



SCA HYGIENE AUSTRALASIA

AUSTRALIAN PACKAGING COVENANT

ACTION PLAN

JULY 2010 TO JUNE 2015

President's Foreword

I am pleased to introduce SCA Hygiene Australasia's (SCA HA) new Action Plan under the Australian Packaging Covenant (Covenant) for the period July 2010 to June 2015.

As is evident in the following plan, SCA HA takes a holistic view of sustainability. We carefully consider each and every stage of the life of our products, from where we source our raw materials, to the energy and water we use to produce them, and the waste to landfill which results from our operations. At each stage of our products' lifecycle we are conscious of opportunities to minimise our effect on the environment.

This Action Plan forms a key part of our holistic approach, focusing as it does on another very important area – the need to minimise the use of packaging.

Accordingly, the following Action Plan includes goals and targets focusing on optimal packaging, resource recovery and consumer education, as well as demonstrating how we will implement the Sustainable Packaging Guidelines. The Plan also reflects our commitment to working together with the government, our supply chain and consumers to achieve measurable targets and continuously improve our performance over the course of the stated period.

This Plan builds strongly on the work we have done over the past few years and demonstrates that as a company, we remain totally committed and focused on improving the environmental and social outcomes of our activities and building on our positive accomplishments to date.

A handwritten signature in black ink, appearing to be 'M. C. S.', located at the bottom left of the page.

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About SCA Hygiene Australasia

SCA Hygiene Australasia (SCA HA) is a leading hygiene solutions company, manufacturing and marketing a number of leading household brands including Sorbent toilet and facial tissue, Purex toilet tissue, Handee paper towels, Deeko serviettes, Treasures nappies, Libra feminine hygiene products, TENA incontinence solutions and the global Tork brand of commercial hygiene products..

We form part of The SCA Group, a US\$16 billion international paper company producing absorbent hygiene products, packaging solutions, publication papers and wood products. SCA employs more than 45,000 people in some 40 countries.

Within our region, SCA HA operates across Australia, New Zealand and Fiji, employing about 1700 people with annual net sales of \$660 million and holding the number one market position in the majority of categories in which we compete.

SCA HA is committed to the Covenant and meeting its stated performance goals and targets, through the implementation of this action plan.



Sustainability Policy

Policies and Guidelines

Sustainability Policy

SCA Hygiene Australasia

SCA HA, as a manufacturer of hygiene products with substantial operations in Australasia, is committed to being a sustainable business. Environmental, social and economic responsibilities are an integral part of this. We care for the environment and communities in which we live and work, and seek to sustain their quality for the benefit of future generations.

SCA HA will:

- Develop, implement and maintain recognised management systems (including environmental) to ensure the highest standards of corporate best practice and be in full compliance with all applicable regulatory requirements.
- Be transparent and open in our communications and follow the SCA Code of Conduct by engaging key stakeholders (such as employees, suppliers, customers, contractors, government and communities).
- Continuously improve our performance in all aspects of our business including; health and safety, environmental, operations and management systems.
- Improve our business sustainability through:
 - Ensuring raw materials are legally and sustainably sourced
 - Reducing the energy intensity of our products
 - Reducing water consumption
 - Decreasing waste to landfill through increased reuse and recycling of materials
 - Reducing our use of packaging in accordance with the Australian National Packaging Covenant and the New Zealand National Packaging Accord.
 - Optimise logistics processes to lower emissions per tonne-kilometre

SCA HA is committed to continual improvement in its performance and strives to achieve zero harm to people and the environment.



Paul Thompson
President SCA Hygiene Australasia
09 November 2009

Covenant Commitments

Sustainable Packaging Guidelines

SCA HA is committed to implementing the Sustainable Packaging Guidelines (Guidelines) and has developed a packaging design approval checklist based on the requirements of the Guidelines. This checklist is completed for new packaging formats, significant changes to existing packaging formats and at intervals for established packaging groups.

The Covenant is an integral part of the SCA HA business, to reflect such a commitment it has been embedded into the Key Accountabilities (KA's) of relevant employees and departmental processes in order to achieve our APC goals.

Design, Recycling and Product Stewardship Packaging Materials

These are cardboard, both virgin and recycled, as well as plastic films; LDPE and PP.

Design

SCA HA is committed to implementing processes to ensure that the potential environmental impacts of the packaging material are considered as part of the initial product planning phase. Our Packaging Checklist is a critical part of the product approval process to ensure environmental considerations are tabled and form part of the working group agenda.

SCA HA also works in conjunction with our external suppliers to regularly review the composition, weight and recycled content of the packaging materials used on all products. Changes are readily implemented when deemed both technically and economically viable to the business and the environment.

Production Packaging Recycling

A key initiative for the SCA HA business is to endeavour to reduce the amount of total waste, including packaging waste, generated during the manufacturing process. Collectively the Production & Manufacturing teams are encouraged to identify and implement opportunities to reduce the amount of packaging destined for landfill and increase the rate of recycling.

The business works closely with its waste management supplier to ensure all viable collection and recycling options are integrated into the standard waste collection procedures and processes.

SCA HA has implemented production efficiency initiatives that have reduced consumption of water, electricity and natural gas per tonne of product. Other initiatives have also been implemented that have increased recycling rates and reduced general waste to landfill.

Distribution

A key focus for the business is to strive to improve the amount of energy used to produce and distribute our products to our consumers. Substantial changes to distribution methods have resulted in significant reductions in energy consumption for transport.

Disposal

Across the SCA HA business, reducing consumption, re-use and recycling options are integral to lowering packaging waste to landfill. The business is conscious about the environmental impact its packaging can have on the environment and is committed to doing all it possibly can to minimise detrimental effects.

SCA HA is aware of the kerbside recycling facilities throughout Australia and New Zealand. Incorporated into every packaging design is a clear message to encourage our consumers to recycle or dispose of the packaging in the most appropriate and environmentally friendly manner available to them.

Research

SCA HA is committed to participate in and stay abreast of research into packaging industry developments with the intention of identifying and implementing new technologies (where feasible) to minimise the impact of our packaging on the environment.

Market Development

Where practical, the SCA HA business will continue to source possible recyclable packaging options for our products to offer the retail markets. We will continue to stay abreast of consumer demands for recyclable packaging and where financially & technically viable we will trial new substrates that may be deemed suitable for our consumer sectors.

Education & Engagement

The SCA HA business has a keen commitment to the environment as is dedicated to ensure its employees are well informed about our environmental responsibilities. Regular updates, email alerts, posters and recycling initiatives keep the environmental topic visual and up to date across all business functions.

All production sites have sustainability councils, which are comprised of a cross section of employees that have implemented a variety of projects to minimise our impact on the environment.

Labelling

SCA HA will continue to ensure that our packaging is appropriately and accurately labelled to enable our consumers to make informed purchasing and disposal choices.

SCA HA is committed to ensuring that all of its labelling and claims on packaging comply with A/NZS 14021 Environmental labels and declarations – Self-declared environmental claims (Type II environmental labelling).

SCA Hygiene Australasia 2010 – 2015 Action Plan

Covenant goals, outcomes and KPIs	SCA planning and reporting actions			
Performance goal	Action	When	Who	Annual report requirements
1. Design —optimise packaging to achieve resource efficiency and reduce environmental impact without compromising product quality and safety.	KPI 1. Review of all SKU's to develop logical groups of products and/or materials to enable a more efficient process to review all products against the SPG's within five years	End Q3 2011	DC/AT/ JE	The report will describe progress during the reporting period in implementing the Sustainable Packaging Guidelines for design or procurement of packaging through formal, documented processes. It will describe how the following outcomes have been achieved through the use of the Sustainable Packaging Guideline: • avoiding or minimising the use of materials and other resources • optimising recyclability and recycled content.
	KPI 2. Review ECoPP checklist against the SPG and update as required	End Q4		
	KPI 3. Develop a review timetable for product groups and establish reporting programme	End Q4	SG	
	KPI 4. Review of supply contracts of packaging materials to determine if the following are in place: 1. Comply with January 2011 SCA Global Supplier Standard a. Supplier has a documented Environmental Management System (EMS) in place and an annual Sustainability/Environmental report showing targets and improvements in water consumption, energy use, carbon emissions and waste to landfill 2. Recycled materials or a proportion of recycle content is to be used for packaging requirements where appropriate	Quarterly	JP	
	KPI 5. Waste management systems are in place to ensure all waste packaging is collected and recycled. Information is reported back by weight not volume.	End Q4	NO	
2. Recycling - The efficient collection and recycling of packaging	KPI 6. Annual review of current recovery systems for packaging materials identifying improvements and annual improvement targets	Annual	SG	The report will include information on the recovery system established (including which packaging materials are collected), or progress achieved during the reporting period.
	KPI 7. The Sourcing Policy will be updated and reviewed annually to ensure that it aligns with our recycling commitments under the APC	End Q2	JP	The report will describe progress in implementing a Buy Recycled policy or equivalent.

3. Product Stewardship - a demonstrated commitment to product stewardship by the supply chain and other signatories	KPI 8. All new product packaging will be reviewed against the ECoPP/SPG KPI 9. All suppliers will be reviewed quarterly to ensure compliance with KPI 4.	Ongoing Quarterly	AT/JE JP	The report will describe the progress in establishing formal processes to improve packaging design and increase recycling of used packaging. The report will provide examples of what was achieved during the reporting period as a result of these product stewardship actions.
	KPI 10. All products will have logo's and text to promote the responsible disposal of packaging (space permitting)	End Q4	AT/JE	The report must describe the actions taken to reduce litter.