



New Forests releases 2018 Sustainability Report

Report includes indicators of environmental, social, and governance impact performance across an international portfolio of forestry assets

SYDNEY, 22 April 2019 – Investment manager New Forests released today its 2018 Sustainability Report, covering the company’s responsible investment practices and impact reporting across USD 3.7 billion (AUD 5.2 billion) of assets under management. The report describes the company’s approach to responsible investment and impact management, incorporating new indicators related to New Forests’ Sustainable Landscape Investment (SLI) framework. The report also includes a dashboard summarising how these measures align with the UN Sustainable Development Goals (SDGs).

New Forests’ CEO David Brand remarked, “Forestry is increasingly recognised as having an important role to play in the transition to a sustainable global economy. Not only are forests critical in the global carbon cycle, but they regulate freshwater, support biodiversity, provide important rural economic opportunities, and produce sustainable renewable materials. Our approach in managing assets is to incorporate both conservation and production in the landscape and give shared emphasis to investment performance and benefits to the communities where we operate. Our sustainability report aims to create transparency in how we are performing against those goals.”

“Through our Sustainable Landscape Investment framework, New Forests has sought to create an impact management framework that is applicable to a diverse portfolio of forestry, land, and environmental market assets,” said MaryKate Bullen, who leads corporate sustainability for New Forests. “We believe having a framework for measuring impact is critical to our vision of scaling institutional investment in sustainable forestry, embedding ESG into asset management to manage risk and drive returns, and providing material information to our clients and other stakeholders.”

The SLI framework encapsulates New Forests’ investment philosophy that successful forestry investments must be managed within sustainable landscapes, with positive impacts generated in six areas of performance: productivity, ecosystem services, land use planning, shared prosperity, risk management, and governance. The SLI framework is comprised of a set of performance metrics across these six impact areas.

The 2018 Sustainability Report contains the first public reporting of SLI performance data across New Forests’ global portfolio and features more than a dozen case studies from New Forests’ investments. New Forests also describes its impact in relation to the SDGs, focusing on SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action), and SDG 15 (Life on Land) in a new SDG dashboard.

Highlights from New Forests’ 2018 sustainability performance include:

- Achieving B Corp Certification, demonstrating that New Forests meets the highest standards for environmental and social performance as a company.

- More than 6.7 million m³ of certified timber were harvested across New Forests assets in 2018—99% of timber harvested by volume was certified.
- Across more than 730,000 hectares of forestry assets, production areas alone accounted for 121.6 million tCO₂e stored in working forests, and investments in projects associated with the California emissions reduction market were issued more than 4.5 million tCO₂e of regulatory carbon offsets.
- 5,300 individuals were employed in forestry operations across Australia, New Zealand, the United States, Malaysia, Indonesia, and Laos.
- New Forests invested USD 487 million (AUD 670 million) in sustainable forestry in 2018, reflecting a contribution to the global target of mobilising finance for low-carbon investment.

New Forests' investments also benefit from the company's active engagement in organisations that create enabling conditions for sustainable forestry investment at scale. In 2018, New Forests joined the World Business Council for Sustainable Development (WBCSD) and its network partner BCSD Australia as well as key investor climate action groups advocating to accelerate the transition to a low-carbon economy.

Bullen stated, "Over the past 14 years, New Forests has continually sought to innovate through bringing sustainability into the core of forestry investment. We believe that the forestry sector is uniquely positioned to be a driver of climate solutions and sustainable development while providing a greater supply of renewable materials for the transition to a bio-economy. We encourage others to join us in advancing a collective movement for Sustainable Landscape Investment through forestry investment."

Download New Forests' 2018 Sustainability Report from the company's website at www.newforests.com.au/sustainability or <https://tinyurl.com/NewForests2018>.

About New Forests

As global demand for resources grows, there is a need to increase productivity while ensuring the conservation of the world's remaining natural forests. New Forests seeks to create investment strategies that provide lasting solutions to this challenge. Through responsible management of forests and other real assets, we create shared benefit for investors and local communities alike. New Forests has international reach, with offices and assets in Australia, New Zealand, Southeast Asia, and the US. To learn more, visit www.newforests.com.au.

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