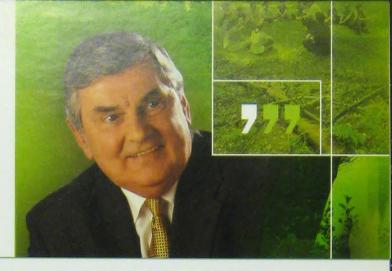


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A Vital Resource

A Report on the Sustainable Management of Coillte's Forests



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Coillte's forests, which cover 438,000 hectares, are a vital national resource, and contribute in a significant and positive manner to the economic, environmental and social well-being of the countryside. The company is committed to managing its forests in a sustainable manner now and into the future. In May 2001, the Forest Stewardship Council (FSC) verified that Coillte complies with internationally recognised economic, social and environmental criteria and awarded the company an FSC certificate for well-managed forests.

Sustainability has long been a key principle of forest management, but today it has a much wider meaning than a sustainable supply of timber, and this is reflected in Coillte's approach to forest management. In 1900 only 1% of the country was forested. To redress this, the State introduced an afforestation programme in the early 20th century to plant land that was peripheral to the needs of agriculture. At that time the focus of this programme was on providing timber to meet Irish needs and providing employment in areas where other opportunities were very limited. As a result of that vision, and its implementation by generations of committed foresters, Coillte today has a forest estate that covers approximately 6% of the country, which it manages to ensure a return to its shareholders and a sustained supply of raw material to industry.

As the forests have matured, so have society's expectations in regard to the environmental and social functions which forests are expected to perform. The practice of forest management has evolved over the past century to meet society's expectations and it will continue to evolve in this century and beyond. Coillte is committed to managing its business in a way that is commercially successful, environmentally responsible and beneficial to society. The company's involvement in the FSC certification process commits it to continuously improving how its forests are managed. In addition, this process provides a framework for dialogue between Coillte and its stakeholders about how society's expectations can be met through the responsible management of its vital forest resources.

Coillte reported on its business performance in 2000 in its Annual Report and Accounts, which were published in May 2001. In this first Sustainability Report Coillte focuses on the environmental and social aspects of the company's business and the steps being taken to achieve the crucial balance between economic, social and environmental values and to achieve FSC certification. It is intended to publish a sustainability report annually as part of the company's Annual Report and Accounts.

Ray MacSharry Chairman September 2001



FSC accredited certification means that the forest of origin has been independently inspected and evaluated according to environmental, social and economic principles and criteria agreed by the Forest Stewardship Council A.C. (FSC). FSC is an international, non-profit association whose membership includes environmental and social groups and progressive forestry and wood retail companies working in partnership to improve forest management worldwide.

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