



# THE AUSTRALIAN PACKAGING COVENANT ORGANISATION

2018/19 ANNUAL REPORT





## Building a circular economy for packaging in Australia.

Welcome to the 2018/19 Australian Packaging Covenant Organisation (APCO) Annual Report.

At APCO our mission is to develop a sustainable pathway for packaging in Australia. We want to create a system where packaging is a valuable resource within the circular economy. With foundations built on collaboration, our work is delivered in partnership with all levels of government and industry, including our 1,500 Member companies, representing 153 separate ANZSIC codes, covering the entire product life cycle and supply chain for packaging.

### This year's report outlines

- An update on our work to deliver Australia's 2025 National Packaging Targets.
- A snapshot of our ongoing work and collaboration with Government.
- The growth of the Australasian Recycling Label Program.
- The growth and success of our Membership base and wider industry.

For more information about APCO's work, or to share feedback on this report, please visit [www.packagingcovenant.org.au](http://www.packagingcovenant.org.au)





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**Disclaimer:**

APCO and the contributing authors have prepared this report with a high-level of care and thoroughness and recommend that it is read in full. This report is based on generally accepted definitions, data and understanding of industry practices and standards at the time it was prepared. It is prepared in accordance with the scope of work and for the purpose outlined in the introduction. Sources of information used are referenced in this report, except where provided on a confidential basis. This report has been prepared for use only by the APCO, and other third parties who have been authorised by APCO. APCO and the contributing authors are not liable for any loss or damage that may be occasioned directly or indirectly using, or reliance on, the contents of this publication. This report does not purport to give legal or financial advice and does not necessarily reflect the views of individual Working Group members or their organisations. No other warranty, expressed or implied, is made as to the professional advice included in this report.

**Acknowledgement of country:**

APCO acknowledges the Traditional Custodians of the land on which we live and work in Australia. We pay our respects to Elders past, present and emerging, and acknowledge the ongoing connection that Aboriginal and Torres Strait Islander peoples have with Australia's land and waters.





**The Hon Sussan Ley**  
Minister for the Environment

## Hear from the Minister for the Environment

Australians generate around 67 million tonnes of waste a year, and that figure is growing.

This is the time for practical action to reduce waste and to increase Australia's recycling capacity.

The Morrison Government is leading a \$167 million national waste strategy to change behaviour and ensure that resources are recycled again and again.

It is an opportunity to create jobs, reduce the pressures on our environment and grow a sustainable industry.

The 2025 National Packaging Targets are a critical part of building a new and sustainable approach to packaging here in Australia.

These practical examples of industry innovation, leadership and collaboration clearly demonstrate that Australia is getting on with the task of delivering the 2025 National Packaging Targets.

I congratulate the APCO team and its community of Members for their commitment to recycling targets.

With \$1.1 million in funding from the Federal Government's Environment Restoration Fund, APCO will embark on both the National Consumer Education Program and fund the next phase of the Australasian Recycling Label campaign.

These practical examples of industry innovation, leadership and collaboration clearly demonstrate that Australia is getting on with the task of delivering the 2025 National Packaging Targets.

Collaboration between industry and all levels of government is fundamental to a national recycling solution.

As a co-regulatory body, APCO plays a key role in driving this collaborative partnership.

I look forward to continuing to work closely with APCO and its Members as we build a circular economy for packaging here in Australia.

## Hear from our Board Chair & CEO

On behalf of the APCO team, we are honoured to present the 2018/2019 Annual Report.

This year marks the 20th anniversary of the Australian Packaging Covenant (the Covenant), which has been the principal national instrument for reducing the environmental impacts of consumer packaging in Australia since 1999. As a co-regulatory organisation, APCO's role is to work in partnership with government and industry to deliver the Covenant's obligations. Our approach and priorities as an organisation have changed significantly in this time, and since 2017, our team has worked to implement a delivery model for the Covenant that is based on a Collective Impact framework. It is a highly collaborative approach that's founded on engaging with all stakeholders to deliver improved environmental outcomes right across the packaging eco-system, from packaging design to demand for recycled materials.

The delivery of the 2025 National Packaging Targets and Australia's vision for 100% reusable, recyclable or compostable packaging has remained the driving focus of our work throughout the year. From implementing the Towards 2025 consultation process in July 2018, through to the official launch of the Targets in September 2018 and the release of several key reports and data projects in 2019, the significant program of work APCO has delivered has successfully established a clear foundation to enable APCO Members to work towards achieving the Targets.

We would like to take a moment to recognise the efforts of all our Members, both new and existing, who are working to reduce packaging and improve packaging design for recyclability.

It's been a year of significant growth for the APCO Membership community, which now comprises 1,500 businesses, from more than 153 ANZSIC codes, each of them actively working to improve their packaging sustainability. Collectively these businesses represent some \$360 billion in annual revenue in the Australian marketplace. This growth has enabled us to broaden our network of influence, as we empower more businesses to implement sustainable packaging as a key driver in



**Sam Andersen**  
Chair



**Brooke Donnelly**  
CEO

their organisation and start to make the critical changes required to bring the 2025 Targets to life.

We would like to take a moment to recognise the efforts of all our Members, both new and existing, who are working to reduce packaging and improve packaging design for recyclability, despite the gaps in the system which must be filled to give effect to their work. In the past 12 months, driven by consumer demand and commitment to the Targets, we have started to witness real industry leadership and innovation that is driving improved sustainable outcomes. It is our pleasure to highlight some of the remarkable industry achievements in this report, with case studies of Coca-Cola Amatil, Pact Group and Nestlé.

APCO has continued to provide several key programs and resources tailored to assist industry on this journey. This includes practical tools like the Australasian Recycling Label Program, which now has over 230 participating businesses using the Packaging Recyclability Evaluation Portal (PREP) to actively assess and redesign their packaging specifically for recovery. The program also provides access to the Australasian Recycling Label (ARL), a resource that's empowering businesses to respond to resounding consumer demand for clear, evidence-based recycling instructions. Likewise, the delivery of the world-leading Packaging Sustainability Framework is enabling APCO Members to accurately monitor

their progress against the 2025 National Packaging Targets and opening new opportunities for data collection and aggregation at the national and sectoral level.

APCO understands its Members don't hold all the levers

that are required to meet the Targets. To overcome this barrier, much of our work has been delivered in areas of influence that enable action in collaboration with a wider network of stakeholders.

Our Materials Flow Analysis report, developed in partnership with the Institute for Sustainable Futures at the University of Technology Sydney, was a critical first step in understanding how the current system is performing. By mapping the flow of packaging in the



existing system, we have effectively identified which data gaps need to be addressed and established a clear and consistent baseline of data to measure impact and change. The follow up report to the Materials Flow Analysis further refines this data, closing gaps, and identifying areas of future focus.

As part of our 2019 program of priority projects we launched more than 20 new projects, in areas like consumer education, data analysis, packaging design, collection and recycling systems, and end market development. A deeply collaborative process, the work draws on the expertise of more than 200 industry partners, working groups, government representatives and the environmental community. This approach reflects the power of the Collective Impact Model to drive systemic change right across the supply chain.

Meanwhile, the launch of several additional fast-tracked projects, targeting high volume consumption materials including PET and HDPE, will act as test pilots for scaling up the circular transition as we support APCO Members to shift their focus beyond an organisation-targeted approach, to include a sectoral focus that drives impact across the packaging ecosystem.

We are continuing to strengthen our relationship with all levels of government, working collaboratively for the launch of the 2025 Targets with the Hon Melissa Price, then Minister for the Environment in September 2018, and the launch of the APCO Collective Action Group with the Hon Trevor Evans, Assistant Minister for Waste Reduction and Environmental Management in June 2019. As waste and recycling continues to rise to a higher priority on the national agenda, we are at the forefront of helping governments shape a workable solution.

We are also continuing to build strong relationships with our global partners, including the Ellen MacArthur Foundation and the Plastics Pact Network. This year we also had the fantastic opportunity to enhance these networks and relationships on a global scale during a visit to Europe and were delighted to bring the learnings home to share best practice activities from around the world with our Members.

Looking to the year ahead, our primary focus will be the delivery of the Collective Action Group White Paper, a significant piece of work that will define a workable roadmap for the transition to the 2025 National Packaging Targets. Importantly, this work will include an economic analysis of the impact

of the transition activities, barriers to achieving the Targets and the gaps in current infrastructure. We'll continue to grow our existing programs and resources, including the launch of the revised Sustainable Packaging Guidelines. We are also working with APCO Members to explore opportunities to expand the Australasian Recycling Label program and considering how we collectively address and communicate challenges like designing out non-recyclable packaging elements and identification of recycled content. This work will also enable us to invest in our capability as an organisation, as we continue to grow our people, programs and projects.

As we look to the future, we are excited to explore new opportunities for the Collective Impact Model and ask how this approach could be used to collaboratively address new issues and drive change in new geographies. In recent years, as APCO has evolved to adopt a more holistic product stewardship vision, it's exciting to consider how this approach could be applied to the adjacent spaces of plastics and food waste to provide a range of significant

Looking to the year ahead, our primary focus will be the delivery of the Collective Action Group White Paper, a significant piece of work that will define a workable roadmap for the transition to the 2025 National Packaging Targets.

positive environmental, social and cultural benefits. We would like to recognise the hard work and leadership of all members of the APCO Board and give particular thanks to our outgoing Board member David Singh. A true leader in the waste and resource recovery space, David has made a significant contribution to the strategic direction of APCO as an organisation.

In a year when packaging sustainability and resource recovery have received widespread public support and unprecedented momentum, we give thanks and are extremely proud of our tireless and committed APCO team who have worked alongside our Members to take great strides as a leading organisation in the space. With the support of Australia's governments, industry and our partner organisations, we have successfully started the journey to deliver Australia's 2025 National Packaging Targets and opened a new chapter for packaging sustainability in Australia. We believe this year's success is a fundamental step forward in Australia's transition to a circular economy for packaging. We look forward to a vibrant and strong future for sustainable packaging in Australia.

Meet the board

INDEPENDENT DIRECTORS



Sandra (Sam) Andersen  
Board Chair



Trent Bartlett



Dr Anne Astin

BRAND OWNER DIRECTORS



Jacky Nordsvan  
Packaging Specialist,  
Nestle Australia



Renata Lopes  
Group Sustainability Manager,  
Super Retail Group



Jason Goode  
Group Packaging and Process Improvement Manager,  
Simplot Australia

INDUSTRY ASSOCIATION DIRECTORS

"Coming from resource recovery, it's been a great opportunity to serve on the board and see the inner workings of APCO, and the influence it's having on its Members in packaging redesign and the projects, research and working groups which identify potential improvements in the resource recovery ecosystem from design to recovery and reuse. Good work is being done here and I'm looking forward to seeing the outcomes of the collective impact work APCO is facilitating."



David Singh  
Australian Council of Recycling



Keith Chessell  
Australian Institute  
of Packaging



Andrew Petersen  
Business Council for Sustainable  
Development Australia



# Year at a glance

## 2018

JULY



AUGUST

2018 APCO Awards

SEPTEMBER

2025 Targets announced and ARL launched to government and industry



NOVEMBER

AGM held

National Recycling Week  
ARL featured in over 300 media mentions



DECEMBER

New Member workshops held around the country

## 2019

JANUARY

Working Groups and 2019 Projects Program launched

FEBRUARY

Material Flow Analysis report launched



MARCH

2018 Working Group reports launched



APRIL

Federal Funding announced

MAY

Reached 200 PREP users



JUNE

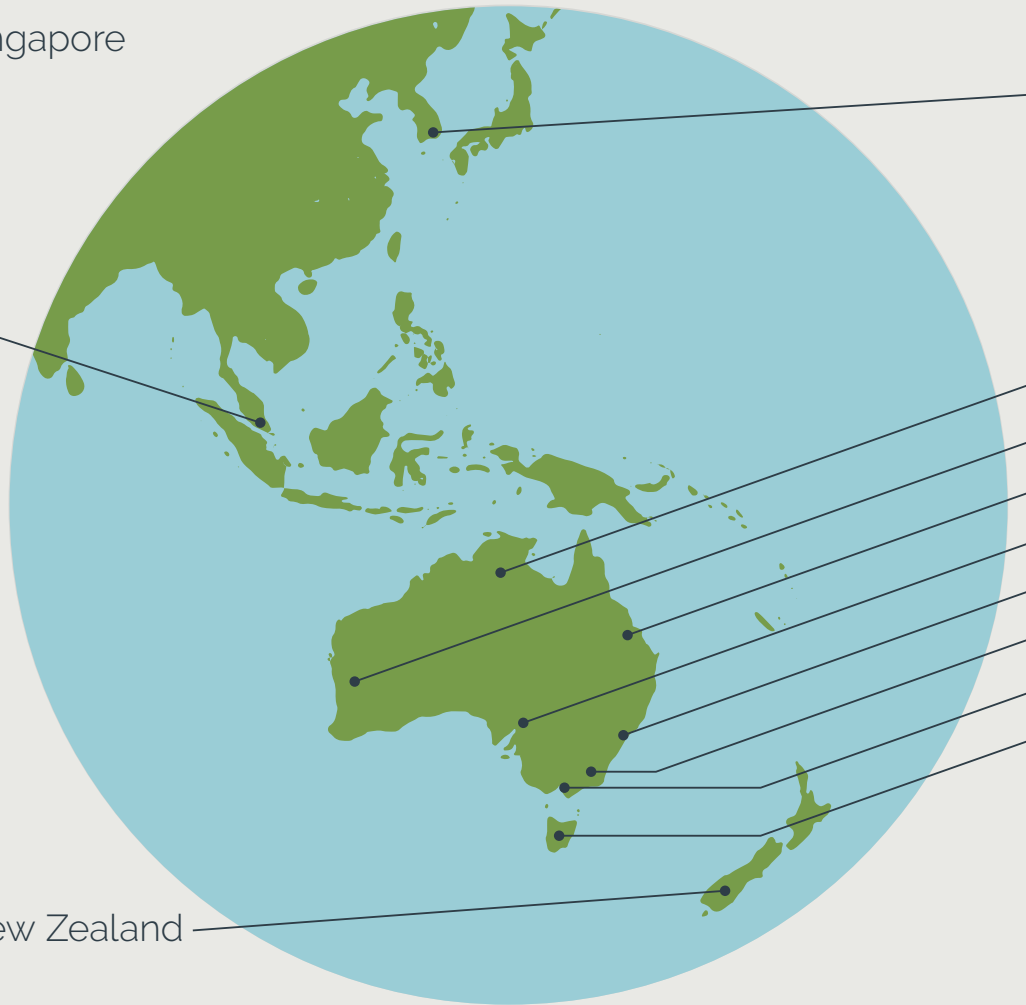
Collective Action Group launched



## APCO MEMBER LOCATIONS

1 Singapore

1 South Korea



Australia

1 NT

105 WA

121 QLD

79 SA

607 NSW

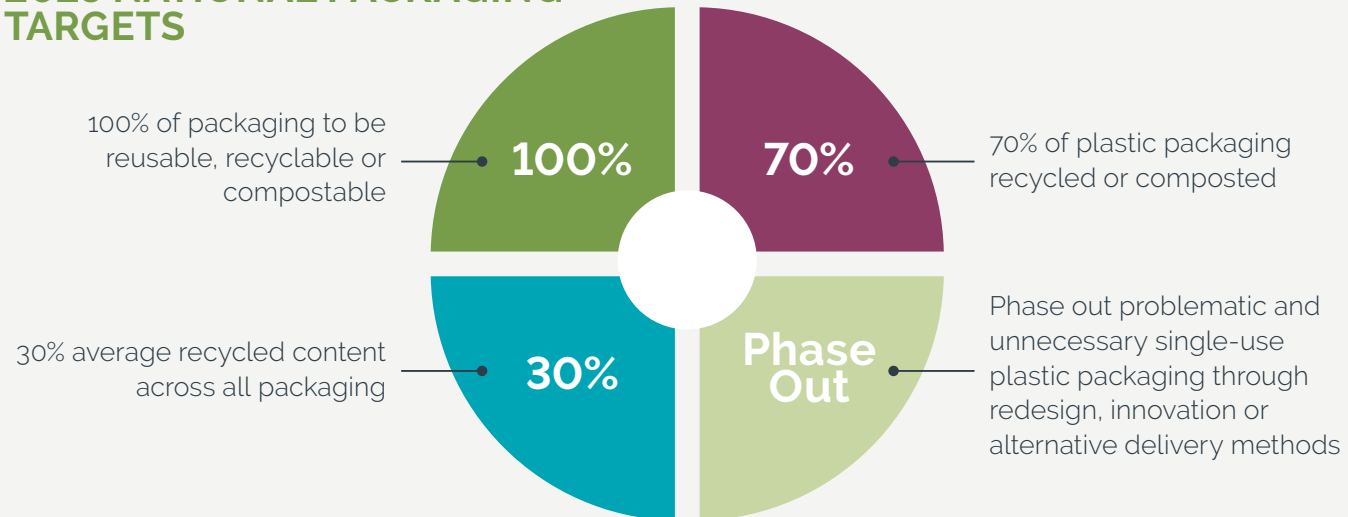
9 ACT

519 VIC

21 TAS

3 New Zealand

## LAUNCHING AUSTRALIA'S 2025 NATIONAL PACKAGING TARGETS





WORKING TO BRING THE 2025 NATIONAL PACKAGING TARGETS TO LIFE...



GROWING THE AUSTRALASIAN RECYCLING LABEL PROGRAM

**230** APCO MEMBERS

USING



MARKETING ADVISORY COMMITTEE



TECHNICAL ADVISORY COMMITTEE

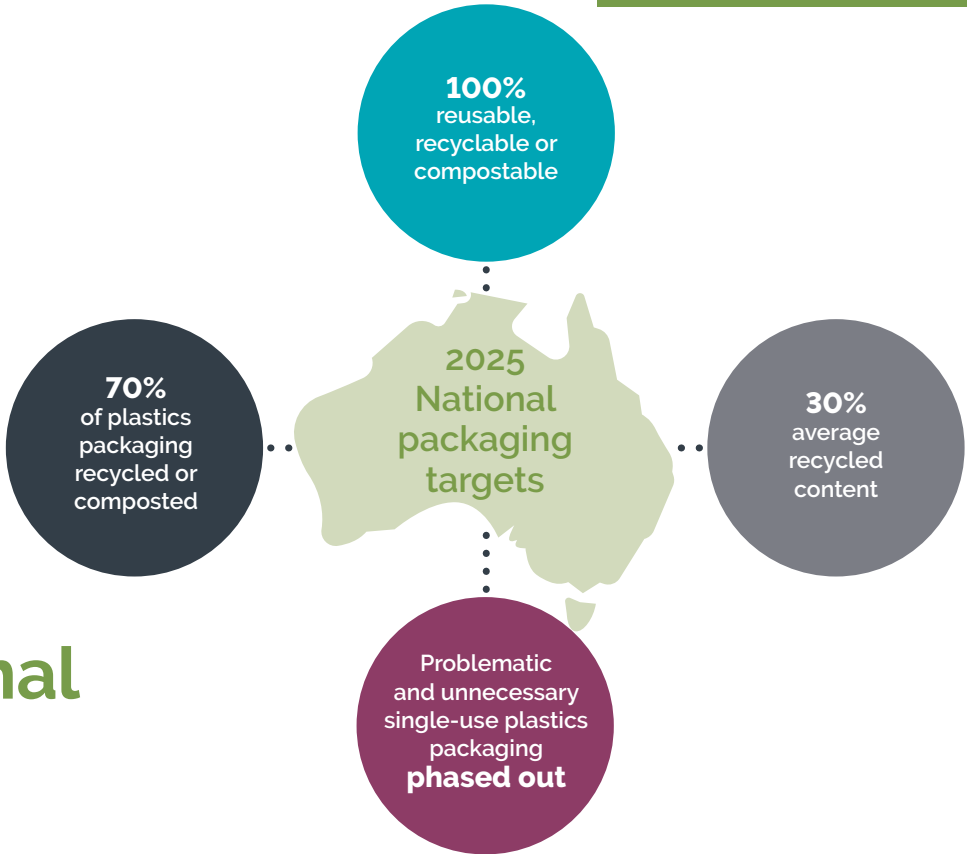
Delivering Australia's 2025 National Packaging Targets

In April 2018, Australia's state and federal environment ministers announced the landmark National Packaging Target to deliver 100% reusable, recyclable or compostable packaging by 2025.

Building on the commitment, in September 2018 APCO was joined by the Hon Melissa Price, Minister for the Environment, alongside leaders from packaging, retail, logistics, manufacturing, recycling and waste management businesses to officially launch the 2025 Targets.

The process has set Australia on a new, sustainable pathway for managing its packaging waste and will require a complete and systemic change to the way we create, collect and reprocess our product packaging. The work will take place across three phases, with activity for the Foundation Phase well under way.

APCO is the agency charged with co-ordinating and enabling this change for government and industry. Across the reporting period there has been a huge amount of work delivered, with powerful engagement and collaboration from across the supply chain.

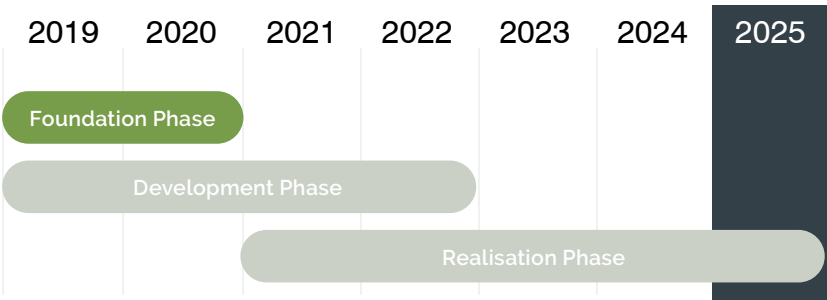


The four targets will require a complete and systemic change to the way we create, collect and reprocess our product packaging.

In February, we launched the APCO Packaging Material Flow Analysis 2018, a report developed in partnership with the Institute of Sustainable Futures (ISF), which mapped the current state of packaging in Australia.

We also published the findings from our five 2018 Working Groups exploring problematic packaging types and, following extensive stakeholder consultation and engagement, commenced work on our 2019 program of priority projects.

Towards 2025 implementation timeline:





LAUNCHING THE MATERIAL  
FLOW ANALYSIS REPORT

In February 2019, APCO launched the Packaging Material Flow Analysis (MFA), a new report developed in partnership with the Institute of Sustainable Futures (ISF) mapping the current state of packaging in Australia.

A critical first step in achieving the 2025 National Packaging Targets, the report outlined the current journey of Australia's packaging waste, identified significant data and infrastructure challenges in the system and modelled five potential solutions for the future.

In 2017/18, Australia generated an estimated 4.4 million tonnes of total packaging waste, with 68% of this collected, and 56% of the collection

total recovered by recycling efforts. This ranged from 32% for plastics and up to 72% for paper streams – highlighting the significant opportunity to improve waste management practices to achieve higher recovery rates.

In October and November 2019, APCO will launch a series of additional data projects to build on the findings of the MFA report. The Consumption and Recycling Data report (Project 1.1) will analyse detailed packaging consumption and recycling data in order to benchmark performance against the National Packaging Targets and address specific data gaps identified by the 2018 Working Groups and in the MFA findings.

LAUNCHING THE COLLECTIVE ACTION GROUP



CAG launch:  
Minister Evans and the  
Collective Action Group.

The journey to delivering the Targets in the 2018/19 period has been a highly collaborative one, supported by a wide network of over 200 partners and stakeholders.

Our 2019 Advisory Groups, comprising 87 industry and government

experts, meet quarterly to work through the key priority areas of design, materials circularity, systems and education to support the 2025 National Packaging Targets implementation.

Overseeing all of this work is the Collective Action Group (CAG), a team of leading industry and government representatives which was officially launched in June 2019 by the Hon Trevor Evans, Assistant Minister for Waste Reduction and Environmental Management. Looking to the year ahead, our biggest priority will be the launch of the Collective Action Group White Paper, a significant piece of work which will define the roadmap for the transition to the 2025 National Packaging Targets.

An update from our work  
with Government



Peter Brisbane  
Government Partnership  
Manager, APCO

APCO remained actively engaged with governments during 2018/19. In addition to regular discussion with all three tiers of government through the formal governance structure of the Australian Packaging Covenant. Our engagement with governments included regular meetings, participation in and submissions to government consultation processes and the involvement of government officials in APCO's committees, working groups and events.

The Australian Packaging Covenant Government Officials Group includes senior officials from the federal and all state and territory governments. The Australian Local Government Association also joined the group for the first time in 2018/19. Meetings were held throughout the year with the Government Officials Group to discuss key developments and the ongoing management of APCO activities such as the Sustainable Packaging Guidelines, the Statement of Intent and the strategic planning for project delivery.

In May 2019, as part of an election commitment on waste and recycling, the Australian Government announced funding for two APCO projects, including \$1.1 million to support consumer education on the Recycling Labelling Program, and \$1.6 million for delivery of a Circular Economy Hub in partnership with Planet Ark.

APCO met with federal ministers, advisors and agencies across multiple portfolios during the year, including state and territory government ministers, advisors and officials, and local government associations in all jurisdictions. These meetings provide an opportunity to build knowledge of and support for the delivery of APCO's work, ensure continuing alignment between industry and government on the sustainable packaging pathways, and identify opportunities for collaboration.

In May 2019, as part of an election commitment on waste and recycling, the federal government announced funding for two APCO priority projects, including \$1.1 million to support consumer education on the Recycling Labelling Program, and \$1.6 million for delivery of a Circular Economy Hub in partnership with Planet Ark.

APCO actively supported government policy development during the year, through written submissions, targeted meetings and participation in reference groups and committees. Major consultation groups that APCO participated in during the year included:

- The National Waste Policy Industry Reference Group
- South Australian EPA Container Deposit Stakeholder Reference Group
- NSW National Sword Taskforce Joint Reference Group
- NSW Circular Economy Network Steering Committee
- Western Australian Waste Reform Advisory Group
- EPA Victoria Waste and Recycling Reference Group
- Victorian Government Plastic Pollution Reference Group
- Queensland Circular Economy Lab
- Queensland Plastic Pollution Reduction Plan Reference Group
- The Next Generation CDS, Adelaide
- Tasmania Waste Roundtable

In addition, APCO participated in a wide range of government workshops and other events during the year, including the Senior Officials Group meeting in November 2018, the EU-Australia Leadership Forum Sectoral Policy Workshop on the Circular Economy in September 2018, and government policy workshops in several jurisdictions. Federal, state and territory, and local government officials participated in all of APCO's major working groups, committees and consultation processes in 2018/19.



## Industry progress



**Meredith Epp**  
Industry Partnership  
Manager, APCO

Our Members are adopting and integrating the 2025 National Packaging Targets at a global level.

There's no question that APCO Members are stepping up and taking a leading role in working towards a circular economy for packaging. Our 1,500 Member organisations are tackling the 2025 National Packaging Targets head-on through industry initiatives, collaboration and a holistic approach to understanding the impacts of sustainable packaging.

Our Members are adopting and integrating the 2025 National Packaging Targets at a global level, with organisations like Nestlé, Unilever and Coca-Cola Amatil committing to the 100% reusable or recyclable packaging Target by 2025. We've also seen how APCO resources are changing the way businesses evaluate their packaging through the Australasian Recycling Label (ARL) Program.

"Why" is no longer the main conversation, it has shifted to "how,

when and here's what we've learned." This fundamental change in the conversation is vital for organisations to progress up the Sustainability Pyramid and integrate strategic sustainability as a core part of their business.

APCO Members have provided guidance and collaboration through participation in APCO's seven different advisory groups as well as through a number of industry-led initiatives. Our Members are also leveraging APCO resources like the Annual Reporting Tool and Packaging Sustainability Framework to continue to track progress and measure their impact.

With the support of our Members we have created a strong foundation to continue to advance into the Development Phase of the 2025 Target implementation timeline and continue to deliver this important work in collaboration.

### COCA-COLA AMATIL

In 2019, Coca-Cola Amatil, the bottler and distributor of Coca-Cola Company products in Australia and five other countries in the Asia-Pacific region, made a range of landmark commitments.

These include that by the end of 2019, seven out of 10 of its range of bottles will be made from 100% recycled plastic, making Australia the first country in the world where all Coca-Cola Classic bottles, 600ml and under, will be made from 100% recycled plastic. This is a net reduction of 10,000 tonnes a year of virgin plastic that will no longer be used in bottling in Australia.

Liz McNamara, Group Director, Public Affairs, Communications & Sustainability, Coca-Cola Amatil said: "APCO is a trailblazer in Australia for its focus on sustainable packaging and on setting

ambitious, measurable targets for packaging waste reduction and the use of recycled materials. We see the National Packaging Targets as a real gamechanger in sustainability. They're nationally recognised and they're a solid framework for reducing plastics' impact and maximising recycling.

"The National Packaging Targets are very much aligned with the community's demand for recycled materials. We hear from our customers every day that more recycling is required. APCO has been important for us in establishing benchmarks for recycling and pushing us to meet the community expectations for recycled packaging."



**Coca Cola Amatil:**  
Leading the way in  
recycled content use

### PACT GROUP

APCO Member Pact Group is a leading provider of specialty packaging solutions in Australasia, servicing both consumer and industrial sectors. In 2019, the company undertook one of the largest wheelie bin replacement projects in Australian history, collecting, recycling and replacing over 330,000 bins in partnership with Sydney's Northern Beaches Council.

Andrew Smith, Executive General Manager at Pact Sustainability Services, commented: "sustainability is part of Pact's DNA; our focus on minimising packaging waste and protecting the environment is constant. For over two decades we've been continually looking at ways to increase recycled material across our packaging portfolio."

Most local governments throughout Australia stipulate that new bins should contain at least 30% recycled material. Pact's way of meeting this target is to collect and shred old bins to create the new bins, ensuring older bins at end of life are transformed into a valuable resource.

"We're proud to say we're the largest user of recycled resin in the Southern Hemisphere. We collect over 30,000 tonnes a year and we put much of that back into our products. That's the really important part – you must find a home and a destination for this recycled material".

The company is currently in the middle of an exciting new trial where testing is underway to manufacture new bins from up to 60% recovered milk bottles. Each bin could include up to 250 milk bottles – the average annual use of every Australian household. "We're really proud of this innovation – diverting packaging waste from landfill into a consumer product that can be recycled again at the end of its life, creating a true circular economy for plastic packaging waste.

"Innovations such as these build the Australian community's confidence that industry is developing the infrastructure to provide a second life for single-use packaging waste and is significantly reducing its leakage into natural systems and landfill. It's through initiatives like this that we'll make great strides to achieving the 2025 National Packaging Targets."





## HANES AUSTRALASIA

Could a single plastic hanger really be a problem? When Hanes Australasia, the owner of a number of high-profile brands, began removing plastic hangers from Bonds online orders the answer soon became clear.

Within six months, over half a million plastic hangers, or 15 tonnes of plastic, had been retrieved instead of ending up in online customers' bins and likely headed for landfill.

"The way the business currently operates, hangers are applied to garments within our supply chain as part of a product's packaging and used for merchandising in-store. To take the hangers out individually at the warehouse requires more labour," says Sheree Maguire, Head of Sustainability and Risk at Hanes.

"It can cost the business more not to give our customers hangers with their online orders, but we decided to invest in a solution."

Despite the cost, the company considered it the right thing to do in reducing its environmental footprint and by increasing its own internal recycling rates.

With brands at both the affordable and premium ends of the market, sustainable packaging presents a multi-faceted challenge for Hanes.

"For each of our brands, we are always working towards finding a balance between achieving our sustainability goals while also continuing to meet our customers' expectations on the quality and level of packaging we use."

As part of its sustainable packaging strategy, and in line with Australia's 2025 National Packaging Targets, Hanes has set goals for all of its consumer packaging to be reusable or recyclable by 2025 and are continuing to look for ways in which they can increase use of recycled materials and optimise its packaging footprint.

Since signing the Australian Packaging Covenant in 2012, Hanes has been an active member of APCO's Systems and Education Working Group. Ms Maguire says



APCO initiatives have proved beneficial, particularly in fostering industry collaboration and discussions over the roll out of the Australasian Recycling Label and finding solutions for problematic plastic packaging. Hanes also takes part in APCO's Clothing, Footwear and Fashion Roundtable, established early in 2019, which enables peers to get together to discuss particular packaging concerns for their industry.

"We see this group as a great opportunity to collaborate to tackle some of the complex packaging issues together, as an industry, such as soft plastics," Ms Maguire says. "APCO's Packaging Sustainability Framework has also been very useful in refining our own sustainable packaging strategy, particularly in helping us to determine where we need to improve."

### Hanes Australasia:

Working towards 100% reusable, recyclable or compostable packaging by 2025.

## Outcomes from Member Annual Reporting

The outcomes of the 2019 annual reporting period are a testament to our Members' commitment to reducing the environmental impact of their packaging. Each year, APCO Members complete an Annual Report to track their progress against the Packaging Sustainability Framework ('the Framework'). APCO Members complete their Annual Report through the Annual Reporting Tool.

The Framework is a matrix of packaging sustainability criteria, against which APCO Members are able to measure their performance.

The Framework consists of 13 independent criteria under three categories: 1. Leadership; 2. Packaging Processes and Outcomes and 3. Operations.

In total, 1028 Members completed their APCO Annual Report in the 2019 reporting period. APCO Members reported on their previous 12 months of progress based on an option of reporting periods, either calendar year 1 January 2018 to 31 December 2018, financial year 1 July 2017 to 30 June 2018, or an 'other' 12 month period specified by the Member.



MEMBERSHIP TENURE

Figure 1 illustrates the average core score in 2019 by the number of years of being an APCO Member (tenure). Over the lifetime of their Membership, it is clear APCO Members understand the state of the packaging

market and are utilising tools and resources provided through APCO Membership. The upward trend shows the significance of Member engagement as Members work towards their sustainable packaging journey.



Figure 1: Average Core Score % by Member Tenure (years)

NEW MEMBERS

In 2019, 258 APCO Members reported for the first time. Figure 2, illustrates how the new Members performed for each of the 13 Framework criteria compared to existing APCO Members. Core criteria are represented on the left hand side while recommended criteria are represented on the right

hand side. New Members have done well in their first annual reporting period. As we see from the previous Figure 1, New Members can aspire to make significant progress towards their packaging sustainability through the lifetime of their APCO Membership.

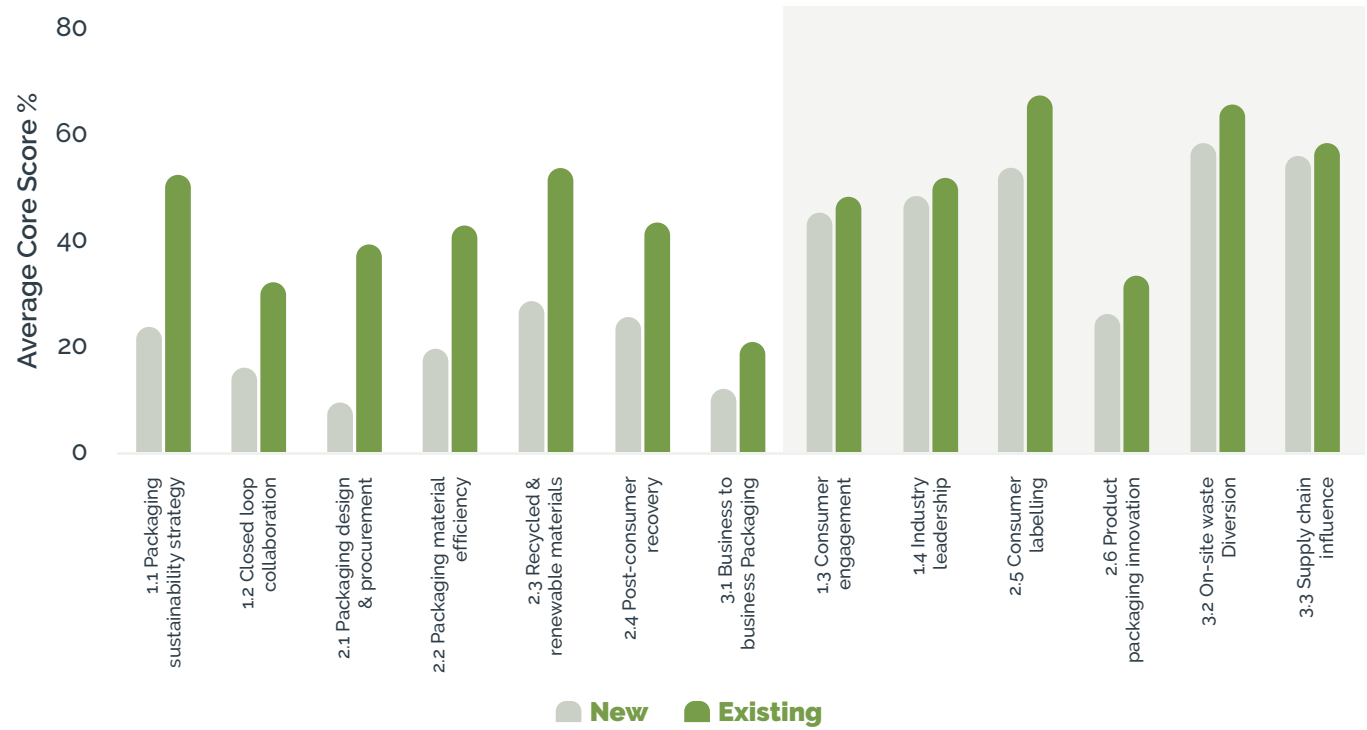


Figure 2: 2019 Score % New versus Existing Members for each Criteria (Core left and Recommended right)  
<https://www.australianpackagingassessment.com.au/apco-packaging-framework/>



EXISTING MEMBERS

The Framework was first introduced to APCO Members during the 2018 annual reporting period. When analysing year-on-year reporting outcomes for the 770 Members who reported consecutively in both the 2018 and 2019 reporting periods, there was an increase in the Core Score by 1.8%.

Figure 3 illustrates the year-on-year progress for each of the 13 Framework Criteria. Core criteria

are represented on the left hand side while recommended criteria are represented on the right hand side. APCO Members are only required to report on Core criteria, however it is encouraging to see that APCO Members are going beyond the minimum requirements to maximise their impact on packaging sustainability.

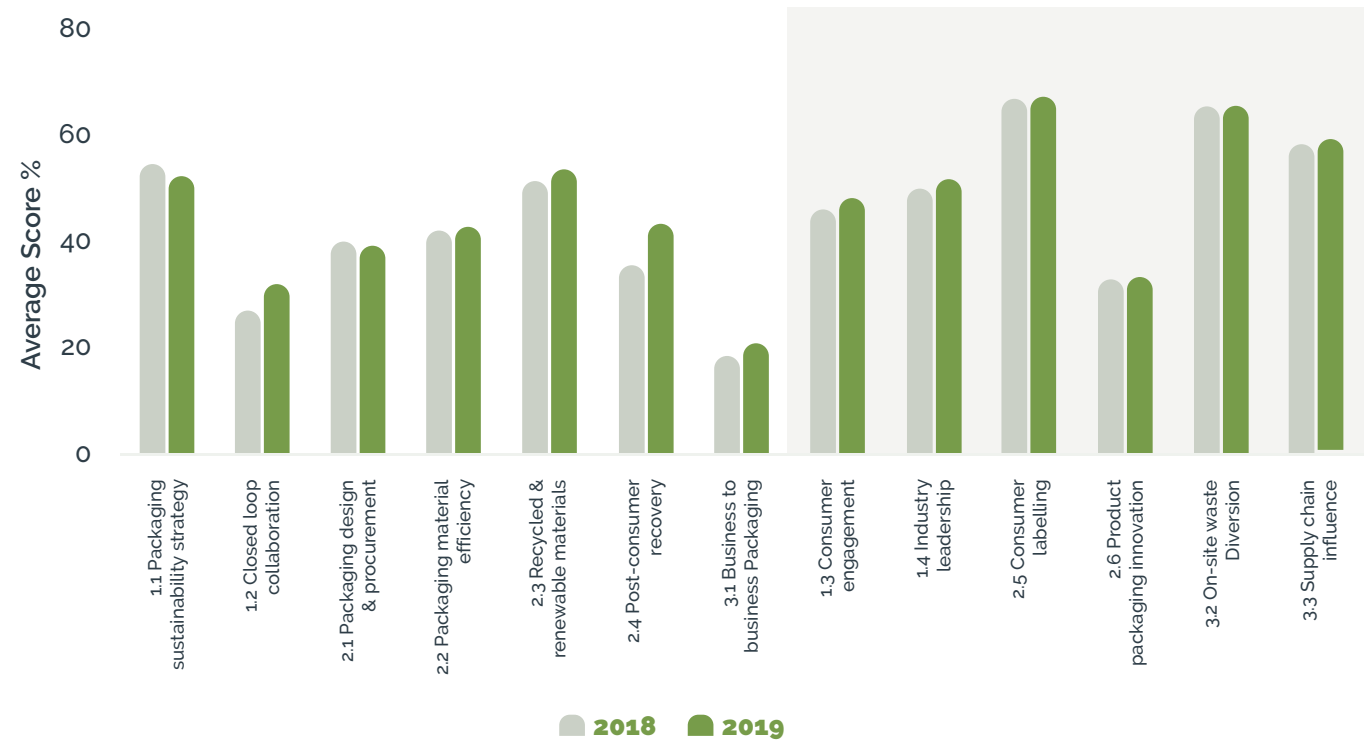


Figure 3: Consecutive Year on Year Core Score % for each Criteria (Core left and Recommended right)

Celebrating Member success and the APCO Awards

In August 2018, industry gathered once again for the annual APCO Awards to celebrate and recognise the Australian organisations that are playing a crucial role in the war on waste by reducing the harmful effect of packaging waste on the environment. This year we celebrated the achievements of 14 Australian organisations from a broad range of sectors, including including electronics, food and beverage, pharmaceuticals, logistics and homewares etc. With the 2025 Target to make all packaging 100% reusable, recyclable or compostable now in focus, industry collaboration and innovation have never been more important.

This year's award ceremony was an opportunity to celebrate the achievements of organisations that are leading the way in making the 2025 Targets a reality.

This year's award ceremony was an opportunity to celebrate the achievements of organisations that are leading the way in making the 2025 Targets a reality. We look forward to continuing to work with them in close partnership, in order to share the innovation, learning and insights required to build a circular economy here in Australia.



2018's

SUSTAINABLE PACKAGING LEADERS

- Clothing, Footwear And Fashion  
**Redback Boot Company**
- Electronics  
**KYOCERA Document Solutions Australia**
- Food And Beverage  
**Campbell Arnott's Australia**
- Packaging Manufacturer  
**Detmold Packaging**
- Pharmaceutical  
**Amgen Australia**
- Homewares  
**ACCO Brands Australia**
- Transport & Airline  
**Qantas Airways**
- Chemicals And Agriculture  
**LyondellBasell Australia**
- Telecommunications (Joint)  
**Telstra & Singtel Optus**
- Large Retailer  
**Super Retail Group**
- Machinery And Hardware  
**Tasman Sinkware**
- Personal Care  
**Integria Healthcare (Australia)**
- Logistics  
**CHEP Australia**



# Meet the Outstanding Achievers

## SUSTAINABLE PACKAGING EXCELLENCE: DETMOLD PACKAGING



A global innovator in sustainable paper and board packaging, Detmold Packaging Pty Ltd has been an active APCO Member since 2010. Winner of the 2018 APCO Sustainable Packaging Excellence Award, as well as the Packaging Manufacturer Industry Sector Award, Detmold lives up to these titles by taking a truly proactive approach to providing best practice in packaging outcomes.

Detmold reviews 100% of its product designs using the Sustainable Packaging Guidelines. This ensures all packaging is optimised to make efficient use of resources and reduces its environmental impact, without compromising product quality and safety.

Detmold also brings a strong emphasis on innovation and collaboration with customers

and researchers. First released in 2017, the RecycleMe™ product range helps address one of the industry's most contentious waste issues – coffee cups – by focusing on environmentally sustainable recycling solutions. RecycleMe™ is a takeaway cup with a next generation lining, and a specially designed collection network, guaranteeing that cups collected will be diverted from landfill and recycled into high quality paper products. The company also runs several other collaborative closed-loop projects with businesses to achieve the common goal of increasing packaging sustainability through innovation.

Detmold also has an important influence through its supply chain, encouraging suppliers, partners and customers to prioritise packaging sustainability.

## INDUSTRY LEADERSHIP: AUSTRALIA POST (AUSTRALIAN POSTAL ORGANISATION)

Founded more than 200 years ago and today delivering more than 3 billion items a year, Australia Post is one of the country's most important organisations.

An active APCO Member since 2011, Australia Post took home the Outstanding Achievement in Industry Leadership Award in 2018 in recognition of the brand's wide range of collaborative, sustainable packaging initiatives.

Through its Sustainable Procurement Program, Australia Post publicly reports on its sustainable packaging efforts and the incorporation of the Sustainable Packaging Guidelines.

The team has demonstrated ongoing leadership with the implementation of a range of new sustainable packaging plans, incorporating clear and measurable targets. The team has also committed to a broader reuse and recycling strategy, with specific targets addressing areas like packaging

recycling and recovery, reduction of on-site waste, closed-loop collaborations, and the reduction of business-to-business packaging.

Australia Post works with fellow APCO Members to develop and implement post-back recycling initiatives and no-waste packaging initiatives. A range of consumer-facing initiatives were also recognised, including in-store promotions and marketing campaigns that increase packaging sustainability awareness throughout Australian communities. Crucially, the organisation has also adopted the Australasian Recycling Label, which provides consumers with clear and consistent information on the correct disposal methods for all Australia Post packaging.



## SUSTAINABLE PACKAGING OPERATIONS: CHEP AUSTRALIA



An APCO Member since 2012, CHEP Australia (CHEP) plays a crucial role as a global supply chain solutions partner, allowing retailers, manufacturers and transporters to move and handle goods cost-effectively and sustainably across Australia, and around the world.

CHEP's business model is sustainable by design, enabling its customers unique access to a circular economic model. Winner of the 2018 Outstanding Achievement in Sustainable Packaging Operations Award, as well as the Logistics Industry Sector Award, CHEP's achievements are chiefly focused on three areas: business-to-business (B2B) packaging, on-site waste

diversion and the strong positive influence the company exerts on its supply chain.

CHEP has prioritised the development of B2B packaging platforms that utilise re-use and shared packaging where possible, leading to a significant reduction in the amount of single use B2B packaging transferred from its sites and facilities.

Diverting end-of-life products from landfill is another essential focus. To ensure zero product waste is sent to landfill, CHEP regularly engages with its waste and recycling contractors and has internal quality assurance procedures in place for staff. This has resulted in an overall recycling rate of 85% at its sites and facilities, 100% of all product waste (timber and plastic) diverted from landfill and 100% of packaging products being fully recyclable at end of life.

## PACKAGING DESIGN: CAMPBELL ARNOTT'S AUSTRALIA



Since its inception in 1865, Campbell Arnott's has become one of the largest food companies in the Asia Pacific region and manufactures some of Australia's most iconic food and beverage brands.

An APCO Member since 2010, in 2018 Campbell Arnott's was successful in two categories: Outstanding Achievement in Packaging Design Award and the Food and Beverage Industry Sector Award. The awards were a recognition of the team's ongoing commitment to sustainable packaging outcomes, and demonstration of strong sustainability leadership throughout its entire business operations.

Campbell Arnott's has participated in a range of APCO working groups, partnered with REDcycle and demonstrated a strong focus on sustainable design.

Campbell Arnott's developed its own version of the APCO Sustainable Packaging Guidelines (SPGs) and uses them to review 100% of packaging to date, a critical step in achieving the brand's packaging

sustainability targets and identifying opportunities for packaging to be optimised.

Reviews of packaging against Campbell Arnott's internal SPGs resulted in a saving of 67.5 tonnes of board grade (flute) corrugate by reducing size and weight, the elimination of 95 tonnes of flexible packaging per year by implementing new multipack packaging and improving pallet efficiency by 250%, from 24 cases per pallet to 60.

A strong focus on innovation has delivered a number of changes to the consumer-facing packaging. In 2019, the company switched from using nine different inks to just four in the packaging for its core Tim Tam range, leading to annual savings of 11 tonnes of ink and a 20% reduction in water and energy usage during the packaging manufacture process.

Crucially, the company has also committed to rolling out the Australasian Recycling Label (ARL) across its entire range.





Lily Barnett  
 ARL Program Manager,  
 APCO

The Australasian Recycling Label Program has continued to go from strength-to-strength and now features an incredible 230 plus organisations committed to using the ARL on their packaging.

# Leadership through labelling

Since launching to industry in early 2018, the Australasian Recycling Label Program has continued to go from strength-to-strength and now features an incredible 230 plus organisations committed to using the Australasian Recycling Label (ARL) on their packaging. We were also delighted to be joined by then Hon Melissa Price, Minister for the Environment, for the program's consumer launch in September 2018.

The true power of the ARL lies in the evidence-based approach of the wider Program. A national program available to all APCO Members, the tool measures packaging recyclability in the kerbside or REDcycle program (for REDcycle Members). A world-first, the PREP technology is currently being rolled out internationally – an incredible example of Australian innovation and technology driving change in the sustainable packaging field.

The program's governance structure is another factor driving this success.

To ensure PREP's determinations are as accurate as possible, in 2018 APCO formed the Technical Advisory Committee (TAC), a group of experts from across the value chain in recycling and packaging. Working in partnership with the TAC is the Marketing Advisory Committee (MAC), a team representing businesses, retailers, recycling industry and local and state government. This engine room of industry expertise has played a huge role in the Labelling Program's success to date.

In 2019, we also launched a new Industry Uptake communications strategy to spread the word within industry and continue to build on this success. Meanwhile the consumer education campaign delivered by Planet Ark Environmental Foundation is continuing to help shape public understanding of recycling best practice. Looking ahead, we are excited for the launch of PREP 5.0 to streamline the functionality and data tracking benefits of the portal.

## A WORD FROM OUR PARTNERS



Paul Klymenko  
 CEO, Planet Ark  
 Environmental Foundation

*"APCO has been a strategic partner of Planet Ark in the delivery of the Australasian Recycling Label Program. Their collaborative approach has allowed us to drive positive environmental outcomes and also made it possible to deepen our relationship on new projects such as the National Circular Economy Hub. We are looking forward to keep working with them on these programs and many more".*



Anthony Peyton  
 Director, PREP Design

*"At the start of the financial year, we could see on the horizon an approaching wave of support for the program, with a number of APCO's Members voluntarily agreeing to register to use PREP and adopt the ARL. We hadn't realised we were actually facing a tsunami of support from the Members who embraced the simplicity and integrity of the program on mass, the experts who contributed so enthusiastically to the Technical Advisory Committee and the APCO team who helped create a warm sense of camaraderie between all of the stakeholders, including those who volunteered their expertise to the working groups. Following a PREP Member survey in the middle of the year, and with the support of APCO, we embarked on a major PREP upgrade that'll be launched in the new year - watch out for PREP 5.0!"*

## LABELLING LEADER: NESTLÉ

APCO Member Nestlé is one of the world's largest food and beverage companies, representing more than 2,000 brands worldwide.

Since joining the Australasian Recycling Label Program in 2017, Nestlé Oceania has become a leading proponent of the Australasian Recycling Label. With its first two products to feature the ARL hitting the shelves in August 2018, a further 90 products featuring the label have since been released, with a commitment to apply the ARL on all locally controlled artwork by the end of 2020. More broadly, the company is aiming to make 100% of its packaging recyclable and reusable by 2025, in line with Australia's 2025 National Packaging Targets.

Nestlé's packaging team is well on the way to achieving its goals, with over 530 SKUs (as of 2018) already assessed through PREP.

Karunia Adhiputra, Packaging Technologist at Nestlé Oceania, said: "to show the importance of the ARL and its integration into the business, we have conducted multiple training sessions to show our employees the correct way

The ARL on Allen's iconic Strawberries & Cream range

to recycle. We have also conducted a separate training session for all packaging technologists and marketing teams to train them on the creation and the application of the ARL, along with its style guidelines. This ensures consistency across the industry and also within our business. Crucially, this demonstrates the complexity of Australia's recycling streams and the importance of the ARL on our packaging.

"The ARL and packaging recyclability are big considerations for us at Nestlé and we are teaming up with APCO to share our learnings with the packaging community and within the industry to contribute to the development of best practice processes across the board."



## MEET THE ARL CHAMPIONS



Coles Supermarkets Australia

Woolworths Group

Campbell Arnott's Australia

Nestlé Australia

Fonterra Brands (Australia)

Unilever Australia

Pact Group Holdings

HBI Australia Acquisition

Officeworks

Natures Organics

Detmold Packaging

Chobani

ABC Tissue Products

Perfection Fresh Australia

Blundstone Australia

C.A. Henschke & Company

Henderson Greetings

Force Technology International

Vitality Brands Worldwide

Plantic Technologies



WHAT INDUSTRY SAYS ABOUT THE ARL PROGRAM



“Nestlé made a commitment to implement the ARL on all locally made products by 2020 as it fully aligns with our ambition to have 100% recyclable or reusable packaging by 2025.

Clear labelling on our products plays a really important role in helping make sure our consumers don't waste their waste but feel confident in what they can recycle.

Implementing the ARL has resulted in many positives for Nestlé, largely centered around making us think outside the box and be more innovative with packaging design. I encourage other organisations to adopt the scheme, I have no doubt they will also find the process brings forth many positives for them.”



WHICH INDUSTRIES ARE LEADING THE WAY WITH LABELLING?



A YEAR OF GROWTH FOR THE ARL

The Australasian Recycling Label Program has continued to go from strength-to-strength.





# Building the profile of sustainable packaging in Australia

In 2019, we invested in building the APCO brand and resources to help even more businesses get started on their sustainable packaging journey. This included a refresh of the APCO logo to reflect our new focus as an organisation working to build a circular economy for packaging in Australia. We worked hard to build awareness of the Covenant, product stewardship and the circular economy with a range of stakeholders, the media and across our social media channels. Media highlights for the year included interviews with ABC TV and Radio, The Project and The Guardian.

At the beginning of 2019, we started a new project to develop a range of new case studies highlighting the progress of our industry Members. We look forward to sharing their success and insights in the new year.

A FRESH LOOK



# Launching the 2025 Targets

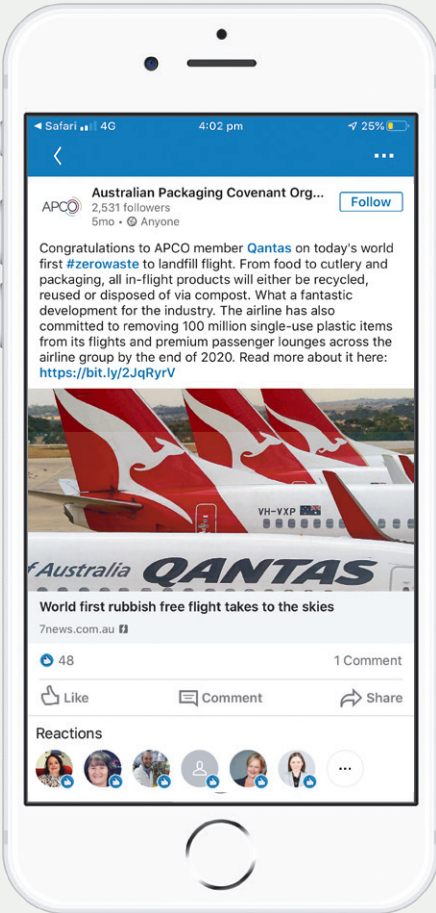
On September 26 2018, APCO joined industry and government to launch the 2025 National Packaging Targets. The event generated more than 360 pieces of media coverage including:

- 122 broadcast interviews
- 38 print and online news items in metro and national publications
- 39 trade media publications

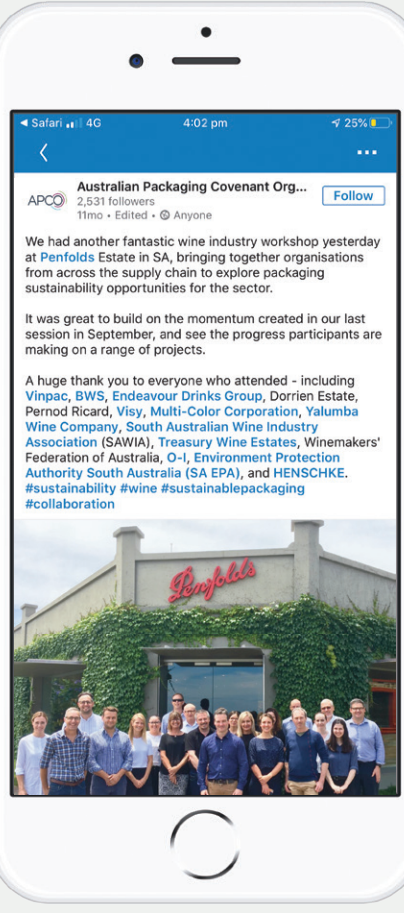


## ENGAGING ON SOCIAL

Qantas zero waste flight:



Wine industry workshop:



National General Assembly of Local Government:







To contact APCO please visit our website  
[www.packagingcovenant.org.au](http://www.packagingcovenant.org.au)

