



CARTERS  **Your Building Partner**

ESG Report

**Issue #3 -
Released April 2025**

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24



**Manufacturing and
distributing building
supplies for over
150 years**

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT 2024

TABLE OF CONTENTS

	Page 3 Introduction
	Page 4 The New Zealand Wood-Products Industry: Mitigating Climate Change
	Page 6 Carter Holt Harvey Manufacturing Process and Wood Processing
	Page 8 Our ESG Programme and Stakeholder Materiality Matrix
	Page 10 Area One: Our Environment
	Page 11 Our Latest Stories - Reducing Paper Waste
	Page 12 Sustainable Management
	Page 13 Our Latest Stories - Carters Auckland Reduces It's Waste To Landfill By 90%
	Page 14 Our Environmental Initiatives and KEIs
	Page 21 Area Two: Our People and Our Community

	Page 24 Melanoma New Zealand Partnership - Year 1 Review
	Page 26 Our Latest Stories - In Their Tracks - Protecting Kiwi and Whio in Kahurangi
	Page 27 Area Three: Our Business
	Page 28 Area Four: Governance, Compliance and Reporting, and Progress At A Glance

THE CARTER HOLT HARVEY GROUP



INTRODUCTION

BUILDING NEW ZEALAND AND AUSTRALIA

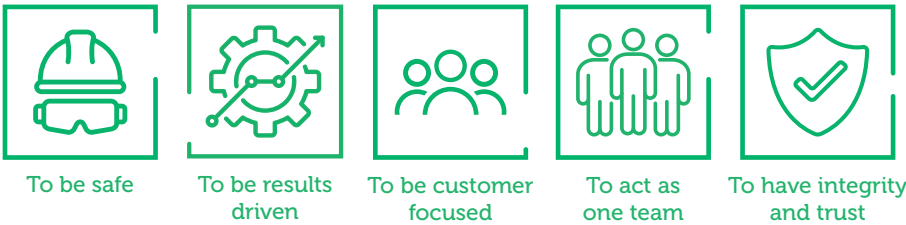
The Carter Holt Harvey Group has supported the New Zealand construction industry for more than 150 years. We are known as one of the leading processors, manufacturers and suppliers of wood-based products nationally, and are recognised for producing and distributing some of the industry's best-known brands. Under this umbrella our subsidiary, Carters Building Supplies, is one of New Zealand's leading suppliers of building products, frames, trusses and manufactured solutions, through its network of 50 stores, and nine frame and truss manufacturing sites. Carter Holt Harvey has wood production facilities at Kawerau and Nelson (sawn timber), Kinleith (secondary processing), Tokoroa (plywood), Marsden Point (LVL) as well as Myrtleford in Australia (plywood), with 2,438 employees who make our Group what it is today.

As industry leaders, we believe that profit growth and responsible business practices go hand in hand. In 2020, we decided to embark on a journey to create our **Environment, Social and Governance Reporting Programme (ESG)**, to help shape the future state of the Carter Holt Harvey Group, and how we operate. This report is our third issue to be released and outlines what we have achieved in 2024, as well as our ongoing plan of action for 2025 and beyond.

As part of the Programme's development we first took an inside-out approach, reviewing our history, examining the baseline ESG credentials within our business, the wood-products industry, and our manufacturing processes, right through to Carters' supply of our products to the construction sector. We then looked outward, engaging our external stakeholders to discuss our key material ESG issues, how we plan to manage or can continue to manage those issues, and the key environmental indicators that will ensure we are creating measurable, meaningful change. Focusing on continuous improvement opportunities will strengthen the Carter Holt Harvey Group for years to come.

As such, this report will focus on four main areas of opportunity: **Our Environment, Our People, Our Business** and **Governance and Compliance**. Throughout the report, we'll also discuss how we'll create future value by systemically aligning our ESG plan with our brand values.

OUR BRAND VALUES



THE NEW ZEALAND WOOD PRODUCTS INDUSTRY: MITIGATING CLIMATE CHANGE

Our industry is one of the most sustainable globally, as we use a renewable resource that generates a long-term carbon store within our products, resulting in one of the lowest embodied energy footprints in the building materials market, whilst maximising the use of renewable energy.

As the largest wood products manufacturer in New Zealand, Carter Holt Harvey and Carters Building Supplies play a key role in an industry committed to reducing carbon emissions to **50% of 1990 levels by 2050**.

CARBON SEQUESTRATION

We source logs from sustainably managed Pinus Radiata plantations, where trees absorb carbon dioxide, store carbon in their wood fibre, and release oxygen. This carbon sequestration process creates a long-term carbon store, with New Zealand pine forests sequestering about 750 tonnes of CO₂ per hectare during their growth cycle.

LONG-TERM CARBON STORE

When forests are harvested and logs are processed into long-life wood products, the carbon store remains in the manufactured products. Despite some emissions from harvesting, processing, and transportation, each cubic metre of wood product (timber, plywood, or LVL) stores between 270kg and 820kg of carbon dioxide (depending on the product). This results in a **positive impact on climate change, equivalent to removing over 200,000 average family cars from the road each year**. Most of our wood products are used in construction, ensuring the carbon store lasts, with a typical 200m² timber-framed house storing over 18 tonnes of CO₂ for its 90-year lifespan.

APPROXIMATE LONG-TERM CARBON STORE OF OUR PRODUCT MIX

Year	2019	2020	2021	2022	2023	2024
Based on CHH and third party EPDs - tonne CO ₂ -e	690,523	631,949	605,667	578,325	431,647	417,218

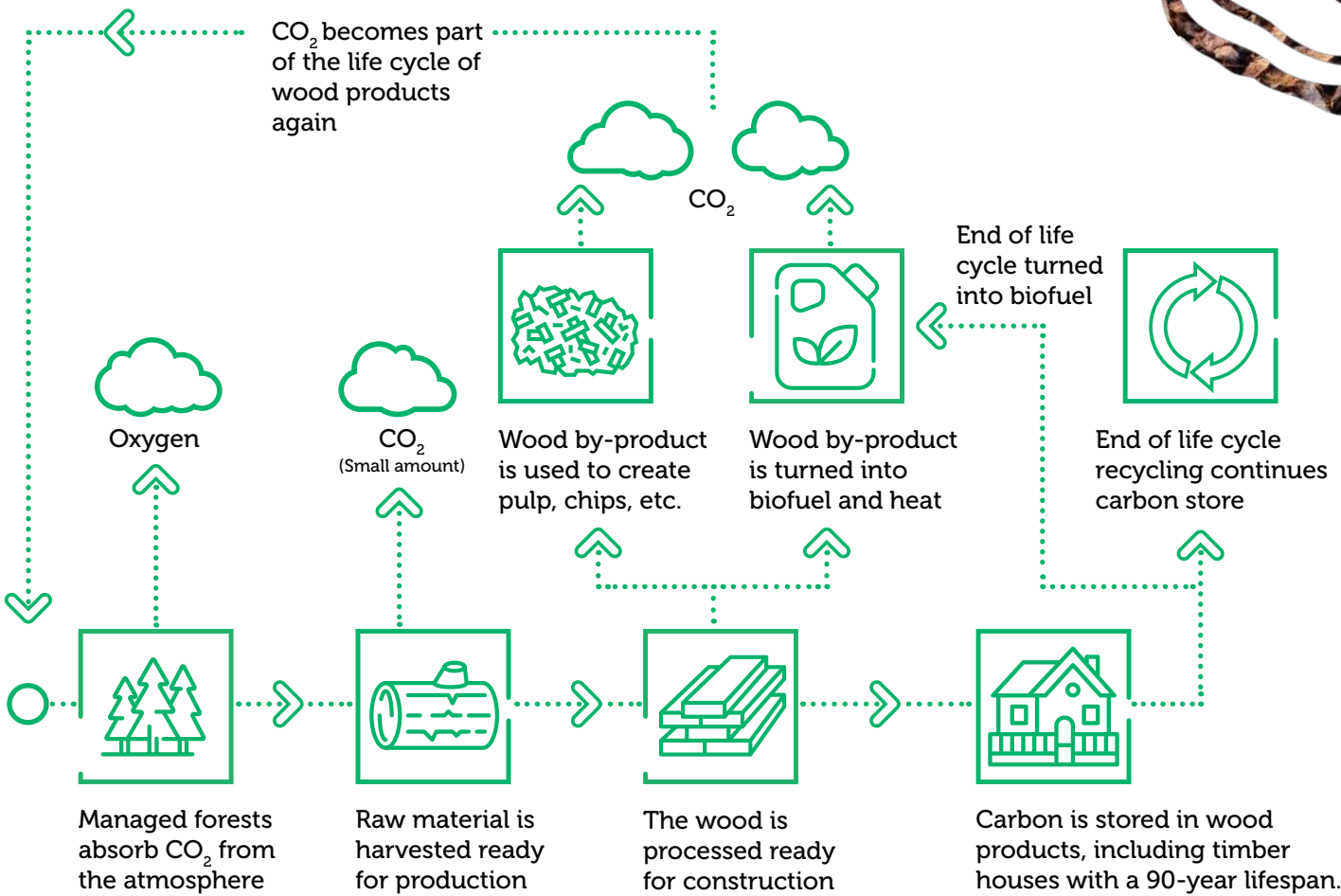
Carter Holt Harvey Group Environmental Product Declarations (EPDs) cover all CHH New Zealand operations. The Wood Solutions Plywood EPD (Registration No. S-P-00564) covers the CHH Myrtleford Plywood operation.



A typical 200m² timber-framed house stores over 18 tonnes of CO₂ during its 90-year lifespan.



FIGURE 1: THE LIFE CYCLE OF WOOD PRODUCTS AND CO₂



REUSE, RECYCLE, REPLACE



When a house is demolished, the carbon storage benefits continue even if the waste is sent to a landfill. As the wood-products decay, carbon is returned to the soil, with the CO₂ emissions to the atmosphere being minimal. Other options include reusing or recycling waste wood products, so they continue to store carbon, or use them as an alternative to fossil fuel energy generation. These methods of disposal can deliver **a net environmental impact close to zero**, as the CO₂ released was taken in by the forest right at the beginning of the carbon cycle.

RENEWABLE ENERGY



Waste material from processing activities is an important energy source for the wood products industry. This generates heat used in drying timber, plywood, or LVL. In 2024 **renewable energy accounted for approximately 84% of our total energy needs**, and over 90% in our sawmilling and LVL operations. The wood products industry has a low embodied energy in terms of the energy required to make a unit of product. To draw a comparison, the average energy intensity of our kiln dried, treated sawn timber is 5.7 GJ/tonne for 2024, which compares favourably to steel which has embodied energy of approximately 27 GJ/tonne.

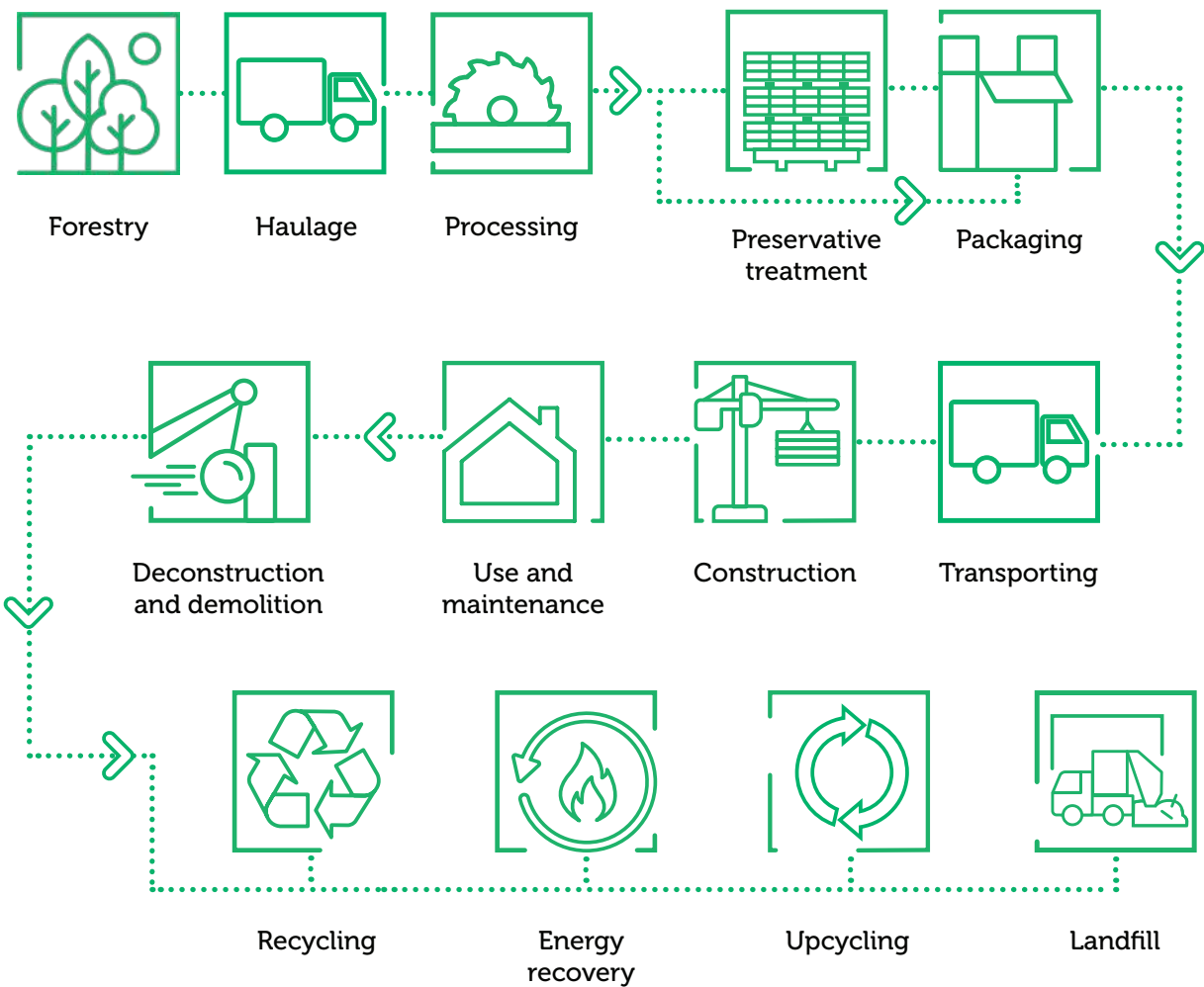
84% OF OUR ENERGY IS RENEWABLY SOURCED

CARTER HOLT HARVEY MANUFACTURING PROCESS

Our efficient manufacturing process optimises our raw material inputs used to make our wood products. It generates renewable energy for our operations, as well as providing raw material for other forest industry sectors, such as pulp and paper, green energy, or landscaping.

To gain a better understanding of what the lifecycle of our production process looks like, and how we minimise our environmental impact, see Figure 2 below:

FIGURE 2: THE LIFECYCLE OF OUR WOOD PRODUCTS



WOOD PROCESSING

Below is an outline of each step in the lifecycle of our wood products:

01 FORESTRY

The process starts with the mature, plantation-grown pine that is harvested and cut into log lengths in the forest ready for transport. We source all logs used in our manufactured wood products, from sustainably managed plantation forests and other controlled sources. These forests are a renewable resource considered critical in helping New Zealand meet its obligations under the 2016 Paris Accord.

02 HAULAGE

The logs are transported to our manufacturing facilities where they are either sawn into timber, or peeled into veneer, for making plywood or LVL. The material is then dried to make it stable and may undergo secondary processing.

03 PROCESSING, PRESERVATIVE TREATMENT AND PACKAGING

Every log is scanned and a sawing solution determined to optimise timber recovery from each log. Additional processes include machining to specific sizes, or preservative treatment, to ensure its longevity and compliance with industry standards. Some of the waste material we produce from our manufacturing operations provides raw material for the pulp and paper industry, energy for third parties, or is used in landscaping. Most of the waste material that does not provide raw material for other industry participants is used to generate energy for our manufacturing operations.

04 TRANSPORTING, CONSTRUCTION AND USE AND MAINTENANCE

After leaving our manufacturing facilities, Carters and other merchants supply our wood products to the construction industry for use in residential and commercial buildings, or other industrial applications, where they form a long-term carbon store.

05 DEMOLITION, RECYCLING, UPCYCLING, ENERGY RECOVERY AND LANDFILL

In the future, if the building is demolished, the wood-products can be used in a range of environmentally friendly applications, including upcycling, recycling and renewable energy generation.



OUR ESG PROGRAMME

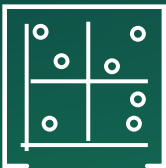
Since launching our ESG Programme, we have remained focused on our environmental, social, and governance responsibilities while actively engaging key stakeholders to ensure we prioritise what matters most for the Carter Holt Harvey Group. Our clearly defined programme areas and prioritised initiatives, guided by our Materiality Matrix, ensure we are driving meaningful, transformational change both now and in the future.

Below is a reminder of our stakeholder engagement and initiative process, which is further detailed through the remainder of the report:



STEP 1: STAKEHOLDERS

We continue to engage with a cross-section of our staff and stakeholders asking them what they considered to be current and future issues, not only for our business, but for them personally. We then asked our stakeholder group to rank those issues in order of importance to them. Those issues were then ranked in order of business impact.



STEP 2: MATERIALITY MATRIX

These two rankings enabled us to prioritise initiatives through our ESG Materiality Matrix (Figure 3). Material issues are grouped into four key programme areas. Although some material issues are relevant across more than one programme area (e.g. compliance), we have only referenced them in the programme area that we felt was most comprehensive.

Context remains crucial. A material issue residing in the upper right quadrant, meaning it is both very important and has the potential for a significant impact on the business, is likely already receiving the dedicated attention it deserves. For example, Safely Home Every Day is at the forefront of our policies, procedures and operational training, and is detailed in our **Health and Safety Policy**. We already recognise it as an extremely important and material issue, which has the potential to severely impact the business.



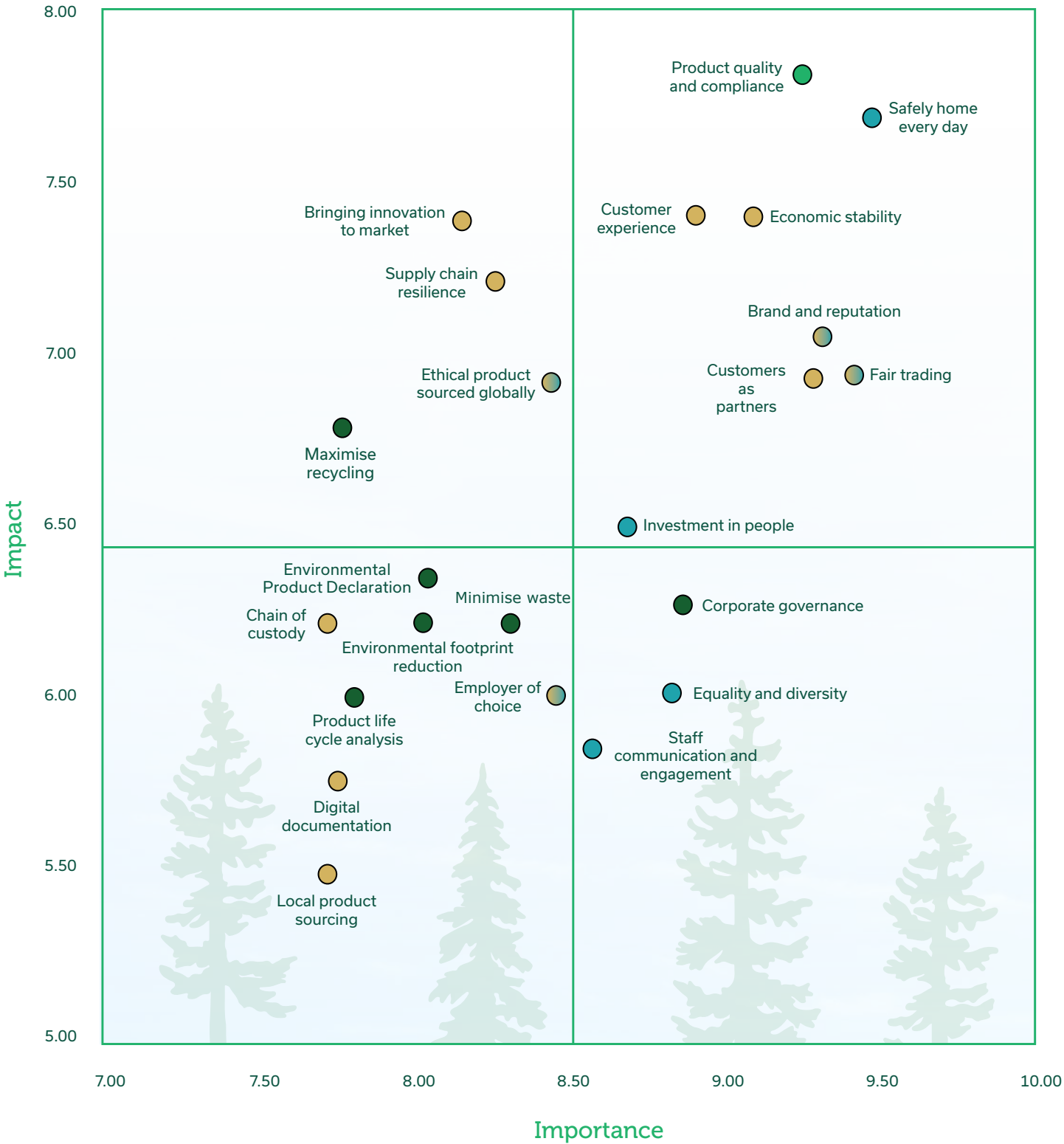
STEP 3: MOVING FORWARD

Our stakeholders continue to identify areas of our business where we could improve or must maintain our current high standards. To that end, we identified opportunities to focus on during the coming year and beyond, to ensure a continuous improvement of our ESG outcomes. This report gives updates on our progress.



OUR STAKEHOLDER MATERIALITY MATRIX

FIGURE 3:



Key: Environment People Business Governance

AREA ONE: OUR ENVIRONMENT

Our Environment is our first programme area of focus, with our stakeholders identifying material issues such as reducing our environmental footprint, minimising waste, maximising recycling, and developing clear chains of custody as material issues. The following pages cover both our existing environmental management efforts, as well as our continuous improvement initiatives that we are delivering to maximise our positive environmental impact.

ENVIRONMENTAL MANAGEMENT

The Carter Holt Harvey Group has produced Environmental Product Declarations (EPDs) for all our New Zealand manufactured wood products. Our EPDs are compliant with EN15804 and ISO14025, and are registered with EPD Australasia, which are recognised globally. They give our customers confidence in the environmental credentials of our manufactured wood products and allow them to rely on our published data in determining their own sustainability footprint.

We also have well-developed environmental management systems, which apply across all aspects of our business operations. These systems are led by our corporate **Environmental Policy** and incorporate in-depth environmental systems and an operational audit protocol. Our sites are regularly audited using this protocol and site specific documents. In addition to measuring compliance against our environmental consents, these audits seek to judge if we are following best practice and identify opportunities for improvement. We also have routine inspections and audits conducted by environmental regulators, specifically aimed at evaluating our compliance with our consents. Thus far, the feedback from regulators have been consistently positive.

CHAIN OF CUSTODY

We source logs from sustainably managed plantation forests and other controlled sources, and have the Forest Stewardship Council® (FSC®) Chain of Custody certification. This measure provides a formal assurance that gives our customers confidence about our sustainability credentials. FSC has recognised our manufacturing facilities listed below for using responsibly sourced wood:

- CHH Timber, Kawerau, FSC certification (FSC® C021357)
- CHH Timber, Nelson, FSC certification (FSC® C011498)
- Futurebuild LVL, Marsden Point, FSC certification (FSC® C007103)
- CHH Plywood, Tokoroa, FSC certification (FSC® C012019)
- CHH Plywood, Myrtleford, FSC certification (FSC® C018480)

DECLARE LABEL

The CHH Plywood and Futurebuild LVL range of H1.2 and untreated products have been issued Declare labels and determined to be Red List Free through the International Living Future Institute, and as such, can be used in Living Building Challenge projects.



OUR LATEST STORIES: REDUCING PAPER WASTE

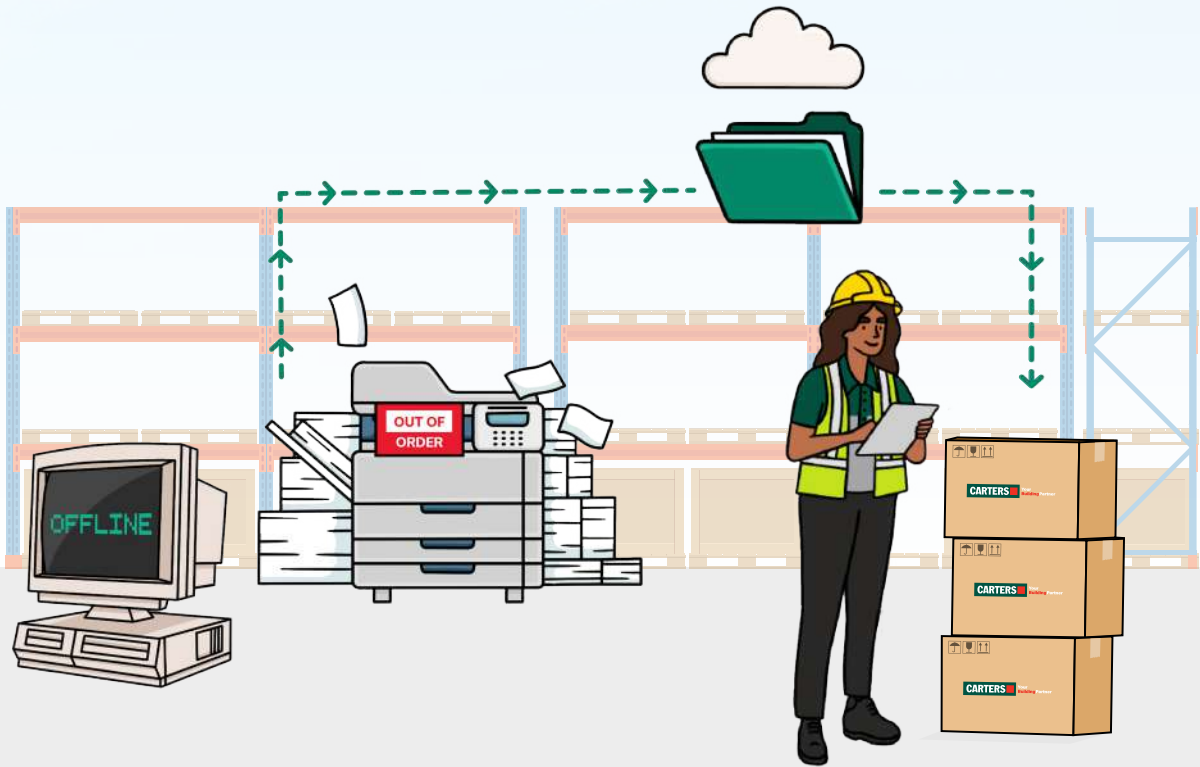
In January 2024, Carters made a major advancement by migrating from a 30-year-old legacy IT platform to a modern, cloud-based system. This transition not only upgraded the company's IT infrastructure, but also paved the way for enhanced operational efficiency and greater sustainability. The new system provides a foundation for future growth, offering the flexibility to scale and adapt to evolving business needs while keeping pace with the latest technological advancements.

A key advantage of the new platform is the **significant reduction in paper-based processes**. Previously, Carters relied on printed sales orders to manage customer product picking, often generating multiple copies for warehouse staff. With the introduction of the cloud-based system, this outdated practice has been fully digitised, streamlining operations and eliminating paper waste, which benefits both the company and the environment. The digitisation also allows for real-time updates, ensuring that all teams, from sales to warehouse staff, have access to the most current information at any given moment, further enhancing coordination and reducing the risk of errors.

Now, pickers receive their tasks via handheld scanners, which guide them to product locations and specify the quantities to be picked. This shift reduces paper consumption while boosting accuracy and efficiency by removing the need for manual order tracking. The new system's ability to automatically sync data with inventory management systems also ensures better stock control and provides a more seamless workflow across the entire supply chain. This move to a cloud-based system and paperless processes marks a significant milestone in Carters' ongoing commitment to fostering a more eco-conscious and efficient work environment. The company also anticipates a reduction in storage and operational costs related to managing physical paperwork. As the business continues to evolve, Carters plan to explore additional ways to leverage this cloud platform to further optimise their processes and support long-term sustainability goals.



In early 2024, Carters eliminated the need for printing over 1 million sales order copies.



SUSTAINABLE MANAGEMENT

Our wood products manufacturing operations maximise the use of the logs we acquire, with few manufacturers worldwide able to achieve **near 100% raw material utilisation**. Additionally, we efficiently convert waste materials to meet most of our energy needs. The Carter Holt Harvey Group transforms over **140,000 tonnes of potential waste into renewable energy annually**, primarily in the form of heat for steam generation. We also tap into geothermal steam at Kawerau, utilise steam generated from biofuels at Tokoroa, and optimise our use of renewable green electricity from hydro, wind, and geothermal sources. In 2024, around **84% of our total energy is sourced from renewables**, with more than half coming from biomass or wood waste.



RENEWABLE ENERGY AS A PERCENTAGE OF ALL ENERGY



Year	2019	2020	2021	2022	2023	2024
Percentage	82%	80%	81%	79%	80%	84%

The above table shows the overall percentage of our energy needs derived from renewable energy sources. As you can see, we average around **80% renewable energy** year on year. The major sources are biofuels derived from waste materials, geothermal steam, and purchasing electricity from suppliers who have a high renewables component in their generation portfolio. The percentage shown here is an average across our whole group and includes our processing facilities, administration and Carters.

WASTE

Like most manufacturing operations, we also generate some waste, which is not reusable and is disposed of in landfills. This volume equates to approximately **2.4% of our total raw material inputs**. We also generate a relatively small amount of waste that is deemed to be hazardous under current regulations. It is made up principally of wood products treatment waste, but also includes things like workers’ PPE that may be contaminated with glue from plywood and LVL production. Our hazardous waste equates to less than 0.1% of our raw material inputs. Although waste is a small proportion of our overall inputs, our stakeholders have identified its management and reduction as a material issue.



OUR LATEST STORIES: CARTERS AUCKLAND REDUCES ITS WASTE TO LANDFILL BY 90%

In late 2023, our Carters manufacturing plant in Auckland implemented a new waste segregation and recycling strategy that has seen a big turnaround in the amount of waste it sends to landfill. The business partnered with suppliers to develop recycling options for different waste components and The strategy sees the then segregated materials, previously going to landfill as general waste, into their component streams, i.e., recyclables (plastics, cardboard and timber) and non-recyclable materials.

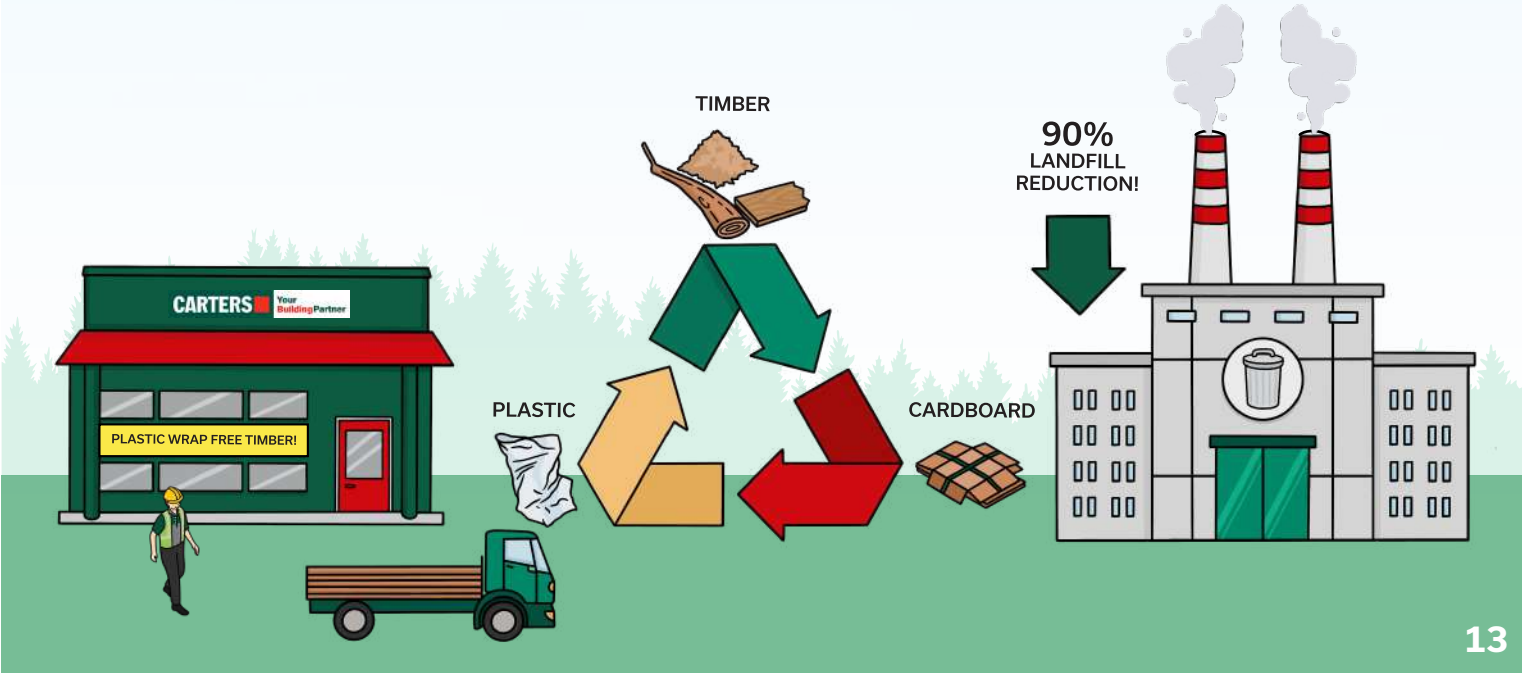
Carters has taken steps to reduce the volume of plastic timber wrap going to landfill by offering its customers the option of taking their timber, frames and trusses and other building components unwrapped. In addition Carters has partnered with a specialist plastics recycler to recycle all of the plastic material previously generated as waste at its Auckland manufacturing site.

Carters has also diverted most of its timber waste from its frame and truss manufacturing plant to either re-use on site, or to other industries for use as either raw material or for energy production.

The net result has been **a reduction in waste material sent to landfill of over 90% during 2024**, with a resultant saving in greenhouse emissions of approximately 10,000t and improvement in resource utilisation.



A reduction of over 90% of waste materials sent to landfill from Carters Auckland manufacturing site in 2024 saved approximately 10,000t greenhouse emissions. This was achieved by using a specialist plastics recycler, separating recyclables from non-recyclables, and diverting timber waste for re-use or other industries.



ENVIRONMENTAL INITIATIVES UPDATE

In our 2023 report we listed numerous environmental initiatives that we were either embarking on or had underway in 2024. We are pleased to say that we have managed to deliver on many of our environmental initiatives.

01 ENVIRONMENTAL PRODUCT DECLARATIONS

Our Environmental Product Declarations for our timber, plywood and LVL products were released in late 2022 and details the overall environmental impact of those products and the positive outcome in terms of long term carbon storage.

02 LOWER EMISSION VEHICLES

We investigated the feasibility of using lower emissions vehicles and in 2023 we moved to a process of reviewing each new or replacement vehicle's role, and where it has been practical, move to a lower emissions vehicle. This is now an ongoing program and should see a reduction in our overall fleet emissions over time.

03 PROCUREMENT PROGRAM WITH A FOCUS ON ENVIRONMENTAL CREDENTIALS

Carters has initiated a procurement program which gives a preference to suppliers that have demonstrable environmental credentials and selects those suppliers where it is economically feasible to do so. Carters has updated its Procurement Policy, Supplier Evaluations and Requests for information to give effect to this preference. This includes suppliers that have active waste minimisation policies or utilise or are switching to more environmentally responsible packaging.

04 DIGITAL TRANSFORMATION

In early 2024, the Carters digital transformation eliminated the need for printing over 1 million sales order copies. This move to a cloud-based system and paperless processes marks a significant milestone in Carters' ongoing commitment to fostering a more eco-conscious and efficient work environment. The company also anticipates a reduction in storage and operational costs related to managing physical paperwork. As the business continues to evolve, Carters plans to explore additional ways to leverage this cloud platform to further optimise their processes and support long term sustainability goals.

05 ENERGY EFFICIENCY

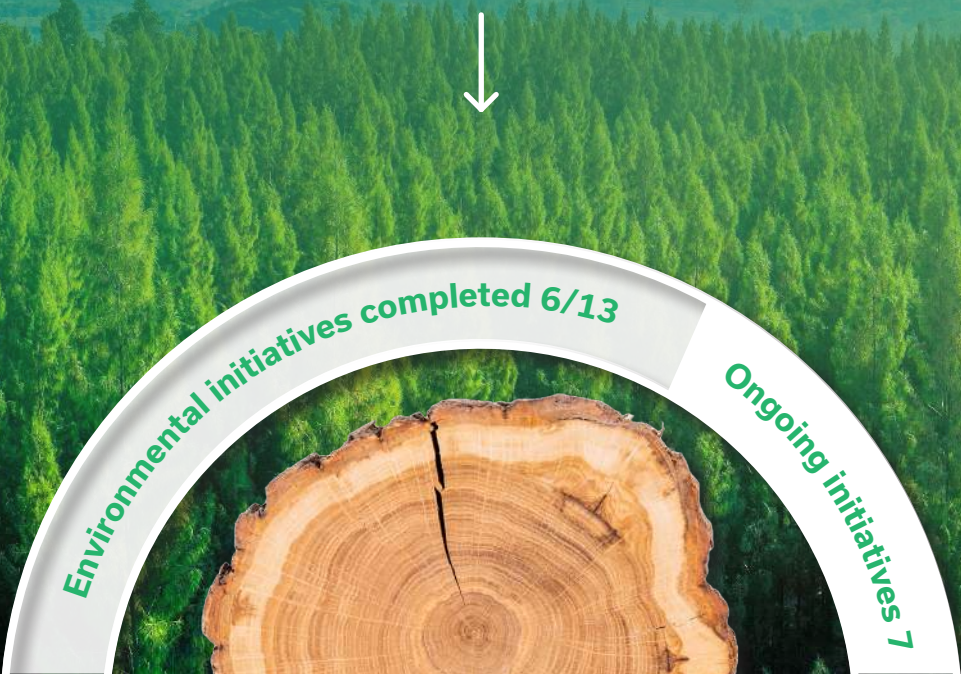
During 2024 we have continued our drive to make more efficient use of our energy and reduce the embodied energy in our products. This program includes increasing the usage of energy efficient lighting, power factor correction of major plant items, better use of our renewable energy resource and a major reduction in the volume of printed material we produce.

06 REDUCING WASTE MATERIAL ON BUILDING SITES

Carters continues to work with the building industry to identify ways to reduce waste on building sites. One initiative commenced in 2023 has been to offer clients the option of not having their frame and truss orders wrapped, which has always been standard practice. Uptake has grown in 2024 with 21% of customer orders specifying wrap free, which is a 30% increase over the previous year.

As part of our 2025 roadmap, we will continue the delivery of our Environmental Initiatives, which include our Energy Efficiency Programme, reducing building site waste, working with suppliers to access environmentally friendly products, encouraging our clients to use energy efficient and sustainable solutions in their new home builds, and more.

COMPLETED INITIATIVES



OUR ENVIRONMENTAL INITIATIVES

Below is a summary of our initiatives. Further details can be found for each on the following pages.

OUR ENVIRONMENT INITIATIVES*

LEADERS

Release Environmental Product Declarations (EPDs) for our New Zealand manufactured products

Timber, Plywood & LVL

Kiln improvements at Kawerau and Nelson to reduce energy per cubic meter of timber produced

Timber

Investigate the feasibility of lower emissions vehicles where fit for purpose

Timber, Plywood & LVL
Carters

Prefer suppliers who have waste minimisation/ environmental plans or credentials

Carters

Work with suppliers to reduce packaging and promote recyclable packaging

Carters

Reduce paper use and promote paperless customer delivery, invoicing and technical information

Timber, Plywood & LVL
Carters

Investigate options for recyclable product wrap

Timber & LVL
Carters

Develop an EPD for Carters Frame and Truss products.

Carters

Work with suppliers to maximise the availability and use of environmentally friendly products

Carters

Continue energy efficiency program for manufacturing sites to reduce energy use per cubic metre of product produced

Timber, Plywood & LVL
Carters

Reducing emissions and energy use through energy efficiency programmes

Timber, Plywood & LVL
Carters

- Convert lighting in offices, shops and factories to LED
- Educate staff to switch off unnecessary electrical items

Encourage clients to include energy efficient and sustainable solutions in the design of new build homes (via the Carter Holt Harvey Group's EPDs)

Timber, Plywood & LVL
Carters

Work with the building industry to find ways to reduce building site waste and promote recycling

Timber, Plywood & LVL
Carters

- Develop pre-fabricated and pre-manufactured materials

OUR KEY ENVIRONMENTAL INDICATORS

The following Key Environmental Indicators are presented for the Carter Holt Harvey Group and all its manufacturing and retail businesses, including Carters, Timber (Kawerau, Kinleith, Nelson and Whangarei), Plywood New Zealand and Australia (Tokoroa and Myrtleford), LVL (Marsden Point) and Corporate offices in New Zealand and Australia.

SCOPE 1 - DIRECT EMISSIONS

Year	2019	2020	2021	2022	2023	2024
Scope 1 Fossil Fuels t CO ₂ -e	38,994	36,143	39,389	42,228	27,416	22,440
Scope 1 Bio Fuels t CO ₂ -e	149,260	106,098	119,036	116,378	78,036	88,911
Scope 1 Bio Fuels & Geo Steam CH ₄ + NO _x as t CO ₂ -e	4,277	4,123	4,718	4,542	3,278	3,607
Scope 1 Emissions Wood-Products Treatment/ Resins t CO ₂ -e	44,043	40,433	35,555	30,720	23,263	26,466
Total Scope 1 t CO ₂ -e	236,574	186,798	198,698	193,868	131,993	141,424

Scope 1 emissions are those emitted directly by the business in the course of its daily activities. In the Carter Holt Harvey Group's case, those emissions relate to the direct use of fossil fuels (inc. diesel and LPG) and the emissions associated with our use of renewable energy. For example, whilst timber waste is seen as a renewable energy source, the timber having sequestered the CO₂ from the atmosphere prior to its use as a fuel, and therefore allowing the actual CO₂ emissions to be netted out, it still produces a small amount of other greenhouse gases due to its use as a fuel. This is most notable in the form of methane and nitrous oxides.

SCOPE 2 - INDIRECT EMISSIONS FROM PURCHASED ELECTRICITY

Year	2019	2020	2021	2022	2023	2024
Scope 2 Purchased Electricity - t CO ₂ -e	26,039	25,055	24,419	24,821	21,586	22,623
Scope 1 + 2 Gross - t CO ₂ -e	262,613	211,853	223,117	218,689	153,579	164,047
Nett Reportable CO ₂ -e (Nett Scope 1 + Scope 2)	113,353	105,754	104,081	102,310	75,543	75,136

Scope 2 emissions relate to emissions from purchased electricity. Whilst these emissions are not released directly by the Carter Holt Harvey Group, carbon accounting rules specify they are treated as though they are. Our nett emissions per m³ of product are shown in the last line of the table.

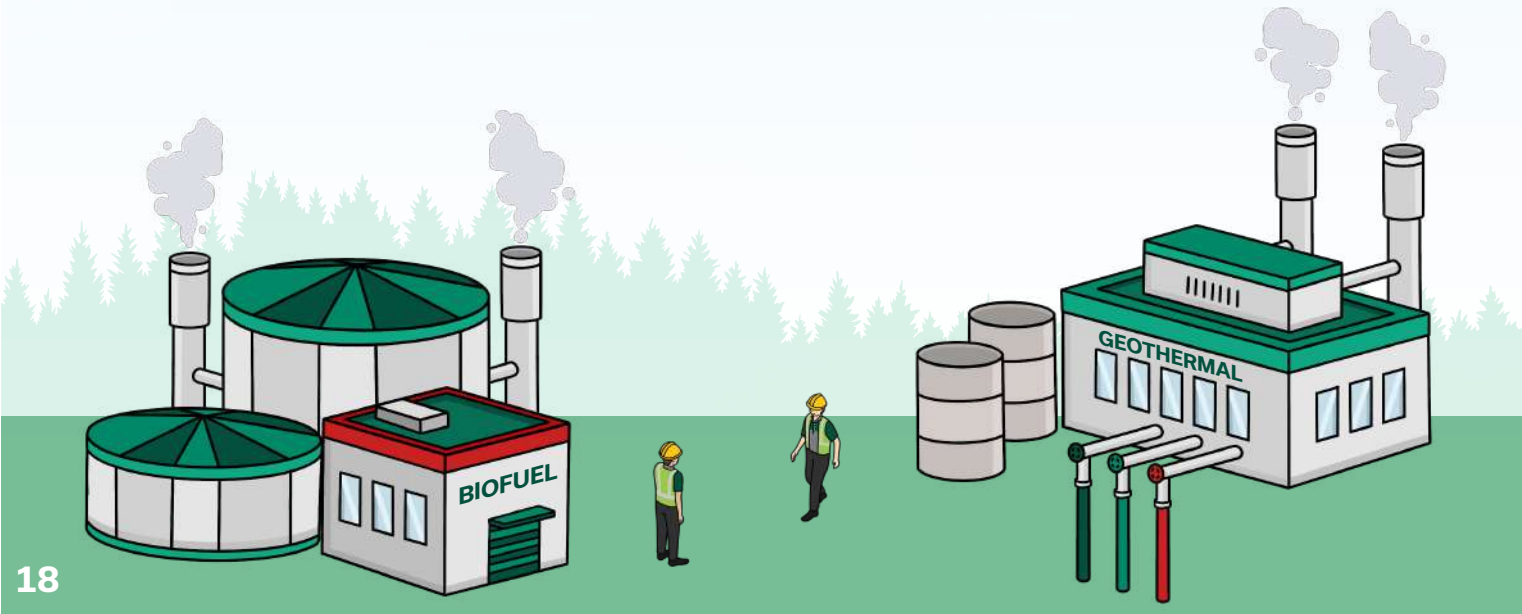
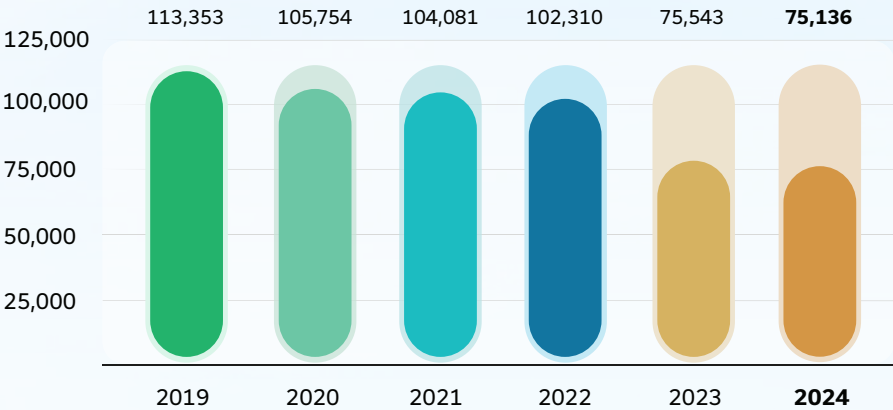


SCOPE 3 - POST OPERATIONAL EMISSIONS (NOT REPORTABLE)

Year	2019	2020	2021	2022	2023	2024
Scope 3 T&D losses	17,359	17,333	17,213	17,185	14,997	15,266
Scope 3 (Water and Waste Water) - t CO ₂ -e	35	31	28	34	26	30
Scope 3 (Waste) - t CO ₂ -e	27,422	28,820	34,632	51,907	56,015	41,240
Total Scope 3 - t CO ₂ -e	44,816	46,183	51,874	69,127	71,039	56,535

Scope 3 emissions are those emissions which are related to our activities, but incurred by a third party, for example the emissions associated with the supply of municipal water, or the energy losses in the national electricity grid. These are shown here for completeness but in accordance with carbon accounting rules, do not form part of the overall Carter Holt Harvey Group emissions. It will be noted that there has been an overall decrease in the emissions from waste. This is due to two main factors. The first is a waste minimisation project implemented by Carters which has seen its waste to landfill decrease substantially over the past year (see our story on Carters Waste Journey on page 13). The second is related to lower overall market conditions resulting in generation of less waste destined for landfill.

ANNUAL NETT EMISSIONS LC - t CO₂-e FOR THE GROUP, YEAR ON YEAR



REPORTABLE EMISSIONS AND SOURCES BY YEAR LC - t CO₂-e



The graph above shows our sources and volume of emissions by type, on a year by year basis.

REPORTABLE EMISSIONS AND SOURCES BY SOURCE LC - t CO₂-e



This graph shows emissions on a year by year basis grouped by source.

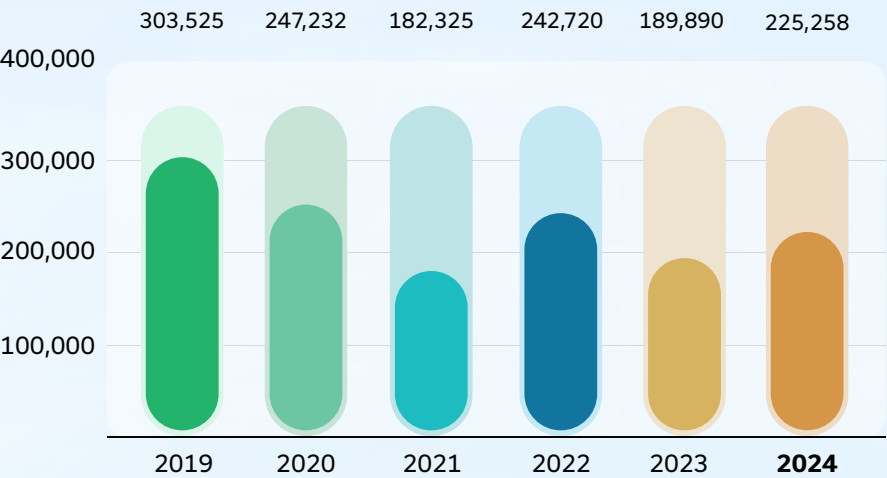
GROUP TOTALS - WATER AND WASTE WATER

Year	2019	2020	2021	2022	2023	2024
Water Use - m ³	303,525	247,232	182,325	242,720	189,890	225,258
Liquid Trade Waste - m ³	10,762	11,365	19,405	31,528	23,743	23,797
Waste to Landfill - Tonne	23,968	25,226	30,217	44,323	48,430	35,806
Hazardous Waste - Tonne	747	1,279	1,508	1,677	1,094	1,377

The previous table shows how our group water usage has declined over the past 6 years. Whilst overall market activity is lower than in previous years, this represents a major improvement in the group's performance in the use of water. Some of this is due to moving to alternate timber treatment regimes and a general improvement in water management.

You will note that there has been a general increase in the volume of waste being sent to landfill. This is due to two main factors. The first is an improvement in record keeping by the Carter Holt Harvey Group since our ESG journey began, but more importantly, a decline in market conditions has seen our ability to sell waste material to downstream processors impacted, meaning a higher percentage of this material is currently going to waste.

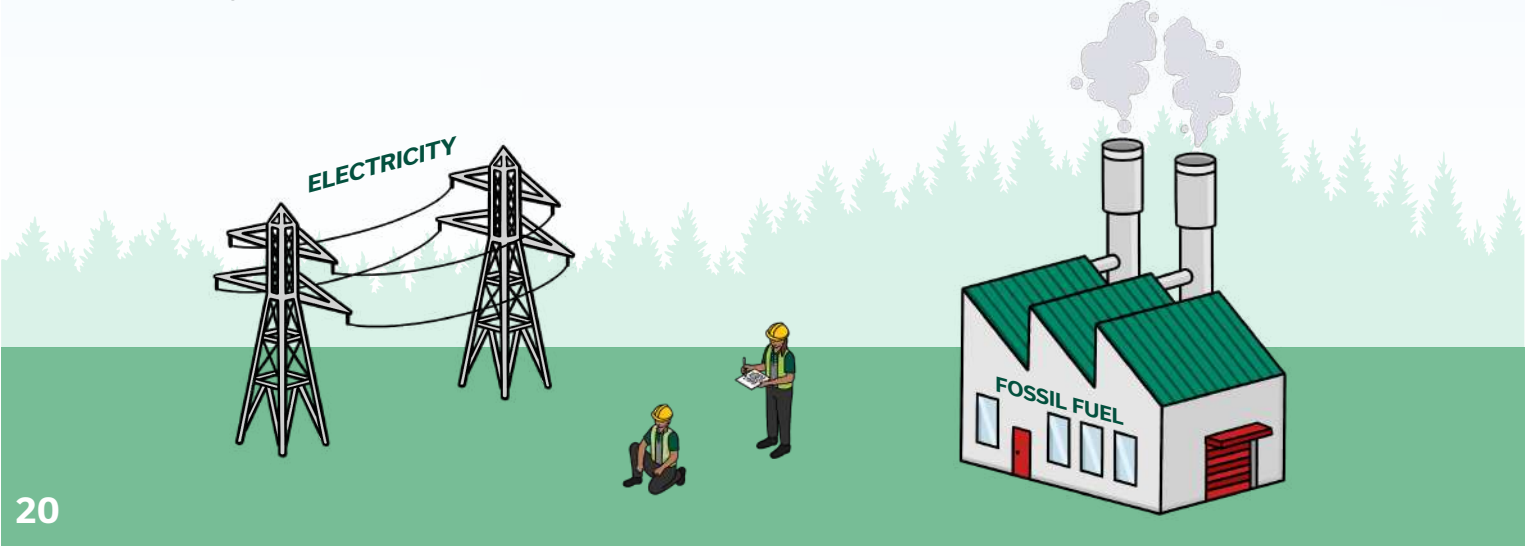
WATER USE m³



GROUP TOTALS - ENERGY Gj

Year	2019	2020	2021	2022	2023	2024
Total Energy Usage - Gj	3,962,723	3,384,166	3,750,654	3,718,130	2,490,248	2,656,044
Energy from Renewable Sources - Gj	3,224,912	2,708,336	3,019,434	2,954,574	1,987,911	2,240,788
Percentage Energy from Renewable Sources	81.6%	80%	80.5%	79.5%	80%	84.4%

This table shows the Carter Holt Harvey Group's total energy use from all sources and that derived from renewable sources, such as wood-products waste. It also shows the average energy intensity of our combined suite of manufactured products (taking into account the whole group's energy use, i.e. including administration and our Carters operations).



AREA TWO: OUR PEOPLE

TRAINING

Supporting our team with their ongoing learning and development is something we take pride in across the business. With new digital learning and adoption tools such as WalkMe allowing us to teach users in the flow of their work, we continue to adapt and evolve our programmes to make sure information is readily available and easy to access.

1000

of our people regularly use WalkMe to build business process knowledge.

Carters new operating system has continued to be supported by Walkme, a digital adoption platform that compliments traditional training and supports our people in the flow of work.

30,118

In 2024, 30,118 Safety related training/skills events were completed.

164

of our leaders completed the Carters Building Better Leaders programme

This programme focuses on the leadership fundamentals of effective communication, constructive conflict, coaching skills and creating high performing teams. Carters also continued to partner with Aspire2 to equip our Manufacturing Operators with vital communication, literacy, and numeracy skills.



849

of our people completed our Better Business programme in 2024.

This focuses on our values and ethics, health and safety, a workplace of respect, privacy, contracts, competition, fair trading and cyber security awareness.



WELLBEING

The Carter Holt Harvey Group has a long-standing partnership with Southern Cross, where we fund medical insurance for all permanent employees who work more than 20 hours per week. This includes:

UNLIMITED

free virtual GP consultations via CareHQ.

As well as access to a large range of health-related benefits.

100+

employees have used this benefit up to December 2024.

Enabling our people to have virtual GP consultations from the convenience of their home, work or whilst on holiday.



OUR PEOPLE INITIATIVES (ONGOING)

Continue developing our staff training programme to ensure:

- Continuing relevance
- Easy delivery
- Positive outcomes for our staff
- Achievement of the results we need as a business

LEADERS

Timber, Plywood & LVL
Carters

Continue our focus on our machine safety programme

Timber, Plywood & LVL
Carters

Leadership Development for line and/or branch managers

Timber, Plywood & LVL
Carters

OUR BRAND VALUES



To be safe



To be results
driven



To be customer
focused



To act as
one team



To have integrity
and trust

OUR COMMUNITY

UPSKILLING THE BUILDING TRADE

We have continued our investment in industry training in 2024. This includes our partnership with New Zealand Certified Builders to bring relevant Licensed Building Practitioner educational seminars and workshops to the building trade, as well as the New Zealand Institute of Building (NZIOB) to deliver industry training workshops to accelerate the development of the next generation of Construction Managers. For 21 years, we've also been a principal sponsor of the Registered Master Builders' Apprentice of the Year competition. The event celebrates emerging talent in the building industry, encouraging keen young builders.



MELANOMA NEW ZEALAND PARTNERSHIP - YEAR 1 REVIEW

At Carters, we're not just about timber and building supplies; we're about building a healthier tomorrow. That's why we've partnered with Melanoma New Zealand to deliver lifesaving tools on sun safety and early detection of skin cancer, to ensure we all stay healthy on-site and off. During the first year of our partnership we ran 15 Skin Cancer Spot Check clinics. Melanoma New Zealand's Nurse visited ten Carters branches around the country, as well as at the Certified Builders Annual Conference in Wellington, Apprentice of the Year and Conztruct industry events in Auckland. Below is a summary of the Spot Checks conducted which shows the number of suspicious lesions and suspected melanomas detected. By conducting these spot checks, we hope to help save lives.



Total number of events held	Total spot checks conducted	Suspicious lesions detected	Suspected melanoma detected
15	389	54	16

GETTING THE WORD OUT IN THE INDUSTRY

When we launched our partnership with Melanoma New Zealand in March 2024, a press release was provided to other industry partners such as Registered Master Builders, New Zealand Certified Builders, Build Magazine, New Zealand Institute of Building and Joiners Magazine. These organisations were very supportive of the cause and published a story, helping to spread awareness among their memberships.

A WORD FROM ANDREA NEWLAND, CHIEF EXECUTIVE, MELANOMA NEW ZEALAND ON OUR PARTNERSHIP:

Melanoma New Zealand is so grateful for the opportunity to partner with Carters Building Supplies. Our partnership enables us to reach even more New Zealanders with our prevention and early detection messages, and patient care. Skin cancer is by far the most common cancer in New Zealand, with eight out of every ten cancers being diagnosed as skin cancer.

Most skin cancers are caused by too much UV radiation – and so those working in the building industry are at increased risk, given the amount of time many typically spend outdoors. Heightening the awareness amongst New Zealand's "tradie" community of how to protect your skin when outdoors, and the importance of having regular skin checks, will save lives.

More than 7000 melanomas are diagnosed and around 300 people will die from melanoma in New Zealand every year. In fact, New Zealand has the worst death rate from melanoma in the world. However, the good news is that it doesn't have to be that way, given melanoma can be preventable and is almost always curable if caught early enough.

We are delighted to have Carters Building Supplies come on board as our partner, and we have already seen enormous value in working closely with the Carters team to make a real impact on the health and lives of so many in the trade building sector.



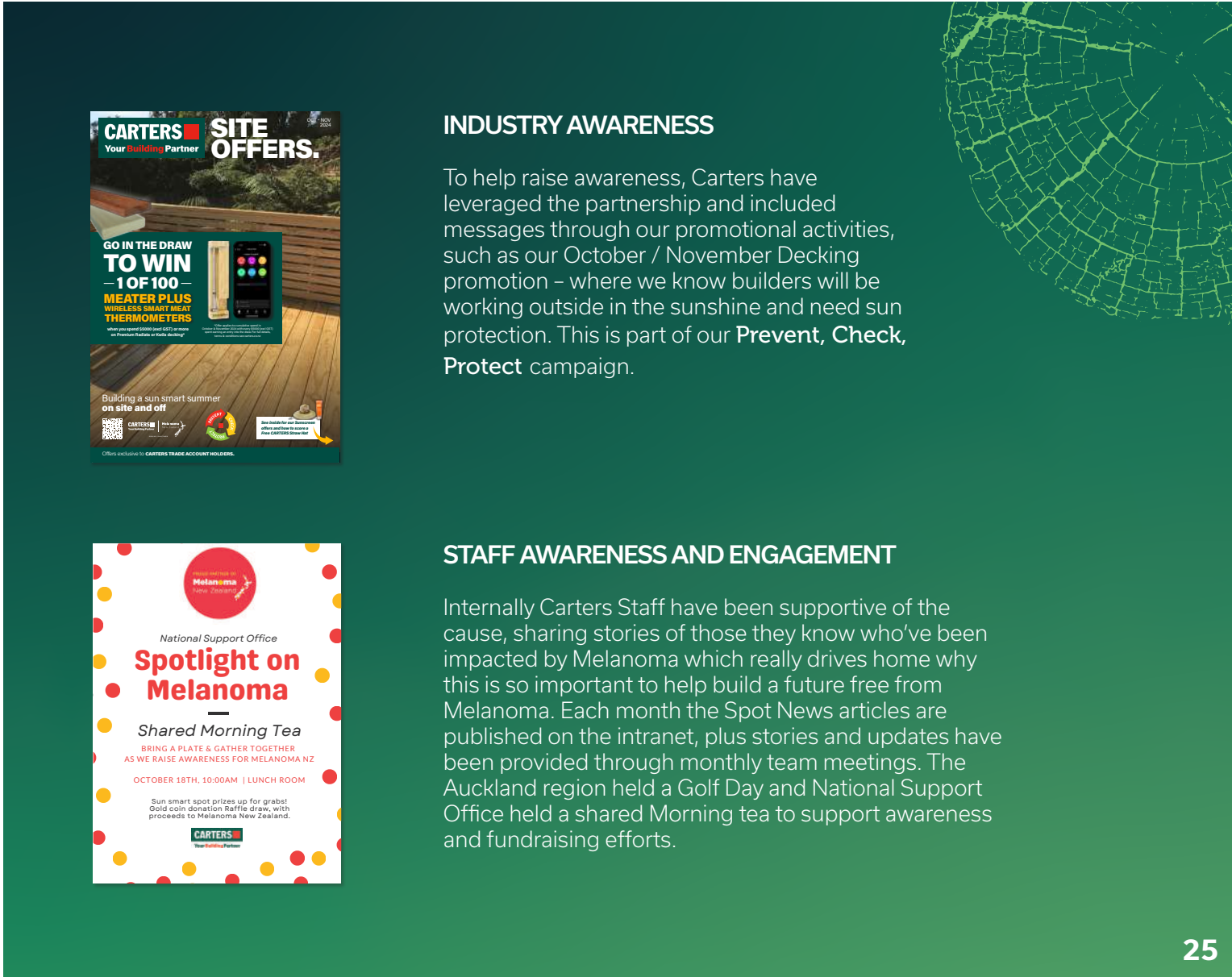
INDUSTRY AWARENESS

To help raise awareness, Carters have leveraged the partnership and included messages through our promotional activities, such as our October / November Decking promotion – where we know builders will be working outside in the sunshine and need sun protection. This is part of our **Prevent, Check, Protect** campaign.



STAFF AWARENESS AND ENGAGEMENT

Internally Carters Staff have been supportive of the cause, sharing stories of those they know who've been impacted by Melanoma which really drives home why this is so important to help build a future free from Melanoma. Each month the Spot News articles are published on the intranet, plus stories and updates have been provided through monthly team meetings. The Auckland region held a Golf Day and National Support Office held a shared Morning tea to support awareness and fundraising efforts.



OUR STORIES: IN THEIR TRACKS - PROTECTING KIWI AND WHIO IN KAHURANGI

There's trouble in the foothills of Kahurangi. Ferrets—one of New Zealand's most cunning predators—have been spotted in the Flora Stream, the Tablelands, and surrounding valleys. Over the past 12 months, 25 ferrets have been caught in the Graham, Baton, and Motueka Valley alone—and that's just the ones we know about! With kiwi, whio, and weka chicks vulnerable to ferret attacks, two groups of passionate locals are taking action to stop them.

A TEAM EFFORT

Understanding the growing threat, Friends of Flora and Farmers for Whio have teamed up to design a new generation of ferret traps. DOC supported with funding for trap mechanisms, while Carter Holt Harvey generously donated the timber to construct the trap boxes. Volunteers from both projects have rolled up their sleeves to make the traps, and now they're ready for action!

SMARTER TRAPS FOR SMARTER PREDATORS

Ferrets are notoriously difficult to catch, so the modified traps have been designed specifically for ferrets. Baited with salted rabbit, these traps are checked and refreshed monthly by community volunteers.

For the next two years, the traps will be trialled to ensure they are as effective as possible, before being used more widely on DOC Conservation land. The goal? To dramatically reduce ferret numbers and create safer home for our precious wildlife.

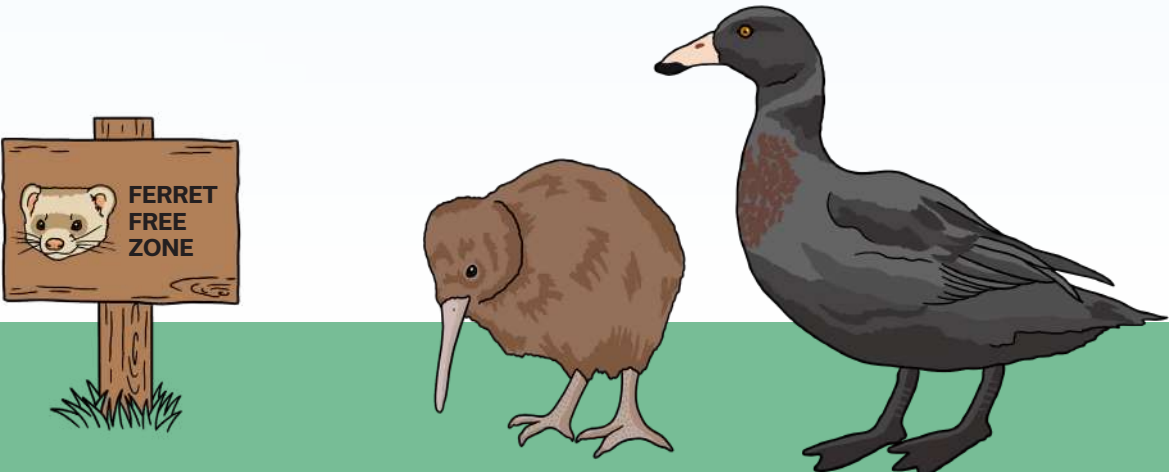
THE GROWING THREAT IN MOTUEKA AND BEYOND

Ferret populations are on the rise, not just in the Kahurangi foothills, but also in the Motueka Valley and around Māpua. This is especially concerning for ground-nesting birds like kiwi, whio and weka, whose chicks are easy prey. Without our help, these predators will wreak havoc on our native taonga. That's why working together is key. Tasman Environmental Trust's Predator Free Activator also helped out, facilitating the donation of wood from Carter Holt Harvey. Their support means more traps can be built—bringing us one step closer to a predator-free future.

TOGETHER, WE CAN MAKE A DIFFERENCE

Every trap deployed and every ferret caught is a win for our native wildlife—and a chance for kiwi, whio, and weka to thrive. Want to help? Keep an eye on our updates and look out for opportunities to get involved, volunteer, or support predator control efforts in your community.

Together, we're making a difference—one trap at a time.



AREA THREE: OUR BUSINESS

Our third program area highlights the core of our operations, including how we work, what we offer, and the significance of these efforts to our stakeholders. Key elements of our sustainable business model include economic stability, brand reputation, fair trading, ethical sourcing, supply chain resilience, innovation, and fostering strong partnerships with our customers.

Our business ethics are fundamental to our economic stability and sustainability, guiding how we engage openly and honestly with customers and stakeholders to meet their needs now and in the future.

Our brand and reputation inspire customer confidence, and we work proactively to keep them informed on products, innovations, and supply chain matters. As a manufacturer, we ensure our products meet Building Code standards and maintain compliance to preserve customer trust.

Ethical and sustainable sourcing is crucial to our stakeholders, with an ethical supply chain that includes fair employee treatment, clear chains of custody, and a global perspective on ESG issues. We also ensure no tolerance for burden shifting in overseas sourcing. We are committed to pursuing initiatives that ensure our business remains economically stable, sustainable, and aligned with the needs of our customers and stakeholders.



COMPLETED

OUR BUSINESS INITIATIVES

Review our Responsible Wood Procurement Policy

LEADERS

Timber, Plywood & LVL
Carters

Develop a Carter Holt Harvey Group Modern Slavery Policy and Declaration

Timber, Plywood & LVL
Carters

ONGOING

Request Modern Slavery Declarations from our key suppliers

Timber, Plywood & LVL
Carters

Maintain a close relationship with our customers, seeking ways to further enhance their positive experience in dealing with us

Timber, Plywood & LVL
Carters

Review our supply chains to ensure

Timber, Plywood & LVL
Carters

- Appropriate chains of custody are in place
- Our supply chains are resilient
- They meet the ethical standards we expect

AREA FOUR: GOVERNANCE, COMPLIANCE & REPORTING

The Carter Holt Harvey Group has a strong corporate governance model, which acts as a critical foundation to all other areas of focus, as agreed upon with our stakeholders.

A robust and transparent corporate governance and internal reporting structure has always been a key focus area for us. To that end, we have a strong internal audit programme that reviews our financial, operational and management systems, internal controls and processes throughout each year.

The Carter Holt Harvey Group's Board of Directors and management are committed to building long-term value for stakeholders and employees, by maintaining the highest standards of governance. These are supported by best practice structures, people, practices and policies.

As noted in the Our People section of this report, our team receive annual, wide-ranging compliance training through our **Better Business Programme**, so they have a sound understanding of their and our legal and compliance obligations. We will continue to work in this area to ensure that it underpins the delivery of initiatives, across every other area.

“ We are committed to building long-term value for stakeholders and employees by maintaining the highest standards of governance. ”

Summary

We have developed this report to provide a transparent view of our ESG activities. We will review and report on our ESG efforts each year because we respect our stakeholders' commitment to our business and their interest in our performance against the measurable undertakings to which we have committed. Scrutinising our performance annually also makes good business sense. When we shine a light on our efforts to hit our targets, we will learn from our successes as well as any shortfalls. We will document the results of our annual ESG review in an online report that we will provide to stakeholders and post on our Group and business websites.

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OUR PROGRESS AT A GLANCE

3.35m

TONNE CARBON
SINK CREATED
WITH OUR WOOD
PRODUCTS OVER
6 YEARS

84%

OF OUR ENERGY
IS RENEWABLY
SOURCED

164

TEAM MEMBERS
HAVE NOW
COMPLETED
BUILDING
BETTER LEADERS
PROGRAMME

1m

CARTERS HAS
SAVED OVER
1 MILLION PRINTED
SALES ORDER
COPIES.

389

MELANOMA
SKIN CANCER
SPOT CHECKS
CONDUCTED

COMPLETED INITIATIVES

Environmental initiatives completed - 6/13

People initiatives - 3 ongoing

7 ongoing

Business initiatives completed - 2/2

3 ongoing

20 24



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