HQPlantations

Climate Change Policy

HQPlantations is committed to mitigating the negative effects of climate change and has a business imperative to adapt to it. This includes identifying and developing opportunities arising from society's actions to achieve a better climate outcome.

The core principles of HQPlantations approach to climate change are to actively manage our assets to limit our exposure to climate change risk and to align our business models with the lower carbon future envisaged in the Paris Agreement (to limit global warming to 1.5°C by achieving net zero carbon emissions by 2050).

To meet these core principles, HQPlantations objectives are to:

- mitigate direct and indirect emissions from management of our estate, where such mitigation can be achieved without compromising long term value
- seek to manage changes in the net amount of carbon sequestered in our estate;
- actively manage our estate to adapt to a future climate variability that may impact on growing conditions and increase risk of damage from fire, drought, heatwaves, storm events, pests and diseases;
- increase awareness of the role played by plantations in capturing and sequestering carbon in standing trees, in providing the sustainable raw material for a wide range of products with low embodied energy, and in generating a wide range of environmental services; and
- review and where appropriate progress commercial opportunities to facilitate development of climate positive projects associated with our estate.

HQPlantations will achieve these objectives by:

1. **Refining mechanisms** to measure, monitor and mitigate Scope 1, Scope 2 and HQPlantations-directed Scope 3 emissions.
    - Scope 1 emissions are those under HQPlantations direct control, such as fuel used by our fleet, emissions from fertilisers and from slash and prescribed burning.
    - Scope 2 emissions are indirect emissions via electricity use.
    - Scope 3 emissions are those arising from forest management operations undertaken by contractors and directed by HQPlantations, including site preparation, establishment, silvicultural activities, harvesting, haulage and shipping.
2. **Setting targets** for reducing Scope 1, Scope 2 and HQPlantations-directed Scope 3 emissions e. Science Based Targets Initiative (SBTi) and regulatory frameworks will be used to guide target setting, measurement and progress reporting and as the basis for informed assessments on actions that HQPlantations would need to take to achieve targets.
3. **Assessing and reporting** the quantum and annual change in carbon sequestered within its plantation estate, as well as the carbon estimated to be captured in harvested wood products. The annual change in carbon sequestered in HQPlantations non-plantation areas and soil carbon may be added in due course as accounting methodologies are improved.
4. **Ensuring our Strategic Plans** address climate change risks, opportunities and adaptation. HQPlantations will also engage with third parties and R&D providers, to utilise their expertise and capacity to predict climate changes at finer scale, to underpin site-specific adaptation actions.
5. **Complete annual Climate (Sustainablity) Disclosure Reporting**, consistent with mandatory national regulatory requirements to inform HQPlantations investors, regulators, employees, customers and communities.
6. **Applying sound governance**, as required under AASB S2, to oversee climate-related risks and opportunities, ensuring accountability and transparency in our disclosures. This will be provided by HQPlantations Board and supported by management, inclusive of:
    - defining and disclosing our governance structure and associated roles and responsibitlities related to climate-related risks
    - integrating of climate-related risk management across the organisation with clear reporting lines via the Executive Leadership Team (ELT) through to the Board
    - transparent disclosure of practices about how climate-related risks are identified, assessed, and managed including linkages to executive remuneration and accountability.