

4 December 2008

Being a forest products company we take pride in planning for social, economic and environmental outcomes that reach way beyond the boundaries of the immediate. We think and plan long term. We make sustainability our business.

To us, sustainability means managing in a way that guarantees economic viability, social advantage, positive occupational health and safety outcomes, and environmental responsibility.

As part of making sustainability our business we are now embarking on a program aimed at better communicating with our stakeholders and members of the community.

Communicating is an area where we can and will improve.

Over the next few months you will receive practical examples of how we are working to ensure sustainability in our business. As a part of this communication we will provide some 'tell it like it is' statements from our employees and other notable stakeholders with whom we do business.

I attach for your information the first communication in this series. You can expect to receive further communication from us every two weeks. I hope it contributes to your understanding of our business.

Be assured that we have talented professionals on our team and they focus on making us better at what we do. They will, as part of the team, sustain our development well into the future.

I would very much welcome any feedback you may have, or if you would like further specific information please email me at communications@gunns.com.au, or call my assistant on 03 6335 5445.

In closing, can I reiterate that we at Gunns are managing for the long haul and so it is fundamental that we make sustainability our business.

Your descendants and mine will thank us for it.

Yours sincerely



Calton Frame
Corporate Relations and Sustainability Manager

Our Commitment to Native Forests

OUR AIM

To sustainably manage our business.

WHAT DOES THAT MEAN?

It means we strive to manage our business in a manner that guarantees long term supply while protecting and managing all aspects of the environment in which we operate.

WHY IS THIS IMPORTANT?

It's important because we at Gunns are here for the long haul.

ARE OUR SKILLS CHECKED?

Yes, every six months. World acclaimed independent auditors check us against the highest international standards of management. This relates to management in the broadest sense and includes environmental care and social responsibility.

WHERE TO NOW?

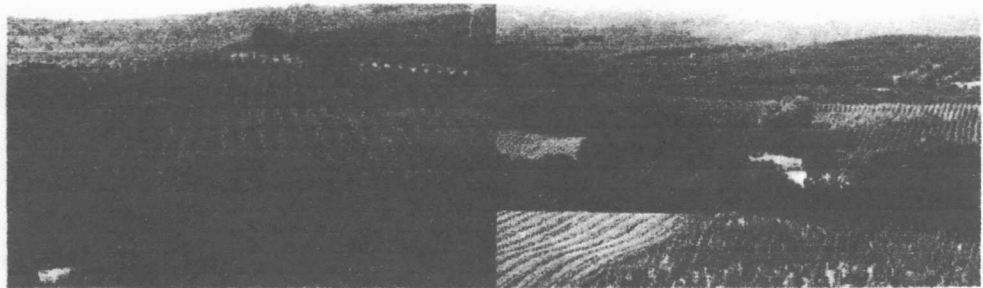
Our aim is to continually seek productivity improvement while working in harmony with the environment and delivering social benefit to the communities in which we do business. That's why we make sustainability our business.

Looking after Tasmania's forests is central to our business.

Listening to stakeholders has led us to appreciate the importance of conserving native forest.

That's why we at Gunns are only establishing plantations on cleared or existing plantation lands.

In this way, plantations and native forests will co-exist for a sustainable future.



*Alex Mifsud,
Environmental Management Systems Co-Ordinator
BSc - Environmental Science, BSc - Forestry*

"I am a conservationist who is a realist. Our society relies on wood products and hence forest management, and I want to make sure it is done in a sustainable way. I am going to have more impact working for a forest management company than against one!"



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'MAKING SUSTAINABILITY OUR BUSINESS'