



Signatory Name: Parmalat Australia Ltd

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

Status: Complete

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):

- Food & Beverage
- Pharmaceutical / Personal Care / Medical
- Hardware
- Homewares
- Communications / Electronics
- Clothing / Footwear / Fashion
- Chemicals / Agriculture
- Fuel
- Large Retailer
- Tobacco
- Shipping Company
- Airline
- Other:

7. Please indicate your organisation's reporting period:

- Financial Year: 1 July 2014 – 30 June 2015
- Calendar Year: 1 January 2015 – 31 December 2015

8. Was your action plan extended or updated to cover the APC transitional year (01/07/2015 -30/06/2016)?

- Yes
- No

Goal 1: Design

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

9. 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

Parmalat **Research and Development** department initiates the evaluation of packaging with suppliers. The Packaging technologists follow the **Sustainable Packaging Guidelines** through the R&D gate process to evaluate opportunities and possible optimisation to make packaging more sustainable by either reducing material use or evaluating recycled material content.

In 2014, Parmalat introduced the **"Buy recycled"** policy. The policy has been presented and reviewed by the procurement and R&D teams and endorsed in 2015 by the Executive committee.

10. 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?

%

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

- Yes No

12. 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

%

13. 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.	<p>Create a New Product Development procedure to work with suppliers on new and existing packaging items to identify sustainable material, fit for purpose with the smallest impact on the environment.</p> <p>Target: Create sustainable packaging criteria. All existing and new products to be reviewed by 2020.</p>	<p>Since introducing the Sustainable packaging guidelines in the NPD process, Parmalat identified new opportunities to further reduce packaging intensity or design new packaging with recycled material, reduce number of detachable items to reduce littering.</p> <p>All new products have now been assessed using the Sustainable packaging guidelines, only 30% of existing products still need to be reviewed. Parmalat will create packaging criteria to identify requirements from suppliers.</p>
2.	<p>Packaging material light weighing - Review all material and identify opportunities with suppliers to reduce material usage or implement sustainable material.</p> <p>Target: all material light weighting opportunities identified and reviewed by 2020.</p>	<p>Icebreak 500 mL from 28.5g down to 26g bottle. 750 mL IB from 38.5 down to 36g and Breakea 500ml from 28g down to 23.5g. Icebreak 1.25 L from 50g down to 44g. In 2016, Parmalat is investigating and trialling light weighting on 2L and 3L milk bottles.</p>

3.	Procure from suppliers showing proactive business practices towards sustainability.	<p>Implementation of the Parmalat Sustainability report has renewed focus on suppliers to "show and prove" in areas of business social, environmental, economic stability and communication.</p> <p>2015/2016: The following statements have been included in the External Product / Packaging Development Brief (internal Parmalat tender document) for sustainable packaging requirements.</p> <p>Section12: Packaging Sustainability: <i>Parmalat is a signatory to the National Packaging Covenant and the Environmental Code of Practice for Packaging. In your submission please help us to evaluate your submission with respect to environmental sustainability initiatives in addition to specific requirements noted.</i></p> <p>Overall Statement: <i>Sustainable packaging takes into consideration issues such as Compostable, degradable, designed for disassembly, extended shelf life, recovered energy, recyclable, recycled content, pre-consumer material, post-consumer material, recycled material, recovered (reclaimed) material, reduced energy consumption, reduced resource use, reduced water consumption, reusable, refillable, waste reduction, carbon footprint, renewable resource.</i></p>
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14. Describe any constraints or opportunities that affected performance under this KPI

None.

Goal 2: Recycling

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

15. 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

16. 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.	Accurate reported rate for recycling and landfill, as well as all packaging material usage.	<p>Waste contract has been updated to ensure this occurs at all sites owned by Parmalat. The waste contract stipulates various KPI's around waste recovery and diversion from landfill.</p> <p>The waste contract renewal 2016 -2019 will include target to increase waste diversion for existing and new facilities/sites by 2.5% with a stretched target of 5%/ annum.</p>
2.	Collaborative work with SUEZ to identify opportunities to reach the 95% diversion from landfill by 2020.	Targets for waste diversion, consistently colour-coded bins, and waste segregation signs are currently implemented across 60% of the organisation, with new acquisitions such as Harvey, Longwarry, Echuca and Tamar being standardised over the 2016 through 2019 contract period.

3.	Moving PET to HDPE bottle	<p>2016:</p> <p>Ongoing consultation with customers and production sites to ensure this initiative is suitable for food safety and meets customer expectations.</p> <p>We have experienced an increase in PET bottle use for milk products in 2016 due to increased sales on products like Farmhouse Gold as clarity of the bottle highlights the quality of the milk to the consumers.</p>
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17. Describe any constraints or opportunities that affected performance under this KPI

Several new acquisitions in the past year have brought complexity to the standardising of waste and increasing recycling. This will be addressed from 2016 through 2019 in line with the new resources contract. 95% diversion target achievable by 2020.

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

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

Yes No

Please explain why not

The decision to use products made from recycled packaging is based on the following constraints:

- Cost of recycled content
- Cost of virgin content
- Strength and durability of recycled content
- Product shelf life.
- Fit for purpose containers for food product (HACCP).
- Customer requests
- Quality standards
- Manual handling requirements.

Recycled content is a part of the packaging design and supply matrix, but not specified in any purchasing policy.

19. Is this policy actively used?

Yes No

20. 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.	Implement the "Buy Recycled" policy to all area of the business, from material procurement through to stationery and furniture wherever practicable.	<p>Purchasing and Packaging Technologists are yet to implement the "Buy Recycled" policy across all categories.</p> <p>Significant improvements have been achieved on HDPE bottles which is by far the plastic we use the most and where all bottles purchased contain 20% of recycled resin.</p> <p>Roll out of the policy will continue across other categories taking into account customer requirements, packaging design change timing, and purchasing tender schedules.</p>

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

Increase in milk sales on products that use PET bottles has resulted in a larger volume PET plastic for Parmalat. We have the opportunity to implement the same approach that was used with HDPE and introduce recycled PET resin in our 750mL and 1.5L PET bottles to reduce the amount of virgin resin used. Another initiative we have worked on and implemented is the recycling of crates where from the start of 2016 all new crates contain 10% of recycled resin coming from the collection and grinding of our broken crates.

Goal 3: Product Stewardship

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

22. 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

23. 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.	Parmalat to work collaboratively with all suppliers to improve material use by improving design, but also reduce wastes through the supply chain. Targets: Communicate and implement project sheet to all suppliers by 2020.	There is no formal process on how to engage with others but the topic of packaging design, light weighting and recycling is critical for Parmalat as it is a significant driver of costs and many initiatives have been pursued in 2015. Examples are the design work carried out on: - Cardboard packaging for a handling of small 4 to 6 container holders. - Production efficiency and reduction of plastic waste in the making of 2 and 3 litre blow moulded bottles for fresh white milk. - Reduction in waste plastic trimmings from yogurt manufacture. - Change over Zymil 1L brik paper from J board to M board - Lightweighting 1.25L HDPE bottles from Visy - Moved over the 77.5mm cup to a new Injection Moulded Labelled (IML) cup from Cryovac

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

None.

KPI 7: % signatories showing other Product Stewardship outcomes.

25. 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.	Communicate Parmalat Sustainability report to a broader audience	<p>In 2015, Parmalat presented its first sustainability report to the Executive committee. The report was well received, it provides a window for Parmalat to communicate about its responsibility to act as a proactive business from a social and environmental point of view. The report highlights Parmalat ethical and sustainable procurement practises, farmers engagement to provide quality milk, animal welfare, resources management, people and communities support.</p> <p>The sustainability report will be published annually. At the end of 2015 and early 2016 the sustainability report was communicated to internal and external stakeholders.</p> <p>http://www.parmalat.com.au/wp-content/uploads/2015/12/Sustainability-Report-Interactive-2015.pdf</p> <p>The 2016 Sustainability report is on track to be completed, and publicly available in October.</p>
2.	Improve energy intensity over the next 5 years	<p>All electricity and gas consumption is monitored in real time through smart meters with the data stored and trended in our Energy platform (Envizi). Projects have been implemented in 2015 to reduce the energy intensity.</p>
3.	Reduce water intensity to 1 L of water/ L of milk produced and milk wastes to 1.5g of COD/kg of milk produced.	<p>COD reduction teams assembled at most fresh milk and UHT plants in 2015.</p> <p>Objective: To reduce milk product to drain and indirectly packaging waste stemming from off specification product and returned products.</p> <p>Reporting: Environmental KPI's for waste. Trade waste compliance.</p> <p>Tracking: Potable water use, waste to landfill and secure destruction, loss of raw milk to drain, waste milk pick ups by contracted farmers and or liquid waste handlers.</p>

26. 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

The introduction of
 - 80 litre "Juggler" fresh milk containers for the catering industry. Reducing the need for multiple 2 or 3 litre bottles.
 - Electronic feeders for dairy calf's. The system allows for an electronic ear tag to trigger calf milk formulation to be delivered to a feeding system. Reducing waste milk formula.

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

None.

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

28. 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.	Reduce littering through product design for new and existing products. Review all opportunities identified through SPG process by 2020.	1. Audit undertaken to evaluate the percentage of Parmalat associated brands that could be described as litter, and causing public to view our brands poorly. As a result, packaging under review for "tidy man" labelling. 2. Recycling initiatives, as per proposed NSW container collection scheme is being handled in house by finance and packaging departments.

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

No constraints. Business has embraced the initiative by the NSW government and EPA.

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.

30. Key achievements or good news stories

Increase in waste diversion across all sites. South Australia is effectively landfill free.
 Resource management (waste) contract has been updated for tender. KPI's for increased waste diversion, segregation, standardisation of bins and signage and the associated targets have been set.

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

The variability in the cost of raw materials in packaging, particularly around securing contracts that guarantee a competitive price on materials containing recycled content.