand, it is physically possible to leave a harvest site fallow for one year when the economic benefit outweighs the risk of soil erosion. This has benefits when the site is prone to gorse and broom infestation post-harvest, or when naturally regenerating eucalypts cause significant economic disadvantage to immediate replanting due to difficulty of dealing with these woody weeds when any chemical targeting them will also kill the crop trees.

6.10.2 Replanting species selection

According to the Management Objectives (refer to 5 Objectives) *Eucalyptus nitens* is the preferred species. This species has been chosen as the most economic eucalyptus species that can tolerate frost. Southland has been prone to severe frosts in the past and despite global warming evidence, the board of directors does not wish to increase the risk of crop damage due to frost.

The Company has operated a breeding programme for over 20 years and operates two generations of seed orchard. All seed for replanting is picked from Company-owned seed orchards. The breeding programme has incorporated local adaptation and growth performance.

6.10.3 Potential invasive impacts of exotic species

Over 30 years' experience has proven that the invasive impacts of planting the exotic species of *Eucalyptus nitens* and *Pinus radiata* can be controlled.

Eucalyptus nitens is not listed as a pest species in any regional plan covering the Company managed estate.

In the Southland and Otago Regional Pest management Strategies (2019-2029) *Pinus radiata* is listed as a pest species when it is identified as a wilding however there is no obligation on landowners to control the wildings. Rather, they are managed as part of the National Wilding Conifer Control Programme.

The Company monitors its managed estate for instances of wilding trees (both eucalypt and pine). In the event of wilding trees being discovered, and it being certain that the origin of the wilding trees was Company managed plantations, then the Company will engage with the adjacent landowner and where permission is given engage in a control programme. A recent example was the discovery of wilding eucalypts on the edge of a QEII reserve at Overton property. A control programme has been carried out and monitoring results show that the wilding trees have been eradicated from within the QEII boundary.

6.10.4 Genetically modified organisms

It is the Company policy to not use genetically modified organisms. It has not used GMO in the past.

New Zealand law currently prohibits GMO practice.

6.10.5 Ecologically appropriate practices

The Company uses ecologically appropriate silvicultural practices when managing its forests. The objective of the estate is to provide fibre for paper manufacturing, so an appropriate "pulp crop" management regime is applied. Refer to SWEL Regimes v3 in DMS.

6.10.6 Fertiliser use

In principle the Company wishes to minimise or avoid the use of fertilisers as it is a cost to the business. However, there are times when a fertiliser intervention is necessary to ensure the economic viability of a plantation.

Previous research over the years has shown that there is a requirement to fertilise seedlings at time of planting. This is consistent with general forestry practices in New Zealand and ensures that the seedlings get off to a good start. Fertiliser is minimised by applying the minimum required amount by hand to each tree.

Further evidence has shown that in order to get to canopy closure as early as possible an additional aerial fertiliser application is necessary at age 2 or 3 depending on the site. This has the added benefit of reducing the need for further chemical weed control.

In deciding whether any additional fertiliser application, or a change to the fertiliser mix is necessary, foliage sampling and soil sampling are conducted at the time of harvest and replant. Analysis of the results of this sampling programme informs any nutrient intervention required to maintain the growth and health of the forest.

6.10.7 Integrated pest management

The Company operates an Integrated Pest Management System verifiable at DMS.

Its use complies with the FSC Pesticides Policy FSC-POL-30-001 V3-0.

The use of pesticides complies with the ILO Safety in the Use of Chemicals and the New Zealand Management of Agrichemicals NZS8409-2021.

The management of aerial operations using pesticides is controlled with a Spray Plan consistent with the New Zealand Management of Agrichemicals NZS8409-2021. Each operation is assessed to determine the risk profile in relation to chemical drifting off-site. By applying all the available controls, it is possible to minimise the risk of spray drift.

The Company records its agrichemical usage on an annual basis.

The Company follows the IPMS to objectively demonstrate that when a chemical is used, it is the lowest risk chemical for that operation and that the use of the agrichemical is the only economic and practical choice for pest control.

6.10.8 Biological control agents

The Company minimises, monitors and controls the use of biological control agents. All biological control agents that the Company has been involved in releasing have been part of a government approved and funded programme run by SCION¹⁰. There has been no known damage to the environment as a result of the release of biocontrol agents to date.

6.10.9 Natural hazards

Southland is inherently less risky than other forested areas of New Zealand due to less steep slopes, less erodible soils, less risk of cyclones and extreme weather events. This means that the risk of damage to plantations and infrastructure from flash floods is minimised. The Company adheres to all applicable rules in the NES-CF regarding the treatment of slash where appropriate.

The region is, however, windy in general. One benefit is that trees that are used to growing in windy environments respond accordingly and are able to withstand the wind. If, however, a stand is partly harvested there is increased risk of windthrow in the trees that have grown up sheltered. The Company makes sure that when it plans harvesting activities that the prevailing wind is taken into account by ensuring that the harvest face of a setting moves towards the prevailing wind. That means that the areas being

¹⁰ New Zealand Crown Research Institute that conducts scientific research and development in forestry, wood products, and other biomaterials

harvested are protected by the western-most area of trees and this minimises the impact of windthrow at harvest.

The risk presented to people operating around trees in high wind is controlled through the Guidelines for Ceasing Work Amongst Trees in High Winds in DMS.

The Company liaises with FENZ on an annual basis and receives copies of the Annual Regional Fire Plan. From this information the Company updates its Fire Management Plan. This plan outlines the minimum requirements of employees and contractors regarding fire readiness. It also outlines the progressive steps to be taken as the Fire Weather Danger Index climbs during the fire season and what to do in a fire emergency.

6.10.10 *Protecting water resources and RTE*

All infrastructure, earthworks and silviculture activities follow the Operational Planning Process and adhere to the NES-CF and local council rules. Environmental values noted in Forest Information Summaries are protected with various controls as part of the process, verifiable at DMS and operational prescriptions and standards.

6.10.11 *Harvesting practices*

All harvesting activities follow the Operational Planning Process and adhere to the NES-CF and local council rules. Environmental values noted in Forest Information Summaries are protected with various controls as part of the process, verifiable at DMS and operational prescriptions and standards.

The Company is operating a pulp regime plantation estate for chip production. As such, there are no grades to consider when harvesting – all merchantable logs that are not used in the construction and corduroying of roads are extracted to roadside for loading out.

In certain circumstances operators find it difficult to remove the bark in the forest. This material cannot be chipped and so it is sold as firewood. This represents a lost opportunity, and the Company is currently actively assessing the opportunity to use bark in a value-adding process to reduce this loss of value.

6.10.12 *Waste disposal*

It is the Company's policy to clean up and disposal of all waste materials in an environmentally appropriate way that protects identified environmental values and is consistent with provisions of the Resource Management Act, HSNO Act, Biosecurity Act and Local Government Act.

All Contractor contracts contain provisions to implement the above policy.

7 *References*

Appendix A