

STRIKING A POSITIVE BALANCE BETWEEN PEOPLE, PLANET AND PROFITS

An SBN Case Study on SCA Hygiene Australasia – Kawerau Plant

Website: www.sca.com

Director: Murray Lucas

In business: Since 1929, established in Sweden.

N.B. Operations are worldwide with initiatives listed below relevant for the Kawerau site, established in 1955 and purchased by SCA in 2004.

Focus: Production of personal care, paper, and packaging products.

BACKGROUND

The SCA Group develops, produces and markets personal care products, tissue, packaging, publication papers and solid-wood products, and has sales in more than 100 countries.



HOW SUSTAINABILITY IS AN INTEGRAL PART OF THE ORGANISATION

SCA Hygiene Australasia's Kawerau site has worked hard to ensure that it excels across the board where sustainable business practices are concerned. Besides ensuring it has minimised its environmental impact, it also recognises its importance on the community within which it operates and interacts positively on a local level. Additionally, SCA Kawerau is a major economic contributor to the local and national economy. Taking all of this into account, it has truly struck a balance between people, planet and profits.

SCA Global has won numerous worldwide sustainability awards. Some examples include:

- For the fourth consecutive year, SCA was named one of the world's most ethical companies by the Ethisphere Institute in New York, US.
- In 2010, SCA was ranked for the sixth consecutive year as one of the world's 100 most sustainable companies by the responsible business magazine Canadian Corporate Knights.
- The FTSE4Good is a market index which measures the performance of companies that meet globally recognised corporate responsibility standards. SCA has been listed on the FTSE4Good global sustainability index since 2001.

QUOTE

"Sustainability is a cornerstone of SCA's values and this sits well with the personal values of everyone who works at SCA. It is something that will be demanded more and more by customers and consumers and it is just the right thing to do."

Dave Cronshaw, Sustainability Manager – Operations, SCA Hygiene Australasia

ACTIONS AND RESULTS

Travel

To encourage the use of motorcycles and bicycles, covered parking spaces are provided for these. To encourage walking, a 'pedometer challenge' was implemented. Teams and individuals from the site were encouraged to participate and weekly updates were posted to create friendly rivalry to 'up the ante'. This programme changed the behaviour of a number of staff who now regularly walk to work instead of driving. Some areas within the site have created their own challenges with a "Biggest Loser" being one of these. This has seen an increase in exercise in this group, which includes walking to work.

Waste

The site set a target, with 2006 as the base year, of reducing waste to landfill by 75% and reducing the fibre lost to water by 50% (the fibre is removed during treatment and goes to landfill). Some of the projects that were implemented to achieve these targets included working with suppliers to return cores from plastic wrap; reusing more materials internally; sorting at source to enable more recycling; and installing monitors in drains to detect excess fibre loss. Coupled with this was employee involvement and education and working closely with our waste contractor to improve recycling rates. To date, both targets have been achieved ahead of plan. Continued reduction work is in progress and new targets will be set in 2012.

Energy

With 2005 as a base year, SCA set a global target of reducing CO2 emissions by 20% by 2020. SCA Kawerau has already achieved this target while increasing production. This has been accomplished by a number of projects to improve efficiency and reduce consumption of energy. An ESAVE team was set up and with the input of all staff, pulled together a list of opportunities to either improve efficiency or reduce consumption of energy. Projects were reviewed, ranked and worked through. The single most significant improvement came with the closure of the Natural Gas boilers (that produced steam to run the paper machines) and the introduction of direct Geothermal Steam. This resulted in about a 39% reduction in CO2 emissions from the site. Work in this area is ongoing and new opportunities are always sought.

Water

Water reduction is another SCA Global sustainability target and the two components are to reduce consumption by 15% and organic content by 30% by 2012. Starting with 2006 as a base year, consumption of water per tonne of production has been reduced by 37% and organic content in the water has been reduced by 71%. This has been achieved through process improvements and operator training, as well as the installation of meters in critical areas to alert operators if operations are outside the normal parameters. One important point regarding our water use is that water is only a carrier for the fibre in the process and is not consumed but goes back to the river after treatment. Year-on-year improvements are targeted to continue in this area.

Influence

SCA has introduced a Global Supplier Standard that sets out the requirements for companies to do business with SCA. It undertakes quarterly supplier reviews to ensure that these standards are adhered to and work with each company to continuously improve performance so that the best outcomes are achieved for everyone and the environment. Ideas from the shop floor around returning and reuse of supplier items (usually packaging type materials) have been put forward to suppliers and taken on board to reduce what would otherwise have been recycled or landfilled and instead encourage reuse.

Other

As part of the ongoing initiatives on the site, 22,500 native seedlings have been planted along the banks of the Tarawera River where it runs through the site. Local school children, Iwi, site staff, and other guests have been involved with the plantings. Many products produced at the site carry the Environmental Choice New Zealand logo showing that they meet stringent criteria with regard to environmental performance, while other products are FSC certified indicating that the fibre in those products comes from responsibly managed sources. The site is ISO 9001 and 14001 certified, AS/NZS 4801 (Health and Safety) and is a member of the New Zealand Packaging Accord and the Australian Packaging Covenant. SCA produces, and has done for many years, a Global Sustainability Report and sets global targets for all sites to achieve as well as sites being able to set local targets in areas not covered by the global targets.

AWARDS

- 2011 BOP SBN Awards: Trailblazer Large and Corporate Category – Winner
- 2011 BOP SBN Awards: Sustainable Business of the Year - Winner
- 2011 NZI National SBN Awards: Trailblazer Large and Corporate Category (sponsored by Ricoh) – Judges' Commendation

JUDGES' COMMENTS

BOP SBN Awards

“SCA Hygiene Australasia (Kawerau Site) has demonstrated real leadership in the way that it embeds sustainability into its business practices. The company has adopted a long-term sustainability focus which is clearly connected to the financial bottom line but enhances this with strong community and staff engagement, social responsibility, and a commendable openness about its practices. Judges were impressed with the reductions in waste and CO2 emissions, the reduced water use, chain of supply consistency, and third party endorsements.”

NZI National SBN Awards

“The company has significantly reduced the environmental impact of its Kawarau plants through a switch to geothermal energy, significant water saving programmes, sustainable timber supply and use of some recycled paper as a feedstock. It is also taking steps to communicate to consumers the greater sustainability of the resulting products.”