

Beyond paper

Sustainability Report 2009

PaperlinX

Highlights 2009

- For the second consecutive year, PaperlinX has been ranked equal-first in the 2009 WHK Horwath Corporate Governance Report, which assesses the corporate governance structures and policies of Australia's largest 250 listed companies.
- For the fifth consecutive year, PaperlinX has satisfied the requirements of the FTSE4Good Index Series by meeting global standards of corporate responsibility for social, ethical and environmental performance. We once again participated in the Carbon Disclosure Project Survey in Australia.
- Over the past eight years, we have successfully reduced our Medically Treated Injury Frequency Rate (MTIFR) by 58 per cent and our overall Lost Time Injury Frequency Rate (LTIFR) by 49 per cent, with falls in 2009 of 21 per cent and 11 per cent respectively.
- 44 per cent of our employees around the world took advantage of the free health check offered as part of HealthLinX, our global health and wellbeing programme.
- Our Australian-made range of carbon-neutral papers, ENVI™, won three categories in the 2009 Australian Business Awards: Best Eco-Friendly Product, Product Innovation, and Marketing Excellence.
- PaperlinX implemented a global carbon policy to ensure consistent explanations across the Company in the measurement of carbon intensity of our own operations and of the products we buy and sell.
- PaperlinX reached its target of 100 per cent of operating companies achieving multiple chain-of-custody certification.
- The upgrade of the pulp capacity at Maryvale Mill was completed along with the new elemental chlorine free (ECF) bleach plant, further improving the environmental performance of the mill.

What sustainability means to PaperlinX

Sustainable development is most often defined as 'meeting the needs of the present without compromising the ability of future generations to meet their own needs'. For PaperlinX and its operating companies, this means achieving sustainable economic growth of benefit to present and future generations of employees, shareholders and customers without detrimentally affecting the resources or biological systems of the planet.

Report Scope

This Sustainability Report covers the operations of PaperlinX Limited's businesses and its social and environmental commitments for the period July 2008 to June 2009. It aims to broadly report against the Global Reporting Initiative (GRI) guidelines for sustainability reporting that encourage tracking and measure performance through disclosure. All data reported has been collected and validated through internal financial and environmental management systems and is available for auditing purposes.

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Tom Park, Managing Director and Chief Executive Officer

Over the past year, much focus has been on economic sustainability, not just for PaperlinX, but for businesses across the world as we strive to cope with the economic downturn and adapt our businesses in order to survive and ultimately to create a sustainable platform upon which we can build in the future when conditions improve.

Securing the sale of our paper manufacturing business, Australian Paper (excluding Tasmanian operations) in June 2009 to Nippon Paper Group, was a key step in our strategy to become a focused merchant. We are reviewing our remaining manufacturing operations in Tasmania and are conscious of our responsibilities to do the right thing not only for our business but also for the communities in which those mills operate. We are considering all our options in close consultation with key stakeholders.

Although the size of our manufacturing operations is considerably reduced following the sale, we will continue to ensure we work responsibly to reduce the carbon footprint of the remaining manufacturing operations along with our merchandising logistics operations. Our active involvement in the consultative process of the Australian Government's Carbon Pollution Reduction Scheme resulted in a positive outcome for our manufacturing business. The implementation date of this scheme has been delayed and much debate still surrounds its future, but we can feel confident that we are doing all we can to minimise the financial impact of the scheme on our business while continuing to do all we can to minimise our carbon footprint and optimise our international competitiveness.

Renewed Focus

As we increase our focus on our merchandising business, we will be seeking to leverage our sustainability position. We will be looking to improve the performance of our operating companies by better managing our resource use in energy, waste and water. We want to ensure that our customers remain proud to source their products from us, safe in the knowledge that our businesses offer some of the best environmentally responsible product ranges and services available. We already have in place in our European operations one of the most robust product stewardship programmes of any business in our industry and we will be looking to mirror this worldwide.

Our knowledge in the field of sustainability is based on experience and sound research. In Europe, we have conducted extensive research which has provided us with a clear insight into paper and print sustainability trends across the region. As a result of that research, we have launched our revive™ brand into more European markets: revive is already the market-leading recycled brand for corporations and governments in the UK.

Innovation

In Australia, our carbon-neutral paper range, ENVI™, won three categories in this year's Australian Business Awards: Best Eco-Friendly Product, Product Innovation, and Marketing Excellence. This goes to show that not only are we innovators within our own industry, but that we can lead the way in the wider business world too. yoyo™, our closed-loop office paper supply, delivery and recycling system, which has yielded a good number of successes in its first year of operation in the UK market, is also now running in the Netherlands and we will look for opportunities to further grow this unique scheme in the coming year.

As our attention has necessarily been focused on our immediate business this past year, we have inevitably had to ease back on some of our planned community support activities. Nevertheless, there are still some great stories out there as a good number of our operating companies and individual employees have continued to do what they can.

The last year has challenged all aspects of sustainability – economic, environmental and social – and yet it is our engagement with these issues in the past that has enabled us to deal with our current challenges and prepare ourselves for our new and future business. I want to thank everyone involved in contributing to our efforts over the last 12 months and look forward to receiving your views and comments on this report.

Thomas P Park
Managing Director and Chief Executive Officer

Our business

Around the world, we deliver the papers and materials our customers want, when they want it. We operate a range of distinct businesses across 26 countries; local businesses with worldwide links. Together, we have grown to become one of the world's largest merchants.

We manufacture and distribute high-quality fine paper used in offices, as well as specialty papers used in brochures, magazines, annual reports and other business applications. We are expanding our range in other materials, such as sign and display products, industrial packaging and graphics.

The companies that make up PaperlinX today have a long history in paper. In Australia, some businesses have been making paper since 1939, and, in Europe, others have been distributing paper since the 1600s.

We have a vested interest in developing a sustainable business model and providing leadership, particularly in the environmental area, for the future success of our business. Our growing range of paper and materials with strong environmental credentials is an example of how we are shaping our business to meet the challenges ahead.

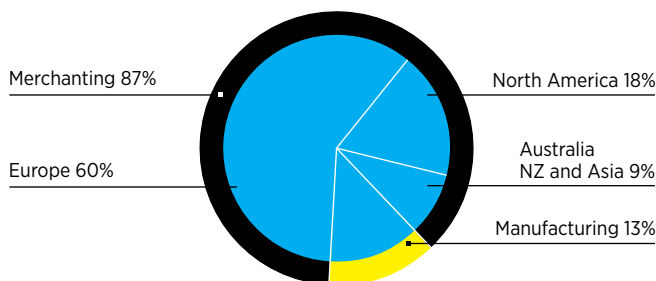
Operations	2008	(as at 30 June) 2009
Countries	27	26
Sites	366	350
Manufacturing sites	4	2

Financial profile	2008	(full financial year) 2009
Total revenue (A\$m)	7,485	7,107
Earnings before interest and tax (A\$m)*	160.4	16.4
Sales volume (before commission sales) ('000 tonnes)	4,254	3,638

*pre-significant items

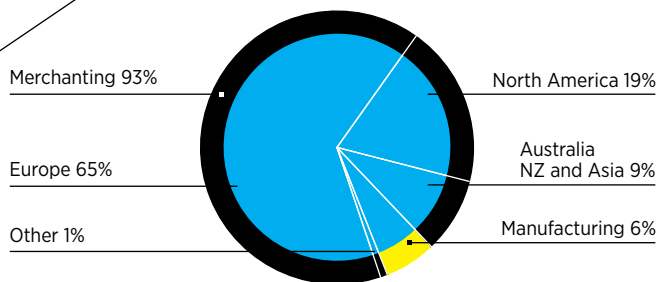
Total revenue

A\$7,107m



Employees

7,199



Our vision is to be recognised as a leading international merchant company – a truly sustainable business built on a positive approach to the health, wellbeing and capabilities of our people, our environmental management and our financial prudence and integrity.

When the Group's organisational values were being developed, sustainability was selected as one of the seven PaperlinX Values. As we try to balance cost constraints, social impacts and ecological performance, our focus on continuous improvement means that the organisation must make real and measurable changes every year. Our main strategy for delivering these changes is embedding sustainability into our business strategy and planning, structures and processes.

As a distributor of paper, sign and display, graphics and industrial packaging products, we have certain responsibilities. Having a large part of our business based primarily upon paper – a sustainable product made from a renewable, natural resource that is completely recyclable – has many implications. These unique product features have become increasingly relevant to environmentally conscious consumers the world over. To maintain our Company's growth we must focus our strategy on these three areas:

- Economic sustainability – the successful performance of our business model.
- Social sustainability – meeting society's expectations of our responsibilities to our employees and the communities in which we operate.
- Environmental sustainability – managing natural resources wisely to continually improve our environmental performance.

Our commitments are set out in the PaperlinX Sustainability Charter, launched in 2004. Our business is founded on mutually beneficial relationships and partnerships with a range of stakeholders, and through the Charter we are committed to open dialogue, ethical behaviour and good business conduct.

Driving Sustainability Improvements

Supporting our sustainability commitments is a framework of management, risk and governance involving all levels of the Company from the Board through to operational teams. The Company has a risk oversight and management regime that involves detailed analysis of the material risks to the business worldwide. Board committees have responsibility for specific areas of compliance, and the regime's effectiveness is subject to annual certification by the Managing Director and Chief Financial Officer.

Good performance in occupational health and wellbeing, safety and the environment are key strategic issues for PaperlinX. A Board committee consisting of three Non-executive Directors convenes with the Managing Director and the Group General Manager Environment Safety and Health (ES&H) on a quarterly basis to consider safety and environmental issues that may have strategic, business and reputation implications for the Group. This Safety and Environment Committee reviews policies and monitors compliance, assesses management systems, standards and practices, and reviews significant incident investigation reports. The Committee also regularly visits sites within the Group to gain first-hand knowledge of operations and performance.

To further integrate sustainability between operational and commercial efforts, the Sustainability Affinity Group was created. This global team, with representatives from each business region, is responsible for marketing sustainable product brands globally, coordinating a global sustainability position and ensuring regions have sustainability plans in place to deal with environmental risks and opportunities.

Global Environmental Management Approach

The Company has a multifaceted approach to environmental management that is underpinned by an Operations Management System (OMS), as well as the identification and implementation of strategic priorities.

The OMS provides a framework for managing ES&H through performance requirements for all operational activities. These cover risk management, legal compliance, improvement, roles and responsibilities, training and compliance, communications, documentation, operational control, emergency response, contractor management, incident reporting, record keeping and auditing.

In addition, we identified key strategic priorities for the 2008–2010 period that will add significant value to the Company's ES&H management. They are:

1. To align all levels within the organisation with positive performance indicators in order that all our people understand how they can contribute to performance improvement.
2. To instil a positive ES&H culture that aligns with the PaperlinX Values and results in a permanent change in commitment and behaviour through understanding the existing culture, and developing and implementing a cultural change programme.
3. To achieve a reduction in our environmental footprint and leverage our environmental philosophy by engaging our people.

Environmental Management in Manufacturing

In addition to the OMS, each of our paper mills in Australia has a site-specific environmental management system (EMS) that provides the processes and procedures for compliance with environmental requirements. These include site-specific licences that are issued by the Australian Government and Australian State Governments, as well as existing standards and codes of practice. Each site's EMS complies with the International Standard ISO 14001 for environmental management, the leading standard for manufacturing sites, along with ISO 9001 quality management systems. Performance against the EMS is assessed by external auditors SAI Global and Det Norske Veritas (DNV).

Sustainability Charter

PaperlinX is a leading international paper distribution and manufacturing company with a commitment to delivering long-term sustainable returns and environmental and social benefits for all our stakeholders. In so doing, we seek to add value for our customers, employees, the communities in which we operate and for our shareholders.

In pursuit of these commitments, we recognise that our products and operations have an impact on the environment and that we must continually improve our performances across a range of areas to deliver the sustainable returns to which we aspire.

Our fundamental commitment globally is to not only ensure that as a minimum we comply with the laws of all the regions in which we operate, but we also seek to go beyond just compliance with a range of positive initiatives.

Our commitments in relation to the environment, our employees, our communities and our suppliers are explained below.

Environment

We will provide product options to satisfy the needs of our customers, and will ensure that we provide information to allow our customers, neighbours and the public to make informed choices about our products and their environmental credentials.

At PaperlinX, we are committed to continuously reducing our environmental footprint in measurable ways. Our operations seek, wherever possible, to reduce resource use (such as energy, water, fibre and chemicals) efficiently by increasing recycling opportunities and reducing waste output. We are committed to regularly monitoring these improvements.

Employees

Our objective is to be the 'employer of choice' in which all members of our workforce are treated with respect and employed within strong principles of equal opportunity, ethical behaviour and transparent management practices.

At PaperlinX, we are committed to providing our employees the opportunity to grow and develop within a safe workplace wherever they are located.

Communities

We will support the communities in which we operate in ways that make a positive difference and will maintain an open relationship with these communities, report on our performance and make this information readily available to the public as well as customers.

In addition, we will also recognise our corporate role in assisting our employees to make individual and collective contributions to improve aspects of the communities in which they participate.

Suppliers

We are committed to proactively encouraging our suppliers to improve their environmental performance by insisting they act in a legal and sustainable fashion and are committed to continuous improvement.

Customers

Our commitment to our customers extends beyond satisfying them with excellent service, knowledge and technical support. Helping our customers understand their paper choices is one benefit we can deliver. We will provide a range of product options with environmental credentials and useful product information guides, making it easier for customers to make an informed decision.

ACHIEVEMENTS 2009

- PaperlinX Values are now embedded in all regions.
- HealthLinX health checks have been completed globally with 44 per cent of staff taking part. We have collected non-work related absenteeism data from all of our businesses and will continue to do so on an ongoing basis to enable us to build a picture of the value of our HealthLinX programme to the health of our workforce.
- 21 per cent reduction in Medically Treated Lost Time Injury Rates.
- Gained a better understanding of the impact of implementing Vehicle and Traffic Risk Reduction Programmes and driver training at all manufacturing and warehouse sites.
- Developed and implemented a Project Management Methodology process with a change management focus to improve our change management abilities.
- Commenced implementation of Leadership Engagement plan.
- Electronic knowledge-sharing tools to assist the transfer of ideas globally are being phased in.
- Launched internal educational programme, Positive about Paper, in Australia and New Zealand, and Two Sides in conjunction with CEPI in Europe.

GOALS 2010

- Ensure our talent and business make-up reflect the needs of PaperlinX into the future.
- Develop a programme of employee engagement around the PaperlinX business following the sale of Australian Paper.
- Continue to embed the Values into our organisational practices, including in recruitment, performance management (Xchange), training programmes and leadership 360° feedback.
- Implement key improvement actions from the Viewpoint Leadership Engagement Survey.
- Launch Positive about Paper or similar staff education campaigns in European and North American businesses.
- Obtain a 10 per cent reduction in Medically Treated and Lost Time Injury Rates globally.
- Conduct a global WeightLinX Challenge to address the highest priority identified in the HealthLinX survey.
- Review and revise the PaperlinX Operations Management System in light of the reduced focus on manufacturing.

It is when times are the most challenging that a business' culture and values are really put to the test.

Values in Practice

Our businesses have each faced enormous challenges over the past year, but across the 26 different countries in which we operate, our businesses have been united by PaperlinX's common set of Values. Our Values transcend operational and regional differences and aim to connect everyone throughout the organisation and help us achieve our business objectives. Together with our Core Operating Principles, they have guided our decision-making and enabled us to develop a directional framework for the future.

The PaperlinX Values are not just a talking point; they focus and guide the actions of our people on a daily basis. Our Values underpin our efforts to act professionally, treat people with respect and act with integrity and honesty. The way we conduct ourselves in our operations around the world reflects on our reputation and the way we are regarded by colleagues, customers, suppliers and the wider community.

Over the coming year, we will seek to further embed the Values into our organisational practices such as recruitment and performance management.

Our actions and activities are further supported by our compliance training and Speak Up programmes. The competition law compliance programme is available to help employees understand the regulatory and legislative environment. The online training programme on Trade Practices is available in nine languages, with a participation rate of 90 per cent. Speak Up is a confidential reporting service in which employees are able to raise concerns about improper conduct via an international telephone helpline, a multilingual website, email or fax. This encourages employees to keep their workplace safe, fair and honest.

Engaging our People

Our business and the environment in which we operate have experienced significant changes in the last year; more than ever, we must provide relevant and meaningful information for our employee base. We regularly communicate our business strategies, new initiatives and

achievements in a variety of ways: the popular *connexions* quarterly magazine, published in five languages; regular, face-to-face team briefings; email alerts; video messages and websites.

We encourage teamwork by bringing together multi-country teams to address common business issues and provide individuals with opportunities to work in different locations on assignments. This year, we started the roll-out of KnowledgelineX, an online knowledge-sharing tool to help groups across the world work together more closely.

We are seeking more feedback from employees on all aspects of the employment cycle through the increasing use of internal surveys and employee focus groups. In Australia, New Zealand and Singapore, the Your Voice survey is now used to measure employee engagement. In North America, the planned launch of the Bright Ideas employee feedback and suggestion programme has been postponed while we concentrate on urgent strategic initiatives at regional levels; the programme will be reviewed again for implementation as the business environment improves.

Strengthening our Leadership

As PaperlinX advances and responds to industry change, we need the right blend of talent to build a long-term, sustainable business. This means understanding and developing our leaders appropriately.

We have been mapping succession plans for the leadership group and, in the coming year, will establish a global talent pool for future business leaders. We will roll out the next phase of our Leadership Development Programme, which focuses on strategic planning and leadership behaviours. We will also continue with our ongoing implementation of the key actions from the 2008 Leadership Engagement Survey, Viewpoint.

Learning and Development

The development of the people who work at PaperlinX is a priority in maximising our performance. We invest heavily in providing a variety of internally and externally led programmes. Some are coordinated globally, such as the Leadership Development Programme; others are led by the regional businesses. At a Group level, we have continued to roll out the Strategic Value Selling Programme in Europe during the year. This programme is underpinned by Internal Selling Programmes, which are aligned to the local Customer Value Proposition, to improve the skills of customer service teams that support sales teams.

In Australia, New Zealand and Asia our businesses offer numerous training programmes including programmes aimed at developing the skills of new and emerging managers who are also required to complete a business project that incorporates the Values and delivers real benefit to the bottom line.

In the European operations, many programmes assist our 5,000 employees with their professional growth. Some examples include: Financial for Non-Financial Managers (The Paper Company, UK), People First Personal Development Programme (Howard Smith Paper Group, UK), Leaders Today and Diversity Matters (Robert Horne Group, UK), Presentation Skills/Public Speaking (Italy, Denmark), Strategic Thinking, Acting, Selling (Germany), and English Language training (Italy, Czech Republic).

A Customer Service Representative (CSR) Training Programme has been introduced across Canada and further rollout across the region is being considered. The programme focuses on optimising the skill-set of our CSRs by adding proactive telesales to their traditional inside sales function.

Improving Diversity

We continue to apply a Future Workforce Management Plan linked to our business' strategic priorities to identify the skills and capabilities for our future workforce. We have developed a Diversity Awareness Programme that aims to educate our people about what diversity is in today's workplace and how different people's ideas and experiences can bring innovation and business benefits. While the difficult economic conditions we have experienced this year have meant that this programme has not yet been rolled out, we continue to look at how we can incorporate matters of diversity into our business practices and procedures. The economic conditions have also forced us to put on hold our plans to expand our graduate programme internationally; when we are able to reintroduce this programme it will help us to attract a more diverse workforce.

Seeking Continuous Improvement in Safety

Our safety performance continues to improve as we seek to reach our goal of zero accidents and injuries. This year we were again successful in exceeding our target of a further 10 per cent reduction in both measures. We reduced our Lost Time Injury Frequency Rate (LTIFR) by 11 per cent and our Medically Treated Injury Frequency Rate (MTIFR) by 21 per cent. In addition, 33 per cent of all our reporting companies worked the whole year with zero injury incidents. (Please note when compared with the previous Annual Report, these figures reflect a correction of data entry errors, but year on year comparisons are valid.)

Even with these improvements, in the past year there have been 16 incidents involving mobile plant and equipment. Fortunately, none of these resulted in serious injury. In each case underlying behavioural reasons have been identified and our management teams are focusing efforts on reducing complacency and risk-taking behaviour.

We continue to improve our efforts to create a positive safety culture. As part of our 2008-2010 ES&H strategic plan, we have worked to align the physical environment, the systems we use and the cultures and behaviours of our organisation within all of our businesses worldwide and we will be working to reinforce and clarify our safety procedures during the coming year.

This year, our operating companies will implement Positive Performance Indicators (PPI) to increase understanding about how to contribute to performance improvement. PPIs will be used to focus on safety-related training, sustainability, and the rectification of hazards or non-compliance identified during audits and internal reviews.

To further improve our performance we continue to maintain a focus on both training and internal auditing. In the last year, more than 95 per cent of the approximately 4,000 employees directly engaged in manufacturing and warehousing/logistics received training in more than one safety subject area. In Europe there were 1,562 full days devoted to training in different safety disciplines. In Australasia, 1,250 employees at the manufacturing plants and 1,187 merchanting employees participated in training in more than 30 different safety disciplines.

To check our performance, members of our ES&H team collected safety statistics and conducted 54 internal safety audits and assessments at our larger sites around the world, providing assurance and identifying any weaknesses.

In addition, external audits were conducted at our paper mills for the certification of their various safety systems, licences and insurance status; all our certifications were reconfirmed.



Living the Values

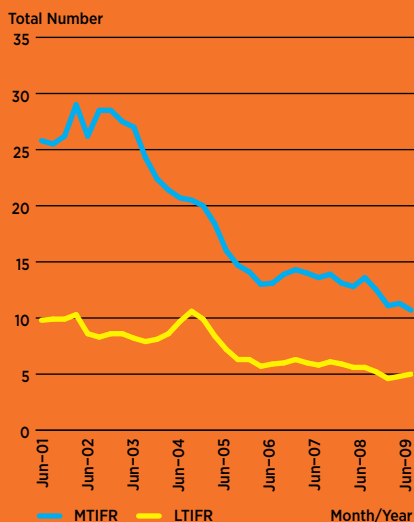
Since their launch just over a year ago, many of our businesses and employees have demonstrated that they are truly living the Values. Tree planting mornings and charity walks in Australia and Asia have supported the Sustainability Value; expansions of product ranges in Europe have demonstrated Courage to Lean Forward; and combining logistics and warehouses in North America has shown Success Through Ideas and Partnerships.

58%

Reduction in our Medically Treated Injury Frequency Rate over the last eight years

The health and wellbeing of our employees requires an investment in understanding their concerns and in providing them with information and opportunities to proactively manage their own health.

Safety



HealthLinX

HealthLinX was introduced in 2008 with the intention of improving the health and wellbeing of PaperlinX employees. Amongst other initiatives, employees had the opportunity to undergo a free health check. Over 44 per cent of employees participated and feedback has been extremely positive. The check alerted some employees to potentially serious health problems, such as diabetes and high blood pressure.



Over the past eight years, we have successfully reduced our overall Lost Time Injury Frequency Rate (LTIFR) by 49 per cent, and our Medically Treated Injury Frequency Rate (MTIFR) by 58 per cent.

ACHIEVEMENTS 2009

- Contributed \$1.1 million to a range of local programmes and non-profit organisations that support communities around our business sites.
- A number of our businesses continued to develop community partnerships and cause-related marketing initiatives.
- Continued dialogue with key stakeholders near our mills through Community Consultative Forums.

GOALS 2010

- Recognise and support operating companies' efforts to undertake community partnerships.
- Integrate measurement of community investment activities from operating companies into the financial reporting system.
- Ensure the new sustainability position for the Group incorporates community and social elements.

Through its Sustainability Charter, PaperlinX has made a broad commitment to support communities in which it operates.

Working within Communities

As one of the largest private-sector employers in Tasmania, we recognise that the business decisions we make can have a significant impact on the local communities in which we operate.

During the year, we have been carrying out a review of the economic sustainability of our two mills in Tasmania and have been in close consultation with key stakeholders within the community, including government, as we consider carefully all options available to us. We expect to announce the outcome of the review in the first half of the 2010 financial year.

From our Australian mills, we work with nearby communities on continuously improving our environmental performance. We host public tours and open days, we have open dialogue with environmental groups, and we support local community organisations.

Our many operating companies around the world provide a broad range of community support through charitable contributions of cash and paper, commercial sponsorships for industry support, cause-related marketing initiatives and employee involvement activities. All of these activities are led by local management to support local organisations.

Community Relations

We have a Community Consultative Forum for the Company's Australian manufacturing sites to gain feedback on our operations and to better understand community concerns. These long-standing forums involve people representing diverse organisations that have an interest in the mills' operations. These groups provide a valuable contribution to the development of an annual Environmental Improvement Plan that forms part of a site's Environmental Management Plan, addressing issues such as air and noise emissions, and water and energy use improvements.

During the past year, we completed the upgrade of the pulp capacity at Maryvale Mill in Victoria's Latrobe Valley, ahead of the sale of Australian Paper (excluding Tasmanian operations) to Nippon Paper Group. The upgrade delivered a range of safety, health and environmental benefits although the development work caused several short-term environmental disturbances involving odour, noise and waste that relate specifically to planned shutdowns and start-ups. We worked with the Environmental Protection Authority (EPA) on these issues and advised nearby communities in advance through local media and other communications.

Our businesses also hold briefings throughout the year to provide community and environmental groups with the latest information on the environmental performance of our manufacturing operations and the paper products we market.

Community Partnerships

Our key areas of support are learning and creativity, the environment, health and wellbeing. This support takes on numerous forms and our challenge remains to improve measurement and reporting of our community activities across all our operations, particularly paper donations.

Over the past year, we have reduced some of our community partnership activities, including putting on hold our planned workplace giving programme. Yet despite the difficult times, many of our operating companies have continued to develop their corporate responsibility programmes and strengthen their community connections. For example, Atmosphere, which was launched in our Canadian operations last year, has now been rolled out in Australia. Atmosphere is a platform which focuses on making a social contribution while also driving behavioural change in the workplace to measurably improve environmental performance.

Across our many businesses, the spirit of giving and involvement has continued, with employees assisting in the raising of funds and volunteering for local events and good causes to support charities and communities we work with. In addition to involvement in large, national charities, such as Robert Horne Group's link-up with the children's charity Childline in the UK, many individual sites also get involved with charities specific to their local community. For example, employees at Spicers Paper's Union City branch in the United States donated



Victorian Bushfire Appeal

Despite the difficult economic times, PaperlinX companies have continued to support the communities around them in any way they can. In response to the devastating bushfires that descended upon Victoria in February 2009, PaperlinX and their employees in Australia donated over \$50,000 to charities associated with bushfire relief. Some employees also gave their time to volunteer at relief centres set up to assist those affected.

food to the San Francisco Food Bank, which delivers food to community food programmes in the area, while its Minnesota branch collects toys for the U.S. Marines-sponsored 'Toys for Tots' campaign. Other examples of our community support worldwide include:

- PaperCo in the UK has made Macmillan Cancer Support its company charity, pledging to fund a Macmillan nurse to help and support cancer patients and their families for 100 days. And in readiness for the London Olympics in 2012, PaperCo has become a partner of Team Superschools, which involves promoting sport to young people under the age of 16.
- Since partnering with Landcare Australia in 2003, Spicers Paper Australia has donated \$0.5 million as part of the Spicers Paper Recreate Program. On World Environment Day on 5 June, Spicers Paper also sponsored the Your Planet Needs You campaign by donating \$2.00 for every person registering their interest in becoming a Landcare volunteer.

- Coast Paper in Canada has been supporting the United Way for four years through employee pledges and corporate donations. United Way provides the infrastructure for community giving and relies on employees to champion fundraising activities within their company.
- For several years, PaperlinX has supported the work of Breast Cancer Network Australia (BCNA) by donating paper for its quarterly magazine and annual report.

Supporting Design and Printing Communities

Many of our businesses are actively involved in providing paper education and supporting professional development to build the talent and creativity of printing and design communities around the world such as the Spicers Paperpoint School in Australia.

We are involved in creating industry awards to support excellence in print and design for professionals and students. In the UK, Howard Smith Paper Group held their third Graphic Design and Print Awards this year to promote the value and benefits of graphic communications. PaperCo supports Brief Encounters, an annual awards scheme to promote commercial design to UK degree students. Now in its ninth year, Robert Horne Group's Shout awards in the UK recognise innovation, excellence and creativity in design and print on materials from the Robert Horne Group range.

We work with a number of industry groups in Europe, North America and Australia to tackle specific issues that arise.

ACHIEVEMENTS 2009

- Worked closely with Australian Government on the proposed Carbon Pollution Reduction Scheme (CPRS) scheduled for implementation in 2011. Qualified for assistance under the Emissions Intensive Trade Exposed (EITE) provisions of the Scheme, ensuring international competitiveness for our Australian manufacturing operations.
- Implemented Envirochart software to help track energy use and emissions from across our global operations, plus other local schemes are in place to help reduce demand for energy use and emissions.
- Completed the new bleach plant and upgrade of the pulp capacity at the Maryvale Mill.
- Prepared to start using recycled water from the Gippsland Water Factory at the Maryvale Mill once the Factory comes on line.
- Quantified and gained understanding of the impact of transport energy relating to our logistics and distribution operations for our UK and Australian operations.
- Achieved multiple chain-of-custody environmental certifications in all operating companies.
- Raised employees' awareness of their role and contribution to reducing the organisation's environmental footprint through various educative means.

GOALS 2010

- Develop our environmental position so we become recognised as market leader in terms of commercial sustainability.
- Improve the performance and profitability of our operating companies by, amongst other actions, better managing our resource use in energy, waste and water.
- Continue to better understand and quantify the impact of transport energy relating to all our logistics and distribution operations.
- Further reduce our carbon footprint – in particular as it relates to energy – by continuing to identify opportunities and implement activities to improve energy efficiencies within specific businesses as appropriate.
- Implement, as appropriate, the opportunities identified for improving transport efficiencies in our UK operations.
- Consolidate our Product Stewardship programme globally in order to improve the information provided to customers about the environmental credentials of our products.

The Company is committed to responsible environmental management as outlined in the PaperlinX Sustainability Charter and our global Environmental Policy. We continuously seek to improve our environmental performance in measurable ways. Today, we are driving many environmental initiatives, the most pressing of which is the management of our carbon footprint and its impact on our paper products.

Our Environmental Performance

Following the sale of our manufacturing business (excluding Tasmanian operations), PaperlinX continues to own and/or operate many sites around the world including two paper mills, light manufacturing sites (including envelope and stationery manufacture, packaging and paper conversion), warehouses and offices. In addition, the Company's logistics operations through transport and distribution efforts range from being fully owned to being leased and fully and/or partly outsourced to third-party operators.

The sale of the majority of our manufacturing business provides us with the opportunity to reassess our environmental goals. And while many environmental issues affect the Company as well as its suppliers and customers, our current focus remains on these critical areas:

- Our carbon footprint (greenhouse gas emissions) as it relates to energy use, transport and waste management.

- The use of natural resources, such as water and fibre.
- Meeting the expectations of our customers and the community.

In 2007, we established the Sustainability Affinity Group to integrate operational and marketing approaches to sustainability issues on a global basis. Representatives from each region are responsible for developing a cohesive standard for key environmental and social responsibilities for all operating companies worldwide, as well as implementing regional sustainability strategies. The role of this group has been pivotal in developing our Carbon Policy, Product Stewardship function and a broader range of sustainable product offerings to the marketplace.

This approach extends to our employees, whom we encourage to come up with new initiatives as well as make a difference with such everyday measures as recycling office paper and turning off computers, whiteboards and lights when not in use.

ENVI 100% Carbon Neutral Paper. The Facts.



ENVI™
 Last year PaperlinX introduced ENVI, Australia's first carbon-neutral paper. Manufactured by Tas Paper and Australian Paper and distributed by Dalton, ENVI recently won three 2009 Australian Business Awards categories – Best Eco-Friendly Product, Product Innovation, and Marketing Excellence. The Awards acknowledge organisations that demonstrate business excellence, product excellence, sustainability and commercial success in their respective industries.



yoyo™
 In the UK, Robert Horne Group customer, the University of Lincoln, is a yoyo success story. The yoyo scheme now in operation at the university provides a closed-loop paper recycling scheme to some 1,100 staff and 9,700 students across five campuses and prevents up to 13 million sheets of paper a year from being wasted by going to landfill.



back .yoyo paper always comes good, eh?

you're never finished with yoyo paper. once you've used it, put it in the yoyo recycling bin and before you know it, it's back in your office as yoyo full circle. good, eh?

Chart 1.
Reported Greenhouse Gas Emissions – Paper Manufacturing

Year	Gross Paper Production (tonnes)	Total CO ₂ emissions from manufacturing reported to AGO as Scope 1 and 2 (tonnes)
2006–07	992,241	1,016,708
2007–08	960,529	914,221
2008–09	769,601	884,973

* In the 2006–07 and 2007–08 years, PaperlinX was a member of the Australian Greenhouse Office Greenhouse Challenge Plus and in these years reported Scope 1 and 2 emissions for our manufacturing businesses. In the 2008–09 year, emissions are being reported as part of the National Greenhouse and Energy Reporting Regulations.

* In the 2008–09 reporting year, the revised NGER Emission Factors were used for calculating and reporting purposes.

Figure 1.
Reported Greenhouse Gas Emissions – Paper Manufacturing

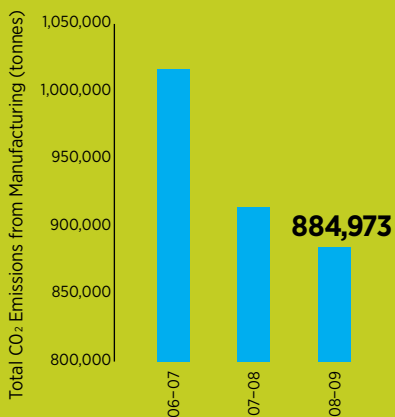
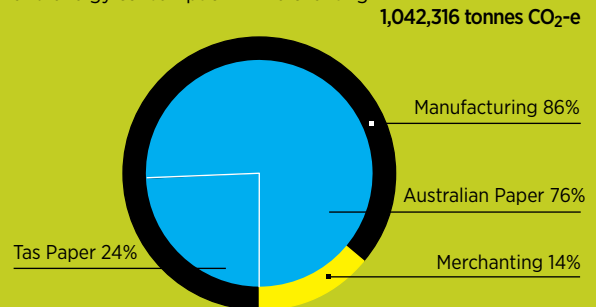


Chart 2.
Global Energy Use and Greenhouse Gas Emissions

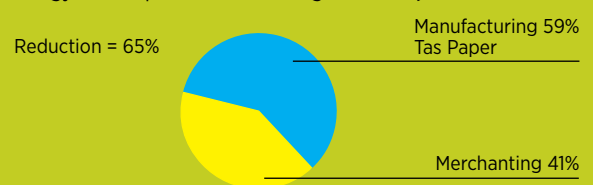
Year	Purchased Electricity Usage (kWh)	Electricity GGE (tonnes)	Gas Usage (GJ)	Gas GGE (tonnes)
2005–06	586,953,000			
2006–07	509,667,000			
2007–08	502,585,161	299,766	8,675,826	445,070
2008–09	530,580,652	331,773	8,998,221	461,609

Figure 2.
Total CO₂ Emissions 2008–09 from all sources in manufacturing and energy consumption in merchanding*



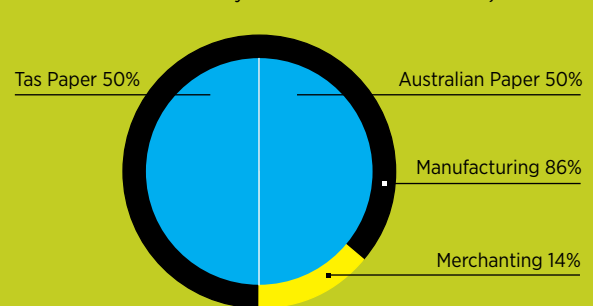
*Includes Australian Paper emissions. Data reflects the full financial year to 30 June 2009.

Figure 3.
CO₂ Emissions Tas Paper and Merchanding 2008–09 from all sources in manufacturing and energy consumption in merchanding*



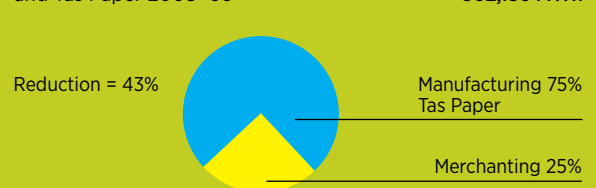
*Reflects CO₂ emissions excluding the Australian Paper business now sold, to give an indication of the overall reduction in our CO₂ footprint.

Figure 4.
Total Purchased Electricity 2008–09*



*Including Australian Paper. Data reflects the full financial year to 30 June 2009.

Figure 5.
Purchased Electricity Merchanding and Tas Paper 2008–09*



*Reflects purchased electricity excluding the Australian Paper business now sold, to give an indication of the overall reduction in purchased electricity.

Our Carbon Footprint

Manufacturing is an energy intensive business. The transportation and storage of paper also uses energy. Our Sustainability Action Plan enables us to quantify our energy use and its environmental impact so that we can continue to develop goals and strategies to improve performance.

Measuring our Performance

The reduction in size of our manufacturing business clearly has an immediate and significant impact on the size of our Company's carbon footprint. The measurement of the environmental performance of our remaining businesses will continue to be a key focus.

With many different businesses in various countries, the challenge continues to be the collection and analysis of comparable data. The data collection tool, Envirochart, implemented in 2007, has enabled us to improve this worldwide dataset, and for the first time we have a comprehensive set of data relating to electricity usage and a much clearer picture of waste management.

For clarity, although the sale of Australian Paper was completed on 1 June 2009, this Report includes data and information for that business for the full financial year ending 30 June 2009. From 1 July 2009, we will only measure the performance of our current PaperlinX businesses.

This year we have been able to quantify our primary energy uses for power and steam production, lighting, heating and cooling across our total global operations in merchanting and manufacturing, as set out here (see Figures 4 and 5).

Looking at our electricity usage, it must be noted that the 2008-09 year was unusual when compared with previous years. Year on year production tonnage was down 21 per cent and electricity usage down 8 per cent as a consequence

of reduced demand, machine closures and the shutdown of operations while work was being carried out as part of the pulp mill upgrade at Maryvale Mill.

In our merchanting division, electricity consumption was down 7.8 per cent as a result of warehouse consolidations within a number of operating companies and the implementation of energy-efficient programmes, such as the lighting refit in North America.

Our natural gas use in the manufacturing division increased marginally (1.8 per cent) as a result of the upgrade from coal-fired boilers to natural gas-fired boilers. On a much smaller scale, our merchanting business overall showed similar usage to last year.

The four manufacturing plants in Australia have been the major energy consumers within PaperlinX, representing 86 per cent of our global electricity consumption and 98 per cent of our global gas consumption. In 2006, PaperlinX joined the Greenhouse Challenge Plus programme and commenced reporting emissions data based on Scopes 1 and 2 of the Greenhouse Gas Protocol. The data reported in Charts 1 and 2 and Figures 1, 2 and 3 reflects the data submitted. We have, however, been collecting production and energy data from our paper mills since 2000 and can report that over the past nine years emissions from electricity, natural gas, coal and fuel oil have reduced from 1.14 million tonnes to 884,972 tonnes. The average intensity of emissions per tonne of paper has also reduced from 1.24 to 1.14 tonnes CO₂-e per tonne of paper. It should be noted however, that this is an increase on the 2007-08 figure which was 0.95 tonnes CO₂-e per tonne of paper, a direct result of the significantly reduced production levels referred to previously.

Environmental and Energy Policy Impacts

The production of greenhouse gases and pollution from many sources, particularly the generation and use of energy, is causing concern around the globe. In response, governments are increasingly putting in place controls to monitor and tackle environmental issues. Government policies in Australia and the UK are currently those most likely to have an impact on our business, in varying degrees.

Historically, our manufacturing operations in Australia have represented around 90 per cent of our total energy use. As such, it is this part of our business that is most affected by any environmental policies. The sale of Australian Paper (excluding Tasmanian operations) will clearly reduce our overall energy use going forward. The Australian Government's commitment to a Carbon Pollution Reduction Scheme (CPRS) based on emissions trading for 2011 has significant implications for energy-intensive businesses, including paper manufacturing. In the last year, we have participated fully and constructively in discussions and negotiations with the Australian Government's Department of Climate Change and with our industry body, A3P, in order to understand the potential impact of the Scheme on our business. This has enabled us to make appropriate decisions with regard to our carbon output and related costs, and to play a role in the final design of the scheme. PaperlinX supports such a scheme provided carbon-intensive trade-exposed industries such as paper manufacturing can remain internationally competitive.

We are pleased to report that the impact of the latest version of the Scheme as it relates to Emissions Intensive Trade-Exposed industries (as defined in the Australian Government's CPRS regulations), and as it relates to the pulp and paper manufacturing sector in particular, has been recognised. As a result, based on the data available at this time, it is expected that both packaging and printing and writing papers will qualify for fair assistance in the event that the Scheme is implemented.

Under the Energy Efficiency Opportunities (EEO) legislation in Australia, we submitted our first EEO Public and Government Reports for the Wesley Vale Mill and continued the conduct of EEO workshops assessing the opportunities to reduce energy consumption at our manufacturing sites. Opportunities identified thus far include insulation improvements to steam and hot oil distribution lines and changes to the boiler operation at the mill.

In the UK, the Carbon Reduction Commitment (CRC) is a new mandatory emissions trading scheme that aims to improve energy efficiency and reduce the amount of carbon dioxide (CO₂) emitted in the UK. The target is a minimum reduction of 80 per cent in CO₂ emissions by 2050 from the 1990 baseline. The CRC will affect large organisations in both the public and private sectors. Organisations which reach the threshold levels (based on 2008 electricity consumption) will be obliged to participate. Participant organisations will be required to monitor their emissions and purchase allowances, sold by the Government, for each tonne of CO₂ they emit. Based on current data, it is expected that our UK-based merchanting operations will be below the 6,000 MWh threshold but above the disclosure threshold of 3,000 MWh and will therefore be required to provide data to the Government.

The Company's businesses have been working over a number of decades to reduce their energy consumption in credible and quantifiable ways and good progress has been made. Over the last nine years, for example, we have reduced electricity consumption in the manufacturing business by 14 per cent.

We have also continued to leverage renewable energy sources such as biomass, hydroelectric and wind power in our energy supply mix in order to reduce our reliance on fossil fuels. Renewable energy is derived from sources either that cannot be depleted or that can be replaced, and don't produce greenhouse pollution. Over 40 per cent of the total energy used across our Australian mills is sourced from purchased renewables, wood waste, black liquor and poppy seed waste.

The upgrade of the pulp capacity at the Maryvale Mill and the construction of a new woodyard, which were a major focus of the last year, are expected to generate a number of environmental benefits, including:

- Improved energy recovery from wood waste and increased output from steam boilers (further reducing reliance on fossil fuels).
- Planned reductions in daily raw water use, also associated with the purchase of recycled waste water from the new Gippsland Water Factory, which is now expected to be operational in late 2009.
- Greater efficiency in the use of the sustainable local wood supply that underpins the mill's operations.
- Removal of chlorine bleaching and chlorine gas from the site.

As part of our Environment and Resource Efficiency Plan, workshops were also held at the Maryvale and Wesley Vale Mills to identify further water and waste improvements.

Our efforts in tackling our emissions have not been confined to our manufacturing operations; our merchanting businesses too are continually looking at ways to improve their energy efficiency. For example, our Australian merchants have been working to establish their carbon footprint and identify opportunities to reduce that footprint as part of an environmental strategy to become carbon neutral. They have been working with an independent consultancy to identify trends in the activities of energy and transportation and waste. The total CO₂-e for all our Australian merchants' activities during the year was reduced from 19,113 tonnes to 17,999 tonnes, effectively reducing their carbon footprint by 6 per cent: electricity consumption was reduced by 12 per cent and gas consumption by 6 per cent.

Transport Energy and Impacts

The mix of fully owned and operated delivery fleets (particularly in our UK and Dutch businesses) and third-party contracts throughout our international operations makes a global comparison of the impact of our transport difficult. We are however, exploring ways to reduce our fleets or run them more efficiently, and some initiatives are already underway. In the UK, integrating the delivery operations of our three paper merchanting businesses into The Delivery Co. has reduced the size and improved the efficiency of the transport fleet through scheduling changes and the use of double-deck trailers and delivery vans. Initiatives to improve this efficiency further are in development, including changes to vehicle procurement specifications. For example, new twin-deck and standard 26 tonne vehicles are being redesigned to include a new aerodynamic shape; believed to be the first of their kind in the UK, the new vehicles are expected to deliver a fuel saving of around 10 per cent. New vehicles will also be fitted with more efficient engines and Opticruise gearboxes designed to reduce driver fatigue and improve fuel efficiency. The Delivery Co. has also trialled a new telematics system which aims to change driver behaviour and thereby improve efficiency in terms of engine idling, braking, acceleration and optimal engine revolutions. A UK roll-out of this initiative is in the planning stages.

Waste Reduction and Recycling

Waste disposal in landfill sites decomposes and produces methane gas, more potent in its greenhouse effect than carbon dioxide.

Both our merchanting and manufacturing sites are identifying reduction targets, and finding new ways to re-use and recycle waste. This varies significantly from business to business because of the different wastes produced, for example paper, plastic, timber and wood by-products, chemicals, steel and inks. The availability of recycling opportunities and providers also differs in each of the countries in which we operate, making it difficult to measure our performance on a global basis.

At the Maryvale Mill, a joint venture with PineGro composting operations has been successfully implemented on site,



The Delivery Co.

The Delivery Co. has worked hard towards minimising the environmental impacts of its distribution activities. It has introduced a carbon-neutral electric van and developed twin-deck vehicles for combined paper and plastic delivery. It has also implemented an efficient computer vehicle routing system which has seen a 25 per cent reduction in kilometres travelled, equivalent to a reduction in CO₂ emissions of 2,400 tonnes per annum.

resulting in a reduction of 60,000 m³/yr of solid waste from going to landfill. This represents 65 per cent of the site's waste streams. The site waste discharge licence has been amended to permit this activity, as all of the requirements of the EPA Works Approval have been met and a subsequent section 30A approval has been given.

The site is now aiming for zero landfill waste by 2011 by focusing on the balance of the solid waste streams.

Individually, our merchanting warehouses are increasing the recycling of wooden pallets, paper offcut waste and the plastic stretch wrap that protects paper products.

Managing our Use of Natural Resources

Apart from energy, the two other major components required to manufacture paper are water and fibre.

Water Management and Recycling

Raw untreated water is essential for making paper and is used in a number of areas, including the transport of fibres through a paper machine and as a process coolant. Because a long-term reliable source of water is necessary for our production of paper, we have developed a far-reaching strategy to efficiently manage water usage at our mills in regional areas, where river flows and storages are under pressure.

Our Three Rs water principle – recycle, re-use and return – means we are doing all we can to reduce the amount of raw water used in making paper, including recycling every litre at least five to six

times before cleaning it and discharging it from the mills. Each of our mills is located close to coastal waters and river systems. In accordance with our licence requirements, discharged water is treated and returned into the natural environment. In the last 12 months, the ratio of raw water used per tonne of production across all the mills increased as a result of significantly reduced production levels being coupled with maintained throughput of water.

At the largest mill, the Maryvale Mill in Victoria, we implemented a new Water Action Plan to drive improvements through the pulp mill upgrade and other projects. We had planned to do more in the coming year by using recycled industrial and household waste water supplied by the nearby Gippsland Water Factory when the factory comes on line in the latter half of 2009. These efforts would enable the recycling of approximately 8 megalitres of water each day at the mill.

Sustainable Fibre Sources

The source of fibre that is used in the manufacture of our own paper products and in those that we buy from other mills, must be from sustainable sources. All of our operating companies, including our paper manufacturing business, Tas Paper, have now achieved multiple chain-of-custody environmental certifications. This ensures that we have in place the processes to determine the provenance of the fibre that goes into the products that we sell.

One of the key issues for our Australian manufacturing operation is verifying that the wood fibre used in our paper products comes from sustainably managed sources. This year, the percentage mix of fibre supplies to our manufacturing operations from plantations, waste and state-managed forests has been relatively stable with minor variations as a result of reduced production, shutdowns related to the pulp mill upgrade and the increased supply of fire-salvaged wood from VicForests.

Our Products and the Environment

Through our Sustainability Charter, we are committed to providing our customers with product options that have strong environmental credentials. Each of our businesses works closely with customers to communicate the high environmental standards of our products. Our businesses conduct surveys and focus groups with printers and other customers to keep abreast of paper requirements and customer satisfaction.

Supply Chain Assurance

Our merchants are an important link in the chain, taking products from mills to commercial printers, envelope converters, stationers and resellers, corporate printers, publishers and end users.

We believe that it is important to be able to demonstrate assurance that the wood fibre used in the paper sold by our merchants is sourced from sustainably managed forests. We support many internationally recognised, independent environmental certification systems, such as the Forest Stewardship Council (FSC) accreditation process, the Programme for Endorsement of Forest Certification (PEFC) and the Sustainable Forestry Initiative (SFI), because they provide assurance to customers. When we receive a chain-of-custody certification, it confirms our ability to trace paper through each link in the fibre-handling chain, right back to its sustainable forest or plantation of origin.

Working with our Major Suppliers

With a business that spans many countries and provides hundreds of products, no single certification system will fit all products. To ensure that we can provide certainty to customers, PaperlinX has documented environmental, health and safety requirements with which our major strategic paper suppliers must conform. Suppliers are required to report annually to PaperlinX on the following areas:

- Compliance with all regulatory requirements in the countries in which the supplier operates.
- Established environmental management systems (EMS) and independent third-party certification of these systems.
- Independent third-party certification of appropriate sustainable forest management standards.

As our product range continues to expand with the addition of many non-paper products, we expect all our suppliers to achieve minimum standards of business operation.

Products with Environmental Credentials

With community support for recycling and natural products, there is growing demand for recycled and environmentally certified paper stocks. While it is commonly thought that the major benefit from paper recycling is forest preservation, recycling efforts contribute to reducing landfill waste and, consequently, greenhouse gas emissions.

Worldwide, our businesses are well positioned to meet our customers' environmental requirements, not only in terms of the products we supply, but increasingly also in terms of how we help customers handle their waste. This year, Robert Horne Group in the UK launched a new recycling scheme called R3. Similar in principle to the yoyo™ closed-loop office paper delivery and waste collection service launched in the UK in 2008, R3 offers a closed-loop recycling scheme for plastics: waste plastic is collected from customers and then sold to be manufactured into new products before being resold. yoyo has been rolled out in the Netherlands with plans to grow it further during the 2009–10 financial year. In Australia, our Australian-made range of carbon-neutral papers, ENVI™, won three categories in the Australian Business Awards including Best Eco-Friendly Product, and Product Innovation (see page 11).

Many of our businesses sell papers bearing a range of environmental certifications from external organisations such as the FSC, PEFC and SFI, which confirms that certified wood is used in their production.

In the UK, Robert Horne Group became the first member of the WWF-UK Forest and Trade Network in 2005.

We produce 'green paper guides' and fact sheets to help customers all over the world choose the most appropriate environmentally certified paper grades for their paper needs. Many of our businesses also support information events to raise awareness of environmental certifications in the design and printing industry.

When it comes to manufacturing recycled paper in Australia, more than 42,500 tonnes of waste packaging and papers were used in our operations to produce the largest range of fine papers with recycled content in the Asia-Pacific region. Our focus is not just on recycled products, however, as we are continually investigating ways in which we can change and/or improve our products and our manufacturing processes to minimise their impact on the environment. Our award-winning carbon-neutral range, ENVI™, is an example of such product development.

CO₂

Carbon dioxide is the main greenhouse gas that results from the burning of petrol, coal, oil and natural gas.

Carbon offset

The act of counterbalancing ("offsetting") greenhouse gas emissions produced by undertaking emission reduction projects. Common examples are renewable energy, energy efficiency and forestry projects.

Coated paper

Paper with a uniform application of a coating to provide maximum smoothness and ink holdout in the printing process.

The coating (a mix of clay or carbonates and latex) is applied in separate coaters or in the paper machine.

Corporate sustainability

A business approach that creates long-term shareholder value by embracing opportunities and managing risks arising out of economic, environmental and social developments, and maintaining global competitiveness and brand reputation.

Emissions trading

An administrative approach used to control or reduce (carbon) pollution by providing economic incentives for achieving reductions in the emissions of pollutants. It is sometimes called cap and trade.

Environmental footprint

In an industrial setting, this is a company's environmental impact determined by the amount of depletable raw materials and non-renewable resources it consumes in making its products, and the quantity of wastes and emissions generated in the process.

Fibre

The raw material for the manufacture of paper is cellulose fibre, which can be obtained from trees and recovered paper.

Fine paper

Both coated and uncoated woodfree (white) papers used for writing, printing and other graphic purposes.

Forest Stewardship Council (FSC)

An international organisation promoting responsible forest management. The FSC has developed principles for forest management that may be used for certifying the management of forest holdings, and a system of tracing, verifying and labelling timber and wood products that originate from FSC-certified forests.

Furnish

The specific mixture of raw materials, including pulp and chemicals, used to manufacture a particular grade of paper.

FTSE4Good

Created by the independent financial index company FTSE Group, FTSE4Good is a financial index series that identifies and facilitates investment in companies that meet globally recognised corporate responsibility standards and that manage their social, ethical and environmental impacts.

Global Reporting Initiative (GRI)

The GRI is an independent institution that has produced voluntary guidelines for use by organisations for reporting on the economic, environmental and social dimensions of their activities, products and services.

Greenhouse Gas Emissions

Emissions into the atmosphere of gases that affect the temperature and climate of the Earth's surface. Some greenhouse gases occur naturally in the atmosphere, while others result from human activities such as the burning of fossil fuels. They include water vapour, carbon dioxide, methane, nitrous oxide and ozone.

Greenhouse Gas Protocol

The Greenhouse Gas Protocol is an international accounting tool for government and business developed by the World Resources Institute (WRI) and the World Business Council for sustainable development.

ISO 14001

A voluntary, independently certified international standard for environmental management systems used, developed and maintained by the International Organisation for Standardisation.

Landfill

A disposal point for society's waste. They may be old excavations such as quarries or newly constructed sites.

Old-growth forest

Forest that is ecologically mature and has been subjected to very little, if any, unnatural disturbance such as timber harvesting, road construction and clearing, or natural disturbance such as bush fire.

Operating company

A business owned by PaperlinX.

Paper merchant

A distributor of paper that buys large quantities of paper, board and stock from different mills around the world and stores them until required by customers. The stock is then broken down into smaller quantities to meet customer needs.

PEFC

The PEFC Council (Programme for the Endorsement of Forest Certification schemes) is an independent, non-profit, non-governmental organisation founded in 1999, which promotes sustainably managed forests through independent third-party certification.

Plantation

A forest stand established by the planting of either native or exotic trees, selected for their wood producing properties and managed intensively for timber production.

Pulp

The raw material used for paper production. It can be softwood or hardwood and, depending on the process used, may be chemical, mechanical and bleached or unbleached.

Recycled fibre

Paper and board that has been collected for re-use as raw fibre material in paper and board manufacture.

Sawmilling residue

Reject logs or cuttings from the harvesting of timber for use by sawmills.

SFI

The Sustainable Forestry Initiative programme promotes responsible forest management in North America, and responsible procurement globally.

Sustainable development

Development that meets the needs of the present without compromising the ability of future generations to meet their needs.

Woodfree paper

Paper manufactured entirely from chemically pulped wood (for example, kraft pulps), as distinct from papers incorporating mechanically pulped wood or groundwood. Usually applied to fine papers.

Sustainability Report 2009

The high-quality recycled paper used in this Report is distributed exclusively by PaperlinX and its Merchancing businesses.

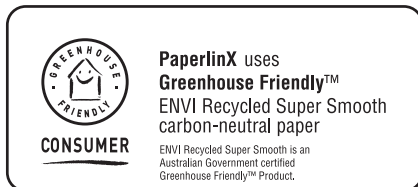
The cover stock is ENVI™ Recycled Super Smooth 340gsm.

ENVI™ Recycled Super Smooth is manufactured in Australia and is certified Greenhouse Friendly™ by the Australian Government under the Department of Climate Change Greenhouse Friendly™ Initiative. It contains 30 per cent Genuine Recycled Pulp which is certified by the FSC chain-of-custody scheme.

The text of this publication is printed on 9lives™ 80 130gsm.

9lives™ 80 contains 80 per cent post consumer fibre and 20 per cent totally chlorine free pulp. It is an FSC Mixed Sources Certified paper, which ensures that all virgin pulp is derived from well-managed forests and controlled sources. It is manufactured by an ISO 14001 certified mill.

When you have finished with this publication, PaperlinX urges you to recycle it to avoid landfill.



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