

Insights

Best Practice Approach to Managing Fire Risk

Global Approach across Landscapes

As climate change continues to reshape environmental conditions, the frequency and severity of wildfires have increased across several regions where New Forests manages natural capital assets.

As such, effective fire management has become a key tool of both risk management and value creation in sustainable natural capital investing.

At New Forests, fire risk is considered from the earliest stages of the investment lifecycle, from due diligence to acquisition, through to management transition and value additive asset management.

By combining advanced technology, fire-preventative land management strategies, infrastructure investment, rapid response capability and strong partnerships, New Forests works to protect forests and agriculture landscapes, our communities, employees, and investor capital.

Assessing and Understanding Fire Risk

Effective fire management starts with understanding risk. During asset due diligence and management planning, New Forests uses tools such as **FlamMap** and other geospatial technologies to model potential fire behaviour across landscapes, assess climate conditions and understand future vegetation dynamics.

Fire risk assessments also consider proximity to firefighting resources, such as bodies of water, and emergency infrastructure. This helps inform investment decisions and supports the design of resilient landscapes from the outset.

Preventing Fires Before They Start

Prevention remains the most effective defence against wildfires. New Forests and its property managers maintain comprehensive integrated fire risk management plans that are updated annually before each fire season. These plans address crew training, equipment readiness, emergency contacts and response procedures.

Fuel management activities are undertaken throughout the year and include maintaining firebreaks, managing roadside vegetation, under-canopy burning, slashing grass, pruning lower tree branches and mulching surface fuels. Strategic green firebreaks, often done at the landscape level in coordination with adjacent property owners, are also used in some areas (see figure 1), creating corridors where forest density is reduced to help slow fire spread and improve the effectiveness of aerial firefighting operations.

Figure 1. Green Fire Breaks – an area of forest, typically along a high fire risk corridor such as a public road, where the forest has been heavily thinned, and maintained in that condition to enable air-dropped fire retardant to effectively reach the forest floor level.



Leveraging Technology for Early Detection

Early detection is critical to preventing small ignitions from becoming major wildfire events. New Forests uses a range of technologies to identify fires quickly and improve situational awareness.

For example, in the United States, we use a combination of AI-powered cameras and a system called **ALERT California** which draws upon hundreds of high-definition cameras positioned on peaks and fire towers.

In Australia's Green Triangle region and in Eastern Cape, South Africa, our portfolio companies use **FireHawk** and **PanoAI** systems, which integrate AI-assisted cameras that conduct 360-degree scans every few minutes and transmit live footage to monitoring centres. The technology can distinguish between smoke, fire and other heat sources, allowing trained operators to respond rapidly.

These systems are complemented by satellite detection, aerial surveillance during high-risk weather events and lightning-tracking tools that automatically identify potential ignition points following storms.



Fire prevention also extends to choice of species, as some species of pine and eucalyptus are more fire resistant than others, a factor which plays an important part in our genetics and intellectual property programs.

Investing in Infrastructure and Response Capability

New Forests supports fire preparedness through ongoing investment in infrastructure such as tanks, dams and bores, which are strategically located across our assets. Portable and permanent water dip tanks (see figure 2) allow helicopters to refill quickly, improving firefighting efficiency and reducing response times. Road networks and access tracks are also maintained to ensure emergency crews can safely reach fire-affected areas.

When fire danger levels rise, dedicated resources are positioned in relevant regions. These may include fire tankers, bulk water carriers, trained firefighting crews, heavy machinery and industry-funded helicopters capable of rapidly attacking emerging fires.

In the United States, security contractors carry fire-fighting equipment, including water tanks, to detect and suppress fires before they become large fires. Additionally, drones equipped with infrared sensors are used to detect heat following fuels treatments to ensure that beneficial fire remains within the intended footprint.

In South Africa, New Forests' portfolio company maintains trained firefighting teams, specialised equipment and dedicated aerial firefighting resources. The company runs an annual Fire Competition to test crew, equipment and aerial response coordination (see figure 3). At portfolio company Green Resources, which operates across Tanzania, Mozambique and Uganda, the firefighting teams conduct seasonal readiness exercises to practice their Tactical Fire Management Plans and better integrate risk-based fire management into day-to-day forestry operations (see figure 4).

In certain regions, we can take out parametric insurance to mitigate the impacts of fire. Parametric insurance is a type of insurance that pays out based on a pre-agreed trigger event rather than the actual loss incurred, and is often more efficient than traditional insurance.



Figure 2. Water Dip Tanks are used in western United States to allow helicopters to efficiently manage fires.



Collaborating Across the Landscape

Wildfires do not recognise property boundaries, making collaboration essential. New Forests works closely with neighbouring landowners, fire authorities, public land managers and industry partners to improve preparedness and response.

In Australia's Green Triangle region, stakeholders coordinate activities through the Green Triangle Fire Alliance, which supports shared detection systems, resource sharing, water infrastructure projects and cross-border response planning. Similar partnerships exist in other regions where New Forests operates, such as CAL FIRE in California, helping ensure a coordinated approach to managing fires.

Across Africa, New Forests works closely with local communities to ensure they understand the importance of preventing forest fires. Rural communities in Africa often conduct 'bush burns' to fertilise soil for crops and livestock; by working with rural peoples through dedicated community development officers, we teach pastoralists and agriculturalists alike how to burn safely and encourage the messaging of protecting our shared landscapes.

Figure 3. Firefighting Competition at Kubusi Sawmill, Rance Timber, South Africa



Preparing for the Future

As climate conditions continue to evolve, New Forests is incorporating climate-related risk assessments into its strategic planning. Using frameworks aligned with the Task Force on Climate-related Financial Disclosures (TCFD), the company evaluates future fire scenarios and adaptation opportunities, including changes to planting programs and the use of more climate-resilient species.

While New Forests is already harnessing AI tools, advances in machine learning, satellite monitoring and AI-powered surveillance are expected to further strengthen fire detection and response capabilities.

Building Resilient Forest Landscapes

New Forests' approach to fire management extends well beyond firefighting. By integrating risk assessment, technology, prevention, infrastructure, rapid response and collaboration, we seek to reduce wildfire risk and build more resilient forest and agricultural landscapes.

This proactive approach helps protect natural capital, support local communities and safeguard long-term value for investors.

Figure 4. Green Resources firefighting crew and fire tender during a pre-season readiness exercise



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