



## PUBLIC REPORT TEMPLATE 2010

*Please consult the explanatory document when completing this template*

### Controlling Corporation

SCA Hygiene Australasia

### Period to which this report relates

Start 1 July 2006

End 30 June 2010

(eg. for a Corporate Group with the trigger-year 2005-06, the report will cover the period 1.7.2006-30.6.2010)

### Part 1 – Information on assessments completed to date

#### Table 1.1 – Description of the way in which the Corporate Group (or part of it) has carried out its assessments

In October 2007, SCA carried out an energy assessment and audit for the SCA Hygiene Australasia - Box Hill site. The Box Hill site comprises of 96% of the total energy use of SCA Hygiene Australasia, thus only one assessment is required during the 5 year cycle. This public report details the progress made on the assessment opportunities since the last public report of December 2009.

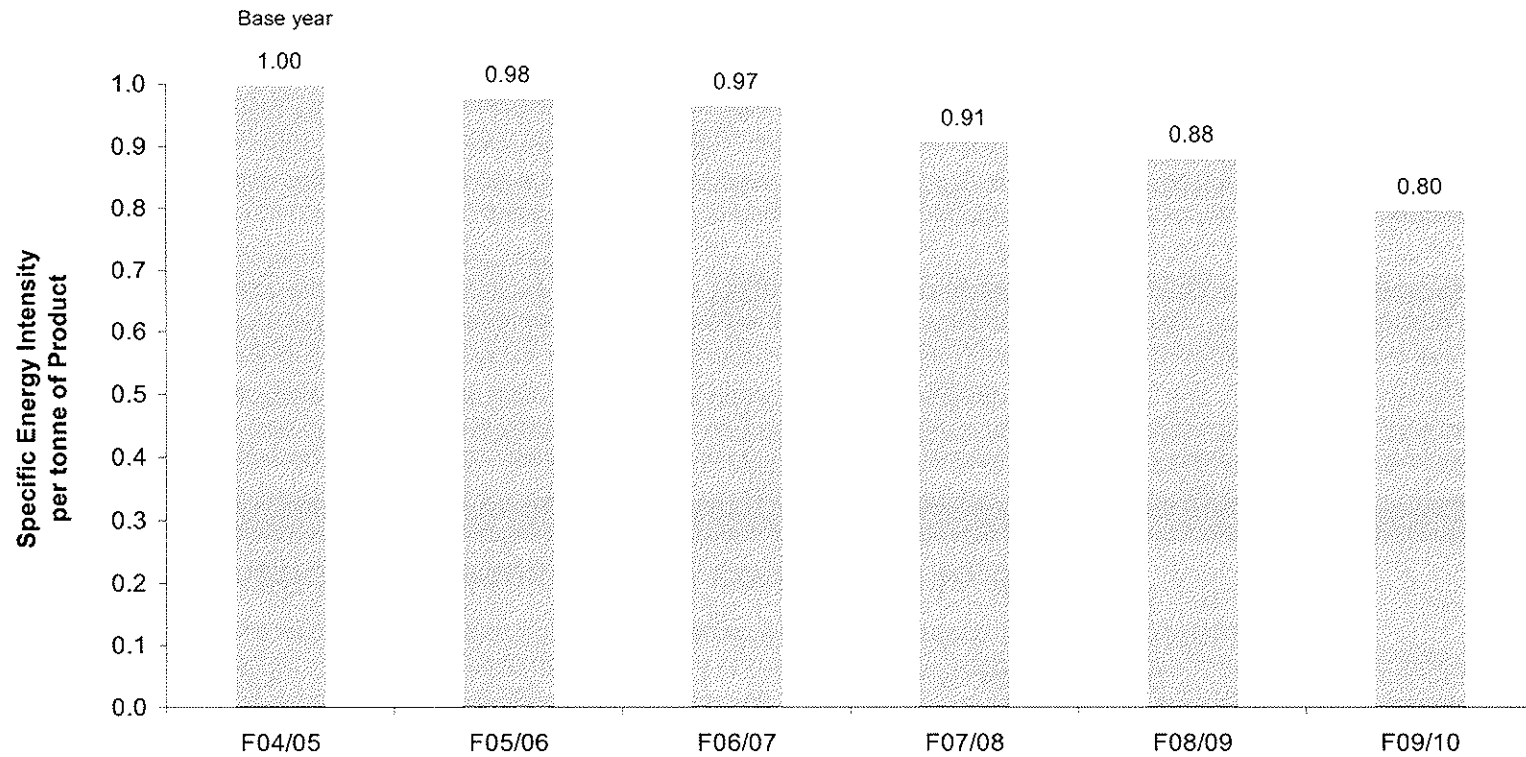
SCA Hygiene Australasia is a participant in SCA Europe's "ESAVE" energy efficiency program. Through this program, the energy assessment was undertaken in Oct 2007, an ESAVE project leader was appointed and an Energy Working Group formed. The Energy Working Group meets every two months and reviews the progress against the action plan. The ESAVE project leader tracks the progress and savings of all identified projects and this information is detailed in the relevant sections below.

Monthly tracking of energy (electricity, gas, steam) is reported to operations management in absolute terms and as an energy use indicator (GJ/T of product). Tracking is also discussed with operations personnel during the Energy Working Group meetings.

The production of tissue from 1.7.2009 to 30.6.2010 increased by 5% from the previous reporting year. During this time however, absolute energy consumption reduced by 3.8% and specific energy use (Energy Use Indicator) decreased by 8.4%



### SCA Hygiene Australasia - Box Hill Assessed Energy KPI



## Part 1 – Information on assessments completed to date (continued)

<b>Table 1.2 – Energy use assessed</b>		
<b>Group member and/or business unit and/or key activity and/or site (or part thereof) that has had an assessment completed by 30 June 2010 (Include all assessments completed to date for the current 5 year cycle).</b>	<b>Period over which assessment was undertaken<sup>1</sup></b>	<b>Energy use for the period 1.7.2009 to 30 June 2010 of the assessed entity (or part thereof) expressed in GJ<sup>2</sup></b>
SCA Hygiene Australasia – Box Hill	October 2007 – June 2008	1,433,701
<b>Total energy use of assessed entities (or part thereof)</b>		1,433,701
<b>Total energy use of the whole corporate group in the period 1.7.2009 to 30 June 2010</b>		1,493,421
<b>Total energy use of assessed entities (or part thereof) for the period 1.7.2009 to 30.6.2010 expressed as a percentage of total energy use for the period 1.7.2009 to 30.6.2010</b>		96%

1. This should be the start and finish date (month and year) for the assessment (planned assessment dates were nominated in Table 3.1 of the approved ARS).

2. Energy Bandwidth may only be used if approved in the Assessment and Reporting Schedule.

<b>Table 1.3 – Accuracy of energy use assessed data</b>		
<b>Entity</b>	<b>% achieved</b>	<b>Reasons for not achieving data accuracy to within ±5%</b>
SCA Hygiene Australasia	±5%	N/A





## Part 2 - Energy Efficiency Opportunities that have been identified and evaluated

### Part 2B - Update of assessments reported in previous Public Reports

Name of Group member or business unit or key activity or site: \_\_\_\_\_ SCA Hygiene Australasia – Box Hill \_\_\_\_\_

Total energy use for the period 1.7.2009 to 30.6.2010 of the assessed entity (or part thereof) from which the opportunities identified below were generated (and is reported in Table 1.2).

1,433,701	GJ
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**Table 2.3 – Opportunities assessed to an accuracy of better than or equal to ( $\leq$ )  $\pm 30\%$**

Status of opportunities identified		Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
			0 – < 2 years		2 – $\leq$ 4 years		> 4 years		
			No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response	Under Investigation	7	1	760	2	13,080	4	10,010	23,850
	To be Implemented	1	1	1,690	0	0	0	0	1,690
	Implementation Commenced	0	0	0	0	0	0	0	0
	Implemented	6	5	30,800	0	0	1	2,770	33,570
	Not to be Implemented	2	1	10,870	0	0	1	10,790	21,660
Outcomes of assessment	Total Identified	16	8	44,120	2	13,080	6	23,570	80,770



**Part 2B - Update of assessments originally reported in previous Public Reports (continued)**

Name of Group member or business unit or key activity or site: \_\_\_\_\_ SCA Hygiene Australasia – Box Hill \_\_\_\_\_

Total energy use for the period 1.7.2009 to 30.6.2010 of the assessed entity (or part thereof) from which the opportunities identified below were generated (and is reported in Table 1.2).

1,433,701	GJ
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**Table 2.4 – Opportunities assessed to an accuracy of worse than (>) ±30%**

Status of opportunities identified		Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
			0 – < 2 years		2 – ≤ 4 years		> 4 years		
			No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response	Under Investigation	3	0	0	2	5,500	1	100	5,600
	To be Implemented	0	0	0	0	0	0	0	0
	Implementation Commenced	2	2	1,970	0	0	0	0	1,970
	Implemented	11	9	51,910	2	13,000	0	0	64,910
	Not to be Implemented	13	5	1,160	6	40,150	2	44,190	85,500
Outcomes of assessment	Total Identified	29	16	55,040	10	58,650	3	44,290	157,980

## Part 2 - Energy Efficiency Opportunities that have been identified and evaluated

### Part 2C - Details of at least three significant opportunities found through EEO assessments

**Table 2.5 – Description of 3 significant opportunities**

#### **Opportunity 1: Vacuum Pump Optimisation**

This opportunity is an ongoing initiative and relates to optimising the operation of multiple vacuum pumps on two key production lines. Shutting one pump was previously trialled on the first production line and was not successful as product quality and output could not be maintained. Consequently shutting one of the vacuum pumps was attempted on the second production line last year and was successful for around 70% of the grades manufactured. Further development work in 2010 has now enabled this line to run with reduced vacuum on all grades at the required production output and quality standards. The energy savings from this opportunity are approximately 3200 GJ/annum of electrical energy. Ongoing work on the vacuum system for this line is planned for early 2011 and it is expected that similar savings will be achieved.

#### **Opportunity 2: Air Conditioning Economiser System**

One of the production buildings uses a large chilled water system for area cooling as well as some process equipment cooling. It was identified that significant energy savings could be made by adding an economiser mode to the cooling system. This introduces outside air into the area when the external ambient temperature is favourable. This is particularly beneficial as there is a high internal heat load in the area from process machinery. It is estimated that this project could reduce the running time for the chiller by up to 40% providing potential energy savings of approximately 1500 GJ/annum of electrical energy. Engineering and design work is completed and a capital proposal has been submitted. This project has not yet been implemented.

#### **Opportunity 3: Process Drying Improvements**

A significant capital project was implemented this year (1.7.2009 – 30.6.2010) to minimise heating losses from a process drying system on a large production line. This has been achieved by installing new equipment to significantly reduce the leakage of hot air from the drying system. Estimated savings are presently in the order of 1700 GJ/annum of energy from natural gas, actual saving are yet to be verified.

#### **Opportunity 4: Daily Reporting of Energy Efficiency**

Energy usage / tonne of production is now reported on a daily basis against targets along with production output, safety, quality and environmental information. This data is presented each day at the morning production meeting for review by key operational staff. This initiative also contributes to employee education and awareness of energy consumption and opportunities for efficiency improvements.





**Opportunity 5: Office Lighting Energy Reductions**

A number of improvements were implemented this year to improve lighting efficiency in office areas. These included reducing the number of fluorescent light fittings in use in non critical areas and installing motion sensors in meeting rooms and toilets. Direct energy savings from these improvements are only small but this initiative is also a practical way of contributing to employee education and awareness of energy consumption and opportunities for efficiency improvements.

**Part 3 - Voluntary Contextual Information**

**Table 3.1 – Contextual Information**

SCA has a global target to reduce CO2 emissions from fossil fuels and from the purchase of electricity in relation to production level by 20% by 2020, with 2005 as a reference year. At the Box Hill site this target is being achieved through energy use mitigation. The main mitigation or reduction program undertaken at our Box Hill facility is our company wide ESAVE project. This project is designed to reduce SCA's energy consumption and environmental impact and was introduced in 2002. SCA's Box Hill facility was first assessed by our ESAVE team in 2007. This assessment has been the cornerstone of this and our previous EEO reports. It is intended to undergo a further EEO assessment in 2011 in response to our ongoing reporting responsibilities to the EEO program.

SCA has recently invested in a geothermal steam plant for its New Zealand paper mill located in Kawerau. This plant will replace natural gas as the fuel source to generate steam on the site and will reduce emissions from the mill by approximately 40%.

To help manage our energy consumption we also provide our energy consumption statistics to SCA's head office. These statistics are collated and published in SCA's annual Sustainability Report. This report lists every SCA mill site and their resource consumption, so easy comparisons can be made between sites. All SCA paper machines are benchmarked against each other for energy use with 'best practice' processes shared through the ESAVE project. To access SCA's Sustainability Reports go to <http://www.sca.com/en/Investors/Reports/Environmental--social-reports/>.

**Table 3.2 – Energy use expressed in Greenhouse Gas emissions and as an energy use indicator**

Period of energy use to				
Name of group member/ business unit/ key activity/site	Energy use pa (GJ)	Energy use pa (GGE)	Energy use as an indicator*	
<b>Total</b>				

**Table 3.3 - Opportunities assessed to an accuracy of better than or equal to ( $\leq$ )  $\pm 30\%$  (\$ value)**

Status of opportunities identified		Number of opportunities	Estimated energy savings per annum by payback period (\$)			Total estimated energy savings per annum (\$)
			0 - < 2 years	2 - $\leq$ 4 years	> 4 years	
Business Response*	Under Investigation					
	To be Implemented					
	Implementation Commenced					
	Implemented					
	Not to be Implemented					
Outcomes of assessment*	Total Identified					

**Table 3.4 - Changes in energy use as an indicator**

Name of group member/ business unit/ key activity/site	Current energy use as an indicator	Previous energy use as an indicator	Reasons for change
<b>Total</b>			

## Part 4 - Declaration

**Table 4.1 - Declaration of accuracy and compliance (mandatory information)**

The information included in this report has been reviewed and noted by the board of directors and is to the best of my knowledge, correct and in accordance with the *Energy Efficiency Opportunities Act 2006* and *Energy Efficiency Opportunities Regulations 2006*.

Michael Casamento - President SCA HA

Date: 20/12/2010