

Community Newsletter

Vol 2 | Issue 01 | Spring 2026



Inside this issue...

- Fish relocation and monitoring in Tangoio Forest
- Managing pests in our forests
- Recipients of the Pan Pac Environmental Trust announced
- Turning woody forest debris into biomass energy

Ko te whenua te waiu mo ngā uri whakatipu

- The land will provide sustenance for future generations.

Cover photo: Brock from M.W Lissette Ltd with a kōaro during a fish relocation exercise in Tangoio Forest in April.



A message from the Managing Director

Tēnā koutou,

Welcome to our Winter 2026 Community Newsletter. I hope this newsletter finds you well as we approach the end of the winter season. In the pages that follow, you will find updates on activities happening across our forests, at our mill site in Whirinaki, and in the wider community.

The first half of 2026 has shaped up to be less financially favourable than we had hoped. While we continue to deliver strong and even record-breaking production results following our recovery from Cyclone Gabrielle, soft global market conditions across our range of export products is making it harder to turn a profit. This has been worsened by the conflict in the Middle East and resulting increases in the price of diesel, which at its peak in July was costing Pan Pac an additional \$2 million per month.

On a more positive note, we are looking forward to the completion of our new Central Support Hub building and having all staff back working at our Whirinaki site for the first time since Cyclone Gabrielle. Staff who are currently working across several leased office spaces in Napier will move into the new building in September. In October, we will hold an official opening ceremony and also welcome our supporters, contractors, and members of the local community on a tour of the new facilities. More information about our Central Support Hub can be found on Page 10 of this newsletter.

Several of the articles in this newsletter are a testament to the good that comes when local business and the community work together for the benefit of the environment and its people. We are proud of the contribution we make to the social and environmental wellbeing of Hawke's Bay and we look forward to continuing our existing community partnerships, and forging new ones, as we grow together towards a more sustainable future.

Ngā mihi, thank you to our partners, stakeholders, mana whenua and the local community for your continued support for our business.

Hei konā mai,

Tony Clifford

Business update

The following is an update on our three business units - Forests, Lumber and Pulp.



Forests

Market and diesel prices: The log market remains soft, and the conflict in the Middle East and resulting spike in fuel prices have placed significant cost pressures on the Forest business. In our March newsletter, we shared that we were facing a 100% increase in fuel costs. That rose to almost 200% before dropping back down. However, now the conflict has escalated again, prices are rising once more. At its peak, diesel prices were \$2/litre higher than they were pre-conflict. We use about 1 million litres of diesel per month, meaning the cost increase for us peaked at around \$2million/month. We responded by stopping some of our further away operations in Wairoa and Gwavas, switching to harvesting closer to the mill.

Tangoio harvest: Harvesting is about to begin in our Tangoio Forest in the Pākuratahi Valley area. Shortly we will have three haulers working in the area, and there will be quite a bit of activity and log truck movements there for the next three years.

Positive environmental results: We have had some positive environmental results from challenging harvesting operations in our Kaweka and Gwavas forests. We attained full compliance and good reports back from HBRC, with clean cutover, good debris management and clear waterways post-harvest. This is a credit to our staff and the logging crews involved.

Lumber

Market: Since the March newsletter, the conflict in the Middle East has eased and started back up again, and the resulting uncertainty continues to have a negative impact on lumber markets. Uncertainty seems to be the new normal. We are still able to sell everything we are making; however, it tends to be more of our lower grade sawlog and less of our premium pruned clearwood product. Our primary markets for this premium product (United States and Europe) remain particularly soft, which is overshadowing any profitability improvements we were hoping to see this year.

It is looking likely that we will have to wait until 2027 before we see any meaningful market improvements.

We are unaffected by the newly announced tariffs on goods imported into the US, which in some cases have increased to 12.5%. Lumber is included in a special category, for which a 10% tariff was agreed in 2025. This remains unchanged.

Production: Our operations team is doing a great job running the plant consistently at target rates, with our mechanical and electrical teams supporting that effort by keeping the plant running smoothly and downtime to a minimum.

Pulp

Market: Prices have been flat for two years now, at around \$450 USD/tonne, which makes us very sensitive to any cost escalations. Our main costs are electricity, chemicals and fibre (wood chip). Therefore, we are fortunate that the power pricing has been very low this winter due

to high rainfall in the South Island keeping the hydro lakes well stocked and sitting well above average. We are now through the critical peak demand period of winter, where the country is most at risk of a shortage. Electricity prices are, on average, the lowest they have been in 10 years.

Pan Pac has a 45 Megawatt (MW) power load or demand – the equivalent of tens of thousands of households running at the same time. Most of that demand comes from our pulp refiners (the part of the plant responsible for breaking down wood chip into smaller fibre particles). In comparison, the total demand from the entire Sawmill is only about 5MW.

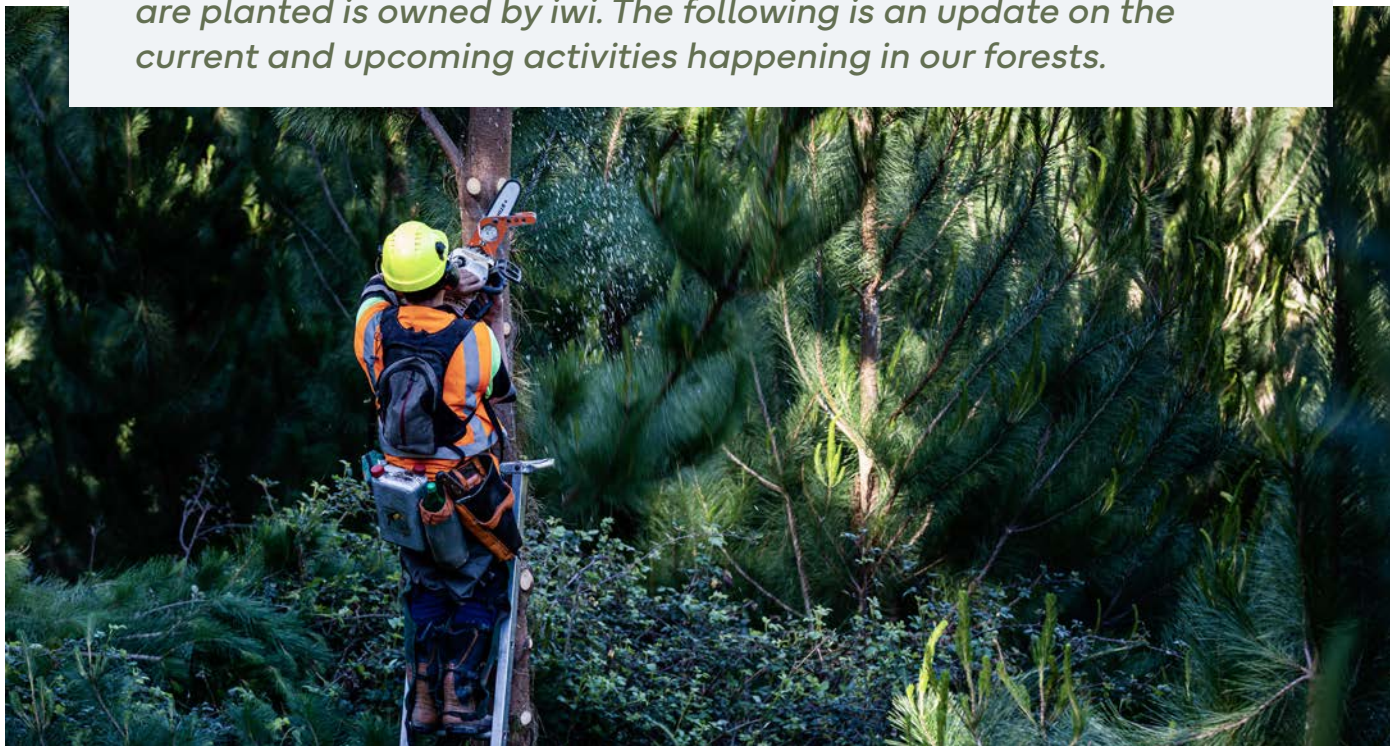
Production: Overall, the mill has been running very well. We had a maintenance shut recently that resulted in a few issues affecting production, but we are back producing at a high daily average – a great effort from everyone in the Pulp team.



Pictured: A Sawmill Operator operating a station on the primary cutting line inside the Primary Cabin.

Forests operations

Pan Pac is the largest forestry grower in Hawke's Bay, with over 35,000 hectares of forests in five main areas: Mohaka, Kaweka, Gwavas, Tangoio and Esk. Over 80% of the land on which our trees are planted is owned by iwi. The following is an update on the current and upcoming activities happening in our forests.



Pictured: A silviculture worker pruning in Tangoio Forest.

Glossary of forestry terms

Pan Pac uses a range of different silviculture, and harvesting techniques across our operations. The names of those techniques, and what they mean, are not widely known or understood. To help make sense of the following Forests Operations Update, we have composed a list of some of the most common forestry terms, and what they mean.

Harvesting Terms

Swing Yarder: A mobile, track-mounted cable logging machine with a swivelling boom used to extract harvested trees from steep slopes down to roadside landing areas.

Pole Hauling: Also known as cable logging or hauler harvesting, is a timber extraction method used on steep New Zealand terrain where a stationary winch system with steel cables pulls felled logs up or down slopes to a

central processing area called a landing.

Ground-based crew: A logging crew that uses machinery that moves logs along the ground as opposed to hauling the logs using a cable or aerial extraction.

Clear felling: A harvesting method where all mature trees in a specified area are felled. At Pan Pac, we then clear much of the remaining debris/residue away from the area, which is now referred to as the 'cutover'.

Skid site: A cleared, flat work area where harvested trees are dragged, processed into logs, sorted, and loaded onto trucks.

Roadlining: The specialised process of felling and clearing trees along a designated path to open a corridor where a new access road or

skid site will be built.

Woodlot: A privately-owned forest or stand of trees that Pan Pac is harvesting on behalf of the owner.

Silviculture Terms

Pruning: Removing the small branches around the young tree trunk up to around 6m high. This means that as the tree grows larger, the new wood is knot free. As a result, our finished timber product can be sold at a higher value as it is used in appearance grade applications such as doors and windows

Thinning: Removing some of the young trees so that the ones left have more space and light to grow. We plant our trees at 850 stems per hectare and then will thin down to 300 stems per hectare. Traditionally this was done with chainsaws but we are now moving to using chemical applications ('drill and fill'). Where terrain allows, we will employ 'production thinning' where we extract these thinned trees and take them to our sawmill for pulp use.

Release Spraying: Spraying selective herbicide around the pine trees to remove grass / weed growth competition as the young pines grow up.

Forests operations update

Kaweka

Harvesting: Kaweka has gone through a significant transformation, with lots of harvesting activity in the area over the past few years. Normal public access around the Kaweka Lakes will be restored in September once harvesting in that area is complete (see page 12 for more information). A ground-based crew will leave Kaweka in mid-September, bound for Mohaka, leaving four crews (ground-based, swingyarder and roadline) operating in Kaweka until they are joined by a fifth crew in late November.

Silviculture: Planting season is coming to an end with a total of over 240ha replanted at Kaweka Forest this year. Other operations include the pruning of approx. 120ha and ongoing security, pest control, and land preparation for next year's planting.

Gwavas

Harvesting: Three ground-based crews and two haulers are currently working in the forest. However, the harvest capacity will decrease when the swing yarder crew moves to Tangoio Forest to form a super crew at the end of August. The Tower Hauler down the end of the Allan Road shifted to Tangoio Forest in mid-June, ending the Gwavas super crew operation. Later in the year, more crews will finish at Gwavas as they move into woodlots and to roadlining operations in Tangoio Forest.

Silviculture: Around 200ha of Gwavas has been replanted in the last few months. Pruning will resume in spring, with a target to complete 600ha this year. Ongoing forestry activities include pest and weed control, security patrols and land preparation.

Mohaka

Harvesting: There are currently seven logging crews in the Anaura Block, with harvesting being carried out on both sides of Willowflat Road. There are two hauler crews on the northern side of Willowflat Rd and three hauler and two ground-based crews on the southern side. These crews in total send approximately 56 loaded logging trucks of logs and stems down Willowflat Rd and on to the Pan Pac Whirinaki Mill and the port every day. Combined, these crews are clear-felling about 2.4 hectares of forest a day. In October / November, depending on the weather and diesel prices, two of these Willowflat crews will move to the Wairoa View Forest to continue clear-fell harvesting and road line salvage. Logging trucks use Preston Rd, onto Titirangi Rd, via Awamate Rd and back to Napier on SH2. There are still several years' worth of harvesting left to complete in Wairoa View Forest. In early summer, two crews will also move north into a woodlot in Putere. The trucks from this harvesting will all use Woodland Rd, Putere Rd and out onto SH2.



Pictured: DGL crew 777 cable logging with a swing yarder in Mohaka Forest

Engineering: In Mohaka, we have four quarries, including two relatively new quarries (Roundhill and Peka Mai) and a Mohaka River source. Annually, these provide 20,000-25,000m³ of metal for maintaining our roads. Most of the roading in the Anaura Block is second rotation harvesting, so much of the basic infrastructure is already in place but still needs restoring back to a log truck standard. This year, we will restore approx. 13 kms of roads and 80 landings in Mohaka.

Silviculture: Over 340ha has been replanted in Mohaka Forest over the winter. Now the pruning programme will resume with a planned 200ha to complete. Thinning operations will also resume in spring. Ongoing land preparations and roading maintenance continues.



Pictured: a stoat that was caught in a trap on Toropapa Rd in Esk Forest.

Tangoio

Harvesting: Activity has ramped up significantly over the past six months, with a roadlining crew, swing yarder crew, and tower hauler crew all active in the forest. Current operations are focused in the Mill Block off Pākuratahi Valley Road. Looking ahead, the roadlining crew will complete its current programme and return over summer, while a new super crew operation involving two swing yarders will commence in late August to support increased harvesting activity. The tower operation will continue independently through to the end of summer.

Engineering: A significant programme of road restoration and maintenance has been underway to support increased harvesting activity and address challenging terrain conditions. Extensive landing construction work has also been completed to prepare for future operations. Recent milestones include the completion of major upgrades to Gardiner Road following storm damage, along with the construction of the first of four large-scale super skids planned for the harvest programme.



Pictured: Roding in Tangoio Forest.

Silviculture: Pruning (approx. 300ha) is the focus in Tangoio Forest. Production thinning is currently underway removing non crop trees and taking them to the pulp mill. Roding and waterpoint maintenance and pest/weed control is ongoing.

Matahorua

Harvesting: Harvesting activity continues in Matahorua, with a swing yarder crew carrying out clear-fell operations through the remaining harvest areas. Over the coming months, the final roadline will be harvested, allowing construction of the last section of new road and completing access to the remaining harvest areas.

Engineering: Engineering works have delivered significant investment in harvest infrastructure over the past year, including approximately 7.5km of new road, along with the development of new landings and operational pads to support harvesting activities. With most infrastructure now complete, the engineering crew has recently left the forest. Once harvesting of the final roadline is finished, the team will return briefly to complete the last section of roading, marking the completion of the major engineering programme in Matahorua.

Esk

Harvesting: Activity is currently quiet following the completion of recent operations in the area. Looking ahead, roadlining is planned this summer in our Glen Falls and North Block forests to prepare for future harvesting activity. There is also potential to complete some of the more challenging clear-fell areas remaining in Te Pōhue.

Engineering: Planning for future harvest access is well underway, with detailed harvest planning completed for Glen Falls and North Block ahead of this summer's roadlining programme. The engineering team is also developing plans to repair and restore several roads that sustained significant storm damage, ensuring the network is ready to support future harvesting operations.

Silviculture: Some upcoming thinning will be happening later in year. Road and waterpoint maintenance, pest control and security are ongoing in the forest.

Log Cartage Update

Pan Pac expects to haul approximately 332,700 tonnes of logs during the August–October period. Forecast volumes are spread across our major forest estates as follows:

Forest Forecast Tonnes	
Mohaka	147,300 t
Tangoio	53,700 t
Kaweka	58,400 t
Gwavas	52,600 t
Esk	18 t
Other supply	18,100 t
Total	332,702 t

Trialling heavier loads on approved routes

Pan Pac is working with transport contractors to increase the use of approved 58-tonne High Productivity Motor Vehicle (HPMV) routes where road conditions and permits allow. These heavier combinations enable more wood to be moved per trip while remaining within approved road transport regulations.

Expected benefits include:

- Fewer truck movements for the same log volume.
- Reduced fuel consumption per tonne delivered.
- Lower transport costs.
- Reduced vehicle emissions.
- Improved utilisation of the trucking fleet.

Importantly, these heavier loads will only operate on routes that have been assessed and approved for 58-tonne configurations.

We appreciate the ongoing support of our communities, road users and stakeholders as we continue to improve the resilience and sustainability of our forestry supply chain.



Pest management update



Pictured: Sam Joblin from Bay Pest Eradication setting a chimney bait station at Rock Station. These bait stations are designed to exclude dogs and other non-target animals from entering and consuming the toxic bait.

Pan Pac actively manages a variety of animal and plant pest species in our forests. Over the past couple of months, we have commenced several pest control operations to protect our new plantings and the native species living in our forests and native bush areas. During planting season, we conduct goat culling to help protect our new crop from being damaged and eaten. This year, goat culling is taking place in Mohaka, Gwavas and Esk forests. At our Rock Station property near Te Pōhue, a feral cat control operation is being carried out to help protect our native birds, reptiles, bats and insects. Cats are also vectors for diseases such as toxoplasmosis, which is known to have a negative impact on sheep production in Hawke's Bay. Both of these operations are being carried out humanely and in accordance with best practice by our pest management contractors.



Rock Station QEII block now deer free

We are proud to declare that the QEII block at our Rock Station property near Te Pōhue is now deer free. When we purchased Rock Station in 2022, we noticed a small population of deer was unfortunately living inside the deer-fenced QEII block and had caused significant damage to the native vegetation and soils. Despite culling efforts, a few remained (as seen on trail cameras) which have now been removed using a running dog hunting strategy. Trail camera monitoring has confirmed there are no more deer left in the block, which is great news for the recovering native bush.

2026 pest and predator control numbers - across all forests

 Possum	8,891
 Rat	396
 Mustelid	155
 Hedgehog	103
 Feral Cat	22

Positive compliance audit results

As part of our forestry operations we receive periodic compliance visits from Hawke's Bay Regional Council (HBRC). These are to check our conformance with the National Environmental Standards for commercial forestry which covers all aspects of forestry from planting through to harvesting.

In the past six months, we have had six visits across our estate including two woodlot operations (Pan Pac-managed harvest on smaller privately-owned forest blocks). The results from the compliance visits were very complimentary of our efforts

to minimise sediment loss from our operations, as well as minimise slash left on our hillsides and in streams.

All six visits were graded full compliance, meaning that overall our operations across our estate and woodlot operations are being carried out to a high standard and environmental impacts are being minimised. These results would not have been achieved without the diligence and care taken by our silviculture, engineering and harvesting contractors.



Pictured: HBRC compliance visit to Gwavas Forest.

Whirinaki site update

There is plenty happening at our Whirinaki site at present, with the final stages of the Whirinaki Resilience Project wrapping up and our new Central Support Hub nearing completion.

Whirinaki Resilience Project

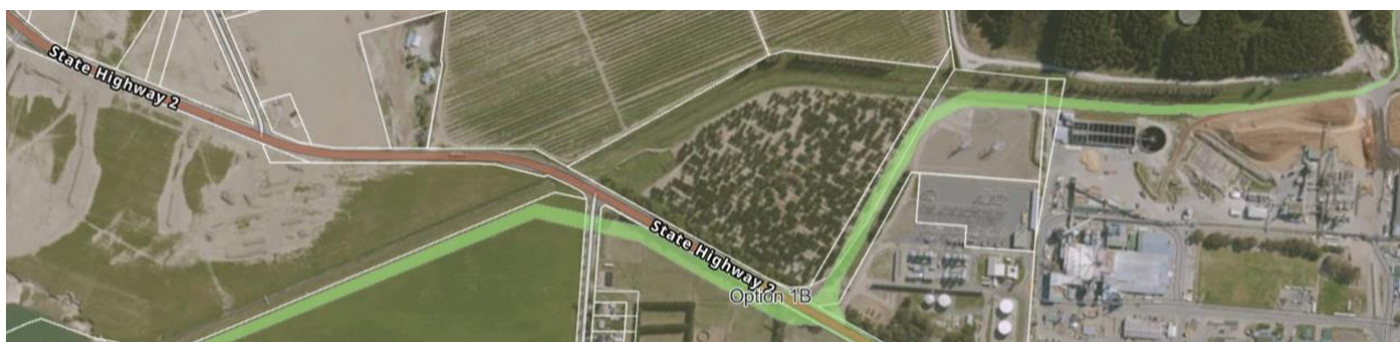
Pan Pac was severely impacted when the Esk River burst its banks during Cyclone Gabrielle in February 2023. Existing flood protection measures proved inadequate, and the mill site and surrounding area was flooded with up to two metres of water and silt. In response, we worked with the Hawke's Bay Regional Council (HBRC), neighbouring businesses and the community to propose a more resilient flood protection scheme. This became the Whirinaki Flood Resilience Project, which is being delivered by HBRC with support from Central Government. The project will provide flood protection for the mill site for up to a 1 in 500 year level flood event. The project also involves

the construction of an adjoining stopbank designed to protect a nearby residential area that also flooded during the cyclone.

The project is progressing well, and by late August the scheme will be 90% complete. All works will be complete in the summer of 2026. The scheme's design includes an allowance for future climate change scenarios and intensifying weather events and will provide long-term resilience for our business. In addition to the stopbank works, Pan Pac has invested significantly in stormwater system upgrades on site, better preparing us for future severe weather events.



Pictured above: The industrial stopbank that will provide better flood protection for Pan Pac and our industrial neighbours Transpower and Contact Energy.



Pictured above: Map showing the location of the stopbank (green line), with Pan Pac's site on the right hand side of the image.

Central Support Hub opening

When our site flooded during Cyclone Gabrielle, our legacy administration buildings were catastrophically damaged. Given this damage and the gap to meet current building standards, we decided to demolish these buildings to make way for new, fit-for-purpose buildings. Our shareholder Oji agreed that our best option was to construct a new set of buildings, which will be known as the Central Support Hub. The main building incorporates our own lumber in both structural and aesthetic elements and is on track for completion in September. The amenities building was opened for use in

June and is already being well used by staff and contractors as a place to meet, relax and enjoy a cuppa or a bite to eat together. We look forward to having our Whirinaki staff back together on the same site. Since the cyclone, about a quarter have been working from several different leased office spaces around Napier. In early October, we will hold a grand opening event, which Hiroyuki Isono, president and CEO of Oji Group (our shareholder), other dignitaries and mana whenua will attend. We are also hosting a series of tours for our Whirinaki neighbours, suppliers, contractors and other supporters of this building.



Pictured left: The exterior of the new office building of the Central Support Hub. The building has been clad in architecturally-designed shade fins produced by our customer Abodo timbers.

Whirinaki Community Nursery

A new community native plant nursery is now up and running and pumping out loads of native plants for planting projects within the catchment area. We began working on the nursery before Cyclone Gabrielle alongside our project partners Te Huka Waiohinga (Esk River) Care Group, Maungaharuru-Tangitū Trust and the Department of Conservation; however, we had to delay as both the location (next to the Pan Pac mill behind Contact Energy) and the original flat pack tunnel house were badly flooded. The tunnel house has now been erected, and the plants within are

already being put to use within the catchment. In August, around 500 were used for riparian planting along a stream behind our mill in a partnership with Maungaharuru-Tangitū Trust to improve the stream's health. The planting mahi was carried out by The Pā Environmental. More plants are currently being raised for use in a local native bush area. Where possible, native seeds will be eco-sourced from within the local catchment areas such as at Pan Pac's two QEII-covenanted properties Pākuraahi Bush and Rock Station. The nursery is expected to produce around 10,000 plants per year.



Pictured right: The Whirinaki Community Nursery.

Kaweka Lakes harvest update

This year we embarked on some challenging harvesting in Kaweka Forest, with the need to manage public access into neighbouring Department of Conservation (DOC) land at a popular entry point to the Kaweka Forest Park. Unfavourable weather has pushed completion out from July to September 2026, but overall we are pleased with how the harvest has progressed, and the level of care taken to protect the environment.

Since mid-February, Pan Pac has been conducting harvesting activities in the areas surrounding the Twin Lakes Carpark and the public walking tracks used to access Kuripapango Hill, Mackintosh Hut and the Tūtaekurī River in the neighbouring Kaweka Forest Park. Keeping our people and the public safe is our top priority; therefore, we needed to fully close some tracks and access roads. We recognise how important access to this area is for the public, so we developed a harvest plan

that allowed some tracks to remain open (with marshals on site during operational hours), as well as provide an alternative carpark that is closer to the highway and lakes. At this stage, we expect to complete harvesting and any track remediation required by the end of September.

For more information about the track closures, visit <https://www.panpac.co.nz/track-and-carpark-closures-in-kuripapango-mid-february-to-mid-july-2026/>



Pictured: The Twin Lakes – Rototuna and Rotoroa with Pan Pac harvesting visible in the background.

Protecting the ecosystem

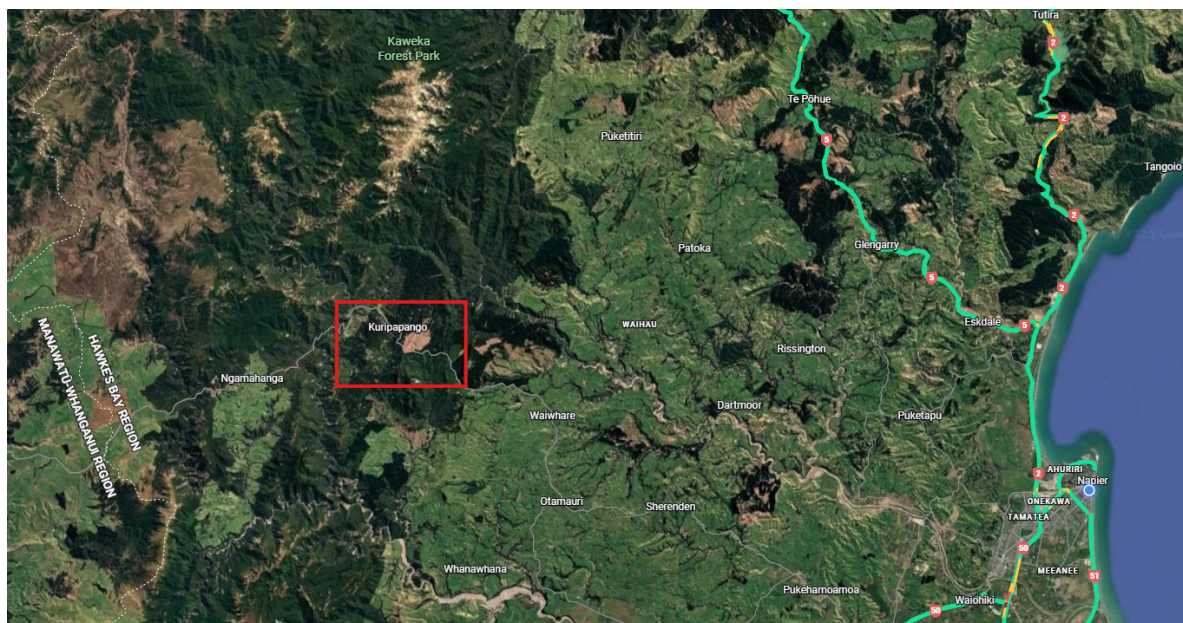
The Twin Lakes, Rototuna and Rotoroa are classified as an Outstanding Water Body by the HBRC —one of only a small number in the region. Formed thousands of years ago by a massive slip off Mt Kuripapango, the lakes are small but ecologically significant, supporting a wide range of plant species and habitat types. Both lakes provide trout habitat and some angling opportunities, and Rototuna also supports landlocked kōaro, one of the whitebait species. Rototuna has an underground outflow, while the smaller Rotoroa occasionally overtops into it. To the north, a wetland extends towards

our estate, with two wetland fingers reaching into our stands of production forest.

Given the sensitivity of these ecosystems, minimising soil disturbance and protecting the wetlands has been a key focus for Pan Pac during harvest. Before the harvest began, our environmental and operations staff met with our harvesting contractors to design a harvest system that achieved this. When we come to replant, 10-metre wetland setbacks (higher than the national minimum standard) will help protect these areas during the next rotation of production forest.



Pictured left: Pan Pac and DGL (harvest crew) staff planning the harvest to ensure we do our best to minimise disturbance to the high value ecosystem surrounding our trees.



Pictured above: Map showing the location of Kuripapango in Pan Pac-managed Kaweka Forest.

Opportunities in biofuel

As gas supplies in New Zealand diminish, the demand potential for biomass is on the rise. At Pan Pac, we have been investigating how turning forest residues (the leftover bits from harvesting) into fuel for process heat can be done on a large scale - fuelling the biomass boilers that keep our mills running and giving local businesses currently reliant on gas the option of a reliable, greener source of energy

In May, Pan Pac welcomed the Energy Efficiency & Conservation Authority and local major gas users and forest owners to our Whirinaki site for a workshop and showcase of Pan Pac's biofuel supply chain. Pan Pac is involved in the recently formed Hawke's Bay Forestry Group (HBFG) Biomass Committee, which is developing a supply chain for Hawke's Bay biomass with Pan Pac the ideal site for a regional processing hub. In most cases, biomass is considered the most practical replacement for gas for many businesses that rely on

gas for process heat energy; however connecting gas users to biomass supply involves the installation of new and larger boilers. During the workshop, HBFG Biomass Committee members Hamish Scown – Forests Operations Technical Coordinator, and Mat Windross – Project Manager, highlighted the capability and scalability of Pan Pac as a processing hub, with current estimates suggesting that all process heat energy requirements in Hawke's Bay can be met from forest-sourced biofuel (chip or hogfuel).



Pictured: A harvesting site in Matahorua Forest near Tūtira.



Forest residues as biofuel study

Since September 2025, Hamish Scown, in conjunction with the Fibre Supply team, has been conducting a study of forest residue and how it can be utilised as biofuel for our boilers. Forest residues are the leftover parts of the tree during harvesting (e.g., offcuts, treetops and branches or out of spec, unmerchantable logs). The study began at the super skid site in Gwavas Forest, where the residue was hogged on site and then transported to the mill. In the Pulp lab, moisture content was measured so gigajoule content could be determined. The trial has so far indicated that forest residuals make high-quality, cost-effective boiler fuel, and that the product could be a viable revenue stream in future when demand for biofuels increases in the region. The next

phase of the trial will see the hogging operation move to a super skid in Tangoio Forest. The plan is to produce around 10,000 green tonnes in 2026, which equates to about 60,000 – 85,000 gigajoules of process energy for our boilers.

What is a super skid?

Super skids are centralised processing sites for significant volumes of wood that are brought for processing due to steep and challenging terrain. This generates extreme volumes of organic waste in a centralised location that is inherently risky, primarily due to the risk of slash fires. Rehabilitating these sites is expensive and unsustainable. By carting hogged material to the mill, some money can be saved in exchange for a usable product that has value, while removing environmental risk from our forests.



Pictured: Mat Windross, Pan Pac Project Engineer, (centre) taking attendees of the biofuel workshop on a tour of our operations. and current biofuel production.



Fishing with electricity

In April, we teamed up with our contractor M.W. Lissette to relocate fish from a 400m section of stream in Tangoio Forest near the mill. Using a technique called electric fishing, which briefly and safely stuns the fish, the team was able to catch and release over 400 fish as part of work to reinstate a section of forestry road. During Cyclone Gabrielle, the stream flowed down the road, washing out and eroding the road surface and creating a new channel – not ideal with harvesting coming up. Before diverting the stream back to its pre-cyclone course, electric fishing was used to collect fish, including long and shortfin eel, redfin bullies, torrentfish and

adult whitebait kōaro and release them to the original section of the stream.

This activity is a great way to show our contractors and staff the abundance of aquatic life in the streams running through our forests, and why we do our best to protect streams during harvesting and roading activities. Before carrying out the stream diversion, Pan Pac gained consent from HBRC and engaged with local iwi, who were happy with our approach to this environmentally sensitive work.



Pictured: (L-R): Dan Fake, Pan Pac Senior Environmental Advisor and Conor Moorhead, Pan Pac Forester, electric fishing.

Pan Pac Environmental Trust 2026 recipients

Through the Pan Pac Environmental Trust (PPET), Pan Pac contributes up to \$100,000 per annum towards projects that benefit the environment and culture of Hawke's Bay. Read on for a summary of all the projects receiving funding in 2026.

Projects for 2026

Sounds of the Awa

Sounds of the Awa is a creative environmental education project that connects people with local rivers through ecology, kaitiakitanga, storytelling, and waiata. The project combines environmental learning and digital music creation to inspire connection, creativity, and care for the awa.

ECOED

Save Our Kaweka Kiwi

ECOED's Save Our Kaweka Kiwi project aims to sustain and enhance the eastern brown kiwi population living in the Kaweka Forest Park. The project monitors about 20 radio-tagged adult kiwi and raises chicks at a predator-free creche at Lake Opouahi. PPET funding will go towards the purchase of new kiwi tracking transmitters.

Te Wai Mauri Nursery Winter Warmer Beds

Project to isolate a portion of an existing tunnel house and turn it into a heated table for raising seeds during winter. The table or 'warmer bed' will be 2x4m and 20cm deep, lined with conductive coil filled with sand, keeping the soil at a constant temperature range of 21-23 degrees C. The winter warmer bed will be used to grow species throughout

the winter that typically stay dormant during the colder months, or are frost sensitive. This will help increase yearly production of locally sourced native rākau/trees for planting locally.

Te Whakaoranga o te Whenua me te Tangata - Petane Marae Revitalisation Project

Following the relocation of Petane Marae due to Cyclone Gabrielle, its Hapū Ngāti Whakaari and Ngāti Matepū are undertaking a holistic revitalisation project that reconnects their people back to whenua, tikanga, and pūrakau within their takiwā. PPET is funding two aspects of the revitalisation project – the Raranga (weaving) Waananga and Harakeke (flax) restoration.

Maungaharuru-Tangitū Charitable Trust (MTT) - Whakatipu Kaitiaki (Raising Future Kaitiaki)

This programme of wānanga (lessons), named Whakatipu Kaitiaki, is run by the Maungaharuru-Tangitū Trust (MTT) in partnership with local hapū. MTT's wānanga series will draw on the matauranga of their tupuna and hapu kaitiaki members, exploring, learning, and recording traditional Māori methods of kaitiakitanga involving a holistic approach to environmental management rooted in a deep connection to Tangitū and Te

Whanganui a Orotu and its resources, encompassing practices like temporary bans (rāhui), using the lunar calendar (maramataka), and respecting the spiritual power (mana) and life force (mauri) of the environment.

PPET funding will go towards the continuation of the Whakatipu Kaitiaki programme. This programme was also supported by PPET in 2020, 2021, 2022 and 2025.

Save the Dotterels, Hawke's Bay Protection of Pohowera (banded dotterels) at Waipureku / Clive

Continuation of an existing project started 2020-21 to protect and monitor banded dotterels at Clive/Waipureku.

A team of 21 volunteers undertake monitoring and/or predator control to protect the dotterels, their nests and their young. Knowledge both old and new is shared with the community to help educate and increase awareness of dotterels and their importance.

PPET funding will go towards the purchase of predator control supplies, monitoring equipment and education and training materials for volunteers and the public. This project was also supported by PPET in 2024 and 2025.

Kākābeak/Ngutukākā propagation Urban Kākābeak Programme

Continuation of an existing project, which has received PPET funding annually since 2020. Continued care of wild sourced Ngutukākā collection and provision of wild sourced genetics into other collections. Funding will go towards continuing all current processes including seed care, propagation, distribution of plants, expanding networks, ongoing research, continued publicity avenues and all required follow ups. This project provides support to species recovery and tui nectar sources and related regional biodiversity gains and bird presence by:

- Promoting success of Ngutukākā recovery by locating plants in sites safe from browsing damage, where they can be effectively cared for, to yield expanded seed and cuttings supply for preservation of this species.
- Identifying suitable planting locations in secure urban, park or collections to spread risk.

Estimating the benefits and costs to farmers of excluding wild deer from their properties

This project (survey completed in



Pictured: Future kaitiaki taking part in a Raising Future Kaitiaki wānanga in 2025.



June) employed rural economist Peter Macintyre to Whanawhana to interview 12 landowners across Hawke's Bay – including farmers, iwi and forestry companies – to estimate the losses they have faced to their pastures, crops, trees and biodiversity as a result of wild/feral deer browsing. The focus was on farmers who are currently wrestling with a feral deer problem and who have good measurements and numbers for their recent losses. Mr Macintyre then compared the losses against the cost of deer fencing across the lifetime of the fence. Many working in conservation understand the damage feral deer are doing to our natural landscapes, but they may not have priced the damage. The wider population is also unaware of the damage being caused. This project aims to build more awareness across the primary sector, and that will in turn explain the losses to a wider audience.

This survey has formed the basis of a story, which is being told widely and used for lobbying for greater feral deer control.

Ararata Urupa Trust

Te Wananga o Te Taiao – Restoring Cultural and Environmental Knowledge

A project to deliver Te Wānanga o Te Taiao – a series of wānanga focused on strengthening kaitiakitanga and reconnecting whānau with their maunga (Araata), pa (Nukurangi), awa (Arata) and Ararata Urupa.

The project will provide opportunities for Mātauranga Māori knowledge sharing, environmental education, and practical restoration activities such as native planting and waterway awareness. These wānanga will support the protection and enhancement of local ecosystems while strengthening cultural connection to the whenua and to the waterways.



Pictured above: A pohowera (banded dotterel) nesting.



Pictured left: Native seedlings being raised at Te Wai Mauri Nursery.

Environmental monitoring

Pan Pac carries out regular monitoring of the waterways and native species living and growing in our forests to ensure the ecosystems are healthy and that our operations are not having a negative impact on the environment.

Protecting at-risk plants in Kaweka and Gwavas

In recent months Dave Coe, our keen-eyed forester/plant enthusiast has identified several at risk/declining and naturally uncommon native plant species growing in Kaweka and Gwavas forests. These include rauhuia (NZ linen flax), *myosotis spatulata* (NZ forget-me-not) and pinatoro (NZ daphne). To help protect these plants, we collect their seeds, perform health checks - noting any increases or decreases in the population, and ensure staff and contractors are aware of their presence and know to take all practicable steps to protect them from forest operations.

Macroinvertebrate monitoring

Waterway monitoring involves taking samples of macroinvertebrates (stream bugs) living in the rockbeds of different streams (catchments) within our five forests. The presence and prevalence of certain highly sensitive macroinvertebrate species are an indicator of stream health and water quality. The samples will be sent to a laboratory for analysis, where a Macroinvertebrate Community Index (MCI)

score for each stream will be given. Results from this year's monitoring show streams in our mature pine plantations are in the top 5% of all stream sites monitored by HBRC

eDNA monitoring with MTT

In December, members of Maungaharuru-Tangitū Trust's (MTT) Environmental Team at joined us for some Environmental DNA (eDNA) monitoring in a stream behind the mill at Whirinaki. Results showed the presence of an array of native aquatic species including eels, īnanga, bullies, and a regionally uncommon banded kōkopu in the stream. The riparian planting currently taking place along this stream (see page 12) will enhance the habitat for these species, especially the banded kōkopu which prefer shaded streams.

What is eDNA monitoring?

eDNA monitoring is a fast and non-invasive scientific method that identifies plants, animals, and other organisms by collecting and testing genetic traces left behind in water, soil, or air.



Pictured above: *Myosotis spatulata* (NZ forget-me-not) growing in Gwavas Forest.



Pictured above: Pan Pac Senior Environmental Advisor collecting macroinvertebrate samples in Pākuratahi.

Wood is Good programme

Pan Pac is a proud supporter of the Wood is Good programme for Primary Schools run by Discover Forestry and funded by the Ministry for Primary Industries and the Forest Growers Levy Trust. Every year, our Forests staff and log truck drivers visit several local schools to help deliver the programme and teach children about log transport safety and the benefits of forestry.

In May, Eddy Eddington – Distribution Coordinator, Russell Schaare – Forester, and Lachie from S Thompson Cartage joined the Discover Forestry team to deliver the programme to Putorino School then Tūtira School. The tamariki had a great time and asked lots of good questions about forestry including 'How is the log truck loaded?' and 'Do seedling planters have to tether themselves when the land is steep?'. Later that month Eddy helped out with a visit to Te Pōhue School, which was

also supported by local forest owner Matariki Forests.

The Wood is Good programme is a tailored array of activities, videos, publications and demonstrations to educate students on the valuable benefits of forestry. These include environmental topics, carbon storage, climate change, wood products and how plantation trees are grown and harvested in Aotearoa New Zealand.



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