FORESTRY SOUTH AFRICA™

24th Annual Report

For the year ended 31st December 2025

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Forestry South Africa

Mission Statement

To serve the interests of all South African timber growers in a manner that will enhance the long-term sustainability and profitability of their activities and which will promote the growth and development of the Forestry Industry.

Objectives

- To promote the interests of all growers of all commercial tree species and to create unity of purpose amongst members.
- To promote the commercial production and utilisation of timber and forest products in an environmentally sound manner and to use natural resources without detriment to their longer-term sustainability
- To promote the growth, development and well-being of the South African Forestry Industry locally and internationally.
- To promote policies and operating practices which support free competition and which foster and encourage entrepreneurship and innovation.
- To promote, support and encourage education and training, research and development and technology transfer in the interests of members.
- To collect, analyse, exchange and disseminate information, literature and statistics relevant to the needs of its members.
- To represent the interests and views of its members to Parliament, Government, Provincial and other public or private bodies and officials in South Africa, and elsewhere, as may be necessary.

Meet the Team


Michael Peter


Ronald Heath


Norman Dlamini


Francois Oberholzer


Stefan Links


Nathi Ndlela


Suzanne Blows


Judy Dowsett


Precious Singo


John Scotcher
Specialist Service Provider


Jacqui Meyer
Specialist Service Provider


Werner Meyer
Specialist Service Provider


Katy Johnson
Specialist Service Provider

Foreword by the Chairperson

It is a great pleasure to present the Foreword to Forestry South Africa's Annual Report, which reflects a year of resilience, reform and several remarkable achievements for our Sector.

Forestry's defining strength lies in its ability to withstand volatility. Unlike most industries, our Sector can time markets by deferring harvesting and allowing our stocks to increase in value, as the trees continue to grow, thereby forming a biological hedge against uncertainty. This resilience continues to anchor South Africa's rural economy, offering sustainable employment, climate-positive industrial inputs and export-oriented growth opportunities. This is especially valuable in years like we have just experienced, which are marked by geopolitical instability and shifting political leadership. The economic impacts of the high levels of global instability are being felt everywhere including in South Africa and in many of the markets where we sell our forest products.

While we hosted a highly successful engagement with Minister George and Deputy Minister Singh in September, subsequent changes in the Forestry portfolio have posed several challenges to our Sector. FSA has reached out to Minister Aucamp and invited him to attend our 2026 AGM and we remain hopeful that he will soon engage with the Industry. This dialogue is especially critical given the increasing threats of pests, diseases and fire risks, which fall directly under the mandate of the Department of Forestry, Fisheries and the Environment.

As reported by FSA in 2024, we focused strongly in 2025 on building value-chain collaboration along with collaboration with other Sectors who have shared interests with Forestry. This strengthens our ability to influence policy and strategy in the country and is especially important for dealing with international issues like tariffs, certification, market access and the domestic regulatory environment, which can both help or hinder those objectives.

In terms of financial performance, FSA maintained strong discipline, building improved operating reserves in 2025 and securing the highest levels of leveraged and consortium funding in our history. Almost half of FSA's 2026 budget comes from external sources, significantly reducing pressure on member contributions. This achievement deserves commendation and we would particularly like to thank the European Union for the €800 000 grant and the Fibre Processing and Manufacturing SETA, for the R21 million grant, which are supporting our higher education institutions for Forestry and FSA's Forestry Graduate Employment Programme, respectively.

None of these outcomes would have been possible without the unwavering dedication of FSA's staff and the collective spirit of our members in serving in the many Association structures. Your professionalism, resilience and commitment to advancing the Sector are deeply appreciated. Together, we continue to demonstrate that forestry is not only resilient but also a strategic pillar of South Africa's economy.

Looking ahead, the need for strong, ethical and effective leadership has never been greater. With disciplined execution and effective public-private collaboration, I am confident that our Sector will emerge stronger, despite global uncertainty.

Duane Roothman
Chairperson – Forestry South Africa

A Message from the Executive Director

In last year's Annual Report, we lamented the damage which Donald Trump was already causing both to the US and to the global economy, just three months into his second term of office. Since then, Trump and Israel, have thrown the entire world into chaos, through their unprovoked war against Iran. They failed to achieve any of their cryptically-stated objectives, including thankfully, failing to draw the EU and NATO into the war. They also failed to effect regime change in Iran and they have caused unprecedented damage to the global economy, through soaring oil prices. Finally, and perhaps most importantly, they have destroyed the rules-based world order, which has existed since the end of WWII. Trump's actions from the start of

his Presidency and his latest war against Iran, have arguably also signaled the end of Western economic, moral and intellectual dominance. As someone quipped recently, "The most immoral and idiotic person on the planet and the President of the United States of America, are not supposed to be the same person". If the world can no longer rely on the President of the United States, who for decades was always regarded as the leader of the free world, to uphold the rules-based world order, then there is no hope of expecting anyone else to do so.

It now appears almost certain that Israel and the American Israel Public Affairs Committee (AIPAC) in the US (supported by religious fundamentalist fervour of the evangelical movement in the US), have been manipulating Trump and his administration into doing Israel's bidding. Their efforts, however, have been in vain because like Ukraine, Iran has proven itself to be extraordinarily resilient in the face of a much larger enemy. If Israel hopes to survive as a country, they would do well to learn from South Africa's experiences as a former Apartheid state, on how to extract themselves from the seemingly intractable existential crisis, to which their actions have brought them. They succeeded (after decades of trying), in leading a US President and the most powerful military in the world, into a war against Iran and they failed. Their war against Iran, only served, along with their murderous genocidal actions against Palestinian citizens over the last two and half years, to alienate Israel further in the eyes of most of the world, with global mass action taking place against Israel, just like happened in the case of South Africa. The fact that not a single EU or Western country was prepared to support the US and Israel in their failed war against Iran, also demonstrates this.

So what do the actions of Trump, Putin and Netanyahu mean for South Africa and for the rest of the world? It was our own Minister of International Relations, Ronald Lamola, who was the first to say (followed by Prime Minister Mark Carney of Canada) that the world can no longer rely on the UN, with two (Russia and the USA) of the five permanent member States of the UN Security Council, effectively being rogue States. He said that it is time for the middle powers of the world to work out a new world order.

If that is to be the new way of the world, then it is a blessing that we are part of the BRICS bloc. Forgetting about the rogue State of Russia for the time being (not least of all because Russia contributes less than 7% of the combined GDP of BRICS), the BRICS nations combined are 41% of global GDP, which is 36% larger than the G7 nations. It is therefore excellent that South Africa is part of BRICS, which has already grown to 11 full members. It is also therefore, not surprising that there are another 24 formal diplomatic applications from other countries to join BRICS and yet another 21 countries, who have also expressed interest in joining BRICS. Combined, these countries account for around 57% of global GDP, include most global energy production, most commodity exporters and two thirds of the world's population. This is clearly the bloc in which we would like to remain and seek new partnerships.

Aside from addressing the security risks which geopolitical fragmentation and the weakening of multilateral institutions presents, a new system of multilateralism is also needed to address the intensified trade protectionism and increased economic nationalism, which have also been reshaping global commerce. Things like tariff escalations, regulatory barriers, currency volatility and strategic realignment, have become defining features of international trade and it is key that South Africa negotiates the best outcomes for our country in this shifting global landscape. FSA is working with the rest of the forest products value chain, through BUSA and other business formations, to ensure that our government both provides support to the economy to increase our international competitiveness and protection against subsidised and unsustainably-produced imported products.

In this context, it is also pleasing to note that Forestry has moved beyond its traditional role as a primary production sector, to becoming strategically important for climate mitigation, renewable material production, biodiversity protection and rural economic development. Globally, demand also continues to grow for certified, traceable and sustainably produced timber products and this is seen in increased market requirements, such as the EU Deforestation Regulation (EUDR).

In spite of the unprecedented global turbulence of the last few years, South Africa has entered a phase of improving macro-economic stability. The policy,

legislative and administrative reforms initiated since 2019 are delivering tangible improvements across energy, logistics and investor confidence. These in turn have seen major economic benefits such as our credit rating becoming positive for the first time in 16 years, the JSE surging 78% in less than three years and being in the top five performers among stock exchanges worldwide in 2025, tourism has experienced double digit growth, official unemployment has decreased by 11% in the last five years, government bonds have fallen to 8.2%, their lowest in five years, GDP growth doubled in 2025, and inflation dropped to the lowest level in 25 years.

Our Sector specifically, delivered strong operational performance in 2025 despite challenging market conditions Total remitted timber volumes increased by 4.1% year-on-year to 14.27 million tonnes, the highest level in six years. Growth was driven primarily by pulpwood, mining timber and biofuel timber, reflecting improved logistics reliability, fewer energy disruptions and better sector coordination. As mentioned, however, the stronger Rand meant that while imported costs like fuel, fertilizer and equipment will be lower, prices for timber products sold in the international market were also lower, which has impacted on profitability. In this regard, the work that FSA is doing to support members in cost and productivity efficiency, will be increasingly important.

Several key strategic objectives were achieved in 2025, which will further contribute to members' profitability. These include the finalisation of the new diesel rebate system for implementation from 1 April at 100%, instead of the previous 80% rebate and with several additions for Forestry, which collectively will save in the order of R200 million per year for members. A landmark block exemption was granted to FSA from the Competition Commission, enabling FSA, our members and Transnet Freight Rail to share commercial information to improve rail service and efficiency. FSA was instrumental in securing a greatly-simplified and achievable EUDR compliance framework, which will ensure that market access remains secure, when EUDR is implemented. FSA and CropLife SA successfully challenged the spurious PCO Regulations and were granted exemptions for our members. We were also delighted that at the time of writing this Report, Minister Steenhuisen had just heeded our appeals to him to intervene in the Office of the Registrar, which has long been a binding constraint for our Sector. The Minister announced that 27 external experts would be appointed to that office to deal with applications, which will resolve the ridiculously large backlog, reduce the scope for corruption and ensure that forestry and agriculture applications are dealt with timeously, so that our international certification isn't in jeopardy. Still on certification, SAFAS achieved full PEFC accreditation for its Landscape Certification Standard, placing South Africa among a select group of global leaders in this area.

There were many other areas of success in 2025, which members will find throughout this Report but we can honestly say that the country and our Sector are on an extremely sound footing for growth, especially once the turbulence of the current global discord has passed and new partnerships and networks are developed.

Michael Peter
Executive Director

Internal FSA Matters

FSA Staff Matters

It is our pleasure to announce that Mr Stefan Links has been permanently appointed as the Research and Protection Manager after being employed on a contract basis since October 2023.

Mr Werner Meyer of Forestry Economics Services has been appointed on a three-year contract to assist Industry in generating comprehensive and reliable information on roundwood and processing, cost and productivity benchmarking and timber valuations. The work on cost and productivity will be increasingly important to members with the strengthening of the Rand, which places pressure on prices for our products sold in international markets.

FSA Timber Sales Tonnages in 2025

Volumes for 2025 were 14.274 million tons, which was 4.1% up on last year and the highest volumes we have had in the last six years.

- Pulpwood was 9.766 million tons which was 6% up on 2024.
- Sawlogs were 3.593 million tons which was 2.5% lower than 2024.
- Poles were 224 077 tons which was 0.5% lower than 2024.
- Mining timber was 330 587 tons which was 8.5% higher than in 2024, reflecting the strong growth in the mining sector, spurred on by mineral prices globally and gold and silver specifically.

- Other products rose for the fifth year in a row at 308 269 tons. This was 34.6% higher than in 2024 and once again, was driven almost entirely by biofuel timber, which made up 83% of the total volume.

The upward trend is consistent with better logistics reliability, fewer shock interruptions (in 2024) in energy supply and improved planning certainty, across mills and contractors.

FSA Finances 2025

The Audited Financial Statements for the year ending 31 December 2025, will be available on FSA's website (www.forestrysouthafrica.co.za) once ratified by the AGM.

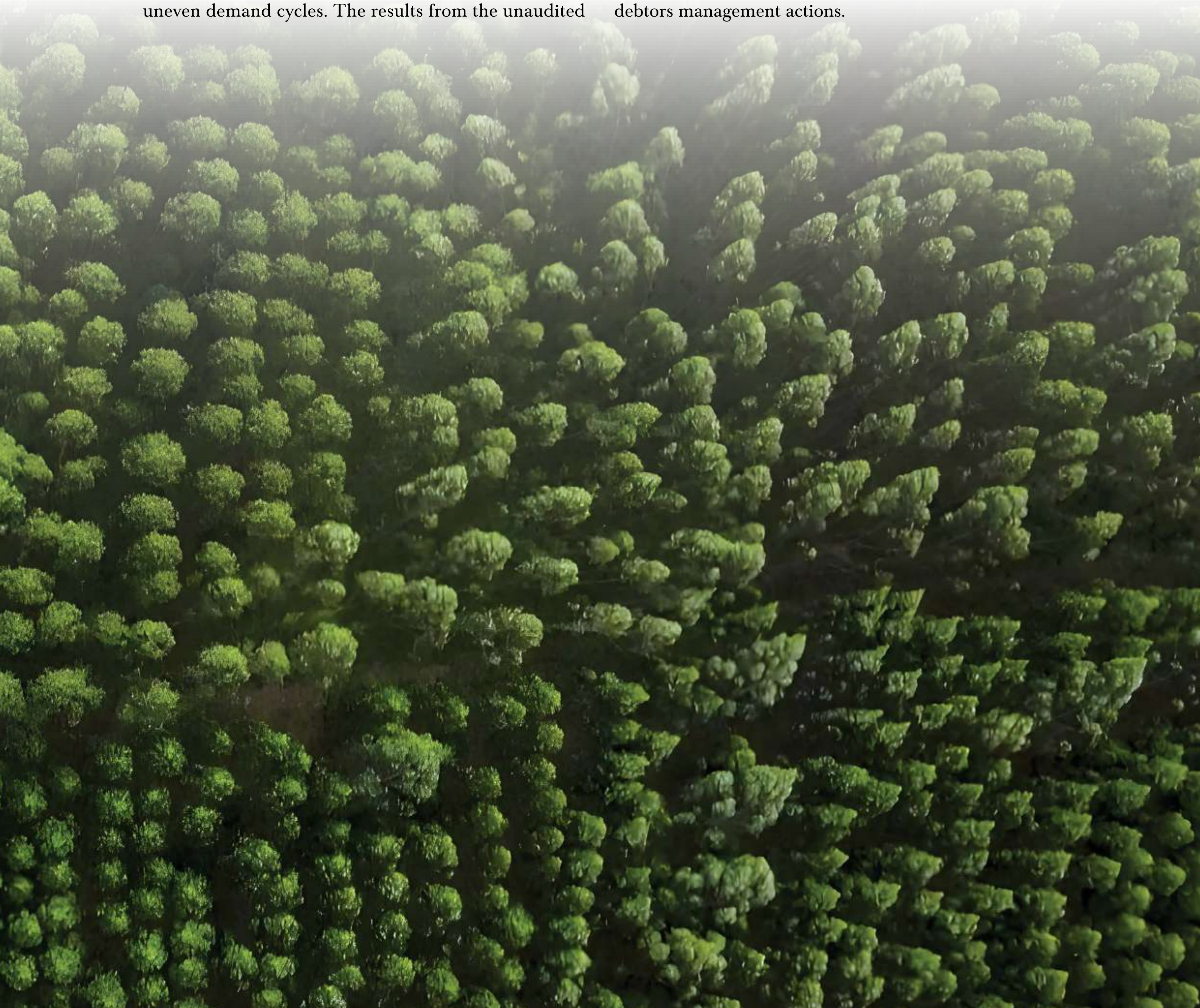
Financial performance remained disciplined in 2025 against the backdrop of volatile input costs and uneven demand cycles. The results from the unaudited financial statements as at the end of 2025 are as follows:

Income: Was slightly higher (0.25%) than budget at R40.126 million which was mainly due to higher earnings on interest.

Operations: Expenditure of R16.555 million, was slightly over budget (0.43%), with the main drivers being fuel cost increases, meeting costs and vehicle costs.

Industry: Expenditure of R22.915 million was slightly under budget (0.42%) and this was due to some savings on legal advice.

Balance sheet: Our financial position showed a gradual strengthening of FSA's operating reserve, to R3.85 million, driven by cost-discipline, cash-flow and debtors management actions.



While our reserves were negatively impacted over the last few years by the successful court judgements which FSA secured, every victory in the High Court, Supreme Court of Appeal and Constitutional Court, carried cost orders in FSA's favour. Costs taxation processes are underway and we expect a large costs order soon, first from the High Court (where most of our costs were incurred) and then in due course from the Supreme Court of Appeal and the Constitutional Court, all of which will greatly strengthen our reserves.

A notable feature of 2025 was the scale of leveraged funding which FSA secured, which for the first time will fund almost half of FSA's total budget. More details on the leveraged funding are reported elsewhere in this Report. This trend from FSA to raise large amounts of leveraged funding over the years, has dramatically reduced cost escalations to members. To illustrate this, member contributions in 2008 were R1.38c/ton. The effective cost in 2025 on the full budget, will be around R1.53c/ton. This means that that in nominal terms alone, the cost of FSA for members, has risen by slightly more than 0.5% per year, for the last 17 years.

FSA Budgets and Funding for 2026

As always, FSA is acutely aware of the need for responsible and innovative resourcing for the work of the Association, especially during difficult trading conditions for our members, like those experienced by members in 2025.

FSA once again presented a prudent budget for 2026 and at the Executive Committee meeting held on 20 November 2025, a budget of R42 886 629 was approved for 2026, requiring a 5.7% increase in member contributions. This included the appointment of Messrs Stefan Links and Werner Meyer, reported on earlier.

As mentioned earlier, to augment our members' investment into Industry-led initiatives, FSA secured a record R39.4 million in leveraged and consortium funding, which is 36.7% more than in 2024. This means that almost half of FSA activities for 2026, do not have to be funded by our members. This includes R20.1 million from the FP&M SETA and a second grant of €800 000 from the European Union for our business development, education and graduate programmes, which are reported on elsewhere in this Report.

FSA Membership

There were no changes in FSA membership for the year under review.

After another challenging year, we would like to thank members for their continued support, both in terms of financial contributions to FSA and for their investment of intellectual capital and time, to ensure that the many structures of the Association function so effectively.

Benefits Derived from FSA Membership

This Report presents many high-level and specific accomplishments by FSA in serving our members during the year under review. It should be noted, however, that besides the evident achievements reported on, the more routine activities of the Association also make an enormous positive impact on the businesses of our members. Something as routine as responding timeously to proposed tariff increases or managing the various Industry programmes, saves our members hundreds of millions of Rands in administrative and operational costs and avoided losses.

The key focus areas for FSA include:

- Working with government, organised labour, and organised agriculture, our various sister associations, other business groups and civil society to develop policy and legislation which affects timber growers.
- Countering poor policy, legislation and administrative actions which impact negatively on the sustainability of the Sector.
- Creating a strong platform for collaboration in the areas of forestry research and development, forest protection, transport and logistics, HR development, transformation, business development, land reform and Sector promotion.
- Leveraging funding from external sources to augment the investment made by the Sector.
- Deferring or stopping potential costs before they occur.
- Collating and disseminating information critical for timber growers, research partners, civil society, investors and the media on the state and performance of the Sector.

Members are encouraged to share with other timber growers the excellent work that FSA does, and the impact that this has on growers' businesses.

FSA Committees

Executive Committee (EXCO)

Mr Penwell Lunga of PG Bison was replaced by Mr Pieter de Wet

The names of the EXCO representatives appear elsewhere in this Report.

General Committee (GENCOM)

Mr Ben Pienaar of Mondi was replaced by Mr Linda Vilakazi.

The names of the GENCOM representatives appear elsewhere in this Report.

Group Committees

The Annual Regional Meetings were held around the country in February. As always it was a pleasure to be able meet with our members, and again, we are pleased to have experienced record attendance at these meetings. We would like to express our gratitude to our members who made time to attend the meetings and to engage with FSA staff.

A list of the members of each of the respective Group Committees is given elsewhere in this Report.

Working Committees, Groups and Task Teams

There are 15 Working Committees and Task Teams in FSA, which focus on the issues most directly affecting our members. Despite FSA's small staff complement, these

structures are extremely effective because they draw on the immense knowledge and experience of our members, who give their time so generously to serve our members' interests in these structures.

In addition to these subject-specific working committees and task teams (listed below), FSA also has nine region-specific committees, comprising of large, medium and small-scale grower representatives. These committees which represent our members at the regional level across the country, provide valuable input and insight to guide the Association's work. They also serve as collaborative platforms for addressing issues like timber theft, forest protection, energy and transport matters, among others, which are often best managed between members at the local level.

The collective knowledge and inputs provided by the FSA structures greatly assists FSA's GENCOM and ultimately, the EXCO, to make well-informed decisions for the benefit of our members and the Industry more broadly.

It is precisely because of this investment of our members' time and effort on all these FSA structures, that FSA can consistently secure greater responsiveness from the State and other actors, on the issues affecting our Industry.

We encourage members to continue to participate in these structures, as these offer greater insight and influence in FSA's activities and your participation enriches FSA's effectiveness in the process too.

The current working groups, committees and task teams are as follows:

- Business Development Committee
- Climate Resilience Committee
- Data Management Committee
- Environmental Management Committee
- *Eucalyptus* Pest and Pathogen Committee
- Fire Committee
- Forest Operations Committee
- Forestry Baboon Working Group
- FSA Communications Committee
- Health and Safety Committee
- Land Committee
- Research Advisory Committee
- Timber Industry Pesticide Working Group
- Training and Skills Development Committee
- Transport Committee

We would like to sincerely thank all members on the many FSA committees for their selfless contribution to the work of FSA, which benefits all timber growers as well as the Forestry Sector value chains.

Other Industry Committees

As well as the various internal FSA Committees mentioned, there are several external collaborative partnerships in which FSA is involved and through which we can address our members' interests. The most important of these are listed below:

INSTITUTE/CONVENOR	COMMITTEE/STRUCTURES
(i): The Presidency	Operation Vulindlela National Planning Commission National Logistics Crisis Committee Masterplan Steering Committee Human Resources Development Council (HRDC)
(ii): Department of Forestry, Fisheries and the Environment (DFFE)	Masterplan Executive Oversight Committee Masterplan Operational Management Committee Six Masterplan Focus Area Working Groups National Forestry Research Forum National Forest Pests and Diseases Committee Kabelo Trust
(iii): Department of Water and Sanitation (DWS)	Forest Sector Raw Water Tariff Committee National Consultation Raw Water Tariff Committee
(iv): Department of Agriculture, Rural Development and Land Reform (DARDLR)	Phytosanitary Risk Forum Polyphagous Shot Hole Borer (PSHB) National Steering Committee National Forum on Forestry Land Claims
(v): Forest Sector Charter Council	Charter Council Audit and Risk Committee Forest Enterprise Development Task Team
(vi): Provincial Licence Assessment Advisory Committees (LAACs)	Members
(vii): The Institute for Commercial Forestry Research (ICFR)	Board of Control Body of Members
(viii): Nelson Mandela University (NMU Saasveld)	Forestry Advisory Board
(ix): Stellenbosch University (SUN)	Forestry Advisory Board
(x): University of Pretoria (UP)	Tree Protection Co-operative Programme (TPCP) Board of Control Forestry and Agricultural Biotechnology Institute (FABI) External Advisory Board Forest Molecular Genetics (FMG) *Eucalyptus* Pine Pathogen Interaction (EPPI) Group Steering Committee
(xi): Fort Cox Agriculture and Forestry Training Institute	Forestry Advisory Board
(xii) University of Mpumalanga	Forestry Advisory Board
(xiii) Other	National Priority Committee for Extortion and Violence at Business Sites Forest Industries Training Providers Association (FITPA) FUTURE21 Project Advisory Board Global Bioeconomy Forum Provincial Forestry Sector Forums (EC, MPU, KZN) Performance-Based Standards Steering Committee Road Transport Management System Steering Committee

Non-industry Affiliated Committees

In addition to the committees mentioned above, there are several other important collaborative structures, which significantly impact the Industry, where FSA is represented by staff, members or partner organisations. As mentioned to members last year, the global chaos which ensued last year and has not abated, with the appalling governance of the United States Presidency, requires much greater collaboration by Business and the State to deal with increased tariffs and other mercantilist economic policies in our international markets. These include B4SA, Business Leadership SA, the Agricultural Business Chamber, AgriSA's Commodity Chamber, General Council and Centres of Excellence on Land and Economics and Trade, Kwanalu, Mpumalanga Agriculture, National Fire Advisory Forum, National Fire Working Group, the South African Institute for Race Relations and the Free Market Foundation. To this end FSA agreed to contribute financially to the Presidency-led National Logistics Crisis Committee in 2026, to sustain that body, which FSA helped to establish and which has been the key driver of the positive structural, legislative and operational reforms in ports, rail and road logistics, which are reported on in more detail, elsewhere in this report.

Co-operation With Other Industry Organisations

Since the primary sub-sector of the forestry value chain, represented by FSA, provides the feedstock for a great number of beneficiated forest products in the various value chains, it has always been critical that FSA and the other Associations work very closely on issues of mutual interest or concern.

In 2025, FSA continued to work closely with pulp and paper, sawmilling, treated timber and other sub-sectors and associations, in numerous areas, like the critically important implementation of the Forestry Sector Masterplan, carbon adaptation, mitigation and Carbon Tax limitation, EUDR, biodiversity, criminality, job creation, skills development and transformation, all of which are reported on in detail elsewhere in this Report. We established a Forestry Value Chain Forum, in which the entire forestry and forest products subsectors collaborate on key issues like those listed above and others like tariffs, duties and trade agreements.

Co-operation With Government Departments, Agencies and Programmes

National Planning Commission and The Presidency

FSA was invited in August, to make a presentation to a high-level roundtable with the National Planning Commission and Operation Vulindlela Head in the Presidency, on the challenges in implementing our Forestry Masterplan. The presentation focused strongly on the lapses by the DFFE in the areas of expanding and protecting timber resources in the country and supporting existing and new entrants. These included facilitating new afforestation, the State's Category B and C plantations, the lapsed Memorandum of Agreement (MoA) on forest protection, the failures in fire management and the lack of funding and support to growers. We also pointed out that Minister Dion George had not yet engaged our Sector fully, since his appointment in 2024, but that he was planning to visit Industry in September. This clearly led to the Minister being sensitised and resulted in some long overdue political interventions by Minister George and Deputy Minister Narend Singh, reported on below under the DFFE.

Human Resource Development Council (HRDC)

FSA's Executive Director was appointed by the Deputy President, Paul Mashatile, to serve a second five-year term in this important Council, chaired by the Deputy President. After being nominated by the Presidency, FSA's Executive Director was then also appointed to serve on the HRDC's Executive Committee. The Council is the main vehicle through which the skills crisis in South Africa will be addressed, as it deals with education and training matters from the Early Childhood Development phase to post-doctoral levels. Having FSA represented on both the Council and Executive Committee will ensure the skills development opportunities offered by the Sector and the constraints the Sector faces in delivering upon these, are heard.

Department of Forestry, Fisheries and the Environment (DFFE)

FSA's Chairperson and Deputy Chairperson met Minister George in February of 2025 to discuss environmental matters. During this engagement, they were able to sensitise the Minister to FSA's previous letter of invitation to him to engage with the Industry and they flagged several of our key challenges. In August, FSA's Executive Director was invited by the Presidency and National Planning Commission to make a presentation to a high-level group on progress against our Sector's Masterplan. We flagged the ongoing failures by the DFFE against their undertakings and the absence of any meaningful engagement by Minister George. The Minister finally visited Industry in September and had clearly taken some time to read the Forestry Masterplan (15 months into his term of office). Both Minister George and Deputy Minister Singh attended the two-day visit to Industry, which was kindly hosted by Sappi, who provided an excellent programme of events ranging from state-of-the-art forestry nurseries, a visit to a small-scale timber growing operation (kindly hosted by FSA's SGG Chair, Mr Buhle Msweli), a visit to the KZN Fire Hawk incident command centre (hosted by Mr Trevor Wilson), an engagement with the KZN Umbrella FPA (led by Mr Simon Thomas), an aerial and ground fire-fighting display, a tree-planting ceremony, as well as a visit to the state-of-the-art Sappi Saiccor dissolving woodpulp mill at Umkomaas.

The programme provided an opportunity to show the Minister and Deputy Minister the tangible impacts of their Department's ongoing failures in their obligations in the Masterplan, including to crowd in the private sector to recapitalise the State's Category B and C plantations and to finalise the Environmental Impact Assessments (EIAs) for new afforestation that would secure the additional fibre required to realise the job creation committed by the private sector. We also had the opportunity to point out broader challenges to our Sector like the

failure to repair and recapitalise key rail and road infrastructure, which was undermining the Sector's international competitiveness across many companies due to resulting increase in input costs, as well as the challenges with the Registrar's office in the Department of Agriculture.

The Minister and Deputy Minister, both expressed their regret that it had taken so long to engage with our Sector and their deep appreciation of the challenges which the DFFE was causing for our Sector. They assured us that they would be urgently reviewing the Masterplan implementation issues and they would convene another meeting with us shortly. This indeed happened less than three weeks later and even before that meeting, the Minister honoured his commitments to address some challenges. We believe these interventions have already made a marked improvement on matters such as fire management in our Sector.

In our second meeting with the Minister and Deputy Minister at the end of September, the Minister informed us that he had formally assigned the Forestry Portfolio to Deputy Minister Singh, whose leadership at that time already produced measurable outcomes:

- The DFFE committed to redoing the bidding processes for the Category B and C plantations, starting with Requests for Proposals (RFPs) and holding compulsory briefing sessions with prospective bidders.
- The Deputy Minister requested a motivation from the Chief Director to secure funding for the long-delayed national fire database.
- The DFFE welcomed FSA's strong collaboration with the South African Police Services (SAPS) and the Department of Justice (DOJ), with the Deputy Minister stressing the need for high-visibility prosecutions to deter organised crime in forestry.
- The Deputy Minister sent a letter to Minister Barbara Creecy on the Illovo Bridge crisis.

Unfortunately, just as Minister George had finally started to attend to the Forestry function in the DFFE, the Democratic Alliance withdrew him, and the President appointed Minister Willem Aucamp in his place. FSA has written to Minister Aucamp to congratulate him on his appointment and to invite him to engage with the Industry at his earliest possible convenience, so that we do not have a repeat of the one-year delay which occurred following Minister George's appointment. Unfortunately, at the time of drafting this report, Minister Aucamp had still not responded to our invitation, and he has since re-allocated the Forestry Portfolio back to Deputy Minister Bernice Swarts, without a single engagement with our Sector.

The 2025 Annual General Meeting of FSA

The 2025 AGM surpassed the record attendance of the 2024 AGM and FSA may need to consider finding a new venue in due course, to cater for the growing participation from members and partners.

We are grateful to our core sponsor in Standard Bank and equally grateful to our long-standing sponsors in CPS Seedlings, Ezigro Seedlings, NCT, PAMSA, SAFIRE, TWK Sunshine Seedlings and TWK.

The keynote address was delivered by Mr Rudi Dicks, who heads up the Project Management Office in the Presidency. He presented on the unique delivery models used by Operation Vulindlela to accelerate structural reform. He not only presented the positive impact Phase 1 of Operation Vulindlela had on the country but also gave us a glimpse of the future through the further reforms Phase 2 of Operation Vulindlela will drive. Mr Dicks congratulated FSA and Industry for the key role we have played in the growth, development, reform and transformation of the country and expressed his commitment to strengthening the collaboration between our Sector and the Presidency.

At the time of writing this Report, FSA can confirm that we have indeed had follow up engagements with Mr Dicks' office and they have proposed a dedicated task team between the Presidency and FSA to address the challenges facing our Sector. Needless to say, this is greatly welcomed and once again re-affirms the high esteem in which our Sector is held at the highest levels of Government.

The first guest speaker was Professor David Drew, University of Stellenbosch, who painted a visionary picture introducing his open-air laboratory that blends nature, data and cutting-edge digital technology. In his talk, Professor Drew explored four aspects of the digital revolution that he believes will transform forestry research: affordable sensors, the Internet of Things, autonomous remote sensing and artificial intelligence.

The second guest speaker, Mondi's Public Affairs and Transformation Director, Mr Sandile Ngcobo, presented Mondi's new green energy initiative as a triple win for the Sector, offering environmental, economic and social benefits. This mega project was made possible by the energy reforms which FSA helped to drive, through the Office of the President.

Consistent with FSA's practice of rotating the Chair, Mr Buhle Msweli from our Small Growers Group (SGG) stepped down as Chair and Mr Duane Roothman from our Large Growers Group (LGG) was elected FSA Chair for 2025.

Forestry Industry Matters

Forest Research and Development

Sector Innovation Fund (SIF)

The Sector Innovation Fund secured by FSA is progressing well as we approach the conclusion of the current phase of the funding initiative. All 16 projects grouped in collaborative programmes to collectively address key sector challenges are well on their way to meet their project deliverables. It is positive to note that the portfolio of projects has overachieved in two critical contractual obligation: transformation and industry co-funding.

FSA again hosted the DSTI officials for a site visit in October, which included the ICFR-led project on site nutrient resilience (long-term soil monitoring plots and nutrient depletion trials), and the Stellenbosch University-led project making use of a micro-catchment approach to understanding, quantifying and monitoring soil loss with forest management interventions. These site visits served as a good opportunity for the Industry to showcase the research being done and engage directly with DSTI. FSA would like to thank our research partners and Sappi for hosting the field visit.

FSA Research Advisory Committee (RAC)

The FSA RAC continues to guide the Industry's research agenda. As part of this role, the RAC undertook a strategic review of all FSA-funded research. The review highlighted the positive impact of the FSA RAC Strategy on strengthening relationships with the forestry research community and on the value of research outputs to the Sector. It also reaffirmed the importance of funding platforms that help secure critical R&D capacity to meet the Industry's research and related service needs.

Forest Protection

Government Funding Toward Forest Protection

Implementation of the MoA focused on Forest Health Monitoring, a first for South Africa, was progressing well until DFFE allowed the agreement to lapse and subsequently opted to use the tender process to revitalise the initiative. While FSA did not support this approach, an agreement was that, if the tender process was found to be non-responsive, FSA and DFFE will explore the process of appointing FSA as a sole service provider. Unfortunately, DFFE reneged on this agreement, opting to readvertise the tender. FSA, together with our partners at TPCP, submitted a bid for the tender. At the time of writing this Report, 6 months after the tender submission deadline, the tender process had not been concluded, despite the DFFE's commitment to fast track the process. After raising our frustrations with Deputy Minister Singh through the Masterplan structures, both the Deputy Minister and his Chief of Staff Adv. Anthony Mitchell were in agreement with FSA's long-standing position that this collaboration between FSA and DFFE should not be through a MoA or any form of a service level agreement. They supported the FSA position that it should be a public-private partnership or a special purpose vehicle, with the Deputy Minister confident that they will soon remedy the situation. However, soon afterwards, the tender process was extended for a second time with DFFE officials not being able to provide any explanations for the delay.

Unfortunately, on 5 March 2026, FSA became aware that the tender was already awarded to a service provider on 16 February 2026. The lack of transparent and accurate communication by DFFE officials is concerning. These concerns are only surpassed by DFFE awarding the tender to a service provider completely unknown to our Sector at a quantum 60%

less than DFFE previously invested into the National Forest Health initiative. As this initiative will now not be coordinated by FSA, we are not sure how the R75 million industry co-investment into the initiative will be realised, especially as this co-investment was a formal contractual requirement in the previous Memorandum of Agreement between FSA and DFFE.

The impact of FSA not being awarded the tender means the forest protection programme hosted at the TPCP (of which DFFE are represented on the Board) will not be able to function as it has for the past 25 years as it will place significant pressure on funding streams. The programme will now shrink in terms of student numbers, personnel, extent and reach of services, and the responsiveness and direction of research we can do. With pests and diseases causing losses equivalent to 12% of our annual harvest, loss of capacity and research outputs to address this threat will be catastrophic to our Sector.

Prioritising SPS (Sanitary and Phytosanitary) Investments for Market Access

FSA, through our Research and Protection Manager, has launched a Prioritising SPS Investments for Market Access (P-IMA) project, with the primary goal to enhance market access, considering both trade opportunities and the cost-effectiveness and impact of SPS investments. The P-IMA evaluation is a decision-support tool developed by the Standards and Trade Development Facility (STDF) that helps countries prioritise SPS investments by providing a structured, evidence-based framework for evaluating and ranking SPS capacity-building options.

This evaluation is being performed at no cost to FSA, or its members, and enables FSA to develop a forestry-focused P-IMA evaluation. This initiative will help identify the most impactful SPS capacity building investments for improving market access in forestry, using international best practice, without requiring external consultancy fees or resources.

The project offers green-flagging potential for our Sector, which may ease the levels of compliance, which may otherwise be required by non-participating countries and sectors.

Baboon Damage

The research work on baboon damage funded by FSA members has shown significant returns on investment, providing a better understanding of the impacts of baboons in terms of crop losses and damage trends, both of which can be used to guide management interventions. During the year in review, the research project to quantify the impact of baboon damage on timber recovery was concluded. It revealed major yield losses of up to a 16% per hectare, with an associated loss in processed boards of R659 532.

Baboon damage has continued to spread beyond Mpumalanga moving southwards. Equally concerning, is that there is increased damage reported in *Eucalyptus* stands. FSA has initiated work to accurately determine the extent of the damage in *Eucalyptus* stands.

Fire

The establishment of a national fire database has dragged on for an extended period due to DFFE's continued disruption of the process. Through Masterplan interventions, and the intervention of Deputy Minister Singh, significant progress has been made with DFFE, Industry and Umbrella FPA's, agreeing on the information to be captured and the way forward by utilising an existing service provider rather than developing a new database. The use of such a database will significantly assist in better understanding national fire patterns, the extent of damage and will assist in more accurate resource allocation.

It is well-recognised that adherence to, and enforcement of Act 101, is far short of what the Act requires. After our engagement with Minister George during his industry visit, where this concern was raised, the Minister engaged with his counterparts in both Department of Agriculture (DoA) and the Department of Cooperative Governance and Traditional Affairs (COGTA), reminding them of their legislative responsibility and requesting them to communicate this to all entities under their management. FSA appreciates the former Minister's swift assistance in addressing this national crisis.

Commercial Crimes in the Forestry Sector

Forestry-related crime remains one of the most significant operational and economic risks to the Sector. Incidents such as timber theft, plantation arson, illegal mining, equipment theft and illegal hunting not only result in direct financial losses but also threaten worker safety, undermine investor confidence and destabilise

rural economies. During the reporting period, FSA intensified its engagement with the SAPS and related authorities to strengthen coordination, improve enforcement outcomes and enhance understanding of the forestry operating environment.

In March, FSA, together with Sappi, met with the KwaZulu-Natal SAPS Provincial Commissioner, General Mkwanazi, accompanied by senior members of his management team, including representatives responsible for finance and logistics, district operations, organised crime, detective services and tactical response units. FSA and Sappi presented on the strategic importance of forestry in KwaZulu-Natal, with particular emphasis on its role in sustaining employment in rural areas. SAPS acknowledged that rural unemployment and migration to urban centres are significant drivers of crime levels in the province and expressed strong interest in the Forestry Sector's potential role in addressing these challenges. As a result, SAPS requested the Forestry Industry to participate in career days and other outreach initiatives to promote awareness of employment opportunities within the Sector. Operational concerns were also raised, including the reluctance at certain police stations to open formal case dockets for forestry-related incidents, resulting in cases being recorded only in occurrence books (OB) rather than in the Crime Administration System (CAS). The Provincial Commissioner requested details of affected stations and issued a directive that this practice must cease. In addition, FSA highlighted the limited awareness of forestry-specific issues within the prosecuting authority. The Commissioner welcomed an initiative by FSA and Sappi to present to SAPS members, detectives and National Prosecuting Authority (NPA) representatives in KwaMbonambi on forestry-related offences, relevant legislation and practical enforcement challenges.

FSA secured a high-level engagement with the SAPS Provincial Commissioner for Mpumalanga, Lieutenant General Mkwanazi, and his senior management team. The meeting provided a platform to highlight the increasing incidence and economic impact of forestry-related crime in the province. FSA emphasised the strategic importance of the Forestry Sector to Mpumalanga's economy and employment base, reinforcing why the protection of forestry assets is essential to provincial stability and national economic growth. Following the engagement, the Provincial Commissioner invited FSA to present to district commissioners which subsequently led to requests for targeted training sessions aimed at improving SAPS officers' understanding of forestry operations, relevant legislation, including the National Forests Act, the National Veld and Forest Fire Act, and the Prevention of Organised Crime Act and the specific challenges associated with policing plantation environments.

In response, FSA scheduled training workshops across two districts and initiated further engagement with the Provincial Crime Intelligence Unit and relevant commanders to address organised criminal activity. Grower companies supported these initiatives by providing operational insights and practical assistance. This engagement represents a significant milestone in building an integrated approach to combating forestry crime in Mpumalanga, establishing direct lines of communication between industry and law enforcement agencies both at provincial and district levels.

Building on the provincial engagement, FSA and Sappi delivered presentations to a delegation of more than 50 SAPS members in the Zululand region, including detectives and representatives of the NPA. The sessions covered common forestry-related crimes, the operational realities of plantation environments, and the applicable legislative framework. The

robust discussion that followed demonstrated a clear willingness from law enforcement and prosecutorial authorities to deepen their understanding of forestry operations. The engagement fostered valuable working relationships and reinforced the importance of regular sector-specific interaction to improve investigation and prosecution outcomes.

FSA continued to facilitate collaboration between the Forestry Industry and SAPS under Operation Vala Umgodi, which targets illegal mining and associated criminal activities within plantation areas across Mpumalanga and Limpopo. The initiative also addresses related risks such as arson and timber theft. Operational deployments under Operation Vala Umgodi include approximately 80 members in the Sabie area and a further 18 in Barberton, supported by national crime intelligence. Operations are executed through a combination of planned quarterly operational plans and disruptive interventions aimed at highly mobile and often armed illegal mining syndicates. Key hotspot areas remain Sabie, Pilgrim's Rest, Barberton and the Blyde River Canyon. Subsequent to a workshop to address illegal mining in the Barberton area hosted by Sappi, FSA is coordinating efforts to facilitate a collective approach by affected parties. This includes facilitating access and operations across property boundaries, both private and State owned.

Forestry companies raised serious concerns regarding fire risks arising from uncoordinated enforcement operations, including instances where SAPS activity coincided with periods of high fire danger, leading to significant plantation losses. SAPS committed to improving advance communication and coordination during high-risk periods to avoid conflict with fire management operations. To improve operational effectiveness, SAPS and Industry representatives agreed to streamline communication through the Vala Umgodi Operational Commander as a single point of contact. Forestry companies committed to sharing hotspot maps of illegal mining and timber theft activities, while also offering in-kind support such as drone surveillance, vehicle recognition data and local operational intelligence.

A joint fire-risk and operational awareness session was held for approximately 40 SAPS members, focusing on plantation fire behaviour, safety protocols and operational constraints. SAPS also requested continued

Industry support in identifying inaccessible hotspots and providing local knowledge and logistical assistance. Concerns regarding limited follow-up on timber theft cases were raised, with SAPS undertaking to escalate these matters to district detectives to improve accountability.

The next phase of collaboration will include further fire-risk training and joint field visits to high-risk areas, including Sabie, Barberton and Mashabane. Forestry companies will also participate in quarterly mining and illegal mining coordination meetings convened by the Department of Mineral Resources and SAPS. After the President announced the deployment of the South African National Defence Force (SANDF) to combat illegal mining in Gauteng, FSA requested similar support for the illegal mining in Mpumalanga. Within two days of submitting our request, FSA was approached by the SANDF requesting more details of where they can deploy to assist our Sector's efforts to curb illegal mining. This additional capacity will greatly assist the efforts to combat illegal mining in forestry areas.

Reliable data remains critical to understanding and combating crime and criminality in our Sector. During the year under review, Fireweb released a significantly enhanced mobile application that allows users to capture incident data offline and complete the entire reporting process in the field, even in areas with limited network coverage. The application complements existing platforms while enabling far more detailed data capture. FSA engaged directly with forestry companies to demonstrate the new functionality and encourage consistent use of the platform by our members. Improved data quality and completeness will support stronger trend analysis, evidence-based engagement with SAPS, and more targeted crime-prevention strategies with improved resource allocation.

Timber Industry Pesticide Working Group (TIPWG)

FSC Pesticide Policy

Phasing out of Category 1A and 1B active ingredients and formulations

Over the past year, the Timber Industry Pesticide Working Group (TIPWG) has played an active role in addressing the phasing out of Category 1A and 1B active ingredients and formulations, collectively referred to as "Substances of Concern" within the broader classification of Restricted Remedies. TIPWG remains involved in a CropLife South Africa-led working group formed in response to this legislative shift. Some of the compounds TIPWG has been keeping an eye on and their status, are:

- Propiconazole (control wattle rust): not seeking derogation
- Envu pursuing coumatetralyl (rat control) derogation
- Glufosinate ammonium (tracer belt preparation): under review with derogation outcome unclear.

FSA will continue to monitor derogations, engage CropLife and manufacturers and prepare for alternatives. This proactive approach includes working closely with the agriculture commodities and agrochemical companies to include forestry in testing trials to include forestry registrations on the labels of new products or formulations.

Good Experimental Practice

The Good Experimental Practice (GEP) is the quality standard required for efficacy and phytotoxicity trials under Act 36 of 1947. From August 2023, all efficacy data used in support of registration dossiers must be conducted under GEP. Current TIPWG research trials are conducted in collaboration with manufacturers, and while we expect these to be GEP compliant, this has not yet been independently verified. Our members therefore face the risk that some of the data generated may not fully meet Registrar requirements unless compliance is formally confirmed. Ensuring future trials are GEP-accredited is critical to avoid delays in product registrations and label extensions, TIPWG has initiated discussions on how to evaluate the compliance status of current manufacturer-partnered trials.

Going forward, TIPWG will audit and evaluate current manufacturer-partnered trials to confirm whether they meet GEP standards. They will identify individuals and institutions in the Forestry Sector who require training and accreditation and begin registering forestry-linked institutions as GEP trial sites where necessary. We will also transition all TIPWG-supported trials to be conducted exclusively under GEP, ensuring data integrity and regulatory acceptance.

Challenges with the Registration of Agricultural Remedies

Following engagements with Minister George and Deputy Minister Singh, Deputy Minister Singh confirmed that he raised the Industry's concerns regarding the registration of agricultural remedies directly with Minister John Steenhuisen. Minister Steenhuisen advised that an online application portal for the Registrar's office will be announced shortly. This system will allow both applicants and the Department to properly track the progress of applications, significantly reduce the existing backlog and improve transparency. In addition, the Office of the Registrar hosted a colloquium with Industry, organised agricultural, agrochemical companies and other stakeholders to improve relationships.

The main highlights of the colloquium were that South Africa is moving to modernise its pesticide governance, replacing or reforming the old Act 36 of 1947, which is widely recognised as outdated. The policy intends to adopt a One Health approach (WHO initiative): integrating human, environmental, animal and plant health more holistically in pesticide regulation. There is a continued commitment to move toward banning or phasing out highly hazardous pesticides (HHPs), especially those banned elsewhere, or those that pose unacceptable risks. A big positive was that stronger stakeholder participation was emphasised with greater transparency, interdepartmental coordination and improved registration processes, especially for lower-risk alternatives like biopesticides.

Pest Control Operator Regulations

As reported previously, the publication of the Pest Control Operator (PCO) Regulations caused significant challenges for our Sector. FSA is of the opinion that these regulations were published without proper stakeholder consultation, and this has resulted in regulations that are not implementable or realistic. We are still to receive confirmation whether a Socio-environmental Impact Assessment was performed on the draft regulations, as it seems the financial implications of implementing these regulations have not been well understood by the DoA. FSA, along with organised agriculture, have engaged the DoA expressing our support for the purpose of the regulations but making it clear that these regulations are not implementable in its current form. Despite

these efforts, ambiguity persisted, making judicial clarification and guidance necessary. CropLife SA on behalf of Forestry, organised agriculture and agrochemical producers, filed an application to the High Court.

CropLife SA submitted an urgent application to the High Court in December 2025 to seek clarity on the interaction between the Pest Control Operator (PCO) Regulations of 2011 and the Regulations relating to agricultural remedies promulgated in August 2023 under the Fertilisers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947 (Act 36 of 1947).

On 26 January 2026, the High Court handed down judgment in favour of CropLife SA. The Court declared that the class "restricted agricultural remedy" listed in Annexure A of the Regulations relating to agricultural remedies published under Government Notice 3812 on 25 August 2023, is not included in the class of "restricted-use agricultural remedy" referred to in the Pest Control Operator Regulations published under Government Notice 98 on 18 February 2011. The Court further confirmed that the "restricted agricultural remedy" category in Annexure A is therefore not subject to regulatory control under the PCO Regulations. This provides the major relief which FSA has continued to seek for timber growers.

FSA would like to remind our members that "restricted agricultural remedies" as defined in the Regulations relating to agricultural remedies are Highly Hazardous Pesticides (HHPs) so members who may store and use such chemicals outside of their forestry operations, would still need to comply with the Regulations in respect of HHPs. South Africa, as a signatory of various international conventions, is committed to "phase out" HHPs where risks have not been managed and where safer affordable alternatives are available, and to promote transition to and make available those alternatives by 2035, in accordance with the targets set by the UN Global Framework on Chemicals.

Information Dissemination

The year under review has exceeded expectations in terms of TIPWG website visits. The success can be attributed to two factors: the strong promotion of the TIPWG Webinar exploring the use of drones in pesticide application; and, as pesticides gain greater global attention, FSA members are using the site more to access information that will aid them in their pesticide use. Our Communications team are congratulated for their hard work in achieving the increase in visits to the website because we also had to upgrade the website, which usually negatively impacts the number of Search Engine Hits.

Environmental and Water Issues

The FSA Environmental Management Committee (EMC) continues to shape industry's actions in addressing environmental and water issues, through its co-ordination of industry initiatives and its engagements with relevant Government Departments.

Water Issues

National Water Act, 36 of 1998

Existing Lawful Water Use and Genus Exchange

As reported in detail in FSA's 23rd Annual Report of 2024, the several judgements in the court case between FSA and the DWS confirmed FSA's legal interpretation viz - that any plantation that was operational during the two-year Qualifying Period (1996 to 1998), is an existing lawful water use and no further historical proof of lawfulness is required, to continue to use that water for forestry purposes. Verification of this water use, as provided for in section 35 of the National Water Act, 36 of 1998 (NWA), is still required to ensure that members pay their water use charges and members are encouraged to both register and pay for their water use.

The judgements also handed down orders concerning the exchange of genera and ruled that it was both unlawful for the DWS to insist that plantation owners reduce the area under trees, when exchanging genera and that owners do not have to apply to the DWS for permission to exchange genera.

The formation of a DWS and FSA Bilateral Task Team to consider matters of interpretation of the law and the practical implications of the NWA and its many General Authorisations and Regulations, has proved to be a successful and productive arrangement to inform both representatives of challenges that might present themselves in the implementation of both existing legislation and legislation in the pipeline. This includes, for example, the Revised Draft National Water Act Amendment Bill (discussed below) that is before the Portfolio Committee, the National Water Resources Strategy 3 which seeks to impose a water research levy on the Forest Industry, the registration and implementation of sections 21(c) and (i) of the Act, viz the impeding or diverting the flow of water in a watercourse and altering the bed, banks, course or characteristic of a watercourse.

The Revised Draft National Water Amendment Bill, 2023

On 17 November 2023, the Department of Water and Sanitation (DWS) published the Draft National Water Amendment Bill for stakeholder comments. The Bill was hotly contested in the media and by stakeholders in general as being Constitutionally unsound. FSA submitted extensive comments based on contradictions with Constitutional rights and practical implications.

Since then, the DWS has considered the stakeholder inputs (of which there were many) and on 10 October 2025, the Minister of DWS, Pemmy Majodina published a notification of her intention to introduce the revised National Water Amendment Bill (2025) into Parliament. The revised version of the Amendment Bill still has several provisions which FSA opposes. These include the granting of powers to the Minister to restrict existing lawful water uses (including forestry) on land which the Act seeks to define as a "strategic water source area" (SWSA). Forestry is mostly confined to areas which are likely to be deemed as existing strategic water source areas and so this could be interpreted as an attempt by the DWS to target our Sector, following their failed attempts to do so through the Courts using the current National Water Act. FSA will continue to contest this aspect of the amendment Bill and demonstrate that it is an attempt to introduce retroactive restrictions on a water use which is protected by a Constitutional judgement in Industry's favour.

The draft amendment Act also seeks to re-introduce the so-called use-it-or-lose-it "policy" of the DWS, which was overruled in two separate Court judgments, including FSA's Constitutional Court judgement.

FSA will continue to engage with DWS through the DWS/FSA Bilateral Task Team and other structures, as required, to ensure that these contentious and irregular sections are addressed.

National Water Resources Strategy 3 (NWRS 3)

Commercial forestry is levied as a Water Resources Management Charge under the DWS Water Resources Pricing Strategy which contributes to the costs required to manage water resources within the nine water management areas. The pricing strategy was revised during 2022 by the DWS to address and correct several challenges which had been identified and published in June 2024. Major changes in the 2024 Pricing Strategy affecting our Sector remain under discussion in the DWS/FSA Bilateral Task Team.

One such change is the implementation of a water research levy on the Forestry Sector. It is concerning that the method of calculation of the levy that might be applied is not included in the Revised Pricing Strategy and could not be explained by officials during bilateral engagements. During engagements with DWS and representatives of the Water Research Commission, a levy of 8 cents per cubic metre of water used was proposed. This will result in an additional R38 million administrative cost burden on our Sector.

The Forest Industry already spends approximately R172 million a year on research of which government contributes around 20% with the Industry funding the balance. Our investment in research and development currently contributes 1.6% of sector GDP which is significantly higher than the national average of 0,73%. It is important to recognise that the research subject matter addressed by this investment includes, quantifying water use, water quality and conservation, and water use efficiency.

In addition to the skewed investment into research and development between government and the Industry, it is important to note that a recent review of research funding by the State into forest related research found that the State is underinvesting at least R20 million. Therefore, FSA is of the opinion that it is disingenuous to apply an additional legislative levy on the Industry to have research performed which is outside our control.

The NWRS (3) emphasises that equity and redistribution of water will be achieved through the authorisation process (the issuing of water use licences) and other mechanisms and programmes, such as water allocation reform, financial support to emerging farmers and support to urban and rural local economic development initiatives. FSA's position on equity and redistribution of water is well articulated through the Forestry Sector Charter which has, as its Vision, a transformed and sustainable Forest Sector compliant with the Forest Sector Code and we will continue to hold our position, that the Charter is the legislated mechanism for redress by all government departments and that adherence to the Charter by FSA's members, is sufficient to meet the requirements for redress.

Compulsory Water Use Licensing

The NWA enables the Minister to initiate a process of compulsory licensing to review, re-allocate or confirm existing water use. The procedure is intended to be used in areas which are, or are soon likely to be, under "water stress" or where it is necessary to review prevailing water use to achieve equity of access to water.

The Kaap River Catchment in Mpumalanga currently has high demands of water that regularly exceed the yield that the catchment can supply sustainably. There are no large dams, and most users rely on abstraction of water directly from the river. Restrictions are imposed annually during the dry season on the taking of water from a water resource which results in conflict between different water users. In addition, the provision of water for the Ecological Reserve (ER) and International Obligations as required under that Act is proving difficult to implement.

Compulsory licensing has therefore been identified as an appropriate mechanism to meet these water resource challenges. However, the practicalities of reducing water demand are complex. Plantations, for example, cannot reduce demand, unless removed, and while the curtailment of abstraction of water from a water resource may seem logical, there are socio-economic impacts associated with any form of reduction in water use for the various sectors. Several scenarios have been presented at stakeholder meetings with one of the scenarios being a reduction in forestry to 15% of the mean annual runoff in two of the sub-catchments. This scenario is accompanied by the inclusion of a reduction of irrigation. What appears to be a major challenge is the collection of reliable and accurate data on the extent of forest lands and the volume of water currently used by the various sectors in the Kaap Catchment. For example, the historical voluntary removal of plantations from the buffer zones adjoining water resources has not been considered in the estimation of water use by the trees. Until this has been established, FSA is of the opinion that any scenario planning is unreliable.

Furthermore, the lack of a socio-economic impact assessment is concerning because ultimately, any reduction in water use will lead to impacts on both the financial viability and employment opportunities in those sectors of the economy likely to be affected. Fortunately, the Water Research Commission has developed a set of standardised tools to support the assessment of the socio-economic impact of water re-allocation through compulsory licensing. The WRC report has noted that South Africa's compulsory licensing process to convert and curtail HAIs' entitlements of the apartheid era for equitable reallocation, is unique in the world, meaning also that there is little in the way of case studies that can be used to provide guidance.

What is known with a degree of certainty from the pilot study on Compulsory Water Use Licensing in the Mhlathuze Catchment in KZN, is that registered water users are mainly white and male individuals and formal forestry, industrial or mining companies. This presents many challenges as Compulsory Licensing has, as one of its main objectives to achieve equity of access to water. In this pilot Compulsory Licensing process with similar demographics and land use as in the Kaap, it was found that although existing and new HDI (historically disadvantaged individuals) users

participated, the distribution of water resources between HDIs and historically advantaged individuals (HAIs) before and after compulsory licensing did not change. However, when curtailments target an entire sector such as agriculture or forestry, smaller-scale HDI farmers risk bearing the brunt of the historical injustices inflicted by HDIs who happen to be in the same sector.

FSA will ensure a strong and coordinated consultation process that will provide the necessary input to present consolidated inputs.

Environmental Issues

National Forests Amendment Act 2022

The National Forests Amendment Act 2022 finally came into effect on 24 November 2025 as the National Forests Amendment Act, 2022 (Act 1 of 2022). This Act now gives legal protection to State Forest land under the control of the Department of Public Works in that no person may engage in any prospecting or mining activity in a State Forest, except in terms of an existing lease agreement to mine gravel or sand for road maintenance. Together with the Preservation and Development of Agricultural Land Act (PDALA), this will give further protection for forestry land from unsustainable land use practices such as mining or other irreversible land uses.

Applications for prospecting and mining submitted by the Department of Minerals and Energy to the

Department of Public Works are now being rejected out of hand by that Department because of the coming into effect of this Amendment Act. This is a significant step for forestry on State Land in South Africa and helps to strengthen the case for protection of privately-owned forestry land too.

Preservation and Development of Agricultural Land Act (PDALA)

Although the Bill was enacted on 29 January 2025 as Act No. 39 of 2024, it has not yet come into effect. FSA and AgriSA are participating in the development of the Regulations, to bring the Act into effect in due course. This will take considerable time as there are about nine different sets of regulations needed to give effect to the Act. The objects of this Act are to promote the preservation and sustainable development of agricultural land and to demarcate protected agricultural areas (including forestry areas) to ensure that agricultural land is preserved and protected against non-agricultural uses.

The importance of this Act for our Sector cannot be underestimated, since "forestry and logging" are included in the definition of "agricultural purposes" while "bio-fuel" and "fibre" are included in the definition of "agriculture". The legal protection of forestry and agricultural land against mining is a significant move to protect sustainable forestry and agriculture from unsustainable mining practices.

Prospecting and Mining Applications in Commercial Forestry

There continues to be an increase in prospecting and mining applications, which pose a serious risk to the sustainability of the Forestry Sector. This is particularly so for open cast mining which involves the removal of large quantities of topsoil. The threat remains with the continuing prospecting and mining applications in Mpumalanga and KZN. FSA's consolidated industry approach to prevent prospecting and mining applications on forestry land has produced three guideline documents that are being used to assist our members in responding to these applications. Fortunately, and as reported earlier, the Department of Public Works, who are the custodians of State Land, are refusing any such applications from the Department of Minerals and Energy. State Forest Lands with plantations are thus secure under the National Forests Amendment Act, 2022 and as mentioned above, this bodes very well for our prospects for securing similar protections for privately-owned plantations too.

Forest Certification

South African Forest Stewardship Certification® (FSC®) Standard

The South African FSC Standards Development Group (SDG) has focused on completing the National Forests Standard, which is now approximately 80% complete. The FSC Policy and Standards Unit (PSU), however, took a strategic decision in August 2025 to

pause National Standard development globally and to introduce an interim process for the South African Natural Forest Standard.

Given the limited time before the expiry of all Version 4 Standards at the end of 2025, the SDG's draft could not undergo the full 60-day consultation, review and Policy Steering Committee (PSC) approval process, required for new standards. To avoid certification lapses a "minimal adaptation" of the IGIs, was implemented to fast-track the procedure, resulting in an Interim FSC Forest Standard (IFSS) for Natural Forests.

This interim standard, developed by a technical working group incorporated adapted indicators derived from the SDG's original draft; updated justifications for the exclusion of Principle 3, aligned with current FSC criteria; updated Annex 1 (legislation) and Annex HCV framework to reflect current norms and non-normative content (verifiers and guidance) carried forward from Version 4 and the SDG draft.

The interim standard underwent a 30-day public consultation period, after which comments were synthesised and the draft submitted for PSC approval in December 2025. Once approved, it will apply from January 2026 until 2028, pending finalisation of the new Country Requirements (FSC-PRO-60-006 & 60-006a) and the Principles & Criteria (V6), which are expected in 2027 and 2029, respectively. Development of both the National Forest and Plantation Standards will resume under those updated frameworks to ensure alignment and long-term relevance.

Sustainable African Forestry Assurance Scheme (SAFAS)

A significant milestone was achieved when SAFAS received full Programme for the Endorsement of Forest Certification (PEFC) accreditation for its Landscape Certification Standard. This places South Africa as one of just seven countries globally, along with the UK, France, Spain, Ireland, Finland and Italy, to hold a landscape-level certification approach recognised by PEFC. This endorsement demonstrates the South African commercial Forestry Industry's indisputable contribution to environmental, social and economic sustainability. It is also an endorsement of SAFAS' credibility and its capacity to integrate sustainability, social responsibility and environmental integrity across forest landscapes.

The revised SAFAS Standard incorporates feedback gathered through the review process and stakeholder consultations and is currently undergoing final technical refinements. Publication of the revised standard was in process at the time of writing this report, after which it will enter an implementation and awareness phase across the Sector.

The European Union Deforestation Regulation (EUDR)

The European Union Deforestation Regulations (EUDR) have been in place since June 2023 and require companies to ensure that seven major commodities, which include timber and a wide range of derived products are deforestation-free, legally produced and fully traceable through geolocation points. The core of EUDR compliance is a due diligence system that includes data collection, risk assessment and risk mitigation. Operators must submit detailed EUDR due diligence statements through a centralised EU information system, enabling traceability of compliance information and risk management for the supply chain and regulatory authorities. Announcement of inception of the EUDR raised concerns for our Sector due to complex reporting and financial implications. FSA has been involved in various stakeholder engagements which have had a positive influence on the revised EUDR regulations.

In the last year, the EU Commission (with whom FSA had direct engagements on behalf our Sector's value chain) proposed targeted solutions to support companies, global stakeholders, third-world countries and Member States, to ensure a smooth implementation of the EUDR. This includes a fully operational IT system and a simplification of reporting obligations, especially for micro and small primary operators. Under the new Council–Parliament deals, the EUDR implementation timeline has officially shifted. This adjustment responds to challenges linked to the IT system's readiness, administrative burden and preparedness among operators. The updated EUDR compliance deadlines have moved to 30 December 2026 for medium and large operators and 30 June 2027 for micro and small operators. This implementation delay gives members additional time to develop traceability systems, collect geolocation data and improve supplier engagement processes. Additionally, the more efficient use of the IT system means downstream operators and traders should no longer be obliged to submit due diligence statements. Thus, only one submission in the EUDR IT system at the entry point in the market will be required for the entire supply chain. Also, the reporting obligations and the responsibility would be focused on the operators first placing the products on the market. For example, timber would need only one due diligence statement to be submitted by the importer placing them on the EU market and downstream manufacturers of timber products in the EU will not be required to submit a new due diligence statement in the IT system. Lastly micro and small primary operators would only submit a simple, once-off declaration in the EUDR IT system. This simplification replaces the previous need for regular submissions of due diligence statements and is a great help to private timber growers in South Africa. Printed books, newspaper and printed pictures have also been removed from the EUDR product scope, as they are considered low-risk for deforestation.

FSA Climate Resilience Working Group

Carbon Tax

Agricultural, forestry and other land use (AFOLU) activities' emissions qualified for a 100 percent basic tax-free allowance, effectively excluding timber growers from the carbon tax during the first phase. As predicted by FSA, this remains the case in the second phase, which will come into effect in January 2026. This means that there will be no carbon tax levied on timber growers at least until 2030. There is also a very low likelihood that timber growers will ever have to pay the carbon tax for a number of reasons, including that the administrative challenges and costs in measuring and verifying emissions would not be offset by the tax revenue, there is still an absence of appropriate methodologies for GHG emissions determination and that the total emissions from plantation activities, is negligible, as a percentage of the country's total emissions.

Land Matters

FSA Land Committee

The DFFE's ongoing failure to perform the most basic tasks, also revealed itself in their handling of the post-settlement support programme. It required repeated and impassioned appeals by FSA to the Deputy Minister in Masterplan structures and to Operation Vulindlela in the Presidency, to get the officials to publish the first draft document, as a framework for Post-settlement and Post-transfer Support by DFFE to black timber growers. While FSA's Land Committee remains committed to assisting DFFE in drafting appropriate documents, the current draft was produced with a total disregard for the submissions made by the Land Committee to DFFE. Both Deputy Minister Singh in 2025 and President Ramaphosa in February of 2026, expressed grave concerns that there was no post-transfer support for black timber growers, when they receive plantation areas through the land reform process and the DFFE's community forestry agreement transfers. FSA will continue to fight for support to black timber growers in South Africa, even though the DFFE don't seem to share this objective, as evidenced by their consistent mishandling of this issue, along with their repeated failures to provide access to the economy for new entrants through new afforestation and through the recapitalisation of the Category B and C plantations.

Office of the Master of the High Court

FSA's engagements with the Office of the Master of the High Court have been instrumental in resolving some long-standing challenges. A case in point was the meeting held with the KZN Master of the High Court in May of the year under review, where Letters of Authority (LOA) from the Master's Office and ways of identifying irregular or imposter Trustees were discussed. The KZN Master of the High Court shared FSA's excitement about the collaboration with the Forestry Sector and we continue to foster a constructive relationship with that Office. Unfortunately, our efforts to coordinate with the Masters' Offices in other Provinces have not yet been as successful and this is creating major challenges, like in Mpumalanga, where a Trust had to be registered in Gauteng because, at the time, there was no Master in the Province. Making matters worse is that the Gauteng Office is not very responsive and are naturally unfamiliar with forestry. FSA will urgently convene meetings in partnership with three of our members in Mpumalanga and Limpopo to resolve these issues. Fortunately, through our successes in KZN, we have established best practices, which can be replicated in Mpumalanga and Gauteng.

Registrar of Communal Property Associations (CPAs)

FSA had an initial meeting with the newly-established office of the registrar of CPAs. The mandate of the office is to register, organise into clusters, monitor compliance and capacitate CPAs on governance matters, which will greatly add stability to our Sector. The office, however, is underfunded and under-capacitated with only a Head Office in Gauteng and without any footprint in the provinces. We explained to them that without a provincial presence, their impact in improving the functioning and sustainability of CPAs will be severely limited. We are working with them to leverage funds to provide the necessary capacity building in some CPAs, and to assist the Registrar's office. This includes seeking funding from relevant Sector Education and Training Authorities (SETAs), as well as in-kind Industry contributions.

Driefontein Expropriation Case

In September of the year under review, several media houses carried a sensationalised story about the ANC-led Ekurhuleni Municipality, having expropriated land without compensation, in the first case of Expropriation without Compensation (EWC) under the Expropriation

Act. This was inaccurate as the Act remains dormant and there is still no evidence that it will be used in a manner inconsistent with Constitutional principles. The Driefontein matter in Ekurhuleni, in which the State is trying to expropriate land for housing, using the old Expropriation Act of 1975 was started in 2019. In 2020 the municipality determined the compensation to the landowner to be nil. That is the issue currently before the courts. While the article is misleading in respect of the current Expropriation Act, FSA will however continue to follow the matter closely, as it may set precedents for how the Courts determine what is just and equitable compensation, even under the new Act once it comes into effect.

Extension of Security of Tenure Act (ESTA)

The Constitutional Court delivered a significant judgment concerning ESTA in the Moladora case, in which the Court found that long-standing permission to graze livestock on privately owned land, may constitute a protected right, under ESTA. As always, members are advised to seek legal advice when considering evictions of people and termination of any land use/access rights which they may have previously enjoyed.

Labour Issues

National Minimum Wage

During the 2025 financial year, the National Minimum Wage (NMW) was increased by 4.4%, broadly in line with consumer price inflation. This marked the first time in several years that the adjustment did not materially exceed CPI, providing a period of relative cost stability for labour intensive industries such as forestry. This outcome was a positive departure from the historical trend of sustained above-inflation increases, which between 2012 and 2024 resulted in significant real-term wage escalation, wage compression and mounting employment pressure in the Industry. FSA again advocated for future NMW adjustments to be closely aligned with inflation to support employment retention, business sustainability and long-term sector resilience but unfortunately, the minimum wage increase for 2026 was CPI+1.5%. While FSA supports fair and decent wages for all workers and for protecting vulnerable workers especially, above CPI increases at a time when our Sector is struggling, due to a strong Rand and depressed internal markets, demonstrates a lack of awareness by the DOL. The same lack of awareness was shown with the wage increase being imposed, while the Agriculture Sector is reeling from

the biggest Foot and Mouth outbreak in history. We will continue to lobby for a more responsive and responsible State, especially in respect of administered costs.

Infield Sanitation

Since 2023, FSA has been engaging with the Department of Employment and Labour (DEL) to request an industry-wide exemption from certain provisions of the Facilities Regulations promulgated under the Occupational Health and Safety Act (Act 85 of 1993). These regulations require sanitary facilities to be provided in accordance with the National Building Regulations, an approach that is not suited to the spatially dispersed and mobile nature of forestry operations.

FSA's submission to DEL proposed a practical, dignified and risk-appropriate sanitation framework that distinguishes between permanent workplaces and mobile or temporary operations. The proposal aims to safeguard worker health and dignity, ensure environmental responsibility and avoid unintended consequences that could threaten rural employment.

Over the past two years, FSA has submitted several formal representations and maintained regular engagement with DEL to clarify technical aspects of the exemption request. In August of the year under review, the Department requested additional information, including confirmation of employee representatives consulted, relevant trade unions in the Sector and copies of any inspectorate notices issued. FSA approached member companies to compile the required information relating to employee and union consultation. Unfortunately, member responses were extremely limited and so the Department advised that the matter had been closed. FSA has re-engaged with the DEL who have indicated that the application may be reopened. Members are urged to respond to FSA requests for information in such instances, as it strengthens our ability to provide credible justification for needing relief of support from the State. In parallel, FSA engaged SANParks to obtain a copy of an exemption reportedly granted for similar land-based operations. Although reliable sources indicated the existence of such an exemption, the documentation has not yet been secured. FSA intends to re-submit the exemption application, supported by additional information from members and any relevant precedent documentation that can be obtained. Engagement on this matter will continue, given its importance in enabling practical compliance, protecting worker welfare and maintaining sustainable employment in the Forestry Sector.

Business Development Matters

Forestry Masterplan progress

Unfortunately, as reported under land matters above, most of the key DFFE deliverables remain incomplete, with less than four months left of the 5-year Forestry Masterplan.

In addition to the failure on post-settlement and post-transfer support from the DFFE, we also spent all of 2025 lobbying the Department to fix the Category B and C fiasco that they had caused and sustained over the last decade. Recent interventions by the Minister and the Deputy Minister, saw the process finally put back on track, although it remains to be seen what investment appetite remains in the private sector, given the deplorable state of these State assets and the high levels of organised criminal syndicates operating in many of them. Similarly, as reported under Forest Protection, the DFFE officials wilfully ignored directives from the Director-General and Deputy Minister Singh, as well as resolutions reached in Masterplan meetings. FSA has raised these matters with the PMO for our Masterplan, the National Planning Commission and with the Presidency.

We are pleased to report that at the time of writing this Report, FSA had concluded an encouraging meeting with the Presidency, who have undertaken to set up a bi-lateral structure between the Presidency and FSA, to ensure immediate oversight and resolution of our key Masterplan challenges.

Development Finance

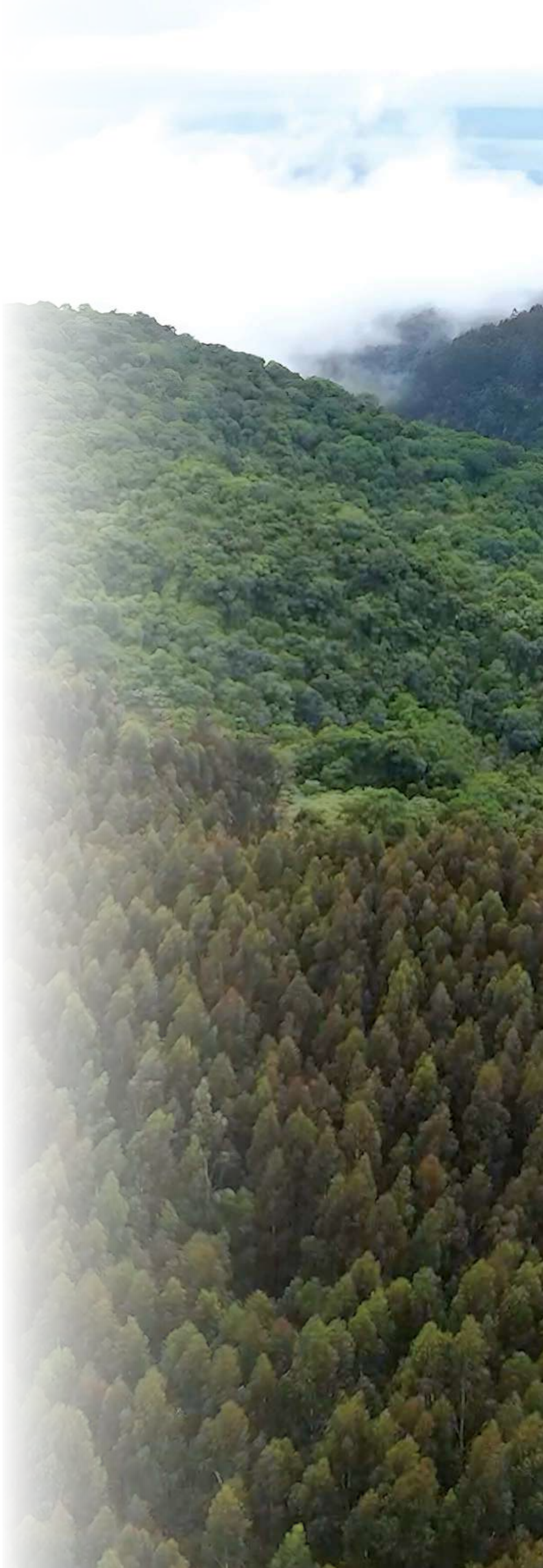
While the Industrial Development Corporation's (IDC's) Agro-industrial fund remains the only active, appropriate and accessible development finance instrument for timber growers, the long-awaited Blended Finance coordinated through Forestry Masterplan processes unfortunately continues with slow progress. We can, however, report that the draft business case for Blended

Finance was concluded in September. It is yet to be approved through DFFE structures before submitting to National Treasury by March 2026. This Blended Finance is meant to cater for all sizes of timber growers, especially those who require funds of less than R5 million. While this process is continuing, FSA is also in discussions with Financial Sector Deepening (FSD) Africa, who are backed by the UK Government on its instrument called the GCF REGEN Facility. The facility is designed for forestry companies engaged in sustainable forestry, timber value chains, reforestation or landscape restoration. The next stages will require a "No Objection note" from the Government of South Africa before the UK Government can implement the instrument in the country.

Business Development Committee

The Business Development Committee engaged the Premier of KwaZulu-Natal on critical areas of possible collaboration. Through the engagement FSA aimed to remove bottlenecks impeding growth and development of the Sector in the province as well as to investigate opportunities to support the provincial government in its priorities. A priority raised by FSA was the poor state of infrastructure supporting the economic corridors including road and rail transport infrastructure. The Office of the Premier confirmed his commitment to addressing the issues raised. To support the Office of the Premier, FSA submitted a summary of matters of concern highlighting the matter of the Umkomaas bridge. At the request of the Premier, FSA has also submitted statistics on employment and economic contribution of our Sector in the Province. Following the engagement, FSA and its members were invited to the KZN Investment Conference, held in October of the year under review.

FSA, in partnership with CMO, Mondi, Sappi, Khulanathi, Khulisa and the Small-Scale Growers Groups of King Cetshwayo and uMkhanyakude Districts, hosted all social partners of the Masterplan on a two-day workshop and field visits. The initiative was aimed to, through the Forestry Masterplan, not only expose our partners to the Sector, but more specifically the forest certifications among small and medium forestry enterprises. The workshop and field visits were attended by a total of 50 people from several



entities, including various government departments, Forestry Sector Charter Council and organised labour. In addition to discussing certification matters, the event also discussed ownership models in the different areas visited, exploring different models in land claim settlement and not only limiting options to Trusts and Community Property Associations (CPAs). The disaggregation of the cost of certification that could be funded by various government departments, agencies and entities within their divergent mandates to support the broader certification of small and medium forestry enterprises was also discussed.

FSA-led Training Interventions

The training of 50 learners in the Zululand District Municipality on firefighting skills was concluded in August. Participants were drawn from three Community Property Associations namely Isikhaba CPA, Emahlangeni CPA and Kewulane CPA. The initial plan was to train learners at Emahlangeni CPA, but due to ongoing protests in the community around issues of service delivery, the training was moved to neighbouring Kewulane CPA. Assessments and moderation were concluded in November. In the past, we have seen that the provision of firefighting equipment to recently trained communities has greatly helped in reducing fire risk and damage and so FSA is assisting the three communities in their applications for firefighting resources from relevant service providers.

Industry-led interventions to Curb Unemployment among Forestry Graduates

The Forestry Graduate Employment Programme (F-GEP) has been hugely supported by FSA members. The substantial in-kind contribution of members in the form of volunteering mentors, coaches, protective clothing, transport and housing is hugely appreciated and will probably match the F-GEP Grant value of R20.1 million. Several FSA members are also contributing financially by adding to the monthly stipend provided through the initiative. At the time of drafting this Report, FSA had received 183 F-GEP applications of which 141 are appointable, 112 have been contracted and 104 have been placed with hosts. It is also positive to note that eight candidates had already been employed on a full-time basis.

FSA would like to acknowledge the hard work of the first two interns (Ms Nomfanelo Ngidi and Mr Tholinhlanhla Ndlovu) who were hosted by FSA and were instrumental in administrating the recruiting, contracting and placing of the graduates with hosts. Ms Kwanele Shelembe, FSA's new F-GEP Manager, has planned initial visits to all graduates and hosts. Part of the visit will involve a brief survey designed for both the graduates and their supervisors to track the personal growth and development of each graduate and the general impact of the programme.

Capacity Building for Higher Education in South African Forestry (FUTURE21)

During the year in review, FSA, in partnership with Nelson Mandela University, Garden Route Biosphere Reserve, University of Mpumalanga, and Kruger to Canyons (K2C) Biosphere Reserve, applied to the EU Erasmus fund to support another capacity building in tertiary education initiative. The initiative coined FUTURE21 follows on the tremendous success of the FOREST21 initiative. We are pleased to report our application was successful and the consortium was granted €800 000 (~R15.3 million). The project will advance sustainable socio-ecological systems through interdisciplinary education, capacity building and collaboration in higher education institutions offering forestry and will be implemented over the next three years.

Grower Consultation

During the grower consultative meetings for the year under review, a total of 11 district grower consultation meetings and two provincial meetings were held. Most of the issues which were raised by our small-scale growers (SSG) members, were addressed by FSA and we will keep a watching brief on them, to try to prevent re-occurrences. Some of the key outcomes from the consultations are as follows:

Market Access

Growers registered their concern about the impact of the slow economic uptake of timber by all the markets in South Africa. In May 2025, growers expressed the need for timber markets to provide greater access and preference to small-scale growers, as they are often almost entirely dependent on timber for their livelihoods. They are similarly harder hit during planned and unplanned mill closures. FSA was requested to investigate the matter and provide guidance to growers once resolved. We will explore the possibilities of pre-financing, input credit and other possible mechanisms with the value chains.

Forest Certification efforts

The growers in eThekwini Metro who have been supported by Industry to gain forest certification have welcomed the initiative and appreciated the role it played in significantly improving the value of their timber. The premium secured because their timber is certified has gone a long way in ensuring that most of the compliance costs were covered.

In Memoriam

As reported elsewhere in this Report, commercial crimes and intimidation in our Sector remain a major concern. We are deeply saddened to report that such crimes in the Harding area resulted in the death of one of FSA's small-scale timber growers. Mr Vumani Mdingane was the Chairperson of the KwaJali Forest Community and who was also active in contributing to the area's economy as a community-based harvester. His death, which it is believed was at the hands of a timber theft syndicate, not only impacts his immediate family but other community members are now living in constant fear of timber theft syndicates. FSA remains committed to assist all of our members to address crime and criminality and to ensure they are reported and investigated. In support of FSA's efforts, plans are in place to assist our small-growers in the use of the FSA-developed Anti-Timber Theft App. FSA has also raised the scourge of timber theft syndicates repeatedly with the political leadership of DFFE, the senior officials in the Department and most recently, we once again raised it with the Presidency. We were very close to establishing a dedicated timber crime task force with former Deputy Minister Singh and his Chief of Staff, when Minister Aucamp removed

Deputy Minister Singh as the Forestry head, without engaging our Sector. He has in fact yet to engage our Sector at the time of this Report going to print. He is in this regard, keeping up a long legacy of failures by newly-appointed Ministers for Forestry, from all political parties, in failing to make any effort to engage with the Forestry Industry, which is the economically and socially most important Sector in the DFFE portfolio. We trust that in 2026, Minister Aucamp might make time to familiarise himself with the Forestry Masterplan and engage with our Sector and it is our hope that our recent interactions with the Presidency, may be the catalyst for such engagement.

Forest Operations Matters

Transport and logistics

FSA's ongoing involvement in the Presidency-led Operation Vulindlela and National Logistics Crisis Committee (NLCC), continues to bear fruit. During the reporting period, FSA focused on rail recovery and reform, regulatory and policy engagement, and targeted road-freight interventions to reduce costs, mitigate risk and improve system reliability.

Rail Operations

Bulk Exemption from the Competition Commission

A major milestone was achieved with the approval of a Block Exemption by the Competition Commission, enabling lawful, pre-competitive collaboration within the Forestry Industry on non-competitive logistics matters, particularly rail and port infrastructure. FSA was the first Sector in the country to secure such an exemption, and it provides a legal framework for collective engagement with Transnet Freight Rail (TFR) to address systemic inefficiencies and facilitate a modal shift of timber from road back to rail.

Following the exemption, FSA established a joint TFR–FSA Task Team and Steering Committee to coordinate engagement and implementation. While early engagements were constructive, progress stalled due to poor responsiveness from the TFR officials involved and the removal of key provisions in the draft Terms of Reference relating to pricing transparency and collaborative cost analysis.

FSA escalated these concerns to TFR's Chief Executive, highlighting the urgency of intervention given the

declining timber wagon fleet and the Industry's substantial efforts to support rail recovery. The intervention resulted in immediate engagement at executive level, with a subsequent meeting held to reset the process with the most senior TFR officials appointed to the task team and TFR reaffirmed their commitment to collaboration under the exemption framework.

At a Steering Committee meeting in November, the focus shifted to unlocking short-term operational capacity ahead of the December shutdown. TFR confirmed that at least 100 timber wagons would be repaired and returned to service by December of the year under review, with the potential for additional wagons as work progresses. This intervention was aimed at stabilising volumes in the short-term while broader structural reforms continue.

TFR also proposed that work on customer-led funding models and broader tariff redesign be temporarily paused until early 2026, noting that the complexity of these processes was delaying tangible throughput improvements. The Forestry Industry supported this as a pragmatic interim approach that prioritises wagon availability, operational momentum and cash flow through the system.

The Steering Committee agreed that the more detailed governance, funding and tariff-structure workstreams would resume in late January 2026.

Engagement on the DTIC Rail Cost Reduction Initiative

FSA was invited by Business Unity South Africa's Transport and Logistics workstream, to participate in the Department of Trade, Industry and Competition's National Rail Cost Reduction Programme (2025–2029). The initiative aims to improve rail competitiveness and stimulate local manufacturing by addressing excessive logistics costs in key growth sectors, including timber.

In engagement with DTIC officials, FSA once again reiterated that meaningful and sustained rail cost reduction is unlikely to be achieved without direct government intervention. We stressed the need for coordinated engagement with National Treasury and the Department of Transport to explore mechanisms for subsidising rail infrastructure and operations, as happens in every other country in the world with functional railways. Limited public funding has been a persistent constraint, with State support for Transnet largely confined to debt guarantees rather than direct capital investment.

PRASA and Regional Rail Infrastructure

During the year in review, a constructive engagement was held between PRASA, Sappi and FSA to address the urgent rehabilitation of the Kingsburgh Railway Line and the Illovo Bridge on the KwaZulu-Natal South Coast. PRASA confirmed that all feasibility assessments have been completed and that the project is ready to move onto implementation.

PRASA stated that while funding constraints remained, all parties agreed that a public-private-partnership represents the most viable route to accelerate progress. PRASA also stated to FSA and Sappi, that should they receive supplementary funding during the budget presented to Parliament that month, that they would prioritise the Illovo Bridge repair.

The engagement reinforced the strong economic case for restoring the South Coast rail corridor. Benefits include the diversion of significant timber volumes from road to rail, reduced logistics costs and CO_2 emissions, and strengthened rural economies. Participants also noted the wider development potential that could be unlocked, including tourism and improved connectivity to emerging forestry areas in the Eastern Cape. Repair of the Illovo Bridge was identified as the critical first step in restoring the line.

Unfortunately, at the time of writing this Report, FSA was informed in a letter from Minister Creecy, that PRASA had informed her that the Illovo Bridge repair was not a priority for them, this being in spite of PRASA having received almost R20 billion in the supplementary budget. FSA took this up with the Presidency-led NLCC, pointing out that this was inconsistent with what PRASA had told Industry in November of 2025 and was also a direct contradiction to the State President's undertaking to Sappi when he opened the major new investment worth R8 billion at Saiccor. The NLCC have proposed a meeting with the CEO of PRASA, FSA, B4SA and the NLCC to address this issue.

Road transport

Performance-Based Standards (PBS)

During the year under review, the National Logistics Crisis Committee (NLCC) committed to facilitating the transition of the Performance-Based Standards (PBS) initiative from a pilot project to full integration within South Africa's transport regulatory framework. A multi-stakeholder engagement session was convened by the NLCC, during which it was agreed that the pilot project would be extended until the end of 2027. The extension provides time to address remaining regulatory, operational and enforcement concerns raised by stakeholders, while ensuring continuity for operators who have already invested significantly in PBS-compliant fleets.

Following several years of submissions and engagement with the Western Cape Department of Infrastructure and Mobility, the PBS Policy has been finalised and launched in that province, transitioning PBS from a developmental framework into an established provincial policy instrument. The policy enables the operation of approved "Smart Trucks" that meet prescribed performance criteria related to safety, stability, braking, turning behaviour and infrastructure protection.

The Western Cape Government aimed to open applications for PBS permits forthwith, subject to compliance with the required technical assessments, route approvals and certification processes (including RTMS requirements). The adoption of PBS reflects the province's commitment to modern, performance-based freight regulation, replacing rigid prescriptive limits with a framework that supports improved freight efficiency while safeguarding road infrastructure and public safety. For the Forestry Sector, the formal acceptance of PBS in the Western Cape provides much-needed regulatory certainty, enabling continued investment in safer, more productive vehicle configurations, reducing cost per ton transported, lowering emissions and supporting sustainable logistics operations. Importantly is also establishes best practice for similar adoption in other provinces, which FSA is still pursuing with the NLCC and in direct engagements at provincial level.

Diesel Rebate

Following years of robust lobbying and submissions from FSA, the revised Diesel Rebate Scheme will take effect from 1 April 2026. The new scheme will be decoupled from the VAT system, significantly simplifying the administrative burden associated with rebate claims. Under the revised framework, the forestry, mining and agricultural sectors will be able to reclaim 100% of the general fuel levy and Road Accident Fund (RAF) levy paid on eligible diesel purchases, compared to the current 80% limitation. SARS have also incorporated several long-standing industry requests, including recognition of empty return trips from mills, transport related to wattle bark operations and

all fire management and firefighting activities. These changes are expected to result in cost savings of at least R200 million per year for Industry and reduced administrative complexity for forestry operators.

Driver Licence and Professional Driving Permit (PrDP) Validity

FSA was alerted to serious operational risks arising from delays in the issuance of driver's licences following the breakdown of South Africa's single licence printing machine, which has been non-operational since January 2025. While expired licences remain valid for three months (subject to proof of renewal), and temporary licences may be issued for six months, a significant compliance gap remains.

A Professional Driving Permit (PrDP) cannot be issued or renewed unless the applicant holds a valid driver's licence, creating significant operational, compliance and insurance risks for forestry transport operators. In response to this risk, FSA commissioned legal advice to urgently obtain clarity from the Department of Transport. Our legal advisors subsequently confirmed that a temporary driving licence (TDL) may carry a PrDP endorsement. This clarification effectively mitigates the immediate risk, provided that drivers hold a valid PrDP.

R33 – Paulpietersburg Area (KwaZulu-Natal)

FSA was approached by members operating in the Paulpietersburg area following the issuance of a Suspension of Works notice, which temporarily halted all construction activities on the R33 with effect from April. This route plays a vital role in supporting timber haulage and associated economic activity in the region. FSA formally communicated the strategic importance of the R33 to the Industry to the KwaZulu-Natal Department of Transport, requesting intervention to resolve contractual and implementation challenges with the appointed contractors and to minimise prolonged disruptions to forestry operations.

R40 – White River to Hazyview (Mpumalanga)

Members in the Lowveld region raised concerns regarding the deteriorating condition of the R40 between White River and Hazyview, a key corridor servicing both the timber and tourism sectors, two significant contributors to the Mpumalanga provincial economy. FSA engaged SANRAL to highlight the strategic and economic importance of the route and requested urgent remedial action. We are pleased to report that following this engagement, rehabilitation works commenced, addressing a critical bottleneck for forestry logistics and improving road safety for all users.

Langeni Pass Rehabilitation (R412)

During the year under review, FSA continued sustained engagement with the Eastern Cape Department of Transport (ECDoT), SANRAL and National Treasury, regarding the urgent reinstatement of the Langeni Pass (R412) between Ugie and Mthatha. The closure of the route in 2023 has had a severe impact on forestry operations, forcing transport detours of more than 120 kilometres and adding an estimated R30 million per year to sector logistics costs.

FSA has consistently emphasised that public road infrastructure is a core government responsibility and that funding for reinstatement should be secured through public mechanisms rather than *ad hoc* industry contributions. The matter has been escalated to the National Logistics Crisis Committee (NLCC) for inclusion within national infrastructure recovery priorities.

In parallel, FSA has continued coordinating engagement between industry stakeholders, SANRAL and government departments to maintain momentum on the project and ensure that the economic and social consequences of prolonged closure remain visible at national level. The issue has also been raised with AgriSA for further advocacy through their engagement structures with SANRAL and the DoT since the agricultural sector are also affected.

Forest Valuation Guideline

The development of the Forest Valuation Guideline was successfully completed during the reporting period, following extensive technical input and consultation with industry experts and member representatives. The guideline is currently awaiting final approval by the Steering Committee, as well as peer review and endorsement by FSA's international counterparts in New Zealand and Australia, namely the New Zealand Forest Owners Association (NZFOA) and Forestry Australia. The guideline aims to promote consistency, transparency and best practice in forest valuation methodologies, supporting improved decision-making across investment, insurance, financing and transaction processes.

Timber Statistics

Accurate, relevant, credible and timely data underpins effective decision-making, policy engagement, long-term planning and informing future investment for the Forestry Sector. During the reporting period, FSA focused on strengthening industry-led data systems, improving cost and productivity benchmarking, and engaging national statistical authorities to address gaps and inconsistencies in official forestry statistics.

Engagement with Statistics South Africa and DFFE

Statistics South Africa (Stats SA) convened a meeting during the year under review to present its forestry-related findings for 2023. During this engagement, DFFE proposed that, in the interests of cost efficiency and reduced reporting burden on Industry, the Stats SA forestry survey be integrated with DFFE's Report on Commercial Timber Resources and Primary Roundwood Processing in South Africa (CTRPRP). FSA supported this proposal, noting that improved coordination between Stats SA and DFFE would reduce duplication, improve response rates and enhance consistency across government datasets. With these discussions still under way, FSA continues to advocate for the development of a harmonised questionnaire and aligned reporting processes to support a more coherent national forestry data system.

Cost and Productivity Benchmarking

FSA initiated a structured Cost and Productivity Benchmarking initiative to strengthen the Industry's ability to measure and compare operational performance across regions and activities. The project is being implemented in partnership with Forestry Economics Services (FES) following approval by the FSA Executive Committee.

A formal Service Level Agreement (SLA) governs the initiative and includes strict confidentiality provisions to ensure the secure handling of member-level data. To provide oversight and ensure sound data governance, FSA established a Data Management Committee, mandated to oversee project implementation, safeguard the confidentiality of member information, approve reporting protocols, ensure compliance with Non-Disclosure Agreements (NDAs), and access controls and data security requirements.

The project is progressing well, with data collection and analysis of operational data under way using its established benchmarking methodology. Outputs will be aggregated into a Sector-wide benchmarking database, enabling comparisons by region, genus, activity and cost item. Expected outputs include:

- activity-level cost and productivity results;
- benchmarking graphs and Z-score comparisons;
- economic valuation outputs, including Faustmann-based analyses; and
- insights to identify efficiency improvements and potential cost-saving opportunities.

The core benchmarking is largely based on data provided by members. Where members request specialised analyses or bespoke outputs beyond the agreed scope, they are invited to contact FES to inquire about additional services.

In addition to benchmarking, FSA will continue to make available:

- industry timber valuation tables; and
- annual roundwood production and processing statistics.

The appointment of Mr Werner Meyer in FSA to perform this work, is most timely, given the growing strength of the Rand, which is impacting negatively on our products sold in international markets. Having reliable cost and productivity benchmarking information for our Sector, will assist members to be more cost-effective in operations, to offset some of the impacts of the strengthening currency.

National Timber Statistics and CTRPRP Reporting

The collection of national forestry resource and processing data remains a statutory requirement under the National Forests Act, which mandates DFFE to publish the CTRPRP reports annually. These reports are intended to provide authoritative statistics on plantation area, timber resources, processing volumes and sector performance.

Following the termination of the contract with the previous service provider with DFFE in 2019, resulting in a lapse of the publishing of the CTRPRP reports for three years, DFFE subsequently appointed a new service provider to compile reports for 2019/20, 2020/21 and 2021/22. However, changes to the scope and methodology resulted in incomplete and inconsistent datasets. Key indicators, such as plantation area, yield and processing volumes by region or species, were omitted, and retrospective surveys yielded very low response rates.

The most recent DFFE survey furthermore incorporated a range of socio-economic indicators aligned with the Forestry Sector Masterplan, including employment, transformation, transport costs and ownership. While valuable in their own right, these additions further diluted the technical statistical focus of the CTRPRP.

FSA provided detailed feedback on the draft 2020/21 CTRPRP report, noting that it more closely resembled a broad "State of the Forest" publication than a technical statistical report. The draft omitted essential datasets, included excessive narrative content, and contained several calculation and formatting errors. FSA recommended that future reporting be structured into two complementary outputs:

- a technical statistical report focused on forestry resources and production; and
- a separate socio-economic or "State of the Forest" report addressing broader sectoral indicators.

To ensure continuity and data credibility for industry decision-making, FSA has engaged FES to resume the production of internal, CTRPRP-style reports for industry use. This approach, co-funded by Sawmilling South Africa, provides a consistent and reliable statistical baseline while engagement with DFFE and Stats SA continues to improve national forestry data quality, coordination and efficiency. At the time of drafting this Report, FSA had submitted a bid in response to a tender published by DFFE to produce the CTRPRP.

Education and Training

Fibre Processing and Manufacturing (FP&M) SETA

Beyond the major funding which FSA secured for the F-GEP programme from our SETA, FSA has also worked closely with the SETA to resolve several challenges which some of our members were experiencing.

These include the provision of a second bid window for discretionary grants and the establishment of a forestry-specific skills forum within the SETA.

The SETA continues to be one of the best performing of any sector of the economy and the CEO, Dr Felleng Yende, has been appointed to serve on the Presidency-led Human Resources Development Council, along with FSA's own Executive Director, who has been appointed for another 5-year term and onto its Executive Committee.

FSA sincerely thanks Dr Yende and her team at the SETA for their ongoing support to our Sector and for their responsiveness to our issues.

The tenure of FSA's Operations Director representing the Forestry Sector on the FP&M SETA Board concluded during the reporting period. Ms Melanie Jacobs (Sappi) has since been elected to the FP&M SETA Board, and her expertise and leadership will ensure continued and effective representation of the Forestry Sector's interests going forward.

FSA will continue to monitor developments in this regard and engage as appropriate to ensure continued Forestry Sector representation and alignment with sector skills priorities, once the new Board is constituted.

Forestry Value Chain Sector Skills Plan

The Forestry Value Chain Forum (FVCF) was established in 2024 as a pre-competitive collaboration

platform comprising FSA, Paper Manufacturers Association of South Africa (PAMSA), Sawmilling South Africa (SSA), South African Wood Preservers Association (SAWPA), South African Utility Pole Association (SAUPA) and the Fibre Processing and Manufacturing Sector Education and Training Authority (FP&M SETA). The Forum was created to address shared challenges relating to skills development, education, training and broader human capital development across the forestry and forest products value chain.

While forestry falls within the broader FP&M SETA landscape, the high-level nature of the national Sector Skills Plan (SSP) has limited its usefulness in addressing the specific and diverse needs of the forestry value chain. In response, the Forum agreed to develop a dedicated Forestry Value Chain Sector Skills Plan to provide a more accurate and granular understanding of skills requirements, labour market dynamics and future workforce needs across forestry, pulp and paper, sawmilling, wood preservation, poles and board manufacturing. Funding for the project was approved by FP&M SETA early in 2025.

A key outcome of the process was the identification of the need for a centralised forestry value chain data platform to improve coordination, planning and information management across the Industry.

The Forestry Value Chain Sector Skills Plan is scheduled for completion by early 2026 and will serve as a foundational document to guide targeted training programmes, funding prioritisation and collaborative skills initiatives across the value chain contribute to future proofing jobs.

Forestry Skills Task Team

The Forestry Skills Task Team operates under the broader Forestry Masterplan and serves as an implementation-focused structure responsible for advancing priority skills development initiatives within the Forestry Sector. The Task Team comprises

representatives from FSA, PAMSA, SSA, SAWPA, SAUPA, organised labour and accredited training providers. This multi-stakeholder composition ensures alignment between industry needs, labour considerations and training provision.

The core mandate of the Task Team includes:
- Guiding the development and review of forestry-related qualifications and occupational standards;
- Monitoring progress on agreed skills development and training interventions; and
- Overseeing the design and delivery of short courses targeted at landowners, SMME contractors and small-scale sawmillers.

Through these activities, the Task Team contributes to building capacity across the forestry value chain and ensuring that training initiatives remain responsive to evolving operational, technological and regulatory requirements.

University of Mpumalanga: Bachelor of Science in Forestry

The University of Mpumalanga launched a 4-year Bachelor of Science in Forestry in 2023. The Industry did raise concerns with the lack of its involvement in the oversight of the programme since its inception as we believe that a strong partnership between our academic partners and the Industry in shaping future Sector capacity is critical. We are pleased to report that the School of Biology and Environmental Sciences has established a formal Forestry Science Advisory Board and has appointed FSA's Research and Protection Director as the Chairperson. Industry is looking forwards in shaping our future foresters together with the University of Mpumalanga.

Transformation and the Forest Sector Charter Council

The Forest Sector Charter Council (FSCC) continues to serve as a vital forum for balanced, evidence-based transformation. The review of the Codes of Good Practice was initiated in the year under review and are still underway, with FSA's representation ensuring that new targets are achievable. The FSCC remains an essential buffer

against arbitrary policy proposals by government departments, including attempts by the DWS and DTIC to impose prescriptive transformation targets and centralised control over Sustainability, Equity and Diversity (SED) funds. FSA remains firm in its opposition to such measures, advocating instead for industry-led transformation grounded in accountability and measurable outcomes. On the centralised SED fund, however, we are now more comfortable with the revised proposal, which would allow members to choose whether they earn points through using the Charter requirements for SED or through contributing to the centralised SED fund. FSA expects that for many Qualifying Small Enterprises (QSEs) the latter may offer a more cost-effective option. In terms of the Charter review, FSA succeeded in the following key outcomes:

- After much debate in two rounds of negotiations, Government and Labour accepted our proposal for the Exempt Micro Enterprise (EME) threshold to be raised from R10 million to R22 million and for the QSE range to be increased from the current R10 million – R50 million, instead to R22 million – R80 million.
- We objected to DFFE's proposal to remove the Category B and C plantations and the finalisation of the Environmental Impact Assessments (EIAs), as prerequisites for full compliance by Industry against some elements of the Scorecard as we argued that these were the fastest route to new empowerment and employment in the Sector. Fortunately, both Community and Labour agreed with our position and the text was retained. The only change was removing reference to SAFCOL which we accepted, since they have obtained BBBEE facilitator status and are a Level 1 contributor.

We found it concerning that the DFFE had written to the Council during the year under review to advise the Council that the Industry representatives on the Council needed to be replaced, as several of the Industry representatives had served more than two terms. The Council responded stating that it was not in agreement with DFFE's interpretation of the Memorandum of Incorporation (MOI) and that a legal opinion was sought, least of all because this issue has not arisen in any other Sector council. The Chairperson, Ms Nelly Ndlovu also wrote to the Minister to bring the risks of changing members of the Council to his attention. An emergency meeting of the Council took place on October, where Council found a mechanism to circumvent the DFFE's attempt to change the Council representation. The MOI has been amended to remove reference to a second term, and the names of Industry representatives have once again been put forward.

The latest Status of Transformation Report shows that the Industry remains committed to the meaningful transformation of our Sector. This is demonstrated in the report by the following:

- A total of 158 entities reported, demonstrating consistent representation and with a larger number of MLEs than in previous years.
- There was improvement in the number of reporting entities from the Growers' sub-sector proving the efficiency in collaboration;
- There was a significant number of small-scale growers reporting for the first time and the report attributes this to excellent partnership between the FSCC and FSA.
- Medium and Large Enterprises (MLEs) recorded higher scores year-on-year in Ownership.
- Promisingly, was that the Sector did not achieve a lower score than the average in all the elements.
- Remarkably, given the difficult year we had in 2024-2025, the Sector maintained our level 3 B-BBEE

rating and QSEs and EMEs also maintained their overall Level 2 ratings.
- Very few entities in both the MLEs and the Unenhanced QSEs, achieved a level lower than Level 4, with 85% of all responding entities achieving a Level 4 and lower scores. 45.7% of the Sector achieved a Level 1 score.

We are most grateful to have a fully-functioning Council, with Ms Makhosazana Mavimbela continuing to lead with distinction, as the Executive Director and with the support of Ms Nelly Ndlovu from Mondi, as the Council Chair. The annual Status of Transformation report has served the Sector extremely well in producing an objective picture of transformation over the years. This has occasionally been of immense value in countering anecdotal and disingenuous comments and assessments about the Sector, by self-serving politicians, some State officials and poorly informed media.

Members are encouraged to continue to submit their reports to the Council, as this helps to maintain the objective assessment of our transformation progress.

Industry Communication and Promotion

FSA's diverse communications and promotion programme continues to inform public opinion about the many extraordinary benefits which our Sector produces for South Africa and its citizens. An exciting addition to our communication offerings this year was the investment into specialised digital marketing. This additional capacity enabled FSA to launch its LinkedIn page.

The Media Dashboard in which FSA has invested, continues to increase our media traction, with FSA media releases during 2025 reaching 2 924 982 South Africans and were valued at R4.65 million. This is an incredible return on the R1.1 million investment in our entire communication and promotions portfolio. The Dashboard will be an integral facet of FSA's ongoing communication strategy, which extends further still when considering the exposure gained internationally by regular FSA publications featuring in the FAO, International Council for Forest and Paper Associations (ICFPA) and FSC media platforms.

Beyond the public sector media exposure, FSA members will regularly encounter forestry articles in private sector and government publications (digital and print), both in South Africa and in international publications, which cite FSA as their source. This "free" publicity for our Sector and members, is a direct result of years of hard work implementing FSA communications strategy by our communications team and speaks to the credibility of the information which FSA has been generating and communicating over the years. FSA would like to thank our members for supporting our communication initiatives and always being willing to provide material for our various publications.

Promotion and publications

FSA continues to aim at producing easily-accessible and visually-stimulating information. This is frequently done using infographics and videos. During the year under review, FSA produced three infographics and re-issued two postcards relaying key forestry messaging, including forestry ownership, the role of commercial and indigenous forests, as well as environmental and social stewardship. These included QR codes that

enabled the reader to further investigate the subject by navigating them to the more comprehensive publication and, in some cases, highly informative videos. The year under review has seen nine videos produced by the communications team, including a four-minute video showcasing the role of the Forestry Sector in combating climate change, voiced by Dr Ronald Heath, which was presented at the AgriSA Congress. This video, along with nine new ones being developed in 2026, will also have a central role in the Commercial Forests and Climate Change toolkit that FSA will be developing. While the infographics were initially developed to raise awareness about the Sector amongst the general public, dispelling pervasive myths and relaying some of the unseen benefits, FSA also uses them to deconstruct complex matters such as the outcome of the recent court case between FSA and DWS into clear, actionable, key points. This has been useful for our members, but also during interactions with key stakeholder groups, including various government departments.

In the year under review, FSA produced 54 print articles, 109 online articles and 17 broadcast articles which equates to a 20% year-on-year increase in media exposure. These included two advertorials in the Green Business Journal, an advertorial in the Business Day Earth and a Daily Maverick December campaign. The journal articles alone are distributed through various channels, to no less than 20 000 businesspeople across South Africa, while the Daily Maverick campaign brings forestry into the homes of the next generation.

Website

The year under review saw the FSA website reimagined, as it moved to a DIVI theme on Wordpress – a necessity as our previous Envision Theme was no longer supported and this posed a risk to long-term stability and compatibility. The website was launched in May and has had brilliant feedback, as well as being easier to navigate, more video based and mobile friendly. Due to the update, no campaigns to drive traffic to our website have been developed or rolled out this year, which had an impact on traffic coming to the site and page views. The website team are currently taking steps to improve Search Engine Optimisation to address this, while 2026 promotional initiatives are being developed to drive traffic to the site, with evaluations of website progress made quarterly throughout 2026.

Appreciation

We would like to express our gratitude in thanking all of our members for their ongoing support to FSA and to thank all of our partners in the many focus areas in which FSA is active. These include all the partners and structures listed in this Report.

We would also like to make special mention here of the Operation Vulindlela team in the Presidency, the Masterplan structures and the Forest Sector Charter Council. Without the involvement and intervention of these structures, we would not have achieved many of the important milestones in 2025.

Michael Peter
Executive Director

Organisation Details

Forestry South Africa

(Non-profit Organisation Registration Number – 017-638 NPO)

24th Annual Report for the Year Ended 31st December 2025

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Suzanne Blows	Financial Manager suzanne@forestrysouthafrica.co.za
Precious Singo	Office Assistant precious@forestrysouthafrica.co.za

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University of KwaZulu-Natal	Pietermaritzburg
Pietermaritzburg	3209
Telephone	(033) 346 0344

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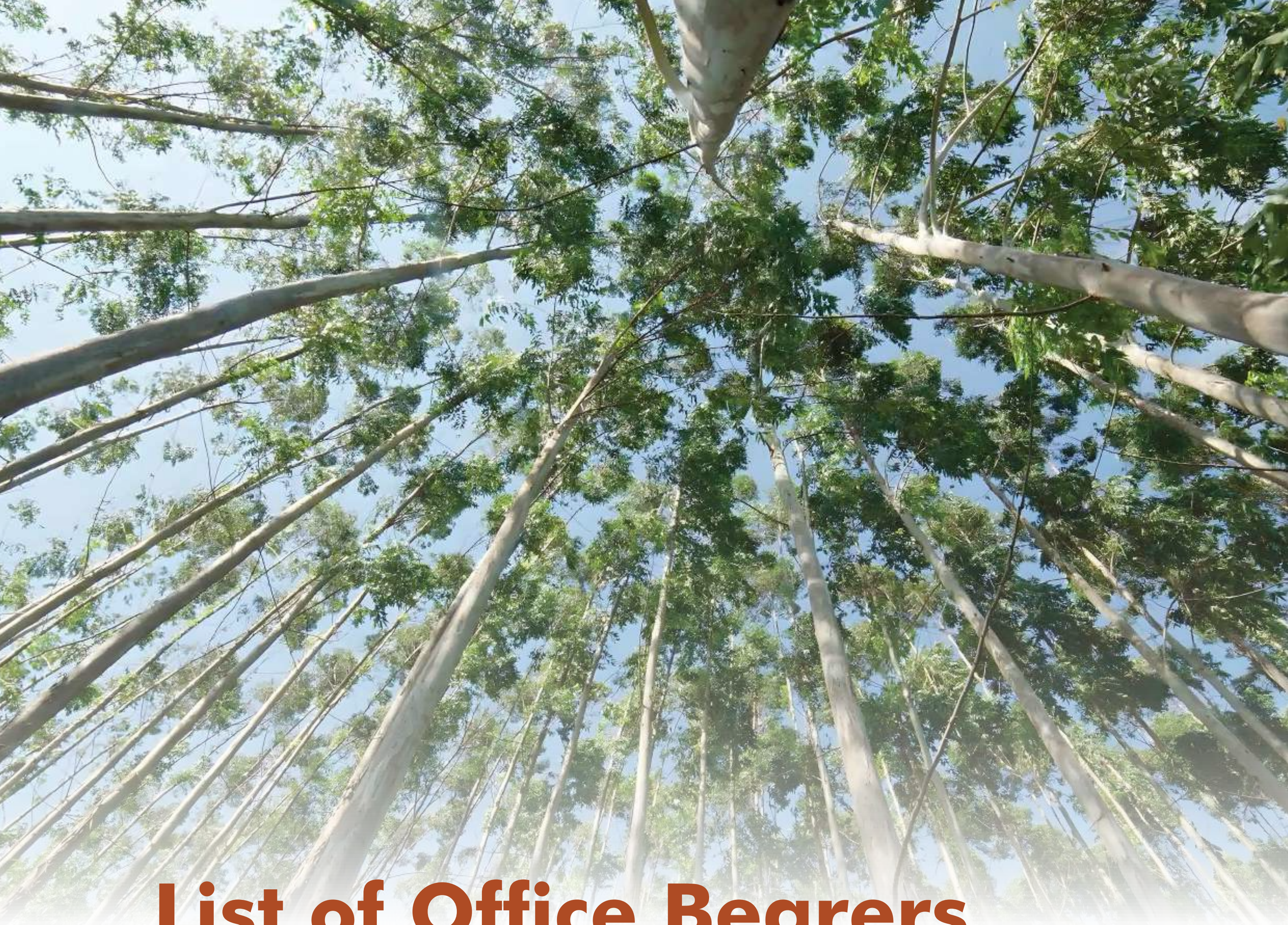
Francois Oberholzer	Operations Director francois@forestrysouthafrica.co.za
Judy Dowsett	Office Manager judy@forestrysouthafrica.co.za

Website Address	www.forestrysouthafrica.co.za
Bankers	Standard Bank of South Africa Ltd
Auditors	Rabie Deysel Incorporated Chartered Accounts (S.A.) Registered Auditors



List of Office Bearers

As at 31st December 2025

Executive Committee

Mr Duane Roothman (Sappi) (Chairperson)
Mr Andrew Mason (MGG) (Vice-Chairperson)
Mr Buhle Msweli (SGG)
Mr Themba Vilane (Mondi)
Mr Sean Brown (Merensky)
Ms Itumeleng Langeni (MTO)
Mr Sibalo Dlamini (SAFCOL)
Mr Dietmar Schroeder (TWK)
Mr Pieter de Wet (PG Bison)
Mr Gerald Stoltz (York Timbers)
Mr Mark Armour (MDS Timbers) (co-opted)
Mr Murray Mason (MGG)
Mr Danny Knoesen (MGG)
Mr Heiner Hinze (MGG)
Ms Rejoice Shozi (SGG)
Dr Johannes Maponya (SGG)

General Committee

Large Growers Group

Mr Mark Barnardo (Sappi)
Mr Linda Vilakazi (Mondi)
Mr George Dowse (Merensky)
Mr Jaco Oosthuizen (MTO)
Mr Klaas Mokobane (SAFCOL)
Mr Bob Tumber (TWK)
Mr Phillip McIntyre (PG Bison)
Mr Gerald Lindner (York Timbers)
Mr Mark Armour (MSD Timbers)
Mr Davron Swift (Amathole)
Mr Sean Hoatsen (Twekwani)

Medium Growers Group

Mr Andrew Mason (Chairperson)
Mr Heiner Hinze (Vice-Chairperson)
Mr Murray Mason (Vice-Chairperson)
Mr Rupert Beneke
Mr Vusi Dladla
Mr Martin Eggers
Mr Andre Ernst
Mr David Davidson
Mr Neil Engelbrecht
Mr Ant Foster
Mr Juan Freyer
Dr Sean Gallagher
Mr Danny Knoesen
Mr Harald Niebuhr
Mr Gerco Serfontein
Mr James Stegen
Mr Sean Sneyd
Mr James van Zyl

Small Growers Group

Mr Buhle Msweli (Chairperson)
Dr Johannes Maponya (Vice-Chairperson)
Ms Rejoice Shozi (Vice-Chairperson)

Medium Growers Group – Regional Groups

GROUPS	CHAIR	VICE-CHAIR	SECRETARY
Limpopo	Mr Gerco Serfontein	Mr Ferdinand van Loggerenberg	Mr Jacques Grobler
Eastern Mpumalanga	Mr Neil Engelbrecht	Mr Vaughan Lascelles	
Piet Retief / Lothair	Mr Hendrik Klopper	Mr Hendrik Ziervogel	Mr Johan Roodman (TWK)
Zululand	Mr David Davidson	Ms Busi Mnguni	FSA
Umvoti / Main Line	Mr Sean Sneyd	Mr Martin Eggers	Mr Roger Poole (NCT)
Eston/Mid-Illovo/ Richmond/Ixopo	Mr Malcolm Stainbank	Mr Ant Foster	Mr Warren Stainbank
Northern KwaZulu-Natal	Mr Rupert Beneke	Mr Juan Freyer	Mr Clive Mattison (NCT)
Alfred County	Dr Sean Gallagher	Mr Glynn Hogg	Mr Richard Payn
Southern Cape	Inactive		

Small Growers Group – District Committees

GROUPS	CHAIR	VICE-CHAIR	MEMBERS
Limpopo	Dr Johannes Maponya	Mr Vutshilo Netshiavha	Mr Tony Sambo Ms Rose Ramalana Mr Rufus Masekoameng Mr Demani Tendahi Ms Neluvhola Phethani
KwaZulu-Natal	Mr Buhle Msweli	Ms Rejoice Shozi	Mr Musa Gcwensa Mr Watson Nxumalo Ms Jabu Zulu Mr Bonginkosi Zondi Mr Thandokuhle Nxele Mr Sibusiso Ndlovu Mr Aubrey Zama

Honorary Life Members

Mr Mike Edwards   Mr John More   Mr Werner Weber   Mr Philip Day   Mr Brian Aitken   Mr Murray Mason

FSA Contributors

A. C. Whitcher
Allandale Timber Farm
Amathole Forestry Co.
Bracken Timbers Logged into Quality
Commondale Poles (Pty) Ltd
Geelhoutvlei
Imvelo Forests (Pty) Ltd
Lion Match Forestry (Pty) Ltd
Merensky
Mokobulaan Plantation
The Molozi Trust
mondi
MSD Timbers
MTO | group
NCT Forestry Agricultural Co-operative Limited
NTE Wattle Extract Since 1920
Paulpietersburg Timbers
PG Bison
Pull Scar Timber Co. Est. 1929
R & B Timber Group
SAFCOL Our Forests Our Future.
sappi
SiyaQhubeka Forestry for Life
Surejoy Industries (Pty) Ltd
Tekwani
TWK agri
UCL
United Forest Products
York Timbers
vukatimbers®

Small Growers Group Co-operatives

Amakhaya
Amahlathiwethu
Brooklyn
Clare
Craigburn
Driehoek
Donderhoek
Emaphepheni
Ezakheni
Ezimakade
Fhuluphelo
Green Valley
Imizamoyethu
Ingogo
Jabulane
Konanani
Libhaba
Mahongwane
Masibambaneni
MATMT
Mhlongomvula
Mkhondo
Msibi
Ntithane
Ozwathini
Ratombo
Sizabantu
Sukumani
Suzzanahof
Thathakonke
Tshitongwe
Ukhalokamsithi
Umzimkhulu GA
Vezimpilo
Vhembe Mbofhano
Zamokunzima
Zaaihoek