

SCA GRAPHIC LAAKIRCHEN AG



Environmental Report 2003

SCA FOREST PRODUCTS



At a glance

FACTS AND FIGURES 2003

> **BUSINESS UNIT:**
SCA Forest Products

> **LOCATION¹⁾ - ADDRESS:**
Schillerstraße 5, A-4663 Laakirchen, Austria

> **PRODUCTION VOLUME 2003:**
462,000 tonnes

> **NUMBER OF EMPLOYEES:**
565

> **PRODUCTS:**
Super-calendered (SC) rotogravure and offset paper

> **BRANDS:**
GraphoGrande, GraphoGravure, GraphoSet, GraphoNova,
GraphoPrestige

> **TECHNICAL SYSTEMS:**
Grinding station, de-inking plant, PM 10, PM 11, wastewater
treatment plant, gas turbine, fluidised bed boiler, landfill site

> **ENVIRONMENTAL MANAGEMENT SYSTEMS:**
ISO 14001: initial certification 1995
EMAS: first official report 1995

> **QUALITY MANAGEMENT SYSTEM:**
ISO 9001: initial certification 1994

1) Sector division 21.12 conforming to NACE Rev. 1, manufacture of paper, paper board and cardboard



DIPL.-ING. MARK LUNABBA
President SCA Graphic Laakirchen AG

Ecologically correct, economically successful

One of the cornerstones of company policy at SCA Graphic Laakirchen AG is the equal value we place on achieving our business, quality and environmental goals. Naturally, the course we have charted makes high demands on us.

Until now, the extra investment of personal effort, technology and capital investment in our company has been repaid in terms of enhanced efficiency, quality and commercial success. For this to remain so in future, the overall conditions we operate in must be harmonised, meaning that the forces of industry and politics need to work constructively with each other. We have maintained our commitment to deploy environmentally friendly manufacturing processes and to attain the highest levels of product and service quality, because this path has enabled SCA Graphic Laakirchen AG to grow in strength, to become recognised as a market leader for innovation and quality, and to achieve commercial success. We produce high quality paper brands on our state-of-the-art paper machines, the recently upgraded PM 10 and the high-tech PM 11 which was commissioned in 2002.

The environmentally friendly technology used in our paper machines and extremely modern subsidiary plants have enabled us to reduce specific emission values despite increased production capacities. The ecological benefits of these costly investments are evident and quantifiable. Hence water quality on the River Traun has continued to remain very satisfactory despite increased output from PM 11. Annual scientific tests confirm what fishermen

and swimmers are already seeing: the Traun is an encouragingly clean and healthy river.

Unfortunately we were less successful in the field of health and safety. New hazards emerged with the commissioning of the new paper machine causing an increase in the incidence of accidents, in spite of our technical precautions and comprehensive training. Changes in operating conditions on PM 11 require staff to take great care and concentration. This is why we are focusing on training to discern concealed danger which should reduce the hazard potential and the number of accidents.

In July 2003, the international paper industry was upset by the EU's directive on emissions and the regulations of the Kyoto Protocol, both of which signalled future price increases in the energy sector. Since the Austrian paper industry has already done its homework on environmental policy, our view is that we need to conduct pro-active research if we are to take ecological development one stage further. This means that innovative technologies or leaps in technology are required to ensure the quantitative and qualitative growth of the industry from both an economic and ecological perspective.

It is precisely in meeting this challenge that we see our chances for the future.

Dipl.-Ing. Mark Lunabba

SCA Graphic Laakirchen AG

SITE DESCRIPTION

Our plant is situated in Upper Austria, a traditional paper-making region and important tourism area. This is the reason why we pay particular attention to minimising the impact of our operations on the environment.

The history of paper manufacturing in Laakirchen dates back to the 19th century. Since 1988 our plant has been a 100% subsidiary of the international paper corporation Svenska Cellulosa Aktiebolaget (SCA). Based in Stockholm, Sweden, the corporation is one of Europe's leading wood and pulp processing companies and is divided into three business divisions: Hygiene Products, Packaging and Forest Products. Within the Forest Products Division, SCA Graphic Laakirchen has assumed responsibility for handling the production and further development of uncoated natural papers for rotogravure and off-set printing.

SCA Graphic Laakirchen AG currently employs 565 people. Each year, up to 485,000 tonnes of super-calendered (SC) quality paper can be produced on two paper machines, PM 10 and PM 11, for such brands as GraphoGravure, GraphoGrande, GraphoSet, GraphoNova and GraphoPrestige. SC paper from Laakirchen is used to produce magazines, catalogues and adver-

tising materials. Some 90% of output is sold in Europe, with the remainder going to overseas markets. For us, product quality means meeting the highest standards of printability and runnability while satisfying the demand for optimum environmental friendliness. Apart from the plant units used in paper manufacturing, such as the grinding station, the stock preparation, PM 10 and PM 11, the site also has a number of technical facilities that help us to implement our ecological quality standards.

They include the de-inking unit for processing recovered paper, a multi-stage mechanical and biological wastewater treatment plant and a gas turbine that works on the cogeneration principle (combined heat and power) and supplies about two-thirds of the plant's energy needs as well as 100% of its heating requirements. A modern landfill site and a fluidised bed boiler for the thermal utilisation of biogenic residues are located in the immediate vicinity of the production site and operated jointly with UPM Kymmene Austria GmbH.

- 01 Administrative Building
- 02 Paper Machine 10
- 03 Paper Machine 11
- 04 Reel Cutters
- 05 Packing
- 06 Reel Storage
- 07 Loading Area
- 08 Wood Processing
- 09 Grinding Station
- 10 Filler Processing
- 11 Pulp Processing
- 12 De-inking Unit
- 13 Material Management
- 14 Wood Storage Area
- 15 Sales Office Austria/Eastern Europe
- 16 Gas Turbine
- 17 Wastewater Purification Plant B
- 18 Water Turbines
- 19 Wastewater Purification Plant A
- 20 Works Entrance



Systematic responsibility

ENVIRONMENTAL POLICY AND MANAGEMENT SYSTEM

Two substantial priorities in our company policy, quality and the environment, are continually being checked and improved. The management system that has been implemented at our company in 1994 facilitates our efforts to address this issue by ensuring we operate on the basis of controlled processes.

Commercial goals, quality goals, environmental goals and health and safety share the same level of priority at our company and are handled with the same intention of securing their long-term development. A few key statements taken from our environmental policy are as follows:

- In the field of environmental protection, we view compliance with all statutory requirements (including legal regulations as well as national and local legislation) as an absolute prerequisite for our work, and are committed to making appropriate, on-going improvements in environmental protection at our plant.
- We intend to reduce any detrimental impact on the environment resulting from our site activities or the use and disposal of our products by using the best technology available within financially reasonable means.
- We shall monitor the environmental impacts of our activities.
- We intend to deploy both recyclable raw materials and our own resources sensibly and with due care.
- We actively promote a sense of environmental responsibility among our staff.
- In our communications with customers, suppliers, staff, the authorities and the general public our information policy is based on openness and accurate information.
- We wish to inform our customers about the environmental aspects of our work and convey to them our environmental competence, as well as the benefits of our acting in full awareness of our environmental responsibilities.



MANAGEMENT SYSTEM

The SCA Graphic Laakirchen AG management system has been certified under DIN EN ISO

9001:2000 and 14001 and validated under the EU's Eco-Management and Audit Scheme (EMAS). Each sequence of events is allocated a task area and a responsible member of staff, and is precisely described in the form of process and operational procedures. Since overall responsibility lies with a senior management delegate, the system operates with the active support of decision-makers. Completion of company goals is systematically tracked and checked to ensure correspondence with our company policy.

AUDITING

The operational performance of the system is evaluated during regular management reviews and assessed in terms of its suitability, appropriateness and efficiency. Any improvements arising from on-going monitoring (in the form of internal and external audits) are supplemented to the system. This ensures that both detailed and all-encompassing improvements are incorporated into the system. Goals and steps taken to secure them are documented and constantly monitored. Precautions against accidents and operational malfunctions are set out in emergency plans. A computerised system that manages regulations and legal notifications ensures that we comply with all legal requirements, and is also regularly audited during the management reviews.

DOCUMENTATION

The complete documentation is available on the company Intranet enabling every staff member to obtain information.

By participating in the eco-management auditing scheme, we are constantly encouraged to improve our environmental performance. We use the 'ecological limitedness' method to gauge environmental performance, since it enables us to represent various ecological impacts in different environmental categories and to make direct comparisons of changes in the environmental situation. In addition, we also take the peculiarities of our location and its surroundings into consideration (such as logistics, local residents, regional characteristics, etc.). The results are documented and published in the form of environmental reports.

High-tech for the environment

DESCRIPTION OF UNITS AND PRODUCTION PROCESSES

The following brief description of the units and outline of the manufacturing processes is intended to help the reader gain a better understanding of material flows and inter-relationships within the production cycle.

GAS TURBINE UNIT **C C E A L**

The gas turbine driven thermal power station is used for the low-emission generation of electricity and steam from natural gas. It ensures that the plant is independently able to supply most of its own energy requirements by utilising the cogeneration principle. The unit functions much more efficiently than conventional caloric power stations.

GRINDING STATION **E L G A C F**

Here the externally sourced groundwood is first debarked and cut; the bark shavings are thermally utilised in the fluidised bed boiler. Once cut, the wood is mechanically defibrated at the grinding station using 14 grinders. In the next stages, the groundwood is sorted and stored for further use. Since the entire process requires a lot of energy, we are constantly working on ways to reduce the energy requirements involved.

BLEACHING UNIT **C A**

Groundwood and the prepared material from recovered paper are bleached in a two-stage

bleaching unit using hydrogen peroxide and sodium dithionite. The entire process takes place without any chlorine at all. Bleaching is highly important in order to achieve the desired brightness of paper.

DE-INKING UNIT **E L G A C F**

Part of the groundwood is replaced by prepared recovered paper, which considerably reduces energy requirements. Impurities and print dyes are dissolved out of the recovered paper at the de-inking unit. The development of customised technology for this recycling process has enabled recovered paper also to be used in high quality magazine papers. The residues from recovered paper processing are thermally used in our own combustion plant.

STOCK PREPARATION **E**

Externally sourced fillers and totally chlorine-free (TCF) bleached pulp are dissolved at the site. All raw and auxiliary materials are then brought together at the so-called stock preparation.

PAPER MACHINE 10 **E L G A C F**

Upgraded to a state-of-the-art facility, PM 10 now produces around 240,000 tonnes a year of high quality rotogravure paper (GraphoGravure, GraphoGrande and GraphoPrestige) at a speed of 1,400 m/min and width of 7,220 mm.

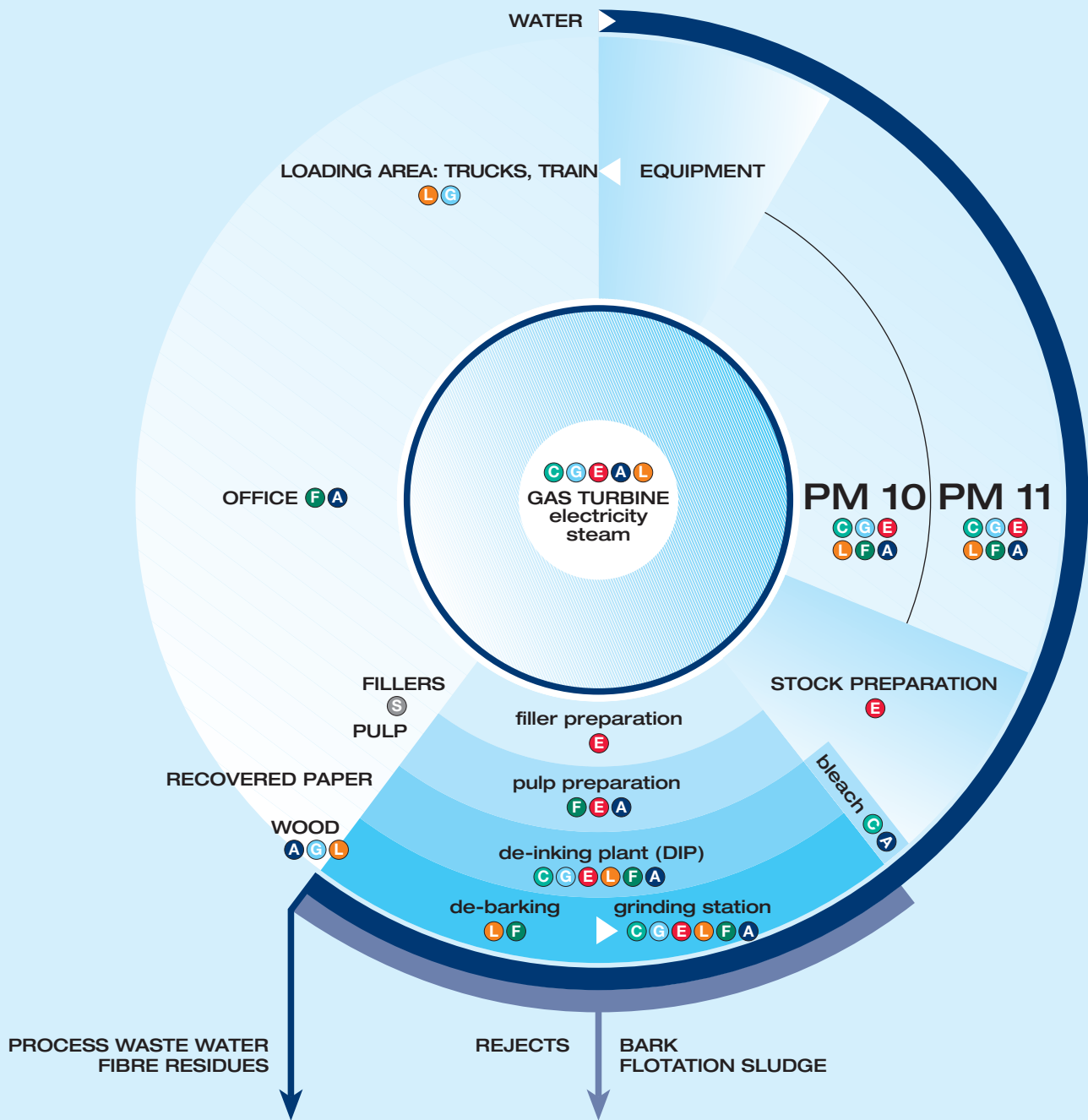
PAPER MACHINE 11 **E L G A C F**

Commissioned in 2002, the new high-tech PM 11 produces about 245,000 tonnes a year of extremely high quality offset paper at a speed of 1,300 m/min and width of 8,700 mm. While GraphoSet is a high quality standard paper, GraphoNova has a revolutionary SC quality approaching that of LWC paper.

ENVIRONMENTAL ASPECTS

- A** Wastewater
- C** Use of chemicals
- E** Energy consumption, waste heat
- F** Solid waste
- G** Gaseous emissions, odour
- L** Noise
- S** Dust





WASTE WATER PURIFICATION UNIT

Each year, around 7 million cubic metres of water are purified at the highly efficient mechanical and biological wastewater treatment plant. With its recently built moving bed biofilm reactors, the configuration of the wastewater treatment plant is state-of-the-art and therefore offers the best way of meeting the high water protection targets that have been set for the River Traun.



FLUIDISED BED BOILER

Residues that can no longer be used in the manufacturing process such as fibre residues, barks and the residue from recovered paper processing are thermally utilised in the fluidised bed boiler. Energy obtained in this way is then used for manufacturing paper. The remaining ash can be used in the construction materials industry or is deposited at the plant's landfill site.



LANDFILL SITE

Only the final residues from the fluidised bed boiler such as ash or stones are deposited at the landfill site, which was built using state-of-the-art technology.

The fluidised bed boiler and landfill site are operated jointly with UPM Kymmene Austria GmbH off the production site of SCA Graphic Laakirchen AG.

Environmental performance

DIRECT AND INDIRECT ENVIRONMENTAL IMPACTS

The environmental compatibility of products and manufacturing processes refers to direct and indirect environmental impacts caused at the stages of manufacturing, distribution, actual use and waste disposal. This all-round perspective takes a highly diverse range of factors into account, from the procurement of raw materials to transportation and disposal policies.

WATER

Water is used at our plant for the purposes of dissolving, transportation and cooling. The fresh water we use is taken from wells at the production site and pumped unprocessed to the manufacturing units. Water used in the paper machines is then reused in the grinding station and de-inking plant before being sent to the wastewater treatment plant.

In the mechanical part of the plant, fibrous residues are removed from the water and mainly used in the brick-making industry. Dissolved organic impurities are converted by micro organisms and bacteria during the biological processing phases, and thereby the wastewater is purified. Apart from our own continuous measurements, the quality of the wastewater is checked by independent authorities each year. Investigations of the River Traun's biocenosis and aquatic organisms confirm that the inflow of purified wastewater from our company does not have any negative impacts at all on the river.

RAW MATERIALS

We use groundwood, pulp, prepared recovered paper and fillers as the raw materials of our products.

Wood: Wood is the most important raw material used for our products. Our annual requirement of wood is about 430,000 cubic metres. We source 80% of this from Austrian forests, with the remaining 20% coming from Southern Germany and the Czech Republic. About 70% of the wood we use is certified under the Programme for the Endorsement of Forest Certification Schemes (PEFC), which aims to improve conditions for sustainable forestry. Once sourced, the wood is cut, debarked and mechanically defibrated at our company. During the warmest time of the year, the stored wood has to be watered to prevent any loss of quality. The sprinkler water is used in the production cycle before being sent to the wastewater treatment plant for purification.

Pulp: Since 1993, SCA Graphic Laakirchen AG has used totally chlorine free (TCF) bleached pulp and is considered a pioneer in this field. All of the TCF pulp used in Laakirchen comes from

Sweden and is transported to the site by ship and rail. Oxygen, ozone and hydrogen peroxide are used to bleach the pulp.

Recovered paper: To enable the use of recovered paper in high quality magazine papers a special de-inking plant was developed at Laakirchen which uses about 165,000 tonnes a year of previously sorted recovered paper. Approximately 75% of this paper is derived from wastepaper collection in Austria. The remaining secondary fibres are mainly sourced from Southern Germany. Additional imports are required because of the inadequate amount of usable recovered paper available in Austria. About 90% of our recovered paper is supplied within a radius of 250 km.

The ecological benefits of re-using recovered paper are, on the one hand, the savings made in the amount of resources required, and, on the other, the reduced demand for energy during the stock preparation phase through the deployment of previously used fibres. The waste resulting from recovered paper processing is thermally utilised in our own plant. Chemicals are required to process the secondary fibres, but the amounts we use are strictly controlled and constantly improved.

Fillers: We source our fillers from suppliers within a radius of max. 300 km. 80% of the fillers come from Germany and the Czech Republic, and are mainly delivered by rail. Our suppliers use energy-saving technologies and environmentally compatible chemicals in degrading and processing the raw materials. Areas affected by degradation activities are renaturalised upon completion of the work.

CHEMICALS

Under the terms of a special cooperation agreement, one of our main suppliers has an online connection to our data network that enables him to take readings of our tank volumes and make the corresponding arrangements for carrying out necessary deliveries. The transport of chemicals is usually carried out using special rail tank wagons. When storing and using chemicals, we take particular care to ensure all requirements concerning safety, environmental protection and other legal regulations are maintained.



Programme for the
Endorsement of Forest
Certification Schemes



Defined emergency procedures have been set out in our plans for dealing with accidents.

Bleaching: We ensure that our externally sourced pulp is totally chlorine free and do not use chlorines in any of the bleaching processes that take place at our plant. This means that groundwood and processed recovered paper are bleached with hydrogen peroxide and sodium dithionite without using any chlorines at all.

ENERGY

Gas turbine: The on-site gas turbine driven thermal power station supplies the plant with energy in the form of steam and electricity. This thermal power station operates on the co-generation principle (combined heat and power generation) and as such is a combination of a gas and steam turbine with an interposed cooling tank. The unit runs so efficiently that we have been able to reduce the amount of fossil fuels by about 30% in comparison to conventional generation technologies. As a result, the level of noxious emissions has also fallen significantly.

WASTE

Fluidised bed boiler: Residues such as bark, fibre and what remains from recovered paper processing (flotation sludge) are thermally used to obtain energy. The remaining ash is used as a secondary raw material in the construction industry or is deposited at the landfill site. We also pass on residues from the paper manufacturing process, so-called fibre residues, to the brick-making industry for further residue-free utilisation.

Hazardous waste: The disposal of hazardous waste is carried out by authorised disposal companies and documented through a dispatch note system.

Landfill site: Residues from the fluidised bed boiler (stones and ash) that can no longer be used are deposited at the state-of-the-art landfill site which is also located nearby.

WASTE AIR – ODOROUS EMISSIONS

Waste air from the paper machine is released into the atmosphere in the form of heat and steam. The emissions from the gas turbine (NO_x,

CO) are constantly measured and added by a calibrated emission calculator. The calculation of CO₂ output is converted on the basis of the actual natural gas consumption.

One of the central environmental issues at our plant is the smell emanating from the manufacturing area and wastewater treatment plant. In particular, the treatment of sludge can lead to intensive malodorous emissions. To reduce the effects on the environment and local residents, we are currently implementing a project to treat the waste air arising from sludge dewatering. In addition, olfactometric investigations have been carried out to measure the intensity and spread of malodorous emissions. Sources of smells have also been identified in the manufacturing units and we have introduced appropriate countermeasures.

NOISE

By taking the appropriate structural and technical measures, we have been able to reduce noise emissions from our plant and comply with legal noise level requirements. We have already begun to ask our suppliers to deliver a guarantee that the new units we order comply with the noise restrictions in force. At the same time, we are also reducing emissions by installing additional insulation and silencers. Our compliance with statutory noise limits is monitored through regular noise measurements.

TRANSPORTS

Our raw materials of wood and recovered paper are mainly delivered by truck. Pulp and fillers are delivered by rail; the finished products are subsequently dispatched by truck and rail. Our rail transports, however, depend on the availability of a rail connection at the customer end. Since our customers demand that we offer them full supply flexibility and a 'just-in-time' service, we are obliged to deploy trucks whenever the less flexible rail transport system does not meet customer requirements.

Despite our increased capacity we have managed to reduce specific environmental impacts by using modern plant technology.

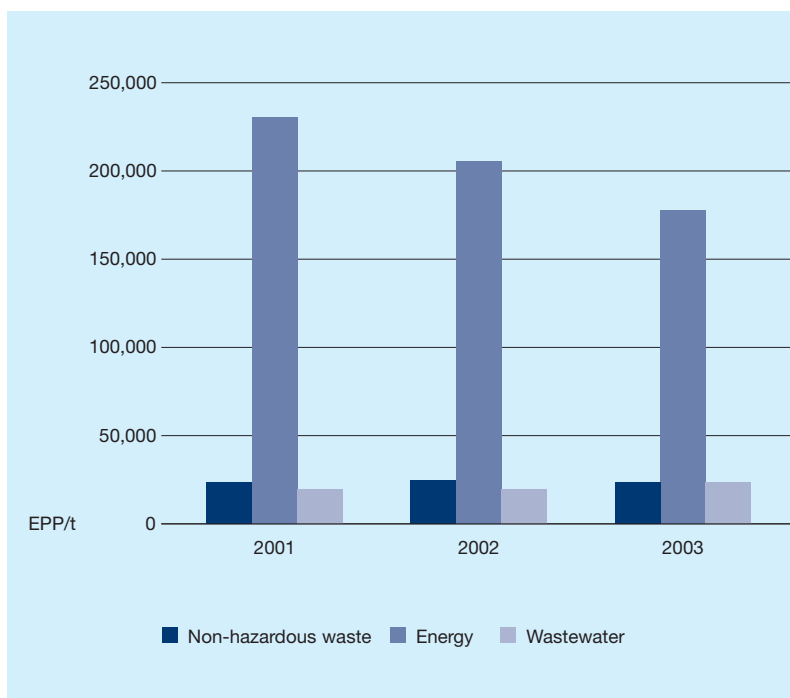


ENVIRONMENTAL POLLUTION: ASSESSMENT PROCEDURES

In order to have a basis for deciding upon our annual environmental goals and measures, we believe it is important for us to use an assessment procedure that combines transparency with replicability, and validity with recognition. For this reason we use the 'ecological limitedness' method to gauge environmental impacts, since it enables us to represent various ecological impacts in different environmental categories with reference to the core process and to make direct comparisons of improvements in the environmental situation. This capability to make comparisons is achieved by calculating index numbers for environmental effects derived from the plant (so-called environmental pollution points). The actual number of environmental pollution points is a sound indication of the extent of the environmental impacts and can be obtained by multiplying the quantities calculated or used at the plant with the ecological factors defined by the assessment method for individual pollutant materials and energy flows. The ecological factors used for this assessment method have been calculated in studies recognised by the Austrian Ministry of Agriculture, Forestry, Environment and Water Management, and are based on statutory limits, international standards and expert opinions.



DISTRIBUTION OF ENVIRONMENTAL POLLUTION 2001-2003 in environmental pollution points (EPP) per tonne of paper



ENVIRONMENTAL IMPACTS

The influence a company has over its environment should also be seen in connection with its manufacturing capacity. If we compare the environmental impacts with the production output, the positive environmental performance of SCA Graphic Laakirchen AG becomes evident. By systematically pursuing our environmental projects we have been able to boost our environmental performance, which is calculated in environmental pollution points based on the 'ecological limitedness' method, quite significantly over the past three years. The main impacts result from the use of energy, wastewater and the accumulation of non-hazardous waste. Due to the small amounts involved, **hazardous waste** cannot be represented on the scale used in the above chart.

Environmental programme 2004

The most significant environmental impacts of paper manufacturing result from the use of raw materials and the release of solid, liquid and gaseous emissions. The priorities of the 2004 environmental programme consist of measures to minimise wastewater emissions and reduce energy consumption as well as the use of chemicals. Emphasis is also being placed upon even tighter precautionary measures in the fields of health and safety on the one hand, and the protection of buildings on the other.

ITEM/PROCESS	AIMS	ACTIONS	* environmental programme
WASTEWATER			
	wastewater volume < 16 l / kg paper	enhanced management of water in the production cycle (from EP* 2003)	
		conversion of water coolers at PM 10, parts 2 and 3 (from EP 2001)	
	COD load < 3.2 tons / day	substitute products for poorly degradable complexing agent	
		drawing up of steps to minimise COD load at plant	
		development of wastewater treatment plant (ozone treatment, wastewater cooling)	
ENERGY			
	spec. energy consumption of PMs + raw material preparation < 680 kWh/t paper	improvement of down time of paper machines + raw materials units	
		review of measures proposed in external energy study	
		improvements to well pumps	
		Improvements to pumps and machinery in the raw materials units	
CHEMICALS			
	prevention	building of a new oil storage facility	
		expansion of storage area for inflammable liquids	
		staff training in use of raw and auxiliary materials as well as chemicals	
		improvements to chemicals tank station in wastewater treatment plant A (from EP 2003)	
LOGISTICS			
	rail share of finished products > 45 %	elaboration of new logistics structures	
HEALTH AND SAFETY			
	number of accidents: < 10 per 1,000 staff	implementation of internal safety audits	
		training on implementation of brief audits for head of divisions	
		checking of "hazard detection system" for completeness	
	prevention	participation in paper industry's 'heat protection project'	
WASTE			
	external fibre residues- utilisation rate > 80%	extension of utilisation track	
FIRE PROTECTION			
	(risk) prevention	phased extension of fire protection system (adaptation to PM 11 standards according to action plan)	
		sprinkler protection (building protection) for finished goods warehouse	
		personal and fire protection facilities according to action plan	
	adaptation to state-of-the-art technology	ventilation of central sprinkler unit at PM 10	
ODOUR			
	reduction of malodorous emissions	identification of odour sources at PM 11 and preventive actions	
		utilisation of waste air from dewatering extraction (from EP 2003)	

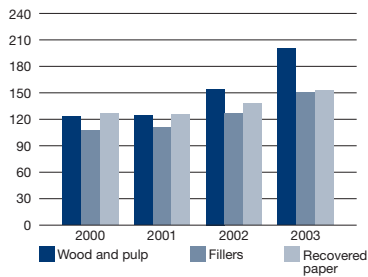
MOST OF THE ACTIONS FROM THE ENVIRONMENTAL PROGRAMMES 2001 TO 2003 HAVE BEEN COMPLETED. NON-IMPLEMENTED PROJECTS ARE EXPLAINED IN THE REVIEW ON PAGE 14.

Targeted performance

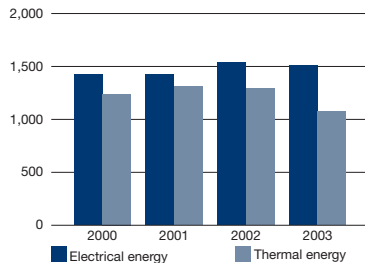
DATA SYNOPSIS

Absolute figures for some of the parameters in our environmental data have risen because of higher output volumes. However, the progression of relative values clearly shows that in overall terms, SCA Graphic Laakirchen AG managed to reduce individual environmental impacts and boost its environmental performance. The current environmental plan has provided for counter-measures against impacts with high specific values.

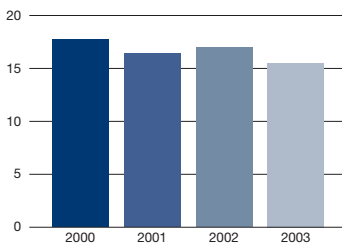
CONSUMPTION OF RAW MATERIALS
(in kt)



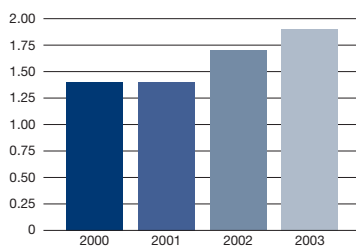
SPECIFIC ENERGY CONSUMPTION
(in kWh/t)



SPECIFIC VOLUME OF EFFLUENT
(in l/kg)



SPECIFIC COD OUTPUT
(in kg/t)



Year

Unit

2000

2001

2002

2003

Changes
2002-2003
in %

PRODUCTION (net air-dry)	kt	323	323	376	462	22.93 %
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RAW MATERIALS PROCUREMENT

		2000	2001	2002	2003	Changes 2002-2003 in %
Wood and Pulp	kt	123	124	154	199	28.98 %
Fillers	kt	107	111	126	150	19.17 %
Recovered paper	kt	126	125	138	153	10.77 %
Chemicals	kt	16	16	19	25	30.74 %
Water	1000 m ³	6,725	6,343	7,393	8,210	11.05 %

ENERGY PROCUREMENT

		2000	2001	2002	2003	Changes 2002-2003 in %
In-house hydraulic power	MWh	16,885	17,328	18,853	14,129	-25.06 %
Electrical energy (external)	MWh	38,575	40,960	147,064	264,056	79.55 %
Natural gas	1000 Nm ³	110,512	104,280	116,381	117,494	0.96 %

ENERGY CONSUMPTION

		2000	2001	2002	2003	Changes 2002-2003 in %
Electrical energy	MWh	460,509	459,488	577,212	691,818	19.86 %
Thermal energy	MWh	400,033	422,312	484,576	494,727	2.09 %

EMISSIONS

WASTEWATER

		2000	2001	2002	2003	Changes 2002-2003 in %
Wastewater flow	1000 m ³	5,706	5,293	6,343	7,160	12.88 %
COD	t	453.5	467.1	652.7	858.7	31.56 %
Suspended solids	t	28.5	31.8	57.1	61.9	8.50 %
P _{tot}	t	2.1	2.5	2.6	1.6	-37.36 %
N _{tot}	t	7.7	7.1	9.7	3.1	-68.34 %
COD efficiency	%	92.41	91.37	89.88	89.01	
BOD efficiency	%	99.11	98.87	98.87	98.61	

EXHAUST GASES¹⁾

		2000	2001	2002	2003	Changes 2002-2003 in %
NOX	t	112	133	196	193	-1.46 %
CO ₂	kt	221	210	238	236	-0.71 %
CO	t	68	94	180	125	-30.31 %

WASTE

		2000	2001	2002	2003	Changes 2002-2003 in %
Bark (incl. wood scraps)	kt	36.79	37.67	50.71	61.56	21.38 %
Fibre residues	kt	9.09	9.96	15.77	15.11	-4.20 %
Recyclables	kt	0.50	0.33	0.52	0.75	45.06 %

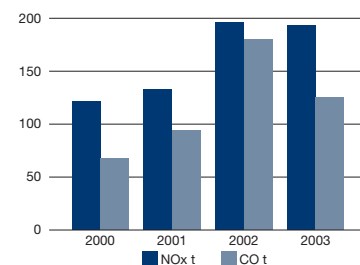
EXPLANATION AND ABBREVIATIONS

kt = kilotonnes = 1,000 tonnes, t = tonnes
 MWh = megawatt hours, kWh = kilowatt hours
 Nm³ = standard cubic metre, m³ = cubic metre, air-dry = air-dried

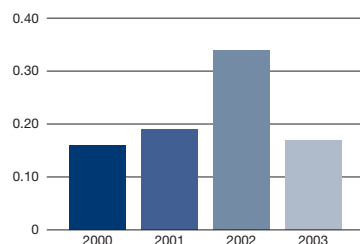


Year	Unit	2000	2001	2002	2003	Changes 2002-2003 in %
EMISSIONS						
WASTE						
Industrial / inorganic waste	kt	0.18	0.23	0.43	1.54	260.16 %
Flotation sludge	kt	43.38	42.97	45.15	50.50	11.85 %
Rejects	kt	1.76	1.83	1.80	1.99	10.47 %
HAZARDOUS WASTE kt						
		0.052	0.064	0.130	0.084	-34.92 %
consists of the following groups (in %)						
Key no. acc. to ÖNORM S2100 (waste catalogue)						
Metal waste	35...	2.74	4.23	1.58	3.62	
Acids, lyes and concentrates	52...	0.31	0.00	0.90	12.49	
Mineral oil products	54...	95.84	91.12	80.70	82.94	
Organic solvents, paints	55...	0.46	3.93	10.50	0.58	
Chemical conversion processes	59...	0.65	0.72	6.31	0.38	
WASTE DISPOSAL						
Recycling	kt	89.77	90.93	113.18	129.60	14.51 %
Landfill site	kt	2.42	2.06	1.20	1.84	53.79 %
Special treatment	kt	0.05	0.06	0.13	0.08	-34.92 %
NOISE [in dB (A)]²⁾ Limits ³⁾						
North	45	45.0	43.0	40.2	44.8	
West	45	35.2	39.1	33.5	34.0	
East	45	43.3	44.4	38.9	44.6	
South	45	40.4	32.7	44.7	44.1	
TRANSPORTATION [in %]						
Total for finished and supplied goods						
Truck	%	59.0	54.0	58.5	62.1 %	
Rail	%	37.7	45.0	37.0	34.2 %	
Ship	%	3.3	1.0	4.5	3.7 %	
COMPARISON						
		IPPC ⁴⁾	2001	2002	2003	OFFICIAL PERMIT ⁵⁾
Effluent	m ³ /t	12-20	16.17	16.89	15.51	20.50
COD	kg/t	2-5	1.43	1.74	1.86	1.88
P _{tot}	g/t	4-10	7.5	6.9	3.5	11.0
N _{tot}	g/t	40-100	21.7	25.8	6.6	73.3

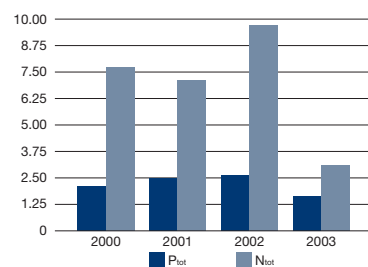
EXHAUST GAS EMISSIONS
(in t)



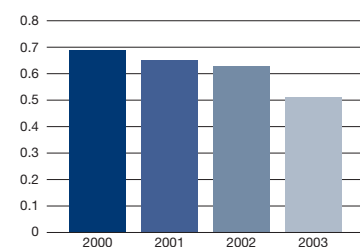
HAZARDOUS WASTE
(In kg/t)



PHOSPHORUS AND NITROGEN OUTPUT
(in t)



SPECIFIC CO₂ OUTPUT¹⁾
(in t/t)



Specific values refer to net production.

1) Including emissions from gasturbine

2) Noise measurements were taken at night (between 10:00 pm and 00:55 am). Tolerance + 0.7 dB(A).

3) Limit values: daytime 55 dB(A), night time 45 dB(A).

4) IPPC = Integrated Pollution Prevention and Control; establishes technological standards for the paper industry.

5) The official figures refer to a production capacity of 1,171 tonnes/day.

Changes 2002–2003

EXPLANATION OF THE ENVIRONMENTAL ASPECTS

Despite increased manufacturing output in 2003 we continued to reduce specific environmental impacts. This can be explained by the use of state-of-the-art plant engineering technology, and optimisation of individual measures and actions.

Raw materials: The approx. 23% rise in manufacturing output during 2003 was accompanied by increased volumes of raw and auxiliary materials used. Consumption of chemicals also increased sharply by 30.7% due to the heavy demand for our special papers.

Energy: The increase in production also led to an absolute increase in the consumption of thermal and electrical energy. At the same time, energy consumption has clearly fallen per tonne of production. The overhaul of a hydraulically powered turbine and a very dry summer reduced the generation of electricity from hydraulic power sources by 25%. In addition, maintenance work due on the gas turbine was brought forward, so more electricity had to be purchased from the network of the local energy provider.

Water: Due to higher production output the consumption of fresh water increased by 11%, which also caused the wastewater output to rise in absolute terms by some 13%. The specific volume of effluent, however, was reduced by about 8.2% to 15.5 litres of wastewater per

kilogram of paper. COD output from the wastewater treatment plant rose by about 32% as a result of the higher demand for bright papers and the use of poorly degradable auxiliary materials. The wastewater treatment plant is being fitted with an ozone unit to counter the increased levels of pollution. Phosphorus levels were clearly reduced through the substitution of chemicals; the drop in nitrogen values is due to a technical flaw in the analytical procedures of previous years, which incorrectly indicated the high values of previous reports.

Exhaust gases: Increased generation of thermal energy has led to more efficient utilisation of fuel. For this reason, NO_x output has been reduced by 1.5%. In recent years incorrect values from the gas turbine were obtained due to an imperfect arrangement of the measurement sensors used; this shortcoming has now been rectified and the results corrected for this environmental report. Despite the higher emission values that are now available, the data is still clearly below the statutory threshold values.

REVIEW Actions from the 2002 programme have been implemented in full.

Most of the actions from the 2001 and 2003 programmes have been dealt with. The remaining projects from these years are described below:

Environmental programme 2001

- **A central warehouse for hazardous waste** was not built since there was no ecological justification.
- **Conversion of PM 10 oil coolers to air cooling:** this action has again been included in the 2004 programme because the project can only be fully implemented this year (due to project amendments and the consequent need to obtain new planning permission).

Environmental programme 2003

- **The procurement of air content gauge for PM 11** has been temporarily put on hold since the de-foaming enhancement through online measurement of air content only seems useful after completion of development stage II.
- **The scaling down of inflow channels at the primary sedimentation basin** was not implemented because of its relatively insignificant effect on minimising malodorous emissions.
- **The redevelopment of nutrients and chemicals depots and tank stations in the waste water treatment (WWT):** Relevant preventive action has been implemented with the exception of the redevelopment of the tank station in WWT-plant A. For this reason the latter has again been included in the 2004 programme.
- **The enhanced management of water in the production cycle:** This action will continue to be pursued in the 2004 programme because of the need to reduce water consumption.
- **The utilisation of waste air from the dewatering room and silo extraction** has yet to be fully implemented. Consequently, this action is stated again in the 2004 programme.



Waste: The principal cause of the increased volume of waste is due to the greater consumption of raw materials used in higher manufacturing output. Suitable units are available for utilising the remaining residues (see fluidised bed

boiler, page 7). The increase in inorganic material (+260 %) is caused by the demolition of PM 3. Hazardous waste was reduced by some 35% after completion of demolition work on PM 3.



DEMOLITION WORK ON PM 3

An important contribution to environmental protection at the plant was made through the intelligent selection of an ecological on-site procedure to utilise the rubble arising from the demolition of PM 3, representing total savings of some 1,374 truck rides, or a reduction of greenhouse CO₂ emissions amounting to 9.44 tonnes.

DEMOLITION OF HIGH RACK WAREHOUSE

In January 2004 work began on demolishing the high rack warehouse on the site of SCA Graphic Laakirchen AG. The warehouse, which was the last of the previous hygiene paper production facilities to have survived until then, was still operating at the end of 2003 as a supply depot for the Ortmann / Lower Austria paper factory. Its demolition meant the final end to an 'emblem' of Laakirchen, which had played a prominent part in the look of the area for years.

For local residents in the vicinity, the disappearance of the massive building complex represents a clear change in their lives. The demolition of the high rack warehouse was completed at the end of April and the site will have been redeveloped by the end of the year.

COMPLAINTS FROM LOCAL RESIDENTS

The remarks which came from local residents last year dealt chiefly with the issue of smells originating from the plant. It is very important for us to maintain good relations with our neighbours. Consequently, every suggestion, idea or complaint made by local residents is collected at a central point and immediately dealt with by the department responsible. In many cases, efforts are made to contact the complainant directly and introduce solutions for the issue at hand. Though we do all we can to minimise any disruptive effects our activities may have on our neighbours, sometimes it takes longer than desired to overcome the underlying causes of the problem.

OTHER FACTORS



EXCEEDING LIMIT VALUES

On a few days in 2003 the maximum permissible COD load was exceeded. This was caused by a combination of the seasonal lower whiteness of wood and market-driven demand for a particularly bright type of paper. In addition, the breakdown of a computer system led to excess temperatures being recorded over a brief period in the outlet of the wastewater treatment plant. Yet in both cases damage to the environment can certainly be ruled out. We are already working on long-term measures to achieve enhanced COD degradation and will make relevant investments. The responsible authority was informed of the infringements and our counter-measures.

LEGAL REGULATIONS

The database solution we use to meet our obligations from legal requirements at national and local level keeps a record of relevant conditions and deadlines. The reminder facility (where we can set dates prior to deadline expiry) ensures that we do not miss any of the pertinent deadlines. Each new legal regulation is examined at a central point in the company and sent to the member of staff responsible with a response form. The staff member is responsible for reviewing the piece of legislation with regard to its implications for the company, and to prepare the database for the necessary actions and their corresponding deadlines by using the response form.



Climate protection as a challenge

AN INDEPENDENT VIEW

The EU passed its directive on emission allowance trading¹⁾ in July 2003. Oliver Dworak describes the effects this controversial guideline is set to have on Austria's paper industry*

* Oliver Dworak is head of department for energy and environmental policy at 'Austropapier', the Austrian paper industry association.

The EU's 'most ever lobbied directive' features a raft of obligations that must be met by an industry known for its heavy use of energy to reduce the generation of greenhouse gases. Coupled with other rulings contained in the Kyoto protocol, such as the proposed increase in the proportion of renewable sources of energy, it has distinctly worried the paper industry.

Paper is a product whose price is determined by the global market. The extra burdens that can be expected from compliance with the EU directive will set European companies at a competitive disadvantage against their rivals in Canada, the USA, South America and Asia over the short to medium term.

If energy providers in future are to pass on their extra costs from emission trading to industry consumers, the energy sector is threatened with price hikes of up to 20%. Last but not least, the substantial subsidies allocated to electricity generation from solid biomass (as part of the subsidy scheme for green electricity) means that the wood and timber market - the most important raw material for the paper industry - is under massive pressure to lower its costs.

In Austria, the situation facing the industry has become particularly acute: 27 of the 29 locations of the Austrian paper industry fall under the jurisdiction of the EU emission trading directive. At the same time, the Austrian paper industry has on the one hand already achieved a very high degree of energy efficiency due to heavy investment and ongoing improvements, and has seen a significant reduction in specific CO₂ output on the other. Here there is very little room for further improvements, a finding that has been echoed by independent studies conducted across the length and breadth of the industry in a project²⁾. 73% of the electricity required to run manufacturing and environmental protection units is generated on-site - over 93% of which is derived from highly efficient cogeneration units.

PRETTY TOUGH CONDITIONS

The uncertainty that exists regarding the future of energy taxation and reimbursement of local energy taxes (a vital, if not life-and-death

issue for the Austrian paper industry) has caused industrial investors to be noticeably reticent in committing themselves to new development projects and investment programmes. In other words, the industry is currently operating under pretty tough conditions.

The Austrian paper industry in this case has already done most of its 'homework':

- To a large degree, water used in the manufacturing process forms part of a closed cycle. The specific volume of effluent per tonne of product (i.e. paper and/or pulp) was more than halved between 1990-2001.
- Chemicals used in the manufacturing process are recycled; only a relatively small proportion of waste (ash, slag, minerals) is deposited at a landfill site.
- Wood used to manufacture paper accumulates as by-product: in forestry as thinning wood, in the sawmill industry as secondary product.
- The Austrian paper industry generates 73.5% of its own energy requirements, over 93% of which comes from cogeneration units.
- The proportion of renewable - and CO₂-neutral - sources of energy (pulp lye, bark, sludge, fibre residues, etc.) already amounts to 50%.
- The specific consumption of energy per tonne of paper has fallen by 15% since 1990, fossil-specific CO₂ emissions per tonne of paper have dropped by 20% since 1990.
- The continuous growth in output (up 50% since 1990) is now seen as a completely unrelated issue from the development of CO₂ emissions (up 14 % since 1990).

SCA Graphic Laakirchen AG, for example, contributes positively to the improvement of air pollution by deploying state-of-the-art technologies and systematically reducing noxious emissions.

The further performance of the Austrian paper industry depends not least on the overall conditions that will be set by future environmental and energy policy in Austria. Obvious synergies ought to be created via laws and regulations to prevent Austria from becoming a disadvantaged location, and to stimulate the investment that is required in local companies.

1 Directive of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowance trading within the Community, 2003

2 Chances for the paper industry in the framework of climate strategy: 'Energieverwertungsgesellschaft und Allplan GmbH' on behalf of 'Austropapier' - the Austrian paper industry association, 2003

Health and safety

PREVIEW AND REVIEW

Health and safety issues concerning members of staff form part of the established goals set out in the management manual of SCA Graphic Laakirchen AG and are a central matter of concern to the management team.

The fact that technical preventive measures and a comprehensive system of training help to improve levels of safety, but do not necessarily prevent accidents was clearly proved once again in the first 12 months following the commissioning of PM11: despite in-house efforts to provide information and training programmes the incidence of industrial accidents increased. We firmly believe that the best way to prevent accidents is only possible if each member of staff is aware of the risks he or she faces at the workplace. For this reason our company continues to promote awareness-raising measures and appropriate training events that emphasize the importance of self-responsibility among employees as the central pillar in our preventive safety activities.

ONE ACCIDENT IS ONE TOO MANY

The new requirements placed on staff through the increased capacity of PM 11 and, in part, a new or changed working environment demands the highest levels of concentration and attention from our team. This is why we continue to implement and expand upon our comprehensive range of training programmes. In 2003 we introduced new safety rules for visitors, freight-forwarders and suppliers to raise the level of public safety at our company.

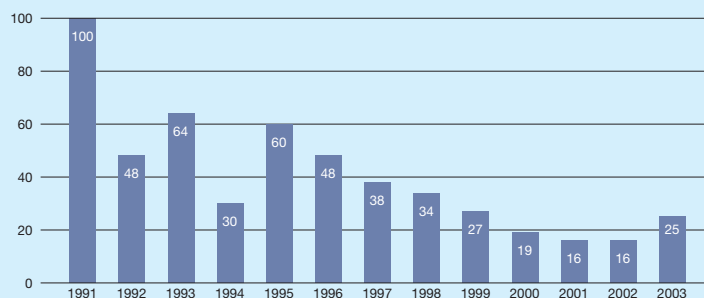
For 2004 we have set out our priorities in the form of management training courses on specific safety issues and the further training of other so-called health and safety officers.

ERGONOMICS AS A CENTRAL ISSUE

Ergonomics constitutes a special field of health and safety and refers to a humane arrangement of the individual's workplace that enables people to do their work properly. In this regard a staff survey was conducted in 2003 to ascertain significant sources of physical stress facing our personnel in different parts of the company. About one-third of all staff working on the manufacturing side were asked to respond to a questionnaire dealing with physical strain and stress at the workplace.

In 2003, the findings were broken down for the first time according to department responsibility, age and gender, and then evaluated as part of the ergonomics project under the supervision of the internal health department and the company safety officer before being processed within each of the departments. The implementation of countermeasures to improve ergonomics at the workplace shall also continue in 2004.

INDUSTRIAL ACCIDENTS A YEAR ON YEAR COMPARISON, PER 1,000 STAFF





ANALYSIS OF INDUSTRIAL WATER

In the course of special measurements taken in the hot water system, a slightly higher than normal concentration of legionella was detected at certain places in the sanitary facilities and at PM 10. The problem was swiftly solved by raising the temperature of the boiler in the showers and adding a small amount of chemicals to the paper machine: both the sanitary facilities which were affected and the trouble spots in the production area have once more returned to normal values.

PHYSICAL PROBLEMS THROUGH HEAT

Over the coming years particular attention will be paid to the issue of heat under a new project of the working group for 'health protection and promotion' of the industrial healthcare professionals in ÖZEPA*. The physical effects of exposure to heat at work will be demonstrated on test volunteers in a simulation of a paper break by means of pulse checks and through the measurement of electrolyte parameters.

The project aims to determine the degree of fitness among staff exposed to heat in order to adopt suitable countermeasures in the event of possible physical strain. The intention is to examine electrolyte behaviour in order to ascertain whether members of staff take in sufficient amounts of liquids and whether water as a drink is sufficient or needs to be supplemented with particular electrolyte (Na, K, Ca, Mg). The implementation phase of the heat project began with the investigations in February 2004 and is expected to last for a total of two years.

REVIEW: PRIORITIES FOR 2003

- The topic '*stress at the workplace*' underwent an in-depth treatment at the safety meeting in September 2003.
- The '*ergonomics project*' measures were successfully launched.
- The educational work on the topic of '*skin protection*' indicated positive results: according to a random internal survey, members of staff now make adequate use of skin protection products.

* ÖZEPA = Austrian association of pulp and paper chemists and technicians

PILOT PROJECT: HOLIDAYS AT WORK

In summer 2003, SCA Graphic Laakirchen teamed up with a child support organisation from Austria's Salzkammergut to launch the "Villa Kunterbunt" scheme.

For one week staff specially trained in educational issues from the 'Kinderfreunde' organisation staged an entertaining programme of games and creative activities for children of SCA employees in a safe area on the company premises. The company, works council and parents all contributed to the costs of providing supervision and food for the children.

The idea and starting point for the scheme (which is set to continue because of its great success) was that children should be able to see where their parents work and gain impressions of the environment their parents work in.



Environmental costs lined up in sight

AN INSIGHT INTO OUR WORK

Environmental costs seen from the angle of sustainability. Christine Jasch on the benefits of environmental cost accounting and the pioneering work of SCA Graphic Laakirchen AG in this field.*

* Univ. Doz. Mag. Dr. Christine Jasch,
Head of the institute for ecological
research of economics, IOW

Many companies associate the idea of environmental cost accounting with the calculation of what environmental protection costs to a business in the sense of redevelopment, waste disposal and monitoring. It is clear, however, that the calculation of environmental protection costs is usually an inadequate tool for identifying cost-saving opportunities within the organisation. To this end it would have to analyse the material and energy flows and assess them in monetary terms. Environmental cost accounting broadens the scope of traditional monetary accounting by supplying criteria for the physical measurement of materials and energy consumption, material flows, waste and emissions, and by supplying criteria for the monetary measurement of costs, savings and yields in connection with activities that may impact on the environment.

The development of methods that take into account existing social and ecological costs and benefits means that companies now have a tool to show that these costs are indeed highly relevant to commercial decision-making processes. This gives companies the opportunity to view operational

measures that aim at sustainability as adding value to the company and contributing to the secure livelihood of the organisation.

In 1999, the UN Commission for Sustainable Development set up an independent working group on environmental cost accounting and published a strategy paper on procedures for environmental invoicing and environmental cost accounting. SCA Graphic Laakirchen AG was the pioneering company at which the methodological framework was tested for practical suitability and subsequently improved.

SCA Graphic Laakirchen AG now has a well established, consistent system for capturing and assessing material flows, index figures and environmental costs. The building of the new paper machine in 2001, its commissioning in May 2002, and the dismantling of the old paper machine in 2003 are all events that, in part at least, can only be interpreted with difficulty from the annual figures and which involved expenses that would not occur under normal conditions. Yet a number of statements can nonetheless be clearly derived from them.





CURRENT RESULTS AT SCA GRAPHIC LAAKIRCHEN AG

Despite an almost 23% increase in manufacturing output from 2002 to 2003 due to the new PM 11, overall environmental costs (which contain the total of material losses calculated at cost price) only rose by 14.7%. Substantial increases of around 26% occurred in the case of auxiliary materials, which though partly due to international changes in price also resulted from the higher volumes that were consumed; the cost of chemicals went up by 24%, which can be explained by the market demand for brighter grades of paper. The operating costs of the wastewater purification unit, which was also enlarged due to the upturn in production, remained at the same level as in 2002.

Last year's increase in operating materials, which occurred as a result of the initial filling of the new plant components, fell back again by about 52%. Improved capacity levels of the gas turbine enabled the loss of efficiency to be reduced; the increased consumption of energy together with a peak in the price of gas resulted in increased costs of 18% against 2002. The raising of the energy tax was also clearly a financial burden. The yields for the landfill site have considerably diminished in comparison to last year.

The distribution of the environmental costs across the individual environmental media has more or less remained constant, with 22% for air/energy, 54% for wastewater, 23% for waste and 1% for others. The percentage distribution across the relevant environmental media can be taken from the following table.

ENVIRONMENTAL COSTS 2003 (DISTRIBUTION IN %) SCA GRAPHIC LAAKIRCHEN AG

ENVIRONMENTAL MEDIA	Air/Climate	Wastewater	Waste	Soil/ Groundwater	Others	SUM
Environmental costs / expenditure categories						
1. Waste and emission treatment						
1.1. Depreciation for related equipment	0.1%	2.8%	0.4%			3.3%
1.2. Maintenance and operating materials and services	0.2%	5.5%		0.1%		5.8%
1.3. Related staff costs	0.7%	1.0%	0.1%			1.8%
1.4. Taxes, fees, charges	0.9%	2.7%	6.0%			9.6%
2. Prevention and environmental management						
2.1. External services for env. management					0.4%	0.4%
2.2. Personnel for general env. protection	0.1%				0.3%	0.4%
3. Material purchase value of NPO*						
3.1. Raw materials			15.2%			15.2%
3.2. Packaging			0.1%			0.1%
3.3. Auxiliary materials			2.7%			2.7%
3.4. Operating materials	0.1%	42.2%	0.5%			42.8%
3.5. Energy	19.8%					19.8%
3.6. Water		0.0%				0.0%
4. Manufacturing costs of NPO						
		0.2%	1.0%			1.2%
<i>Sum of environmental expenditure/costs</i>	21.9%	54.4%	26.0%	0.1%	0.7%	103.1%
5. Environmental revenues						
5.1 Subsidies, investment grants						
5.2. Other earnings			-3.1%		0.0%	-3.1%
<i>Sum of environmental revenues</i>	0.0%	0.0%	-3.1%	0.0%		-3.1%
Balance expenditure/revenues	21.9%	54.4%	22.9%	0.1%	0.7%	100.0%

* Non-Product Output

EMOTIONAL TOPICS

STATEMENTS

SCA Graphic Laakirchen's commitment to the environment as seen by the stakeholders: representative statements by customers, local residents and members of staff.



It is precisely at times like these with all their enormous commercial challenges that we can see whether issues such as sustainability or environmental protection in companies are superficially treated as fair-weather fads or if they lead to long-term, forward-looking courses of action. Some years back, the Bauer publishing group solemnly promised its readers that it would do its utmost to meet the latest environmental requirements, politically and technically, nationally and internationally, from the forestry industry and the paper manufacturing sector right down to customer delivery. We expect our suppliers to share the same basic approach, just as we expect the same from our own production companies.

Only in this way can we preserve the credibility of our company, and only in this way can we secure the trust of our readers.

Klaus Peter Petschat, managing director
of Heinrich Bauer Produktions KG



As a local resident who does not depend on the company for his livelihood, I'm most concerned by SCA's impact on the environment. In this connection, I like how the company considers how its actions might affect others and how it takes the neighbourhood into account. I was also very impressed by the trouble the company went to during the building of PM 11 in order to spare the local population from annoyances such as noise from the building site, heavier than usual traffic, general mess in the neighbourhood and things like that. This positive impression was reinforced by the pleasing appearance of the new building. But I'm still concerned about them depositing ash from the fluidised bed boiler at the landfill site. Local residents here are still complaining about the nuisance caused by the fine particles that are blown up all around the area, especially when the trucks shed their loads over the side of the landfill site. Although we know they've been working on improvements for years, there are still a number of issues that need to be sorted before we're satisfied.

Walter Riedler, local resident and
member of the Laakirchen environmental
action group



We view the strong awareness of the environment you notice in our company as being extremely positive, also from a commercial point of view. Our production units are state-of-the-art, which can only benefit the staff, customers, local residents and the environment. The major investments of recent years are a signal that the management has confidence in this site. The image of the paper industry in environmental matters has never been particularly good. But here in Laakirchen we take pride in the fact that our company is one of the environmental pioneers in the industry, it certainly has the right attitude and technological credentials. There's also a social dimension to environmental protection, and these aspects have been given greater attention since we joined the SCA group. This particularly affects the staff: As well as standardised, in-house measures for securing improved health and safety standards, the company today also offers us opportunities to carry out new projects. All of us here place a lot of value on training programmes to help individuals improve their career prospects. The fact that our plant is, in overall terms, a clean and friendly place to work can be seen in its new look, which has gone down well with the local residents - and which is something we can also be a little proud of.

Helmut Zauner, chairman of the
works council / employees

Robert Leitner, chairman of the
works council / workers

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Open dialogue with our stakeholders and all those interested in our company and products is a basic requirement for our information policy. This is why we are pro-active in seeking communication with our staff, customers and business partners, with environmental associations, committed citizens from our district and region and all interested readers of this environmental report. We should like to thank you in advance for your interest, and look forward to receiving your ideas and any constructive criticism you may have.

WALTER HENNERBICHLER

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The SCA Graphic Laakirchen AG site has been audited
conforming to the EU Directive No. 761/2001
of March 19th, 2001.

This environmental report was declared valid by:

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Ing. Friedrich Smida
June 23rd, 2004
Head environmental assessor

The next environmental report shall be published in June 2005.