



Signatory Name: Orora Packaging Australia Pty Ltd

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

Status: Completed

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

Yes

5. Industry sector (please select 1 only):

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

6. Industry type (please select 1 only):

7. Please indicate your organisation's reporting period:

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

Goal 1: Design

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

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

- Yes No

Provide details of policies and procedures

Each of the Divisions within Orora have developed and implemented review processes specific to their packaging type. For example the fibre division use iSpeck an on-line quotation tool that customer to design fit-for-purpose packaging which considers box design , paper type, transport, palleting etc.

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

%

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

- Yes No

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

%

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

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	100% of all new packaging to be reviewed using SPG or Equivalent.	Most divisions have implemented a formal SPG (or equivalent) review process of new packaging formats in the last reporting period. Due to application upgrades, and IT constraints, a number of new packaging types within the cartons division was not formally assessed using SPG or equivalent. Some of the smaller Divisions undertake packaging evaluation at the request of customers, rather than through a formal process that all customers go through.

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

Over the last several years, with the formal introduction of the SPG a few key constraints and have become evident:
 (1) Technical Capability Limitations of the Packaging - down-gauging/light-weighting is a key component of the SPG. This poses some concerns for the performance of packaging e.g. process pressure, holding pressure, transport pressure. Orora is working closely with our technical experts and customers to develop packaging materials (such as recycled paper) that will maintain, high strength and performance with reduced weight
 (2) Customer Marketing Needs: While the primary and purpose of packaging is to protect and preserve the product inside, more and more packaging is used as a marketing and branding tool not only for the product, but for the brand and the brand owner overall. This in turn requires packaging that has ample surface and complex design to fulfil these requirements, which can increase the amount of packaging materials e.g. paper, plastic, cartonboard, used to produce the finished package. To reduce this negative impact of increased use of packaging raw resources, our Divisions are placing increasing emphasis on improving internal production processes that can reduce the overall footprint of the package such as energy efficiency.

Goal 2: Recycling

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

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

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

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

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	To incorporate any new facility into the Waste Management System (the WMS administers waste to landfill, recycling and hazardous waste disposal; it seeks to find the optimal options for removing materials out of landfill streams and finding new uses for these through recycling and reuse)	Remondis (former Thies) FY 11 – 54 FY 12 – 52 FY 13 – 51 Orora Recycling FY 11 – 43 FY 12 – 50 FY 13 – 43
2.	Increase % of waste being recycled	% of waste recycled FY 11 – 85% FY 12 – 83% FY 13 – 80%*
3.	Decrease % of waste going to landfill	% of waste going to Landfill FY 11 – 15% FY 12 – 17% FY 13 – 20%*

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

*NOTE: Overall total waste (waste to landfill & Recycled) generated at Orora sites has decreased by 45% from FY12 to FY 13, and decreased 39% from baseline year FY 11 due to improved manufacturing processes and more effective use of resources such as redesigned carton layout to reduce off-cuts .

Some of the key constraints and opportunities over the last reporting period include

- (1) Composite Plastic Trim Waste: as per last year’s report the recycling/ reuse of the trim waste at a number of sites continues to be challenging. In recent years, this waste was exported for reuse/reprocessing overseas, but due to tightening of markets (both in terms of economic activity and demand for less contaminated (separation of composites) trim, this waste has been diverted back for disposal to landfill for the time being.
- (2) Behaviour: This has been both a constraint and an opportunity at a number of our sites. For example, several sites have had oily rag diversion to recycling, wooden pallet and comingled and plastic recycling introduced in the last reporting period. Some of these sites that have generally better environmental and sustainability awareness and designated champions have been successful at implementing and maintaining these initiatives; while elsewhere these initiatives have been less successful due to a combination of marketplace challenges such as finding suitable recycling outlets and sites requiring a focus on other challenges due to difficult economic times. Sustainability Team will continue working with these sites and the WMS providers to improve awareness and the success of these initiatives.
- (3) Cost Savings: by closely working with our WMS providers and sites we have been able to identify cost saving opportunities that have significantly reduced the cost of disposal of waste. (see Your experiences section for case study)

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

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

- Yes No

Please explain why not

Orora is a manufacturer of packaging products, of which the majority have recycled content. As such we do not directly purchase packaging products, but rather are supplied with bulked packaged goods (e.g. raw input materials). Through our Waste Management System, we find the most effective end-of-life outcomes for this supplier packaging (e.g. return to suppliers, recycle, and reuse). However as a packaging supplier we work closely with our customers to find the most sustainable solutions for their packaging needs.

18. Is this policy actively used?

- Yes No

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

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Finalise the Global Supplier Sustainability Code by end of FY 2012.	Amtcor Global Code of Conduct was finalised and approved in H1 2013, planning for implementation underway across the business groups across Europe, North America, South America and Asia.

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

Following the demerger of Orora from Amtcor, Orora will be formulating appropriate strategies for the new business.

Goal 3: Product Stewardship

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

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

- Yes No

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

Each business group has formal processes in place that include SPG (or equivalent) consideration in the designing, manufacturing and delivery of packaging products. (see KPI 1). These include iSpek (corrugated box) and Amtcor express (carton Packaging), our online quotation tools that allow sales reps and customers to choose the most fit-for-purpose and environmental conscious product for their needs.

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

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	All divisions to have and integrate processes of assessing new and existing packaging using SPG or equivalent in a formal design process by end of FY 2012.	All Divisions have product development/review processes that consider SPG or equivalent

2.	To continue working with customers to assist them in meeting their Covenant obligations.	With the announcement of the closure of the Cartonboard Petrie Mill in March 2013, the cartons division has been closely working with its customer base to ensure there was no loss of quality performance of packaging with the transition of other sources of carton board from overseas. The Orora sustainability team also performed PIQET Assessments for a number of Cartons customers, comparing the Petrie board to the alternative boards, to give them confidence there would not be any loss of environmental performance. This engagement and close collaboration with customers has ensured they are meeting their APC obligations in a challenging environment
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23. Describe any constraints or opportunities that affected performance under this KPI

Our Functional Coatings business is currently working on several projects which target the use of Speciality Fibre board as a sustainable packing product. Specifically we are working with the Seafood industry to introduce an EPS replacement box.

Collaborating with the Cartons design teams, Nestle have moved to lighter weight board and have reduced sizes of packaging to prevent waste.

KPI 7: % signatories showing other Product Stewardship outcomes.

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

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Develop and adopt a Sustainable Fibre Sourcing Policy by end H1 FY 2013.	<p>As the majority of our packaging products are fibre-based (boxes, cartons), we have developed a sustainable sourcing policy to ensure that all fibre-based products used in our manufacturing operations are procured from socially and environmentally credible and controlled sources.</p> <p>This includes NOT procuring fibre-based products from know sources:</p> <ul style="list-style-type: none"> - of illegal logging or illegally traded fibre products; - that violate traditional and human rights in their operations, and -that destroy high conservation value environment <p>The Policy Adopted in H1 FY 2013</p>
2.	Gain Forestry Stewardship Council (FSC) Chain of Custody (CoC) certification for Amcor's Cartonboard & Paper Mills	<p>The Orora Paper Mill at Botany (NSW) gained FSC CoC Certification in November 2012.</p> <p>The Mill is now certified to sell FSC Recycled credit paper to its customers.</p>
3.	<p>Amcor Enviro Action Targets FY 2011-FY 2016</p> <p>GHG Reductions 10% or 100 kT CO₂-e</p> <p>Water Reductions 25% of 1,300 ML</p> <p>Waste to Landfill Reductions 50% or 28.5 kT</p> <p>Hazardous Waste Reductions 50% of 2.5 Kt</p>	<p>Second year reductions FY 2013</p> <p>GHG – Decrease of 16% or 165 kT from baseline year</p> <p>Water – Decrease of 10% or 533 ML from baseline year</p> <p>Waste to Landfill – Decrease of 28% or 16 kT</p> <p>Hazardous Waste – Decrease of 14 % of 0.7 kT</p>

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

Yes

No

If yes, please give examples of other product stewardship outcomes

Orora offers Lifecycle assessment services to its customers through the PIQET Tool. These are usually conducted upon customer request. We conducted three LCA in FY 2103.

Orora also provide Packaging Product sustainability information to our customers when requested. In FY 12 we had 11 such requests.

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

With the demerger of Orora Limited from Amcor in late 2013, there is significant opportunities for the new business to investigate and implement new strategies and initiatives in the sustainability sphere.

For the next 12 months we will be reviewing all existing sustainability initiatives to identify what is still relevant to the new business and where improvement can be made to strengthen our performance and outcomes in this and other spheres of our operations

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

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

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	To work with customers and other stakeholders to reduce litter	Orora is an active member of the Packaging Stewardship Forum, providing seed funding for recycling and litter reducing programs in public, including activities undertaken by Keep Australia Beautiful.

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

Where possible, Orora works closely with customers through the application of the SPG or equivalent to identify opportunities to reduce the propensity to litter of packaging.

Your Experiences

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

29. Key achievements or good news stories

In 2003 Orora entered into a Waste Management Agreement with Thiess Waste Management Services (now Remondis). Under this agreement, Remondis manage our waste services with the aim of finding alternative waste disposal solutions through a profit-share agreement.

The services Remondis provide Orora include:

- Provide 24/7 service desk for waste request
- Administer all waste service providers, with over 100 separate sub-contractors.
- Ensure all waste certificates are received prior to payment
- Implement waste segregation and recycling strategies to minimise waste to landfill
- Ensure the most competitive market rates for waste disposal are applied
- Provide monthly waste reports for each site via the Remondis web portal
- Provide consolidated billing
- Provide quarterly reporting against KPIs.

Since the commencement of this partnership, waste to landfill has reduced year-on-year and is now 26.5% below 2003 levels.

This partnership has also achieved major savings in overall waste disposal costs, despite large increases in landfill charges and the introduction of waste levies.

Overall, this partnership has been a great outcome for Orora, Remondis and the environment, helping us reduce our waste disposal bills while finding alternative uses for scarce resource.

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