



ENVIRONMENTAL AND SUSTAINABILITY POLICY

Gunns Limited has a proud history in the long term development of forest based industries. The company is an innovative and growing enterprise operating independently managed business units in the primary, retail, construction and investment industry sectors throughout Australasia from our base in Tasmania.

Gunns adopts the internationally recognised definition of environmentally sustainable development as the underlying management principle. i.e development which meets the needs of the present without compromising the ability of future generations to meet their own needs.

Gunns is committed to:

- Engaging in open and transparent dialogue with the community, regulatory agencies and other stakeholders to promote responsible resource management practices.
- Implementing and maintaining environmental management systems that comply with, and are certified to, internationally recognised standards.
- Demonstrating to key stakeholders the long term sustainability of our product by implementing systems able to trace the origins of our forest products to a legally harvested and sustainably managed resource.
- Minimising adverse impacts of our own activities on the environment by implementing rigorous best practice standards that prescribe how and under what circumstances our operations are to be undertaken within or adjacent to environmentally sensitive locations.
- Setting challenging objectives and targets relating to resource sustainability and general environmental performance, which will be regularly reviewed as we strive to continually improve environmental outcomes.
- Complying with environmental legislation, codes of practice and other requirements to which we subscribe.
- Minimising pollution and the generation of wastes.
- Conducting business with suppliers and contractors who also have a commitment to responsible environmental management.
- Maintaining the significant environmental, cultural and social values applicable to the land within our custody including, but not limited to:
 - Retaining adequate undisturbed habitat for sensitive or poorly represented biota;
 - Thorough rehabilitation of areas disturbed by our operations.
- Communicating our environmental performance to our employees, contractors, clients, shareholders and community stakeholders on a regular basis.
- Maximising the value of natural resources and responsibly sharing the mutual benefit within the communities in which we operate.
- Managing our forest resources where practical to facilitate carbon capture and sequestration.

To support this policy, Gunns Limited will engage independent third parties to assess our performance against the above commitments.

A handwritten signature in black ink, appearing to read 'John E. Gay'.

JOHN E. GAY
EXECUTIVE CHAIRMAN
GUNNS LIMITED
June 2006

Reviewed March 2008