



Signatory Name: Sugar Australia Pty 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 2015 – 30 June 2016
- Calendar Year: 1 January 2016 – 31 December 2016

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

Process and guidelines are in place for introducing new products and changing existing products

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?

82 %

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

100 %

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.	Review 100% of new products or product changes during the reporting period.	<p>Achieved:</p> <p>Two new product extensions and one packaging change were implemented during the reporting period. Planning commenced for changing existing products artwork.</p> <ul style="list-style-type: none"> • The product extensions were marketing driven and replicated existing packaging which have been previously reviewed. • The packaging change was customer driven to reduce the number primary packs per secondary unit packaging. The secondary carton change was assessed by internal trials together with our packaging supplier's technical assessment and customer feedback post the export logistics supply chain. • Planning for changing artwork on all retail packaging commenced using existing packaging styles. The changes are being managed and reviewed by a cross functional team, utilizing the change management process.

2.	At least once during the reporting period review the assessment process for improvement opportunities to implement.	<p>Achieved:</p> <p>During the first quarter of 2016 a "Fit For Purpose" review of all retail primary and secondary packaging was undertaken.</p> <ul style="list-style-type: none"> • The process involved internal operations, marketing, procurement, key suppliers and external benchmarking. • All products/materials were summarised and challenged based on a "fit for purpose" view taking into account internal and external suggestions and experiences. • The process challenged long term beliefs and proved to be efficient given available resources and company priorities. • The outcome was a short term and long term list of opportunities..
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14. Describe any constraints or opportunities that affected performance under this KPI

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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.	Maintain our commitment to recycling via on-site recovery systems to reduce waste going to landfill	All sites are committed to minimising waste generated. All sites are separating packaging waste into recyclable types as per their contracted waste manager guidelines.
2.	Develop and implement improvements in waste data capture.	<p>We are committed to implementing our parent companies new global online reporting system which is now in the final stages of development and implementation.</p> <ul style="list-style-type: none"> • The newly developed global system has been up and running since mid-2016. • The system requires quarterly data entry (input in monthly totals) and will enable timely monitoring and benchmarking of energy, water, recycling and landfill activity as a total and per unit of production. • Prior to fully implementing the system, data entered for 2016 Q3 and Q4 will be fully verified. • It is expected that data entry for 2016 will be finalised in Q2 2017.

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

We have been fully committed to migrating to our parent companies new global based system for collecting energy, water, and waste data. The challenge and effort has been to ensure all reporting categories and definitions are aligned across all global operational sites. As a consequence the full 2016 year's data summaries are not yet available for this report.

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

Provide details of policies and procedures (including names of policies/ procedures)

Procurement have standard templates for RFP tendering process

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.	Maintain APC items on both the formal tender documents and quarterly reviews with major suppliers.	APC items are included and reviewed.
2.	Review the use of Recycled content in packaging materials with major suppliers.	<p>This item is covered in regular supplier reviews and in 2016 special innovation sessions that were held with key packaging material and packaging equipment suppliers.</p> <p>During the first quarter of 2016 a "Fit For Purpose" review of all retail primary and secondary packaging also touched on the use of recycled materials.</p> <p>In 2016, packaging use was split 61% primary, 37% secondary and 2% tertiary.</p> <ul style="list-style-type: none"> • As primary packaging is in direct food contact there was little opportunity to increase the % of recycled content in primary packaging materials. We continued the use of 100% recycled food grade PET in primary packaging for syrup jars representing approximately 3 - 4% of all packaging by weight. • Secondary packaging mostly consists of carton board packaging material. In 2016 the average recycled content of cardboard was 62%. All carton board packaging uses some % recycled content.

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

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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

Provide details of policies and procedures (including names of policies/ procedures)

Procurement policy, Procurement RFP and Quarterly Key Supplier Review processes. CPAR and CRM databases

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.	Maintain collaborative relationships with our major packaging suppliers so that better fit for purpose packaging outcomes can be achieved.	Achieved: In 2016 Sugar Australia focused on "fit for purpose" and brand artwork changes. These activities relied on our continued collaborative relationships across all our key suppliers. Suppliers provided up-to-date insights, technical support and support to enable packaging trials. With ongoing experience, open reviews and continuing collaborative relationships we anticipate further opportunities to be identified in packaging and supply chain efficiencies.
2.	Review product packaging components "Fit For Purpose" specification.	Achieved: In 2016 a consolidated list summarising all small sized packaging was created and used as the basis for the "Fit For Purpose" reviews.
3.	Review consumer feedback	Achieved: Quality provided follow-up investigation of all reports and issued monthly summaries to the business. The collected data was used to work with suppliers to address deficiencies and or implement improvements. The relevant data and close out actions are also reviewed during quarterly supplier reviews.

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

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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.	Reductions in Energy, Water and GHG Emissions	<p>Sugar Australia internally monitors energy and water consumption as key business KPI's and as such there is a focus on reducing energy and water consumption.</p> <ul style="list-style-type: none"> • In 2016 Sugar Australia maintained energy and water use across our Australian sites at 2015 levels. • Resources were again focused: <ul style="list-style-type: none"> ◦ Installing then commissioning late 2016 significant capital investment in improved process equipment. ◦ Throughout 2016 into early 2017 the consolidation of two packing sites into one single site.

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

Our three Australian and New Zealand sugar refineries are now certified to Bonsucro where:

- Bonsucro is a global non-profit organisation fostering the sustainability of the sugarcane sector.
- Requires that we source from sustainably certified farms and mills and trace certified product.

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

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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.	Review litter and or recycling messages on retail packaging.	During 2016 all retail packaged artwork was reviewed. Changes will be implemented in 2017.
2.	All Sugar Australia sites have in place programs that keep sites clean, safe and reliable.	All Sugar Australia sites have in place a number of programs that aim to keep sites clean, safe and reliable. Programs include GMP clean, Workplace dust inspections, Safety walks, Risk assessments, Facility maintenance, Clean to inspect, Storm water protection and Housekeeping programs. Operations are responsible to maintain sites clean; the site manager is responsible to audit their site for conformance.

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

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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

In 2016, Sugar Australia's domestic sugar sales were split 80% in bulk requiring no or minimal packaging requirements and 20% in packaged products. This overall split resulted in a low 2.9kg of packaging per tonne of product sold. Within packaged products, the combination of shelf friendly packaging, product mix changes and industrial branded sales resulted in a small increase in 2016 packaging by weight compared to 2015 but still lower than the years prior to 2015. Cardboard packaging still represents the highest material use at 38% followed by composite material at 29% and other film materials 9%.

During 2016 packaging projects were commenced and several implemented with positive outcomes:

1. During the first quarter of 2016 a "fit for purpose" review of all packaged product primary and secondary packaging was undertaken. The outcome was a short term and long term list of opportunities.
2. Major achievements in 2016 were:
 1. A change from a two piece cap to a single piece cap, reducing plastic material weight albeit small and the potential for litter reduction.
 2. Completed extensive composite material packaging reduction trials that were identified in the fit for purpose reviews. The recommendations will result in a 9% reduction of composite packaging usage by weight or an overall 2.6% reduction in all packaging materials based on 2016 usage. The changes are being systematically implemented throughout 2017.
 3. Completed trials of retail ready secondary packaging to optimise the size of three products and to evaluate board grade changes. The size optimisation will result in a 1.5% reduction in cardboard usage and will be implemented in 2017. The board grade change was successful in isolation however negatively impacted efficient product movements. As a consequence will not be implemented at this stage.

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

Key suppliers remained extremely supportive of proposed changes however lead times to obtain trial materials, conduct controlled packaging events across multiple sites and monitoring the impact of the change requires time