



An Australian Government Initiative

NCOS CARBON NEUTRAL PROGRAM

Australian Paper - Shoalhaven

PUBLIC DISCLOSURE SUMMARY

1. ORGANISATION AND PRODUCT INFORMATION

Organisation Name: Australian Paper Shoalhaven

Disclosure Period: 1st July 2010 – 31st December 2011

Date of most recent verification: June 2010

Carbon Neutral Disclosure Type:

- a. Organisation
- b. Product

Product Overview

Product Name: Paper and Paper Board

Brief Description: Paper product manufactured to be used for printing, packaging, office communications, along with security and specialty grades of paper.

Only selected grades are sold as carbon neutral however, and only these grades have their emissions offset using NOCS approved abatement.

Offset Strategy:

Carbon offset trading for the purpose of AP's participation in the NCOS CN Program will be managed by the Energy and Regulatory Reporting Manager – Australian Paper (The Manager).

The Manager will make forward estimates of offset requirements for the current financial year, based on combining the preceding period's emissions intensity values and the sales annual budget forecast for paper products.

The Manager will procure offsets that comply with a standard recognised by the NCOS. The offsets will be procured at times during the current financial year in tranches determined at his discretion.

Upon completion and prior to verification by audit of AP's NCOS report, The Manager will finalise procurement of offsets and cancel/retire the total required volume of offsets as identified in the annual report. The disposition of any surplus offsets is at the discretion of The Manager.

2. PRODUCT DESCRIPTION

Shoalhaven paper products vary in their raw material inputs, energy inputs and manufacturing requirements.

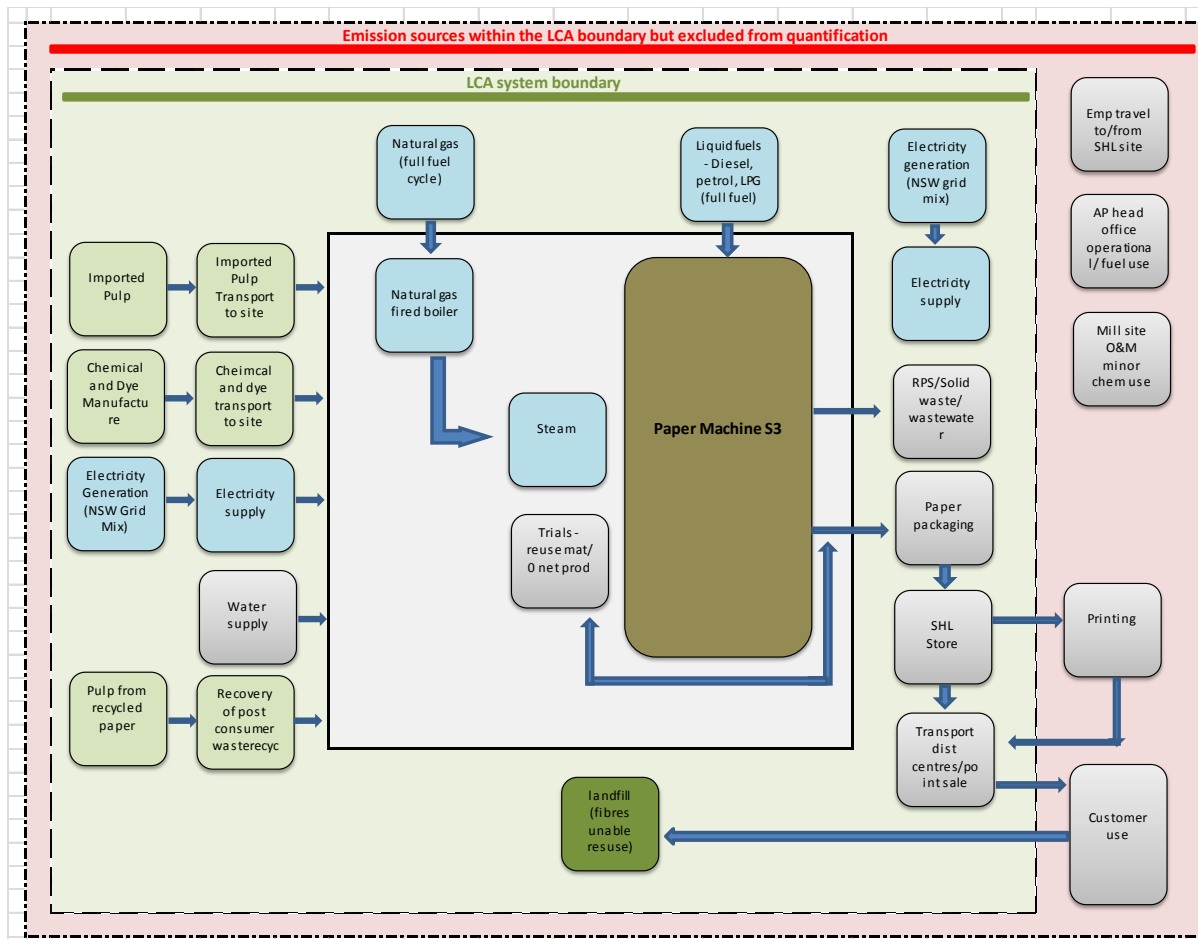
In order to determine the individual carbon emission for each product, each product emissions are measured according to international standards using a lifecycle analysis (LCA).

Non paper related emission sources, including from the packaging, distribution and delivery to customers are allocated to the net production quantity for each product.

The functional unit used to describe the lifecycle emission for each product is tonnes of CO_{2-e} per tonne of paper. This LCA document covers emissions from July 2010 to December 2011.

The diagram below highlights all of the lifecycle stages for each product. The stages are captured in the LCA to produce an individual CO_{2-e} per tonne of paper produced.

Figure 1 - Lifecycle Boundary/ Lifecycle Boundary Extended



From the lifecycle diagram, the main production processes can be summarised as:

1. Pulp Production Process External to Mill
2. Energy Supply for Shoalhaven Mill Site
3. Paper Making Process
4. Trial Production Process
5. Water Treatment Plant
6. Waste Water Treatment
7. Post-Consumer Paper Waste

3. PURCHASE OF GREENPOWER™ OR NCOS CARBON NEUTRAL PRODUCTS AND/OR CANCELLATION OF GREENPOWER™ ELIGIBLE RENEWABLE ENERGY CERTIFICATES (RECS)

NOT APPLICABLE

None

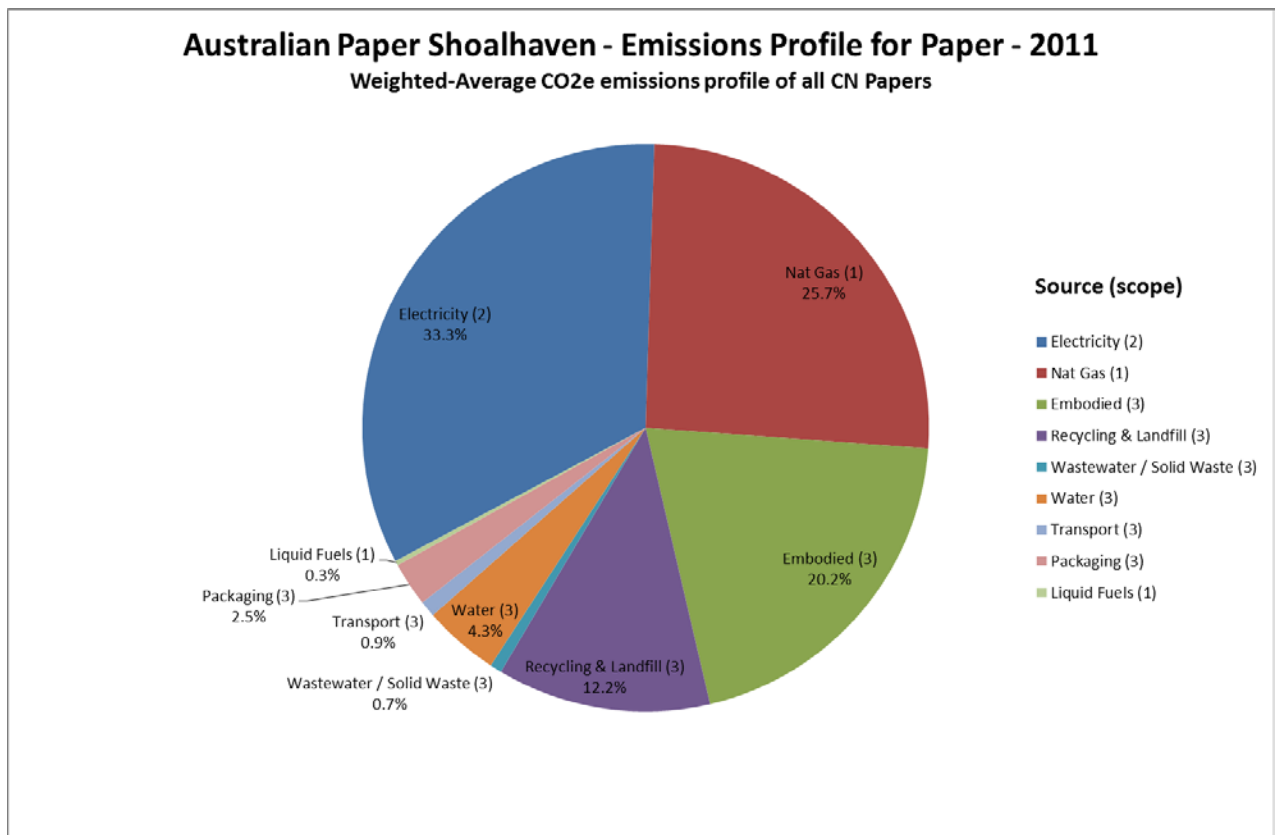
0 MWh

4. TOTAL CARBON FOOTPRINT

[From the most recent Life Cycle Assessment]

Carbon Footprint:

23,800 Tonnes CO₂-e



5. EMISSION REDUCTION MEASURES

AP will refer to its reporting obligations under the Energy Efficiency Opportunities (EEO) program to identify the process of measurement and reporting of emissions reduction initiatives, such that reference to these activities are not duplicated within our procedures.

This will be effective from this revised 2010/2011 NCOS report.

Please see a copy of Paper Australia EEO Public Report on the EEO website.

6. OFFSET PURCHASE / CANCELLATION

(From the most recent Annual Report)

Offset Type Refer NCOS Section 3.1	Details of Transaction Serial Numbers of Offset Units	Register Name of registry which offsets have been tracked and cancelled in	Offset Quantity (Tonnes CO2-e)
VCU	1059-47398325-47400248-VCU-001-APX-IN-1-502-28032006-31032009-0	NYSE Blue VSC Registry	1,924
VCU	1273-55765728-55769575-VCU-009-APX-IN-1-265-01042006-31122006-0	NYSE Blue VSC Registry	3,848
VCU	672-30695476-30703171-VCU-002-APX-KP-13-307-01012007-17082007-0	NYSE Blue VSC Registry	7,696
VCU	1506-63862905-63865790-VCU-009-APX-IN-1-630-01012006-31122006-0	NYSE Blue VSC Registry	2,886
VCU	First Climate - Reg-Cert No 70427	Markit Environmental	2,886
VCU	672-30703172-30705696-VCU-002-APX-KP-13-307-01012007-17082007-0	NYSE Blue VSC Registry	2,525
VCU	First Climate Certificate No. 70618	Markit Environmental	947
VCU	1273-55769576-55770839-VCU-009-APX-IN-1-265-01042006-31122006-0	NYSE Blue VSC Registry	1,264
	Total offset purchase/ cancellation		23,976

7. OTHER INFORMATION

No other information