

Australian Packaging Covenant

Action Plan 2011 – 2015



Executive Summary

Schweppes Australia has a strong commitment to the environment. Our Schweppes Philosophy includes a commitment to *enhancing our communities and minimising the impact on the environment in which we live* and this is reflected in our Environment Policy. Our environmental program is aligned to the overall objective and performance goals of the new Australian Packaging Covenant, which helps us streamline the delivery of our commitments as a Covenant signatory.

This Action Plan details activities and initiatives that Schweppes is undertaking to support the goals of the Covenant. As a stand alone beverages business we are focusing our activities on our unique marketplace and supply chain in order to maximise the financial, environmental and social benefits of our actions. Under this Action Plan we will be undertaking a number of direct actions and initiatives to reduce the environmental impacts of our packaging. We will also be taking action through the Packaging Stewardship Forum (PSF), to which Schweppes provides both financial contributions and supporting resources. Through the PSF, Schweppes is able to contribute to the effective implementation of recycling and litter management programs associated with “away from home” consumption of our products. We recognise that these programs are where we can have the most impact on meeting the overall Covenant objective and goals.

I am pleased to endorse the Schweppes Australia Action Plan for 2011 – 2015 under the Australian Packaging Covenant.



David Beguely
Managing Director

Company Description

Schweppes Australia Pty Ltd is a major Australian beverage company that produces a wide range of carbonated and non-carbonated drinks and employs over 1,500 people in Australia. In April 2009 Schweppes Australia became a wholly owned subsidiary of Asahi Breweries of Japan.

Schweppes Australia manufactures, markets, sells and distributes non-alcoholic, ready to drink beverages. We manufacture our products from a number of primary raw materials – water, fruit juice, sugar and other ingredients are used for our products. In order to ensure the effective delivery of our products to consumers, we use rigid containers for primary packaging made from PET, aluminium, glass and PVC. Additionally, to protect these from damage and prevent product waste, we use secondary packaging such as cardboard boxes for delivery to our customers.

We manufacture our own brands as well as manufacturing products under licence. A list of these brands is included below.

Owned-brands:

- Schweppes
- Cottee's
- Solo
- Spring Valley
- Cool Ridge

Manufactured under licence:

- Pepsi
- Pepsi Max
- Mountain Dew
- Gatorade
- Sunkist

Distributed under licence:

- Monster

Schweppes Australia's head office is located in South Melbourne, Victoria. We manufacture at a number of facilities located around Australia, with additional sales and distribution centres also located throughout the country. Our major manufacturing sites are:

- Tullamarine – Melbourne, Victoria
- Huntingwood – Sydney, New South Wales
- Liverpool – Sydney, New South Wales
- MacGregor – Brisbane, Queensland
- Wulkuraka – Ipswich, Queensland
- Payneham – Adelaide, South Australia
- Osborne Park – Perth, Western Australia

Packaging materials and formats

Schweppes recognises the important role packaging plays in safely delivering high quality product to our consumers. We use a range of packaging materials and have a number of pack formats to suit our customer types.

Primary packaging

- PET bottles are used for carbonated drinks, water and sports drinks.
- Aluminium cans are used for carbonated drinks and energy drinks.
- Glass bottles are used for carbonated soft drinks, juice and cordial.
- PVC bottles are used for cordial products.
- In some instances high wet strength board is used to pack bottles and cans into consumer multi-packs.
- Steel, LDPE, HDPE, aluminium and polypropylene are used for bottle caps
- Paper and polypropylene are used for bottle labels.
- Laminate bags are used for syrup bag-in-box product.

Transport packaging

- Corrugated board is used to pack and transport many primary units.
- Tray and shrinkwrap is used for some can and bottle pack formats.
- Corrugated board layer pads are used on some pack formats.
- Stretch wrap is used to support some pallets during transportation.
- Products are transported on reusable wooden pallets.

• **Environmental management at Schweppes**

The commitments and actions undertaken by Schweppes under the National Packaging Covenant form part of our environmental management program. We have an Environment Policy which outlines a number of commitments including a commitment to reducing the environmental impacts of our packaging (see Appendix 1).



Our policy commitments are implemented through our environmental management system which sets out the responsibilities and procedures required to meet our policy commitments. The majority of our manufacturing sites have systems which have been certified by an accredited auditing body to the requirements of the international standard ISO 14001. We plan to have all manufacturing sites certified to ISO 14001 by the end of 2011.

While we strive continually to improve efficiency and reduce levels of waste to land, air and water, our challenge is to continue the journey towards long-term sustainable use of resources. Our performance in these areas is measured through a number of key performance indicators, both at a site level and as a national business. All manufacturing sites have in place continual improvement programs that monitor and measure these key performance indicators, set targets for improvement, and have programs in place to achieve these targets.

Previous achievements in product stewardship

Schweppes Australia is committed to continual improvement in the environmental performance of its products and activities. We have a long history of improvements in our packaging, stretching back to before the original Covenant. We fully support the aims of the National Packaging Covenant and signed up to the original Covenant at its inception in 1999. Some of our packaging achievements are summarised here.

- Implemented numerous light-weighting projects on PET and glass bottles, aluminium cans, caps and ends and carton board to reduce amount of packaging produced
- 98% of Schweppes packaging is recyclable through normal kerbside or drop-off recycling facilities in Australia
- Inclusion of recycled content in many primary and secondary packaging materials
- Optimised pallet configurations to allow more product per pallet, thus improving distribution impacts on the environment
- Inclusion of consumer information about recyclability on packaging
- Active participant in the Industry Advisory Group formed to develop the PIQET (Packaging Impact Quick Evaluation Tool) system for undertaking lifecycle assessments on packaging
- Improved post-consumer recycling rates and implemented litter prevention programs through the Packaging Stewardship Forum. Schweppes is an active participant and provides voluntary funding to support this group.
- Active participant and voluntary funding to support the Vinyl Cycle Bottle Recycling Group improve the post consumer recycling of PVC bottles
- Implemented certified environmental management systems to minimise packaging waste generated on site and improve recycling rates. All of our sites have completed waste audits to identify opportunities for improvement.
- Completed a pilot carbon footprint study on Cool Ridge
- Member of Eco-Buy program to reduce total environmental impact of packaging beyond buying recycled

Summary of Initiatives in this Plan

This action plan outlines the measures we will take to minimise the environmental impacts of our packaging. The Action Plan Table provides a full account of these measures. It continues on from the work conducted under the Schweppes Australia National Packaging Covenant action plans and reports.

Actions in this plan have been grouped under the three Covenant goals:

- Goal 1 – Design: Optimise packaging to use resources efficiently and reduce environmental impact without compromising product quality and safety.
- Goal 2 – Recycling: Efficiently collect and recycle packaging
- Goal 3 – Product Stewardship: Consumers able to make informed decisions about consumption, use and disposal of packaging of products.

The Action Plan Table also identifies the relevant Covenant KPIs that each action relates to. This demonstrates that actions in this plan encompass all parts of the lifecycle of our packaging and also adequately address the KPIs relevant to brand owners.

For each action we have set out the appropriate baseline data. This will be used to measure progress against key performance indicators throughout the life of this action plan.

We recognise that as technology improves and the supply chain matures we can continue to find opportunities to reduce the direct impacts of our packaging designs through light-weighting, incorporation of recycling content and analysis of distribution impacts. We have set out a number of specific initiatives in these areas to be addressed during the plan and will continue to research other opportunities. We will also formalise the use of PIQET (Packaging Impact Quick Evaluation Tool) to ensure proper consideration of lifecycle environmental impacts as part of the product design process.

We recognise that the most significant impact we can have on the Covenant meeting its targets is through the work of the Packaging Stewardship Forum (PSF). Our financial contributions to this group are above and beyond our contributions to the Covenant, which demonstrates the lead role we are playing in packaging stewardship. The PSF works as a delivery agent for industry recycling, resource recovery, litter reduction and education programs. The current PSF business plan focuses on glass recovery and recycling, away from home recycling, remote and indigenous communities, away from home training, communications and education and data capture and research. The work of the PSF has been incorporated in this plan.

SCHWEPPE AUSTRALIA NPC ACTION PLAN TABLE

ACTION	RESPONSIBILITY	TIMEFRAME	BASELINE	TARGET	EVIDENCE
COVENANT PERFORMANCE GOAL 1 - DESIGN Optimise packaging to use resources efficiently and reduce environmental impact without compromising product quality and safety.					
Covenant KPI 1 – Proportion of signatories in the supply chain implementing the Sustainable Packaging Guidelines for design or procurement of packaging.					
Incorporate Sustainable Packaging Guidelines into the process for designing new and changed products	Packaging National EHS	June 2012	SPG not included in IPM process	IPM process has SPG included as a required document	Completed SPG review documents for new and changed packaging
Undertake Sustainable Packaging Guidelines reviews on existing packaging	Packaging team	December 2014	No SPG review completed	All existing products reviewed to SPG	Completed SPG review documents for all existing products
Integrate the use of PIQET into the process for designing new and changed products	Packaging Manager	June 2012	PIQET not included in IPM process	PIQET review included as a required document	Completed PIQET reviews for relevant new and changed packaging
Investigate light-weighting opportunities in primary and secondary packaging	Packaging team	December 2015	Ratio of packaging to product in 2010 was 0.092	Reduction in ratio of packaging to product, excluding changes due to customer demands (e.g. shelf-ready packaging)	Annual reports on progress and outcomes of investigations
Investigate opportunities to reduce distribution impacts	Packaging and Logistics	December annually	Previous initiatives in NPC reports	Annual review of opportunities	Annual reports on progress and outcomes of investigations
Improve methods and accuracy of data collection	Packaging National EHS	June 2012	Data collected from suppliers annually	Revised method of data collection established	Data collection process documented

ACTION	RESPONSIBILITY	TIMEFRAME	BASELINE	TARGET	EVIDENCE
COVENANT PERFORMANCE GOAL 2 - RECYCLING Efficiently collect and recycle packaging.					
Covenant KPI 3 – Proportion of signatories with on-site recovery systems for recycling used packaging.					
Implement improvements to on-site collection and recycling collection facilities for used packaging	National EHS	December 2013	On-site recycling rates for all waste in 2010 was 82.9%	Increase in on-site recycling rates	Waste collection reports Waste audit reports Recycling rate trend reports
Covenant KPI 4 – Proportion of signatories with a policy to buy products made from recycled packaging.					
Implement a new Schweppes Australia environmental purchasing policy and practices which include a commitment to buy recycled	Procurement	June 2012	Draft purchasing policy	New policy launched to business	Authorised Policy document
Investigate opportunities to increase recycled content of packaging materials	Procurement Packaging	December annually	The average PCR content for 2010 was 36.6%	Increase in average recycled content	Annual reports on progress and outcomes of investigations
Investigate opportunities for minimising the life-cycle impacts of packaging through different sourcing strategies	Procurement Packaging	June 2013	No formal process in place	Review of opportunities	Report on progress and outcomes of investigations

ACTION	RESPONSIBILITY	TIMEFRAME	BASELINE	TARGET	EVIDENCE
COVENANT PERFORMANCE GOAL 3 – PRODUCT STEWARDSHIP					
Consumers able to make informed decisions about consumption, use and disposal of packaging of products.					
Covenant KPI 6 – Proportion of signatories that have formal processes for working with others to improve design and recycling of packaging.					
Develop strategy for influencing suppliers to minimise their environmental impacts of packaging production	Procurement National EHS	June 2013	No formal strategy in place	Strategy completed	Strategy document
Actively participate and financially support the implementation of the Packaging Stewardship Forum programs on resource recovery	National EHS	December annually	Previous initiatives in NPC reports	Annual report completed on programs	Report on progress and outcomes
Actively participate and financially support the Vinyl Cycle program for recycling of PVC bottles	National EHS	December annually	Previous initiatives in NPC Reports	Annual report completed on programs	Report on progress and outcomes
Covenant KPI 7 – Proportion of signatories demonstrating other product stewardship outcomes for packaging.					
Develop strategy for working with suppliers, customers and other stakeholders on product stewardship	National EHS Procurement	December 2012	No formal strategy in place	Strategy completed	Strategy document
Covenant KPI 8 – Reduction in the number of packaging items in litter.					
Actively participate and financially support the implementation of the Packaging Stewardship Forum programs on litter reduction	National EHS	Annual	Previous initiatives in NPC reports	Annual report completed on programs	Report on progress and outcomes
Review recycle/litter information provided to consumers	Packaging National EHS	June 2014	Litter man, Please Recycle and Plastics Identification symbols used	Recycling information reviewed and a report generated	Documented report



Contact Details

The key contact within Schweppes Australia for information regarding this National Packaging Covenant Action Plan is:

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APPENDIX 1 – ENVIRONMENT POLICY

Environment Policy

australia
schweppes

At Schweppes Australia, we acknowledge the strong link between our raw materials and the environment from which they are sourced. Turning nature's rich bounty into high quality beverages for the enjoyment of our consumers is what we do. We are committed to balancing all of our actions such that we give back to nature what we take, delivering "Zero Harm" to our planet.

Commitments

To implement this policy effectively we commit all Schweppes Australia functions and operations to:

- Identify our environmental aspects and take action to eliminate or minimise their impacts
- Comply with all relevant environmental legislation and company obligations
- Establish, measure and review objectives and targets for improving environmental performance
- Provide people at work with the information, training and supervision to understand and uphold their environmental responsibilities
- Systematically implement and operate an effective environmental management system
- Rigorously inspect and audit our business activities to challenge and continually improve our performance

Strategies

Our key environmental strategies applied across the lifecycle of our products are:

- Reducing greenhouse gas emissions through improved resource and energy efficiency
- Reducing the use of municipal and extracted water
- Managing waste through a reduce, reuse, recycle approach
- Reducing the environmental impacts of our packaging
- Protecting ecosystems through the prevention of pollution
- Applying sustainable sourcing principles in procurement
- Engaging in community activities that support a sustainable business



David Beguely
Managing Director

August 2009
[To be reviewed by Dec 2010]