

Australian Packaging Covenant ACTION PLAN 2011-15



Plasdene Glass-Pak
PTY. LIMITED

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COMMITMENT

Plasdene Glass-Pak Pty Limited is committed to the principles of the Australian Packaging Covenant and as such has an ongoing commitment to continuously improve the way in which we manage our operations, activities and facilities in an environmentally responsible manner, whilst acknowledging our limited position to influence change.

Our national Distribution Centres work closely with our supply chain partners to collectively improve efficiencies, outputs and limit wastage during production and distribution processes.

Ken E. Pearson
CEO/Managing Director

EXECUTIVE SUMMARY

Plasdene Glass-Pak Pty Limited is a family owned business involved in the wholesale distribution of rigid packaging materials to industries such as pharmaceutical, food, wine and spirit, soft drink, cosmetic, chemical, homoeopathic and nutritional health. **We are not a manufacturer.**

The Company has been a signatory to the NPC since 2002 and since then, has progressively adopted changes for the better to reduce the impact of our packaging and our overall operation, on the environment.

More than ever before concerns for our shared environmental future weigh on our global community. We acknowledge and adhere to the need for thoughtful, sustainable decisions in our business operations and product offering. As a distributor and bound as we are to the market demand of our customers, namely the brand owners, we realise we are but one part of the packaging story. Nevertheless, ours is an important role, and as such we continue to influence an environmentally positive culture within our business, making changes to the way we consider and handle such things as internal reports and correspondence, recycling of documents and products, the types of packaging within our product range, our supply partner selection criteria, the storage, supply and disposal of our incoming and outgoing product distribution packaging as well as our outer transport packaging, to minimize **our** impact on the environment.

We endeavour to work together with our clients, our manufacturing partners and our staff to consider the Sustainable Packaging Guidelines when considering new packaging introductions and during review of our current product range.



Of most significance this year has been the investment by The Company owners to implement a new computer system across the country. SAP Business One delivers cost and environmental savings in every aspect of our business operation.

Our key Principals, O-I Glass Packaging, have determined environmental issues as a major focus of their business into the future, implementing a glass “light-weighting” program across many of their stock items. Plasdene Glass-Pak is excited to be a part of the promotion and distribution of this program.

Similarly, our key plastics supplier VIP Packaging has made a public commitment to reach a 100% recyclability goal on all their products, manufactured under sustainable production practices. We continue to support VIP Packaging in this noble cradle to cradle ambition.

This Action Plan summarizes our commitment to Product Stewardship and actions against KPI’s as they relate to our operations.

Ken E. Pearson, CEO/Managing Director

COMPANY SUMMARY

Plasdene Glass-Pak Pty Limited is a wholly Australian owned private company which was incorporated in 1987 by co-founder, owner and current Managing Director, Ken Pearson.

From a position of zero sales and one employee in 1987, the Company has grown rapidly so that it is now a dominant Importer and National Distributor of bottles, jars, containers, flexible packaging and materials handling in Australia.

Plasdene Glass-Pak boasts seven branches nationally, with over 4,000 product lines. Products are made of glass, plastic and metal materials. Working with some of the largest packaging manufacturers in the world as well as smaller, niche suppliers, Plasdene Glass-Pak distributes rigid packaging to multi-national companies, brand owners, contract manufacturers, cottage industries and end users. Industries serviced include the food, beverage, wine, pharmaceutical & healthcare, cosmetic, industrial and mining industries.

Whilst we do own some of our own moulds, Plasdene Glass-Pak is not a manufacturer and is positioned mid-stream within the packaging supply chain.

Plasdene Glass-Pak is externally certified by SAI Global to ISO 9001:2000.

Branches

6 Sheridan Close, Milperra NSW

12 Callistemon Close, Warabrook, NSW

30 Northlink Place, Virginia, QLD

52 Albert Street, Preston, VIC

3 Lampton Avenue, Derwent Park, TAS

593 Port Road, West Croydon SA

7 Baile Road, Canning Vale WA

COVENANT CONTACT OFFICER

The person responsible for the co-ordination of Plasdene Glass-Pak's Action Plan under the Australian Packaging Covenant is Greg King, General Manager, Finance and Administration

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PLAN MANAGEMENT/DEPARTMENTS RESPONSIBLE

Plasdene Executives regularly meet to plan the activities and direction of the Company and have the Australian Packaging Covenant as a fixed item on their Agendas.

APC initiatives are developed and discussed during mandatory Branch Management Review meetings on a monthly basis, involving key staff at state level in management, sales, administration and warehouse/logistics departments. Initiatives are co-ordinated nationally by the Executive team, our National Warehouse and Logistics Manager, and our General Manager, Finance and Administration.

The review team would include members of the Executive Committee, the Warehouse and Logistics team, and the Business Development Unit to ensure input and feasibility study from a logistic, financial, design and product development perspective.

Our major Supply Partners and Brand Owners are regularly consulted and influenced in their decision making processes, to ensure that environmental considerations and the objectives of the Australian Packaging Covenant are at the forefront in their packaging selection processes.

SCHEDULE FOR PACKAGING REVIEWS

As a wholesale distributor of unfilled rigid packaging, there are limitations to the amount of influence Plasdene Glass-Pak can have on both the manufacture of packaging, and the final market product.

Plasdene Glass-Pak supplies and stocks 'primary, functional' packaging (namely a container, bottle, jar or pail, with a corresponding closure, being a lid, cap, pump, spray or other dispenser), and as such, is 'fit for purpose'. Packaging we sell is necessary and purposeful for containing product. Primary/functional packaging is our core business and will continue to be so into the future.

Due to the quantity of SKUs from several hundred suppliers globally, it is not feasible to regularly conduct product review for individual SKUs. Plasdene Glass-Pak's internal review committee has agreed to group products for assessment into four core categories, listed below:

- glass packaging of local origin
- glass packaging of foreign origin
- plastic packaging of local origin
- plastic packaging of foreign origin

We endeavour to review the product range by group on a yearly basis, and commit to considering the sustainable packaging guidelines during new product introduction processes.

ACTION PLAN KPI SUMMARY TABLE

COVENANT PERFORMANCE GOALS & KPIs/ACTIONS	RESPONSIBILITY	STATUS	TARGET/PERFORMANCE GOAL	TIMELINE
<p>Goal 1. Design – optimise packaging to achieve resource efficiency and reduce environmental impact without compromising product quality and safety</p> <p>Target: 70% of Covenant signatories with documented policies and procedures for evaluating and procuring packaging using the SPG or equivalent</p> <p>Target: 70% of Covenant signatories assessing 100% of new packaging and 50% of existing packaging against the guidelines</p>				
<p>KPI 1 DESIGN Proportion of signatories in the supply chain implementing the SPG for design or procurement of packaging</p>				
<p>As a packaging wholesale distributor there are limitations to what Plasdene Glass-Pak can do to influence future packaging design. We take all reasonable efforts to work with suppliers on continuous sustainability improvements in their manufacturing processes and product output. We seek out and select proactive manufacturers dedicated to innovation, environmental consideration, advanced technology and cost effective packaging solutions. As a distributor we often act as facilitator, bringing packaging from the manufacturing plant, to the mainstream. It is our obligation to educate, promote and sell the sustainable packaging options developed by our manufacturing partners to grow market demand for such products, and in turn, encourage them to continue to develop sustainable packaging solutions.</p>				
<p>The Clean Up</p> <p>With the implementation of our new computer system Q1 2011, a full SKU review was successfully conducted to streamline product range.</p>	<p>Purchasing and Administration Teams</p>	<p>Completed Q1 2011</p>	<p>Product review conducted Q1 2011 was an opportunity to eradicate obsolete stock, discontinue poor performing product and streamline product range for future company growth with well</p>	<p>Completed</p>

			designed, high performance packaging products made of recyclable or recycled materials made in an environmentally sustainable way.	
<p>Future planning and education involving stakeholders</p> <p>Allocate time during yearly Sales & Marketing conference for senior executive and sales teams to review current product range with focus on design and purpose, considering market demand, product functionality and compatibility, cost, feasibility and availability, and product sustainability & manufacturing process. Involving key suppliers, it will also be an opportunity to understand future packaging trends and plan future product development. This forum also presents an opportunity to educate key stakeholders about Sustainable Packaging Guidelines, and how best to adopt practices during future product development.</p>	The Executive Committee, in conjunction with the Business Development Unit, Purchasing, Administration and Logistics departments and key supply partners	Scheduled activity	To commence dialogue and involve key stakeholders in future planning of product range reviewed against key parameters of functionality, performance, compatibility, cost, feasibility, availability, market demand & sustainability.	Scheduled Q2 2011
<p>Keeping abreast of initiatives</p> <p>Implement a regular contact program with key supply partners for updates on new product and manufacturing initiatives with a sustainability focus. Co-ordinate marketing program to spread the message on such initiatives within the PGP national branch network, and to wider client base.</p>	Business Development Unit	Underway on an ad-hoc basis. Initiate a more co-ordinated program	Advise and educate sales teams and wider market on sustainable packaging options	Q4 2011

<p>Engaging clients – education & market reaction</p> <p>A pilot educational event hosted by PGP for key clients within a specific region and industry is planned, providing a forum to educate clients on new product innovation, reasons and benefits behind sustainable new product introductions (Lean + Green™ wine bottle range) and the opportunity to engage clients in dialogue on what the market wants/how we can achieve balance between design, innovation, sustainability and function for future packaging introductions. If successful, similar education and engagement events could be rolled out nationally</p>	<p>Sales, Business Development Unit & industry/supply partners</p>	<p>Scheduled activity</p>	<p>Understand market demand. Educate clients on sustainable packaging initiatives & promote new designs. Consider future design cohesively</p>	<p>Scheduled Q2 2011</p>
<p>Administration</p> <p>Assign APC product group (i.e. glass of local origin, etc.) to current SKUs in new computer system SAP for future product grouping and review. Investigate feasibility of applying new property fields to listed SKUs in computer to identify the APC requirements x SKU. Commence annotation against individual SKUs in inventory master in computer system, documenting any specific issues, opportunities for improvement, recommendation to phase out/discontinue etc on an ongoing basis. Investigate possibility of incorporating SPG into new product development/sales opportunity enquiry parameters within SAP.</p>	<p>Review Committee & Business Development Unit</p>	<p>Not yet initiated. Requires feasibility study</p>	<p>Streamline product review process & provide effective reporting structure. Provide platform for including SPG considerations at initial enquiry stage.</p>	<p>Q2 2012</p>
<p>New Product Development</p> <p>New product development happens on an ongoing basis for the Company. Many new projects demand an existing packaging</p>	<p>Primarily Business Development Unit, Sales teams secondary</p>	<p>Ongoing</p>	<p>Influence market to consider and choose sustainable packaging options during product development and</p>	<p>Q2 2011</p>

<p>product (in stock or globally sourced) and our Business Development Unit assess each enquiry to determine the best container 'fit' for each enquiry based on a large selection criteria from within our global supply chain. Our BDU commit to consider the SPG guidelines during this selection and submission process, and wherever possible influence the client to consider a sustainably designed and/or manufactured and transported product most favourably</p>			<p>new product introduction process.</p>	
<p>New Mould Development</p> <p>Occasionally new business opportunities demand a new or custom packaging product and our Business Development Unit facilitate this process in conjunction with clients and manufacturers from concept to finished product, The BDU will commit to put sustainable packaging guidelines at the forefront within the development process, considering if theoretical packaging options will be fit-for-purpose, resource-efficient, made from low-impact materials and reusable or recyclable at the end of its useful life when considering the clients' needs and assessing manufacturing partner options, and final design. The BDU will work (within means) to make available and present favourably sustainable packaging solutions, and influence the client to select a design/manufacture respective of the SPG spirit where possible and commercial viable.</p>	<p>Primarily Business Development Unit, Sales teams secondary</p>	<p>Ongoing</p>	<p>Influence market to consider and choose sustainable packaging options during product development and new product introduction.</p>	<p>Q2 2011</p>

<p>Review of progress</p> <p>Follow up meeting of Executive committee and review team. Assessment of progress against planned actions, general review of range and consider APC commitments for future.</p>	<p>The Executive Committee, in conjunction with the Business Development Unit, Purchasing, Administration and Logistics departments</p>	<p>Opportunity to review and refocus for future</p>	<p>Establishes accountability, checks progress against planned actions with possibility for changes and instigates a plan for future.</p>	<p>Q3 2012</p>
<p>Goal 2. Recycling – the efficient collection and recycling of packaging</p>				
<p>KPI 3 Proportion of signatories with on-site recovery systems for recycling used packaging</p>				
<p>Combined plastic and cardboard harvest recycling waste bins are used in Sydney, Melbourne and Brisbane warehouse sites, with future plans to roll out across the country.</p> <p>Office recycling bins are used for office paper waste in all sites.</p> <p>External salvage/recycler services are utilized at all sites for the reuse/recycle of products and/or outer packaging deemed unsaleable i.e. defective goods, broken glass, outer plastic shrink wrap, excess cartons and dividers.</p>	<p>National Warehouse and Logistics Manager</p>	<p>Partially achieved</p>	<p>National implementation of plastic/cardboard harvest recycling waste bins if commercially feasible.</p>	<p>Q1 2012</p>
<p>KPI 4 Proportion of signatories with a policy to buy products made from recycled packaging</p>				
<p>A formal policy on buying recycled packaging product for sale does not exist and market demand may dictate a policy on exclusively purchasing recycled packaging may not be feasible</p>	<p>Executive committee & Purchasing teams</p>	<p>Current informal arrangement</p>	<p>Implement policy to preference a product made of recycled material over a</p>	<p>Q4 2011</p>

<p>now or in future. However, a Company directive to preference recycled packaging over a same or similar product made of virgin material where commercially comparable to one made of virgin material should be adopted.</p> <p>The existing core product range is primarily comprised of recyclable materials made from a content of recycled material, particularly glass which can be made with up to 70% cullet and can be 100% recycled without loss of strength or quality. Other plastic materials (primarily HDPE, PET and LDPE) sold can be recycled and we support our key plastic suppliers (such as VIP Packaging) who have implemented or have plans to implement the use of outsourced PCR material in new product production, and internal conversion of PCR material used as virgin resin replacement in production of new industrial products.</p>		<p>in place. Formalise policy for future purchase.</p>	<p>comparable product made from virgin material</p> <p>Encourage increased level of cullet and PCR material to be used in future supplier production.</p>	
<p>Goal 3. Product stewardship – a demonstrated commitment to product stewardship by the supply chain and other signatories (Target: 70% of Covenant signatories are implementing formal policies and procedures in working with others to improve design, procurement and recovery of packaging)</p>				
<p>KPI 6 Proportion of signatories that have formal processes for working with others to improve design and recycling of packaging</p>				
<p>Many products locally manufactured are supplied to clients on returnable packaging. Plasdene Glass-Pak operates on a deposit/return closed loop system for return and reuse of outer packaging from client to manufacturer. An ongoing client education exists to enhance this process and ensure the treatment and return of returnable packaging in good condition suitable for reuse.</p>	<p>Sales teams and National Warehouse and Logistics Manager</p>	<p>Established system in place</p>	<p>Encourage suppliers to implement or enhance current system/materials used for returnable packaging in order to supply goods on robust returnable packaging to increase the</p>	<p>Q4 2011</p>

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			longevity of the packaging. Tighten the current client return system and continue client education program	
KPI 7 Proportion of signatories demonstrating other product stewardship outcomes (You must outline any other product stewardship actions that you will take to support the Covenant's objective and goals)				
<p>Reduction in distribution handling by influencing customers to use Direct ship methods in their supply chains enables us to reduce handling and shipping impacts on the environment.</p> <p>The Company's investment in high rise racking optimizes internal warehouse capacity thereby reducing transportation costs upstream (we can increase manufacturing efficiencies by producing larger quantities at a time and shipping in bulk for storage on site) and transportation costs downstream by utilizing our own rather than contract warehouse facilities for client storage needs. Wherever possible we source product manufactured in state or locale of sale. Imported products are shipped to the city of highest demand to minimize supply chain costs.</p> <p>Our initiative to introduce new products in reusable cartons rather than disposable shrink film is also a considered approach to improving our environmental impact.</p>	Purchasing, Sales, Warehouse and Logistics and Business Development Unit teams	Initiatives implemented	Reduce supply chain environmental impact	Established
KPI 8 Reduction in the number of packaging items in litter				
There is limited opportunity to reduce packaging items in litter	Executive review	Unlikely to	Consider unnecessary	As per design

<p>based on current product range. As detailed in 'schedule for packaging reviews' our product offering is generally considered purposeful and necessary (i.e. a bottle to hold product, and a cap to secure it). Reducing removable pieces of such packaging components, such as removing tamper evident bands, can compromise product functionality and consumer safety and would not be entertained as a possible solution.</p> <p>Responsibility for reduction in brand owner's additional outer packaging (such as a PGP jar and lid encased in an additional outer box) rests with the brand owner.</p>	<p>team</p>	<p>make an impact/proceeded</p>	<p>packaging component pieces when conducting product review with the understanding that foregoing functionality of product in favour of a possible reduction in litter may not be feasible.</p>	<p>schedule</p>
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