polytec

ENVIRONMENT
& sustainability

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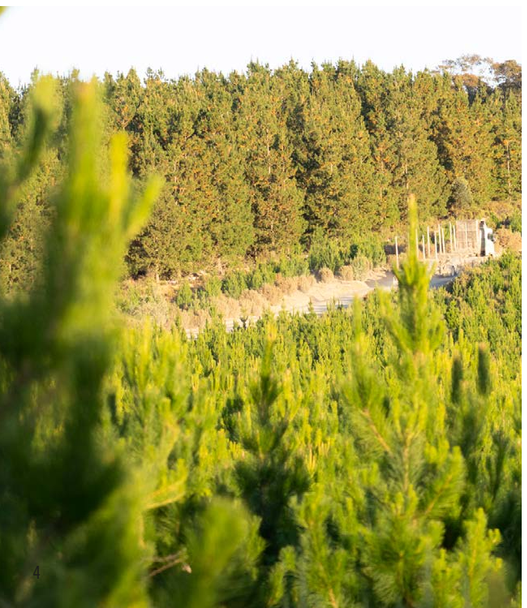
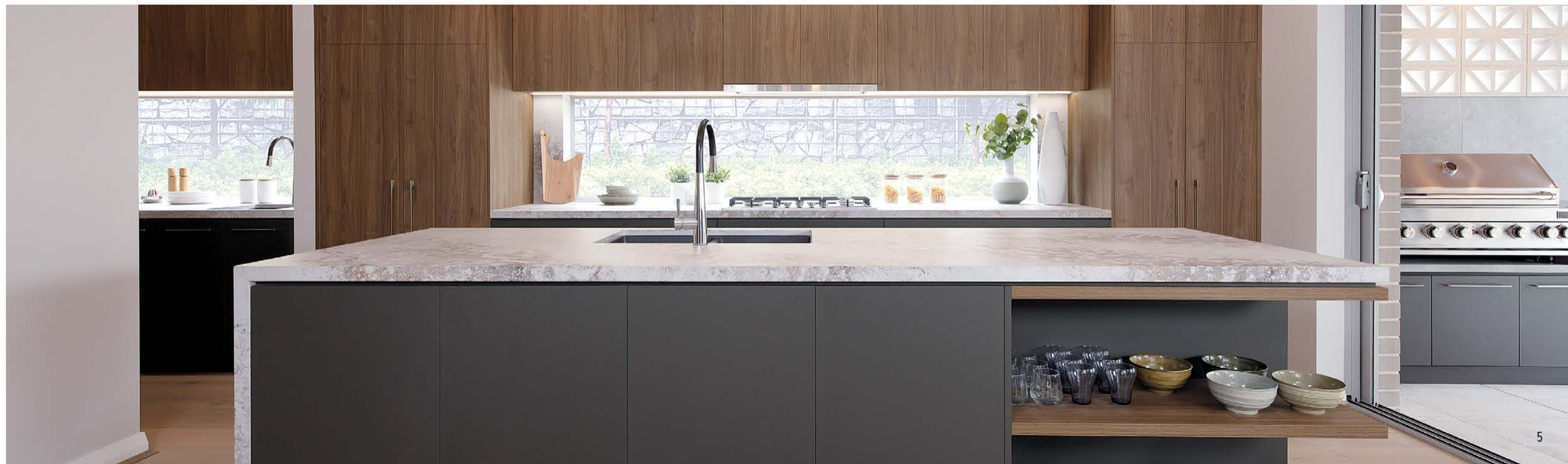
ENVIRONMENT & sustainability

polytec strives to minimise its ecological footprint through responsible manufacturing practices.

The links within our business chain considers the environmental implications of the product life cycle. We are proud of our achievements in this space – internationally recognised environmental certifications and a comprehensive range of closed loop manufacturing techniques underpin our environmental policies and procedures. We believe in action, not words – our environmental performance clearly demonstrates this.

This booklet outlines some of the environmental initiatives of the company – we look forward to answering any questions you have regarding the detail of this environmental statement





polytec & the environment

polytec is a 100% Australian family owned manufacturing business. The business was founded 35 years ago on the Central Coast of NSW by brothers Michael and John Borg. Our commitment to this industry sector is matched by our commitment to sound environmental management.

polytec believes that improving the environmental performance of our business starts with our manufacturing process. As a vertically integrated business, we have stewardship and control over the supply chain of processes from hauling the fibre from the forests to the ultimate marketing and selling of our value added decorative panels, bench tops and doors.

Our recent achievement of Level A Green Tag Environmental accreditation plus our previous work on Responsible Wood - RW/1-10-1 and PEFC (Program for the Endorsement of Forest Certification) Environmental Chain of Custody certification underpin our environmental credentials.

Furthermore, we subscribe to local government environmental initiatives and voluntary audits as well as our own internal Energy and Carbon Management Policy (ECM), which aligns with the Australian Government's Energy Efficiency Opportunities (EEO) program. Open discussion with surrounding communities of our sites is important with a 24/7 phone hotline being available in conjunction with Community Consultation Meetings being held.

polytec is proud of its "Closed Loop" manufacturing process. Along with efficient manufacturing methods, a significant number of the products produced are later recycled at end-of-life – minimal waste is produced! Every part of the plantation grown Pinus Radiata pine pulp logs are used – from the bark to the core fibre, even the water captured within these pulp logs is harvested for the production of heat and steam.

Occupational Health and Safety is ingrained in everything we do at **polytec**. The safety of our people and those we work with are our key priorities.

To ensure that these principles are met, **polytec** has developed and actively applies an Occupational, Health and Safety Management System which drives our approach to risk management and continual improvement. We understand words are not deeds and that a company wide commitment to safety and the preservation of the environment can only be achieved if we consult and actively support the engagement of our workers and other stakeholders.

annual environmental status report

polytec review the environmental status of our business once a year. Our focus is on ensuring we comply with our commitments to the following licences and accreditations:

- Environmental Protection Authority (EPA) licenses covering noise, air, water, and dust emissions
- Responsible Wood - RW/1-10-1 and PEFC Chain of Custody Certification
- Global GreenTag Level A standard in E0 MR MDF and E0 Standard MDF
- Global GreenTag Level A E1 MR particleboard and E1 Standard particleboard
- Singapore Green certification of HPL and Compact Laminate
- Undergoing Global GreenTag certification of HPL and Compact Laminate

waste water treatment plant

polytec's main source of water comes from our Waste Water Treatment Plant (WWTP). Community town water is used only to supplement that which is consumed as recycled and softened water.
The WWTP treats effluent to a tertiary treatment level through Ultra filtration (UF) and Reverse Osmosis (RO) and returned to the MDF facility as softened water for use in the boilers and or manufacturing process. Approximately 2/3 of our Oberon Manufacturing facility daily water requirement is supplied by our WWTP.
With the exception of a portion of the HPP site, the WWTP manages all the wastewater and stormwater from the surrounding sites at the Oberon Timber Complex (OTC).

air quality

Emissions to the atmosphere are regulated by Environmental Protection Licences (EPLs) and require annual monitoring of concentration of particulate matter, formaldehyde, nitrogen oxides, carbon dioxide and other emissions. Across our manufacturing site we have invested in and employ various pollution control devices on the equipment to reduce environmental impacts.

recycling & waste management

Utilising the by-product of any process is an important part of sustainability. **polytec** manages waste responsibly through numerous recycling programs within our business:

- recycling of vinyl
- manufacture of pallets and gluts from board off cuts
- collection of MDF dust and waste from our sites to use in the furnace as fuel to power our manufacturing plants
- 4MW Gas Turbine Generator produces approximately 10 Megawatts of exhaust at 515°C, which supplements the drying process on the Particleboard Drying System
- rainwater harvesting and grey water recycling
- purification of water for use in our MDF plant
- recycling various metals in our construction and engineering departments

Wood Waste Recycling Initiative

reDirect Wood Recycling has been established to provide a closed loop particleboard and wood recycling service. **polytec** customers who are buying raw and melamine coated particleboard products can opt for wood and off cut collection service. The reclaimed materials that would otherwise go to landfill are remanufactured into the production of new particleboard thereby reducing waste, preserving plantation pine forests and protecting the environment for future generations.

solar energy

polytec has installed 53,967 solar panels, and counting, across all sites nationwide to reduce carbon emissions. The portfolio of projects has yielded the following environmental benefits:

- Power rating of portfolio: 13.5 MW
- Renewable energy generated: 15,238,000 kWh per year
- CO_2 emissions avoided: 12,000 tonne per year
- Equivalent trees planted: 7,377 full grown trees
- Produces enough energy to power: 2,500 homes per year
- Oberon facility is now considered Australia's largest rooftop solar system with a stunning 27,000 panels installed over 8 hectares of rooftop.

investment & development

1. Manufacturing and Site Investment

polytec has always been, and will continue to be, at the forefront of innovation in the market. Since acquiring the Oberon MDF plant in 2010 **polytec** has continued to invest in leading edge, world class machinery across its three manufacturing sites. Our business is driven by its Owners – brothers that ensure the production of the highest quality product whilst utilising the most cost effective processes to mitigate the potential adverse effects of our operation on the environment.

Improvements include:

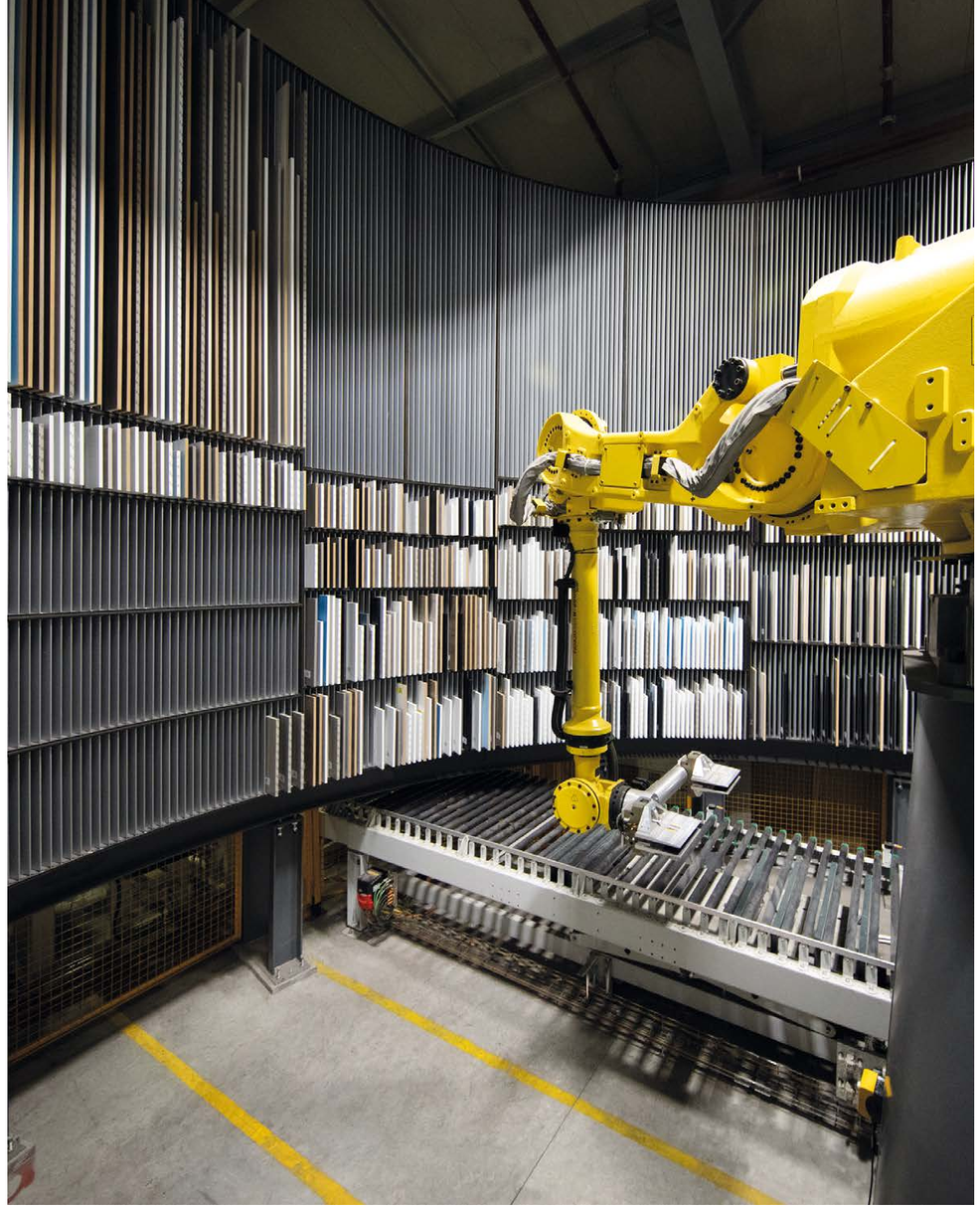
- Repair or replacement of poorly constructed dirt and bitumen tar roads around the site with concrete to enable easier cleaning
- Concreting of areas around water treatment plant to better control surface water runoff and to maximise spill containment
- Capital works on fuel storage/transfer areas to reduce dust emissions and to improve overall site cleanliness
- Employment of permanent staff to maintain site cleanliness. This has been promoted by having support equipment permanently on site inclusive of high pressure water and ice blasting cleaners, elevated work platforms and sweeper trucks
- Relining sludge dams, remediation of banks, repair of fenced areas, and installation of concrete swales
- Installing drive-in/drive-out sediment traps at MDF site on stormwater drain adjacent to the WWTP
- Current investigations into stormwater improvement systems such as floating wetland systems, increasing the quantity of settling ponds, filtration and flocculation systems for period of heavy site works
- Replacement of old motors to improve energy efficiency levels and production output

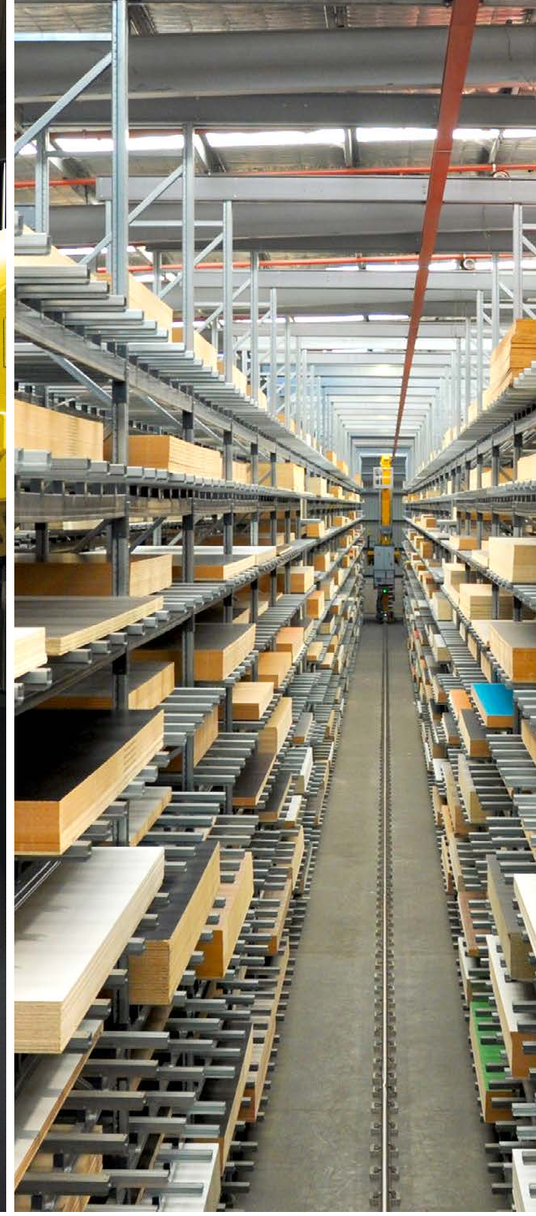
2. Particleboard Plant

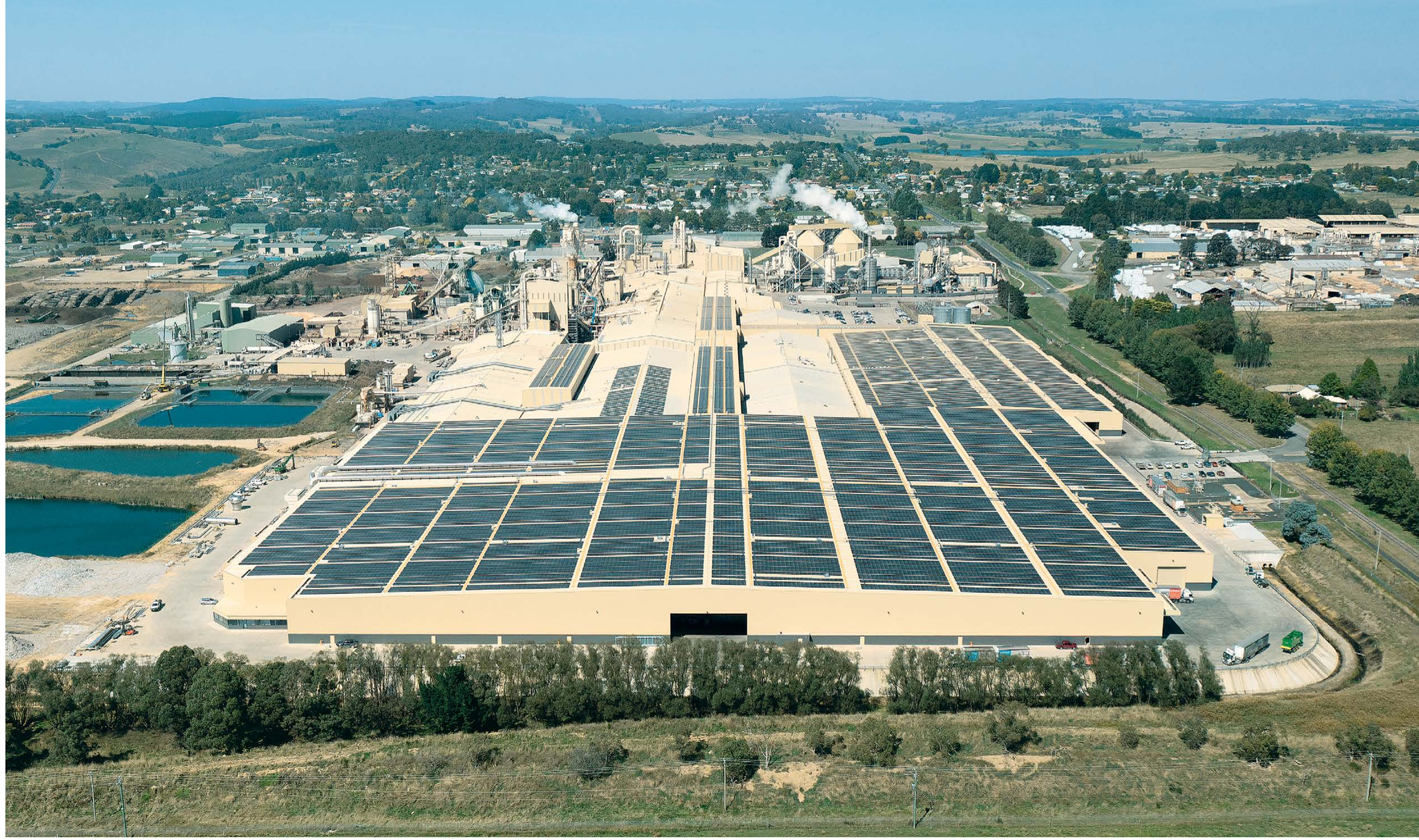
polytec has its own Particleboard (PB) Processing Plant at Oberon. Our Oberon site is one of but a few sites in the world that produces their own resin, MDF and PB.

3. Carbon Reduction

- New, more efficient fleet to maximize fuel economy
- Employment of MiX Telematics for development of more efficient freight routes
- Biomass as fuel within furnaces
- Continual investigation into future uses of renewable sources
- Purchasing of Electric Forklifts across manufacturing and distribution centres







certifications

Responsible Wood - RW/1-10-1 is the leading management standard of the Responsible Wood Certification Scheme, which has over 7.8 million certified hectares of native forests and plantations in Australia. The Responsible Wood Certification Scheme also includes a Chain of Custody Standard – AS 4707, to track forest and wood products through supply chain. These Australian Standards are recognised by Standards Australia and are internationally recognised through the endorsement and mutual recognition of PEFC. All products displaying the Responsible Wood label are products from independently certified organisation that are identified by the unique certification number under the Responsible Wood trademark logo.

Global GreenTag (GGT) is a Conformity Assessment Body (CAB). GGT is an Australian Competition and Consumer Commission (ACCC) approved certification (series) Mark undertaking product-focused environmental, health, ethical and social responsibility assessments of products and their manufacturers in accordance with the Global GreenTag Standards.

The Programme for the Endorsement of Forest Certification schemes (PEFC) was launched in 1999. PEFC is a framework for the mutual recognition of credible national or regional forest certification schemes which have been developed to meet internationally recognised requirements for sustainable forest management. Over 209 million hectares of forests are currently certified under the PEFC – which is the world's largest forest certification scheme.

Chain of Custody (CoC) is the process of tracking wood and forest products originating in certified forests through all phases of ownership, transportation and manufacturing from defined forest acres to the final product and delivery to the end consumer.

polytec has been committed to providing an E0 formaldehyde resin within our products when possible. An E0 classification requires that our products have a Formaldehyde Emission Limit of less than or equal to 0.5 mg/l.

Global GreenTag CertTM Certified LEVEL A GreenRate™

Responsible Wood RW/1-31-145

PEFC™ PEFC/21-31-145

Australian Made & Owned

polytec are officially Australian Made and Owned certified across joinery, decorative board, and components. Alongside our environmental, sustainability and recycling initiatives, **polytec** are proud to be the largest Australian Owned decorative brands in the industry.

By supporting Australian Made and Owned businesses, you are supporting local jobs and prosperity in Australia. Borg's commitment to rural and regional areas is assisting in economic development, with a vision to support the growth of the Australian decorative board and panel industry, creating an enduring local manufacturing landscape. Borg's sustainability measures ensure all products are manufactured with a promise of energy consumption reduction, lower greenhouse gas emissions and unrivaled quality of materials.

The stewardship of local pine plantations creates a renewable resource which provides positive and long-lasting social, environmental and economic benefits, supplying the manufacture of medium density fibreboard, particleboard and structural flooring. Each element of the business is integrated in an attempt to close the loop on waste.

Quality products and service, custom-made options and reliable warranties are promised with Australian Made and Owned products, alongside staff workplace health and safety measures, environmental accountability, and declining emissions.

AUSTRALIAN MADE AND OWNED