

performance, people and prosperity

SUMMARY

A3P SUSTAINABILITY ACTION PLAN | MAY 2006

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AUSTRALIAN PLANTATION PRODUCTS & PAPER INDUSTRY COUNCIL



A3P's new Sustainability Action Plan is an important document, a first in many ways for Australia's plantation products and paper industry. The plan is comprehensive, forward looking, and designed to keep the industry focused on actions relating to the 21 issues it addresses.

While the industry has always taken its economic, environmental and social responsibilities seriously, A3P and its members want to proactively address the key concerns we face as we create and sell more than \$5 billion of product each year in Australia.

This Sustainability Action Plan contains many new initiatives and builds on existing initiatives, regulatory requirements, compliance levels, and certification schemes from within and beyond our industry.

Implementing its recommendations will reduce the industry's use of water, chemicals and energy, reduce emissions of greenhouse gases and pollutants, and also ameliorate salinity. It will also help re-invigorate rural economies.

Effective environmental stewardship is not just critical for the continued business success of our members—it underpins the sustainable future to which our society aspires. While the industry has dramatically reduced water use, improved water discharge quality from paper mills, and steadily reduced its greenhouse gas emissions and energy consumption, we know more progress can and should be made.

The Sustainability Action Plan adopts a product stewardship approach which recognises that growers, manufacturers, importers, governments, and consumers all share responsibility for the environmental impact of a product throughout its full life cycle (production, handling, purchasing, using, and discarding).

The plantation products and paper industry benefits the community every day, across the whole of Australia. Our three main sectors—plantation growers, timber processors and paper manufacturers—employ more than 13,000 people, mainly in rural and regional areas. Beyond that we produce 15 million tonnes of wood annually and process it into a diverse range of products that government, business and the general public rely on daily. We produce three million tonnes of paper, for example, and three million cubic metres of sawn timber, used for construction, to build furniture, to print newspapers and magazines, and to produce packaging and hygiene products. We also produce a range of non-timber products and services such as sequestration of carbon dioxide, recreation opportunities and environmental services. What we do, therefore, affects all sections of the value chain—from seedlings through to consumer products and recycling.

The industry's contribution to Australia's present and future is massive and so, too, could be its negative impact if not well managed. This is why A3P and its member companies



developed this Sustainability Action Plan. The plan builds on our success to date as a responsible industry and commits us to initiatives that will ensure we do everything we can to meet the wide ranging needs of current and future generations, in harmony with ecological, social and economic processes.

The idea of an action plan is not new, but this one has several distinct features. It is a living document that will be regularly reviewed, updated and reshaped, to ensure it stays with the times. The plan is action oriented and lists how to address the issues we face. It not only identifies future challenges and risks but establishes clear targets and ways to measure performance. It also commits to public reporting of results.

The Sustainability Action Plan is the result of strong consultation with A3P's member companies and representatives from the major NGO environmental groups in Australia. Their contribution is invaluable.

The plan's substance is also based on the best available current research, including the Forest and Wood Products Research and Development Corporation and CSIRO.

A3P and its member companies are committed to sustainable action, today and well into the future.

Developing the plan

- 1 In early 2005 A3P initiated a series of roundtable meetings, involving representatives of its member companies from the plantation, sawmilling and paper sectors, and representatives of the Australian Conservation Foundation, WWF Australia, Friends of the Earth, and the Wilderness Society.
- 2 The meetings informed the drafting of a Sustainability Action Plan, including 21 key issues facing the industry.
- 3 In late 2005 A3P held a second round of workshops to seek comments on the draft from original contributors.
- 4 The Sustainability Action Plan was then finalised, including actions, targets and future reporting measurements. It reflects the full engagement of A3P's member companies.



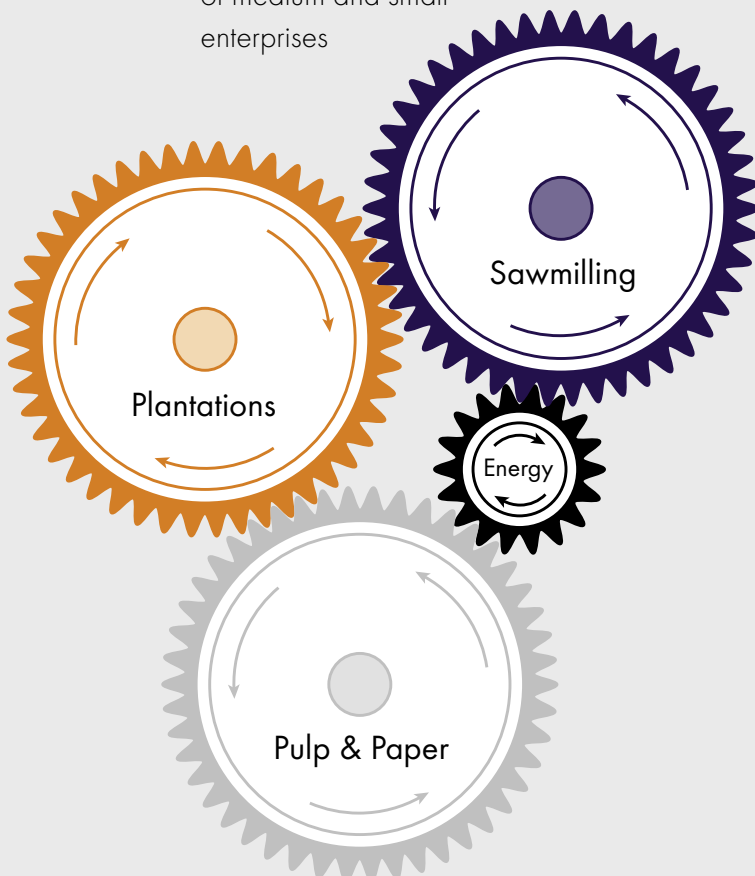
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About A3P

A3P is the national peak body for the plantation products and paper industry.

It has strong representation from each of its three industry sectors:

- 1 paper manufacturing**—A3P members represent approximately two-thirds of Australia’s paper production including printing and writing paper, newsprint, tissue, and packaging products
- 2 sawmilling**—A3P members represent more than three-quarters of Australia’s plantation sawmilling capacity and include the country’s largest plantation sawmilling companies and a high proportion of medium and small enterprises



- 3 plantation growing**—A3P members manage more than three-quarters of Australia’s softwood plantation resource and approximately half of Australia’s total plantation resource (1.7 million hectares) and include government businesses, large investment companies and private companies.

The plantation products and paper industry delivers multiple benefits to the Australian community beyond the economic value of the timber produced. Benefits include reducing greenhouse gas emissions, better managing salinity, enhancing biodiversity, better protecting soil, and using and reusing plantation products in place of alternatives.

A3P’s definition of sustainable development

To ensure common understanding, A3P and its members have adopted, and abide by, this definition of sustainable development:

“The development of Australia’s plantation products and paper industry to meet the needs of current and future generations while sustaining fundamental processes.”



A3P members

5

Scale of the industry

A3P member companies:

- create and sell more than \$5 billion of product annually
- employ more than 13,000 people in plantation operations, sawmills and paper manufacturing plants, mainly in rural and regional areas
- produce 15 million tonnes of wood annually and process it into products including three million tonnes of paper and 3 million cubic metres of sawn timber.

Competitive pressures

- The total value of imports and exports of timber and paper products in 2003-04 was \$4.1 billion and \$2.1 billion respectively, leaving a trade deficit of \$2.0 billion.
- Australia must take full advantage of its expanding plantation resources—a significant increase in the availability of plantation hardwood pulp-log is expected in the next 20 to 40 years.

Paper sector

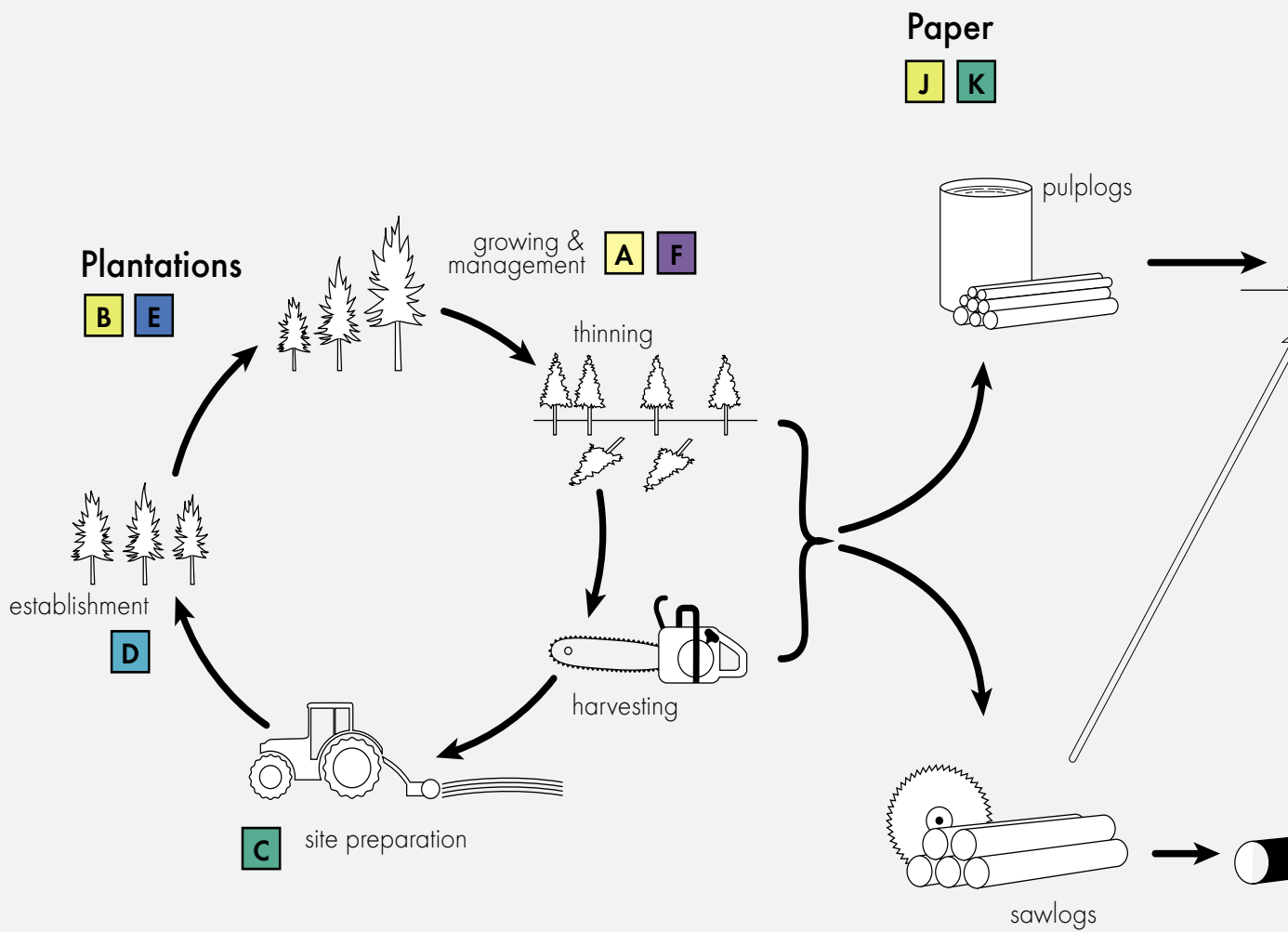
- Australian Paper
- Amcor Australasia
- Norske Skog Australasia
- Kimberly-Clark Australia

Sawmilling sector

- Weyerhaeuser Australia
- Carter Holt Harvey
- Hyne Timber
- Highland Pine Products
- Wespine Industries
- AKD Softwoods
- Integrated Forest Products
- Allied Timber Products
- Pinetec
- The Australian Sawmilling Company
- SA Sawmilling
- Logform Industries
- Whitehead Timber Sales
- Willmott Forests
- Auswest Timbers
- CA Joseph & Sons

Plantation growing sector

- Forests NSW
- Hancock Victorian Plantations
- Forestry SA
- Forestry Tasmania
- Taswood Growers
- Forestry Plantations Queensland
- Green Triangle Forest Products
- Willmott Forests
- Conservation and Land Management ACT
- Pentarch Forest Products
- Norske Skog Australasia
- AKD Softwoods



Overarching issues

M N O P Q R S T U

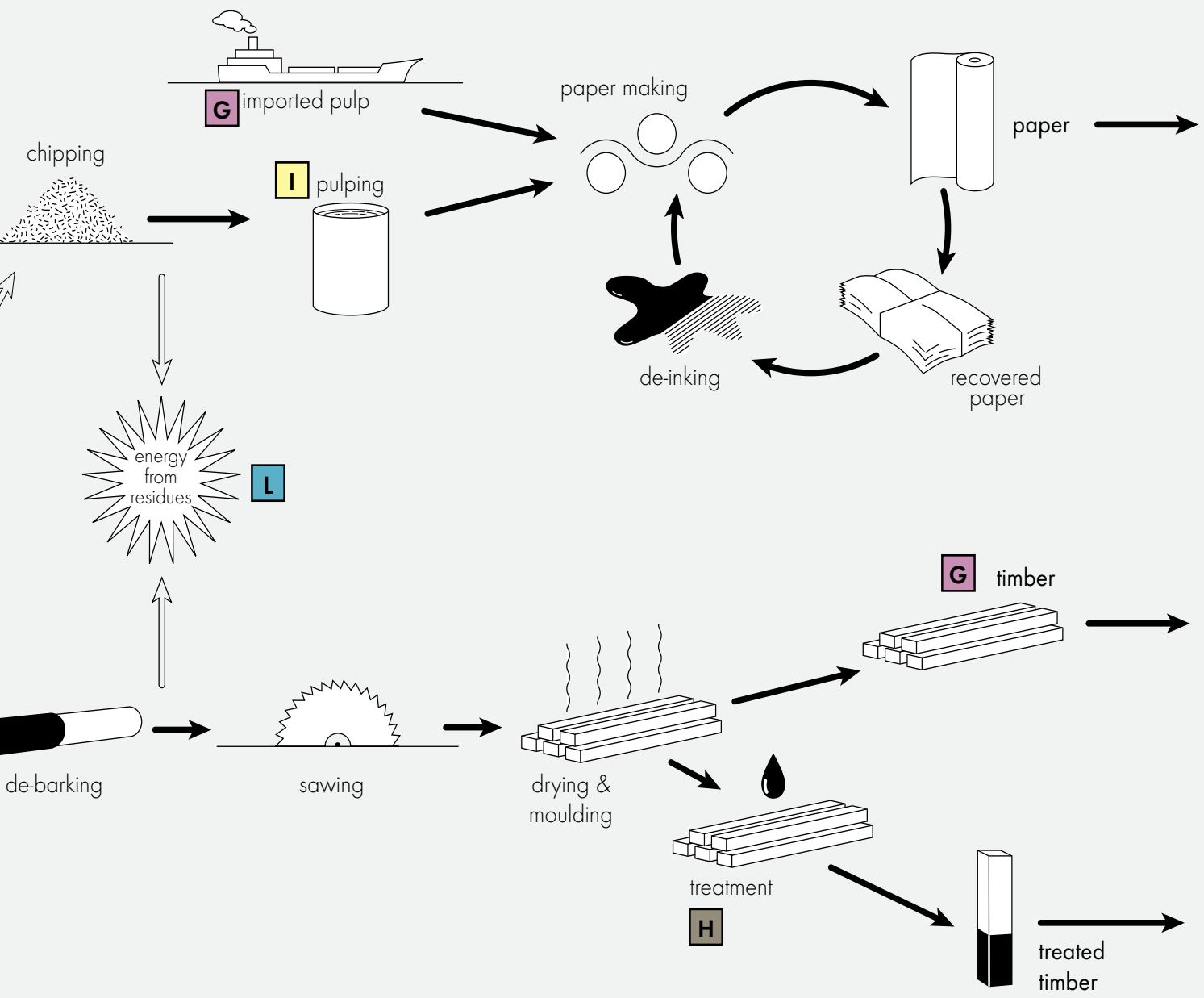
Boxed, colour-coded letters refer to applicable sustainability issues in this plan.



Pine Solutions Australia



Forestry Tasmania



A Plantation management

Actions take members beyond the basics of complying with relevant legislation, regulations and codes. It recommends developing and implementing ways for plantation management to exceed state and territory compliance levels.

B Certification

Actions will see members seek and maintain voluntary, third-party, independent, forest management certification. Actions will help harmonise certification schemes so A3P members can build trust, demonstrate sustainability and promote the availability of certified forest products in the market.

C Conversion of native forests

Actions will minimise environmental impact by considering conservation and biodiversity values prior to converting native forests to plantations in Tasmania.

Note: The broadscale conversion of native forests to plantations no longer occurs on mainland Australia.

D Chemical use in plantations

Actions will minimise the amount of chemicals used in plantations by balancing the desire for less chemical use with the benefits of improved growth by using chemicals with the lowest toxicity and continually seeking and reviewing alternatives.

E Biodiversity

Actions will deliver a net positive effect on biodiversity by:

- 1 identifying, evaluating and managing biodiversity in an integrated way in planning, decision making and reporting
- 2 siting and designing plantations to complement remnant native vegetation
- 3 protecting riparian zones.

F Water and plantations

Actions will ensure plantations continue to have a significant, positive influence on water flows and help reduce salinity by:

- 1 gathering and promoting information on the benefits of plantation growing on water quality
- 2 integrating consideration of water use into decisions on siting and plantation management
- 3 participating in the collection of water use data and water use planning at a catchment level.

G Stopping imports of illegally logged forest products

Actions will, through government and market-based responses, prevent illegally logged forest products being imported into Australia, help identify legally sourced forest products and increase the Australian supply of legally sourced forest products from sustainably managed forests.

H Treated timber

Actions will minimise and manage the environmental impact of timber treated by:

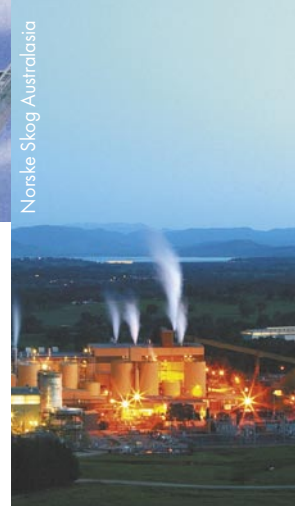
- 1 using lowest toxicity treatment consistent with the desired durability
- 2 continually seeking and reviewing alternatives
- 3 ensuring appropriate disposal options are available and communicated
- 4 encouraging research and development into more benign alternatives.

I Water use in processing

Actions will help manage water as a scarce resource in Australia by increasing water use efficiency in processing (water use per unit of production), re-using water where possible and improving the quality of water discharge in processing. This will be over and above the significant improvements already made in the industry on these fronts.



Pine Solutions Australia



Norske Skog Australasia

J Air emissions and waste

Actions will minimise the impact of waste production and the emissions of harmful substances into the biosphere by reusing, recycling and reprocessing where possible, maximising recovery of value from waste disposal and assisting with the recycling of post-use paper products.

K Greenhouse and energy

Actions will reduce greenhouse gas emissions even further and minimise the amount of energy used in processing. Actions will also encourage the use of 'greenhouse friendly' plantation products.

L Bio-energy

Actions will further increase the generation of bio-energy in the industry.

M Economic and employment impact

Actions will optimise the economic value of production in the industry and increase the level of sustainable employment.

N Indigenous employment

Actions will help members identify and develop employment and business opportunities for Indigenous groups and, in doing so, take advantage of the industry's substantial operations in rural and regional Australia.

O Safety

Actions will help the industry maintain the highest possible safety standards, reduce the rate of incidents, and create a culture of accident prevention with no level of accidents being tolerated.

P Investment

Actions will ensure continued investment and reinvestment in the industry, to provide further economic, environmental and social benefits to Australia.

Q Management plans

Actions will ensure key sustainability issues are included in management plans so they can be satisfactorily addressed over the long term.

R Research and development

Actions will use research and development to improve the industry's environmental, social and economic performance through new technology and better knowledge.

S Stakeholder engagement

Actions will ensure effective processes are developed for engaging with a broad range of stakeholders, at a whole-of-industry and company level, to: ensure good communications; gather useful information and ideas; strengthen relationships; enhance corporate reputation; and improve decision-making.

T Sustainability reporting

Actions will increase the levels of comprehensive, transparent and comparable sustainability reporting by A3P's members, enabling them to demonstrate their environmental and social performance and link this to their economic performance. Actions include:

- 1 developing processes for aggregating reports and data at an industry level
- 2 regularly reporting on progress of the Sustainability Action Plan
- 3 annually reporting on sustainability performance in a transparent and comprehensive manner.

U Office

Actions will reduce the ecological footprint of A3P's office.

Summary of issues, actions and reporting

Issue	Intent	Supporting strategies	Specific actions	Target/reporting
Plantation management	Manage plantations beyond regulatory compliance, for commercial purposes and to provide multiple benefits.		<ul style="list-style-type: none"> ● Comply with all relevant legislation, regulations and codes. ● Develop and implement techniques that economically enable plantation management to exceed compliance levels and provide multiple benefits. 	<ol style="list-style-type: none"> 1 Zero breaches of codes, regulations and legislation (number and severity of breaches). 2 Case studies.
Certification	Informed customers rewarding sustainable forest management through purchasing decisions.	<ul style="list-style-type: none"> ● Assist harmonisation of forest certification schemes. ● Encourage members to seek and promote forest certification. ● Increase and promote the availability of certified forest products in the market. 	<ul style="list-style-type: none"> ● Forest managers seek and maintain forest certification. 	<ol style="list-style-type: none"> 3 Increased levels of forest certification to 70% of members and 70% of hectares by 2015.
Conversion of native forests	Minimise environmental impact through a managed phase-out of conversion of native forests to plantations.		<ul style="list-style-type: none"> ● No broadscale conversion of native forests to plantations in mainland states. ● Explicit consideration of conservation and biodiversity values prior to any decision to convert native forests to plantations in Tasmania. No conversion of high conservation value native forest. 	<ol style="list-style-type: none"> 4 Rapid decline in annual area of native forests converted, to zero by 2010.
Chemical use in plantations	<p>Balance the desire for less chemical use with benefits of improved growth by:</p> <ul style="list-style-type: none"> ● using the lowest toxicity and quantity consistent with effectiveness ● continually seeking and reviewing alternatives. 	<ul style="list-style-type: none"> ● Identify chemicals for reduced usage in conjunction with stakeholders. ● Environmental monitoring of chemical impacts on water, soil and biodiversity. ● Incorporate chemical use within an Environmental Management System. ● Dispose of chemical containers and other wastes in an environmentally appropriate manner. 	<ul style="list-style-type: none"> ● Reduce quantities of identified chemicals used. ● Comply with all relevant legislation, regulations and codes. 	<ol style="list-style-type: none"> 5 Reduction in quantity of identified chemicals used (active ingredient) per area of plantation established. Specific targets to be set after priority chemicals identified. 6 Zero breaches of codes, regulations and legislation (number and severity of breaches).
Biodiversity	Deliver a net positive effect on biodiversity at a landscape scale from plantation design, retained vegetation and silviculture.	<ul style="list-style-type: none"> ● Assist the development of structures that enhance biodiversity benefits from plantations including biodiversity credits. ● Undertake monitoring and protection of biodiversity. 	<ul style="list-style-type: none"> ● Integrate the identification, evaluation and management of biodiversity into planning, decision making and reporting. ● Siting and design of plantations to complement remnant native vegetation. ● Protect riparian zones. 	<ol style="list-style-type: none"> 7 To be designed based on the rating system from CSIRO Sustainable Ecosystems Division.
Water and plantations	<p>Ensure water policy and practice:</p> <ul style="list-style-type: none"> ● acknowledges plantations as a legitimate use of water in the rural landscape ● treats plantations equitably with other dry-land agriculture ● ensures water consumption does not exceed sustainable levels ● aligns with all other natural resource impacts and benefits of plantations. 	<ul style="list-style-type: none"> ● Participate fully in the development of sound water policy at a national level. ● Encourage collection and presentation of rigorous data on groundwater resources. ● Promote research & development on the influence of tree planting in the landscape on surface and ground water flows. ● Gather and promote information on the benefits of plantation growing on water quality. 	<ul style="list-style-type: none"> ● Integrate the consideration of water use into decisions on siting and management of plantations. ● Participate in the collection of water use data and water use planning at a catchment level. 	<ol style="list-style-type: none"> 8 Case studies.

Issue	Intent	Supporting strategies	Specific actions	Target/reporting
Stopping imports of illegally logged forest products	Develop government and market-based responses that prevent importation of illegally logged forest products.	<ul style="list-style-type: none"> ● Work with governments to assist the identification of legally sourced forest products. ● Contribute to public and consumer education. ● Encourage certification of forest products (see section on certification). ● Work with international bodies to strengthen the framework for preventing illegal logging. ● Increase the supply of forest products from Australia (sustainably managed, legally logged). 	<ul style="list-style-type: none"> ● No importation of illegally logged forest products. 	9 All members implementing systems to ensure imported products are not of suspect or illegal origin.
Treated timber	Achieve desired product durability while minimising and managing the environmental impact of treated timber by: <ul style="list-style-type: none"> ● using lowest toxicity treatment consistent with the desired durability ● continually seeking and reviewing alternatives ● ensuring appropriate disposal options are available and communicated ● encouraging research and development into more benign alternatives. 	<ul style="list-style-type: none"> ● Implement the recommendations of APVMA review of CCA for treating timber. ● Apply Environmental Management Systems where timber is treated. 	<ul style="list-style-type: none"> ● Work with governments to ensure the availability of engineered landfills or other suitable disposal options for treated timber. ● Use most benign treatment in terms of type and quantity of chemical, consistent with effectiveness. 	10 Consistent improvement in availability of post-use disposal options. 11 Quantities of timber treated by method—consistent trend away from higher toxicity treatments.
Water use in processing	Reduce water use by: <ul style="list-style-type: none"> ● maximising water use efficiency ● re-using water where possible. Discharged water quality should be appropriate to the receiving environment.	<ul style="list-style-type: none"> ● Encourage allocation of water to highest value applications. 	<ul style="list-style-type: none"> ● Increase water use efficiency (water use per unit of production). ● Improve the quality of water discharge. 	12 20% improvement in efficiency of water use per tonne of product or \$ of value by 2015 (from 2006 levels). 13 20% reduction in BOD/COD of water discharged by 2015 (from 2006 levels).
Air emissions and waste	Minimise impact of waste production and toxic emissions by: <ul style="list-style-type: none"> ● reusing, recycling and reprocessing where possible ● waste disposal that is appropriate for type and toxicity of waste. 	<ul style="list-style-type: none"> ● Collate industry-wide data on dioxin and NOx emissions per tonne of production. ● Members report on levels and toxicity of pollutants and actions to address them. ● Appropriate disposal of solid waste. ● Identify and address impediments to recycling. 	<ul style="list-style-type: none"> ● Minimise quantity and toxicity of emissions. ● Maximise recovery of value from the waste stream. ● Assist recycling of post-use paper products. 	14 Continuous reduction in dioxin emissions from pulp and paper manufacturing. Dioxin emissions to be within the capacity of the receiving environment and small in comparison to total dioxin levels. 15 20% reduction in emissions of NOx per tonne of production by 2015 (from 2006 levels). 16 30% reduction in waste generated per tonne of product by 2015 (from 2006 levels). 17 Paper recovery recycling rate of 60% by 2015.
Greenhouse and energy	Minimise greenhouse impact and energy use by: <ul style="list-style-type: none"> ● efficient use of energy in processing ● reducing greenhouse gas emissions from the industry ● encouraging use of plantation products in place of more greenhouse intensive alternatives. 	<ul style="list-style-type: none"> ● Report transparently on the greenhouse profile at the industry, company and product level. ● Support adoption of financial signals for carbon sequestration. ● Support research and development into greenhouse gas accounting of plantation products and paper. 	<ul style="list-style-type: none"> ● Reduce net greenhouse gas emission intensity. ● Increase proportion of wood going to products that retain carbon. 	18 10% reduction in net greenhouse gas emissions per tonne of product by 2015 (from 2006 levels). 19 6% increase in carbon sequestered in timber products by 2015 (from 2006 levels).
Bio-energy	Increase the generation of bio-energy in the industry.	<ul style="list-style-type: none"> ● Encourage the development of policy that assists production of bio-energy including from all forms of plantation and recovered material. 	<ul style="list-style-type: none"> ● Pursue opportunities for increasing production of bio-energy including through partnerships and joint ventures. 	20 30% increase in bio-energy produced directly or through commercial arrangements by 2015 (from 2006 levels).

Issue	Intent	Supporting strategies	Specific actions	Target/reporting
Economic and employment impact	Maximise sustainable employment and value of production.		<ul style="list-style-type: none"> Investment, product development and marketing that optimise the value of production and level of employment in the industry. 	21 Industry employment growth rates above the average for rural Australia. 22 40% increase in value of production overall and in key regions by 2015 (from 2006 levels).
Indigenous employment	Work with Indigenous groups to identify and develop employment and business opportunities.	<ul style="list-style-type: none"> Develop a framework, in conjunction with government and Indigenous groups, to assist members to identify and develop Indigenous employment and business opportunities. 	<ul style="list-style-type: none"> Identify and develop Indigenous employment opportunities. 	23 Case studies.
Safety	Maintain the highest possible safety standards and a culture of accident prevention. No level of accidents should be tolerated.	<ul style="list-style-type: none"> Assist the identification of best practice approaches to safety. Promote systematic approaches to safety including accreditation under AS4801. Employ a hazard identification approach. 	<ul style="list-style-type: none"> Continue to implement systems to reduce incident rates, e.g. employee education and training. 	24 Consistent reduction in rate of lost time injuries.
Investment	Invest and reinvest in the industry, providing economic, environmental and social benefits to Australia.	<ul style="list-style-type: none"> Work with government to identify and implement a policy structure that allows investment in long rotation plantations and in the wood processing, manufacturing and recycling industries. 	<ul style="list-style-type: none"> Continue to invest in the industry to add value and maintain competitiveness. 	25 Sustain levels of capital investment and five-year investment plans.
Management plans	Ensure key sustainability issues are addressed in management plans.		<ul style="list-style-type: none"> Plantation growers to include chemical use, water use and biodiversity within management plans. Processors to include energy use, greenhouse emissions, air emissions and solid waste within management plans. 	26 Proportion of members who have management plans and targets for chemical use, water use, biodiversity, energy use, greenhouse emissions, air emissions and solid waste.
Research and development	Improve the industry's environmental, social and economic performance through new technology and better knowledge.	<ul style="list-style-type: none"> Assist in identifying research and development priorities including the improvement of industry's sustainability performance. 	<ul style="list-style-type: none"> Invest in targeted research and development. 	27 No decline in research and development investment.
Stakeholder engagement	Develop effective processes for engagement with a broad range of stakeholders.		<ul style="list-style-type: none"> Manage effective processes for engagement of stakeholders at a whole-of-industry and at company level. 	28 Consistent increase in number of members with stakeholder engagement structures.
Sustainability reporting	Increase the levels of comprehensive, transparent and comparable sustainability reporting.	<ul style="list-style-type: none"> Develop processes for aggregating reports and data at an industry level. Encourage uptake of a core set of common indicators within the industry. 	<ul style="list-style-type: none"> Regularly report on progress of this Sustainability Action Plan. Members report on sustainability performance in a transparent and comprehensive manner. 	29 Consistent increase in number of members reporting sustainability. 30 Consistent increase in comprehensiveness of reports.
Office	Reduce the ecological footprint of A3P's office.		<ul style="list-style-type: none"> Procurement and management decisions and practices that reduce the ecological impact of the office. 	31 Reduce the ecological footprint of the office as measured using the Victorian EPA calculator.



LEVEL 3
TOURISM HOUSE
40 BLACKALL STREET
BARTON ACT 2600
AUSTRALIA

T +61 2 6273 8111

F +61 2 6273 8011

W www.a3p.asn.au

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