



## SOCIAL SUSTAINABILITY FRAMEWORK

### Our Promise

Gunns recognises the need to undertake its business within an operational and governance framework that demonstrates social responsibility to the community to support business operations and growth by:

- Enhancing its reputation as an ethical provider of forest based products for the community in which it operates.
- Attracting the necessary investment support for its ongoing development.
- Attracting and retaining employees with the skill and passion to create a sustainable future.
- Sustaining the rural and regional communities that depend on its business operations.

To support our promise the business has developed a number of Key Sustainability Messages.

### Key Messages

#### *Sustainability*

- We are complementing our resource requirements from public owned estates with private/internally owned estates that are sustainable in both environmental and economic terms.
- We see our business as part of the broader agriculture sector. We are a sustainable farmer of wood fibre. We will provide sustainable, renewable products to the communities of the world.

#### *Social Responsibility*

- We at Gunns are moving our business from a traditional forestry business to a modern forestry business that uses advanced technical processes and methodologies that are supported by the range of stakeholders with whom we interact. We believe this is what the community wants us to do.
- We at Gunns wish to operate within an environment of engagement and inclusion with the key stakeholders of our business.
- We recognise the importance of community values and expectations, and that we must go beyond the science based approach that has characterised our traditional industry.
- We at Gunns must move from conflict to consultation and importantly resolution, as a means of finding the balance between the interests of all our stakeholders.

#### *Standards*

- We are continuing on the path to achieve recognised third party certification credentials for our business model to ensure our social responsibilities are recognised by the community. This means:
  - Key platforms for our business model are sustainability on environmental, social and economic grounds underpinned by stakeholder engagement and acceptance.

- Independent verification of this sustainability framework will be achieved through endorsement to recognised and credible certification standards.
- We at Gunns believe that our future involvement in natural forest harvesting will be determined by the process of engagement and recognition of recognised certification standards. Natural forest harvesting shall continue only in those areas deemed sustainable under this business model.

### Linking our Promise to Actions

Our Key Sustainability Messages have been linked to a range of actions and these actions underpin our desire to develop and maintain our social responsibilities. Such actions have included:

- We have implemented a comprehensive reservation framework for significant biological diversity values across our forest management estate, resulting in over 45,000 hectares of reservation within our freehold land estate. Significant examples of initiatives under this program include:
  - The ongoing management of native grasslands on our forest estate to maintain or enhance the diversity of native species flora and fauna species, such as the Ptunarra Brown Butterfly.
  - Conservation of indigenous and historic cultural heritage sites across our land estate.
  - The protection of water quality through the reservation of significant areas of stream sides across our forest estate.
- Embarking upon sustained and focussed growth in our managed plantation estate (from less than 100,000 hectares in 2003 to over 300,000 hectares today). This strategic course of action gives Gunns a sustainable, internally managed resource base for Company operations, significantly reducing our reliance on the public natural forest resource.
- We made a firm decision to base the Bell Bay Pulp Mill on plantation resource only.
- We confirmed our decision to focus our land management estate on plantation resource, leading to the impending sale of our residual natural forest estate in Tasmania.
- We have demonstrated our commitment to leadership in environmental management with ISO 14001 certification in 1998 and AFS certification in 2003 (both of which we were the first forestry Company in Australia to achieve).
- We have focussed our efforts to improve our stakeholder engagement over the past 2 years via the appointment of an External Relations team dedicated to developing community engagement.
- We have increased our emphasis on stakeholder communications via regular communication initiatives profiling the sustainability of our business. We are listening to our stakeholders and using their feedback to adapt our sustainable business model.
- To support this overall framework, and better reflect our business model, we have recently amended our 'Environment and Sustainability Policy' as attached.

***Attachment – Environmental and Sustainability Policy***