

Environmental Briefing

Third Quarter FY 2003

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EXECUTIVE SUMMARY

Boise Cascade, in combination with its various subsidiaries, is arguably the largest distributor of office products in Australia to a wide range of government departments, private sector institutions, small, medium and large business enterprises, universities and schools.

Through its supply arrangements with PaperlinX and its subsidiaries it is responsible for the distribution of considerable quantities of paper products derived from domestic and foreign native forests. The most significant of these is Reflex photo-copy paper.

Australian environment groups are providing Boise and its clients with the following information to help end this reliance on paper products derived from environmentally unsustainable sources in Australia and overseas.

US COMPANY BACKGROUND

Boise Cascade Corporation (BCC), was formed in 1957 from a merger between Boise Payette Lumber Company of Boise, Idaho and the Cascade Lumber Company of Yakima, Washington¹.

With worldwide total sales of U.S. \$7.0 billion, the company is now ranked 252 in the Fortune 500 and owns and manages over 2 million acres of timberland².

Company Description

Boise Cascade Office Products (BCOP) is a multi-national, business to business distributor of office products and is a wholly-owned subsidiary of BCC.

BCC's expansion into the office products industry commenced in 1964 with the creation of Boise Office Solutions⁴. In 1995 Boise Cascade Office Products (BOP on the New York Stock Exchange) was created by BCC to act as a separate, publicly traded company, but with the majority of the stock remaining in the hands of the BCC. In 2000 Boise Cascade Office Products again became a wholly-owned subsidiary of BCC, and was listed on the New York Stock Exchange as BCOP.

BCOP has 63 distribution centres, 2 outbound telesales centres and 4 customer service centres. It also operates over 100 retail stores in the United States (including Hawaii), Canada, Australia and New Zealand. BCOP provides its customers with a large range of items including office supplies, paper, computer supplies, and office furniture⁵. BCOP specialises in selling products directly to corporate, government, and small and medium-sized offices:

Customers with more than one location often have national contracts that provide consistent pricing and product offerings, as well as summary billing, usage reports, and other special services⁶.

INSIDE

US Company
Background

Australian
Background

Timeline of
Mergers

Boise's
Connections to
PaperlinX

Case Study:
Indonesia

Public Relations
&
"Greenwash"

Significant
Supply
Contracts

Australian
Environment
Groups

Purchasing
Policy
Requirements

With worldwide total sales of U.S. \$7.0 billion, the company is now ranked 252 in the Fortune 500 and owns and manages over 2 million acres of timberland

BCC Shareholders

The following table shows all shareholders owning more than 1% of BCC shares.

Major shareholders of Boise Cascade Corporation			
SHAREHOLDER	COUNTRY	SHAREHOLDING	%
Forstmann-Leff Associates Inc.	United States	\$282.782.489	14,978%
Dodge & Cox, Inc.	United States	\$136.030.504	7,205%
The Prudential Insurance Co. of America	United States	\$126.742.630	6,713%
Franklin Mutual Advisers Llc	N/A	\$102.421.685	5,425%
Franklin Mutual Advisers, Inc.	United States	\$93.365.935	4,945%
State Street Bank and Trust Co. Boston	United States	\$86.299.947	4,571%
Putnam Investment Management	United States	\$82.047.565	4,346%
Merrill Lynch Investment Managers (NJ)	United States	\$67.478.444	3,574%
Barclays Global Investors, N.A.	United States	\$58.265.091	3,086%
Jennison Associates LLC	United States	\$46.167.597	2,445%
Bernstein Investment Research & Mgmt	United States	\$42.662.857	2,260%
Morgan Stanley Dean Witter Invt (UK)	England	\$38.615.299	2,045%
Luther King Capital Management	United States	\$38.160.931	2,021%
Van Kampen	United States	\$35.504.797	1,881%
Dimensional Fund Advisors, Inc.	United States	\$33.325.160	1,765%
The Vanguard Group	United States	\$30.991.938	1,642%
Prudential Investments	United States	\$26.861.001	1,423%
George J. Harad	United States	\$25.148.707	1,332%
Peregrine Capital Management, Inc.	United States	\$24.499.920	1,298%
Trusco Capital Management Inc.	United States	\$23.483.239	1,244% ³

OrderZone

Next week, W.W. Grainger Inc., a \$4.3 billion industrial-supply distributor in Lincolnshire, Ill., will launch OrderZone.com, a Web marketplace that will sell a variety of business products and services from Corporate Express, VWR Scientific, and others... And in late March, procurement software vendor Commerce One Inc. unveiled MarketSite.net to let companies buy non-production

supplies online from suppliers such as Boise Cascade Office Products, Factory Direct, Graybar, and Office Depot[®].

Xerox's connection to Boise Cascade Office Products

1998...Xerox aligns with nation's leading office product suppliers; U.S. Office Products, Office Depot, Boise Cascade Office Products, Corporate Express and Staples to offer Xerox paper and supplies.⁷

AUSTRALIAN BACKGROUND

Between 1995 and 1998 BCC continued its expansion into international markets, including western Europe, Australia and Canada. BCOP's first acquisition in Australia was Pedersen Contact in 1996⁹. BCOP expanded to include Supply West of West Australia in 1999¹⁰. In 2000, Boise Office Solutions formed a joint venture with Guilbert S.A. of France taking over its Australian and New Zealand paper distribution arrangements¹¹. This was followed in October 2000 with the acquisition of the Blue Star Business Supplies Group of US Office Products in Australia and New Zealand for approximately US\$114 million (AUST\$213 million). The operations acquired include Blue Star's office products distribution and educational supplies businesses in Australia and New Zealand¹². After the September 2000 merger with Blue Star Office sales in Australia and New Zealand exceeded AUD \$ 700 million¹³.

BCOP is listed on the Australian Stock Exchange as **National Office Products Ltd** and is ranked number 645 out of the top 2000 companies in Australia. For the 12 months to 12/2001 the company generated total revenue of \$324,261,000 including sales mostly from paper products wholesaling and other revenue. The chief executive of Boise Cascade Office Products is David Kelly (Managing Director and Chairman). Boise Cascade Office Products' main competitors and related companies in Australia include:

- Amcor Limited
- Corporate Express Australia Limited
- CPI Group Limited
- Dalton Packaging Pty Limited

- Hallmark Cards Australia Limited
- PaperlinX Limited (with whom Boise has a supply agreement)
- Toronto Dominion Australia Limited
- W C Penfold Limited¹⁴

US market competitors in Australia include Westvaco¹⁵.

Location

Boise's Australian headquarters are located at:

636 Wellington Road
 Mulgrave, Victoria 3170
 Australia
 Phone: (011) 61-3-9518-5600

Australian Company Description

In Australia, BCOP's mission is to be the *lowest cost but highest quality service provider of office products and computer peripherals to large commercial, government, educational establishments and I.T. departments*¹⁶. BCOP distribution centers are located in : Adelaide, Brisbane, Canberra, Hobart, Launceston, Kalgoorlie, Melbourne, Geelong, Perth and Sydney¹⁷.

*Boise Cascade Office Products direct delivers office products and stationery to Offices, Corporations, Businesses, Government, Schools and Universities throughout Australia. Boise Technology direct delivers computer consumables, hardware, software, I.T. furniture and peripherals to Data Centres, I.T. and M.I.S. departments throughout Australia*¹⁸.

BCOP specialise in everyday office items (over 10,000) including

stationery, paper, computer consumables, business machines and electrical equipment, janitorial, canteen, toilet supplies, art and craft supplies, education supplies, school and office furniture whilst

After the September 2000 merger with Blue Star Office sales in Australia and New Zealand exceeded AUD \$700 million

Who's Who

Boise Cascade Office Products Corporation (NYSE: BOP) announced today the promotion of David Kelly to vice president, managing director of Australian operations. Kelly has been the managing director of Pedersen Contract Stationers since 1992. Boise Cascade Office Products acquired Pedersen Contract Stationers in 1996. "David's promotion reflects his leadership and ability to significantly strengthen and grow our Australian operations," said Chris Milliken, Boise's president and chief executive officer. Kelly brings significant general management experience to his role. Prior to joining Pedersen Contract Stationers, Kelly served as a commercial director of the Linen Hire division of the Sunlight Service Group PLC and as a director and principal officer of Armstrong Jones Life Assurance Ltd. He is a fellow of the Institute of Chartered Accountants in England and Wales²⁶.

the Technology range includes media, hardware, software, imaging supplies, presentation equipment and I.T. furniture and racking¹⁹.

It divides its business clients 'segments':

- Corporate: Medium to Large Businesses
- Government: State and Commonwealth Departments
- Education (Schools & Universities): Government and Private, Primary, Secondary, Tertiary
- Technology: Data Centres, I.T. departments, M.I.S. departments²⁰.

Core businesses sell up to 10,000 different products to clients from various sectors. Products sold by the company can generically be described as Office Products, Technology, Furniture and Education supplies²¹. Client sectors include:

Accountancy, Automobile Manufacturing, Banking and Finance, Commonwealth Government Departments, Computer, Data Centres, Food Services, Hospitality, Hospitals & Health Services, I.T. Departments, Insurance, Internet Services, Legal Practices, Local Government, M.I.S. Departments, Management Consulting, Manufacturing, Media, Mining, Primary Schools, Secondary Schools, State Government Departments, Tele-communications, Tertiary Institutions, Transportation²².

The Australian range of products also caters to canteen and hospitality requirements, printing consumables, promotional products and corporate gifts²³. Other specialisations offered by the company include:

- Desktop delivery with a proven capacity to cater for as many as

12,500 cost centres for a single organisation including providing common pricing, consolidated reporting and billing.

- A one stop shop covering a vast range of office solutions.
- Advanced electronic trading options, including OrderPoint.
- Customised billing and accounting information.
- High levels of customer service supported by the Customer Satisfaction Guarantee program.
- Regional distribution centres in Melbourne, Geelong and Shepparton all linked to have online account details.
- E-Commerce²⁴.

BCOP is able to distribute to both metropolitan and regional locations same day or next day. It can also service and replace office equipment²⁵ and is therefore a major component in the functioning of many of the businesses that it services.

Significant Mergers, Joint Ventures and Acquisitions

A survey of literature relating to Boise's activities in Australia produces an indicative list of companies that have been absorbed into Boise Cascade Office Products Pty Ltd in Australia. This list should not be seen as definitive.

- Pedersen Contact
- Independent EDP
- State Supply
- ATC I.T. Supplies
- Codafle
- Blue Star Business Supplies Group
- Guilbert S.A.
- Supply West
- Bookland W.A.
- National Office Products

TIMELINE

1996:

Pedersen Contact

Pedersen Stationers Pty Ltd (founded in 1969) was renamed Pedersen Contact in 1994 as the result of a management buyout of a division of Spicers Paper Limited. The business distributed stationery and office products to Government, major corporate and education customers. Pedersen was sold in 1996 to Boise Cascade Office Products Corporation²⁷.

1999:

The acquisition of Supply West

Supply West, the state supply organization of the WA Government²⁸, was acquired in 1999.

Boise Cascade Office Products Announces Acquisition of Supply West in Australia

...Boise Cascade Office Products Corporation (NYSE: BOP) announced that it has agreed to acquire Supply West, the state supply organization of the Western Australian Government. The business has annualized sales of approximately A\$16 million.

Supply West is a supplier of office and ancillary products to the Western Australian government and its agencies, schools, hospitals and other health care entities. "Supply West, with its strong focus on government and the education market, provides a natural fit with our existing operations and allows us to further leverage our infrastructure," said Chris Milliken, President and CEO of Boise Cascade Office Products²⁹.

2000:

Joint Venture with Guilbert S.A.

September 28, 2000

Boise Cascade Corp. announced that Boise Cascade Office Products (BCOP), its wholly owned subsidiary, has formed a joint venture with Guilbert S.A. of France to provide global service capabilities for both companies' customers. Through the new venture, BCOP will service customers in North America, Australia, and New Zealand. Guilbert will service customers throughout Europe and parts of the Middle East. Both companies offer business customers next-day desktop delivery of office supplies, paper, technology products, and furniture. Boise Cascade Corp. also announced the sale to Guilbert of BCOP's European direct-marketing and contract stationer operations. Terms of the sale were not disclosed⁶⁰.

Guilbert, a subsidiary of Pinault-Printemps-Redoute, is the European leader in distribution of office supplies, office furniture, and IT equipment, with 1999 sales of FRF 7.3 billion made in 10 European countries. Guilbert has based its expansion on a concept of global customer service, for major customers and SMEs alike, via three sales formats: mail order sales with a catalogue containing over 9,000 product references of which 2,300 are under its own name, direct sales via a sales staff network of 1,500, and Internet through its Guilbweb extranet (personalized electronic catalogue) and guilbertdirect.com³¹.

2000:

Blue Star Business Supplies Group

In October 2000 Boise acquired the US Office Products company, Blue

The Australian range of products also caters to canteen and hospitality requirements, printing consumables, promotional products and corporate gifts

Boise Cascade, a major forestry company, has been in the centre of controversy in Mexico, Chile, the U.S. and Canada

Star Business Supplies Group, incorporating Blue Star Office, Goodman Cannington Prince, ATC, Codafile, State Supply, SPS Supply, Bookland, OTC and Whitcoulls Office Products. This purchase increased BCOP sales in Australia and New Zealand in excess of AUD\$700million annually³².

Controversial logger, Boise Cascade, buys NZ Office Products and Croxley

Boise Cascade Office Products Corporation, which is owned by Boise Cascade Corporation of the U.S.A. has approval to acquire New Zealand Office Products Ltd and Croxley Stationery Ltd from Blue Star Group Ltd ... Blue Star Group is owned by US Office Products Company of the U.S.A. (USOP).

*Boise Cascade, a major forestry company, has been in the centre of controversy in Mexico, Chile, the U.S. and Canada because of its environmental practices in involvement in the logging of old-growth and endangered forests...*³³

2001:

Acquisition of Western Australia's largest supplier to the education community, Bookland³⁴.

BOISE'S CONNECTIONS TO PAPERLINX

PaperlinX manufactures and imports paper for the Australian market.

Both Blue Star and Boise are customers for various products supplied by different parts of its business³⁶.

Paper used by Boise in Australia

No paper sold by Boise in Australia is sourced from US mills. Boise offers customers a range of paper from which they can choose. This includes Australian paper. There is a range of photo copy paper including:

- *Reflex – Australian made;*
- *Contact Plus – Australian made;*
- *Double A – non Australian 100% plantation and elemental chlorine free;*
- *e-copy – 50% recycled fibre, 50% plantation fibre, totally chlorine free, ISO14001 environmental endorsement, ISO9001 Quality endorsed;*
- *Xerox green wrap - 60% recycled pulp sourced from post consumer waste, 40% sustainable managed plantations, Australian made using Australian waste;*
- *Renew 80 – 80 % recycled copy paper, Australian made;*
- *Renew – 100% recycled copy paper, Australian made.*

*Other paper products vary*³⁵.

Pulp and Paper Sources Used by PaperlinX

PaperlinX is Australasia's leading maker and seller of office papers such as Reflex Copy Paper. PaperlinX is Australian Paper's parent company. Australian Paper is the sole producer of fine printing and writing papers and sack and bag grade paper in Australia. Australian Paper is mainly focussed on office paper, converting paper and specialty and printing papers. Australian Paper has four mills located at Maryvale (Victoria), Shoalhaven (NSW), Burnie (Tasmania) and Wesley Vale (Tasmania)³⁷.

PaperlinX has an agreement with the Victorian State Government to gain access to native forest fibre until the year 2030. Most of this is supplied from the Central Highlands region of Victoria, the southern Gippsland region of Victoria and the Strzelecki ranges³⁸.

*In total, around 56% of PaperlinX's fibre demands are met by waste paper and Australian plantations. The remaining 44% comes from international sources and sawmilling residues from native regrowth forests...*³⁹

Australia

Eucalypt fibre from native forests is necessary

Most of the hardwood harvesting in Australia's native forests is to supply the needs of the sawmilling industry. This creates a great deal of waste, including defective logs unsuitable for sawmilling, thinnings, and offcuts. PaperlinX uses this waste to make paper...

All harvesting governed by strict rules and agreements

*All of the harvesting carried out in State Forests is supervised by the State Department of Natural Resources and Environment, in accordance with the Victorian Code of Forest Practices for Timber Production, Forest Management Plans and Regional Forest Agreements... For example, PaperlinX's Maryvale Mill's hardwood fibre resources are drawn largely from the Victorian Central Highlands...*⁴⁰

Environmental problems associated with logging in the state of Victoria to supply PaperlinX are well documented⁴¹ and include destruction of cool temperate rainforest and removal of old growth trees under

the guise of plantation management.

*Present clear felling techniques highlight the need for enforcement of protection laws pertaining to retention of native vegetation and soil and the right to maintain access to quality water for all those who access it. Problems in the industry will not disappear by asserting that accredited foresters have attained standards that will achieve the requirements as prescribed in the Code of Practice... (Friends of Gippsland Bush) have monitored the outcomes of industry operations from 1996 to present date... Our consensus is that standards of operations over this time have declined rather than improved. A demonstrated brazenness in the industry openly defies stipulated requirements of The Code and State and Local Planning Ordinances relating to timber harvesting procedures...*⁴²

This view is also upheld by the scientific community:

Conclusions Of This Study:

- 1. Intensive and extensive clear-felling practices in the montane ash forests of the Central Highlands of Victoria are likely to have a highly detrimental impact on a range of species of arboreal marsupials and may result in substantial reductions in populations of these animals.*
- 2. Losses of biodiversity that may be associated with present forestry practices indicate that such activities may not be ecologically sustainable in the long-term. Hence, the intensive and extensive use of clearfelling operations could be direct contravention of the broad*

standards of operations over this time have declined rather than improved. A demonstrated brazenness in the industry openly defies stipulated requirements

the present management regimes used in the Central Highlands of Victoria... will have a highly detrimental impact on populations of arboreal marsupials

Federal and Victorian State Government policy goals that underpin the concept of ecologically sustainable forest use⁴³.

The results of the various studies completed to date indicate that the present management regimes used in the Central Highlands of Victoria in which stands of montane ash forests are clearfelled on a 50-120 year rotation, will have a highly detrimental impact on populations of arboreal marsupials. Such activities may threaten the long-term persistence of several species of arboreal marsupials within wood production ash forests. Because of the effects of present logging practices on the long-term conservation of biodiversity, there may be conflicts between some of the overarching objectives of State and Federal initiatives that are designed to achieve ecologically sustainable resource use⁴⁴.

PaperlinX literature claims that the feedstock used in its Tasmanian production facilities are (in the case of Wesley Vale) plantation softwood and hardwood and (in the case of Burnie) the "main" source is imported pulp⁴⁵.

According to sources within the company the Wesley Vale mill occasionally supplies the Burnie mill with wood pulp from "regrowth" (ie native forests). As late as 2001 Burnie Mill staff were unable to refute claims that the plant was still making use of native rainforest species including blackwood and sassafras, possibly up to 5% of feedstock⁴⁶. Communications with PaperlinX indicate that feedstock used in Tasmania includes native forest fibre⁴⁷.

At present, much of the paper supplied to Boise in Australia by PaperlinX and marketed as recycled

is comprised of pre-consumer waste⁴⁸ i.e. printers' off-cuts and other sources such as cotton waste. This paper has not been used by consumers and is virgin fibre. It is possible that as little as 10% of the recycled fibre used in Renew 100 for example, is post-consumer waste⁴⁹ (i.e. recycled paper collected from offices and other sources where it has already been used).

IMPORTED PULP & PAPER

Our pulp sourcing comes from Canada, 2 different types of pulp from NZ, eucalypt plantation pulp from Thailand, 2 major suppliers of eucalypt plantation from South America. We buy from APRIL, Asia Pulp Resources Ltd...

As far as paper is concerned, yes, we do buy paper from AP&P which as you correctly say is financially distressed. That paper comes from a mill called Tilli Kinya, which in turn obtains pulp from other AP&P locations...we are not harvesting anything from what could be classed as World Heritage type old growth forest⁶⁰.

Some fibre sourced internationally from reputable Companies

PaperlinX does its best to ensure that when it must purchase pulp internationally, it buys from reputable companies with sound environmental credentials. At present, our annual international purchases total about 180-200,000 tonnes and are sourced from countries such as New Zealand, Canada, South America, Indonesia and Thailand⁶¹.

Case Study: Indonesia

Indonesia's forest ecosystems and species are disappearing fast. A World Bank study estimates that the deforestation rate in Indonesia is

higher than it has ever been at 2 million ha/year, representing an annual loss of forest equivalent in area to the size of Belgium⁵².

Illegal logging in Indonesia is rife. A study by the UK Government funded Indonesia-UK Tropical Forest Management Programme concluded that 73 per cent of all logging in Indonesia is coming from undocumented, and presumably illegal, sources⁵³.

Indonesian pulp producers may have obtained as much as 40 per cent of the wood they consumed between 1994 and 1999 from illegal sources. Of the 120 million m³ of wood estimated to have been consumed by the Indonesian pulp industry between 1988 and 2000, only 10% was harvested from plantations. The rest has almost entirely been sourced by clear cutting natural forest, resulting in the destruction of over 900,000 hectares of highly bio diverse rainforest. The Indonesian pulp and paper industry is running out of wood and facing a plantation based raw material short-fall for at least the next six years and possibly far longer⁵⁴.

APRIL

APRIL (Asia Pacific Resources International Holdings Ltd) APRIL is a Singapore held company, part of the Indonesian Raja Garuda Mas Group owned by the business magnate Sukanto Tanoto. APRIL's main pulp subsidiary is Riau Andalan Pulp and Paper (RAPP), located in Riau Province on the Indonesian island of Sumatra⁵⁵.

A study by the independent auditors SGS, commissioned by APRIL in 1998, found that over 40,000 hectares of APRIL's concession area

has been claimed by local communities⁵⁶. The area where the RAPP factory has been built is land claimed by the indigenous people of Delik, Sering and Kerinci villages. APRIL was until recently the manager of the Indorayon pulp and rayon plant, now known as Toba Pulp Lestari, in North Sumatra. Violent clashes between community members and security forces led President Habibie to announce the temporary closure of the mill in March 1999⁵⁷.

APP (Asia Pulp and Paper)

In the wake of the Asian financial crisis in 1997/8, one Indonesian company, APP appeared to emerge from the economic chaos relatively unscathed. Part of the Sinar Mas Group, APP has become the biggest pulp and paper producer in non-Japan Asia. Before and after the financial crisis, international financial institutions, including leading banks, investment groups and export credit agencies have queued up to finance and guarantee the rapid expansion of their operations. Three years later, APP was one of the largest corporate debtors in Asia, on the verge of bankruptcy and has been accused of rainforest destruction, pollution and conflict with local communities⁵⁸.

APP owns logging concessions of at least 1.5 million hectares in total in Indonesia. The Indah Kiat company is the engine that drives APP, accounting for 77% of its pulp production and 40% of Indonesia's overall pulp output⁵⁹. In 1999, its mills ran at full capacity, consuming 6.8 million m³ of wood - equivalent to one quarter of Indonesia's legal wood supply. APP report that they use 22,000 MT of wood/day, hauled on 1,000 trucks⁶⁰.

Indonesian pulp producers may have obtained as much as 40 per cent of the wood they consumed between 1994 and 1999 from illegal sources

BOISE CASCADE AUSTRALIA

PUBLIC RELATIONS & GREENWASH

"(Greenwash is) the art of making an organisation or corporation that has a problematic environmental record appear otherwise through advertising and public relations techniques"⁶¹.

In August 2001, the World Wildlife Fund came under heavy criticism from Australian non-government organisations for agreeing to have its logo displayed in Boise Office Technology's products catalogue, alongside Boise's own "mascot" Sam the Sugar glider.

Boise Cascade Partners With World Wide Fund for Nature

Boise Cascade is one of the worst transnational logging companies in the world. Its many scandals include: involvement in false imprisonment of peasant environmentalists who opposed Boise's logging in Mexico; a huge proposed woodchipping scheme in Southern Chile; threats of lawsuits and harassment to environmentalists, including a recent threat to ECO's Cath Wallace; and involvement with the campaign to get the Rainforest Action Network's tax-deductibility status removed. Thanks to the World Wide Fund for Nature, however, the company just got a green makeover. Boise Cascade's Australian office products catalog showcases the company's new image. The front cover shows a picture of an endangered turtle, above the WWF logo and a caption that reads, "Supporter of the World Wide Fund For Nature." The rest of the catalogue is scattered with similar references to WWF and eco-friendly icons such as a panda, a Siberian tiger, a black rhino, and Boise Cascade's mascot, "Sam the Sugar Glider" (with no mention that sugar gliders, one of Australia's most endangered species, are very susceptible to logging)⁶².

WWF Australia indicated subsequently that this arrangement was designed to increase the recognition of the WWF brand, was not a formal financial sponsorship arrangement and did not imply an endorsement of Boise cascade's activities.

BCOP continues to make use of Sam the Sugar Glider although environmental sponsorship is confined to advertising support for the Healesville wildlife sanctuary⁶⁴.

WWF and Boise Technology Australia:

Statement from Dr David Butcher, CEO WWF Australia.

There has recently been some concern expressed regarding WWF Australia's acceptance of free advertising from Boise Technology Australia. Earlier this year, WWF was contacted by Boise Technology Australia with a view to discussing an offer to take up free advertising space in their annual office product catalogues...

In the United States, WWF has repeatedly and publicly stated its concerns over Boise Cascade's current and planned logging operations, both domestically and abroad. WWF has campaigned extensively for Boise Cascade to reconsider logging in the Cascade-Siskiyou National Monument of Oregon, and investing in a mill that was to be sited in the largest remaining area of temperate rainforest in the southern hemisphere, the Valdivian forests of Chile. WWF continues to campaign against the company's legal efforts in the U.S. to overturn the designation as "roadless areas" of the last remaining wilderness areas in the U.S. National Forest system. So, as you can see, WWF has indeed chosen to work in solidarity with many organizations and communities in several countries to challenge Boise Cascade's logging operations in forests of exceptional biodiversity value...

In light of the reaction that we have experienced from some parts of the conservation movement, this relationship should not have occurred, and I will certainly not repeat it. I suppose it proves that I am not perfect, and that is why we continually review our policies on engagement with business and industry, under what conditions we accept funding, and how we accept other services that might be offered.

Yours sincerely,

David Butcher, CEO, WWF Australia⁶³

RELATIONSHIPS WITH OTHER COMPANIES

A survey of literature relating to Boise’s activities in Australia has resulted in the following indicative list of companies that Boise either sells products to, or is in a business relationship of some kind or other.

Major supply relationships

- Fellowes Australia
- Damba Furniture Ltd
- StorageTek
- Verbatim
- Custom Int.,
- Faber-Castell
- Collins Debden
- Compass Office Products
- Dalton Office Products
- Mistral
- Arnos Australia
- Pelikan Quartet
- Versatec

Significant Supply Contracts

AUSTRALIAN SCHOOLS

Through its wholly-owned subsidiary, State Supply, Boise Office Solutions distributes to schools throughout Australia⁶⁵.

AUSTRALIAN DEPARTMENT OF DEFENCE

Seventy per cent. of copy paper purchased centrally by the Defence Acquisition Organisation (Industry and Procurement Infrastructure) within the Department of Defence is sourced from Boise Cascade (Reflex copy paper)⁶⁶.

AUSTRALIAN MEDICAL ASSOCIATION – VICTORIA

Australian Medical Association Victoria has entered into a deal with Boise Cascade, Australia’s largest supplier of office and computer products, to offer AMA members a Discount of any orders they make through the company⁶⁷.

CHURCH GROUPS

Group Purchasing Introduction

Anglicare Australia has recently entered into a partnership agreement with Church Resources that will allow Anglicare agencies to purchase a range of products at discounted prices. Church Resources is a Charitable Trust established to form a buying cooperative for Church Organisations. Church Resources combines the buying power of the major churches to save money and maximise the resources available for service delivery.

As a buying co-operative Church Resources will cut prices, simplify purchasing, reduce transaction fees and return all benefits to its customers. Church Resources also serves the Catholic and Uniting Churches making it a truly ecumenical service. The savings produced through the joint purchasing arrangement with Church Resources will enable Anglicare Australia member agencies to redirect valuable resources towards service delivery.

Seventy per cent. of copy paper purchased centrally by the Department of Defence is sourced from Boise Cascade (Reflex copy paper)

Church Resources also provides discounted Boise office products to the Uniting Church and the Catholic Church

Special offers available to Anglicare Australia member agencies include:

- *...Up to 50% off retail prices on office supplies through Boise Cascade Office Products...*

Anglicare Australia will implement these purchasing arrangements through the National Anglican Resources Unit (NARU). NARU will provide a sales and marketing role for Church Resources to ensure that Anglicare agencies receive adequate information and access to all products. Anglicare Australia will also provide an advisory role to Church Resources as they continue to review costs and supplier service arrangements to source the best deals on products and services...

If you would like any further information about Church Resources and the arrangement with Anglicare Australia, please contact Tracey Matthews at NARU on (03) 9328 3544⁶⁸.

Church Resources also provides discounted Boise office products to the Uniting Church and the Catholic Church:

Church Resources was launched in 1997 under the Australian Catholic Bishops Conference with the support of the leaders of Religious Orders. The aim was to form a voluntary buying cooperative for telecommunications products and services and other products.

In 2001 the Uniting Church, the Anglican Church through the National Anglican Resource Unit and the NSW School Bursars' Association became partners of Church Resources.

Church Resources offers are available to all Church and non-profit organisations⁶⁹.

Government Contracts

COMMONWEALTH GOVERNMENT

Boise has an unspecified contract with the Australian Federal Government for Supply of Stationery and Office Requisites.

Department of the Parliamentary Reporting Staff Contracts for \$100,000 or more performed or being performed during the period 1 July 2000 to 30 June 2001⁷⁰.

The following is an indicative list of other federal departments supplied by Boise Cascade:

- Department of Foreign Affairs⁷¹;
- Department of Immigration and Multicultural & Indigenous Affairs (worth \$3 million)⁷².

VICTORIAN GOVERNMENT

The Victorian State Government has developed a "Whole-of-Government Contract for Stationery and Office Supplies" established on 01/10/01, and expiring 01/10/04. Boise's main competitors for Victorian government contracts are Corporate Express and National 1⁷³.

Procurement, Department of Treasury and Finance with the assistance of the 8 government departments, Victoria Police and the Environment Protection Authority Victoria, has established a whole of Victorian Government panel of contractors for the supply of stationery and office supplies to government departments and agencies...

Each department, and the Environment Protection Authority, have selected a preferred supplier...

Once a sole supplier arrangement is established agencies are then able to simply purchase off the contract for all requirements⁷⁴.

Boise Cascade Office Products is sole supplier of stationery and office supplies to:

- Department of Natural Resources and Environment, Department of Justice and
- Department of Human Services⁷⁵.

NEW SOUTH WALES

Dept. Administrative Services Directorate in co-operation with the Dept. of Public Works

NSW Education Department

Remember that paper is also available under Contract no. 506 (Stationery and Paper Products) from the following suppliers, as well as from Q Stores:-

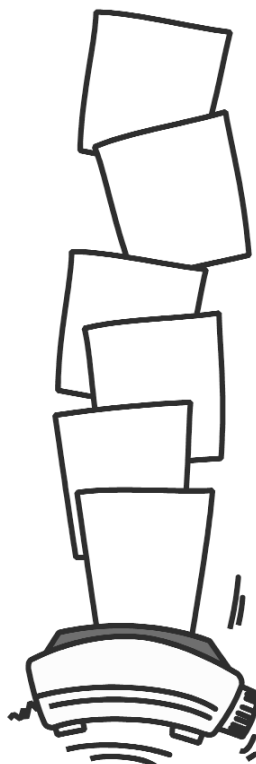
*Boise Cascade Office Products
(02) 9644 2485*

*Complete Office Supplies,
Corporate Express Australia, Q
Stores⁷⁶*

University Contracts

The following is an indicative list of universities supplied by Boise Cascade:

- James Cook University⁷⁷;
- Macquarie University⁷⁸;
- Murdoch University⁷⁹;
- Swinburne University of Technology⁸⁰;
- The University of Adelaide⁸¹;
- The University of Sydney⁸²



Boise's main competitors for government contracts are Corporate Express and National 1

Australian environment groups are calling on Boise Cascade to end the use of native forest fibre in its paper products in Australia

Purchasing Policy Requirements for Boise Cascade Office Products in Australia

Australian environment groups are calling on Boise Cascade to end the use of native forest fibre in its paper products in Australia. The following is an outline of the requirements laid down by Australian environment groups for fibre content in paper distributed by Boise Cascade in Australia:



RECOMMENDED SOURCES

Boise Cascade in Australia should obtain its wood and paper fibre from the following sources:

- The paper should have a recycled component (50% or more) with the recycled content coming from post consumer waste rather than pre consumer waste;
- Remaining virgin fibre should be sourced from well-managed Australian plantations, certified under an independent, third party certification scheme to a standard meeting or exceeding that of the Forest Stewardship Council (FSC), or
- Overseas plantations or native forests certified under an independent, third party certification scheme to a standard meeting or exceeding that of the Forest Stewardship Council (FSC) and supported by local non-government organizations, or
- Well-managed alternative crops such as bagasse and kenaf certified under ISO 14,000 or an equivalent management system.



SOURCES REQUIRING SUBSTITUTION

Boise Cascade in Australia is required to phase out the distribution of paper obtained from the following sources:

- Endangered forests, forests of exceptional conservation value, or high conservation value forests;
- Forests cleared for the establishment of plantations;
- Native forest and plantation sources derived from Indigenous peoples' territories or illegally-sourced wood;
- Native Forest and plantation sources derived from the habitat of endangered species;
- Native Forest and plantation sources derived from contentious areas disputed by local communities and non-government organisations;
- Plantations of genetically modified trees.

Appendix

Australian Environment Groups' Position Regarding Forests

In May 1996, The National Forest Summit, comprising all major national, state and regional conservation groups and including the Australian Conservation Foundation, Conservation Council of W.A., Environment Victoria, Friends of the Earth, Native Forest Network, Nature Conservation Council NSW, North East Forest Alliance and The Wilderness Society called on consumers and investors "Not to buy, sell, trade or invest in companies associated with the woodchipping of Australia's native forests"⁸³.

Goals of the National Forest Summit

- End the woodchipping of Australia's native forests;
- Protect all high conservation value forests;
- End the clearance of native forests for plantation establishment;
- Accelerate the transition of the timber industry into well-managed plantations.

The National Forest Summit definition of ecologically sustainable forest management

*To maintain and/or restore all species of flora and fauna in their natural patterns of distribution and abundance across their natural range*⁸⁴

Independent, third party certification of Forest management

The National Forest Summit supports the certification of plantation management under the guidelines laid down by the Forest Stewardship Council. It does not endorse the Australian Forestry Standard⁸⁵.

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