



Public Consultation

City Forests' New Land and Forest
Acquisitions



Purpose

The purpose of this document is to provide information to stakeholders and the general public about new land and forest purchases now under City Forests ownership. By consulting with stakeholders and the public City Forests satisfies Forest Stewardship Council® (FSC®- C008934) obligations to extend the scope of the certification to include all the new land acquisitions covered in this document.

Company Strategy

In recent years City Forests has made new land investments that aim to deliver greater financial, social and environmental returns to the shareholder by increasing the productive forest area. These are wise land investments in terms of location, scale, productivity, supply chain and risk.

City Forests was amongst the first major forest owners to embrace the Emissions Trading Scheme (ETS) and has led the industry in recycling carbon revenues into new land plantings. The company's strategy is to continue to invest in the same way; principally by recycling carbon revenues into good quality land and high-quality tree stocks. These new plantings will also mean greater carbon stocks for the company in the future as the trees continue to sequester carbon from the atmosphere.

All new land purchases are on better than average sites that improve productivity and reduce environmental, financial, and health & safety risk. The new areas are also within City Forests current working circle and remain close to domestic and export markets.

Through this self-funded investment and the continued support of our shareholder, City Forests has a growing capital asset that is continuing to increase in value and deliver substantial and sustainable returns to the shareholder as well as long term benefits to the environment.

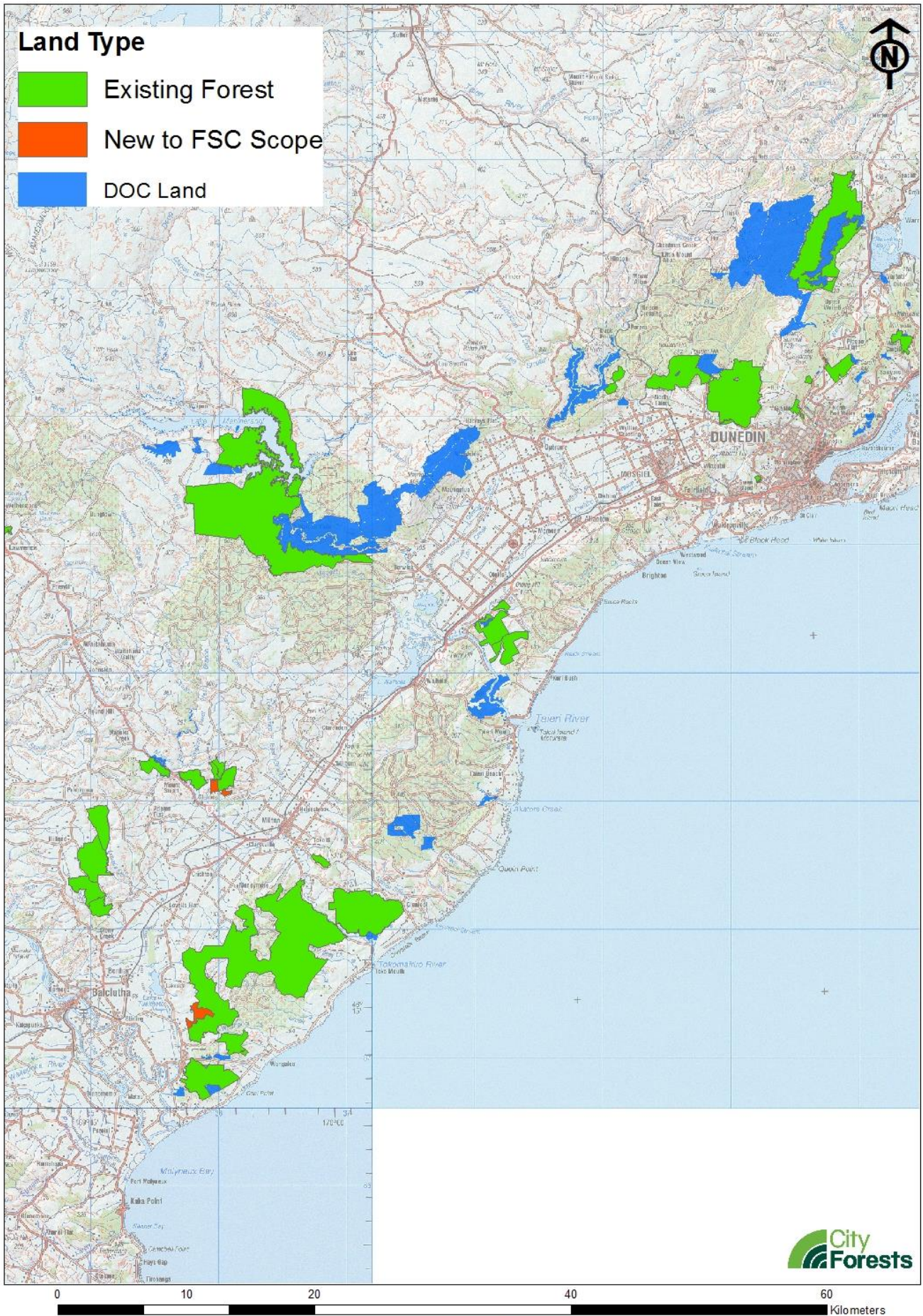
Background

3 properties totaling 235.2 hectares have been added to City Forests total working area of 22,779.6 hectares. The new land is spread across two main working forest areas; Millers & Tokoiti. There are a range of previous land uses on the new land including plantation forest, pasture, dense woody weed cover and native bush.

Establishing forests on new land involves a significant amount of preparation and planning. Considerations are made around planting setbacks from waterways, conservation land, neighbours and existing infrastructure such as roads, waterpipes and powerlines.

All new land areas with significant natural areas are independently assessed in order to identify the areas ecological significance. These areas will be protected and progressively enhanced under City Forests' management through ongoing monitoring, the removal of grazing animals and the eradication of weeds.

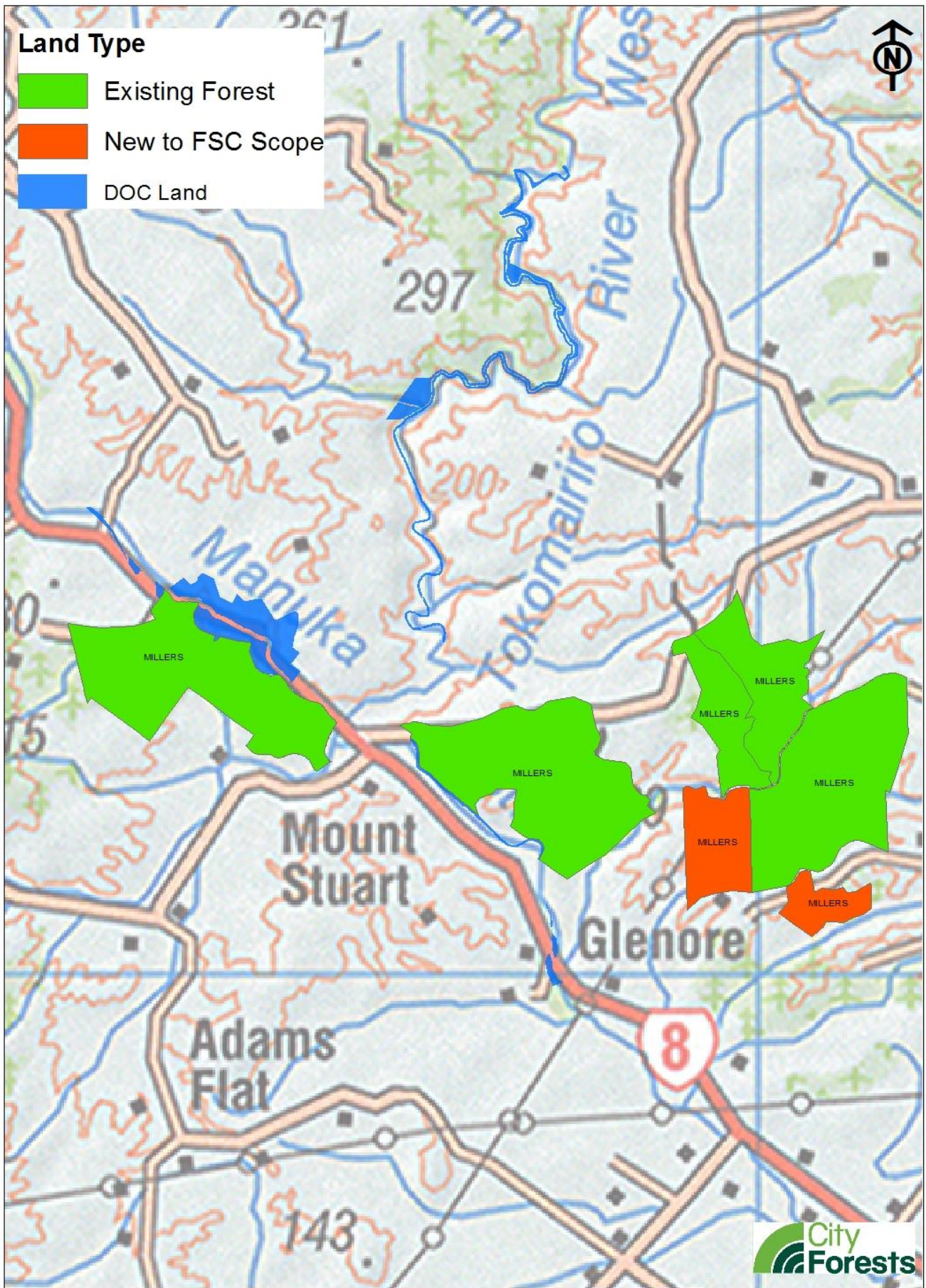
City Forests Estate



1:260,000

Kilometers

Millers



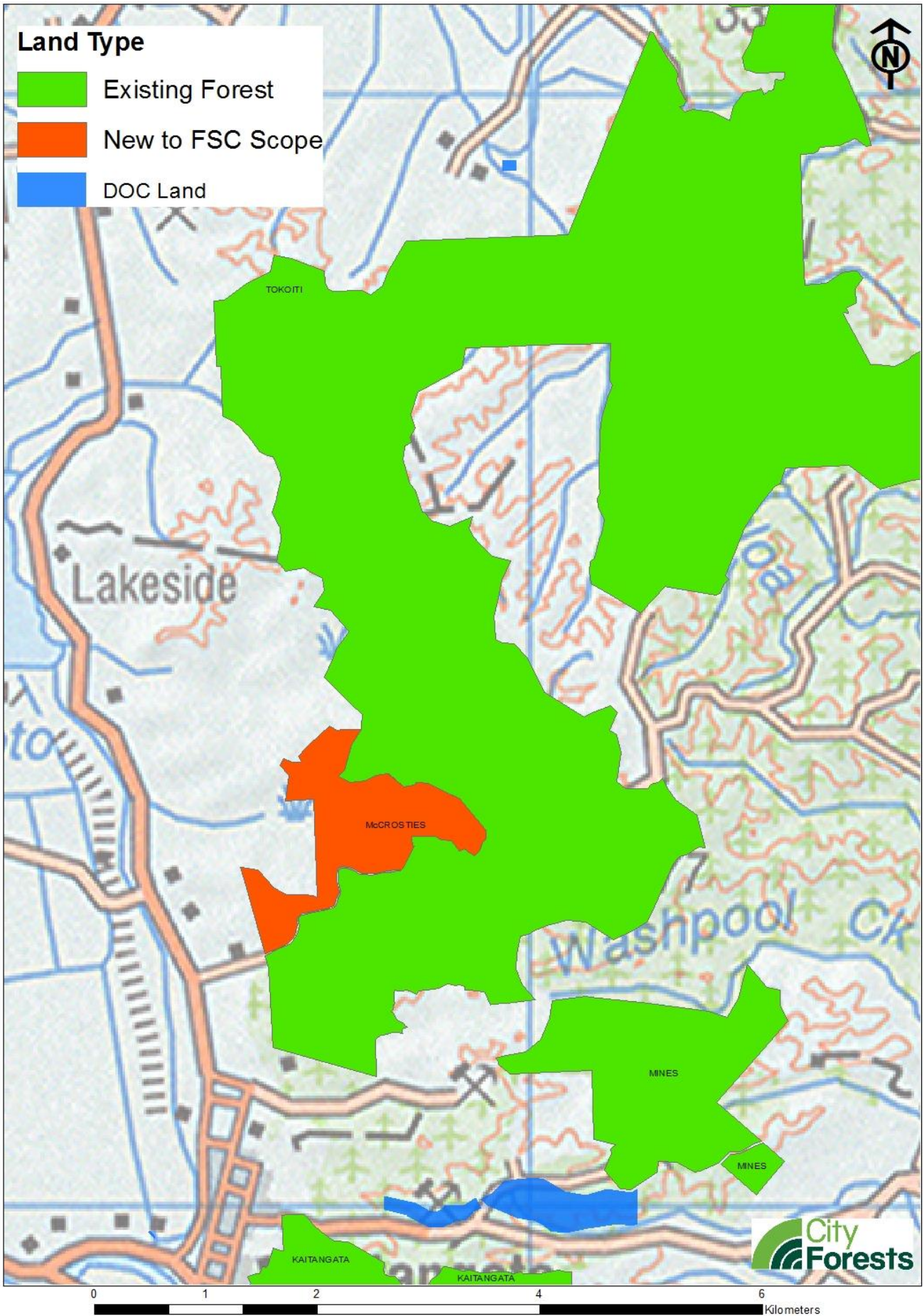
Millers

Two new properties totalling 81.9 hectares add to City Forests' already existing Millers forest. Located 8km north west of Milton; Millers is a scattered collection of forest blocks crossing into both the Lawrence and Tokomairiro Ecological Districts.

Both properties are areas of plantation forest purchased by City Forests post-harvest as cutover land. No significant areas of native bush exist on either property, but small patches of do exist and will remain untouched to continue regenerating into the future.

The new properties will be planted during the 2021 planting season. Setbacks will be put in place for powerlines, waterpipes, neighbours, roads and waterways. No dwellings exist on either of these properties therefore no subdivisions are required.

McCrosties



McCrosties (Tokoititi)

Located on the 20km south of Milton in the Tokomairiro Ecological District, 153.3 hectares of new land is connected to City Forests' existing Tokoititi forest. Most of the property is ex-farmland which is due to be planted during the 2021 planting season. There is also 14.4 hectares of mature Radiata pine forest planted in 1997. Small areas of the property are covered in dense gorse and broom, these areas require significant land preparation prior to establishment.

New roading infrastructure is required prior to establishment, this mostly consists of tidying up and extending existing tracks to allow all weather access for future forest operations. Planting setbacks are required from neighbouring properties, waterpipes, roads and around wetlands. No dwellings exist on this property therefore no subdivision is required.

A Regionally Significant Wetland (RSW #19); Camp Stream Swamp, is present in a low-lying area of the property. This area has been identified by the Otago Regional Council (ORC) and is governed by the Regional Plan: Water for Otago. The existing Landcare Research report provides an independent ecological assessment of the values that make this wetland significant to the Otago region. These values will help inform City Forests management strategy going forward to ensure Camp Stream Swamp will continue to be protected and enhanced.

Feedback

City Forests invites feedback on our proposal to extend the scope of our FSC® certificate through our website.

www.cityforests.co.nz