



Signatory Name: SCA Hygiene Australasia Pty Ltd

The question numbers in this report refer to the numbers in the report template. Not all questions are displayed in this report.

Status: Completed

The content in this APC Annual Report is hereby endorsed by the Chief Executive Officer, or equivalent officer of the organisation.

Yes

5. Industry sector (please select 1 only):

- Brand Owner / Wholesaler / Retailer
- Packaging Manufacturer
- Waste Management
- Other - Commercial Organisation
- Community Group
- Industry Association
- Government
- Raw Material Supplier
- Other:

6. Industry type (please select 1 only):

- Food & Beverage
- Pharmaceutical / Personal Care / Medical
- Hardware
- Homewares
- Communications / Electronics
- Clothing / Footwear / Fashion
- Chemicals / Agriculture
- Fuel
- Large Retailer
- Tobacco
- Shipping Company
- Airline
- Other:

7. Please indicate your organisation's reporting period:

- Financial Year: 1 July 2012 – 30 June 2013
- Calendar Year: 1 January 2013 – 31 December 2013

Goal 1: Design

KPI 1: % of signatories with documented policies and procedures for evaluating and procuring packaging using the SPGs or equivalent.

8. Does your company have documented policies and procedures for evaluating and procuring packaging using the SPGs or equivalent?

- Yes No

Provide details of policies and procedures

SPG Checklist Procedure (2011); SPG Checklist 2011 Template

9. Of the types of packaging **existing at the beginning of the reporting period**, what percentage had been reviewed using the Sustainable Packaging Guidelines (SPG) by the end of the reporting period?

70 %

10. Have any new types of packaging been introduced during the reporting period?

- Yes No

11. If yes, of the **new types of packaging introduced during the reporting period**, what percentage have been reviewed using the Sustainable Packaging Guidelines (SPG) by the end of the reporting

40 %

12. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 1

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Review of all SKUs to develop logical groups of products and/or materials to enable a more efficient process to review all products against the SPGs within five years.	<p>Groupings were reported to be completed in previous years.</p> <p>For Consumer Tissue: All Toilet and Napkin products were reviewed in 2013. New dielines and sizes. New supplier specifications. There has been an annual reduction of 16 tonnes of primary packaging going out into the market with the reduction on Toilet Packaging. This is a reduction of 4.3%</p> <p>For Personal Care: Our Libra applicator tampons (4 products) had a reduction in secondary packaging by moving from tray and lid to SRP case.</p>

13. Describe any constraints or opportunities that affected performance under this KPI

The 2011 SPG Checklist was seen as a constraint (too time consuming and complex)

Large scale and significant business activity (such as the Packaging Tender and new manufacturing equipment purchases) appear to generate the important sustainable packaging outcomes. By comparison, the checklist is more time consuming and delivers less substantial outcomes. For example, the Packaging Tender is based on strategic sourcing principles and is sensitive to the SPG ideas.

Goal 2: Recycling

KPI 3: % signatories applying on-site recovery systems for used packaging.

14. Do you have on-site recovery systems for recycling used packaging?

- Yes at all facilities/ sites
- Yes at some, but not all facilities/ sites
- No

15. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 3

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Annual review of current recovery systems for packaging materials identifying improvements and annual improvement targets.	<p>The following streams were recycled across our operations: Paper/cardboard, Plastic, Napkin, Co-mingle, Non-woven & Plastic Pallets.</p> <p>At Springvale a Waste Reduction project was launched which took preventative steps coupled with strategic analysis to identify where the greatest opportunities for waste efficiency are to be found. The site has reinforced good housekeeping practises and optimised operations to ensure waste is sorted, optimum efficiency is being achieved across our lines and the impact of ramp up waste is reduced.</p> <p>At Box Hill, we put removable metal signs on recycling bins to help personnel identify the appropriate bin for their waste/recycling matter. This resulted in better waste segregation and helped reduce by 5% the proportion of waste to landfill.</p> <p>Kawerau has also actively sought to optimise it's recycling systems with an increased focus on the segregation of recyclables.</p> <p>At our DC in Somerton, we have decreased our landfill rates by donating damaged but servicable product to charitable causes.</p> <p>2012/13 performance was reviewed by senior management and new annual improvement targets have been set for each manufacturing site. The 2014 organisational target represents a total 1% reduction of Waste to Landfill from 2012 to 2014, which is reasonable because we have considerable construction activity (which generates landfill) underway at our two largest sites. As mentioned, each site has agreed a 2014 target specific to their operations.</p>
2.	Reduction in Waste to Landfill and increased recycling.	Total Waste Recycled represented a 26% increase in tonnes vs 2012 across our Australian and New Zealand facilities serving Australian markets due to construction activity. Total quantity = 2,006 Tonnes. This represents a 60% diversion of waste from landfill vs 58% in 2012.

16. Describe any constraints or opportunities that affected performance under this KPI

1. Discussions with sites have highlighted the priority should be placed on minimising waste at the source either during use or even before it arrives onsite. If all options have been exhausted, then Re-Use should be considered, followed by Recycling. This approach is in the process of being adopted by the sites.

KPI 4: Signatories implement formal policy of buying packaging made from recycled products.

17. Does your company have a formal policy of buying packaging made from recycled packaging?

- Yes No

Provide details of policies and procedures (including names of policies/ procedures)

A SPG Checklist review must be evidenced during our NPD gated process, and there are specific questions about sustainable packaging procurement opportunities.

The SCA HA Sourcing Policy requires compliance to the Global Supplier Standards which includes a focus on recycled raw materials.

18. Is this policy actively used?

- Yes No

19. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 4

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	The Sourcing Policy will be updated and reviewed annually to ensure that it aligns with our recycling commitments under the APC. Progress in implementing a Buy Recycled policy or equivalent will be reported.	We reported last year that the Sustainable Packaging Procurement Policy was due for review in 2013, and the review of this policy is still in progress.
2.	Consider alternative packaging materials which may deliver more sustainable outcomes.	<p>1. Our policy led us to review and trial a bio-plastic packaging material at one of our manufacturing sites. The project is still underway and no decision has been made yet.</p> <p>2. As part of the one of our new supplier agreements (as a result of the packaging tender based on our SCA HA Sourcing Policy) we have explored the possibility of substituting our Kraft Coreboard to a recycled alternative. The plan is to trial and potentially implement this material at Box Hill.</p>

20. Describe any constraints or opportunities that affected performance under this KPI

1. High cost of alternative materials is a significant barrier to the uptake of these materials in our operations.
2. As part of the Supplier management Program all Suppliers are required to provide a matrix of the recycled content of all packaging materials supplied to SCA HA. In our Personal Hygiene business, cases have around 60% recycled content.
3. The Packaging Tender activity was focussed towards the end of 2013, meaning that we haven't been able to realise all the sustainability outcomes that have been identified through that process.
4. Product safety requirements limit our use of some material which are in contact with our products. For example, film with a recycled content is not considered appropriate for personal hygiene products.

Goal 3: Product Stewardship

KPI 6: % signatories with formal processes to work collaboratively on packaging design and / or recycling.

21. Does your company have formal processes in place for collaborating with other companies or organisations on improved packaging designs and/or recycling which aims to reduce or eliminate waste?

Yes No

Provide details of policies and procedures (including names of policies/ procedures)

1. Our capital approval process for new equipment purchases incorporates an environmental review and an assessment of the equipment operation. This enables us to work with equipment manufacturers to design solutions with a more sustainable packaging footprint.

2. Supplier Quarterly Reviews

22. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 6

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	All suppliers will be reviewed quarterly to ensure compliance with KPI 4 (buy recycled)	Reported at KPI4 that suppliers are required to report to us on a quarterly basis the recycled content on all packaging materials supplied to SCA HA.

23. Describe any constraints or opportunities that affected performance under this KPI

1. Sustainability Manager attended the AFCG Sustainability Commitment Forum (along with some Procurement Team members; November 2013) and Australian Sustainability Conference (October 2013) and discussed recycling and waste diversion opportunities with industry peers.

2. One of our major customers, who is also an APC signatory, agreed to trial and adopt our Xpressnap product in its restaurants. The result is an annualised reduction of 42 tonnes of outer cartons, and fuel savings due to fewer cartons transported each year.

3. New converting machinery was purchased and installed in 2013 which enabled us to select equipment which reduced film packaging for our range of Sorbent toilet tissue products (approximately 10-50mm reduction in film per impression).

4. In 2013 we worked with a specialist foodservice tableware brand owner and APC Signatory to develop a grocery tableware offering made from bioplastic and other materials which are biodegradable, compostable and certified carbon neutral. These products will provide grocery consumers with a comprehensive and sustainable option which will reduce the environmental impact (e.g. life cycle; litter) of their disposable tableware. The range is due for launch in 2014.

5. Last year we reported a 2013 plan (under KPI1) to undergo a packaging tender process to explore alternative materials, seek better sustainability outcomes and compliance with SCA's Global Supplier Standard (including documented EMS). Tender Outcome: All Packaging went out to tender. This has given us an opportunity to explore sustainable packaging options via clauses within contracts. Kick off meetings have taken place with 3 of our major suppliers to downgauge packaging materials and these initiatives will continue to be explored and implemented throughout the length of the agreement. In 2013, one outcome of this process was the implementation of a lower grammage board grade (15% reduction) on Facial Cartons.

6. At Springvale, new machinery (automated case packers) have given us the opportunity to explore downgauging opportunities. Some trials have been completed and we plan to make a transition in 2014.

7. We have worked with our supplier to trial an alternative board grade with less virgin fibre for our Libra tampon boxes and trays.

KPI 7: % signatories showing other Product Stewardship outcomes.

24. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 7

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	nil action plan targets	n/a

25. Since the beginning of the reporting period, has your company had any other outcomes related to product stewardship?

Yes No

If yes, please give examples of other product stewardship outcomes

1. Water intensity at our manufacturing sites servicing the Australian market decreased in 2013 vs 2012 (Box Hill = 2%; Springvale = 15%; Kawerau = 9%)
2. Energy intensity at our paper manufacturing sites servicing the Australian market decreased in 2013 vs 2012 (Box Hill = 4.5%; Kawerau = 1.2%) which also reduced the carbon emissions intensity over the same period (Box Hill = 3.6%; Kawerau = 1.5%)
3. Undertook an energy audit at Box Hill and developed a 2nd Cycle Assessment Plan as part of the EEO Program. The public report was submitted to the Department of Resources, Energy and Tourism and posted on our website.
4. A number of potential improvements in our FSC Chain of Custody (COC) system were identified during our 2013 annual audit, and corrective measures implemented to further strengthen our ability to manage COC according to the FSC standards.
5. We introduced the Tork Carry Pack which is a style of packaging that is 100% recyclable plastic, is suitable for re-use as a bin liner and results of 84% less waste than the previous packaging when disposed. The new packaging replaced bulky corrugated cases to improve pallet utilisation and the logistics footprint for us and our customers.
6. We have reviewed our Purex Toilet and Sorbent Facial product range and rationalised pack sizes etc to enable us to respond to customer demands and improve our product-to-packaging ratios. This has resulted in us moving to the longer roll format in Purex toilet, move towards bulk packs and away from small packs for our Toilet categories in general and reduce the box sizes for our Sorbent facial tissue.
7. Pack sizes and case counts were increased on a number of our Tork products with the outcome of decreasing the packaging-to-product ratios. This work is expected to continue into 2014.
8. In 2013, we demonstrated through independent studies that the TENA Pants and TENA Flex range can deliver sustainability improvements to customers (residential facilities). This information was actively shared with customers. For example, usage of TENA Pants and TENA Flex products can result in a reduction in pad usage which in turn can have an impact on resource consumption, general wastage and packaging use.

26. Describe any constraints or opportunities that affected performance under this KPI

We commenced a life-cycle analysis (LCA) of our operations and plan to complete this work in 2014. It is hoped that the LCA will give us insight to areas of further opportunity

KPI 8: Reductions in packaging items in the litter stream.

27. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 8

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	All products will have logos and text to promote the responsible disposal of packaging (space permitting)	1. All Sorbent (Toilet & Facial) and Handee packaging was revised in 2013 and now contains updated statements asking consumers to dispose of the packaging carefully and highlighting which packaging/product elements can be recycled. This is seen as an improvement to the previous version.

28. Describe any constraints or opportunities that affected performance under this KPI

1. As mentioned at KPI 6 we worked with a major customer to adopt our Xpressnap product in its restaurants. There is a direct impact on litter reduction generated through the customer's restaurants due to the replacement of traditional napkins with the Xpressnap napkin due to the unique dispensing action of the product. The customer estimates they will reduce the consumption of napkins by 40% or 8000 tonnes which also means less unused napkins entering the litter stream. This is only one of our customers reducing their litter problem as a result of our napkin solution and the industry wide benefit is expected to be much larger.

Your Experiences

This section lets you share with us any achievements, good news stories and areas of difficulties in making progress against your plan and the Covenant goals and KPIs.

29. Key achievements or good news stories

30. Areas of difficulties in making progress against your plan, Covenant goals or KPIs