INGRAINED

THE CLAYMARK NEWSLETTER



- Special Feature Continuing our Journey from Log to Product We look at Katikati Reman
- Introducing More Of The Claymark Team







Welcome

I am delighted to welcome you all to the fifth edition of our company newsletter. In this edition, we are not only celebrating our journey thus far but also setting our sights on the exciting prospects that lie ahead.

Mid-Year Update

Reflecting on the first half of the year, we have achieved significant milestones together. From expanding our market reach with the acquisition of Mortim Australia (more on page 8 and 9) to enhancing our product offerings and improving operational efficiency, each step has been a testament to our collective dedication and hard work. Our financial performance has been robust, showcasing our resilience and adaptability in navigating challenges while seizing opportunities.

As we enter the second half of the year, I encourage each one of you to continue exemplifying our core values of safe processes, safe places, safe people. Let us build on our successes, learn from our experiences, and remain agile in responding to dynamic market demands.

Furthermore, I invite all of you to actively contribute to future editions of our newsletter. Share your insights, success stories, and initiatives that contribute to our shared goals. Together, we can create a vibrant platform that showcases our achievements and fosters a sense of unity across the organisation.

Thank you for your continued commitment and dedication to Claymark Group Limited. Let's embrace the challenges and opportunities ahead with enthusiasm and determination!

Regards Tony

Tony Strange Chief Operating Officer Claymark Group Limited Partnership





 \rightarrow By Dana Kennedy, Group GM Health & Safety

Org Sructure

Processes

Vision & Strategy Stated Values Behavoiurs

Symbols & Stories Beliefs

Shared Assumptions

Unwriten Rules

Norms

Values Feelings

What's our Health and Safety Strategy for 2024?

Organisation culture is the pattern of daily conversations, interactions, relationships, practices and behaviours between the members of the organisation, or simply put, "the way we do things around here"



How many times do you hear that? "the way we do things around here..."

An Organisation Culture is made up of visible and invisible forces that act in ways not too dissimilar metaphorically from the wind (above the waterline) and the current (below the waterline). The visible forces (the wind) are those things that are above the waterline and are very apparent - this incudes structure, processes, systems, vision, strategy and behaviours. The invisible forces (the current), are those elements that are below the waterline and are less tangible – these include symbols and stories, beliefs, mindsets, shared assumptions. unwritten rules and other norms.

In recent months, we have seen a number of our staff seriously hurt, and are we learning from this to prevent another one of our work colleagues from being seriously hurt? To do this, we need to work on the same Iceberg model, by having a proactive approach towards Safety and key principles:

- Support from the highest levels of the
- An entire workforce that embraces safety guidelines and rules and is empowered to enforce them
- Being fully equipped with essential safety materials and supplies

- A company-wide commitment to staying up-to-date on new safety standards and changes in regulations
- Consistently communicating safety information to the entire organisation
- Removing any obstacles that may prevent the workforce from following safety practices

Safety needs to be at the forefront of our minds. No matter the process, time, place or activity we must do our best to prevent accidents occurring. Safety consciousness will continue to evolve. We must strengthen and improve our safety culture and this requires:

- **Empowering our workers to report issues;** when workers feel safety is everybody's job and they wont be punished for making a mistake, safety improves
- Not supporting shortcuts; Prioritizing speed over safety, even if it's a target that is behind schedule appears to be a common theme through investigations. Allowing this creates bad habits that are passed down while establishing a precedence of "this is how we always do it."

"A safety culture is rooted in what workers do when nobody is watching"



Purchased from CHH by Claymark Group Ltd in 2012 and produces high quality timber mouldings and boards for both the domestic and export markets.

It currently employs 31 staff, across 2 shifts, operating 17 hours per day, Monday to Friday. They have 2 planers, a bandsaw, multi-rip and a laminator, and produce an average of 1.4 million lineal meters of finished products per month.

They have a qualified fitter, Ken, and an apprentice, Alex, who perform all maintenance requirements on site. PWL specializes in appearance grade products and as such, most of the work done involves planing or machining timber to give it a smooth finish.



Both planers were retrofitted with safety guarding, interlocks and motion sensors around seven years ago, to comply with changes in NZ safety standards.



The planers can maintain their finish to a high standard due, in part, to the efforts of the grinding room technician, Wayne, who does all the tooling requirements in their on-site grinding room. Wayne is a qualified timber machinist with numerous years of experience.



Grinding Room

The grinding room was refurbished when Claymark purchased the site in 2012. It has a Rondomat 980 straight knife grinder and a Rondomat 960 profile grinder for sharpening the cutters. There is also an Optical Measuring stand, for measuring the axial and radial details of the cutterheads, and an old copy grinder, which we use for shaping our jointing stones. We purchase our knife steel, jointing stones, grinding wheels, etc. from Thode Knife and Saw. The cutterheads have sets of 4, 6, 8 or 10 knives, depending on what profile they will be producing. This dictates the speed at which the planers can run i.e. the more knives, the faster we can run.

Apart from producing appearance grade products, PWL also splits and rips its own feedstock to achieve maximum conversion. This process enables production of quality mouldings. They also utilize the downfall products from Vaughan Road and their own site to minimise waste and add value to low value timber.

Some of the fingerjointed blanks they process are created this way. Most of the feed stock for PWL comes from Katikati. They send 25 – 50mm thick finger jointed lengths, which PWL turns into the finished products required. The site processes around 4000m3 per month.



Bandsaw, Multi-Rip Area

Timber comes into this area either from the cranebay or straight from the storage sheds.

They run at a feedspeed between 5 and 35mpm

Profiles has a **Stenner bandsaw**, which runs a single blade with a 1.6mm kerf. This rips most timber to the sizes required for the planers. Multiple pieces can be fed through (up to 5 at once) to increase productivity and run rate. It is also used to "deep rip" timber i.e., split a piece of timber up to 150mm wide to half of its thickness, usually from 50mm to 25mm or 34mm to 16mm. This is so the planers can run 10mm profiles.



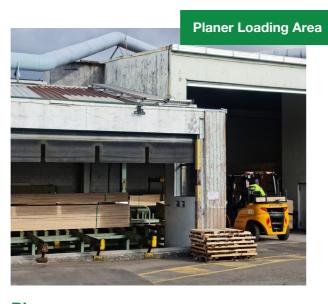
Overhead Gantry

After the timber has been ripped, the site has an overhead gantry, which picks up the packets and transfers them to be stored in the cranebay area until they are needed on the planers.



Multi-Rip

An old planer was repurposed late in 2021, by Ken, and is now being used as a Multi-Rip. It can rip 1 piece of timber into multiple pieces with one pass, as opposed to the bandsaw, which can only split a piece in 2. This increases timber recovery and conversion.



Planers

Timber comes onto the planers either from the cranebay or straight from the storage sheds. They can run as slow as 15mpm or as fast as 100mpm.



Planer 1 (Weinig 22B)

This planer can run timber up to 220mm wide (the 22 in the name signifies the width, 220mm) but is mainly used to process timber 150mm wide or less. It is also the main planer used to process the thinner profiles, down to as little as 6mm. It runs at an average speed of 75 mpm and can process 45,000 – 70,000 lm per day, dependent on how many run changes are performed and what is being run.

The timber is placed onto the cross-feeder chains and is automatically fed into the planer and out onto the roller conveyor, where it is kicked off by the cross-over belts and onto the flat belts. From here it can either be bundled or stacked by the staff. Grading is usually done by the two staff on the outfeed and any out of spec product is rejected and sent to the reject trolley via the reject conveyor belt. All rejects are either re-run to a smaller profile or used for dunnage, (strapping boards, fillets, etc.).





Planer 2 (30N)

This planer is used to process the larger cross section timber, up to 300mm wide and 100mm thick. It runs at an average speed of 45 mpm and can process 30,000 – 50,000 lm per day, dependent on how many run changes are performed and what is being run.

The timber is placed onto the cross-feeder chains and is automatically fed into the planer and out onto the roller conveyor, where it is kicked off by the cross-over belts and onto the flat belts. From here it usually stacked by the staff, either filleted for treatment and painting or block stacked for other Claymark sites. Bundling is also possible but is rarely done. Grading is usually done by the two staff on the outfeed and any out of spec product is rejected and put into the reject bin, to be docked back, or stacked directly onto the reject trolley. All rejects are either re-run to a smaller profile or used for dunnage, (strapping boards, fillets, etc.).

Laminator

This was installed from the old Henderson site and has now been on site for nearly two years. The timber is dressed on planer 1 before being sent to the Laminator, where it is edged glued together. The main sizes made are 300x25 and 250x25, which are then run into products for the NZ, Australian, and USA markets. We have recently started laminating pieces together to make timber for beams and posts. We produce anywhere from 400m3 to 700m3 per month

Ingrained Precision



AUSTRALIA Acqusition

We are thrilled to share some exciting news with you all! Claymark **Group Ltd has recently completed** the acquisition of Mortim Australia, a renowned leader in innovative construction materials. This strategic move marks a significant milestone for both companies and opens up a world of possibilities for our future endeavours.



Market Expansion

With Mortim Australia under our wing, we are poised to strengthen our market presence and expand into new territories. This acquisition aligns perfectly with our vision of growth and diversification.

Enhanced Expertise

Mortim Australia brings a wealth of expertise in cutting-edge materials and solutions. Their knowledge will complement our existing strengths and drive innovation across the board.

Customer Benefits

Our partnership with Mortim Australia means a broader range of solutions for our customers. From timber products to advanced composites, we now offer a comprehensive suite of construction materials, ensuring we remain a one-stopshop for all their needs.

Sustainability Focus

Both Claymark and Mortim Australia share a commitment to sustainability. This collaboration will accelerate our efforts in developing and promoting ecofriendly construction materials, meeting the increasing demand for sustainable solutions.

Synergy and Support

The Claymark- Mortim Australia alliance brings together not just products but also shared values of excellence, innovation, and customer satisfaction. Together, we can create synergies that benefit our customers, stakeholders, and the industry.

What This Means for You

Opportunities for Growth: As we expand our offerings and market reach, there will be new opportunities for career growth and development within Claymark.

Exciting Projects

Get ready to be part of exciting projects that leverage our combined expertise and resources to deliver exceptional solutions to our clients.

in everything we do

Remanufacturing

In our newletters to date we have been examining the journey from the forest to market.

>>> Newsletter 2: Logs >>> Newsletter 3: Sawmilling >>> Newsletter 4: Kiln Drying and Filleting.

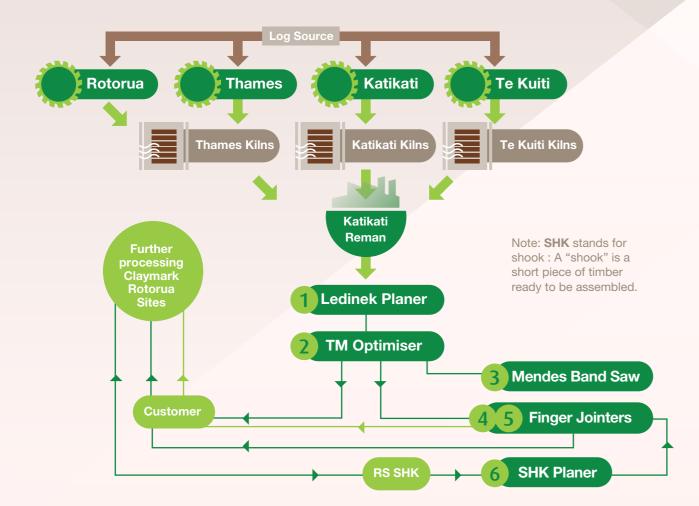
Continuing our path to market we will look at Remanunfacturing. Claymark Has three remanufacturing sites (Katikati, Vaughan Road and Geddes Road) but for this issue our focus is on our primary remanufacturing site Katkikati and the processes of optimisation planning and fingerjointing.

Claymark Katikati reman is all about adding value and recovery to our fibre once it has exited the kilns. Katikati is a world class remanufacturing facility that planes, optimises (grades out unwanted defects) and fingerjoints products for our domestic and international customers.

There are 6 machine centres

- 1. 6 head planer (Ledinek) with automated handling system (System TM)
- 2. 4 saw Optimiser with automated handling system (System TM)
- Clear Block (Shook) Recovery band saw (Mendes)
- 4. Finger Jointer 1 (Grecon)
- 5. Finger Jointer 2 (System TM)
- 6. 4 head planer (Wadkin)

Katikati Reman Process



Ledinek Planer



A High-speed planer that planes all 4 sides (Blanking) of the rough sawn timber feedstock in preparation for Optimising.

Technical Data: Working dimensions

Planing width: 60 - 310 mm*

Working height: 19 - 80 mm

Table height (fixed): 1.100 mm

Working length: min. 1,800 mm

Board capacity: up to 4,8 m

Feeding speed: 70 - 350 m/min

TM Optimiser

A high speed 4 saw crosscut line that has an inline scanner which scans all four sides of each work piece (planed board) longitudinally as it passes through the scanner. Each board is graded (optimized) for the best value yield according to the customer requirements. Individual boards are allocated an ID number then transferred to one of four automated handling systems.

Technical Data: Working dimensions

Planing width: 70 - 200 mm

Working height: 19 - 50 mm

Table height (fixed): W. 200 mm T. 32 mm

Working length: W. 70 mm T. 19 mm

Board capacity: up to 4.8 m

Feeding speed: 60 pcs/min

Mendes Band Saw





Mendes Infeed

Mendes Outfeed

The Mendes band saw is a horizontal band saw that recovers clear block (Shook) by removing the unwanted defect/s from the downgraded block. This block is sent to this work centre from the TM optimiser. Each work piece is graded by employees to get the best clear yield then sent through the bandsaw blade longitudinally where the unwanted defect is removed leaving clear block remaining. The clear block is then collected into large bins for later scheduling to the Finger jointers.

Technical Data: Working dimensions

Board width: 70 - 200 r

Board thickness: 19 - 50 mm

Board size capacity:

6 channels of work piece running

Finger Jointer 1



See next page for more details.

Finger Jointer 2



See next page for more details.

Wadkin

(Bla

A Low-speed planer that planes all four sides (Blanking) of the rough sawn timber block (Shook) in preparation for Finger Jointing.

Technical Data: Working dimensions

Board width: 70 - 300 mm

Board thickness: 19 - 50 mm

Board size capacity: 15mpm

Ingrained Precision

More Details on Finger Jointing

Finger jointing is the process of jointing short lengths of timber block (shook) together to make longer lengths of timber (blanks).

We do this to maximise the yield from the kiln dried timber and give our customers great products especially when utilisiing all our precious clear wood. Fingerjointing adds to the physical properties of the timber and minimises waste streams.

Once the timber has been fingerjointed it can go downstream to have further value added in our moulding, laminating and paint finishing departments.

Shook



Fingerjointer



Fingerjointed Blank



Moulder / Planer



Laminator

Types of Joints

There are two ways to join the shook

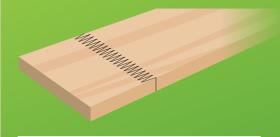
Face to Face

Edge to Edge

At Claymark we use a face to face micro joint because it suits our production processes and end use products. With face to face joints you see the "zipper" or the joint on the timber face. Sometimes this joint is also called a vertical joint as you can see a straight line going down the edge of the timber.

Face to face joints are the strongest type of finger joints as there are many fingers sharing the load. Our fingerjointed blanks go into a wide range of products most all high grade paint finished products that are recognised as the best in the market both here in New Zealand and overseas.

Fingers on the Face



CLAYMARKStructural Finger Jointed Products

- Tru-Pine Posts and beams
- Tru-Pine Structural Boards



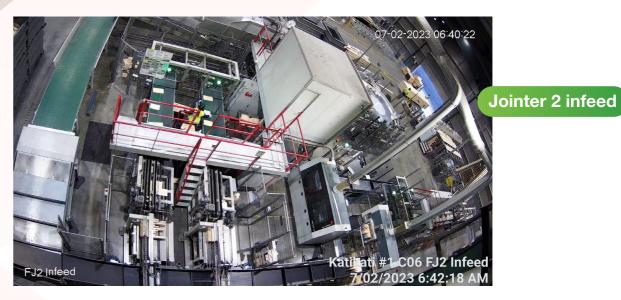
CLAYMARKStructural Finger Jointed Products

- A-Lign and Garrison Weatherboard and Fascia systems
- Centurion Trim and Siding
- Profiles mouldings shirting and architraves
- Profiles joinery products
- Cavity batten



Finger Jointing in Katikati.



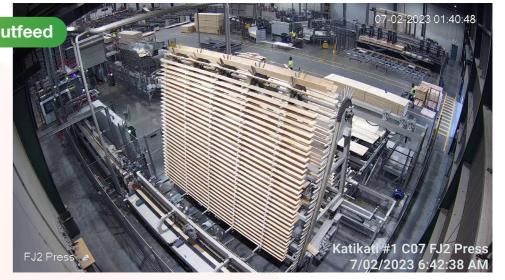


Note: Finger Jointers 1 - 2: are high speed vertical finger-jointing machines that create high quality finger-jointed boards of various widths and

Finger jointed blanks:

Finger jointed boards are made from joining interlocking smooth, defect free, short lengths of wood together. By using an end glue process, boards can be made as long as required.

in everything we do



Introducing: More of the Claymark Team





Health & Safety Advisor | Katikati

Wilma makes a valuable contribution to the day to day operations of Claymark, Katikati. She is Health and Safety Advisor, so she encourages staff to work safely. She also ensures compliance with all relevant health and safety standards by monitoring procedures and processes. Wilma has been involved in a number of interesting projects.

These include the new Chip Bin, Solar installation, Maintenance Building and Weighbridge. In the past year she has also ensured that contractors comply with regulations, work safely and has accomplished a Zero Harm Rate. Wilma is from South Africa and has been involved in the Health and Safety industry for most of her life. After hours, Wilma loves spending quality time with her husband, children and grandchild.



Site Manager | View Road Sawmill

Darryn is the Rotorua Sawmill Site Manager. His work involves balancing lots of variations for the day to day operations to deliver products to our customers. Darryn has had a long history in the Timber Industry. He started working on the Round Table at Fletchers Taupo, in 1985.

Since then, he has worked on various timber sites in a variety of roles, Primary and Secondary Processing, Remanufacturing, Treating, and recently, CLT Operations. Darryn came from Whangarei some years ago, but he is now established in Rotorua. He has four children who are all young adults now. When not at work Darryn is hard to find. He is usually in a remote area, hunting venison for the Table.



Health & Safety Business Partner

Sarah Brown is a recent addition to the Claymark Health and Safety Team and has the huge responsibility of working with the sites to ensure that people at many of the Claymark Sites stay safe and well.

Sarah is based at the Vaughan Road, Head Office, but is extremely mobile and can be found at the Claymark sites of Vaughan Road, Geddes Road, RSL, Thames and Katikati. Sarah is happily married with three children who are almost grown up. Sarah enjoys Pilates and has recently developed an interest in Pickleball



HR Business Partner based at Vaughan Road and Geddes Road

Claymark has been fortunate to employ Lesley as the new HR Business Partner. She has been working for Claymark since January 2024 and has already demonstrated a huge degree of versatility and usefulness in her role. Daily duties are very varied. Not only does she recruit, interview and employ staff, but she is also responsible for supporting the Leadership Teams as they encourage staff to meet production targets safely and efficiently.

When not at work, Lesley enjoys spending time with her husband (Neil), her stepchildren (Millie and Dexter), and with their two French bulldogs. (Penny and Seth) She also enjoys candle making, line dancing and mountain biking in the beautiful forests around Rotorua.



Eugene Matthews

Production Coordinator | View Road Sawmill (RSL)

Eugene is a valuable addition to the RSL staff. He produces production reports, enters data for logs, chip and sawdust, deals with incidents/accidents, does maintenance checks, and liaises with staff. Eugene has excellent interrelationship skill and enjoys working with people. Consequently, he is happy to see people up-skill or progress to positions of greater responsibility by ensuring that they get suitable training. Eugene has had extensive involvement with Claymark. This began when he was Owner/Director of In2work.

He supplied staff to Katikati, then RSL, then Vaughan Road and Geddes Road. Eugene has a strong background in the Timber Industry. He began as a Tablehand at age 18 and over the last 14 years has passed Unit Standards in Sawmilling, Timber Grading, Timber Processing and Biosecurity. He and his wife have 4 children aged 6,8, 11 and 13. He also has two older family members and four grandchildren. Eugene enjoys surfcasting, hunting and spending time with family and friends.



Stuart Hazeldine

Group Industrial Sales Manager

Stuart is a recent addition to the Claymark. He joined the Claymark, Vaughan Road Staff in November, 2023 and was tasked with developing direct customer relations for our products in Asia and the Middle East. Already he has initiated sales to Saudi Arabia, Thailand, Malaysia, Vietnam, China, Taiwan, South Korea and even more countries.

Stuart is ideally suited to his role as Industrial Sales Manager in that he has been involved in the Timber Industry for some thirty years and during this time has learnt a lot about different sawmilling and processing companies in New Zealand and overseas. Stuart is happily married with sports focused children and when not working enjoys transporting them to commitments, playing golf, mountain biking, Charcoal BBQ cooking and travelling.



HR Advisor | Katikati

Josie is a valued Claymark Staff Member with an active interest in the Timber Industry. In her role as HR Coordinator at Katikati she sees the timber being processed from log to product. She responsible for hiring people and resolving conflicts when standards are not met or misunderstandings arise.

When not at Claymark she enjoys spending time with her two sons as well as running and exploring the outdoors.



Office Support Manager | Katikati

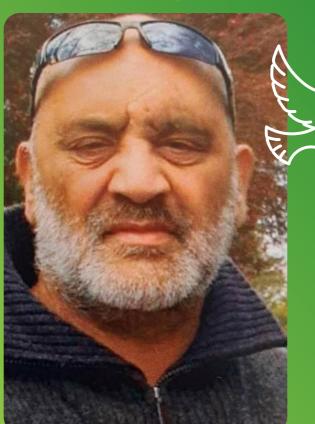
Liz is the Office Manager at Katikati Claymark and also the first "point of call" for weighbridge issues. She joined Claymark in February 2022 as someone new to the Sawmilling Industry. She has been doing many useful tasks and has enjoyed learning and seeing the processes involved in changing logs to finished plank.

Liz and her husband have not lived in Katikati long. They arrived in November 2020 and have been exploring the region and trying out all the great fishing spots.

in everything we do

Around the sites

In loving memory of Tu Taiatini



Tutewaea Taiatini (Tu)

March 1960 - May 2024

It is with deep sadness that we announce the passing of Tu Taiatini. Tu was a great leader; warm spirited and good at caring for others.

He worked as Supervisor for the Weekend Shift and was known to be warm spirited and caring.

These attributes enabled him to develop strong relationships with those around him. His team loved and respected him to the point that they would refer to him affectionately as "koro".

We extend our heartfelt condolences to Tu's family and friends during this difficult time. Tu will be deeply missed but never forgotten. Aroha nui Tu.

Claymark Management has continued to be extremely generous and has recently been responsible for sponsoring three important

events.

Community Funding



The Marist St Michael's

Rugby Team



New Plunket Hub in Rotorua



Katikati Abbeyfield Golf Tournament





Marist St Michael's Rugby Team



Marist St Michael's Premier Rugby Team have just been promoted to the Bay of Plenty Premier Division for the first time ever, after a couple of successful years in the Central Bay of Plenty competition. Currently the club has a development team as well that plays in the Central Bay of Plenty Senior A competition, which also has not happened for the past few years. Our club at present has 80 plus registered senior players which is a huge feat.

Claymark has kindly sponsored the Premier Team with Pre-game attire (tracksuits) and polo shirts for away game after match functions. Players are proud to wear the gear, "feel good, play good" mentality. Claymark has also helped our players become employed which has helped to attract and maintain players.

Currently the Premier Team are sitting in 8th position in the Premier Bay-wide competition with 2 wins against Judea and Ngongotaha and have one game to go in this round. Next round teams in position 7-10 will play-off for the Premier 2 Trophy and Top 6 will play off for the Premier 1 Trophy. Due to this being their first year in this grade their team goal was to make the Top 8 and win the Premier 2 Trophy, with improvement in 2025.



If you have any feedback on the content provided or suggestions for the next edition please send through your ideas to hr@claymark.co.nz

Around the sites

Exciting New Plunket Hub in Rotorua

The second sponsorship that Claymark has been instrumental in is the funding of the New Plunket Hub in Rotorua.

This space employs fifteen staff including eight nurses, one community Karitane Health Worker, a Kaiawhina (Maori Health Worker), a Clinical Leader, a National Educator, a Regional Support Services Team Leader, an Administrator and a Community Service Coordinator. This team helps clients who need extra in-home support and clinical support.

The building is well designed with three clinics, a room for large groups and a kitchen. The facility is a welcoming place and has been receiving very positive feedback.







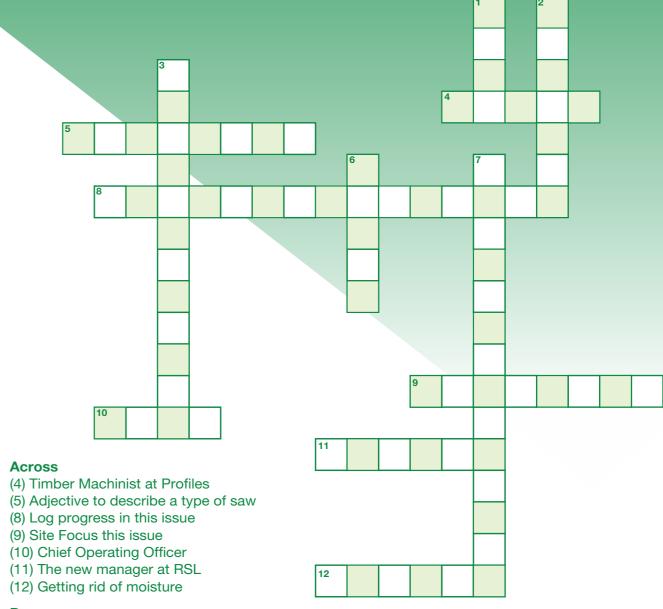
Katikati Abbeyfield Golf Tournament

The third sponsorship that Claymark has been involved in is the Abbeyfield WBOP Annual 18 Hole Charity Golf Tournament. This tournament is an annual event that occurs in Katikati with the intention of raising sufficient funds for the building of a community house for fourteen residents who have limited income.

This year the tournament was held on Friday May 3rd and twenty-three players associated with Claymark participated.

The players enjoyed their day and had varied success on the Fairview Golf Course.

Claymark Crossword



Down

- (1) Group Health and Safety Manager
- (2) Making Timber Smooth
- (3) The process of minimising waste
- (6) Manager of Profiles
- (7) A method of connecting pieces of timber

Be in to
Win a \$100
Countdown
Gift Card

We welcome feedback to improve Claymark. Therefore, we will be texting you a link to 2 questions. The best answers will win a \$100 Countdown Gift Card.





Working toget

Working together to provide a positive consumer experience

Skills & Training

Provide exceptional training for career progression

> Vision

Our dedicated commitment for continued success





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