

**ELDERS FORESTRY LIMITED
SUSTAINABLE FOREST MANAGEMENT**



1 ELDERS FORESTRY

Elders Forestry is one of Australia's largest environmentally certified hardwood plantation forestry managers. Elders Forestry currently manages in excess of 170,000 hectares of diversified and environmentally certified plantations across Australia.

Elders Forestry operations are managed by a team of dedicated forestry professionals and extend across all States of Australia.

2 POLICY AIM

This policy aims to communicate Elders Forestry's deep commitment to sustainability and set the framework for achieving sustainable forest management through social, economic, safety, and environmental accountability. This policy is applicable to all Elders Forestry employees, contractors and visitors, across all sites.

3 STRATEGIES FOR SUSTAINABLE MANAGEMENT

Elders Forestry will:

- Recognise sustainable forest management as among the highest corporate priorities by providing adequate resources to support the development and implementation of safety, environmental, and social related policies and procedures and to remain committed to the principles and criteria of the Forest Stewardship Council (FSC) and the Australian Forestry Standard (AFS).
- Minimise the environmental impacts of the Company's operations by adopting measures that reduce atmospheric emissions, reduce landfill waste, protect waterways, and contribute positive solutions to climate change and biodiversity loss.
- Strive to develop open and effective communication with stakeholders and the communities within which we operate in.
- Adopt a process of continual improvement by establishing and reviewing objectives and targets and forest management practices that aim to improve the Company's economic, safety, environmental and social performance, and reporting internally and externally on the performance outcomes as required.
- Implement tools for hazard management aimed at protecting the environment and the health and safety of employees, contractors, and visitors from potential risks of our operations; encompassing a system for incident management including emergency response and return to work programs.
- Provide employees, contractors and visitors with the necessary information, instruction and training to comply with Elders Forestry's management system, and to foster consultation with employees and other affected parties on matters that could impact on their health and safety or the environment.
- To meet the requirements of all applicable Acts, Regulations, Standards, Codes of Practice and other requirements to which the Company subscribes, and to communicate these obligations through management and operating procedures.

This policy shall be reviewed annually as part of management review

A handwritten signature in blue ink, appearing to read "D.M. Camus".

Signed _____ Date 09 February 2010

Chief Executive Officer