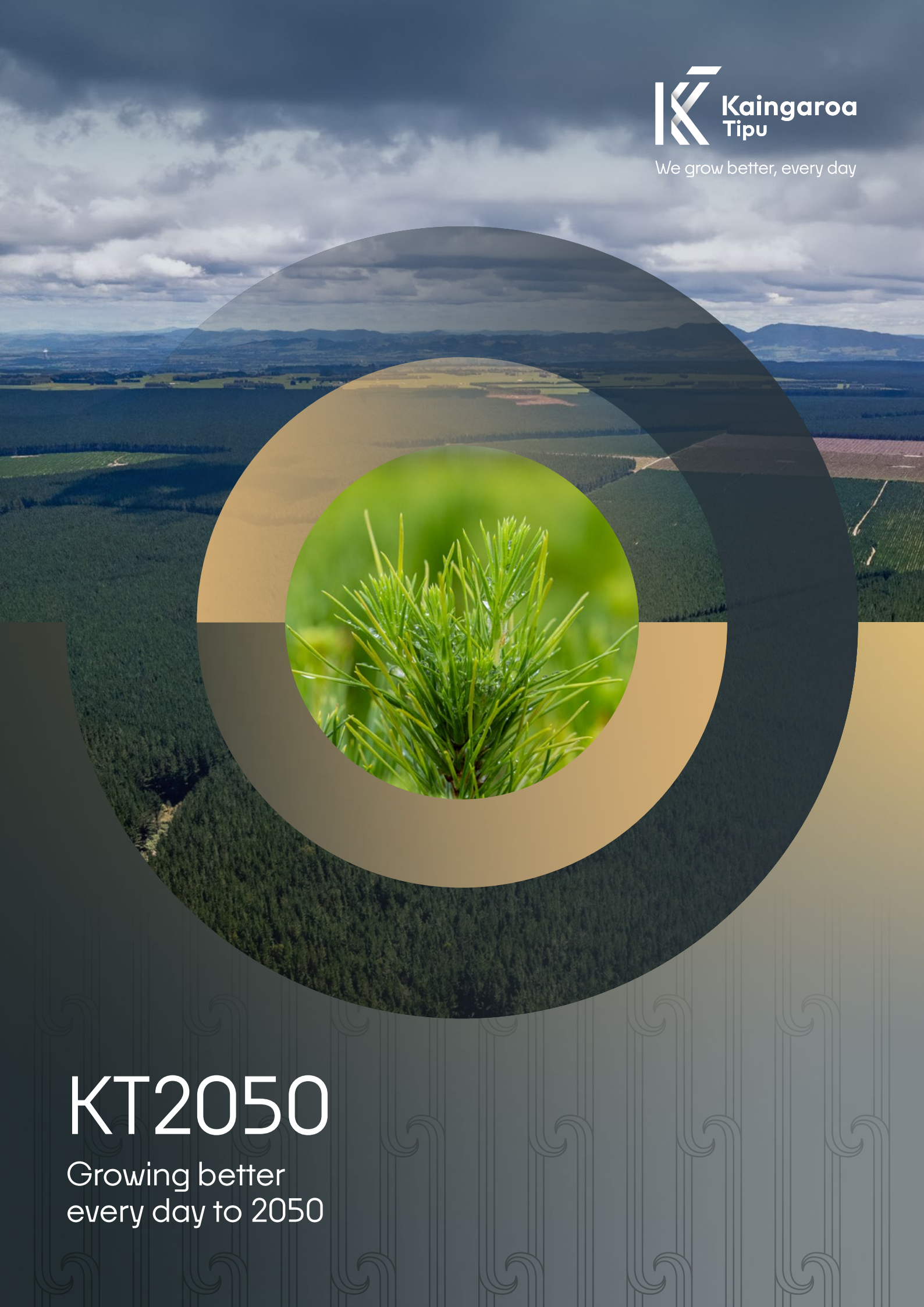
Kaingaroa Tipu

We grow better, every day



KT2050

Growing better every day to 2050

CEO foreword

RYAN CAVANAGH



Forestry is one of the few industries where success is measured in generations rather than years. The forests we manage today exist because previous generations had the foresight to invest in a future they would never personally see. Because of those decisions and the hard mahi of those who went before us, we inherited something extraordinary. Our responsibility is to leave something even better.

That responsibility sits at the heart of KT2050.

KT2050 has not been developed in isolation. It reflects the ideas, perspectives and aspirations shared by our people, contractor partners, customers, iwi landowners, owners and Board through a series of engagements, workshops and discussions over recent years. In particular, it recognises that the future we are seeking to create is inseparable from the strength of our relationships with iwi and the long-term aspirations of our owners. It represents our translation of the collective view of the future we want to create together and the choices we will need to make to get there.

Our vision is ambitious - ***to be a global leader growing sustainable fibre solutions for future generations.*** Achieving that vision will require us to continue delivering today's business exceptionally well while investing in the opportunities that will shape tomorrow.

We acknowledge that we work largely on iwi-owned land and are privileged to be entrusted with the care of one of New Zealand's most significant forest estates. The Kaingaroa stories of each iwi remain theirs to tell. Our role is to listen, work respectfully with iwi landowners, protect cultural values and areas of significance, and help ensure the forest continues to support environmental, cultural, social and economic wellbeing. This brings with it a responsibility to continually improve how we protect and enhance the environment, strengthen the resilience of the forest, and realise the long-term potential of the land. Our aspiration is not simply to sustain what we have inherited, but to help it thrive, creating enduring value for generations to come.

KT2050 provides a long-term framework for how we will create that value. It challenges us to think beyond annual plans and harvest cycles, to embrace innovation and continuous improvement, and to leave the forest estate, our organisation and the opportunities it creates stronger for future generations than they are today. That longer horizon is possible because our owners' aspirations are themselves intergenerational, focused not only on today's returns, but on enduring wealth creation and benefit for those who follow.

Most importantly, KT2050 is about people. People who care about the forest. People who care about each other. People who are willing to challenge themselves, learn, improve and think beyond the next planning cycle. The future will ultimately be shaped not by this document, but by the choices we make, the relationships we build and the actions we take every day.

If we succeed, future generations will inherit not only an extraordinary forest estate, but an organisation that has continually enhanced its value, strengthened its foundations and expanded the opportunities available to those who follow.

Ryan Cavanagh
Chief Executive Officer



Our vision is to be a global leader growing sustainable fibre solutions for future generations.

Our purpose is to grow a more sustainable future for New Zealand and beyond.



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As we imagine the future and the opportunities that may emerge between now and 2050, some imagery in this document has been generated using AI. These visuals are intended to bring future possibilities to life and support strategic thinking, recognising that the future itself will ultimately be shaped by the choices and actions we take together.

Growing better every day to 2050

Winning aspiration

Vision

Global leader growing sustainable fibre solutions for future generations

Purpose

Together we grow a more sustainable future for NZ and beyond

Key focus

Pruned
Structural
Utility
Bioeconomy
Location

Less focus

Export logs
Pulp fibre

How we will win

Competitive advantage

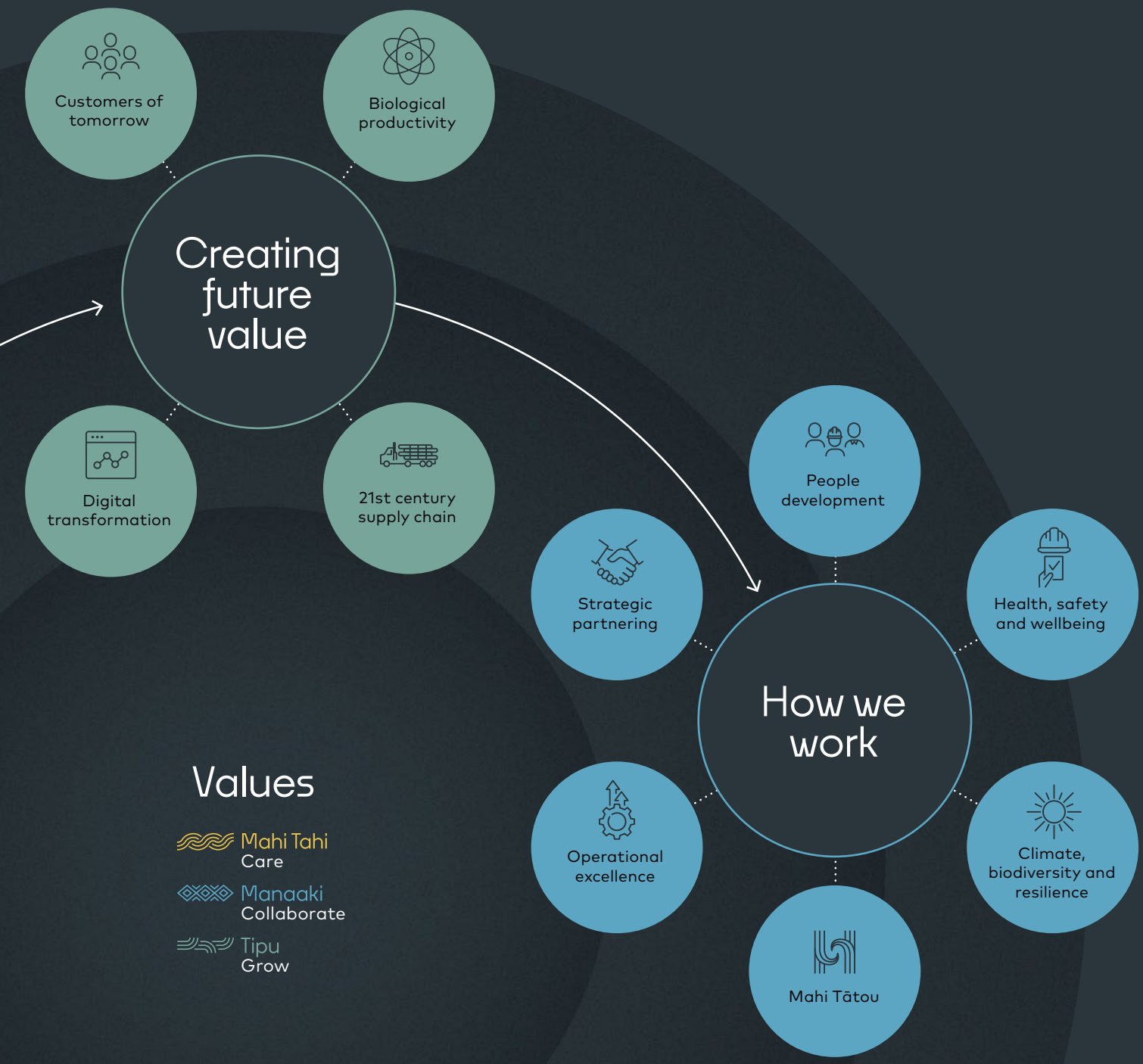
- Lowest cost producer
- Highest fidelity understanding and management
- Privileged endowment
- Agile supply chain built to thrive on uncertainty and volatility

Existential risks

- Long term access to the land
- China industry exposure risk
- Catastrophic biological risk

The entire KT2050 strategy can be summarised in a single page. This framework brings together our vision, purpose, stewardship philosophy, strategic priorities, value creation opportunities, organisational enablers and delivery mechanisms into one integrated picture.

Everything that follows simply provides additional context to help explain the key elements shown below.



Why KT2050 matters

Forestry has always rewarded those willing to think beyond the immediate horizon.

The forests we harvest today are the result of decisions made decades ago by people who understood the value of long-term thinking. They invested in a future they would never personally see. The same responsibility sits with us today.

The world around us continues to evolve. Technology is transforming industries. Customer expectations are changing. Sustainable fibre solutions are creating new opportunities. Climate change, biosecurity threats, regulatory change, geopolitical uncertainty and changing trade relationships all have the potential to reshape the future of forestry.

At the same time, much of the value created by Kaingaroa Tipu (KT) today remains concentrated in a relatively small number of products, customers and markets. Long-term success requires us to continue strengthening today's business while building new opportunities for tomorrow.

Our vision is to be a global leader growing sustainable fibre solutions for future generations.

Our purpose is to grow a more sustainable future for New Zealand and beyond.

At the heart of both sits stewardship, the responsibility to enhance, strengthen and restore the resources entrusted to us so they continue creating value for future generations.

By 2050, we aspire to double the productivity of KT through continuous improvement, innovation and disciplined investment. We call this our 'Big Hairy Audacious Goal' or 'BHAG'.





Today's business funds tomorrow's future

One of the most important principles underpinning KT2050 is that today's business funds tomorrow's future.

Every day, our employees and contractor partners create value through the forests we grow, the customers we serve, the operations we manage and the relationships we maintain with iwi, owners, communities and partners.

Strong performance creates financial capacity. Financial capacity enables investment. Investment creates new opportunities. New opportunities create future value. Future value strengthens the business and enables further investment.

This matters because KT is expected to support long-term owner aspirations for sustainable wealth generation, not simply short-term business performance.

This cycle of performance, investment and improvement is how we create long-term value. It ensures we continue delivering today's business while deliberately building tomorrow's opportunities.



How KT creates future value

While no one can predict exactly what the future will look like, KT2050 identifies four key drivers that we believe will create the greatest opportunities for future value creation.

These drivers represent the primary ways KT can increase productivity, strengthen competitiveness and unlock greater value from the resources entrusted to us.

Biological productivity focuses on creating more value from every hectare through improved genetics, forest science, nutrition, forest intelligence and decision-making.

Digital transformation focuses on using data, technology, automation and artificial intelligence to improve visibility, decision-making and operational performance across the business.

Customers of tomorrow focuses on understanding future customer needs and creating new opportunities through sustainable fibre solutions, partnerships and innovation.

The 21st century supply chain focuses on leveraging the scale, location and concentration of our estate to improve competitiveness and unlock future opportunities.

Together these value drivers support our long-term aspiration to double productivity by 2050.



Biological productivity

We improve genetics, nutrition, soil health, clonal forestry and alternative species to lift productivity, resilience and the value of the fibre we grow. In doing so, we turn better forest intelligence into lasting value from every hectare.



More value per hectare



Digital transformation

We treat technology as a business capability rather than just a programme, using forest intelligence, analytics and AI to see the business more clearly. We combine this data with our people's expertise to make faster, better decisions.



Better data, better decisions



Customers of tomorrow

We understand evolving customer needs for renewable, lower-carbon and responsibly sourced products, and broaden the products, markets and uses created from every tree. This reduces our reliance on any single market through engineered timber and bioeconomy growth.



Sustainable fibre solutions



21st century supply chain

We use the scale, location and concentration of our estate to harvest, transport and process fibre more efficiently. This lowers our cost of sales, one of the biggest drivers of competitiveness, and brings industry to the forest by locating processing operations closer to the resource.



Turning scale into advantage



Where we will focus

Successful strategies are as much about focus as they are about ambition. Not every opportunity will be pursued. We will concentrate our effort, capability and investment in areas where KT can leverage its unique advantages and create sustainable long-term value.



Our strategic focus areas reflect where we believe the greatest opportunities exist to strengthen competitiveness, increase value recovery, improve productivity and respond to changing customer needs.

PRIORITY END-MARKETS FOR KEY LOG GRADES



Pruned

Premium returns

Our highest-value clearwood grade, commanding the strongest returns from the estate.

It anchors our strategy to create more value from higher-value fibre rather than commodity markets.



Structural

Construction demand

Growing demand for renewable, lower-carbon building materials and engineered timber makes this a core, enduring market.

We position our forests and investment to serve it.



Utility

Fibre redirection

Redirecting pulp, residues and lower-return fibre into higher-value products, processing and the bioeconomy.

This lifts the value recovered from every hectare.



Bioeconomy

New value pools

Biomaterials, biochemicals and biofuels open new markets as industries move from fossil-based to renewable resources.

We explore new technologies to transform lower-value fibre into higher value products.



Location

Estate advantage

The scale and concentration of the estate let us operate efficiently and at lower cost.

It also lets us bring industry to the forest and create value close to the resource.

These focus areas help guide decision-making, prioritisation and investment across the business while ensuring resources remain aligned to our long-term direction.

What will enable success



Future value cannot be created through strategy alone. Long-term success depends on the capabilities, systems, culture and leadership that support execution.

The strategic enablers shown within our Strategy on a Page provide the foundations that allow KT2050 to move from aspiration to reality.



People development will help build the capabilities required to thrive in an increasingly complex and rapidly changing environment.



Operational excellence creates a culture of continuous improvement and empowers those closest to the work to improve performance and productivity every day.



Health, safety and wellbeing ensures our people, contractors and partners can perform safely, confidently and sustainably every day.



Strategic partnering ensures we partner with iwi, contractors, customers, owners, communities and new stakeholders who are aligned in bringing KT2050 to life and creating enduring value from the resources entrusted to us.



Climate, biodiversity and resilience strengthens the environmental foundations upon which future value depends.



The Transformation Office helps ensure investments, projects and improvement initiatives remain focused on the priorities that matter most and deliver measurable outcomes.



Mahi Tātou provides the ownership, accountability, collaboration and behaviours that shape how we work together and deliver results.

KT 2050

Together these enablers provide the organisational capability needed to successfully deliver KT2050.

Strategic investment portfolio



Turning strategy into action

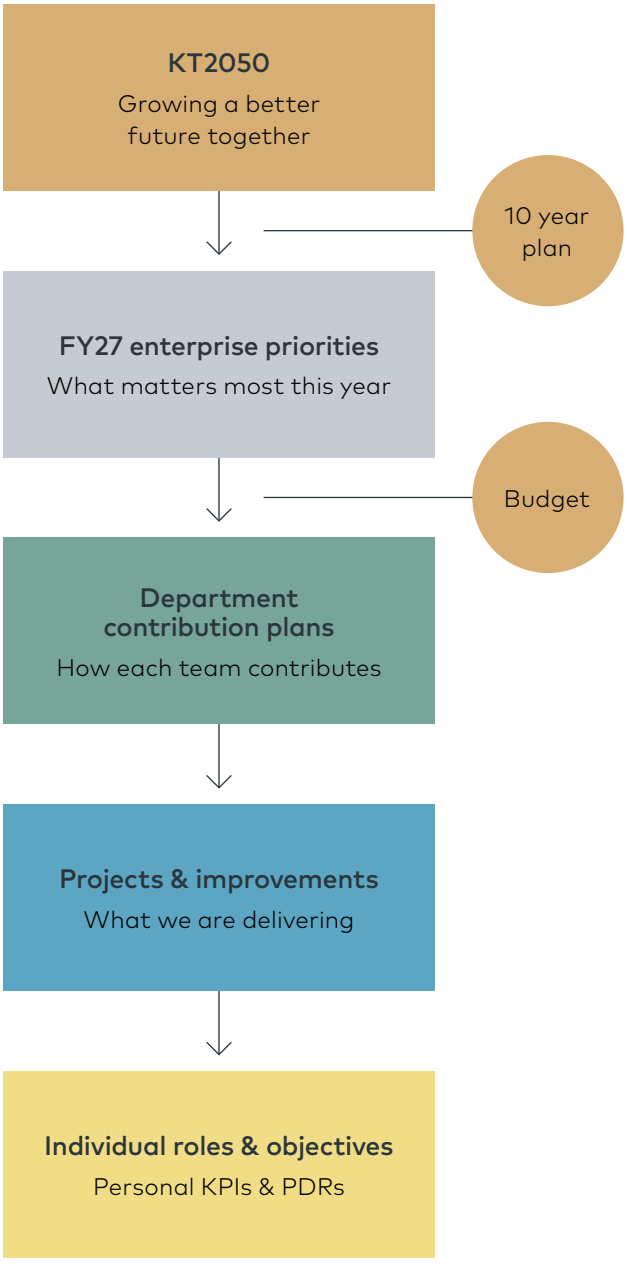
A strategy only creates value when it is translated into action. While KT2050 provides long-term direction, progress will be achieved through the projects, investments, improvements and decisions made across the business every year.

The Transformation Office provides the governance, prioritisation and delivery discipline required to ensure our strategic investments remain aligned to business priorities and deliver measurable benefits.

Every strategic initiative should contribute to one or more outcomes:

- Grow margins
- Improve productivity
- Manage and mitigate risk
- Protect value
- Create future value
- Enable value

Each year, the Enterprise Plan and Department Contribution Plans, annual budget and 10 year plan review translate KT2050 into annual priorities, projects and actions, helping every team understand how their contribution supports our long-term vision.



What this means for us





KT2050 belongs to all of us. Regardless of role, every employee and contractor contributes to the future of KT through the decisions they make, the relationships they build, the improvements they deliver and the way they work with others.

Some people will contribute through safety improvements. Others will contribute through customer relationships, biological productivity, innovation, technology, operations or capability building. The specific contribution may differ from team to team, but the responsibility is shared.

Our expectation is not that everyone becomes a strategy expert. Our expectation is that everyone understands how their work contributes to delivering today's business and building tomorrow's opportunities.

The future of KT will not be created by a single initiative. It will be created through thousands of improvements, innovations and decisions made across our forests, operations, offices, nurseries, supply chains and partnerships every day.

Closing reflection

KT2050 is not a prediction. It is a commitment. A commitment to stewardship. A commitment to continuous improvement. A commitment to ensuring future generations inherit something stronger than what we manage today.

The forests we harvest today exist because previous generations believed in a future they would never personally see. They invested in that future anyway. Our responsibility is no different.

The future of KT will be shaped by the choices we make today, the improvements we pursue, the opportunities we create and the way we work together – Mahi Tātou.

The future of KT will not be defined by what we inherit. It will be defined by what we choose to create.



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by what we inherit.

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by what we choose
to create.

Together, through the
choices each of us
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Kaingaroa Tipu

We grow better, every day