

## Fonterra Australia

Fonterra Brands (Australia) Pty Ltd

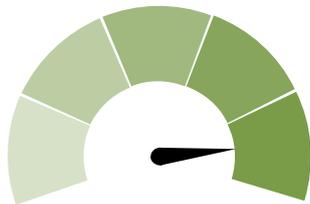
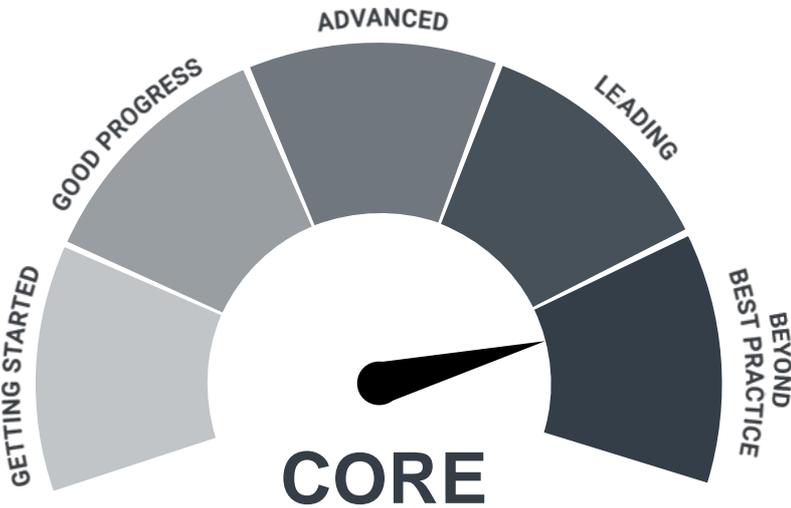
Website  
www.fonterra.com

Primary Industry Sector  
Food and beverage

Packaging Supply Chain Position  
Manufacturer

ABN  
80 095 181 669

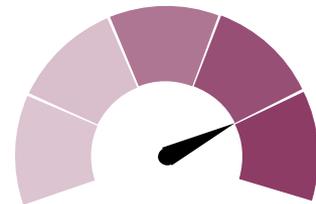
### DASHBOARD



LEADERSHIP



OUTCOMES



OPERATIONS

### SUMMARY

For the 2020 APCO Annual Report, *Fonterra Brands (Australia) Pty Ltd* has achieved Level 5 (Beyond Best Practice) for the core criteria. All seven core criteria were answered and six out of six recommended criteria were answered. In addition, *Fonterra Brands (Australia) Pty Ltd* has either achieved or put in place ten out of ten relevant packaging sustainability targets, and is publicly reporting progress against ten of these targets.

### INDICATORS

This Annual Report shows the organisation's performance against the APCO Packaging Sustainability Framework.

**CORE:** All core criteria.

**RECOMMENDED:** All answered recommended criteria.

**TOTAL:** Sum of all core and answered recommended criteria.

**LEADERSHIP:** All criteria that defines leadership on packaging sustainability.

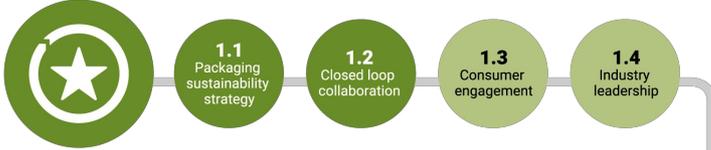
**OUTCOMES:** All criteria that lead to direct improvement in packaging sustainability.

**OPERATIONS:** All criteria related to business operations for improving packaging sustainability.

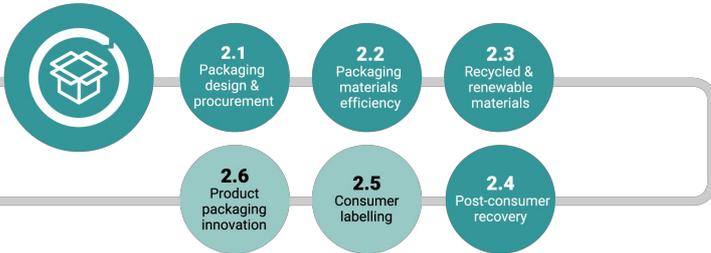
### REPORTING FRAMEWORK

#### OVERVIEW

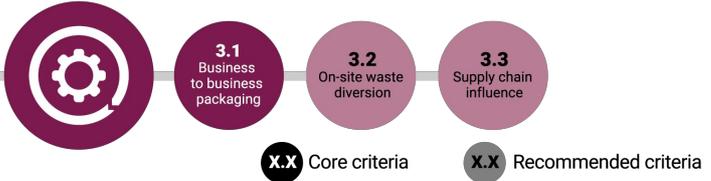
##### 1. LEADERSHIP



##### 2. OUTCOMES



##### 3. OPERATIONS



**X.X** Core criteria

**X.X** Recommended criteria

#### LEVEL DESCRIPTION

##### LEVEL 0

##### NOT YET STARTED

The organisation does not have a plan and has not started investigating options for action under the relevant criteria.

##### LEVEL 1

##### GETTING STARTED

The organisation is developing a plan or is investigating options for action under that criteria (e.g. agreeing on goals and targets).

##### LEVEL 2

##### GOOD PROGRESS

There are documented procedures in place (e.g. to implement the Sustainable Packaging Guidelines) or some progress has been achieved, data tracking shows up to 20% of products have achieved the desired outcome.

##### LEVEL 3

##### ADVANCED

The organisation has specific, measurable targets in place, or data tracking shows that >20% of products have achieved the desired outcome.

##### LEVEL 4

##### LEADING

The organisation has more rigorous procedures in place, or an ambitious target has been met e.g. >50% of products have achieved the desired outcome.

##### LEVEL 5

##### BEYOND BEST PRACTICE

The organisation has more rigorous procedures in place, or an ambitious target has been met e.g. 100% of products have achieved the desired outcome.

### ABOUT THE APCO FRAMEWORK

The APCO Packaging Sustainability Framework (the Framework) aims to provide a consistent and transparent framework for assessing and tracking packaging sustainability across organisations. The Framework consists of thirteen independent criteria that belong to three separate categories. These categories are (i) Leadership, (ii) Packaging Outcomes and (iii) Operations. The diagram above shows the different criteria included within each of these three categories.

There are two types of criteria within the Framework:

- **Core criteria** are mandatory and must be answered by all Members when completing the Annual Reporting Tool.
- **Recommended criteria** are not mandatory, but Members are encouraged to complete as many recommended criteria as possible.

Each criteria is divided into five levels of performance ranging from 'getting started' to 'beyond best practice'. The diagram above illustrates the key differences between performance levels. Please see [www.packagingcovenant.org.au](http://www.packagingcovenant.org.au) for more information.

### ABOUT APCO

APCO is a co-regulatory, not for profit organisation that partners with government and industry to reduce the harmful impact of packaging on the Australian environment. APCO promotes sustainable design and recycling initiatives, waste to landfill reduction activities and circular economy projects. APCO Annual Reports are a key Membership obligation, providing Member organisations with a transparent method to track their packaging sustainability performance. Annual reporting also supplies APCO with valuable data and information to identify industry trends and advancements.

### FREE FORM QUESTIONS

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

The FRDC (Fonterra Research & Development Centre) New Zealand has been at the forefront of research into the risks associated with the use of recycled materials in packaging associated with dairy products, notably butter and milk powders.

In 2019 FRDC investigated a recyclable butter wrap but trials have not commenced

As these Technical reports are quite lengthy, they have not been included here but we are happy to share them with the APC as required. The FRDC continues to provide Food Safety compliance for primary packaging to Fonterra Australia.

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

The Fonterra site at Dennington was closed in late 2019. This had a minor impact on the 2019 report but will be a variance in 2020.

### CASE STUDIES

#### Case Study

The FRDC (Fonterra Research & Development Centre) New Zealand has been at the forefront of research into the risks associated with the use of recycled materials in packaging associated with dairy products, notably butter and milk powders.

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### TARGETS

Do you have specific targets to review new products against the SPGs or equivalent?

Fonterra Brands Australia is committed to the 2025 National Packaging Targets. To meet these targets, Sustainable Packaging Guidelines (SPGs) are used in conjunction with a Stage Gate Process when designing and reviewing new products.

Do you have specific targets to review existing products against the SPGs or equivalent?

All of Fonterra Brands Australia's existing products will be reviewed against the SPGs and assessed using the PREP tool.

### TARGETS

Do you have specific targets to reduce (optimise) the quantity of material used in packaging?

By the end of 2025, Fonterra Brands Australia aims to achieve a measurable reduction in packaging weight per tonne of product across its supply chain.

Do you have specific targets to improve recoverability of packaging (e.g. reuse, recycling, recoverability)?

By the end of 2025, Fonterra Brands Australia, will ensure that 100% of its packaging is Recyclable, Reusable or Compostable.

Do you have specific targets to use sustainable (e.g. renewable and recyclable) materials in packaging?

Fonterra Brands Australia aims to increase the average recycled content of packaging across its range to 30%.

Do you have specific targets to include on-pack labelling for disposal or recovery?

As artwork is updated, Fonterra Brands Australia will include the ARL as part of the label artwork. Any new packaging format will be evaluated against the PREP tool and have the appropriate ARL applied as part of the label artwork.

Do you have specific targets to reduce on-site waste sent to landfill?

Fonterra Brands Australia currently diverts 97% of on-site waste away from landfill. Over the next 5 years, the target is to increase this and have less than 1% sent to landfill.

Do you have specific targets to improve packaging sustainability through procurement processes?

By the end of 2025, Fonterra Brands Australia, will ensure that 100% of its packaging is Recyclable, Reusable or Compostable which will be achieved via its procurement purchasing policy for both insourced and outsourced SKUs.

Do you have specific targets to engage in closed loop collaboration(s) with stakeholders?

By the end of 2025, Fonterra Brands Australia will have a measurable reduction in packaging weight per tonne of product across its supply chain. This will be achieved via reduction in supply through engagement with key suppliers and procurement policy.

Do you have specific targets to reduce (optimise) business-to-business packaging?

By the end of 2025, Fonterra Brands Australia will have a measurable reduction in packaging weight per tonne of product across its supply chain. This will be achieved across the whole supply chain through reuse by moving to a circular economy.

### COMMITMENTS

The Action Plan detailed below, is a public commitment to advancing packaging sustainability outcomes as a Member of APCO. Members are encouraged to have a comprehensive internal plan with the steps they will take to fulfill their commitments.

#### Criteria 1.1 PACKAGING SUSTAINABILITY STRATEGY (core)

##### 5. Beyond best practice

**Your organisation is committed to:** Publicly reporting progress towards packaging sustainability.

#### Criteria 1.2 CLOSED-LOOP COLLABORATION (core)

##### 5. Beyond best practice

**Your organisation is committed to:** Introducing a documented process to continually identify new opportunities for collaboration or to improve existing initiatives.

#### Criteria 1.3 CONSUMER ENGAGEMENT (recommended)

##### 4. Leading

**Your organisation is committed to engaging consumers about packaging sustainability by:** (1) Including packaging information on your website or other publications. (2) Applying on-pack claims or labels. (3) Designing packaging to reduce the impacts of consumption. (4) Running a marketing campaign.

#### Criteria 1.4 INDUSTRY LEADERSHIP (recommended)

##### 4. Leading

**Your organisation is committed to:** (1) Investigating collaborative or industry leadership actions to improve packaging sustainability. (2) Being involved in a program or initiative to improve packaging sustainability through collaboration and leadership. (3) Being involved in multiple programs or initiatives to improve packaging sustainability through collaboration and industry leadership. (4) Actively engaging with peers and/or the community to promote packaging sustainability, and sharing sustainability knowledge for non-commercial purposes.

#### Criteria 2.1 PACKAGING DESIGN & PROCUREMENT (core)

##### 4. Leading

**Your organisation is committed to:** Reviewing at least 80% of packaging with reference to the Sustainable Packaging Guidelines (SPG) or equivalent.

### COMMITMENTS

#### Criteria 2.2 PACKAGING MATERIALS EFFICIENCY (core)

##### 4. Leading

**Your organisation is committed to:** Reducing packaging weight or optimising packaging material efficiency in more than 50% of products.

#### Criteria 2.3 RECYCLED & RENEWABLE MATERIALS (core)

##### 4. Leading

**Your organisation is committed to:** Incorporating or optimising recycled and/or renewable content in more than 50% of products.

#### Criteria 2.4 POST-CONSUMER RECOVERY (core)

##### 4. Leading

**Your organisation is committed to:** Having more than 50% of primary packaging be recoverable through existing post-consumer recovery systems and achieving the highest potential environmental value.

#### Criteria 2.5 CONSUMER LABELLING (recommended)

##### 2. Good progress

**Your organisation is committed to:** Labelling up to 20% of products with disposal or recovery information.

#### Criteria 2.6 PRODUCT-PACKAGING INNOVATION (recommended)

##### 4. Leading

**Your organisation is committed to:** Evaluating and optimising more than 50% of product-packaging systems using Life Cycle Assessment (LCA) or similar.

#### Criteria 3.1 BUSINESS-TO-BUSINESS PACKAGING (core)

##### 4. Leading

**Your organisation is committed to:** Reducing consumption of single use business-to-business (B2B) packaging by more than 50% or optimising more than 50% of B2B packaging for efficiency and reuse.

### COMMITMENTS

#### Criteria 3.2 ON-SITE WASTE DIVERSION (recommended)

##### 5. Beyond best practice

**Your organisation is committed to:** Investigating opportunities to divert 100% of solid waste generated at facilities (factories, warehouses, offices, retail stores etc.) from landfill and that it is recovered through systems that achieve the highest potential environmental value.

#### Criteria 3.3 SUPPLY CHAIN INFLUENCE (recommended)

##### 5. Beyond best practice

**Your organisation is committed to engaging its supply chain about packaging sustainability by:** (1) Communicating goals and guidelines. (2) Providing support to suppliers to improve their understanding of goals and strategies. (3) Collaborating with key suppliers to share knowledge. (4) Having processes to evaluate risks and opportunities for influence. (5) Having business processes to monitor supplier compliance.

### SIGN OFF

Xen Xenofontos

Director - Consumer Sales & Marketing

Tuesday, 30 June 2020

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