New Forests







Sustainability & Impact Report

2025

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As an Australian-headquartered business operating globally, New Forests acknowledges the Indigenous Peoples in the jurisdictions where we operate, and we pay our respects to elders, past and present.

We acknowledge that many of New Forests' investments are on traditional lands where Indigenous Peoples have lived for many thousands of years and we recognise their continuing connections to country and culture.



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Joint Note from CEO and Global Head of Sustainability & Impact



As we mark two decades of New Forests, this year's Sustainability & Impact Report reflects not only our continued evolution as a business but also our deepening commitment to delivering meaningful outcomes for people, nature and climate.





What began as a vision to reimagine forestry through the lens of sustainability has grown into a global platform that manages over AUD 12 billion in assets and stewards more than more than 4.3 million hectares of land across four continents.

This milestone year also marks the final stage of our leadership transition, as our founder and Executive Chair, David Brand, stepped down from his role at the end of June 2025. David's pioneering vision and enduring commitment to sustainable forestry and climate-aligned investment have shaped New Forests from its earliest days. We applaud and thank him for his extraordinary leadership and legacy, which continue to guide our purpose.

We are witnessing a step-change in sustainability and impact-related expectations, notably around the standardisation and scope of corporate sustainability reporting. The implementation of the International Sustainability Standards Board (ISSB) framework is creating new benchmarks for climate-related disclosures, reflected in the rollout of ISSB-aligned regulatory requirements across different regions and countries, and signalling the mainstreaming of climate accountability. At New Forests, we welcome this momentum. Clearer, more consistent disclosure frameworks drive transparency and better align investment with long-term sustainability outcomes. These developments reinforce our conviction that sustainable investment generates strong financial value alongside social and environmental value.

Another key shift is the rising importance of nature in financial decision-making. Nature is no longer peripheral – it is increasingly material to investment risk and opportunity. As a supporter of the Global Biodiversity Framework and participant in the Taskforce on Nature-related Financial Disclosures (TNFD), we recognise the urgency of understanding both the positive and negative impacts of our investments on nature. This insight is essential to improving outcomes and managing risks in a nature-positive direction.

New Forests' contribution to the Nature Positive Initiative's State of Nature Metrics initiative has been part of this work, as stakeholders work together globally to build consensus on universal set of metrics that can give an accurate picture of change in the state of nature. We look forward to piloting this new framework in FY26.

As part of our evolving impact strategy, we are deepening our focus on sustainable agriculture, launching our From Sustainability to Regenerative Outcomes Strategy, to guide our approach as we continue to accelerate our agricultural investments. We see the transition to regenerative agriculture as essential to food security, climate resilience and rural livelihoods, and we are investing in the frameworks to support it.

Our global footprint also continues to expand. For example, in Southeast Asia, our investment in timber processing infrastructure in Vietnam, with the Tavico Group, represents a strategic entry into one of the region's fastest-growing economies, with strong potential for climate and community benefits. In this report, you will read about our progress in FY25 across the four regions where we operate: Australia and New Zealand, North America, Southeast Asia and Africa. We highlight progress we are making around gender diversity, our different approaches to monitoring biodiversity and the opportunities emerging in carbon sequestration. The report also reflects our response to emerging global standards in climate and nature-related disclosure. As regulatory frameworks mature and investor expectations rise, our role is to stay ahead of the curve – not only by complying with the latest standards but by helping to shape them.

While there are political headwinds in some jurisdictions, these conditions have not diminished the resolve of committed investors. If anything, they have solidified it. We are seeing a stronger stance among those who recognise that sustainability and performance are inextricably linked. New Forests is proud to be among them.

At New Forests, sustainability and impact are not parallel tracks. They are embedded in our investments, our operational decisions and our conversations with partners and clients. As the world moves toward a more transparent, accountable and regenerative investment future, we are proud to help lead the way.

We thank our investors, partners and local communities for walking this path with us. Together, we are proving that sustainable investment in natural assets is not only viable – it is vital.



Mark Rogers
Chief Executive Officer



Jo Saleeba
Global Head of Sustainability & Impact

Our Impact at a Glance

Assets Under Management

Shared Prosperity	FY23	FY24	FY25
Individuals employed at assets	4,003	4,708	4,339
Percentage of female employees at assets	25%	23%	25%
Percentage of female leaders at assets (average)	18%	14%	15%
Females on the boards of assets	15%	16%	19%
Participants engaged in outgrower, smallholder and livelihood planting programs	384	436	412
Safety			
• Lost time incidents frequency rate (LTIFR)	4.1%	4.7%	5.1%
• Total recordable injury frequency rate (TRIFR)	13.6%	8.9%	11%

Nature-Based Solutions	FY23	FY24	FY25
Total carbon stored in production forests	196,093,623 tCO_2	192,485,096 tCO_2	198,299,817 tCO_2
Annual total carbon removals from production forests	936,691 tCO_2	920,065 tCO_2	2,767,517 tCO_2
Carbon credits issued	1,454,987	1,948,460	450,497
Greenhouse gas emissions from assets	6,431,347 tCO_2e	6,078,900 tCO_2e	5,327,648 tCO_2e
Total conservation area	190,880 hectares	200,200 hectares	217,230 hectares
• Permanently protected conservation area (i.e. under legal protection mechanisms)	30,980+ hectares	32,230+ hectares	31,483 hectares
• Area of environmental restoration	519 hectares	1,089 hectares	124 hectares
Waste generation and disposal	Not available	5,224 tonnes	3,323 tonnes

Circular Bioeconomy	FY23	FY24	FY25
Area of forest certified as sustainably managed	902,007 hectares	911,735 hectares	1,182,093 hectares
Certified timber produced	7,402,941 m^3	7,471,751 m^3	5,806,065 m^3
Volume of agricultural product harvested	243,139 tonnes	263,006 tonnes	293,467 tonnes
Seedlings planted	20,189,390+	21,565,370+	18,610,930+

Corporate Operations

Shared Prosperity	FY23	FY24	FY25
Employees	101	141	140
Percentage of female employees	47%	47%	48%
Percentage of female leaders	30%	35%	39%
Females on the Board	29%	29%	33%

Nature-Based Solutions	FY23	FY24	FY25
Greenhouse gas emissions from corporate operations	1,874 tCO_2e	2,143 tCO_2e	2,214 tCO_2e
Waste generation and disposal	9.08 tonnes	26 tonnes	10 tonnes

Leadership in Corporate Sustainability and Sustainable Investment

Certified B Corporation

B Corp Score (2023): **102**

PRI Principles for Responsible Investment

PRI Score (2024):

88 ★★★★☆ for Policy, Governance and Strategy

70 ★★★★☆ for Confidence-Building Measures

Responsible Investment Leader 2024 — A proud RIAA member

Responsible Investment Association Australasia, Responsible Investment Leader 2024

Environmental Finance IMPACT Awards 2024 Winner — Asset manager of the year: mid-size

Environmental Finance Sustainable Investment Awards 2025 Winner — Boutique investment manager of the year – Asia



About This Report



New Forests' Sustainability & Impact Report is our flagship publication, reflecting our ongoing commitment to embedding sustainability and impact across our business and the investments we manage.

The report provides stakeholders with insight into our sustainability and impact priorities, as well as our performance in these areas across both New Forests' corporate operations and our assets under management.

'New Forests' is used throughout this report to refer to the broader corporate group, including its activities and assets under management, where applicable. References to 'New Agriculture' specifically relate to our agriculture division and/or its assets.

Sustainability reporting remains a core part of our stakeholder communications, aligned with our values of transparency and clear disclosure on material sustainability and impact issues. These themes are informed through continuous engagement with both internal and external stakeholders.

The report reflects New Forests' mission and vision, with sustainability and impact at the heart of both, and aims to meet global best practice in sustainability and impact reporting. Its structure is guided by recognised international standards and frameworks, including the Integrated Reporting Framework and the Global Reporting Initiative (GRI) Standards. It also includes New Forests' integrated disclosures aligned with the Taskforce on Climate-related Disclosures (TCFD), as outlined in the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures, as well as the Taskforce on Nature-related Disclosures (TNFD).

Data in the report is sourced from internal company systems as well as from our assets under management. This report presents FY25 information (1 July 2024 to 30 June 2025) from our assets[1] with the exception of carbon removals.[2]

New Forests' global sustainability and impact team led the development of this report, in collaboration with staff across the business, especially those involved in asset management. It has been reviewed and approved by New Forests Audit, Risk, Compliance and Sustainability Committee, a committee of the New Forests Pty Limited Board, as well as the Board itself.

To support benchmarking and track our performance over time, previous annual sustainability reports are available on request. We welcome any feedback and invite you to contact us at impact-team@newforests.com.

Date published: October 2025

1 While included in the assets under management (AUM) and gross asset area, new assets acquired during FY25 are not included in the performance data and analysis.

2 Africa, Asia and US carbon removal data reported under FY25 is based on calendar year 2024.

About New Forests

New Forests is a global investment manager specialising in nature-based real assets and natural capital strategies, with AUD 12.1 billion (USD 8 billion) in assets under management across more than 4.3 million hectares (10.8 million acres) as at 30 June 2025.[3]

We manage a diverse portfolio that includes sustainable timber plantations, agriculture, carbon projects and related infrastructure.

As an investment manager, New Forests creates opportunities for investors to participate at scale in the productive use and long-term stewardship of land across forestry, agriculture and other land-based sectors. Our client base of institutional investors includes pension funds, sovereign wealth funds, development finance institutions and family offices.

New Forests adopts an integrated approach to long-term value creation for our stakeholders, grounded in the six interdependent types of capital identified by the International Integrated Reporting Council: financial, human, social and relationship, natural, manufactured and intellectual capital. Our Value Creation Story outlines how, through our business model and operations, we influence the stock of these forms of capital – increasing or decreasing them – and in doing so, create or impact value for both New Forests and our stakeholders.

We are continuing to improve the measurement and monitoring of the value creation outcomes we aim to achieve through our corporate operations and managed assets. Greater focus on the value creation outcomes will support a more integrated and strategic approach to delivering on our mission.

View our Value Creation Story



In Australia and New Zealand, our investment strategy focuses on the sustainable management of certified sustainable plantation forestry, timber processing, agriculture and carbon offset generation. In North America, our carbon forestry strategy centres on the management of certified semi-natural forests for both timber production and carbon offset generation. This approach enhances forest sustainability and increases carbon sequestration, contributing to climate change mitigation.

In emerging markets, our Asian investment strategy focuses on certified sustainable plantation forestry, timber processing, and establishment of carbon offset projects, alongside initiatives that aim to deliver benefits for climate, biodiversity, and local livelihoods, aligning with the Sustainable Development Goals. Similarly, our African investment strategy provides investors with access to sustainable plantation forestry and timber processing, targeting strong commercial returns and supporting economic development, while achieving measurable and scalable positive impact outcomes.

Our Vision

Our vision is to see investment in land use, forestry and agriculture as central to the transition to a sustainable future.

Our Mission

Our mission is to be the world's leading manager of nature-based investments.

Our Values

- Respect
- Integrity
- Client-Focused
- Persistence
- Collaboration
- Sustainability
- Transparency & Accountability



3 The AUM number includes audited figures as of 30 June 2025.

How We Are Governed

New Forests is committed to strong governance as the foundation for trust, transparency and accountability with our stakeholders. Good governance underpins ethical and effective management and equips the company to navigate risks and capitalise on opportunities.

Our governance framework refers to the rules, systems, processes and oversight mechanisms that ensure a sound structure for decision-making and accountability. This framework supports engagement with our governing bodies, shareholders, investors, regulators and the market. We are focused on continually strengthening our governance practices to meet evolving expectations and standards.

The New Forests Pty Limited Board has the highest level of oversight of sustainability and impact, covering both corporate and asset management activities. It has delegated some oversight responsibilities and duties to the Audit, Risk, Compliance and Sustainability Committee.

To ensure Boards and Committees are well-positioned to discharge their duties, we assess their composition with attention to the range of skills and experience required for effective governance. Board effectiveness is also shaped by qualities such as a diversity of views and experience, independence in thought and decision-making, and a foundation of trust. Table 1 outlines the key characteristics of the Board as of 30 June 2025.

Table 1: Characteristics of the New Forests Pty Limited Board

Number of Directors	6[4]
Female Directors	33%
Independent Directors	33%
Shareholder Directors	50%
Executive Directors	17%
Average tenure of Directors	5 years 5 months
Number of Board meetings held in FY25	6
Independent Chair	No

Assets Under Management

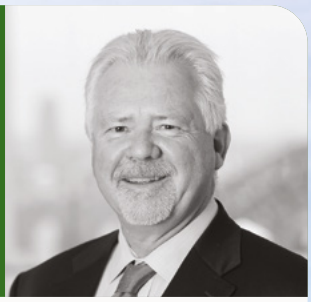
New Forests also implements robust governance structures across our assets under management, consistent with the approach outlined above. While we adopt the same governance processes for the Manager Boards that oversee our assets and the portfolio company boards, they are adapted to reflect the investment and investor requirements of our managed assets across the different regions.

4 The Board of New Forests is comprised of 4 shareholder directors, 2 independent directors and a director appointed as the Chair. As at 30 June 2025, there was an unfilled shareholder director vacancy resulting in a total of 6 appointed directors.





Reflection from New Forests' Founder and Outgoing Executive Chair, David Brand



As I step down as Executive Chair of New Forests' Board of Directors, I have been reflecting on my 20 years of working to build a business that highlights sustainability as a competitive advantage.

I came to forestry investment from a background in science, public policy and intergovernmental negotiations. My idea from the start was that forests are worth more than just the timber. I aspired to deliver sound, risk-adjusted returns while making progress against systemic issues, such as climate change and the conservation of nature, and support the creation of resilient and prosperous local communities.

New Forests began small, with a single AUD 50 million asset in 2005. At the time, people probably thought I was 'way out there', but we started generating great returns and growing faster than everybody else. All of a sudden, everybody started copying us. We built the business brick by brick, and now manage millions of hectares, valued in billions of dollars, across four continents. New Forests' growth has only been possible because of the willingness of our clients to support investments that emphasise sustainability alongside returns.

One of my proudest successes was the acquisition of assets from a large but collapsed asset in Australia and their subsequent transformation which also transformed the local community. From that day onward, contractors got paid on time and we could see the positive spiral: they could get bank loans, their kids went into their businesses and then a football team would start up again. Rural communities depend on a central economic engine, and I believe we have contributed to similar changes around the world.

It has also been a source of great pride for me to see the efforts of New Forests' staff: their innovation, entrepreneurship and ability to perpetuate a vision and values over two decades. There have been many milestones as we grew, including launching a world-first 'Eco-products fund' in 2007, helping recapitalise the Australian forestry sector after the global financial crisis, undertaking pioneering environmental market transactions, and finding our way in emerging market investments in Southeast Asia and Africa. New Forests has been risk-aware, but not risk-averse. We tried new investment strategies, such as landscape investments, and new fund structures, including blended finance.

Our sustainability work has also progressed, from early ISO-type Environmental Management System reports to the development of sustainable landscape management metrics, to collaborating on the standardisation of natural capital measurement and impact reporting. The evolution of technology has also supported this progression. In 2025, it is easy to forget that in 2005, there were no iPhones or iPads; most of our models were in Excel, and remote sensing technology could provide a resolution of 20 to 50 metres at best. Today, we have sophisticated information systems, remote sensing and lidar data at the individual tree level, as well as new advances such as eDNA and bioacoustics that can automate assessments, for example, of bird and frog species present in our forests and agricultural lands. In the coming years, I wouldn't be surprised to see the capacity to automate natural capital accounting from these multiple information sources, linked with AI systems and geospatial models.

The entire land management sector has made significant strides over the past two decades and I hope it will continue to prosper as we transition to a new natural capital asset class that can deliver sustainable, renewable materials and food, alongside solutions to climate change, nature conservation and community development. I expect New Forests to continue leading this transition.

David Brand

About New Forests

Two Decades of Growth, Vision and Impact: Celebrating 20 Years of New Forests

When New Forests was founded in 2005, the idea of natural capital investment was still unfamiliar. David Shelton, who joined the company at inception, recalls how unconventional the approach seemed. “When we started, the idea of impact investing in forestry was radical,” he says. “These days it is considered normal.”

Defining Natural Capital Investment

Shelton, now Managing Director of Australia and New Zealand, and Global Head of Investments, lauds New Forests’ leadership in bringing natural capital into mainstream finance. From establishing a track record in carbon markets to advocating for science-backed impact methodologies, the company has helped professionalise a once-niche sector.

He explains that the company always aspired to broaden traditional forestry: integrating land management with carbon markets, agriculture, processing and infrastructure. “Even in our earliest funds, New Forests always had a wider mandate,” he says. “I don't think there are any other managers who can truly point to that entire value chain.”

Long-term Assets, Long-term Growth, Long-term Change

Reflecting on New Forests’ journey, CEO Mark Rogers points to a pivotal early move: the acquisition of failed Managed Investment Scheme forestry plantations in Australia, which had collapsed following the global financial crisis. “They’re long-dated assets that help match liabilities for long-term investors,” he says. “That was the critical transformation into the business we have today.”

Looking back on those deals, Shelton contends that a pioneering, can-do mindset has been at the core of New Forests’ growth. “We’ve always looked for value where others saw risk. We were tenacious and creative,” he says.

Notably, he argues that making a difference means investing in businesses that need to improve their practices, rather than already-sustainable operators: “If you genuinely want to have impact, you have to use your capital and influence to steer those businesses into different places,” he says. “That’s what New Forests has done: we’ve been an active participant in change. But we've found a way to do that within institutional confines, without taking excess risk – with good governance, good management and smart people.”

Grit, Growth and Client Loyalty

Sarah Clawson, Global Head of Investor Relations, highlights the company’s reputation for persistence. “We’ve got true commercial grit. We’re not afraid to go in and do the hard work,” she says. For Clawson, this was evident in New Forests’ expansion into Southeast Asia and Africa and the recent launch of New Agriculture. “We’re bold, we often do hard deals, and we’ve got the perseverance to see it through.”

Along the way, Clawson has been buoyed by the dedicated nature of New Forests’ staff. “What has surprised me most is the continued excitement and energy of our people. Having a real purpose in your job is not something to take lightly,” she says.

That sense of commitment has fostered long-term trust with investors, many of whom backed New Forests’ early funds and continue to reinvest across new regions and strategies, often recommending the firm to others. “Clients want to stick with us,” Clawson explains. “They trust us to do the work, go beyond the surface and really dig into different markets and deals. It comes back to that real determination to deliver strong returns as well as climate, biodiversity and social outcomes.”

Investing in the Future

Looking ahead, Rogers says the task for today’s generation of foresters is clear: “There must be more trees on the planet today than there were yesterday. That is still not the case.”

But with this critical challenge comes an opportunity. “There’s no doubt in my mind that there is a better use of every hectare of land we use,” Rogers explains. That means managing land more scientifically, moving beyond traditional forestry to mixed land use that is socially, environmentally and economically more productive. “Our job is to optimise the landscape. I see it as one of the greatest arbitrages on the planet. It's an exciting time.”



New Forests' Milestones

Product Milestones

2025

MARCH **Future Forest Innovations Fund is announced**, in partnership with and including a USD 300 million investment from Oji Holdings, to deliver climate benefits

2024

MAY **Yougawalla Pastoral Company acquisition with AIMCo**, increasing our area under management by approximately 3 million hectares

2023

DECEMBER **Australia New Zealand Landscapes and Forestry Fund**, has its first close, broadening investment in forestry, agriculture and natural assets

JUNE **David Brand steps down as Executive Chair**, concluding two decades of visionary leadership

MAY **New Forests opens office in Paris**, strengthening our commitment to growth of natural capital investing in the region

APRIL **Mark Rogers becomes CEO**, with founder David Brand transitioning to Executive Chair, ensuring leadership continuity

2022

OCTOBER **African Forestry Impact Platform launches**, with inaugural acquisition of Green Resources in East Africa

MARCH **Tropical Asia Forest Fund 2 closes at USD 120 million**, strengthening presence in Southeast Asia

SEPTEMBER **New Agriculture launches**, with the aim to grow the agriculture portfolio globally

MAY **Mitsui & Co. and Nomura Holdings acquire New Forests**, supporting growth and global expansion

2020

JULY **Australia New Zealand Forest Fund transitions from a closed-end fund to a long-term rolling vehicle,** enhancing long-term capital management

MARCH **Release of Climate Action Plan and the inaugural Climate Disclosure Report**, committing to science-based, net-zero emissions pathways

2018

APRIL **New Forests becomes a Certified B Corp** demonstrating high standards for environmental and social performance, transparency and accountability

2017

JUNE **Australia New Zealand Forest Fund closes at AUD 873 million**, signifying investor confidence and capital growth

2015

OCTOBER **New Forests Timber Products launches** to market Australian hard-wood chips

2014

FEBRUARY **Australia New Zealand Forest Fund reaches final close at AUD 707 million**, strengthening scale and investment capacity

2013

JULY **Tropical Asia Forest Fund closes at USD 170 million**, establishing strategic presence in Southeast Asia

2010

OCTOBER **Australia New Zealand Forest Fund closes at AUD 490 million**, representing New Forests' first large-scale institutional investment vehicle

2008

AUGUST **Eco Products Fund launches at USD 100 million**, pioneering investments in carbon and biodiversity markets in the US

2005

AUGUST **New Forests Asia opens in Singapore**, growing institutional interest in forestry investment in Asia

JULY **New Forests founded** in Sydney by David Brand, introducing a new model for sustainable forestry investment

About New Forests

Our Assets Under Management

Australia and New Zealand

New Forests' investments in Australia and New Zealand comprise the majority of our assets under management, with the investment strategy focused on the sustainable management of certified plantation forests, alongside timber processing, carbon markets and agriculture.



AUD 9.7 billion (USD 6.4 billion) in assets under management

3,690,167 hectares (9,118,601 acres)

21 assets

Forestry | Agriculture | Carbon | Infrastructure

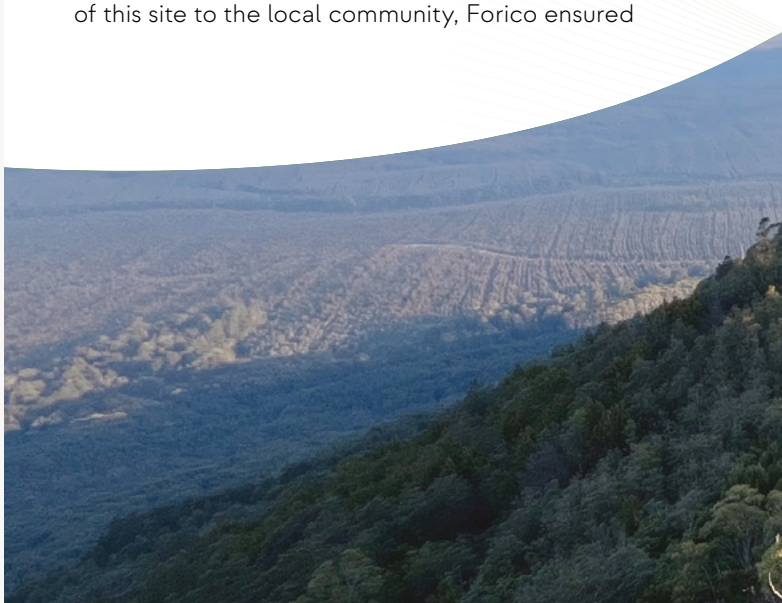
Creating Value in the Region

Carbon Projects

New Forests is an active participant in carbon markets across Australia and New Zealand, with the majority of assets successfully registering projects on the land and/or actively involved in the registration of new projects across established methodologies such as Plantation Forestry and Soil Carbon. A standout for the year in the portfolio has been the ActivAcre program, which in partnership with local operator SFM, transacts with Tasmanian farmers to plant forests on underutilised land, complementing existing farming activities. Having celebrated 1 million trees planted and 35 registered projects as at FY25 and 840,000 tonnes of carbon sequestration expected to be delivered over the life of the fund, ActivAcre demonstrates the climate benefits of integrating farming with plantation forestry (see case study on page 60).

Angler Access and Environment Stewardship

Forico, an asset managed by New Forests, has partnered with the Tasmanian Inland Fisheries Service (IFS) to maintain angler access during harvesting operations at Talbots Lagoon, a popular trout fishery within the Surrey Hills Estate in northwest Tasmania. Recognising the importance of this site to the local community, Forico ensured



access tracks remained clear of harvest debris and imposed a 40-metre buffer around the lagoon to protect water quality and aquatic habitat. Harvesting activities were scheduled outside the trout season – from late April to late July – to minimise disruption for recreational fishers. This initiative demonstrates how forestry operations can coexist with environmental stewardship and benefit the community.

Climate Reporting

Our Australian funds are preparing to report in compliance with the Australian Sustainability Reporting Standards (ASRS), which aligns with the ISSB framework. In FY25 we conducted Climate Reporting Readiness assessments across both the fund and asset levels to ensure we are well prepared to report in line with the ASRS and that any gaps are addressed in a consistent manner across captured funds and assets, directly supporting our broader sustainability and impact strategy.

Celebrating 10 Years of Birdlife Research

The end of the 2024 marked the tenth year of birdlife surveys in ANZFF's Forestry Investment Trust (FIT) estate. This year, New Forests is proud to continue supporting the continuation of the survey series and its expansion into the estate's South Australian Wattle Range landscape (see Biodiversity Monitoring case study on page 68).

Biodiversity Markets

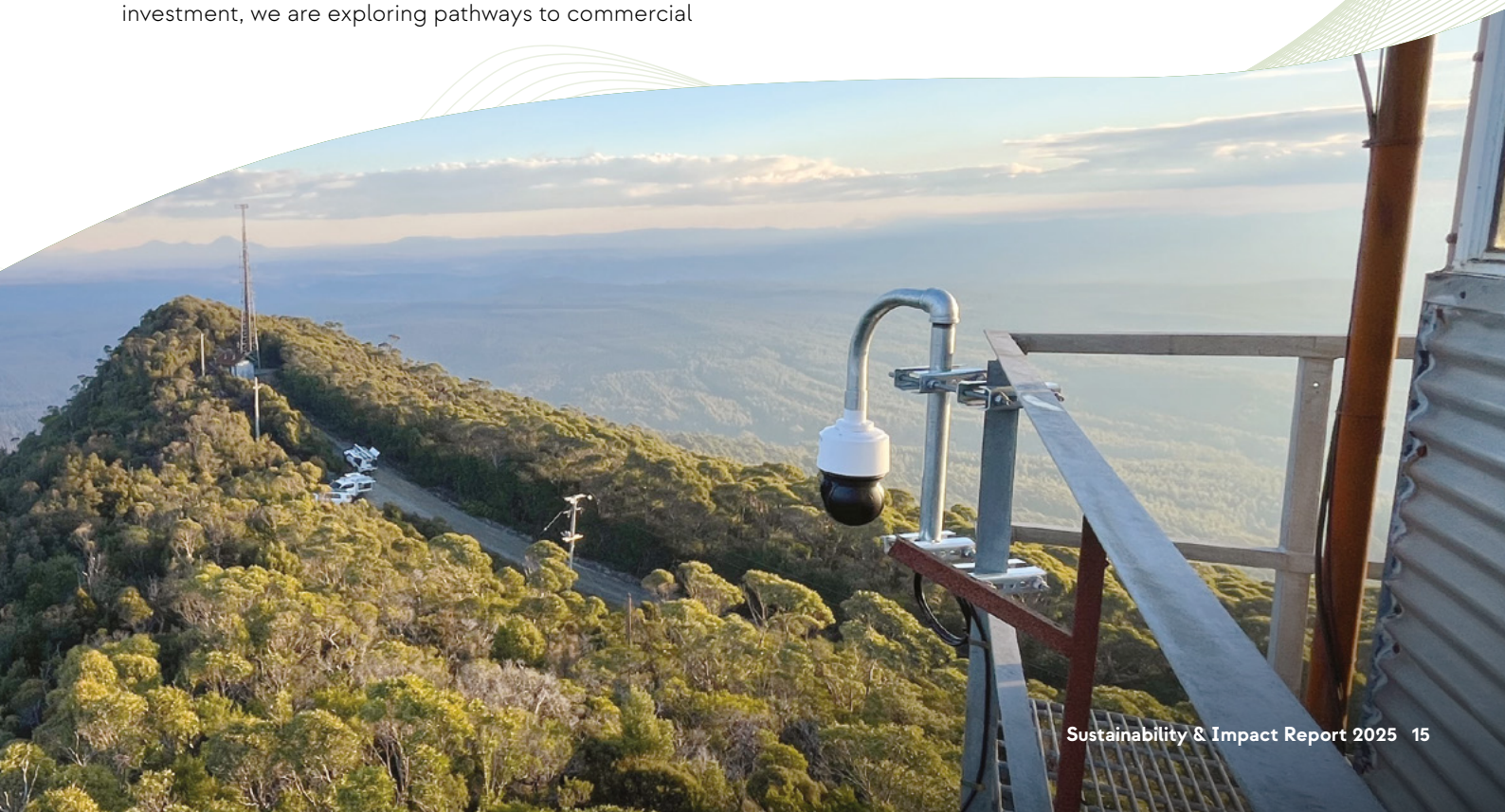
We actively manage and enhance high conservation value areas across our Australian and New Zealand assets, supporting habitat for key species. To unlock further investment, we are exploring pathways to commercial biodiversity markets. In New Zealand, ANZFF3 asset Aratu Forests' Waimanu Project was selected out of a pool of projects to collaborate with the Ministry for the Environment on a pilot program to help shape New Zealand's voluntary Nature Credit Market.

Fire Detection Technology

We have deployed advanced bushfire detection systems across key regions in Australia to strengthen fire risk management. In Tasmania, Forico installed four AI-enabled detection stations (see example in image below) across its 173,000-hectare estate, to identify early-stage ignitions. In the Green Triangle, between Victoria and South Australia, plantation managers for Australia New Zealand Forest Fund (ANZFF) assets Forestry Investment Trust, Penola Plantations and Border Plantations, as well as Australia New Zealand Forest Fund 2 (ANZFF2) asset Limestone Estate, are among nine forestry companies that have adopted similar AI technology to support faster, data-informed fire responses.

Net Zero Commitment

As a founding signatory of the Net Zero Asset Managers Initiative, New Forests is committed to achieving net zero emissions across all assets under management by 2050. We are applying the Net Zero Investment Framework (NZIF), beginning with a pilot on its application to ANZFF. During the reporting period, the pilot identified contractor diesel use as the primary source of emissions, with renewable diesel and battery-electric vehicles offering the most significant potential for decarbonisation.



Creating Value with New Agriculture

FY25 marked a year of foundational progress for New Agriculture, highlighted by the launch of the New Agriculture Landscapes Opportunities Fund (NALOF) and New Agriculture's Sustainability & Impact Strategy (see more on page 28).

Across our existing New Agriculture assets, we've made notable progress in productivity enhancements and carbon methodology development – laying the groundwork for long-term value creation that benefits investors, communities and ecosystems alike.

There were a range of measurable improvements across New Agriculture assets in FY25, demonstrating early progress against our sustainability and impact priorities.

Yougawalla Pastoral Company (YPCo) carrying capacity improvements

Through targeted investment in stock water and fencing infrastructure, YPCo will expand its productive capacity by approximately 30% over the next decade. This development lowers the cost per additional adult equivalent and enhances landscape management, reducing overgrazing and erosion while improving fire management.

Soil carbon project development at YPCo

At YPCo, work is underway to develop new carbon methodologies for regenerating degraded land, including the establishment of surface water swale systems that promote natural revegetation (see case study on page 60).

YPCo emissions reduction plan

We are establishing an emissions baseline for cattle and implementing an emissions reduction plan for YPCo. Efficiency improvements include genetic improvements for lower-emission livestock, improved pasture and grazing management, and herd optimisation practices such as early weaning and reducing unproductive animals, supporting both emissions reductions and productivity gains.

Together, these achievements reflect the ambition and momentum behind New Agriculture. With the launch of NALOF and our Strategy, we will focus attention on delivering measurable impact alongside financial performance – proving that regenerative agriculture is not only good for the environment, but critical to long-term value creation.



Diversification from Live Animal Exports to Local Markets

YPCo has had a long history in live animal export, operating one of the Kimberley's largest cattle enterprises spanning seven pastoral leases and five Indigenous sub-leases. While the majority of production still supplies live export markets within Asia, the company is actively driving diversification across its operations.

In addition to its core breeding business, YPCo is developing irrigation, feedlot and processing infrastructure to enable cattle to be processed locally, with beef products to be marketed both in Australia and internationally.

These initiatives reflect a deliberate strategy by YPCo to capture greater value, respond to evolving public expectations around animal welfare, and strengthen its role in building resilient regional supply chains – positioning the company at the forefront of change in the northern cattle industry, and providing a critical industry service for the broader Kimberley cattle industry.





About New Forests

Our Assets Under Management

North America

New Forests has been operating in North America since 2007, leading the way in innovative climate-focused forestry and conservation investments.

By going beyond traditional timber management, we encompass returns driven by carbon markets and conservation management strategies, such as conservation easements.



AUD 1.5 billion (USD 986 million) in assets under management

353,490 hectares (873,494 acres)

4 assets

Timber

Carbon

Creating Value in the Region

Collaborating for Conservation

Many of the US forestlands we manage are situated in ecologically significant transition zones, supporting high biodiversity and offering exceptional conservation potential. In FY25 New Forests strengthened its relationships with conservation partners in California, in collaboration with our property manager FWS Forestry. In addition to a conservation sale to the Pacific Forest Trust (PFT), (see case study on page 65), we sponsored the PFT's Forest Fete and spent time with the staff and board of the Siskiyou Land Trust, our conservation partners on the Upper Bear Creek Easement and other projects under development.

Carbon Credit Generation

Following successful third-party verification and registry review for multiple carbon projects at our Californian assets, final review processes are now underway with the California Air Resources Board (CARB), while one project has entered the final stages of both verification and registry assessment. We anticipate that CARB credits for all projects will be issued in FY26.



Engaging Contractors Around Safety

New Forests considers strong safety performance as fundamental to sustainable operations. While state-level regulations govern contractor safety, oversight of these regulations is often reactive. We have implemented an expanded safety approach within one US fund, broadening our focus to encompass safety from harassment, bullying and intimidation.

Expanding Our Timber and Carbon Strategy to the US South

While timberlands in the US South have traditionally been managed primarily for timber production, New Forests acquired a 90,000-acre estate in Oklahoma for a flagship carbon and timber investment as part of a separately-managed account. The asset is expected to sequester more than 3 million tonnes of carbon during its investment lifecycle. The asset also includes electricity generation from 16 wind turbines providing diversification through sustainable energy.

Wildlife and Biodiversity

Our property managers engage professional wildlife biologists to ensure regulatory compliance and lead initiatives beyond requirements, reflecting our values and our clients' commitment to responsible land management. From monitoring the fisher to managing forestlands in ways that protect and enhance trout habitat, in FY25 we progressed diverse initiatives for monitoring and supporting endangered flora and fauna (see case studies on pages 66 and 68).



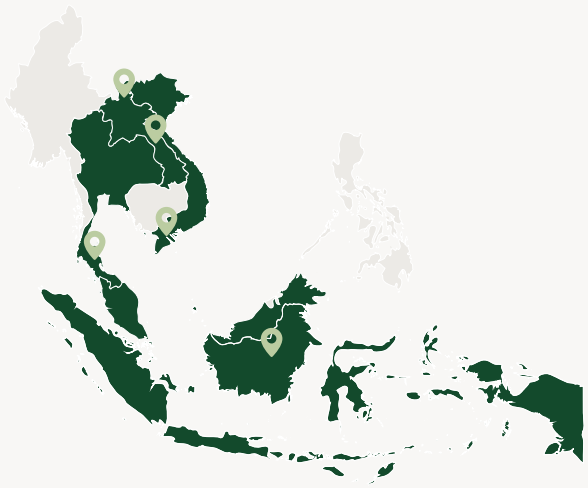
About New Forests

Our Assets Under Management

Southeast Asia

New Forests has been active in Southeast Asia since 2008, as the only global nature-based investment manager with a dedicated presence in the region.

We manage a portfolio of assets that encompasses sustainable tropical hardwood and rubber plantations, as well as timber processing facilities, carbon and other conservation projects across the region. Simultaneously, New Forests Asia manages a program to improve rural livelihoods and community development, including smallholder tree farms and benefit-sharing programs.



AUD 672 million (USD 440 million) in assets under management

231,901 hectares (573,041 acres)

5 assets

Timber | Carbon | Infrastructure

Creating Value in the Region

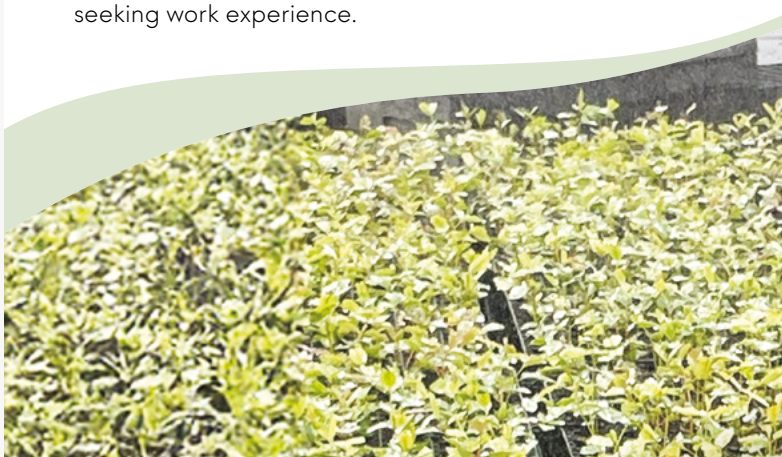
Climate and Co-Benefits

TAFF2 is an impact fund, with a mandate to create meaningful and positive impact for climate, biodiversity, as well as the livelihoods of people living within or near project activities. The fund is allocating 50% of its impact-focused funding to projects that deliver climate benefits, including generating carbon credits via recognised, up-to-date standards in the voluntary carbon market. All TAFF2 carbon projects will be certified under the Climate, Community and Biodiversity (CCB) Standards, demonstrating benefits for biodiversity and local communities.

Forestry plantations and carbon credit-generating projects focus on accelerating carbon sequestration and avoiding emissions from land clearing and land degradation. They also provide opportunities for enhancing natural habitat quality and connectivity, create employment opportunities, and can serve as a platform for benefits sharing. The Kuan Kreng Landscape (KKL) Project in southern Thailand, Mekong Timber Plantations (MTP) in Laos and Burapha Agro-Forestry (BAF) are developed to maximise various co-benefits. BAF has implemented a Verra-registered plantation afforestation, reforestation and revegetation carbon project with the latest issuance of credits occurring in early 2025.

Youth and Community Development

MTP runs the Hinboun Youth Volunteer Group Program to equip local youth with leadership, environmental and teamwork skills. In partnership with local schools, the program fosters community ties as volunteers lead projects like forest restoration and education on waste management, helping develop future leaders and promote active citizenship. MTP has also sponsored university scholarships for youths coming from project area villages and provided internships for locals seeking work experience.



Sustainable Timber Processing

New Forests is scaling its investments in sustainable timber processing, with TAFF2's FY25 investment in Tavico, one of Vietnam's leading timber processing companies, alongside existing timber processing at MTP in Laos. Both Tavico and MTP have Forest Stewardship Council (FSC) Chain-of-Custody Certification. By ensuring that wood processed within the Fund's umbrella is sourced from plantations that have not converted forest or natural habitat for establishment and are managed sustainably, these companies are regional leaders in the promotion of sustainable forestry.

Supporting Local Livelihoods

TAFF2 is supporting local livelihoods beyond the jobs created through plantation and carbon projects. This includes the MTP's Smallholder Development Program which helps smallholders grow timber sustainably, boosting incomes and strengthening community links to MTP's supply chain. At Tavico, the company facilitates and funds FSC Forest Management Certification for a community owned plantation, enabling community offtake of timber at a premium and contributing to environmental awareness in regional Vietnam.

The KKL Project will contribute a percentage of gross carbon credits sales revenue to both a Village Fund and a Landscape Fund, with the former allocated to community development projects and the latter to industry groups that use the landscape sustainably.

Driving Biodiversity Outcomes

TAFF2's investments include plantation forestry and carbon projects designed to deliver substantial biodiversity outcomes. For example, the KKL Project is focused on restoring the natural hydrology of peatland and peat swamp forest that has been drained and degraded, enhancing fire detection and suppression, and active peat swamp forest revegetation. Reforestation efforts are targeting degraded sites that would otherwise provide connectivity between higher value biodiversity areas, such as the Kuan Khi Sian Ramsar site, which sits within the project footprint. The site is home to more than 310 plant species, 71 animal species, 68 plankton species and 10 benthos species. Among these are critically endangered, endangered, vulnerable and near threatened species.

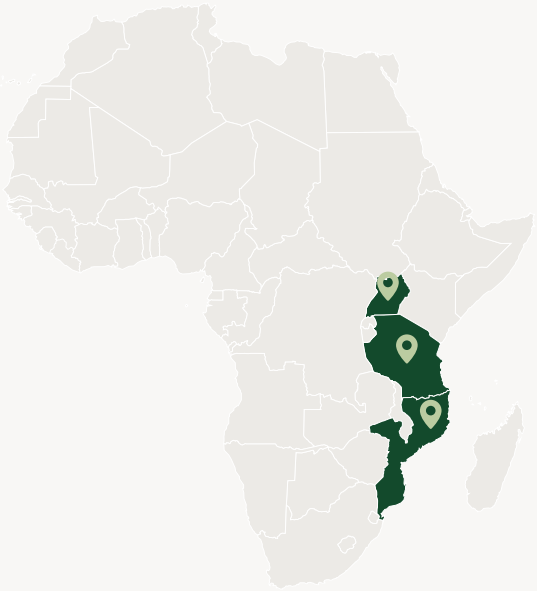


About New Forests

Our Assets Under Management

Africa

The strategy of New Forests' African Forestry Impact Platform (AFIP) is to establish a large scale, long-term and value-creation focused, actively managed investment platform with capital deployed across the forest landscape in Sub-Saharan Africa, focusing on consolidation, restructuring, growth and enhanced impact.



AUD 232 million (USD 152 million) in assets under management

86,442 hectares (213,602 acres)

1 asset

Timber

Infrastructure

Creating Value in the Region

Supporting Social Development

Green Resources AS (GRAS) is supporting 81 villages through a social development fund, with the communities themselves guiding how the funds are used. A recent review identified opportunities to increase its focus on livelihood, strengthen governance and build community capacity. Enhancements will include tracking and prioritising gender participation, as well as climate-resilient projects.

Timber Distribution Hub

To boost long-term revenue and market access, GRAS is working with Gatsby Africa to establish a timber trading and distribution hub in Nairobi. This initiative will expand access to certified, sustainably sourced timber in Kenya as well as providing regular training for local carpenters and distributors, and building the ecosystem of timber artisans, furniture makers and students – ultimately supporting local industries and livelihoods.



Meeting IFC's Performance Standard

In FY25, AFIP completed an International Finance Corporation (IFC) Performance Standard assessment of its fund and its first assets at GRAS, identifying improvements in biodiversity monitoring and reporting systems. While the assets are FSC certified, the IFC's landscape-level approach highlighted gaps that have now been addressed through updated Environmental and Social Action Plans, thereby strengthening risk management and investor confidence.

Strengthening Safety

In December 2024, a fatality caused by a lightning strike in Mozambique, alongside rising incident rates across GRAS assets, highlighted the urgent need to strengthen safety culture. In response, AFIP has prioritised safety and engaged an external specialist to develop a regional safety framework, benchmarked against global best practice in forestry and timber operations. Country-specific gap assessments are underway, with action plans, budgets and responsibilities in development. This framework will serve as a model for future African assets.

Impact Methodologies

AFIP is advancing an impact methodology to track progress toward the fund's environmental and social targets. Following consultation with investors and partners, we have agreed on climate (carbon) and gender impact metrics, while continuing to refine methodologies for livelihoods and biodiversity.



About New Forests

How We Deliver Our Sustainability & Impact

Sustainability at New Forests comprises two interrelated concepts: sustainable investment and corporate sustainability.

Our focus on sustainability supports our intention to achieve measurable positive impact. Each concept is crucial to ensure the achievement of our business strategy.

Sustainable Investment

Sustainable investment refers to the consideration of environmental, social and governance (ESG) factors when making investment decisions and influencing companies and assets, as defined by the Principles for Responsible Investment (PRI), the leading global industry body that encourages and supports the uptake of sustainable investment practices in the investment industry.

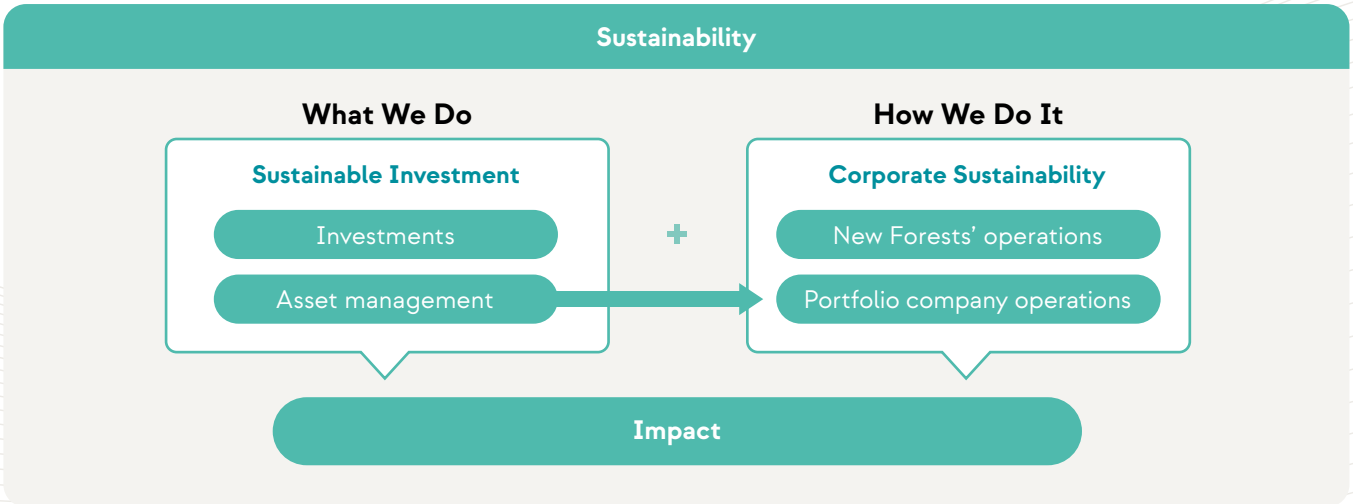
New Forests' Sustainability & Impact Policy summarises the company's commitments to sustainability and impact. Our Sustainability & Impact Management System (SIMS), is a key instrument for ensuring we comply with our Sustainability & Impact Policy and encompasses a large range of sustainability and impact metrics as part of tracking our performance.

New Forests' sustainable investment approach is informed by our membership of industry bodies, including the PRI, which we've been a member of since 2010, as well as the Responsible Investment Association of Australasia (RIAA) and CERES Investor Network. Participation in these groups helps us to understand what sustainable investment leadership looks like, allows us to learn from other members and target improvements over time.

Read our Sustainability & Impact Policy >



Figure 1: How New Forests' Defines Sustainability & Impact



Corporate Sustainability

Corporate sustainability refers to "a company's delivery of long-term value in financial, social, environmental and ethical terms". This definition is from the United Nations Global Compact (UNGC), the world's largest global corporate sustainability initiative. New Forests has been a member of the UNGC since 2021.

New Forests' Sustainability & Impact Policy applies to global corporate operations and related activities, such as our supply chain. The Policy defines the most material sustainability and impact commitments for our corporate operations.

To support leadership in corporate sustainability, New Forests has been a proud B Corp since 2018. B Corp certification is a global sustainability accreditation program in which companies undergo a rigorous assessment of their impact on people and the environment: the B Impact Assessment. New Forests views B Corp certification as a critical measure of sustainability because it provides a comprehensive and transparent global framework against which our performance is assessed and improved upon.

To remain B Corp certified, New Forests completes the B Impact Assessment every three years, and this evaluates our performance in relation to governance, workers, customers, community and environment.

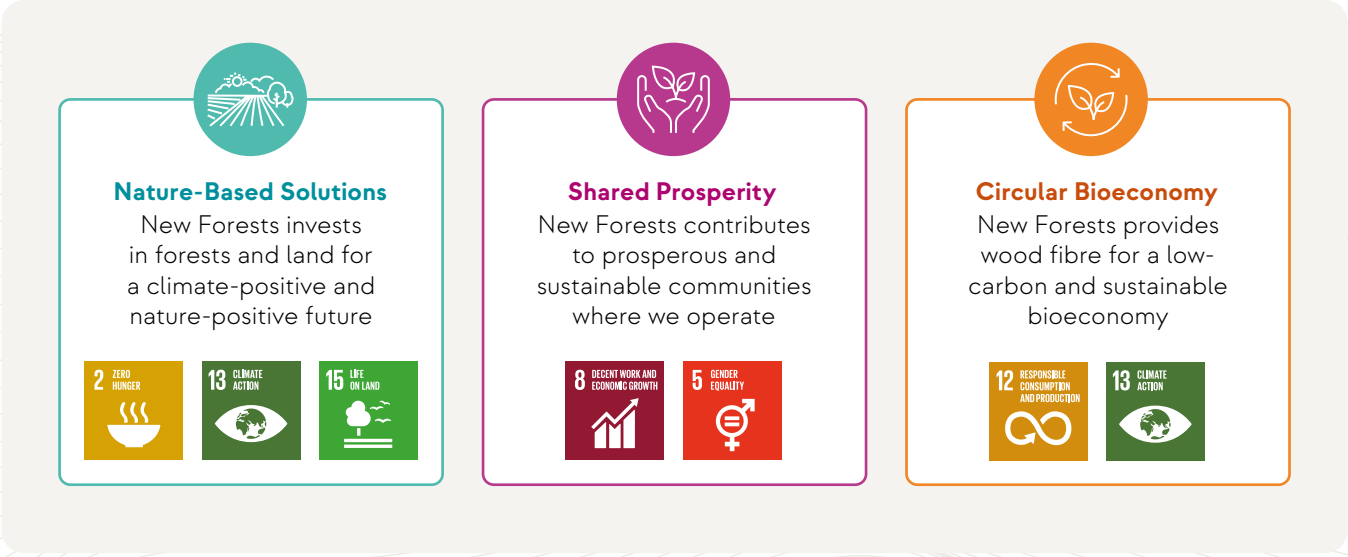
To achieve certification, a company must score a minimum of 80 out of 200 points on assessment and meet additional requirements related to legal accountability and transparency. In our most recent assessment (2023), New Forests achieved a score of 102, an increase of 14 points on our previous score of 88.

Impact

Impact refers to the intentional, measurable positive real-world outcomes for the economy, society and environment resulting from our investment activities and operations. This definition aligns with the Global Impact Investing Network's (GIIN) definition of impact investments, that is, investments made with the intention to generate positive, measurable social and environmental impacts alongside financial return. New Forests' definition is broader because it includes impact created through our business operations and encapsulated in our certification as a B Corp.

To advance our vision, New Forests' investment strategies support the role of forests, agriculture and other natural capital to create net positive impacts at scale in three impact areas – Nature-Based Solutions, Shared Prosperity and the Circular Bioeconomy (Figure 2) – aligned with seven of the UN Sustainable Development Goals (SDGs).

Figure 2: New Forests' Impact Areas



About New Forests

How We Deliver Our Sustainability & Impact

Sustainability & Impact Governance

We have diverse sustainability and impact governance structures and processes in place to ensure that New Forests delivers on its sustainability and impact commitments. These governance structures and processes include some specific features to ensure effective oversight and delivery of sustainability and impact and are also informed by leading practice sustainable investment standards.

The governing Board of New Forests Pty Limited has ultimate responsibility for sustainability and impact, including signing off on this Sustainability & Impact Report. The Board has delegated, as appropriate, some responsibilities to the Audit, Risk, Compliance and Sustainability Committee. This Committee comprises members with specific expertise, leading to more informed and effective oversight and decision-making.

Sustainability & Impact-Linked Remuneration

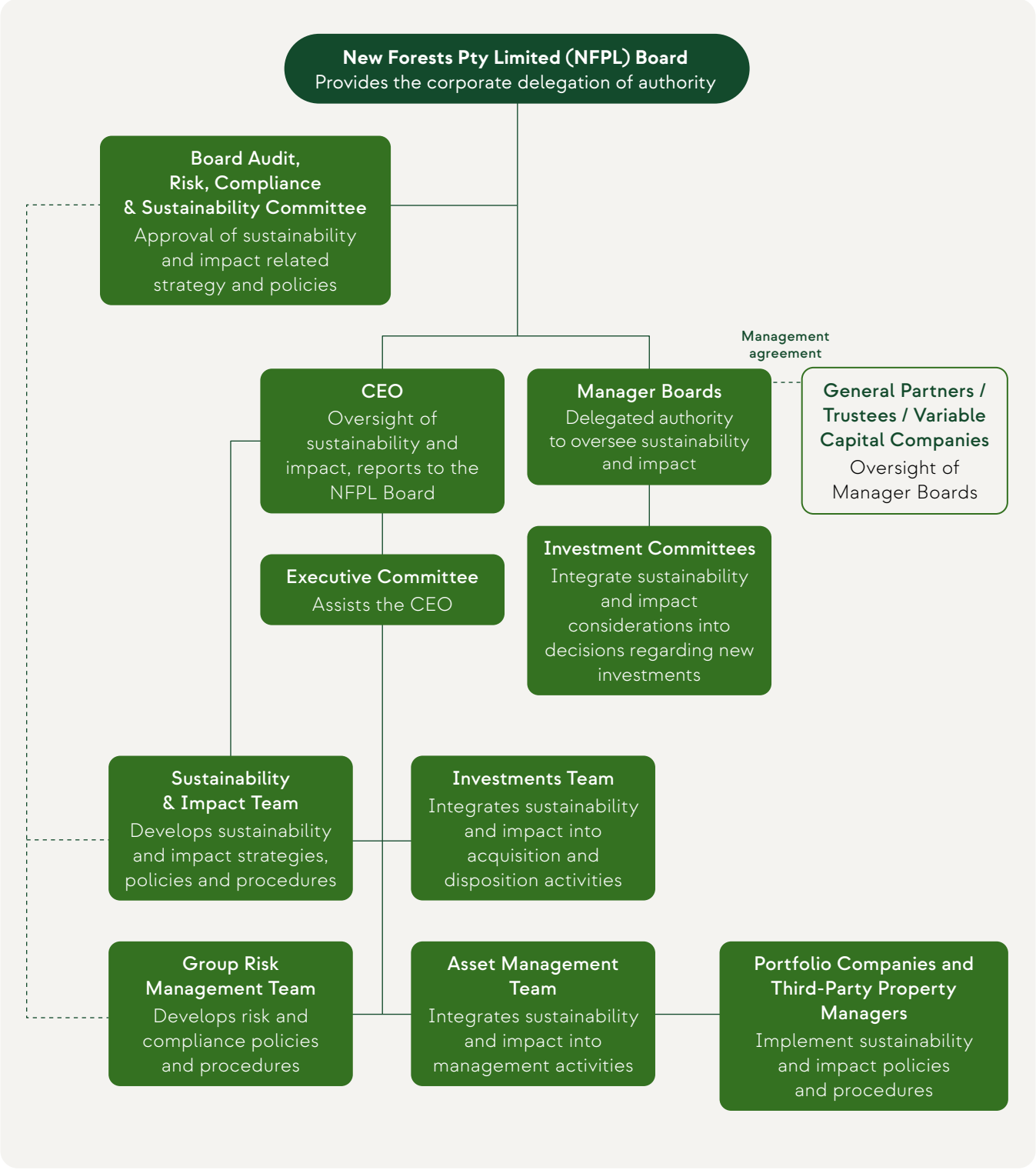
New Forests is leading by example in embedding sustainability and impact into how we reward performance.

Our approach to remuneration directly aligns the interests of our people with the long-term outcomes we seek for our investors, communities and the environment.

Every employee at New Forests has a sustainability and impact KPI tailored to their role and level of responsibility. In FY25, these KPIs were linked to remuneration for senior leaders, reinforcing accountability at the top. From FY26, this link to remuneration will apply to all employees, ensuring our entire team is incentivised to deliver on our sustainability and impact objectives.



Figure 3: New Forests' Governance Structures for Sustainability & Impact





About New Forests

How We Deliver Our Sustainability & Impact

New Agriculture Sustainability & Impact Strategy

To complement New Forests' wider Sustainability & Impact Strategy, we have developed and adopted a strategy specific to New Agriculture. It defines a long-term vision that places agricultural investment at the centre of the transition to a sustainable future. Delivered through our SIMS, the Strategy will be translated to the fund and asset levels.

The Strategy focuses on agricultural assets in Australia and New Zealand across sectors, including rainfed and irrigated row cropping, horticulture, livestock and related agricultural infrastructure.

It will also seek to access environmental markets such as carbon and biodiversity, renewable energy and conservation covenants.

At its core is a Theory of Change that recognises regenerative agriculture as a pathway to delivering strong, enduring returns. By transitioning to land management practices that prioritise soil health, biodiversity, water efficiency and the integration of First Nations knowledge, New Agriculture seeks to deliver landscapes that are more productive, resilient and valuable over time.

Figure 4: New Agriculture Sustainability & Impact Strategy – Outcome Areas and Activity Streams

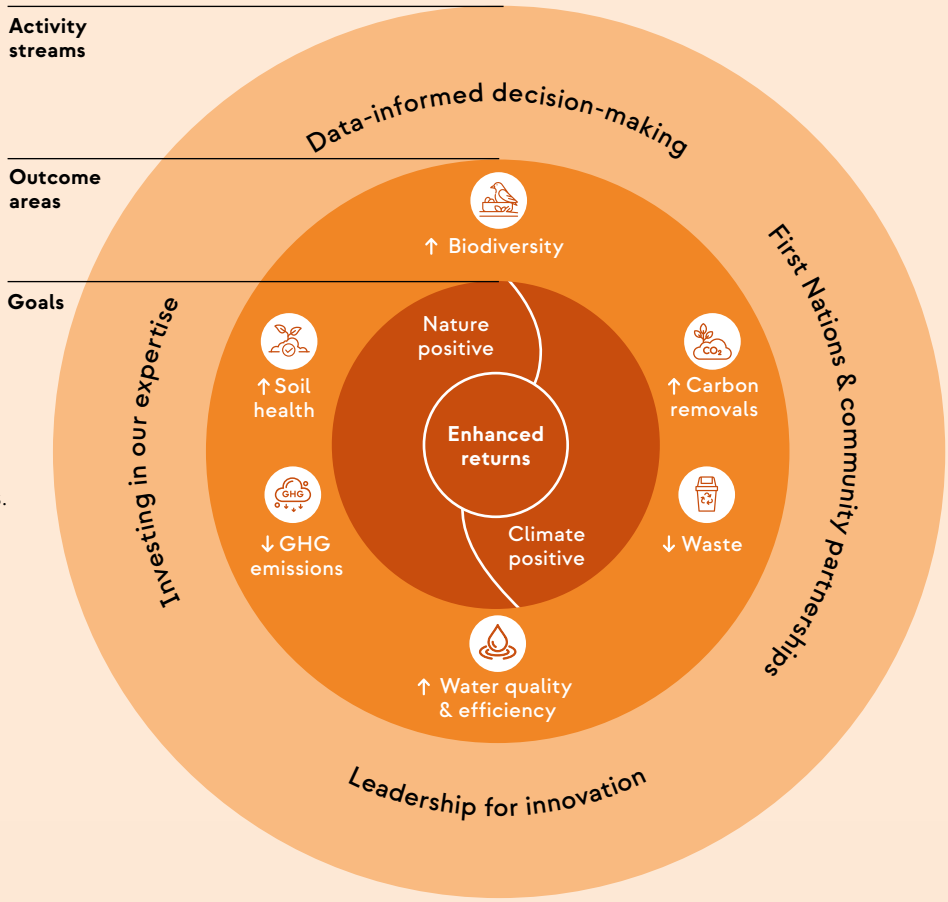
The strategy targets six outcome areas critical to long-term performance:

- Soil health;
- Carbon sequestration;
- Biodiversity;
- Water quality and efficiency;
- Greenhouse gas emissions; and
- Waste reduction.

We will track progress against these outcome areas to guide each asset's journey from sustainability standards to regenerative practices and, ultimately, regenerative outcomes.

Delivery is supported by four activity streams:

1. Investing in expertise;
2. Data-informed decision-making;
3. First Nations and community partnerships; and
4. Leadership in innovation.



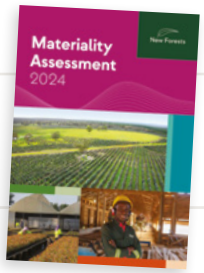


Our Material Themes

New Forests regularly conducts a materiality assessment to identify the themes that are most important to our stakeholders and most significant to our business success.

The material themes are then considered in the development of our business strategy, our risk identification and management, and our sustainability and impact reporting. It also assists in the prioritisation of activities that maximise value creation for our stakeholders and cultivate different types of capital.

Read our Materiality Assessment >



In New Forests' most recent materiality assessment, conducted in FY24, we identified 35 materiality themes through surveying different stakeholder groups. New Forests analysed the feedback, with a number of themes emerging that are material to stakeholders, financially material to New Forests, or a combination of the two (double materiality).

For stakeholders as a whole, the most material themes are health and safety, managed forest health, labour rights, land conversion/deforestation and transparency. These themes mostly relate to foundational aspects of conducting business responsibly and sustainably in the land use sector.

Other themes demonstrating high double materiality include land rights, carbon sequestration, pollution and stakeholder engagement.

New Forests seeks to refresh our Materiality Assessment every 2-3 years.

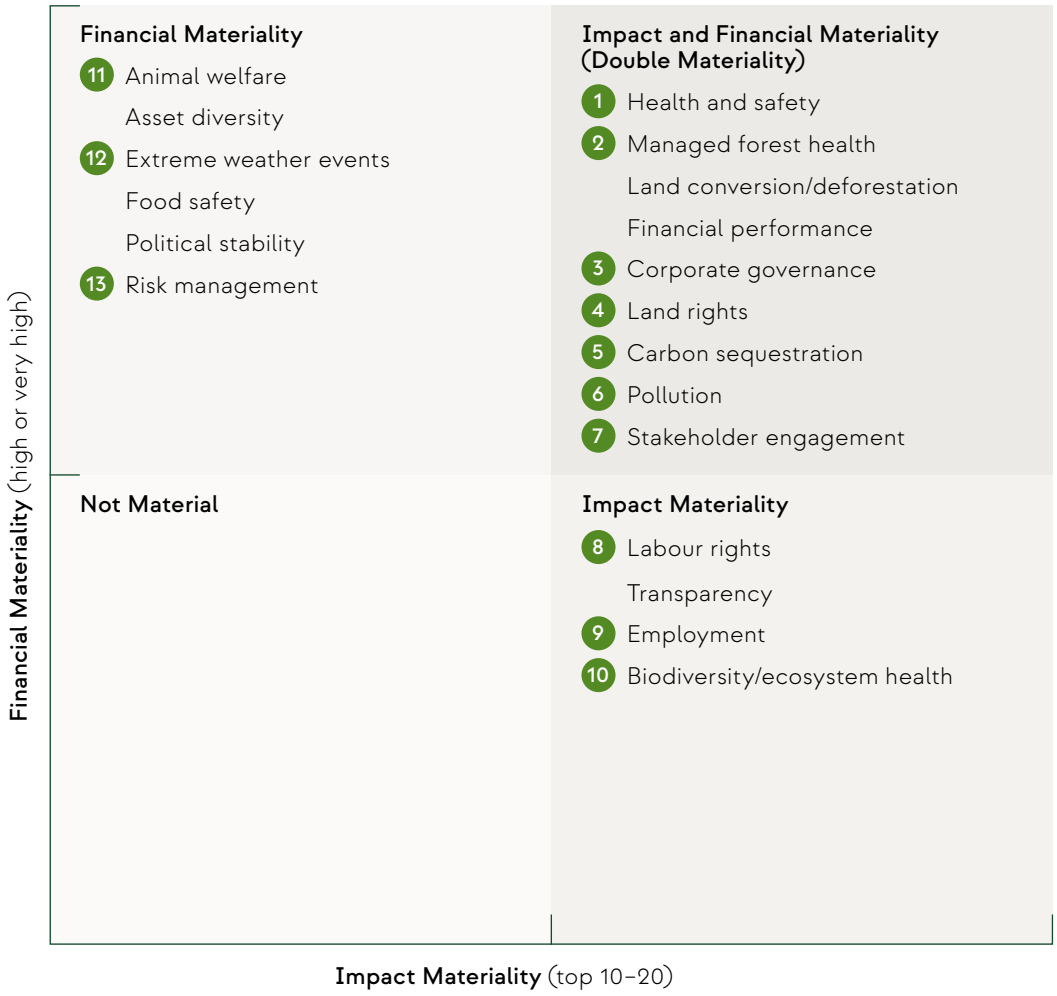
This report covers New Forests' activity and/or approach to these topics as outlined in Figure 5.



About New Forests

How We Deliver Our Sustainability & Impact

Figure 5: New Forests' Materiality Assessment Results



Report sections covering materiality topics:	
How We Are Governed, Sustainability & Impact Governance	3
Sustainability & Impact Risks and Opportunities	13
Our Material Themes	7
Contributing to Shared Prosperity	1 4 8 9
Increasing Nature-Based Solutions	2 5 6 10 11 12 13 13
Supporting the Circular Bioeconomy	10

Sustainability & Impact Risks and Opportunities

New Forests manages risk through a Risk Management Framework (RMF), an approach aligned with the principles of ISO 31000:2018 *Risk management*. This systematic and structured approach enables us to identify and assess potential, actual or emerging risks and opportunities across the business, including financial, strategic, operational, compliance, sustainability and impact, and reputational. The RMF applies across New Forests' corporate operations, investment vehicles and assets under management, with risks identified and managed at different levels to reflect varying risk profiles.

The RMF encompasses sustainability and impact risks and opportunities, ensuring they are assessed in context, not in isolation. This holistic approach strengthens the alignment between sustainability and impact goals and broader business objectives.

Consistent with our double-materiality approach, the RMF assesses both how sustainability and impact issues affect New Forests ('outside-in' risks) and how our activities affect people and the planet ('inside-out' risks). Each year, we review and update our understanding of these dynamics to support informed decision-making and our responsiveness to stakeholders.

We manage the sustainability and impact risks and opportunities identified through the RMF via our SIMS (page 32) which includes a suite of procedures and controls tailored to the range of activities we undertake. The continuous improvement processes in the SIMS, such as internal audits and management reviews, feed back into the RMF, generating data and insights that help us assess sustainability and impact risks as part of the broader risk landscape.

Below is a list of New Forests' key sustainability and impact risks, each of which has a number of management and/or mitigation measures:

Negative impacts of climate change

Risk of unmanaged climate impacts affecting long-term business strategy and financial performance

Inadequate sustainability and impact commitments

Risk of falling short on ambition or performance, potentially failing to meet stakeholder expectations and deliver fit-for-purpose products

Greenwashing

Risk of making misleading claims about environmental, social or governance positioning and performance

Reduced demand for carbon credits

Risk of reduced sales due to increased criticism and scrutiny of carbon markets impacting market participants, project credibility and climate outcomes

Ability to comply with mandatory disclosures

Risk of non-compliance with upcoming Australian Sustainability Reporting Standards

Reputational damage arising from livestock management practices

Risk of reputational harm due to association with live animal export or intensive animal farming



About New Forests

How We Deliver Our Sustainability & Impact

Sustainability & Impact Management System (SIMS)

New Forests' SIMS applies across both our corporate operations and investment activities, providing a unified and standardised framework for managing sustainability and impact through clearly defined requirements and guidance.

Our SIMS is designed to align with ISO14001:2015 *Environmental management systems – Requirements with guidance for use*, which is recognised as best practice for sustainability management systems.

Key elements of the SIMS include:

- Guidance for identifying, assessing and categorising sustainability and impact risks;
- Requirements for integrating sustainability and impact considerations throughout investment activities and decision-making including the acquisition, asset management and disposition processes;
- Definition of potential management controls to address identified sustainability and impact risks and opportunities and to ensure our commitments are achieved;
- Procedures for implementing corrective actions; and
- Regular management reviews to ensure accountability.

We translate the SIMS to individual investment vehicles through a SIMS Declaration Document, which defines relevant roles and responsibilities and sustainability and impact requirements specific to the investment vehicle and regional context.

SIMS Redevelopment

Given New Forests' global expansion, we are continuously evolving our SIMS to ensure robust, consistent and well-documented procedures that enable us to rapidly deploy capital at scale, while meeting compliance obligations, enhancing operational efficiency and effectively managing risks and opportunities.

Following our 2024 SIMS Management Review, New Forests developed a comprehensive improvement program to address identified opportunities throughout FY25 and beyond.

In FY25, we:

- Updated the Sustainability & Impact Policy;
- Refined sustainability and impact requirements for acquisitions including comprehensive due diligence requirements; and
- Refined sustainability and impact requirements for product development.

In FY26, we aim to:

- Finalise SIMS requirements for our group, asset management, corporate and dispositions activities; and
- Complete an internal audit on compliance with the SIMS acquisitions requirements.

Measuring Our Performance

New Forests developed our first set of sustainability and impact-related asset metrics in 2016 to support comprehensive and consistent monitoring of risks and opportunities across both corporate operations and assets under management.

Data for these metrics is collected quarterly and biannually and informs reporting to stakeholders through various channels, including fund-level sustainability and impact reports and this annual Sustainability & Impact Report. We strive to align our metrics with regulatory requirements such as the European Union's Sustainable Finance Disclosure Regulation (EU SFDR) for relevant funds,[5] as well as investor expectations and industry standards, including GIIN Impact Reporting and Investment Standards (IRIS+), TCFD and TNFD.

Commitments

	Commitment
FUTURE COMMITMENTS	
Governance practices reinforce company commitment to sustainability	Develop and roll out approved sustainability and impact training for Board Directors
Building the capability and culture of our people	Develop and implement sustainability and impact training program for New Forests staff
Integration of sustainability into investment and asset management includes formal commitments	Progress the implementation of the New Agriculture Sustainability & Impact Strategy
Maintain certification to sustainability standards	Conduct a B Corp review ahead of recertification in FY27
Engagement with assets on sustainability and impact	Convene a Sustainability & Impact Forum for our platform partners
Redevelopment of sustainability management system and performance monitoring	Finalise SIMS development and implementation
Sustainability management system compliance	Improve the integration of SIMS obligations into compliance monitoring
	Conduct an internal audit of compliance with the SIMS Acquisition Standard Operating Procedure (SOP) and Detailed Operating Procedure (DOP)

5 See Appendix A of this report for an aggregated Principal Adverse Impacts (PAI) statement

How We Performed

Contributing to Shared Prosperity



New Forests is committed to creating shared prosperity across our business, by facilitating decent work, promoting safe, fair and inclusive workplaces and engaging positively with communities across our corporate operations and assets under management.

We uphold international human rights standards and take active steps to prevent modern slavery, discrimination, and unsafe working conditions in our business and supply chains.

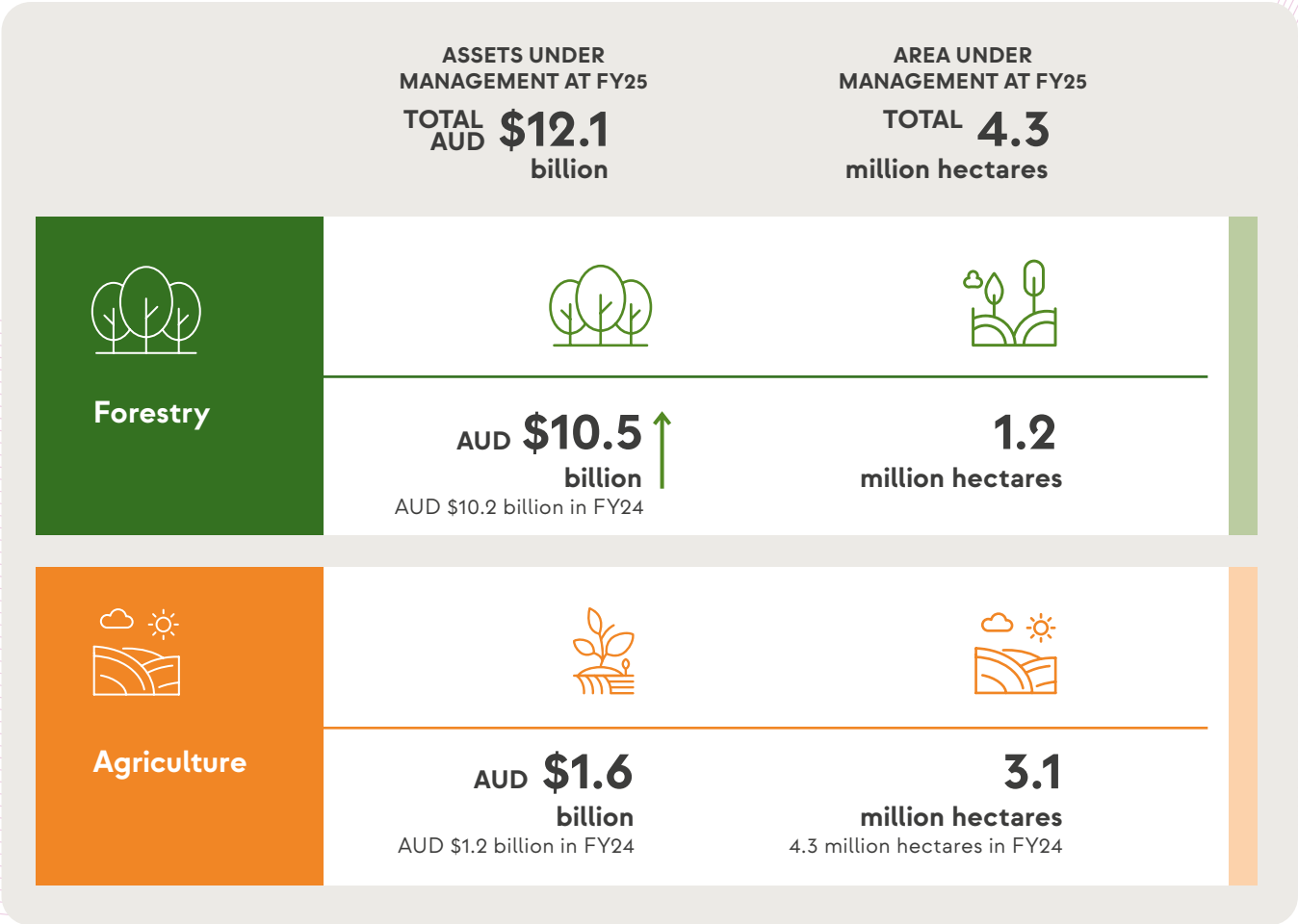
We work to strengthen the social fabric in the regions where our assets are located, promoting local employment, gender equality, and supporting community development activities that are socially inclusive and environmentally sustainable. We recognise the deep cultural, spiritual, and historical connection of Indigenous Peoples to land, and we are committed to respectful engagement and partnership with Indigenous communities. It is through these commitments and others, that we work to deliver value for our clients.

Our Clients

New Forests continues to deliver strong aggregate financial performance across its global portfolio, alongside steady growth in assets under management (Figure 6).

Our ongoing track record of active asset management delivering value for clients remains critical to the growth of our business and our ability to innovate and scale impact in line with our long-term vision. Investment returns from New Forests' assets under management are shaped by a broad range of macroeconomic, market and asset-specific factors, which vary widely across our regions and strategies.

Figure 6: Assets and Area Under Management



How We Performed

Contributing to Shared Prosperity

Our Employees, Workforce and Supply Chain

Providing Decent Work

Decent work is a fundamental pillar of sustainable development, connecting economic progress with human wellbeing, and ensuring that growth delivers shared prosperity alongside positive financial performance. Conceived by the International Labour Organization (ILO), the concept of decent work refers to opportunities for everyone to obtain productive work that is fairly paid, secure, provides social protection, respects rights, and offers dignity, equality, and opportunities for personal development and social inclusion.

New Forests' ability to deliver on our mission is underpinned by the promotion of decent work and building the capabilities of our employees, and even more significantly, through employment via our assets, with jobs typically located in regional and rural areas where primary industries play a considerable role in local economies.

Corporate Operations

At the end of FY25, New Forests directly employed 140 people globally, across our offices in Australia, New Zealand, Kenya, Singapore and the United States.

Our employee development programs support staff to better undertake their roles, enhance their leadership skills, career development and personal growth, and promote their physical and mental wellbeing. We offer remuneration to New Forests employees that has been benchmarked against the market and exceeds local minimum wage benchmarks.

Assets Under Management

In FY25, New Forests supported the employment of 7,219 people through our assets. This includes permanent employees (i.e. individuals employed by portfolio companies or third-party property managers responsible for day-to-day operations at assets), casual and seasonal employees, and contractors (Table 2). This represents a decrease of 11% from 8,140 employees as at 30 June 2024, largely attributable to the sale of some Australian and New Zealand assets during the year and decreases in harvesting because of lower demand from Asian timber markets.

New Forests is committed to supporting local employment through our asset management activities. In the case of land-only assets, this is done by hiring local third-party property managers responsible for the day-to-day operations. We measure the percentage of portfolio company employees and property management staff who are local to the operating region: for the FY25 reporting period, an average of 96% of staff were based locally. We also encourage the use of local contractors, who are an important part of the forestry, agriculture and land use supply chain.

As part of our Sustainability & Impact Policy, New Forests requires adherence to the ILO's core labour conventions across all assets and we also apply additional safeguards for workers' rights through forest management certification across all regions and the IFC Performance Standards within emerging markets. Our assets under management have codes of conduct to support decent working practices. In FY25, 93% of assets had a code that covers direct employees and 70% had a code that covers contract workers, both improving from FY24.

Table 2: Assets Under Management – Employees and Contractors

	FY23	FY24	FY25
Employees – permanent, casual and seasonal			
Total	4,003	4,705	4,339
Percentage of total workforce	72%	58%	60%
Contractors			
Total	1,564	3,435	2,880
Percentage of total workforce	28%	42%	40%

CASE STUDY

Formation of Worker Union in Laos



In November 2024, New Forests' TAFF2 asset Mekong Timber Plantations (MTP) in Laos established a formal worker union at its mill, marking a major step in strengthening workers' rights, improving communication, and fostering a supportive, transparent workplace.

The union provides employees with a structured platform to raise concerns, suggest improvements, and collaborate with management, as well as promoting the protection of labour rights and enhancing working conditions.

Objectives of the union include:

- Improved worker welfare through safer, healthier workplaces;
- Stronger labour rights protection by empowering collective negotiation of fair wages and benefits;
- Better communication and transparency between employees and management;
- Enhanced job security and stability via fair practices and consistent policies; and
- A positive organisational culture built on respect, fairness, and engagement, driving motivation and productivity.

Respecting Human Rights

We believe that treating people with respect and dignity is fundamental to ethical and responsible business and to achieving a just transition to a sustainable future. Our Sustainability & Impact Policy outlines our commitments to uphold and advance human rights, including the rights of Indigenous Peoples, at both the corporate and asset levels. We acknowledge that this is an ongoing responsibility and continue to refine our policies, procedures and practices to better safeguard the rights of all people we interact with.

New Forests recognises that modern slavery is one of the most severe human rights abuses and we publish an annual Modern Slavery Statement outlining our modern slavery risks and the steps we take to combat potential modern slavery in our corporation operations, assets and related supply chains.

Corporate Operations

As a signatory to the UN Global Compact since 2021, New Forests remains committed to aligning our corporate operations and investments with its 10 principles, covering human rights, labour, the environment and anti-corruption. We submit an annual Communication on Progress[6] to transparently report against these principles and demonstrate continuous improvement.

Assets Under Management

New Forests' most significant exposure to human rights risk lies within the assets we manage, where we engage with stakeholders who may face systemic vulnerabilities. These include Indigenous Peoples, contract workers and rural communities in regions where regulatory protections may be limited.

To address these risks, New Forests incorporates human rights considerations into assets' supply chain reviews and investment due diligence for the acquisition of new assets. We assess key risk areas such as labour rights, modern slavery, working conditions and local context, ensuring our risk assessment and asset management approach is both informed and proactive.

6 https://unglobalcompact.org/what-is-gc/participants/145956-New-Forests-Pty-Ltd

How We Performed

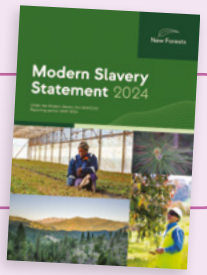
Contributing to Shared Prosperity

Modern Slavery

Modern slavery is considered a serious human rights violation, and refers directly to conduct that would constitute slavery and slavery-like offences, human trafficking; and the worst forms of child labour.[7]

Affecting millions of people worldwide, New Forests does not tolerate modern slavery in any form and we continue to strengthen our systems to prevent, identify and address risks of modern slavery across our corporate operations and the assets we manage.

Read our 2024 Modern Slavery Statement



Corporate Operations

At the corporate level, New Forests has embedded a series of initiatives that drive accountability and transparency with our suppliers, strengthen due diligence, and reinforce our zero-tolerance approach to exploitation. These initiatives include:

- Annual monitoring review of material suppliers – All material suppliers are subject to an annual review, which includes an assessment of modern slavery provisions in supplier contracts where a heightened risk has been identified.
- Contractual clauses – We incorporate explicit modern slavery obligations into contracts with new material suppliers, ensuring that suppliers understand and address modern slavery risks within their businesses.
- Supplier Code of Conduct – All new key suppliers must adhere to our Supplier Code of Conduct, which clearly states that we do not tolerate any form of exploitation through slavery. As part of onboarding, the Code is shared via *SlaveCheck*, an Australian modern slavery NGO and compliance platform. SlaveCheck leverages human intelligence, AI-driven technologies, and partnerships with civil society organisations to investigate, monitor, and remediate modern slavery risks in extended supply chains.
- Controversies screening – From FY26, we will enhance our due diligence framework by implementing controversies screening for key suppliers across New Forests and its subsidiaries. This process, undertaken by a third-party data provider, will identify any modern slavery allegations linked to suppliers using media sources, NGO reports, and industry research, and will consider the steps taken by suppliers to remediate issues.

Assets Under Management

At the asset level, modern slavery due diligence is embedded throughout our investment cycle. Pre-acquisition, we conduct structured assessments to identify potential modern slavery risks in target companies or assets. Post-acquisition, these risks are actively monitored through engagement with management teams, supply chain reviews, the inclusion of contractual obligations and reporting requirements, and periodic modern slavery risk assessments that help us track and respond to evolving risk exposures. This integrated approach ensures modern slavery considerations remain central to investment decision-making and ongoing asset stewardship

Our focus includes advancing forced labour screening in East Africa, expanding digital mapping of supply chains and piloting spot-check audits. We are also improving training and engagement within our extended supply network.

7 Government of Australia, Modern Slavery Act 2018 – https://www.legislation.gov.au/C2018A00153/latest/text

Providing Safe and Healthy Workplaces

New Forests identifies health and safety as our most significant material theme, both from a stakeholder perspective – impact materiality – and when applying a double-materiality lens that includes the impact to New Forests. Our employees, property managers and clients share this priority.

New Forests adopts a holistic approach to wellbeing that encompasses physical, cultural, spiritual and social health, both within our corporate operations and across assets under management.

Corporate Operations

Throughout the year, New Forests delivers initiatives that promote employee health and wellbeing. These include complimentary flu vaccines and participating in Australia's annual *R U OK?* Day, promoting mental health. Our learning and development offerings promote open communication in the workplace, psychological safety, effective workload management and healthy work-life balance.

We offer a range of supportive leave options across all locations, including flexible public holidays and gifted leave during the holidays. We have paid pregnancy loss leave, gender-neutral parental leave, family and domestic violence leave, and study leave, ensuring employees can take time off during periods of personal stress.

Employee Assistance Programs are available globally to staff and their immediate families, offering professional support for challenges such as illness, relationships, life transitions, parenting and grief.

Assets Under Management

While many roles across our forestry and agriculture assets offer the benefits of active, outdoor work connected with nature, they also carry health and safety risks. These include machinery-related accidents, chemical exposure, heat stress and dehydration, animal handling injuries and exposure to diseases that can naturally spread from animals to humans.

New Forests assesses the health and safety capabilities of third-party property managers as part of our supplier due diligence process. Where appropriate, we oversee health and safety programs and review performance reporting.

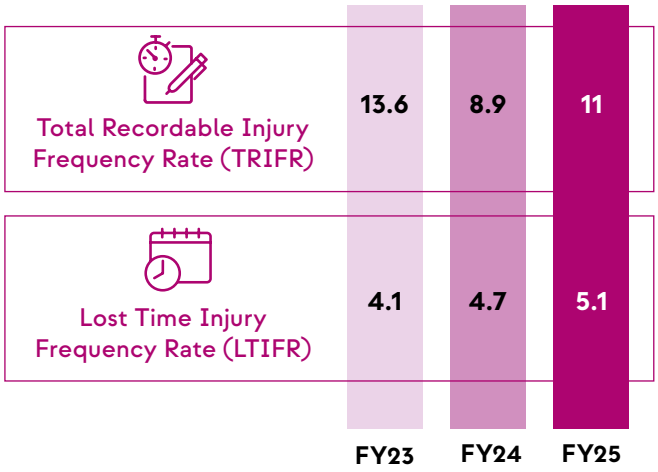
We track the Lost Time Injury Frequency Rate (LTIFR)[8] and, since FY23, the Total Recordable Injury Frequency Rate (TRIFR)[9] as key lagging indicators across our managed assets, comparing them with industry benchmarks. At the same time, we focus on leading indicators – such as safety culture measures, near-hit observations and completed incident investigations – to build a proactive safety culture and continuously improve performance.

At 30 June 2025, the LTIFR across New Forests assets was 5.1, a small increase from 4.7 in 2024. Meanwhile, the TRIFR, as at 30 June 2025, was 11, increasing from 8.9 in 2024 (Table 3). As an active asset manager, New Forests works closely with our assets, particularly new assets in emerging markets, to improve the reporting of safety related incidents. This is influencing our health and safety performance metrics, as a greater number of incidents are now being reported.

New Forests' assets engage in continual improvement in health and safety to minimise these outcomes including external auditing of safety practices and behaviours. In several jurisdictions New Forests encourages contractors to be certified to voluntary national standards including SafeTree[10] in New Zealand, ForestFit[11] in Australia and Master Logger[12] in the US.

Tragically, there were two fatalities involving workers at New Forests' assets in FY25; one in Tanzania and one in Australia. As investigations by the relevant regulatory bodies are still in progress, the assets are unable to provide further comment, however both remain deeply committed to safety.

Table 3: Assets Under Management – Safety Indicators



8 LTIFR refers to the number of lost-time injuries per million hours worked.

9 TRIFR refers to the total number of injuries per million hours worked.

10 https://www.safetree.nz/

11 https://www.forestfit.com.au/

12 https://californialoggers.com/services/prologger-certification-and-training/master-logger-advanced-certification-program/

How We Performed

Contributing to Shared Prosperity

Diversity, Equity and Inclusion

New Forests is committed to fostering a culture of diversity, equity and inclusion (DEI) and non-discrimination in our corporate operations. Our DEI Policy outlines our commitments and guides the way we embed these principles throughout our business.

We place particular focus on gender diversity, recognising the historical underrepresentation of women involved in investment management, forestry and agriculture. This focus also aligns with the expectations of our clients, many of whom seek to improve gender equity across their investment portfolios.

Corporate Operations

Across our corporate business, we continue to implement a broad suite of initiatives to advance DEI, with an emphasis on gender diversity. These include:

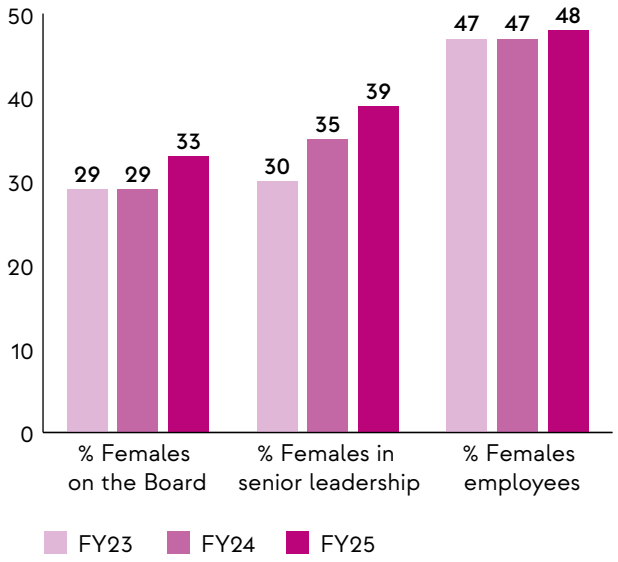
- Flexible public holidays, allowing staff to substitute the date of a public holiday to better reflect cultural and religious diversity;
- Mandatory DEI training, including unconscious bias training;
- Celebrating diversity through staff events during Pride Month, Harmony Week, Eid al-Fitr and Ramadan, International Women's Day and NAIDOC Week; National Aborigines and Islanders Day Observance Committee);
- Biannual employee satisfaction surveys, incorporating questions on inclusion, representation and psychological safety;
- Broadening recruitment pipelines by targeting diverse candidate pools across gender and cultural backgrounds;
- Professional development programs with DEI as a core component to strengthen inclusive leadership;
- Annual remuneration reviews, with targeted actions to address pay equity and bridge the gender pay gap;
- Dedicated budget allocation for DEI-related development, enabling staff participation in initiatives such as *Women in Leadership* and *100 Women in Finance*; and
- Inclusive recruitment practices, including diverse hiring panels and the option for entry-level candidates to access sample interview questions in advance.

One initiative to promote action on gender diversity in private financial markets is the '2X Challenge'. Fund managers can use the 2X Criteria to establish gender-oriented targets and reporting for their corporate operations and investment portfolios.

The proportion of women employed by New Forests has been steadily increasing and, as of 30 June 2025, comprised 48% of total employees (Figure 7). This meets the 2X Challenge individual criteria of a 45% threshold for the finance sector. However, there are specific areas of our business where gender diversity remains low, particularly in our investments and asset management teams.

As of 30 June 2025, 39% of New Forests' senior leadership[13] were women, up from 35% in FY24. Pleasingly, this increasing percentage is now close to the 2X Challenge's threshold of 40%, while remaining an area for ongoing improvement.

Figure 7: Corporate Operations – Gender Representation



13 Senior leaders are defined as Executive Committee members and director-level employees.

Assets Under Management

Globally, the forestry sector remains male-dominated; however, recent efforts to promote greater gender diversity are beginning to show results in some regions. In Australia for example, the Workplace Gender Equity Agency reports that in FY24, 34% of employees working in forestry were female, noting however that only 24% of those in management roles were women. Meanwhile for agriculture, 38% of all employees were female, with 26% of those in management roles being female.[14]

New Forests works with our portfolio companies and third-party property managers to improve gender diversity across our assets under management. As of 30 June 2025, 25% of permanent and casual employees across our assets identified as female (Figure 8), up from 23% in FY24, while women held 15% of senior leadership positions, slightly up from 14% in FY24. This last figure remains below the forestry sector average reported by the World Business Council for Sustainable Development in 2024, where of the 27% average share of female employees, 25% were in senior management positions.[15] With 60% of the workforce at assets comprised of contractors and within this only 13% are female, signalling an ongoing area for improvement.

Encouragingly, the percentage of females on the boards of our assets has increased from 16% to 19%. This also remains an area for further improvement.

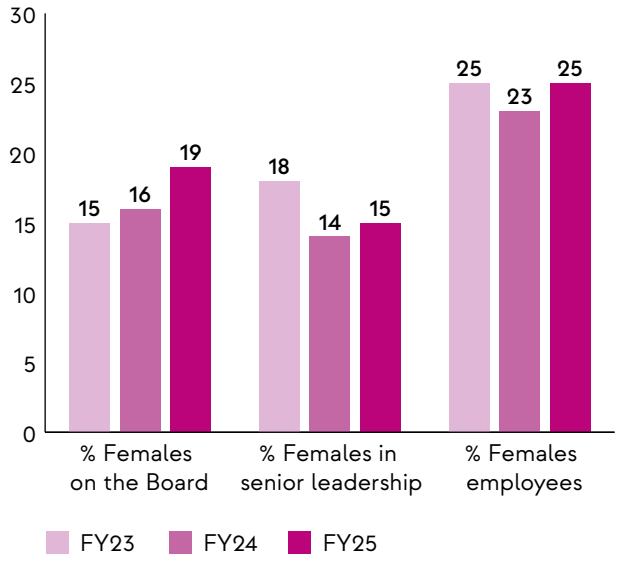
In 2023, New Forests' AFIP achieved recognition as a 2X Challenge Investment, reflecting a commitment to advancing gender equity in private markets. AFIP's target is for 80% of the portfolio to meet, and in some cases extend beyond, the 2X criteria within the 10-year initial phase of the fund.

This includes:

- A target of 30% for Leadership (Share of women in senior management and/or Share of women on the Board)
- A target of 30% for Employment (Share of women in the workforce)

In FY25, AFIP asset GRAS, achieved 25% share of women on the Board; 18% for share of women in senior management and 12% for share of women in the workforce. GRAS also appointed a female Group People & Culture Manager who is now leading the work to embed the targets across the organisation and develop a roadmap for achieving them.

Figure 8: Assets Under Management – Gender Representation



14 Workplace Gender Equality Agency Industry Data Explorer, https://www.wgea.gov.au/Data-Explorer/Industry

15 World Business Council for Sustainable Development, Forest Solutions Group KPI Indicators 2024, https://www.wbcsd.org/resources/fsgs-key-performance-indicators/



How We Performed

Contributing to Shared Prosperity

Communities

New Forests is committed to fostering strong, positive relationships with the communities in which we operate. We aim to deliver shared prosperity at the local level, where our assets are based. We recognise that community engagement is essential in establishing support for land-management activities.

We view a strong social licence to operate as critical to both the performance of our assets and the growth and success of the broader forestry, agriculture and land-use sectors. Local needs guide our approach, which includes job creation, income opportunities and support for development that contributes to healthy and thriving communities.

Creating Income Opportunities

Assets Under Management

In addition to employing local workers, New Forests supports a range of alternative income opportunities for communities near our assets. These initiatives are designed to be economically viable, socially inclusive and environmentally sustainable.

Examples include:

- Partnerships with landowners to plant trees on their land, with agreed payments for the harvested timber (stumpage);
- Land leasing arrangements, where landowners receive rental income for land leased for our forestry or agriculture activities; and
- Additional income sources, such as access to non-timber forest products, participation in carbon projects and support for traditional or community-run enterprises.

Smallholder and outgrower programs[16] – formalised and integrated into plantation management – are a feature of our approach in both developed and emerging markets (see case study on page 43).

As of 30 June 2025, there were 412 smallholders and outgrowers across New Forests' different assets. With TAFF2's acquisition of Tavico, one of Vietnam's leading timber processing companies, we intend to expand the existing community forestry program with smallholder farmers, further supporting climate objectives as well as improving livelihood outcomes.

SMALLHOLDERS AND OUTGROWERS

FY23	FY24	FY25
384	436	412

16 A smallholder is a farmer who owns or manages a small plot of land. An outgrower is a farmer who participates in a scheme where they grow crops (including trees) and are often contracted by a larger company or organisation (in exchange for technical advice and free or subsidised seedlings).



CASE STUDY

Upendo Honey: Promoting Livelihoods and Forest Conservation



In 2023, AFIP received a grant to explore high-impact initiatives across its portfolio. One outcome was a new apiculture project at GRAS in Tanzania, developed in partnership with Upendo Honey.

The project involves working with local communities on modern bee-keeping techniques, which help minimise the risk of wildfires. Hives are placed in conservation areas within the landscape to promote pollination and protection of the forests, with Upendo Honey working directly with the beekeepers collecting and processing the honey and finding high value markets.

In December 2024, the US Agency for International Development announced an export initiative in collaboration with the Jane Goodall Institute, Upendo Honey, and US-based social enterprise Burlap & Barrel. The program supports the export of organic honey harvested from Miombo forests, directly benefiting approximately 1,100 Tanzanian beekeepers.

By linking sustainable production with international markets, the initiative enables local producers to earn up to three times the average market price – supporting rural livelihoods while helping protect forest ecosystems.

CASE STUDY

Mekong Smallholder Development Program



Established by MTP in 2020, the Mekong Smallholder Development Program supports sustainable forestry in central Laos by partnering with local households to grow plantation timber.

With 311 smallholders in FY25, the program enhances livelihoods while supporting MTP's long-term supply needs.

Participants receive subsidised high-quality seedlings and access to fair market prices, with the flexibility to sell to MTP or the broader market. MTP also provides site assessments, silviculture training and ongoing monitoring, including a six-month vigour survey using the Microforest platform.

Farmers contribute land (typically 0.5–1 hectare) and labour for site preparation, planting and maintenance. Under a local governance model, villages provide representatives to coordinate farmer clusters.

By aligning environmental, economic, and social outcomes, the program builds resilient rural economies while promoting responsible land use and forestry practices that meet international sustainability standards.

How We Performed

Contributing to Shared Prosperity

Supporting Community Development

Corporate Operations

New Forests continues to champion community engagement through our dedicated employee volunteering program, where staff have two days of paid volunteer leave annually to engage in local initiatives.

Employees across our global offices use this leave to support a range of meaningful projects. The program fosters social connection and team building, while contributing to environmental stewardship and broader community wellbeing – reinforcing our commitment to positive social impact.

We also offer a charitable donation matching program, where New Forests matches eligible employee donations on a 1:1 basis. This initiative enables us to amplify the impact of staff giving and support causes that matter to our people. In FY25, over AUD 20,000 was matched in donations to organisations including Smile Asia, Human Appeal Australia, RSPCA (Royal Society for the Prevention of Cruelty to Animals), The Smith Family and the Indigenous Literacy Foundation.

Assets Under Management

New Forests' assets span a wide range of geographies and community contexts. We tailor our approach to community development, with portfolio companies and third-party property managers leading local initiatives that strengthen community resilience and support sustainable development.

Some of the activities in FY25 included:

- Leadership, environmental stewardship and community engagement training for youth volunteers, supporting individuals' personal development as well as long term community resilience;
- Expanding tertiary education access, including school outreach and fully funded scholarships alongside personal and academic development support;
- Restoration or renovations of schools to enhance the teaching environment and resources for students; and
- Water projects to ensure clean water supplies for households.

CASE STUDY

Community Volunteering at New Forests



In FY25, New Forests' employees across multiple regions used their paid volunteer leave to support diverse projects.

For example, Sydney staff volunteered at Pocket City Farms, helping weed garden beds and plant seedlings to promote sustainable urban agriculture. Similarly, the New Zealand team participated in conservation efforts at the Aongatete Forest Project, assisting with pest control to protect native forests. Kenya supported the "Bikers for Boobies" breast cancer awareness event, contributing to the production of 138 pairs of knitted prosthetic breasts for breast cancer survivors. Other staff volunteering days included blood donations and local council cleanups, trash collection and regeneration of reserves, parks and schools.

Engaging with Indigenous Peoples

At New Forests, our vision to see land use and forestry as central to the transition to a sustainable future is built on a meaningful and respectful connection to the land. We recognise that across the globe, Indigenous Peoples[17] have stewarded the land, waters and ecosystems for millennia. In many countries where we invest, Indigenous communities continue to hold deep cultural, spiritual and reciprocal connections to Country.

We respect, value and celebrate this cultural heritage and believe that operating on or near lands of historical or cultural significance to Indigenous Peoples brings with it responsibility and opportunity. With activity varying across regions, we seek to engage Indigenous Peoples in our management strategies and develop programs that directly benefit them through creating income opportunities, supporting community development and supporting their land rights and spiritual and cultural connection with the land.

Corporate Operations

In FY25, New Forests established a Global Indigenous Reference Group, comprising senior leaders across the business, to develop a global commitment and approach as to how New Forests partners with and supports the self-determination and rights of Indigenous Peoples through its corporate operations and assets under management.

This group is overseeing the development of a corporate Reconciliation Action Plan (RAP)[18] to promote reconciliation between Aboriginal and Torres Strait Islander peoples and non-Indigenous peoples in Australia, where our head office is based. The RAP will be completed in FY26 and help inform how we improve Indigenous engagement globally.

Assets Under Management

New Forests has a significant opportunity to collaborate with Indigenous Peoples through our land-based assets. Many of our portfolio companies and property managers actively engage with local Indigenous groups, and in some cases lease Aboriginal land.

Specific opportunities to protect Indigenous Peoples' land and enable them to generate an income from those lands can be delivered through carbon project development. In FY25, New Forests' Forest Carbon Partners (FCP) in the United States engaged with four Native American tribes and tribal organisations to develop carbon projects. Over the life of FCP, over 16 million carbon credits have been generated in the regulated California carbon market, resulting in nearly USD 200 million in income to tribes. In addition to generating income, funds from the sale of carbon credits have been utilised for projects that benefit tribes.

In FY25, four of New Forests' Australian assets under management were also covered by a RAP with others currently in the process of developing one.

Additional actions to support First Peoples include protecting and providing access to culturally significant sites. In FY25, 83% of our assets under management provided access to properties for cultural heritage activities.

17 There is no internationally agreed or accepted definition of the term 'Indigenous'. The UN Declaration of the Rights of Indigenous Peoples affirms that Indigenous Peoples themselves have the right to self-identify, which is the approach taken by New Forests.

18 A RAP provides organisations with a structured approach to advancing reconciliation, based on a framework of relationships, respect, and opportunities, developed by Reconciliation Australia. See Reconciliation Australia's website for more information. https://www.reconciliation.org.au/reconciliation-action-plans/



How We Performed

Contributing to Shared Prosperity

CASE STUDY

Building Careers for Aboriginal Youth in the Pastoral Industry

YPCo in Australia's remote Kimberley region has a long history of working closely with Traditional Owners and Indigenous communities across the region, including leasing Aboriginal land, supporting community development, providing access to cultural sites, as well as the training and employment of Indigenous staff and contractors.

In FY25, YPCo supported the participation of a number of Aboriginal men and women in the Kimberley Aboriginal Pastoral Academy[19] (the Academy). The Academy is a partnership between community, industry and government that aims to support employment pathways for Aboriginal people in the north-west pastoral industry – specifically a 10-week program aimed at equipping Aboriginal and Torres Strait Islander youth with the skills and experience to pursue careers in the pastoral sector. The Yawuru people are the Traditional Owners of the lands and waters in and around Rubibi (the town of Broome). The Academy is delivered under Yawuru's Warrmuala Murrgurlayi – Rise up to Work Program. With training through Kimberley TAFE and on site at Roebuck Plains Station, the program combines classroom learning with practical training.

Through a collaboration with the Ngunjiwirri Aboriginal Corporation (Lamboo Pastoral Lease), YPCo arranged for a number of participants to begin their training at Lake Gregory Station under the guidance of Station Manager Ned McCord. As an accomplished Station Manager and founder of the globally-recognised Yiramalay Studio School in the Kimberley, McCord is a respected leader in the education of Indigenous youth on country. He is mentoring a number of these participants, alongside other local Indigenous youth, to enhance their capabilities and opportunities in the pastoral sector.





19 https://aboriginalpastoralacademy.com.au/

Commitments

Progress: **on track/completed**, **delayed**, **no longer relevant or not a priority**

	Commitment	Progress
PREVIOUS COMMITMENTS		
Uphold human rights	Develop and begin rolling out the Human Rights Policy implementation plan	
	Mandatory Human Rights training for all New Forests staff with training requirements linked to remuneration outcomes for staff	
Support a living wage	Analyse wage data provided by assets under management against benchmarks	
Improve gender diversity	Include gender diversity targets for new funds	
Support local employment	Add sustainability metric for local contractors[20]	
Engage with Indigenous Peoples	Engage with property managers to increase Australian assets under management covered by RAPs	
	Implement regionally appropriate Indigenous Peoples' initiatives at corporate operations[21]	
	Establish a RAP Working Group and develop a corporate RAP for New Forests	
FUTURE COMMITMENTS		
Prevent modern slavery	Advance forced labour screening in East Africa	
	Expand digital mapping or supply chains	
	Piloting spot-check audits	
	Improve training and engagement within our extended supply network	
Engage with Indigenous Peoples	Commence implementation of RAP	

20 Time for data collection determined to outweigh benefits of collection.

21 To be considered as part of New Forests' RAP development.

How We Performed

Increasing Nature-Based Solutions

Nature-based solutions are actions to address societal challenges through the protection, sustainable management and restoration of ecosystems, benefiting nature, including climate and biodiversity, and human well-being.[22]

New Forests is committed to contributing to positive climate and nature outcomes through our investment and asset management activities:

- Nature Positive: refers to the achievement of net-positive biodiversity outcomes through the improvement in the abundance, diversity, integrity and resilience of species, ecosystems and natural processes; and.[23]
- Climate Positive: refers to a state where carbon removals exceed greenhouse gas emissions.

This section of the report provides New Forests' integrated Climate and Nature Disclosure, which is aligned with the recommendations of the IFRS S2 *Climate-related Disclosures*[24] and TNFD.

22 Adapted from the IUCN: https://iucn.org/resources/issues-brief/ensuring-effective-nature-based-solutions

23 https://www.naturepositive.org/what-is-nature-positive/

24 The International Sustainability Standards Board absorbed the TCFD in 2023; IFRS S2 integrated and is consistent with the TCFD recommendations.



Corporate Operations Integrated Climate and Nature Disclosure

Governance

New Forests' Board is ultimately responsible for overseeing New Forests' commitment and approach to climate and nature. The Audit, Risk, Compliance and Sustainability Committee of the New Forests Board receives and considers regular reporting, and advises the Board, on climate and nature-related dependencies, impacts, risks, and opportunities related to our corporate operations and investment and asset management activities.

New Forests' management is responsible for overseeing and implementing New Forests' commitment and approach to climate and nature for the business' corporate operations and investment and asset management activities.

Strategy and Risk and Impact Management

Based on the TNFD LEAP (Locate, Evaluate, Assess, Prepare)[25] approach, New Forests' climate and nature strategy and risk and impact management is informed by relevant dependencies, impacts, risks and opportunities, as defined below.

Dependency	Dependencies are aspects of environmental assets and ecosystem services that an organisation relies on to function.
Impact	Impacts refer to a change in the state of nature (quality or quantity), which may result in changes to the capacity of nature to provide social and economic functions.
Risk	Nature-related risks are potential threats posed to an organisation that arise from its and wider society's dependencies and impacts on nature.
Opportunity	Nature-related opportunities are activities that create positive outcomes for organisations and nature by creating positive impacts on nature or mitigating negative impacts on nature.

New Forests assessed nature-related dependencies, impacts, risks, and opportunities applicable to its direct operations, upstream value chain and downstream value chain (Table 4).[26]

New Forests' business strategy and planning process considers climate and nature-related risks and opportunities. During FY25, a 'strategy coherence' project included the development of executive and business-level alignment on what the future will look like. This included discussions and debate on climate and nature trends and scenarios, the risks and opportunities likely to flow from these, and the potential impacts on markets. As New Forests commences the next round of business planning, we will be more explicitly incorporating consideration of climate and nature-related risks and opportunities in line with IFRS S2.

In the development of new growth strategies and investment products, New Forests considers climate and nature-related risks and opportunities to support value creation. Specifically, these risks and opportunities need to be identified and considered in the Strategy and Product Concept Briefing, developed for new products, which requires approval by the Product and Strategy Sub-Committee of the Executive Committee before it can proceed. During acquisition due diligence and asset management, our approach to risk and impact management includes climate and nature, which are included in the risk register and related reporting as relevant.

Details on how climate and nature are incorporated into Strategy and Risk and Impact Management at our assets under management are provided on page 31.

25 Note that the Prepare phase of LEAP is this report.

26 An organisation's upstream value chain refers to "all activities associated with suppliers, such as production or cultivation, sourcing of commodities or goods, and the transportation of commodities to manufacturing facilities," while the downstream value chain refers to "all activities that are linked to the sale of products and services produced by the company. This includes the use and re-use of the product and its end of life, including recovery, recycling, and final disposal" (TNFD Glossary of Terms version 4.0).

How We Performed

Increasing Nature-Based Solutions

Table 4: New Forests' Corporate Climate and Nature Dependencies, Impacts and Risks

Dependency	Dependency Assessment	Impact	Impact Assessment – *the impact New Forests has on nature*	Associated Risk – *including relevant financial*	Risk Rating	Takeaways
Upstream value chain (i.e. suppliers and energy)						
Paper	Low	Resource use and associated emissions	Low negative	Increased demand for physical inputs for resources reduces availability and/or increases costs.	Low risk	New Forests' upstream value chain and corporate operations in Sydney, Melbourne, Tauranga, Singapore, San Francisco, and Nairobi are not materially dependent on nature nor impacting on nature. These dependencies and impacts do not have a material impact on our business model, strategy, or finances.[27]
Water	Low	Resource use and associated emissions	Low negative	Increased depletion of water resources globally reduces availability and/or increases costs.	Low risk	
Electricity (including renewables)	Medium	Resource use and associated emissions	Low negative	Increased demand for renewable energy reduces availability and/or increases costs.	Low risk	
Use of other resources	Medium	Resource use and associated emissions	Low negative	Increased operating costs. Emissions generated, contributing to climate change. Ability to reduce usage.	Low opportunity	
Transport fuels	Medium	Resource use and associated emissions	Low negative	Increased operating costs. Emissions generated, contributing to climate change.	Low opportunity	
Aviation fuel	Medium	Resource use and associated emissions	Moderate negative	Ability to shift to renewable fuels and/or decrease usage.	Moderate opportunity	
Availability of nature-based carbon credits	Medium	Supporting positive climate and nature outcomes	Low positive	Increased costs associated with purchasing credits for corporate climate neutrality.	Low risk	
Corporate operations						
Nature-related regulatory services (e.g. air filtration, protection from natural disasters, etc.)	Low	New Forests' corporate operations do not have an impact on nature's ability to provide regulatory services beyond the resource use and emissions noted in the upstream value chain.		Increased droughts, floods, and/or sea level risk make our office locations unliveable. Poor air and climate conditions pose health and/or operational risks.	Low risk	
Downstream value chain (i.e. assets under management)						
Corporate dependency on nature-based assets	High	See an assessment of New Forests' assets under management nature-related impacts on page 54.		Assets are dependent on climate and nature; adverse changes could affect financial performance, which in turn could affect any performance fees (see page 55).	Moderate risk	New Forests materially depends on nature via our asset management activities.

27 27 ENCORE assessed "asset management and custody banks" as dependent on only one of the ecosystem services evaluated and not impacting any nature impact drivers (see ENCORE Nature Capital Module, 2024). Note that New Forests has a presence in France, however, this location is excluded from FY25 reporting as it was not operational for the entire reporting period.



How We Performed

Increasing Nature-Based Solutions

Metrics and Targets

In relation to our corporate activities, New Forests reports against the TCFD (as outlined in IFRS S2), the TNFD core metrics[28] and the TNFD financial institutions metrics from the TNFD *Additional guidance for financial institutions* (Table 5).

New Forests reports 14% of the IFRS S2 recommended metrics, 40% of the TNFD core metrics (not considering risk or opportunity metrics), and 100% of the TNFD core financial institution metrics. Some of the TNFD core metrics are not relevant to New Forests corporate operations and for others, New Forests does not yet have the capabilities to report against them; the latter is an area of improvement for future reporting. New Forests aims to increase the metrics disclosed in future reporting.

New Forests' carbon accounting methodology, which includes greenhouse gas (GHG) emissions emitted (from both fossil fuel and biogenic sources) and carbon removals from forest growth, is available on our website.[29]

As a signatory to the Finance for Biodiversity Pledge, New Forests also reports progress related to nature-related collaboration and knowledge sharing, engaging with companies, assessing impact, setting targets, and reporting publicly. See Appendix B for this report.

Corporate Operations – Climate Target

For New Forests' corporate operations, our target is to be carbon neutral. To achieve this for our Scope 2 emissions, our corporate operations use 100% renewable energy – achieved through power purchasing agreements for some offices and, when such agreements are not possible due to the lease arrangement, obtaining Renewable Energy Certificates. To achieve this for our Scope 1 and Scope 3 emissions, excluding emissions associated with assets under management, i.e. Scope 3 Category 15, New Forests purchases high integrity carbon credits.

28 *Taskforce on Climate-related Financial Disclosures Core Recommendations and Recommendations of the Taskforce on Nature-related Financial Disclosures* (September 2023).

29 https://newforests.com/wp-content/uploads/2024/01/New-Forests-Greenhouse-Gas-Accounting-Methodology_FY23.pdf



Table 5: Corporate Operations – Climate and Nature Metrics

Core Metrics

Driver of nature change	Indicator	FY23	FY24	FY25	Targets
Climate change	**GHG emissions**				
	Scope 1 (tCO_2e)	0	0	0	See climate target breakout box (page 52).
	Scope 2 (tCO_2e)	6	8	5	
	Scope 3[30] (tCO_2e)	1,868	2,135	2,209	
Land / freshwater / ocean-use change	Total spatial footprint[31]	1,572 m^2	1,611 m^2	1,696 m^2	N/A
	Extent of change	0 km^2	39 km^2	85 km^2	N/A
Pollution / pollution removal	**Waste generation and disposal[32]**				
	Landfilled	7 tonnes	8 tonnes	3 tonnes	N/A
	Recycled	12 tonnes	16 tonnes	5 tonnes[33]	N/A
	Other disposal	0.08 tonnes	2 tonnes	2 tonnes	N/A
	Hazardous waste (% of total waste)	0.2%	0.2%	0.2%	N/A

Additional guidance for financial institutions

Indicator	FY23	FY24	FY25	Targets
Exposure to sectors with material nature-related dependencies and impacts[34]	90%	97%	96%	N/A
Exposure to assets in sensitive locations[35]	47%	19%	19%	

30 Note that emissions presented in this table exclude New Forests' Scope 3 category 15 investment-related emissions.

31 Represents New Forests' corporate office floor space; note that all offices are part of larger office structures.

32 Note that New Forests did not incinerate or reuse waste products.

33 The lower reported volumes of landfilled and recycled waste are due to a higher reliance on estimated volumes and the New Forests US office being in the process of moving to fully remote operations and therefore having no office waste to be reported.

34 Based on the definition of material sectors of the *TNFD Additional guidance for financial institutions*. Calculated based on asset area.

35 Calculated based on biodiversity habitat index, biodiversity intactness, level of water stress, baseline water stress, and areas of global significance scores. Calculated based on asset area. Note this is a change in methodology compared to previous reporting.

How We Performed

Increasing Nature-Based Solutions

Assets Under Management Integrated Climate and Nature Disclosure

Governance

New Forests maintains oversight of climate and nature-related exposures of its assets under management through governance structures which include Manager Boards, asset management staff, portfolio companies and property managers. This includes, at a minimum, quarterly reporting on material climate and nature-related risks and opportunities.

Strategy and Risk Management

New Forests' asset management strategy is informed by our commitment to contribute positive climate and nature outcomes.

New Forests assesses climate and nature-related dependencies, impacts, risks, and opportunities during the acquisition due diligence process and, once under management, annually via asset strategic planning. This strategic planning process is informed by the TNFD's LEAP approach (Table 6).[36] According to the mitigation hierarchy, New Forests strives to avoid or reduce negative outcomes and scale positive outcomes.

Updates on strategic projects related to mitigating related risks and/or scaling opportunities are included in quarterly reports to Manager Boards.

Table 6: Assets Under Management LEAP Assessment[37]

L = Locate our interface with nature	E = Evaluate nature-related dependencies and impacts	A = Assess risks and opportunities
As of 30 June 2025, New Forests' assets under management are located in: • Australia, • Indonesia, • Laos, • Mozambique, • New Zealand, • Tanzania, • Thailand, • Uganda, • the United States, and • Vietnam.	**Dependencies** New Forests' assets are inherently dependent on ecological functions; changes to the natural environment could have positive and negative impacts on the forests, farms, and processing facilities. Material dependencies identified for assets include fibre (as drivers of financial returns and inputs to processing), rainfall, surface and groundwater, natural disease and pest control, climate regulation, and soil and nutrients. **Impacts** New Forests' assets have a range of impacts on nature. Positive impacts identified for assets include those on land and freshwater ecosystems (e.g. establishment of riparian buffers, conservation and restoration programs), while negative impacts include emissions, the generation of waste, pollutants (e.g. to soil and water), and disturbances. While property managers and portfolio companies currently quantify these impacts, more work is needed to ensure this is completed in a consistent manner across the portfolio, along with determining how actions to improve impacts should be prioritised. Examples of New Forests' assets under management nature-related impacts are provided in the following sections.	Due to their high dependency and impact on nature, nature-based real assets have intrinsically high exposure to climate and nature-related risks and opportunities.[38] Relevant risks and opportunities as identified through the processes mentioned above and presented on the following page, vary across New Forests' operating regions, which informs our management approach.

36 The information in Table 9 is based on assessments completed by New Forests' third-party property managers and portfolio companies during strategic planning. Material risks and opportunities are translated into strategic projects, which must be included in annual budgets.

37 Note that the Prepare phase of LEAP is this report.

38 New Forests assesses climate-related risks against their current impact as well as the Intergovernmental Panel on Climate Change's Representative Concentration Pathway 4.5 and 8.5 scenarios. The majority of risks and opportunities are most relevant in the medium-term (5-10 years) or long-term (10+ years).

Figure 9: Assets Under Management Climate and Nature-Related Risks and Opportunities

North America

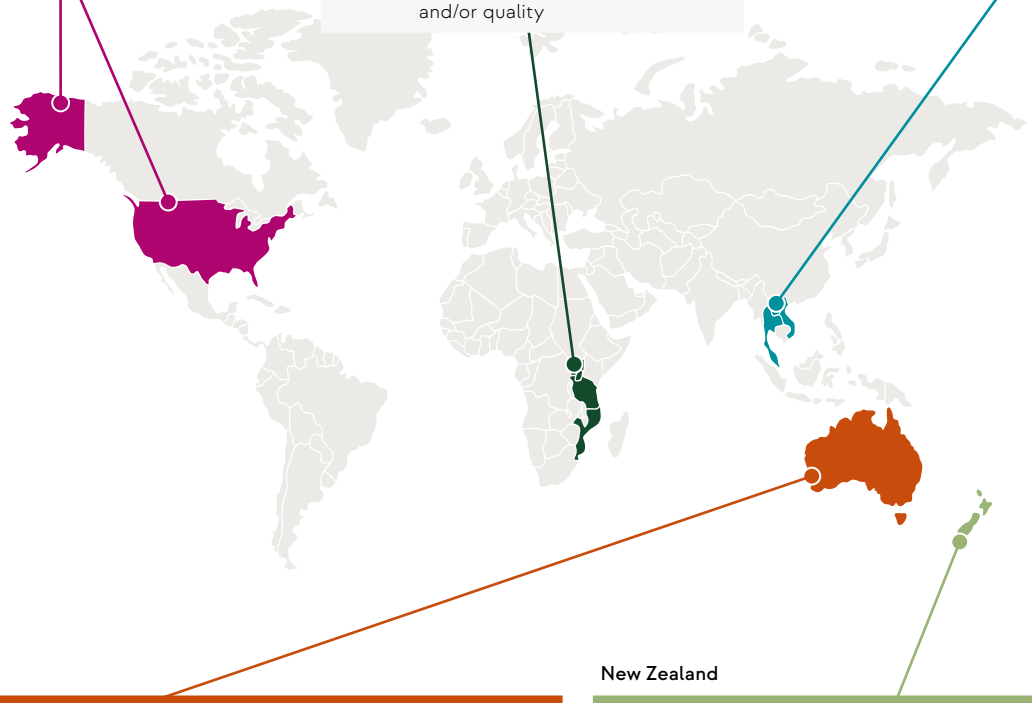
	Top Risks	Top Opportunities
Climate	Adverse carbon policy change Increase in fire frequency and severity Long-term changes to precipitation	Positive price changes in carbon markets Renewable energy generation
Nature	Prolonged reduced rainfall	

Africa

	Top Risks	Top Opportunities
Climate	Increase in fire frequency and severity Increasing temperatures Evolving carbon market regulation	Investment in nature-based solutions, including carbon
Nature	Damage to soils Reduced water availability and/or quality	Nature credits

Asia

	Top Risks	Top Opportunities
Climate	Increasing heat waves Increasing flood severity Increasing precipitation	Carbon credit generation
Nature	Damage to soils Reduce water quality and/or availability	Nature credits



Australia

		Top Risks	Top Opportunities
Climate	Forestry	Prolonged, deeper, and more frequent drought Increase in fire frequency and severity Increase in storm frequency and severity	Technology changes (e.g. improved management) Marketing changes (e.g. increased value of fibre, carbon and biodiversity)
	Agriculture	Increase in fire frequency and severity Pests and disease Changing seasonal patterns	Market changes (emissions reduction)
Nature	Forestry	Pest events Emissions restrictions Reduced use of wood products	Nature credits Increased use of wood products
	Agriculture	Loss of biodiversity	Nature credits

New Zealand

	Top Risks	Top Opportunities
Climate	Increase in fire frequency and severity Changes in water table Pests and disease	Market changes (e.g. preference for low-emissions materials) Improved reputation of asset and sector Technology changes (e.g. low emissions technologies)
Nature	Loss of native flora and fauna species Storm events Pests and disease	Protection and enhancement of biodiversity Payment for ecosystem services Improve environmental resilience and performance

How We Performed

Increasing Nature-Based Solutions

Metrics and Targets

To contribute to positive climate and nature outcomes, New Forests aims to scale positive impacts and avoid or reduce negative impacts. The primary areas where New Forests contributes to this ambition are 1) reducing GHG emissions, 2) increasing carbon removals, 3) generating carbon credits and 4) improving the state of nature across the production and non-production portions of the portfolio.

The following sections include the relevant metrics recommended under IFRS S2 and the TNFD;[39] New Forests will seek to expand the IFRS S2 and TNFD-aligned metrics we disclose in future reporting.

Climate and nature targets for assets under management are primarily set by New Forests during the development of the investment strategy. However, individual portfolio companies or assets may independently set targets that are rolled into New Forests' targets; for example, Timberlink established a verified Science Based Target in 2020.[40]

GHG Emissions

In FY25, New Forests' assets under management emitted 5,327,648 tCO_2e (Figure 10); this is a 12% decrease from FY24, primarily due to the sale of assets and reductions in market demand for wood products.

From an emissions intensity perspective, in FY25 our forestry assets generated 0.75 tonnes of CO_2e per cubic metre of harvested wood, a decrease of 5% compared with 0.79 in FY24. For agricultural crops, our crop assets generated 0.00065 tonnes of CO_2e (0.65 kg CO_2e) per tonne of harvested crop in FY25, which was unchanged from the previous year.

In FY25, New Forests' assets under management also emitted 18,998 CO_2e of biogenic emissions from biomass burning (e.g. kiln drying at processing assets) and wood residues. This is a notable increase from FY24 due to a change in methodology for calculating wood residues.

Assets Under Management – Climate Target

For our assets under management, New Forests set a target through the Net Zero Asset Managers Initiative (NZAMI), which we have been a member of since 2020.

New Forests is still working to complete a pilot of our interim net zero target with one of our Australia New Zealand funds. The delay in completing the pilot reflects the decarbonisation challenges inherent to the land sector; these include higher costs associated with adopting technologies before they have been more broadly adopted by the market, and the limited number of decarbonisation opportunities within our control.

New Forests is working with others in the sector to advance decarbonisation solutions. For example, the haulage of wood logs is one of the biggest sources of emissions in forestry and Timberlands Pacific (TPPL), one of New Forests' property managers in Australia, is working as part of broader coalition with industry and government to progress the following:

- Researching and trialling electrification of freight vehicles in the forestry industry, as well as alternate fuels including renewable diesel as an interim fuel (South Australia and Tasmania); and
- Improving haulage fuel efficiency (New South Wales and South Australia).

39 Includes the IFRS S2 recommended metrics and TNFD Core Metrics, as well as metrics from the TNFD *Additional sector guidance – forestry and paper* (June 2024) and *Additional sector guidance – food and agriculture* (June 2024). At the asset level, New Forests reports 14% of the IFRS S2 recommended metrics, 40% of the TNFD core metrics (not considering risk or opportunity metrics), 57% of the TNFD additional forestry metrics, and 33% of the TNFD core agriculture metrics. Some of the TNFD core, forestry, and agriculture metrics are not relevant to New Forests' assets and for others, New Forests does not yet have the capabilities to report against them; the latter is an area of improvement for future reporting.

40 https://www.timberlinkaustralia.com.au/sustainability/carbon-targets-tracking/

Figure 10: Assets Under Management – Fossil Fuel-Based Emissions (tCO_2e)

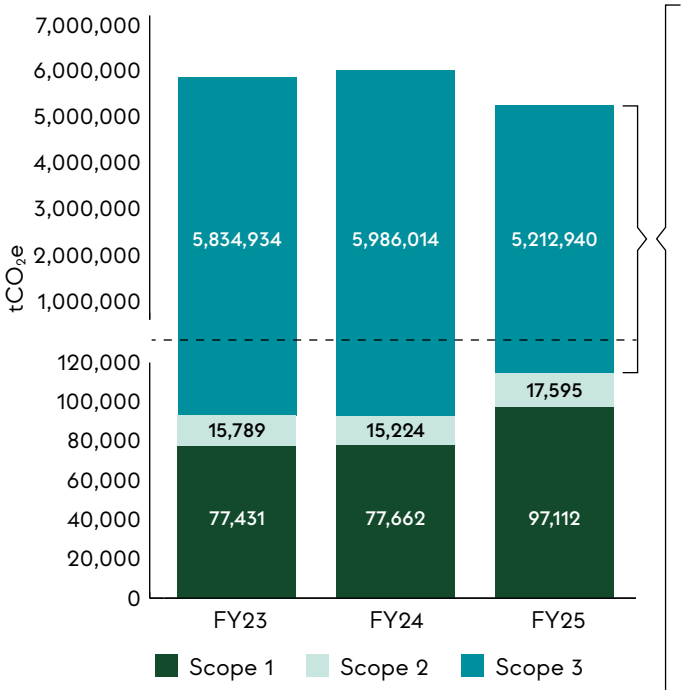


Figure 11: Assets Under Management – Scope 3 Emissions by Category[41] (tCO_2e)

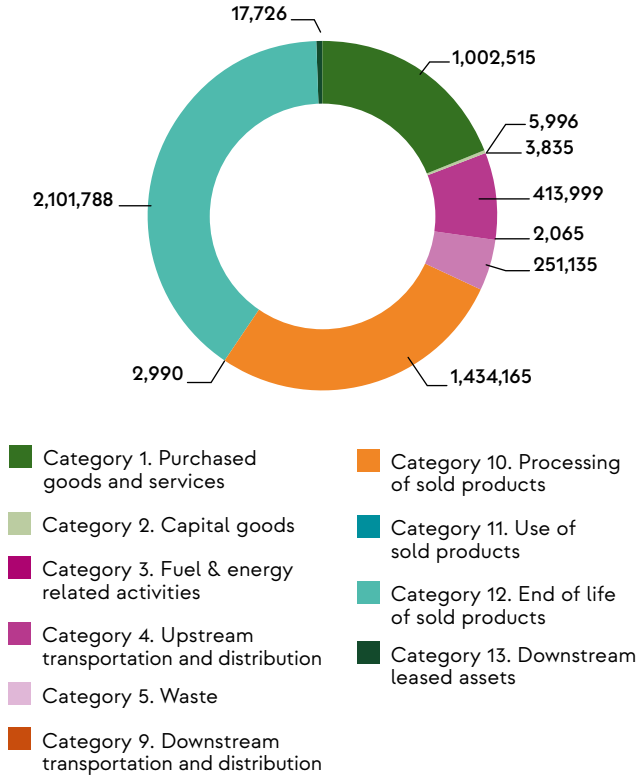
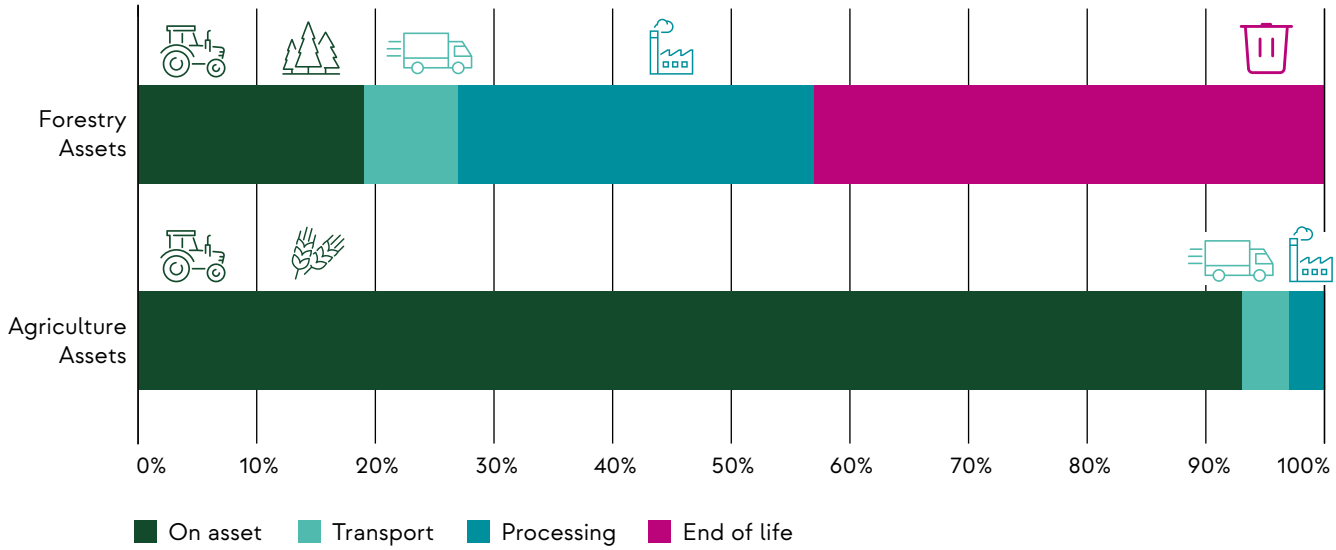


Figure 12: Assets Under Management – Proportion of Emissions Across Product Lifecycles



41 As per our GreenHouse Gas Accounting Methodology, New Forests has deemed that categories 6 (business travel), 7 (employee commuting), and 8 (upstream leased assets) are immaterial emissions sources (i.e. less than 1% of the total emissions profile) for assets under management and does not collect data for these sources. https://newforests.com/wp-content/uploads/2024/01/New-Forests-Greenhouse-Gas-Accounting-Methodology_FY23.pdf

How We Performed

Increasing Nature-Based Solutions

Carbon Removals

New Forests' assets under management sequester carbon from the atmosphere through natural growth processes. The longer-term accumulated sequestration of carbon within an asset is known as carbon storage. The year-on-year change in carbon storage within an asset is known as net emissions or removals depending on whether the change is negative or positive (referred to as Scope 1 removals[42]). Carbon also remains stored in wood products (referred to as Scope 3 removals).

In FY25, significantly more carbon was added to the carbon stock compared to previous years (Table 7). Across all regions where we operate, this was due to the forest growth and debris carbon pools exceeding the carbon that was removed through harvesting. There were some regional drivers to the large difference between reporting periods; in particular, reduced harvesting in Australia and New Zealand (approx. 1.4 million tCO_2e difference between FY24 and FY25) and the addition of Scope 1 removals data for Africa for the first time, where Scope 1 removals were close to 450,000 tCO_2e.

Scope 3 removals decreased by 9% in FY25 compared with FY24, influenced both by lower harvest volumes as well as increased volumes of sawlog from previous years exported and processed into shorter-life products that sequester less carbon.

Table 7: Assets Under Management – Carbon Removals

	FY23	FY24	FY25
Scope 1 removals due to growth (tCO_2e)	236,962	180,585	2,095,503
Scope 3 removals in harvested wood products (tCO_2e)	699,728	739,480	672,014
Total Scope 1 & 3 removals (tCO_2e)	936,690	920,065	2,767,517

42 New Forests calculates Scope 1 removals as the sum of growth plus net debris with harvest subtracted. The net debris pool considers biogenic materials that remains following management activities, e.g. slash that remains after harvest operations.



In Figure 13 below, the opening and closing balance bars (teal bars) represent the total carbon stocks across New Forests' assets under management. The carbon stock changes year-on-year based on growth, harvest, fire-related losses and net debris (i.e. Scope 1 removals, in box) and asset purchases or sales (orange bar).

Figure 13: Assets Under Management – Total Carbon Stock and Scope 1 Removals



Carbon Removal Targets

A number of New Forests funds have specific carbon removal targets as follows:

- AFIP: 2.26 million tCO_2e of carbon sequestration within the first 10 years of the fund;
- ANZLAFF: A reduction of net emissions of 1 million tCO_2e achieved primarily through sequestration projects within the first term (12 years) of the fund; and
- Future Forest Innovations Fund: 1.5 million tCO_2e per annum of net sequestration by 2030.

How We Performed

Increasing Nature-Based Solutions

CASE STUDY

Celebrating One Million Trees Planted with ActivAcre



In late 2024, ActivAcre, also known as the Tasmanian Carbon Afforestation Trust, reached a significant milestone – planting over one million trees across nearly 1,000 hectares of farmland in Tasmania.

This innovative program partners with local farmers to establish private plantations on underutilised land, supporting carbon sequestration while maintaining core agricultural activities.

ActivAcre has registered 35 carbon projects with Australia's Clean Energy Regulator, spanning 1,000 hectares. 840,000 tonnes of carbon is expected to be sequestered over the life of the fund. Landowners benefit from long-term lease income and improved environmental outcomes, including better soil health, increased water efficiency and increased pasture productivity.

Farmer and participant Susie Parsons attended the community field day in December 2024. "The additional value proposition of planting trees is the creation of shade and shelter belts," she said, reflecting on the gains to pasture and soil quality, with reduced salinity, waterlogging and erosion.

ActivAcre is welcoming expressions of interest from farmers and landowners who would like to join for 2026.

CASE STUDY

Piloting Land Restoration and Carbon Methodologies in the Kimberley



Yougawalla Pastoral Company (YPCo) is exploring new ways to improve vegetation on degraded land across its portfolio in the Kimberley region.

A key initiative involves the construction of 'swales' – small contour banks that slow surface water runoff. By slowing the surface water runoff these swales help moisture be retained in the soil, stimulating microbial activity and the germination of grasses and shrubs, which ultimately enables the natural revegetation of degraded areas over time.

Currently, no carbon methodology recognises the sequestration potential of swale-based regeneration. YPCo is collaborating with industry and local government to develop a suitable methodology to assess the carbon value of this landscape rehabilitation technique.

YPCo is also engaging with regional research and development networks, including the Northern Australian Beef Research Council and the Kimberley Regional Beef Research Committee, to help shape future research priorities that align with sustainable beef production and landscape restoration in northern Australia.



How We Performed

Increasing Nature-Based Solutions

Carbon Credits

The generation of carbon credits presents an opportunity to scale carbon sequestration by deriving revenue through the sale of credits. New Forests currently generates carbon credits based on methodologies under regulated schemes including the Emissions Reduction Fund in Australia, the Emissions Trading Scheme in New Zealand, and the Western Climate Initiative in California. New Forests is actively developing its first voluntary carbon project in Thailand.

In FY25, New Forests' assets under management generated just over 450,000 issued credits across Australia, New Zealand, and the US. Note that credits generated at Burapha Agro-Forestry in FY25 are excluded as other asset metrics were not collected during this period. No credits were issued from projects in Africa, as these projects are still in development.

New Forests ensures demand side and supply side integrity of carbon credits developed at our assets under management; see our Carbon Credits Integrity Statement for more information.[43]

Table 8: Assets Under Management – Carbon Projects and Credits

	FY23	FY24	FY25
Total Carbon Projects under Management (#)	35	42	40
Total Carbon Credits Issued during the Reporting Period (#)	854,056	1,948,460	450,497
Total Carbon Project Area[44] (ha)	763,936	538,936	436,653

43 https://newforests.com/wp-content/uploads/2023/11/New-Forests-Carbon-Credits-Integrity-Statement.pdf

44 This total carbon project area for FY25 includes land included within FCP, a New Forests' fund that offers forest carbon offset project finance and development services to private forest landowners across the US. New Forests does not manage the specific assets from which offsets are derived and therefore FCP data is not included elsewhere in this report.



Improving the State of Nature across Production Areas

New Forests' assets under management can improve the state of nature in our production areas (i.e. working forests, row cropping, livestock pasture) by implementing sustainable management practices; these include but are not limited to:

- Establishing buffers along streams and rivers where production activities do not occur to support water quality;
- Replanting harvested areas;
- Planning and establishing harvest roads to minimise soil compaction, erosion and disturbance;
- Shifting livestock assets to rotational grazing;
- Utilising technology to reduce fertiliser and/or water use in agricultural properties; and
- Regenerating degraded agricultural land, including trialling surface water swale systems that promote natural revegetation for grazing.

Assets can also improve the state of nature by avoiding or reducing negative impacts on nature. New Forests aims to better understand and reduce negative impacts assets have on nature as part of our work to align with the TNFD recommendations and to meet the 'Do no significant harm' requirements of the EU SFDR.

Table 9 shows the negative nature-related metrics associated with our assets under management. With regards to waste generated by the assets, while there has been an overall reduction of waste going to landfill, there has been a significant increase in hazardous waste. This is due to an Australian processing asset conducting testing and classifying boiler ash at its mill as hazardous waste for the first time.

Table 9: Assets Under Management – Negative Nature-Related Metrics

	FY23	FY24	FY25
Pollutants discharged to water (tonnes)	109	107	150
Waste generated			
Landfilled (tonnes)	682	4,405[45]	1,779
Recycled (tonnes)	399	624	603
Composted (tonnes)	28	15	10
Hazardous waste generated (tonnes)	Data not available	180[46]	931

45 This number was misreported in FY24 and has been corrected.

46 This number was misreported in FY24 and has been corrected.

How We Performed

Increasing Nature-Based Solutions



Improving the State of Nature across Non-Production Areas

New Forests' assets under management can improve the state of nature in our non-production areas through conservation and restoration activities that seek to enhance the extent, condition and/or significance of the non-production areas. These actions can improve biodiversity, which is the variety and variability of life on Earth, including the diversity of species, genes and ecosystems.

Table 10: Means to Improve the State of Nature in Non-Production Areas

	Conservation *The setting aside of land for protection*	**Restoration** *The active restoration of land to promote healthy natural ecosystems and/or repair damaged or modified ecosystems*
Contributions to Extent	Only where area under conservation is extended	Only where area under restoration is extended
Contributions to Condition	Protecting natural ecosystems to maintain or increase their condition.[47] Maintaining or improving connectivity across a landscape	Actively improving the quality of natural ecosystems and connectivity across a landscape
Contributions to Significance	Protecting native plant or animal species and/or natural ecosystems by maintaining or enhancing habitat	Improving species habitat with the goal of maintaining or increasing populations; reducing pest or invasive species

47 Conservation can improve ecosystem condition and significance on existing conservation area (i.e. as the ecosystem recovers) and new conservation area (i.e. by increasing the area protected).

CASE STUDY

Trinity Headwaters Conservation Sale



In August 2024, New Forests supported the permanent protection of 11,000 acres within one of our Californian assets, an area known as Trinity Headwaters.

Representing 10% of the Upper Trinity River watershed – a vital source of California's water supply – the property harbours globally significant biodiversity, including 44 rare or threatened species such as Pacific marten, California wolverine and Sierra Nevada red fox.

Through a conservation sale to the Pacific Forest Trust, we secured a permanent conservation easement, with long-term ownership transferred to a local nonprofit, the Watershed Training and Research Center.

In addition to environmental stewardship, the property will serve as a platform for local workforce development, youth engagement and programs supporting tribal communities, including cultural and ancestral ecological practices.

Conservation Outcomes

As of the end of FY25, New Forests had 217,230 hectares of conservation area under management, which is just over 5% of gross asset area. While this represents a net increase in recent years, it comprises less of New Forests' overall gross asset area. This is primarily due to the acquisition of agricultural land, which typically comprises proportionally less conservation area than in forest assets, which are mandated by sustainable forestry management certification standards to allocate a specific area to conservation. Of New Forests' total conservation area, 14% is permanently protected and 36% is High Conservation Value (HCV) area. Across our asset base we continue to allocate additional areas from production to conservation as we expand existing reserve areas to protect local flora and fauna.

Our assets under management monitor the Rare, Threatened and Endangered (RTE) flora and fauna that is identified on the properties, helping to inform conservation efforts and collaborations with conservation organisations. See the case studies on page 66 of the work our assets under management are doing to protect RTE flora and fauna in Australia and the United States.

Table 11: Assets Under Management – Conservation Area

	FY23	FY24	FY25
Conservation Area Under Management (ha)	157,700	200,196	217,230
• Permanently protected area	33,400	32,230	31,483
• High Conservation Value (HCV) area	N/A	78,800[48]	78,178
% of Gross Asset Area	15%	4.8%	5%

48 This number was misreported in FY24 and has been corrected.

How We Performed

Increasing Nature-Based Solutions

CASE STUDIES

Protecting Rare or Endangered Fauna and Flora

McCloud River Redband Trout Habitat Enhancement

The McCloud River redband trout is a rare subspecies found only in the tributaries of Northern California's McCloud River. Its population is under threat due to habitat degradation, drought and crossbreeding with non-native trout. Several of these sensitive waterways traverse the McCloud Forest asset, managed by New Forests as part of the Forest Climate Solutions (FCS) Fund.

In late 2023, the FCS Fund became a signatory to the Upper McCloud River redband trout conservation agreement, committing to manage forestlands in ways that protect and enhance trout habitat. In April 2024, FCS also signed a memorandum of understanding with a neighbouring forest manager and the Shasta-Trinity National Forest to enable continued restoration of Trout Creek – an important spawning habitat.

Looking ahead, FCS is exploring channel improvements and spawning area restoration in partnership with wildlife experts. Our efforts aim to improve water flow, restore meadow ecosystems and safeguard the long-term survival of the McCloud River redband trout.



Safeguarding a Rare Tasmanian Orchid

At Forico's Surrey Hills asset in north-west Tasmania, healthy populations of the rare crowded leek-orchid (*Paraprasophyllum crebriflorum*) were discovered within high conservation-value native grasslands.

In a significant step for the species' conservation, Forico contributed seeds to the Tasmanian Seed Conservation Centre in Hobart. Some of these seeds have already been successfully propagated, supporting long-term efforts to protect and potentially reintroduce the species in the future. This initiative highlights the role of forestry assets in preserving biodiversity and enhancing ecological resilience across production landscapes.



Supporting Wolf Recovery in Northern California

Grey wolves were eradicated from California in 1924, but were first sighted again in 2011, after their earlier reintroduction interstate, in Yellowstone National Park.

New Forests' property manager, FWS Forestry, is partnering with the University of California, Berkeley, to support the California Wolf Project (CAWP), a collaborative research initiative with the California Department of Fish and Wildlife and the National Geographic Society. CAWP aims to improve understanding of the social and ecological dynamics of grey wolf populations and guide effective conservation efforts.

Launched in 2024 and running until 2026, CAWP's research includes deploying game cameras, collecting scat, investigating kill sites and reviewing compensation programs to mitigate livestock conflicts. Research on New Forests' assets will inform key questions around wolf range and habitat use, diet, occupancy predictions, prey species behaviour and conflict reduction with farms. By granting property access and supporting this work, New Forests is contributing to the recovery of an endangered species and promoting ecological balance across its California landscapes.

Restoration Outcomes

New Forests assets undertook new restoration projects across 124 hectares in FY25, a decrease of 89% compared to 1,089 hectares in FY24. This decrease was as a result of the disposition of key assets across the portfolio and the successful completion of several existing programs. A total of 8,661 hectares of land has been restored across New Forests' current assets since their acquisition.

Ecosystem and species monitoring and research informs the prioritisation of restoration activities. This can be done by analysing geospatial datasets and/or conducting ground-based monitoring. In FY25, New Forests' assets under management undertook a range of monitoring and research activities; see case study on page 68.

Pest and invasive species management can also support improved biodiversity outcomes across an asset by reducing pressures on native species.

Examples of management activities include:

- Trapping and/or population control of pest fauna species;
- Removing invasive flora species through weeding programs; and
- Engaging in partnerships with neighbouring landowners to monitor pest and invasive species populations.

Biodiversity Targets

AFIP: 14% increase in quality conservation and/or restoration area

CASE STUDY

Restoring Heathland through Ecological Fire



In early 2024, property manager TPPL, on behalf of ANZFF's Penola asset, conducted an ecological burn in a 62-hectare high conservation value area at Werrikoo in western Victoria.

Classified as 'Damp Heathland', the site had become overgrown and stagnant due to decades without fire. A carefully planned mosaic burn was implemented to stimulate regeneration while protecting key native fauna.

The site is home to two nationally listed small animal species: the swamp antechinus (*Antechinus minimus maritimus*), which prefers long-unburnt habitat, and the heath mouse (*Pseudomys shortridgei*), which depends on recently burned heathlands. Balancing their conflicting needs, TPPL collaborated with local specialists to implement the burn regime, which was initiated in 2017 and refined through 2022 and 2024.

Post-burn monitoring, conducted in collaboration with the Nature Glenelg Trust, confirmed the presence of both species and informed future burn planning through to 2029. The project demonstrates how active ecological management can support biodiversity and maintain rare ecosystems within plantation landscapes.

How We Performed

Increasing Nature-Based Solutions

CASE STUDIES

Biodiversity Monitoring across Assets

McCloud Forest Biodiversity Monitoring

USA

In 2024, we launched a pilot biodiversity monitoring initiative on the 20,000-acre McCloud Forest in Northern California. Led by New Forests' property manager FWS Forestry wildlife experts, the study used passive collection methods such as trail cameras and autonomous recording units to detect species with minimal disturbance.

The survey recorded 15 mammal species, including Rocky Mountain elk, bobcats and fishers (a member of the weasel family), along with 16 bird species, including mountain quail and western tanager. These findings provide insights into species presence and habitat use, supporting ecological modelling, biodiversity stewardship and landscape-level management.

eDNA Pilot

Tanzania

GRAS Tanzania conducted a pilot of the use of eDNA technology to strengthen biodiversity monitoring across its forest assets. GRAS partnered with a Tanzanian female-led conservation start-up which trains and employs local scientists to collect and analyse soil, water and air samples against African reference datasets to identify species. Early results, including the detection of the common squeaker frog (*Arthroleptis stenodactylus*), highlight eDNA's potential as a scalable monitoring tool.



Forest Carnivores in the Klamath-Siskiyou Ecoregion

USA

FWS continues to advance wildlife monitoring via two projects tracking the fisher (*Pekania pennanti*) in Northern California. Fishers are elusive forest carnivores, federally listed as endangered and state-listed as threatened in the southern Sierra Nevada.

In collaboration with Oregon State University, the Klamath-Siskiyou Carnivore Project has evolved from a fisher translocation program into a long-term research effort focused on understanding carnivore populations, species movement and habitat use. In 2024, FWS Forestry maintained six track plate boxes and motion-activated cameras for six weeks to collect non-invasive data. Baited enclosures capture animal tracks on contact paper and collect DNA samples via glue strips.

Monitoring also expanded on one of our Californian assets where fishers have not been historically recorded. The team surveyed six areas using baited camera stations. While no fishers were detected on the property, other species recorded included mountain lions, bears, deer and ringtails (a small nocturnal mammal), contributing valuable biodiversity data for landscape management.

Landscape-Scale Research and Monitoring



Australia

ANZFF asset, Forestry Investment Trust, is continuing its Landscape Biodiversity Improvement Program which is delivering science-based outcomes through a 10-year plan across multiple assets managed by property manager PF Olsen. PhD research from University of Melbourne found that maintaining at least 10% remnant native vegetation in blue gum plantations significantly boosts bird diversity, especially forest-dwelling and insectivorous species.

In Western Australia, monitoring on the Mettler property recorded 226 detections of the vulnerable malleefowl (*Leipoa ocellata*), including chicks, while also capturing other wildlife activity. These findings, alongside predator control and habitat assessment, demonstrate the role of integrated forest management in supporting biodiversity.

New Forests' support of research initiatives in the estate also continued during the year with ongoing PhD research on the restorative benefits from the reintroduction of Numbats and Woylies.

Commitments

Progress: **on track/completed**, **delayed**, **no longer relevant or not a priority**

	Commitment	Progress
PREVIOUS COMMITMENTS		
Progress climate action	Include climate targets as part of new fund formation[49]	●
	Ongoing improvements to emissions and removals methodology	●
	Increase proportion of assets progressing emissions reduction plans aligned with net zero pathways as per NZAMI targets[50]	●
	Ongoing improvements including updated biogenic emissions methodology	●
Progress nature positive	Develop nature-related target(s), per our commitment as a signatory to the Finance for Biodiversity Pledge	●
	Identify opportunities to further integrate the TNFD recommendations into asset management	●
	Include biodiversity targets as part of new funds formation as relevant	●
Progress climate action and nature positive	Develop integrated climate and nature strategy	●
Improve climate and nature reporting	Develop a climate and nature disclosure report	●
	Advocate to resolve the threshold issues within GHG Protocol Land Sector and Removals Guidance	●
FUTURE COMMITMENTS		
Progress climate action	Improve the climate risk assessment procedure and tool	
Progress nature positive	Conduct a pilot of the global Nature Positive Initiative	
	Participate in the International Sustainable Forestry Coalition Natural Capital Accounting Project	
	Support assets to quantify impacts on nature in a consistent manner, including determining how actions to lessen impacts should be prioritised	
	Continue work around setting biodiversity targets grounded in science	
Improve climate and nature reporting	Adopt a global removals methodology	
	Update GHG emissions methodology	
	Increase the IFRS S2 and TNFD metrics disclosed in future reporting	

49 This target has been superseded by New Forests' NZAMI portfolio coverage target, which will apply to all new funds.

50 Now capturing previous commitment to 'Develop fund-level emission-reduction plans'.

How We Performed

Supporting the Circular Bioeconomy



The circular bioeconomy refers to an economic model that uses renewable natural capital, such as plants, animals and microorganisms, to produce food, materials and energy in a way that minimises waste and maximises resource efficiency.[51]

New Forests seeks to contribute to the circular bioeconomy by producing sustainable wood fibre and agricultural products, expanding the market and increasing circularity.

Producing Sustainable Wood Fibre and Agricultural Products

Raw materials from the forestry and agriculture sectors are required as the inputs to the circular bioeconomy. These raw materials need to be sustainably produced to support responsible land management.

As of 30 June 2025, 93% of New Forests' timber production was certified to either FSC[52] or a standard under the Programme for the Endorsement of Forest Certification (PEFC).

This was lower than recent years due to the withdrawal of certification from some New Zealand forests impacted by Cyclone Gabrielle in February 2023 and New Forests managed entities managing sales for third parties that are not certified (primarily small forest owners). Together our assets produced 5,806,065m^3 of certified wood fibre in FY25.

To maintain the volume of sustainable raw materials, New Forests' assets under management typically replant harvested areas. In FY25, our forestry assets planted 18,610,936 seedlings.

In FY25, New Forests' agricultural assets under management harvested 293,467 tonnes of products,[53] of which 44,504 tonnes was certified by the International Sustainability and Carbon Certification. We will be pursuing holistic sustainable agricultural management certification for New Agriculture in FY26.

51 https://circularbioeconomyalliance.org/

52 New Forests holds non-certification trademark license N002114. FSC is not responsible for and does not endorse any financial claims on returns or investments.

53 Data on agricultural production only includes cropping assets.



About FSC and PEFC Certification

It is a requirement of New Forests' SIMS that our forestry assets are certified to FSC's Forest Management and/or PEFC's Sustainable Forest Management Standard. Certification under these global schemes demonstrates that a plantation is implementing sustainable management and practices, and consequently, contributing positively to the environment, communities and the economy.

Both standards have requirements that promote the circular bioeconomy including:

- Sustainable yields to ensure that harvesting doesn't exceed the long-term capacity of the forest to regenerate;
- Protection of soil fertility, water and biodiversity;
- Product diversification, supporting non-timber forest products, fibres and bio-based inputs; and
- Minimising waste and encouraging recycling.

All New Forests' timber processing assets are also certified under the FSC Chain of Custody Standard. This certification ensures that all timber comes from responsibly managed forests and can be traced from the forest to the finished product in the market.

How We Performed

Supporting the Circular Bioeconomy

CASE STUDY

From Seed to Structure: Pier Pavilion

From the germination of a seed in a nursery to its transformation into world-class engineered timber, Pier Pavilion in Sydney stands as a testament to the promise of the circular bioeconomy.

On the harbour at Barangaroo, this new, high-profile structure tells the story of sustainably grown, processed and engineered timber: a high performing and renewable building material.



Optimising Every Log for Impact

After plantation pine trees have been harvested at various locations including Penola Plantations, one of New Forests' ANZFF assets, the sawlogs destined for the complex roof of Pier Pavilion are delivered to sister ANZFF asset Timberlink's log yard in Tarpeena. Here, the logs are debarked and transferred to the green mill, where they are scanned using advanced laser and camera technology. Log optimisation software calculates the most efficient cutting pattern to maximise both recovery and quality.

After cutting, the boards are graded and dried in energy-efficient kilns powered by residue from the sawmill's operations – an important step that ensures structural integrity for engineered timber applications. In the dry mill, boards are planed to their final dimensions and treated, if necessary, before being transferred to the co-located NeXTimber® facility. Every step, from scanning and sorting to drying and grading, is underpinned by automation, data and a strong commitment to material efficiency.





Image credit: Stephen Edwards Construction

From Feedstock to Future

At the NeXTimber facility, the boards are scanned and analysed for their best use, before being joined, glued and layered to form Cross Laminated Timber (CLT) panels. NeXTimber uses radiofrequency presses to bond the adhesive layers, producing large-format structural panels that are sanded and machined using Computer Numerical Control technology.

Working closely with the client, installer and consultants, NeXTimber used a detailed Building Information Model to fabricate each panel precisely, ensuring smooth delivery and installation. Panels were wrapped, labelled and loaded onto trucks in a delivery sequence to meet tight access and timing constraints in Sydney's busy CBD.

Delivering Complexity with Sustainability

The Pier Pavilion was commissioned by Stephen Edwards Constructions, with Northrop Structural Engineers leading the engineering design. Its complex CLT roof structure required extensive coordination, especially where intricate geometries and steel-timber connections converged.

To guarantee durability in a coastal environment, they specified H3-treated CLT feedstock, along with pre-fitted temporary construction membranes. The irregular, oversized panels required careful handling, transport planning and temporary bracing during lifting. In some locations, small timber spacers – called pre-installed CLT packers – were added during fabrication to ensure alignment and secure connections between the CLT panels and the steel frame.

A Showcase of the Circular Bioeconomy

With renewable plantation timber, advanced manufacturing and precision installation, Pier Pavilion demonstrates how sustainably grown wood is transformed into high-performance building materials. Timberlink's NeXTimber CLT panels underscore a new model of construction that values sustainability, from seed to structure.

How We Performed

Supporting the Circular Bioeconomy

Expanding the Circular Bioeconomy Market

New Forests supports the expansion of the circular bioeconomy by increasing the supply of sustainable forest and agriculture products. We also help the industry to grow the quantity and type of products that contribute to the circular bioeconomy and by supporting the development of new and innovative products, such as CLT and Glue Laminated Timber.

Increasing Circularity

New Forests can contribute to circularity by increasing the life, productivity and value of biological resources, reducing waste, and supporting new and innovative products and technologies that support circular value chains. For example, a number of our assets are exploring opportunities to use harvest residues for bioenergy, ensuring that more of each tree is utilised and less waste is left on site (see case study below).

CASE STUDY

Turning Waste into an Asset at Mekong Timber Plantations



At TAFF2 asset MTP in Laos, strong efforts are being made around managing wood waste.

Rather than allowing this valuable byproduct to accumulate or go unused, wood waste at the MTP mill is being utilised as a renewable fuel source for its kiln dryer via a steam boiler system. This process efficiently transforms wood waste into energy, powering the veneer drying operation while reducing reliance on fossil fuels and enhancing product quality. In FY25, 5,924 green metric tonnes of wood waste was used to fuel the mill's boiler system.

Beyond meeting its internal energy needs, MTP also supplies wood waste to customers for use as biofuel, extending environmental benefits across the value chain. Through this simple yet powerful initiative, MTP contributes to the global transition toward clean energy, minimises waste, and supports the reduction of carbon emissions. In FY25, 9,984 green metric tonnes of wood waste from MTP mill was sold to customers for fuel energy, supporting sustainable energy solutions and reducing environmental impact.

Commitments

Progress: **on track/completed**, **delayed**, **no longer relevant or not a priority**

	Commitment	Progress
PREVIOUS COMMITMENTS		
Support inputs to the circular bioeconomy	Add appropriate impact metric/s for this area	●
Engineered timber	Progress implementation of engineered timber impact thesis	●
FUTURE COMMITMENTS		
Maintain certification to sustainability standards	Progress Leading Harvest certification for New Agriculture	


Mekong Timber Plantations
PO:
ID:
Mtrl. Category: FSC 100% Other
Species: Eucalyptus Acacia
Thickness:
Grade: AB
Size (actual): W: 10 L: 1,200
No pcs:
Volume:
Weight:
SHIPPING TAG
(leave on the bundle - do not rip off)
Mekong Timber Plantations
PO:
ID:
Mtrl. Category: FSC 100% Other
Species: Eucalyptus Acacia
Thickness:
Grade: AB
Size (actual): W: 10 L: 1,200
No pcs:
Volume:
Weight:
LOADING TAG
(rip off for recording as delivered - rip off upon loading)

Collaboration and Advocacy

New Forests considers advocacy a vital lever for catalysing long-term, nature-positive investment.

We actively participate in international and national forums to amplify our influence and help shape the future of sustainable investment, impact and sustainable land use. Our global footprint and technical expertise enable us to connect science, policy, finance and practice; identify systemic trends; and scale best practices across regions.

We engage with and collaborate with governments, regulators, investors, industry bodies, NGOs and communities to align investment strategies with policy developments, drive innovation and promote nature-based solutions at scale. At the local level we also collaborate with landholders, Indigenous communities and governments to improve practices and build resilient landscapes.

Advocacy Highlights

Engaging in Key Policy Processes

New Forests made direct submissions to a range of policy bodies in the past year, including the United Nations Framework Convention on Climate Change (UNFCCC) Article 6.4 Supervisory Body and Methodological Expert Panel, California Air Resources Board, the Australian Government's Department of Climate Change, Energy, Environment and Water, the Nature Positive Initiative and the Australian Sustainable Finance Institute.

In September 2025, California's Cap-and-Trade Program, essential to the state's 2045 carbon neutrality goal, was extended through to 2045. From early 2024, New Forests worked with two local coalitions to support this process, advocating for the continued role of high-integrity offsets in providing cost-effective emissions reductions. The program has directed nearly US 33 billion to climate initiatives and underpins a strong market for nature-based carbon solutions.

Advocacy through Collaborative Groups

Through our coalition memberships, New Forests contributed to public consultations globally. These included submissions to the Science-Based Targets Initiative (via the World Business Council for Sustainable Development's Natural Climate Solutions Alliance), UNFCCC (via International Sustainable Forestry Coalition (ISFC) and Australian Forest Products Association), the Australian Sustainable Finance Taxonomy public consultations and the European Union and US Congress (via the National Alliance of Forest Owners).

New Forests also continued to engage via collaborative groups with the ongoing development of the GHG Protocol's Land Sector and Removals Standard (LSRS). New Forests believes that a credible, science-based LSRS would be useful for the market to standardise land-based removals accounting; however, we acknowledge that we may be required to use an alternative, for example the ISO 13391 series, should the final LSRS not address key concerns from the forestry sector.

In 2025, New Forests joined the International Emissions Trading Association and the African Natural Capital Alliance, bringing our total membership to over 30 groups, coalitions and associations.

New Forests at Global Events

We shared insights at major conferences, including COP29 (Baku), the Milken Institute (Singapore), the Investor Group on Climate Change conference (Melbourne) and the African Development Bank's Climate and Nature Finance Day (Nairobi), reinforcing the role of forestry and agriculture in delivering global sustainability outcomes.

Growth of ISFC

Established in 2023 with New Forests as a founding member, ISFC has grown to include 17 leading forestry companies that steward 18 million hectares across 37 countries. Spearheaded by our outgoing Executive Chair David Brand, ISFC has increased capacity, opening a global office in Edinburgh. In FY25 it partnered with groups including the National Alliance of Forest Owners and the World Economic Forum to host events at New York Climate Week, COP29 of UNFCCC and COP16 of the United Nations Conventions on Biological Diversity and Combating Desertification.

CASE STUDY

New Forests participates in GIIN Forestry Impact Performance Benchmark

For sustainable investors to measure, manage and compare their impact in such diverse global contexts, it is important to use a common set of key performance indicators.

Due to the rapidly evolving and fragmented nature of data collection in the forestry sector, such comparison can be difficult.

In May 2025, the Global Impact Investor Network (GIIN) published a Forestry Impact Performance Benchmark[54] to assist investors in understanding their impact in the forestry sector compared to their peers, the market and the SDGs.

New Forests, as a GIIN member, participated in the design of the benchmark and provided data, which, in total, includes 108 investments made to 76 investees spanning 27 countries by 13 investors from 2013-2023. Key performance indicators include: amount of land managed, percentage of land protected, percentage of land restored, Scope 1 and 2 emissions, greenhouse gas emissions removal, community beneficiaries, decent jobs supported at or above a living wage, and investee revenue growth.

Commitments

Progress: **on track/completed**, **delayed**, **no longer relevant or not a priority**

	Commitments	Progress
PREVIOUS COMMITMENTS		
Amplify our effort, voice and influence	Develop regional advocacy plans	●
FUTURE COMMITMENTS		
Strengthen collaboration with civil society	Progress a partnership agreement with an environmental NGO	

54 https://thegiin.org/benchmarks/forestry/#/



Conclusion

As a global community, we continue to face the converging challenges of climate change, biodiversity loss and social inequality.

These systemic issues demand urgent and large-scale solutions. At New Forests, we believe nature-based real assets and natural capital strategies are essential to meeting this moment – delivering real-world, measurable outcomes.

Throughout this Sustainability & Impact Report, we highlighted how our investments are contributing to these goals, while navigating an increasingly dynamic regulatory and market environment. We remain optimistic that the global investment community will continue to shift capital toward strategies that are aligned with a more sustainable and equitable future.



Our confidence is reinforced by global trends, including:

- **The establishment of new global standards for sustainability reporting**, led by the ISSB and adopted, specifically related to climate, by governments such as Australia's, which are accelerating the integration of climate risk into mainstream financial reporting and supporting greater transparency and accountability.
- **The rising importance of nature in financial decision-making**, reflected in the growing influence of the TNFD and the development of tools and frameworks to assess dependencies and impacts on biodiversity and ecosystem services.
- **Momentum around social sustainability**, with increasing recognition that investments must contribute to inclusive, resilient communities. While formal standards are emerging, the direction is clear: social outcomes are gaining increased attention as a core component of sustainable investment performance.
- **Continued consumer and corporate demand for low-carbon, nature-positive products**, including sustainably sourced fibre and food, and renewable alternatives to emissions-intensive materials and plastics.
- **Evolving environmental markets**, supported by progress on Article 6 of the Paris Agreement, promise to scale up credible and high-integrity carbon finance aligned with global climate goals. And emerging efforts to develop high-integrity biodiversity markets, inspired by the architecture of carbon markets, aim to mobilise finance for nature-positive outcomes and support the goals of the Global Biodiversity Framework.

In this context, New Forests will continue to evolve our investment approach – integrating new tools, standards and insights to enhance our contribution to global sustainability outcomes. We welcome ongoing engagement with our investors, partners and communities to shape a regenerative future for forestry, agriculture and natural capital investment.



Appendix A – Principal Adverse Impacts Statement

Four of New Forests' funds[55] are subject to the EU SFDR and are therefore required to provide annual Principal Adverse Impacts (PAI) statements.

The table below presents aggregated data from New Forests' assets under management, including those that are not subject to the EU SFDR, and does not include New Forests' corporate operations.

In this report, New Forests has presented the PAIs from Table 1 of the disclosure template only (Annex 1 of Commission Delegated Regulation (EU) 2019/2088), excluding the PAIs related to sovereigns and real estate assets, as these metrics are not relevant to our assets under management.

We define 'investee companies' or 'companies' as our assets under management regardless of whether they are operated by fund-owned or external management teams.

Table 12: EU SFDR Principal Adverse Impacts Statement

Adverse sustainability indicator		Metric
Greenhouse gas emissions	GHG emissions	Scope 1 GHG emissions Scope 2 GHG emissions Scope 3 GHG emissions Total GHG emissions
	Carbon footprint	Carbon footprint[56]
	GHG intensity of investee companies	GHG intensity of investee companies
	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector
	Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources
	Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector
Biodiversity	Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/ operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas[57]
Water	Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average[58]

55 AFIP, TAFF2, ANZLAFF and FCS Fund.

56 Calculated via (total asset emissions) / (total AUM in millions AUD). Excludes assets that did not report emissions data during the reporting period(s).

57 Calculated based on the number of New Forests assets as of 30 June (each year) and results of initial nature-related assessments, which will be refined in the future. Assets that did not complete the pilot nature risk assessment were excluded.

58 For the purposes of this report, New Forests has used million AUD based on AUM to report intensity of emissions to water.

Impact (FY24)	Impact (FY25)	Explanation and actions taken and actions planned and targets set for the next reference period
77,662 15,224 5,995,960 6,088,846	97,113 17,596 5,212,940 5,327,648	See pages 56 and 57 of this report.
546 tCO_2e / million AUD	471 tCO_2e / million AUD	See page 56 of this report for an overview of New Forests' NZAMI targets.
To be included in future reporting	To be included in future reporting	
N/A	N/A	New Forests' investment mandates exclude the fossil fuel sector.
100% non-renewable	100% non-renewable	New Forests' assets under management obtain energy from local grids that have varying renewable energy proportions and do not produce renewable energy. Energy consumption is managed as part of New Forests' NZAMI targets.
To be included in future reporting	To be included in future reporting	In the future, data will be included from all assets under management. Energy consumption is managed as part of New Forests' NZAMI targets.
19%[59]	19%	See pages 53 and 63 for sensitive area and negative impact information, respectively. New Forests aims to refine our approach to this metric as part of our improved alignment with the TNFD recommendations.
0.010 tonnes / million AUD[60]	0.013 / million AUD	See page 63 of this report for emissions to water data.

59 This number was misreported in FY24 and has been corrected.

60 This number was misreported in FY24 and has been corrected.

Adverse sustainability indicator		Metric
Waste	Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average[61]
Social and employee matters	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
	Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance / complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies
	Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members
	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons

61 For the purposes of this report, New Forests has used million AUD based on AUM to report intensity of hazardous waste.



Impact (FY24)	Impact (FY25)	Explanation and actions taken and actions planned and targets set for the next reference period
0.016 tonnes / million AUD[62]	0.082 / million AUD	See page 63 of this report for hazardous waste data.
0%	0%	None of New Forests' assets under management were involved in violations during the reporting periods.
Data not available	Data not available	New Forests has not assessed investee companies across our global platform.
10%	22%	New Forests has not engaged in action to address employee pay gaps at assets under management and has not built action on this topic into FY26 planning.
16%	19%	See page 41 of this report.
N/A	N/A	New Forests' investment mandates exclude the manufacture or sale of controversial weapons.

62 This number was misreported in FY24 and has been corrected.



Appendix B – Finance for Biodiversity Pledge Disclosure

Commitment	New Forests' Disclosure
Collaboration and knowledge sharing: "We will collaborate and share knowledge on assessment methodologies, biodiversity-related metrics, targets and financing approaches for positive impact."	New Forests plays an active role in national and international collaborative bodies to amplify our effort, voice, and influence the industry. Some of these entities have biodiversity-related working groups that New Forests participates in, for example the RIAA Nature Working Group. New Forests is also a member of the TNFD Forum and has contributed to the development of the Nature Positive Initiative's draft State of Nature metrics. New Forests also aims to share knowledge on biodiversity through public reporting, including our Sustainability & Impact Report and recent paper titled *Investing in a Nature Positive Future*.
Engaging with companies: "We will incorporate criteria for biodiversity in our ESG policies, while engaging with companies to reduce their negative and increase positive impacts on biodiversity."	New Forests integrates biodiversity considerations throughout its Sustainability & Impact Policy and SIMS, which require the protection of areas with high conservation values and management of rare, threatened, and endangered species. Additionally, New Forests-managed forestry assets are certified under leading standards such as FSC and the PEFC, which mandate biodiversity conservation. We engage directly with property managers and portfolio companies to support positive impacts and reduce negative impacts on biodiversity, as relevant and feasible. Through active management, third-party certification, and stakeholder engagement, we aim to support biodiversity outcomes across our investments while contributing to broader sustainability and impact goals.
Assessing impact: "We will assess our financing activities and investments for significant positive and negative impacts on biodiversity and identify drivers of its loss."	New Forests assesses nature-related dependencies, impacts, risks, and opportunities through our SIMS. We integrate biodiversity considerations into due diligence for all potential acquisitions, identifying significant positive and negative impacts as well as key drivers of biodiversity loss. In addition, we conduct annual assessments across all assets under management to monitor and manage biodiversity-related risks and opportunities over time, aligned with the TNFD LEAP recommendations. This approach helps ensure that biodiversity remains a core part of our investment strategy and supports our broader commitment to driving positive nature outcomes.
Setting targets: "We will set and disclose targets based on the best available science to increase significant positive and reduce significant negative impacts on biodiversity."	New Forests has begun setting biodiversity-related targets, see page 67 of this report. While this reflects an important step forward, we recognise that target-setting remains a work in progress as we continue to refine our approach. We are working towards ensuring that future targets are increasingly grounded in the best available science and aligned with evolving frameworks for biodiversity action.
Reporting publicly: "We will report annually and be transparent about the significant positive and negative contributions to global biodiversity goals linked to our financing activities and investments in our portfolios."	New Forests' public reporting for FY25 includes this report and a recent paper titled *Investing in a Nature Positive Future*.

Abbreviations

AFIP	African Forestry Impact Platform
ANZFF	Australia and New Zealand Forest Fund
ANZLAFF	Australia New Zealand Landscapes and Forestry Fund
ASRS	Australian Sustainability Reporting Standards
BAF	Burapha Agro-Forestry
CLT	Cross Laminated Timber
DEI	diversity, equity and inclusion
eDNA	environmental DNA (deoxyribonucleic acid)
ESG	environmental, social and governance
ERM	enterprise risk management
EU SFDR	European Union's Sustainable Finance Disclosure Regulation
FCP	Forest Carbon Partners
FCS	Forest Climate Solutions
FSC	Forest Stewardship Council
GHG	greenhouse gas
GIIN	Global Impact Investing Network
GRAS	Green Resources AS
GRI	Global Reporting Initiative
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
ILO	International Labour Organization
ISFC	International Sustainable Forestry Coalition
ISO	International Organization for Standardization
ISSB	International Sustainability Standards Board
KKL	Kuan Kreng Landscape
LEAP	locate, evaluate, assess and prepare
LTIFR	lost time injury frequency rate
MTP	Mekong Timber Plantations
NALOF	New Agriculture Landscapes Opportunities Fund
NGO	non-governmental organisation
NPI	Nature Positive Initiative
PAI	Principal Adverse Impacts
PEFC	Programme for the Endorsement of Forest Certification
PRI	Principles for Responsible Investment
RAP	Reconciliation Action Plan
RIAA	Responsible Investment Association Australasia
RMF	Risk Management Framework
SDGs	Sustainable Development Goals
SIMS	Sustainability & Impact Management System
TAFF	Tropical Asia Forest Fund
TCFD	Taskforce on Climate-related Financial Disclosures
TNFD	Taskforce on Nature-related Financial Disclosures
TPPL	Timberlands Pacific
TRIFR	total recordable injury frequency rates
UNGC	United Nations Global Compact
YPCo	Yougawalla Pastoral Company
NZAMI	Net Zero Asset Managers Initiative

Photos

Trinity Headwaters (US): cover (left), 65

Green Resources AS (Mozambique, Tanzania, Uganda): cover (top right), 9, 22-23, 43

Forestry Investment Trust (Australia): 26, 68

Yougawalla Pastoral Company (Australia): cover (bottom right), 2, 5, 10-11, 16-17, 28-29, 31, 46, 51, 52, 60

Shasta Cascade Timberlands (US): 6, 18-19, 64, 77

Forico (Australia): 15, 42, 66

Timberlink (Australia): 34, 70-71, 72

Mekong Timber Plantations (Laos): 20-21, 37, 41, 43, 58, 74, 75, 78-79

Kuan Kreng Landscape (Thailand): 62

ActivAcre (Australia): 60

Penola Plantations (Australia): 61, 67, 72

FWS Forestry (US): 66, 68

Pier Pavillion (Australia), 72, 73

New Forests

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