

APCO Performance Summary

Company Name: **Pro-Pac Packaging Limited**

Trading As:

ABN: **36112971874**

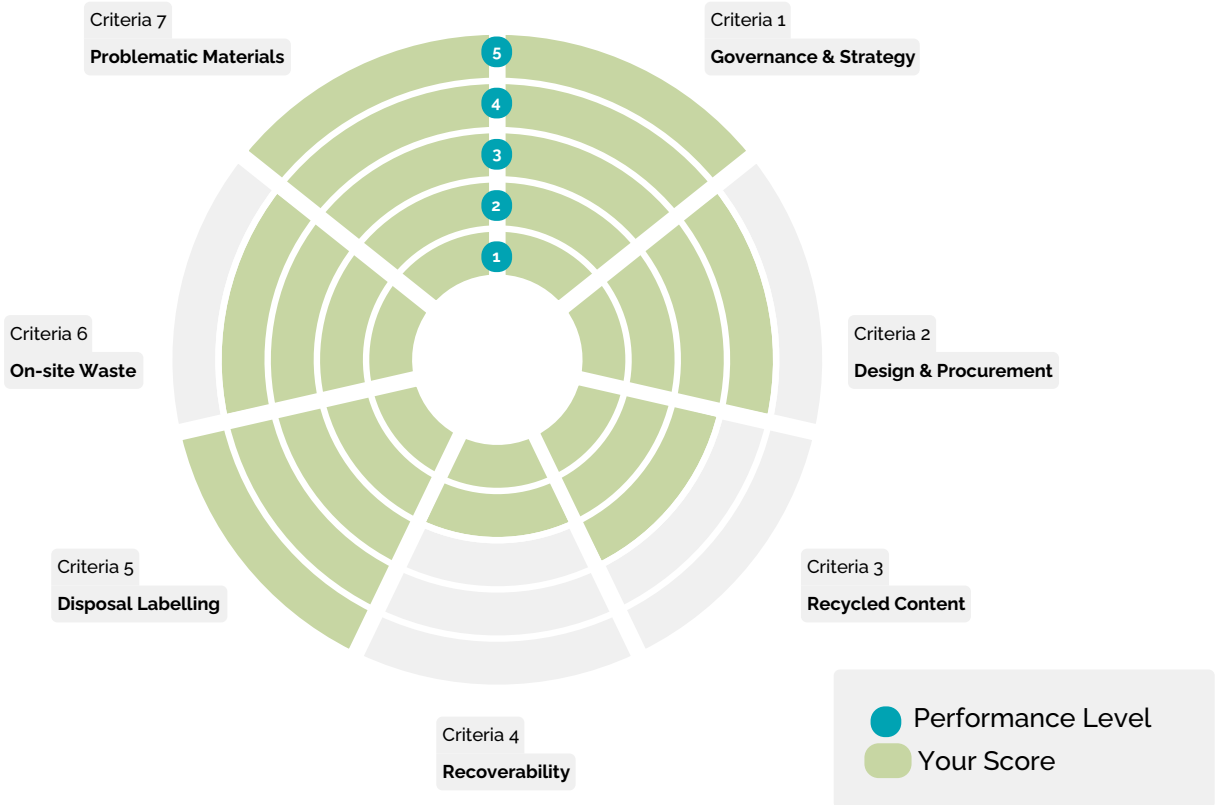
Overall Performance 69% - Leading

The score above and chart below indicate your organisation's overall performance in the 2024 APCO Annual Report. With your chosen reporting period of **January, 2023 - December, 2023** you have achieved a **Leading** overall performance level.



Criteria Performance Levels

The chart below indicates your organisation's performance against each of the Packaging Sustainability Framework criteria in the 2024 APCO Annual Report. Each band represents a performance level with the green indicating your level of performance for each.



Contact

About APCO Annual Reporting

Understanding APCO Annual Reporting performance levels:

- 1 Getting Started:** You are at the start of your packaging sustainability journey.
- 2 Good Progress:** You have made some first steps on your packaging sustainability journey.
- 3 Advanced:** You have taken tangible action on your packaging sustainability journey.
- 4 Leading:** You have made significant progress on your packaging sustainability journey.
- 5 Beyond Best Practice:** You have received the highest performance level and have made significant progress on your packaging sustainability journey.

Packaging Sustainability Framework criteria

- | | |
|---|---|
| Criteria 1:
Governance & Strategy | This criteria considers actions to integrate packaging sustainability into business strategies. |
| Criteria 2:
Design & Procurement | This criteria considers actions taken to ensure that sustainability principles are considered in the design or procurement of both new and existing packaging through use of the Sustainable Packaging Guidelines (SPGs). |
| Criteria 3:
Recycled Content | This criteria considers actions taken to increase or optimise the amount of recycled material used by your organisation. |
| Criteria 4:
Recoverability | This criteria considers actions taken to improve the recovery of packaging at end-of-life and increase use of reusable packaging. |
| Criteria 5:
Disposal Labelling | This criteria considers the extent to which packaging has been labelled to help consumers determine what to do with packaging at end-of-life. |
| Criteria 6:
On-site Waste | This criteria considers progress in increasing the amount of on-site solid waste being diverted from landfill. |
| Criteria 7:
Problematic Materials | This criteria considers the extent to which organisations are actively phasing out problematic and unnecessary single-use plastic packaging and preventing/reducing litter. |

APCO Annual Report Criteria Performance & Responses

Provided below are your organisation's responses to the questions within the APCO Annual Report as well as a performance level for each criteria.

Criteria 1:

Governance & Strategy: 5 Beyond Best Practice

- 1** Getting Started
- 2** Good Progress
- 3** Advanced
- 4** Leading
- 5** Beyond Best Practice

Does your organisation have a documented strategy that includes goals (objectives) and targets for packaging sustainability that addresses the Sustainable Packaging Guidelines (SPGs) or equivalent? Yes No

Does your organisation's strategy include a commitment to achieving the 2025 National Packaging Targets? Yes No

Is this strategy integrated within your business processes and has it been approved by an executive or board of directors? Yes No

Do you regularly communicate and promote packaging sustainability objectives and targets within your organisation? Yes No

Do you regularly engage or communicate with external stakeholders (suppliers, customers, final consumers, community groups etc.) relating to the environmental impact of your packaging. Yes No

Do you actively participate in any initiatives to promote packaging sustainability? Yes No

Supporting Evidence

PPG has a Sustainability Framework and Charter that details our approach and commitment to sustainability. This Framework includes our commitment to reducing the environmental impact of our packaging products. In addition to this Charter, we report annually on our sustainability activities and commitments in

Your full response can be found towards the end of this document.

Criteria 2:

Design & Procurement: 4 Leading

- 1** Getting Started
- 2** Good Progress
- 3** Advanced
- 4** Leading
- 5** Beyond Best Practice

How many of your 7897 SKUs are reviewed against the Sustainable Packaging Guidelines (or equivalent) in the last 5 years?

6940

Please indicate the accuracy of this response.

Medium

Please tell us about any positive outcomes from your packaging reviews.

Our printing and laminating business reviewed its entire portfolio of products against the CEFLEX guidelines. Our technical team developed mono-material options that maintained barrier properties for each structure. We are now working through external trials with customers to commercialise these CEFLEX-compliant packaging formats.

Refer to the annexation data folder containing evidence of these structure changes and DPOs.

Your full response can be found towards the end of this document.

Do you believe applying the SPGs deliver business value to your organisation?

Yes No

Which of the following Sustainable Packaging Principles have been considered in reviews of your organisation's packaging against the Sustainable Packaging Guidelines (SPGs)?

Design for recovery

Yes No

Optimise material efficiency

Yes No

Design to reduce product waste

Yes No

Eliminate hazardous materials

Yes No

Use recycled materials

Yes No

Use of renewable materials

Yes No

Design to minimise litter

Yes No

Design for transport efficiency

Yes No

Design for accessibility

Yes No

Provide consumer information on environmental sustainability

Yes No

How many of the 7897 SKUs have been optimised for material efficiency in the last 5 years?

6940

Please indicate the accuracy of this response.

Medium

Please tell us about any material savings you have made.

We worked with an FMCG customer to improve the material optimisation of their load containment films. Following our review and "cut and weighs", we were able to reduce the gauges of their films by 10 to 20% saving a total of 6938 tonnes of material across the film portfolio from Aug 2023 to Dec 2023.

Supporting Evidence

The SPGs provide a clear path to product improvement in terms of sustainability. Packaging sustainability is complex and without clear guidance, it can become subjective, time consuming and results can be inhibited. The SPG enable us to work with customers and suppliers confidently towards a solution. As we approach 2025, we're getting an increasing number of customers turn to us for support in meeting the targets and as such, we've been able to realise additional value.

Your full response can be found towards the end of this document.

Criteria 3:

Recycled Content: 3 Advanced

1 Getting Started

2 Good Progress

3 Advanced

4 Leading

5 Beyond Best Practice

Do you have a policy or procedure to buy products and/or packaging made from recycled materials?

Yes No

Which of the following products that you either purchase or distribute contain recycled materials?

- Your products
- Primary packaging that you use to sell your products
- Secondary packaging that you use to sell your products
- Tertiary packaging that you use to sell your products
- Other items which you purchase (e.g. office stationary and suppliers etc.)
- None of the above

How many 7897 SKUs includes at least some recycled material?

2150

Please indicate the accuracy of this response.

Medium

Do you provide customers with the option to purchase packaging with the highest level of recycled content that is technically feasible?

Yes No

Supporting Evidence

The calculation for the number of SKU's containing recycled content is a conservative estimate due to the ambiguity of the meaning of the term pre-consumer. For this reason we have only included figures of post consumer recycled product.

File: APCO SKU Recycled Content

Your full response can be found towards the end of this document.

Criteria 4:

Recoverability: 2 Good Progress

- 1 Getting Started
- 2 Good Progress
- 3 Advanced
- 4 Leading
- 5 Beyond Best Practice

How many of your 7897 SKUs have been designed so all packaging components that are recoverable (i.e. recyclable or compostable) at end-of-life?

4948

Please indicate the accuracy of this response.

Medium

How many of your 7897 SKUs have been designed with separable components with mixed recoverability at end-of-life? (e.g. a jar that is recyclable with a lid that is not recyclable)

0

Please indicate the accuracy of this response.

High

How many of your 7897 SKUs have been assessed in the Packaging Recyclability Evaluation Portal (PREP)?

31

If you use compostable packaging, please indicate the type(s) of compostable certification (if any):

- Certified home compostable (AS5810)
- Certified industrial compostable (AS4736)
- Certified compostable to another certification
- Compostable (not certified)
- None of the above

How many of your 7897 SKUs are not recoverable at end-of-life and must go to landfill? (i.e. not recyclable or compostable)

2949

Have you investigated opportunities for reuse or do you currently provide your customers with any reusable packaging?

Yes No

If yes, how many of your 7897 SKUs are designed to be reused?

Please indicate the accuracy of this response.

Which of the following reusable items did your organisation utilise during the previous 12 month period?

- Pallets
- Crates
- Drums
- Intermediate bulk containers
- Other (please specify)

Please specify

- None of the above

Tick all that apply - Was this reused:

Internally (between your organisation's sites & facilities)?

Externally (with other organisations such as suppliers or customers)?

- | | | |
|-------------------------------------|---|---|
| Pallets | <input checked="" type="radio"/> Internal | <input checked="" type="radio"/> External |
| Crates | <input type="radio"/> Internal | <input type="radio"/> External |
| Drums | <input checked="" type="radio"/> Internal | <input type="radio"/> External |
| Intermediate Bulk Containers (IBCs) | <input checked="" type="radio"/> Internal | <input type="radio"/> External |
| Other (specified above) | <input type="radio"/> Internal | <input type="radio"/> External |

Supporting Evidence

Refer to
 Chep/Loscam invoices
 Waste recovery invoices
 Internal emails confirming reuse of IBC's, Drums

Criteria 5:

Disposal Labelling: 5 Beyond Best Practice



Do you provide information to your customers on the recoverability of your packaging to help them apply correct disposal labelling on-pack? Yes No

Do you provide labelling on distribution packaging to inform the consumer (end-user) how to correctly dispose of the packaging? Yes No

If you have private label products, do they have labelling on-pack to inform the consumer how to correctly dispose of the packaging? Yes No N/A

Supporting Evidence

PPG do not act as seller to the consumer. We sell to organisations that pack and consume. In a B2B setting, labeling does not occur, however we do run educational sessions with our sales team and customers to ensure they are aware of how to correctly dispose of the products we manufacture and distribute.

In the case where we sell to organisations that use the PREP tool to label our packaging products for consumer consumption, we either do the PREP reports for our customers or offer support for them to do so.

Your full response can be found towards the end of this document.

Criteria 6:

On-site Waste: 4 Leading



Tick which of the following packaging materials you have on-site recycling programs for:

- Paper/cardboard
- Soft plastics
- Rigid plastics
- Timber
- Textiles
- Glass
- Metals
- Other (please specify)

Please specify

- All materials have recycling programs
- None of the above

Over the reporting period, how much of the waste your organisation generated on-site was diverted from landfill (was recycled, composted, reused or sent for energy recovery)?

52%

Please indicate the accuracy of this response.

High

Which of the following facilities are included in the above waste data?

- Offices
- Warehouses
- Stores
- Manufacturing facilities
- Other (please specify)

Please specify

- None of the above

Supporting Evidence

Waste summary.xlsx
Cleanaway IR.xlsx
Cleanaway Perfection.xlsx
MISC Suppliers.xlsx
Wasteflex.xlsx

Criteria 7:

Problematic Materials: 5 Beyond Best Practice

1 Getting Started

2 Good Progress

3 Advanced

4 Leading

5 Beyond Best Practice

Over the reporting period, which of the following activities did you undertake to help reduce the impact of litter?

- Conduct regular clean ups
- Participate in Business Clean Up Day
- Sponsor a clean up day
- Undertook a litter education campaign
- Other (please specify)

Please specify

We participate in Operation Clean Sweep that has the objective to minimise pellets going into the surrounding environment.

- None of the above

Please indicate which of the following problematic, unnecessary and single-use plastic items your organisation sells or distributes:

- Lightweight plastic shopping bags
- Fragmentable (e.g. oxo-degradable) plastics
- Expanded polystyrene (EPS) packaging for food and beverage service or retail fresh produce
- EPS loose fill packaging
- Moulded EPS packaging for white/brown goods or electronics
- Rigid polyvinyl chloride (PVC) packaging
- Rigid polystyrene (PS) packaging
- Opaque polyethylene terephthalate (PET) bottles
- Rigid plastic packaging with carbon black
- Not applicable

Please indicate which of the following problematic, unnecessary or single-use plastic items your organisation is investigating options to or are actively working to phase-out:

- Lightweight plastic shopping bags
- Fragmentable (e.g. oxo-degradable) plastics
- Expanded polystyrene (EPS) packaging for food and beverage service or retail fresh produce
- EPS loose fill packaging
- Moulded EPS packaging for white/brown goods or electronics
- Rigid polyvinyl chloride (PVC) packaging
- Rigid polystyrene (PS) packaging
- Opaque polyethylene terephthalate (PET) bottles
- Rigid plastic packaging with carbon black
- Not applicable

Have you successfully phased out any of the above materials in the last 5 years?

- Lightweight plastic shopping bags
- Fragmentable (e.g. oxo-degradable) plastics
- Expanded polystyrene (EPS) packaging for food and beverage service or retail fresh produce
- EPS loose fill packaging
- Moulded EPS packaging for white/brown goods or electronics
- Rigid polyvinyl chloride (PVC) packaging
- Rigid polystyrene (PS) packaging
- Opaque polyethylene terephthalate (PET) bottles
- Rigid plastic packaging with carbon black
- Not applicable

Supporting Evidence

We have removed these items from our supply chain.

Evidence provided in sales and BOM data.

Additional Information

- No additional information

Please use the space below to provide your feedback on your experience with this Annual Report

As a B2B packaging provider, we feel that the questions are geared towards brand owners and consumer based packaging. As a result, we have some concerns the scoring may unfairly skewed against us e.g. ARL and PREP based questions (PPG does not act or apply the ARL ourselves. We provide the information to brand owners).

Describe initiatives, processes or practices that you have implemented during your chosen reporting period that have improved packaging sustainability

We have implemented several initiatives, processes and practices that improve packaging sustainability in 2023, including:

- Training on over 10% of our organisation on the 2025 National Packaging Targets, waste heirarchy, PREL/ARL and SPGs.
- Developed a resource library of slides, reports and recordings that the PPG can use to guide customer

Your full response can be found towards the end of this document.

Describe any opportunities or constraints that affected performance within your chosen reporting period

Some constraints that have inhibited our performance in 2023 include:

- Confusion over the different state SUPP bans. With each state having their own approach, it makes it difficult to find solutions for national customers that align all state requirements.
- Growing cost of compliance. While we have invested in additional sustainability resources, the cost of sustainability compliance (modern slavery, carbon, packaging mandate) is growing significantly and we risk

Your full response can be found towards the end of this document.

Please use the space below to provide examples or case studies of exemplary packaging sustainability conducted by your organisation. The information provided in the boxes may be used directly in your public facing Annual Report and Action Plan.

Some key projects that demonstrate the impact of the our internal improvements include:

- Reviewing our multilaminate primary food packaging portfolio against the CEFLEX guidelines and developed mono-material solutions for each
- Trials with up to 50% post-consumer recycled content in low gauge high performance film applications
- Reducing operational product wastage and maximising the recycling of any waste (eg trim) produced

Your full response can be found towards the end of this document.

Full Open Responses

Criteria 1 - Supporting Evidence

PPG has a Sustainability Framework and Charter that details our approach and commitment to sustainability. This Framework includes our commitment to reducing the environmental impact of our packaging products. In addition to this Charter, we report annually on our sustainability activities and commitments in our Sustainability Review. Our FY23 Sustainability Review outlines our commitment to APCO and the 2025 National Packaging Targets as well as demonstrated examples of innovations where we're utilising the SPGs to achieve these goals.

<https://www.ppgaust.com.au/sustainability>

Supporting documents Charter and Sustainability Review

Our Sustainability Charter was approved by the board and our Sustainability Review is approved by our CEO and Managing Director.

We conducted a 9-part sustainability program with over 70 PPG team members (~10% of the organisation). This program included sessions on the 2025 National Packaging Targets, the waste hierarchy and Sustainable Packaging Guidelines.

In addition to this, we conduct ad hoc information sessions to internal teams on our sustainability objectives, key projects and achievements. We have also developed a library of resources that is accessible across the group.

We regularly engage with suppliers to understand their latest sustainable packaging offerings and innovations. We communicate our growing sustainability needs, in particular for recycled content that is certified and traceable by a third party.

We also regularly engage customers about the environmental impact of their/our packaging. While this used to be largely PPG-outreach, we've seen an exponential amount of enquiries of this kind from customers as we draw nearer to 2025. When meeting with customers, we share some of our key projects and investments in sustainability, and seek to understand their concerns or areas most at risk. We often then review customer's packaging portfolios and provide options for them to improve their environmental footprint including downgauging, using recycled content, improving recyclability or using compostable or bio-based materials.

We have engaged and are collaborating with several organisations to promote packaging sustainability. These include the PVC Stewardship Program, Dairy Australia/Plasback's silage stewardship program and Chemistry Australia's Plastic Council (for negotiations on the UN Plastics Treaty on ocean plastic waste that is comprised of significant amounts of packaging).

We were also a member of REDCycle while the program was in existence, and will be committed to the new program whenever it is launched.

Other key plastic sustainability programs we have relationships with are Operation Clean Sweep and the Non-Packaging Agricultural Plastics Stewardship Scheme.

Criteria 2 - Please tell us about any positive outcomes from your packaging reviews.

Our printing and laminating business reviewed its entire portfolio of products against the CEFLEX guidelines. Our technical team developed mono-material options that maintained barrier properties for each structure. We are now working through external trials with customers to commercialise these CEFLEX-compliant packaging formats.

Refer to the consumption data folder, containing evidence of these structure changes and PPG's assessment of structure compliance to CEFLEX standards.

In 2023, we also reviewed our meat packaging category and identified an opportunity to utilise food-grade

rPET up to 100% PCR inclusion. We have also considered the tray's lidding films to ensure these along with the trays are kerbside recyclable.

Refer to various customer presentation and internal trial documents as evidence.

Finally, we have worked with several customers to optimise the material efficiency of their pallet wrap. For our customers, we were not only able to save significant tonnes of material, we were able to reduce their product price and reduce changeover times.

Criteria 2 - Supporting Evidence

The SPGs provide a clear path to product improvement in terms of sustainability. Packaging sustainability is complex and without clear guidance, it can become subjective, time consuming and results can be inhibited. The SPG enable us to work with customers and suppliers confidently towards a solution. As we approach 2025, we're getting an increasing number of customers turn to us for support in meeting the targets and as such, we've been able to realise additional value.

Refer to consumption data folder for supporting evidence.

Criteria 3 - Supporting Evidence

The calculation for the number of SKU's containing recycled content is a conservative estimate due to the ambiguity of the meaning of the term pre-consumer. For this reason we have only included figures of post consumer recycled product.

File: APCO SKU counts.xlsx.

File: Refer to procurement policy

Criteria 5 - Supporting Evidence

PPG do not act as seller to the consumer. We sell to organisations that pack and consume. In a B2B setting, labeling does not occur, however we do run educational sessions with our sales team and customers to ensure they are aware of how to correctly dispose of the products we manufacture and distribute.

In the case where we sell to organisations that use the PREP tool to label our packaging products for consumer consumption, we either do the PREP reports for our customers or offer support for them to accurately create a PREP. We also provide any necessary information to our B2B customers to ensure they are able to communicate its recoverability to correctly label the product with an ARL.

Refer to APCO training session documents and PREP reports

Additional Information - Describe initiatives, processes or practices that you have implemented during your chosen reporting period that have improved packaging sustainability

We have implemented several initiatives, processes and practices that improve packaging sustainability in 2023, including:

- Training on over 10% of our organisation on the 2025 National Packaging Targets, waste heirarchy, PREL/ARL and SPGs.
- Developed a resource library of slides, reports and recordings that the PPG can use to guide customer and supplier sustainable packaging conversations.

- Continuously reviewing our NPD process to improve sustainability outcomes and speed to market.
- Internal recruitment of a new role, Group Sustainability Officer, to add additional resource to the sustainability team to meet growing demand.
- Review of group policies and procedures, adding further emphasis on environmental and/or packaging sustainability where appropriate.
- Study tour of European recyclers to better understand film recycling and best practice PCR film manufacturing.

Additional Information - Describe any opportunities or constraints that affected performance within your chosen reporting period

Some constraints that have inhibited our performance in 2023 include:

- Confusion over the different state SUPP bans. With each state having their own approach, it makes it difficult to find solutions for national customers that align all state requirements.
- Growing cost of compliance. While we have invested in additional sustainability resources, the cost of sustainability compliance (modern slavery, carbon, packaging mandate) is growing significantly and we risk our resources not being able to keep up.
- Uncertain policy surrounding the packaging mandate have made it difficult to know where to innovate so we can proactively prepare. With the mandate due to come in in 2025, industry is at risk of being unprepared and as such, we risk players taking the easy, not necessarily the most sustainable solution available. Without policy certainty and adequate time to prepare, it will be difficult for industry to invest what's required in R&D to meet the goals.
- Following the above point on policy, sustainable product solutions still demand a premium and without a policy lever (eg tax) that levels the economic playing field, it will be a hard cost for brand owners to justify in the increasingly difficult business environment.
- Competition with cheap imports also remains a problem. While Australian packaging manufacturers are and will continue to be willing to invest in recycling and other sustainable packaging initiatives, our higher domestic cost base makes it difficult to compete with cheaper imported options. If we want to grow a strong local circular economy, we need to ensure we create attractive operating environments for our local recyclers and manufacturers.

Additional Information - Please use the space below to provide examples or case studies of exemplary packaging sustainability conducted by your organisation. The information provided in the boxes may be used directly in your public facing Annual Report and Action Plan.

Some key projects that demonstrate the impact of the our internal improvements include:

- Reviewing our multilaminate primary food packaging portfolio against the CEFLEX guidelines and developed mono-material solutions for each
- Trials with up to 50% post-consumer recycled content in low gauge high performance film applications
- Reducing operational product wastage and maximising the recycling of any waste (eg trim) produced
- Trials with certified compostable materials for food contact applications
- Trials and commercialisation of kerbside recyclable paper food wrappers
- "Cut and weigh" product reviews for several pallet wrap customers to optimise their product material efficiency