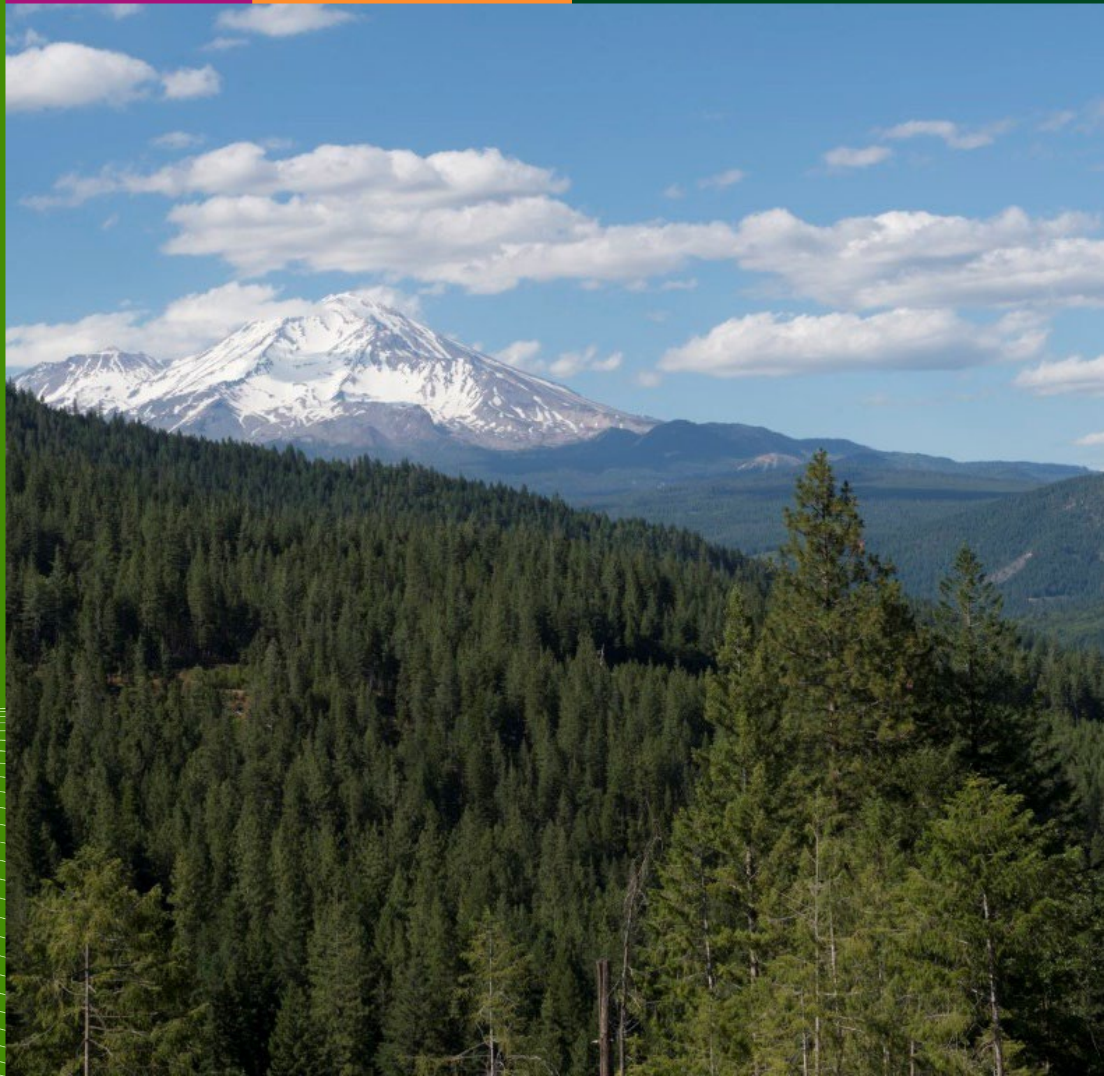
CFRD Case Study: Implications for Reporting Entities

New Forests

Forestry Valuation Summit

31 March 2026



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About New Forests

Founded in 2005 to manage institutional forestry investments, New Forests is one of the world's largest natural capital investment firms[1], investing in both the productive use and long-term stewardship of forests and land through sustainable real assets investment.

- Approximately AUD 12.15 billion in assets under management[2] including over 4.4 million hectares (10.8 million acres)[3] of land across the regions in which we operate.
- Regional investment strategies offering focused investment opportunities in real assets and natural capital, across developed and emerging markets.
- Head office in Sydney; 130+ employees across Australia, New Zealand, Singapore, the US, Europe and Kenya.[4]

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

	Assets Under Management FY25[2]	Area Under Management FY25[3]
	$12.15 billion AUD	**4.4** million hectares
Forestry	**$10.52** billion AUD	**1.27** million hectares
Agriculture	**$1.63** billion AUD	**3.1** million hectares

[1] IPE Natural Capital Report 2026
[2] The AUM includes audited figures as at 30 June 2025 for ANZFF, FIT, GTFT, ANZFF2, TFT, ANZFF3, TFL, ANZLAFF, and EEL, and unaudited figures for TLP3, AFIP, TAFF2, TCAT, TAFF, TAFF2, FFI TLP4, and New Forests' 3 managed US Timberland accounts. Reserve Bank of Australia (RBA) exchange rate of as at 30 June 2025 used to convert USD.
[3] Gross hectares under management includes a variety of land uses such as timber plantations, natural forest areas, agriculture, conservation areas, and carbon projects. In some carbon projects in the United States, New Forests manages carbon projects held on third-party owned land.
[4] As at January 2026

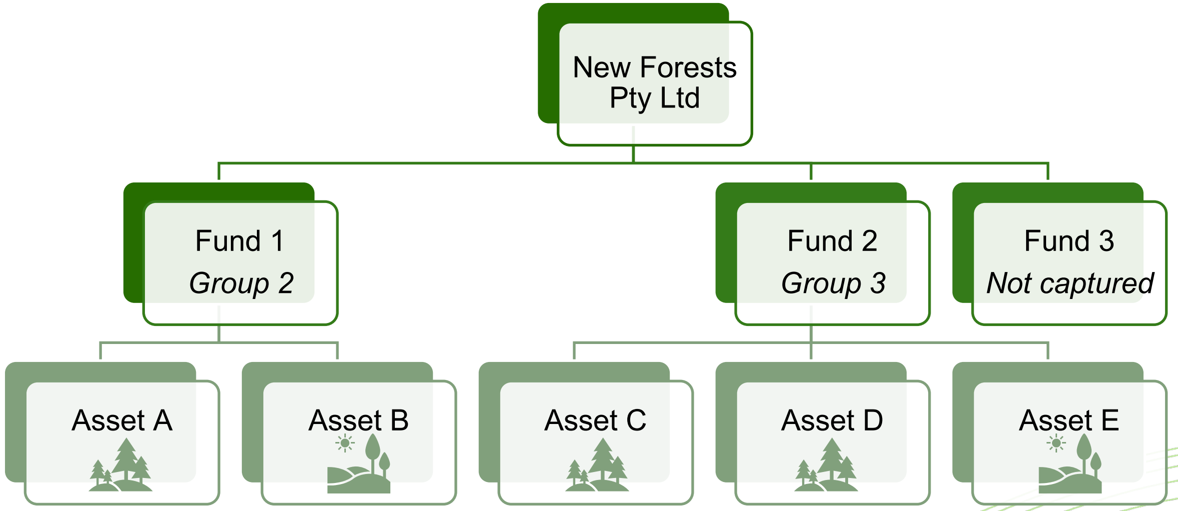
New Forests' Climate-related Financial Disclosure Obligations

As an Australian-based entity, New Forests has obligations to disclose in accordance with AASB S2 at the corporate level, while underlying entities have responsibility for some of our funds under management.

New Forests Pty Ltd is a Group 3 reporting entity. However, we have one fund product captured under Group 2; this requires us to establish key processes that apply across the business early. New Forests has additional products categorised as Group 3, as well as some that are not captured.

This presentation will focus on New Forests Pty Ltd, recognising that the corporate disclosure inherently relies on information from its underlying funds and assets.

As part of our compliance pathway, New Forests is also aiming to integrate nature risk as much as possible to streamline future anticipated disclosure requirements.



Indicative example of New Forests' structure

New Forests' Climate-related Disclosures to Date

New Forests commenced climate risk identification, assessment, and disclosure in 2020.

FY20

Released first Climate Disclosure Report

Completed first corporate emissions inventory covering scopes 1, 2, and 3

Completed first asset emissions inventory covering scopes 1 and 2

Pilot tested asset climate risk assessment

FY21

Expanded asset emissions inventory to include scope 3

Climate risk assessment completed across all developed markets assets via strategic planning tool

FY23

Published interim net zero targets under the Net Zero Asset Managers Initiative

Due diligence climate risk assessment tool developed and rolled out

Obtained limited assurance of asset emissions and removals methodologies

FY24

Due diligence tool updated to include nature risk

Strategic planning tool updated to include nature risk

FY25

Released first integrated climate and nature disclosure in annual Sustainability & Impact Report

FY26

Completed gap assessment against AASB S2 requirements

New Forests' Approach to AASB S2 Compliance

The AASB S2 requirements represent a fundamental change in climate disclosure. New Forests' first step to ensuring compliance was to complete a gap assessment against the requirements.

In 2025, New Forests engaged a consultant to assess New Forests Pty Ltd's (NFPL) and our captured funds' current readiness for meeting the AASB S2 requirements.

Based on this assessment, the consultant identified areas of strength and areas requiring additional effort to achieve full reporting readiness.

Work performed	
	Reviewed publicly available and internal documents.
	Interviewed several New Forests stakeholders across sustainability and impact, asset management, risk management, and finance.
	Examined the extent to which NFPL and the funds are integrating climate-related considerations in alignment with AASB S2.
	Identified work completed by NFPL and the funds that could be leveraged to remedy some of the identified gaps.

Both NFPL and our funds have strong disclosure foundations and are generally prepared to meet the Metrics and Targets requirements but require attention to address Strategy-related requirements and other high-effort areas.

Areas of Strength

New Forests' work on climate-related risk and opportunity identification, assessment, and disclosure provides a foundation for regulatory requirements.

Governance

- New Forests' Audit, Risk, Compliance, and Sustainability Committee has oversight of climate and nature.
- Regular Board skills and competencies process already in place.
- Management is familiar with climate risk concepts.
- Starting in FY26, all staff have a sustainability-linked KPI that effects bonus outcomes.

Risk Management

- Climate already included within New Forests' Sustainability risk category in the Enterprise Risk Management framework.
- Climate-related risks and opportunities are identified and assessed during acquisitions and annually at the asset level.

Strategy

- New Forests completes climate scenario analysis during acquisitions and annually at the asset level.
- The financial impacts of some climate-related risks are well understood and modelled (e.g., fire).
- Climate adaptation and mitigation projects occur at the asset level (e.g., species selection).

Metrics and Targets

- New Forests calculates scope 1, 2, and 3 emissions for NFPL and assets every six months.
- New Forests' GHG emissions methodology is publicly available.

Asset level information is required for "building up" to corporate assessments.

Areas Requiring Additional Work

New Forests' historic work on climate-related risks has primarily focused on the asset level. More effort is required to understand climate impacts for New Forests Pty Ltd (NFPL), as well as the relationship between the corporate operations, funds, and assets.

Governance	Risk Management	Strategy	Metrics and Targets
• Linkage of climate-related risks and opportunities to strategic oversight and decision making.	• Identify and assess climate-related risks and opportunities at the NFPL level. • Includes how asset and fund-level risks "build up" to corporate. • Monitor NFPL's climate-related risks and opportunities.	• Define how climate-related risks and opportunities impact the NFPL business model and value chain • Complete climate scenario analysis at the NFPL level. • Define NFPL's adaptation and mitigation strategy • Define current and anticipated financial effects for NFPL.	• Calculate the vulnerability and alignment of assets and business activities to climate-related risks and opportunities. • Progress climate-related targets.

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New Forests' Prioritisation

Based on experience across the market, the consultant recommended prioritising Governance as a key foundation for compliance readiness.

To ensure we have the proper buy-in for the project, New Forests has:

1. Established a working group comprised of members of the Finance, Risk, Governance, and Sustainability & Impact teams.
2. Developed a workplan to address gaps.
3. Prioritised items that build Governance and Risk Management foundations:
   a. Hosted an introductory AASB S2 training for the New Forests Pty Limited Board.
   b. Updated the New Forests Group Risk Management Policy & Framework and Risk Appetite Statement to have standalone climate and nature risk categories.
4. Defined our FY27 priorities early to ensure integration into budgets; these include:
   a. Holding internal workshops to define New Forests "house view" on climate.
   b. Completing a climate risk analysis for New Forests Pty Limited and its value chain.
   c. Developing a methodology to calculate the financial impacts of climate on New Forests Pty Limited.

Learnings and Recommendations

- Establish a diverse working group that includes CFO oversight
- Get started early – it took years to integrate our emissions accounting and climate risk approach into management
- Get your Board on board and make sure they are aware of their Directors duties
- Get as many processes in place before the start of your reporting year as possible
- It's not about publishing a disclosure – disclosure is the thin edge of the wedge
- Use existing processes as the starting point rather than building new processes
- There are low effort opportunities to include nature alongside climate

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