



COSPAK

The specialists in glass & plastic packaging

COSPAK PTY LTD

AUSTRALIAN PACKAGING COVENANT (APC)

2010-2015 ACTION PLAN



**A signatory to the
Australian Packaging Covenant**

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1. EXECUTIVE SUMMARY

Cospak Pty Ltd (Cospak) has been a signatory to the National Packaging Covenant (NPC) since 2002 and has been invited to become a signatory to the Australian Packaging Covenant (APC). Cospak is a manufacturer, importer and distributor of packaging, a member of the packaging supply chain and as a signatory to the Covenant is required to submit an Action Plan for the period 2010- 2015 and ongoing Annual Reports.

The purpose of the Action Plan is to show how Cospak intends to contribute to the achievement of the Covenant's goals and to meet Cospak's obligations under the Covenant. The Three main performance goals of the Covenant are:

1. Design - Optimise packaging to use resources efficiently and reduce environmental impact without compromising product quality and safety
2. Recycling - Efficiently collect and recycle packaging
3. Product Stewardship - Demonstrate commitment of all signatories

Earlier in the year Cospak stakeholders met with its third party external consultant and participated in a workshop to review the requirements of the APC. As part of this review the stakeholders were taken through a 28 question questionnaire based on APC documentation and attendance at APC Workshops. The results of this review are documented in the Action Plan and the actions arising from this review are summarised in the Action Plan Table.

Cospak has carried out a preliminary review of the skills required to meet the requirements of the Australian Packaging Covenant. We have identified the key departments required to have input and will create a team to work on this key project as part of our ongoing efforts to address packaging. This Action Plan is to be followed up by regular meetings of the APC Team where we will continue to address the issues raised throughout the Plan. The Team will endeavour to have a timely implementation of the Action Plan and will ensure data is stored in an auditable manner in our centralised APC audit database.

Mr. Matthew Lee, Operations Manager is responsible for Cospak Pty Ltd's commitment to the Australian Packaging Covenant and reports directly to the CEO, Mr. David Driver on all issues relating to the Covenant. This Action Plan has been endorsed by Mr. Driver.

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2. COMPANY PROFILE

2.1 COSPAK AUSTRALIA AT A GLANCE

Established in 1969, Cospak provides a comprehensive range of rigid and flexible packaging to the wine, beverage, food and pharmaceutical industries. Over the years, strong growth has been achieved through the provision of superior quality and unsurpassed customer service. Cospak has accelerated the growth process through acquisitions, selecting those packaging companies that exemplify our innovative spirit and high quality.

Cospak, Australasia's largest packaging distributor, also offers product and support from substantial quality suppliers located in Europe, UK, the Middle East and Asia. We own state-of-the-art mould gear and tooling for specialty products that enable us to commission proprietary products on behalf of customers. This complements our existing range of stock and standard products. Our export business includes clients in Singapore, New Guinea, Pacific Islands and the Philippines.

In December 2009, San Miguel Yamamura Packaging Corporation (SMYPC) acquired a 65% stake in Cospak. Valuable long term partnerships with our existing range of quality suppliers will continue. The involvement of SMYPC along with its range of manufacturing facilities will complement and enhance our supply options and capabilities.

Cospak has three manufacturing sites located in Sydney, Auckland and Guangzhou. Two of the facilities specialise in custom moulded plastic products and the third facility specialises in cardboard wine dividers. We have the expertise and equipment to produce both extrusion and injection blown containers up to 5 litres in size and from a multitude of different resins. The plastics production facilities also contain clean room style production areas which are used for the production of containers for the medical and pharmaceutical industries.

Our key strength lies in the expertise and professionalism of our 300 strong staff located at offices and warehouses in all Australian states, New Zealand, South Africa and Italy. Our warehousing facilities use cutting-edge technology to assist with identifying and tracking stock.

We are committed to maintaining market leadership through the supply of consistently high quality and competitively priced products. This is achieved by our ability to maintain sufficient stock holdings and providing our customers with technical support, flexibility and excellent service.

2.2 PRODUCT RANGE

Cartons and Dividers:



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Flexible Containers:



Glass Bottles and Jars:



Rigid Plastic Containers:



Tin Products:



Products Covered by this Action Plan

The products that are imported and distributed by Cospak are:

- | | |
|-----------|-----------|
| Glass | Dividers |
| • Jars | Closures |
| • Bottles | • Plastic |
| | • Metal |

All other products are distributed on behalf of other importers, manufacturers and / brand owners.



3. COVENANT CONTACT OFFICER

Mr. Matthew Lee, Operations Manager is responsible for Cospak's commitment to the Australian Packaging Covenant and reports directly to the CEO, Mr. David Driver on all issues relating to the Covenant. This Action Plan has been endorsed by Mr. Driver.

Mr.Lee's contact details are as follows:

Cospak Pty Ltd
1 Culverston Road
Minto NSW 2566
Tel: 02 9820 7555
Email: matthewlee@cospak.com.au

3.1 OUR APC TEAM

Cospak has carried out a preliminary review of the skills required to meet the requirements of the Australian Packaging Covenant. We have identified the key departments required to have input and will create a team made up of the following individuals, or their designated delegates, to work on this key project as part of our ongoing efforts to address packaging:

| Name: | Responsibility: |
|----------------|---------------------------|
| Matthew Lee | Operations Manager |
| Julian Cuellar | Transport Supervisor |
| Danny Gamwalla | Strategic Sourcing |
| Alan Hawtin | Quality Assurance Manager |

The APC Team is responsible for developing an internal project plan to co-ordinate all tasks required to implement the Action Plan. This list is not exhaustive and individuals may not be involved in all twelve strategies relating to the Sustainable Packaging Guidelines.

This Action Plan is to be followed up by regular meetings of the APC Team where we will continue to address the issues raised throughout this plan. The Team will endeavour to have a timely implementation of the Action Plan and will ensure data is stored in an auditable manner in our centralised APC audit database.

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4. SCHEDULE FOR PACKAGING REVIEWS

4.1 TYPES OF PACKAGING USED

Cospak's place in the supply chain is as a wholesale distributor and importer, receiving product from packaging manufacturers. Cospak then stores and distributes to customers who use them to pack their products – usually in the outer packaging provided by the original manufacturer.

The main packaging items used by Cospak are cartons for repacking and stretch wrap for stabilizing and protecting loads. Packaging is a cost to us and to our customer so we always strive to keep it to a minimum within the constraints of ensuring that it does an effective job of protecting its contents.

Cospak internally uses the following types of packaging:

- Corrugated cardboard boxes/shippers
- Bottle dividers
- HDPE carton liner bags
- Pallet stretch wrap film
- Packaging tapes
- Pallets – reusable
- Pallets – disposable
- Plain labels (laser printed on site as required)
- Invoice enclosed self adhesive envelopes

4.2 TIMETABLE FOR REVIEW

| Review Period: | % of Product Lines Reviewed | |
|----------------|-----------------------------|----------|
| | New | Existing |
| Year 1 | 25% | 50% |
| Year 2 | 50% | 100% |
| Year 3 | 75% | 100% |
| Year 4 | 100% | 100% |
| Year 5 | 100% | 100% |

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5. ACTION PLAN

5.1 INTRODUCTION

The purpose of the Action Plan is to show how Cospak intends to contribute to the achievement of the Covenant's goals and to meet Cospak's obligations under the Covenant. The Three main performance goals of the Covenant are:

1. Design - Optimise packaging to use resources efficiently and reduce environmental impact without compromising product quality and safety
2. Recycling - Efficiently collect and recycle packaging
3. Product Stewardship - Demonstrate commitment of all signatories

Earlier in the year Cospak stakeholders met with its third party external consultant and participated in a workshop to review the following overarching requirements of the APC:

- Determine Action Plan requirements for Cospak
- Assist in establishing an APC Team
- Provide overview / training for the APC Team
- Develop a project plan for development of the Action Plan
- Develop auditable document and filing system for managing the requirements

As part of this review the stakeholders were taken through a 28 question questionnaire based on APC documentation and attendance at APC Workshops. The results of this review are documented in the following sections and the actions arising from this review are summarised in the Action Plan Table.

5.2 DESIGN

5.2.1 COVENANT GOALS

- Review existing procedures for new packaging design or manufacture and integrate with requirements of Sustainable Packaging Guidelines;
- Determine timetable for "packaging review" of existing packaging to meet requirements of Sustainable Packaging Guidelines; and
- Identify and determine targets and actions for Plan.

5.2.2 OUTCOME

The outcome should be packaging designed to:

- Avoid or minimise the use of materials and other resources;
- Optimise recyclability and recycled content; and
- Reduce litter impacts.

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5.2.3 KEY PERFORMANCE INDICATOR

The Key Performance Indicator for Design will be evidence that Cospak is implementing the Sustainable Packaging Guidelines (SPG) for design or manufacture of packaging.

5.2.4 CURRENT AND PLANNED ACTIONS

5.2.4.1. Cospak has a documented policy and procedure for evaluating and procuring packaging based on the ECoPP. This will be updated to incorporate the review requirements of the SPG and a timetable for review is included in section 4.2.

5.2.4.2 The most logical categorisation of existing packaging is by types of packaging as described in section 2.2.

5.2.4.3 Cospak has a process for developing new packaging based on the ECoPP. This will be revised and updated to incorporate the requirements of the SPG. In addition its overseas suppliers will be advised that Cospak is a signatory to the APC and what this entails in fulfilling its obligations as a signatory.

5.2.4.4 Cospak holds Certificate No: FS 520611 and operates a Quality Management System which complies with the requirements of ISO 9001:2008 for the following scope: For the procurement, warehousing, supply and distribution of glass, rigid plastic, paper and associated packaging products.

5.2.4.5 There are a number of improvement opportunities and successful outcomes shown in the NPC 2009-2010 Annual Report and all of these initiatives remain active.

5.2.4.6 Cospak will establish a centralized data base for all issues relating to the APC including:

- All decisions and the underlying evidence for those decisions;
- Packaging review reports; and
- An auditable trail for decisions made in relation to the SPG.

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5.3 RECYCLING

5.3.1 COVENANT GOALS

- Review and document existing recovery systems;
- Review and document existing Buy Recycled Policies; and
- Identify and determine actions and targets for Plan.

5.3.2 OUTCOME

The outcome should be:

- Improved recovery of recycled materials from the premises of Cospak; and
- Increased secondary markets for recovered packaging materials.

5.3.3 KEY PERFORMANCE INDICATOR

The Key Performance Indicator for Recycling will be evidence that Cospak is implementing the on-site recovery of packaging, and an increase in the level of recycled content in purchases made by Cospak.

5.3.4 CURRENT AND PLANNED ACTIONS

5.3.4.1 Cospak's key objective to date has been to reduce waste. In order to measure this it will be necessary to maintain and update base line data.

5.3.4.2 There has only been informal employee education about recycling and waste reduction programs which have not been documented.

5.3.4.3 Recycling facilities are provided in all sites as part of a national strategy which was implemented during 2007-2008.

5.3.4.4 All similar materials are segregated for recycling or disposal to land fill. Cospak is committed to recycling all products and packaging rendered unsaleable in its distribution centres. This includes broken glass, plastic pallet wrappings, paper and carton board.

5.3.4.5 Recycling of glass provides an income for Cospak; however, all other recycled materials are a cost in terms of the cost of collection, bins, etc.

5.3.4.6 The estimated tonnage of packaging waste generated on site and the estimated tonnage sent for recycling is being provided by Cospak's third party collection and recycling provider.

5.3.4.7 The main packaging waste stream causing Cospak concern is timber pallets (some of which are treated).

5.3.4.8 Cospak does not have a Buy Recycled Policy and this will be addressed by the APC Team.

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5.4 PRODUCT STEWARDSHIP

5.4.1 COVENANT GOALS

- Review and document existing Product Stewardship procedures;
- Review existing Supply Contracts for take back;
- Review existing Waste Management contracts; and
- Identify and determine actions and targets for Plan.

5.4.2 OUTCOME

The outcome should be:

- To improve the design and recycling of packaging; and
- Reduce the overall level of litter created by packaging.

5.4.3 KEY PERFORMANCE INDICATORS

The key performance indicators for product stewardship are;

- Have formalised procedures in place to work with others to improve design and recycling of packaging;
- To engage in other initiatives that show product stewardship such as education, sponsorship of initiatives etc; and
- To reduce the occurrence of litter in their operations and encourage clients to properly dispose of the packaging on products to remove them from the litter stream.

5.4.4 CURRENT AND PLANNED ACTIONS

5.4.4.1 Cospak does not have a documented policy to review all packaging against the SPG or a questionnaire to request information from suppliers to assist in answering the questions raised in the SPG.

5.4.4.2 Cospak has informal arrangements in place that require take back and recycling of packaging but nothing has been documented.

5.4.4.3 Cospak has waste management contracts that require collection and recycling of packaging and a list of service providers can be provided on request.

5.4.4.4 Cospak's procurement process requires suppliers to participate in reducing packaging through regular meetings or product reviews.

5.4.4.5 Cospak doesn't participate in industry or multi stakeholder working groups to address shared issues.

5.4.4.6 Litter is not seen as an issue with Cospak's range of imported packaging products.

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5.5 ACTION PLAN TABLES

*Please note that the responsibilities for individual Actions will be allocated when the APC Team next meets.

| Covenant Performance Goals | Actions | *Responsibility | Timeline | Targets | Evidence |
|---|---|-----------------|------------|---|--|
| <p>1. Design - optimise packaging to achieve resource efficiency and reduction in quantity required. The design efforts should reduce environmental impact without compromising product quality and safety.</p> <p>KPI 1. Proportion of signatories in the supply chain implementing the Sustainable Packaging Guidelines for design or procurement of packaging.</p> | Prepare a gap analysis between existing environmental and product development systems / standards and SPG Guidelines to ensure SPG implementation | APC Team | Dec 2011 | Gap analysis completed | Gap analysis Report |
| | Revise and update documented policy and procedure for evaluating and procuring packaging using the SPG | | March 2012 | Documented policy and procedure completed | Documented policy and procedure |
| | Review all new products using the SPG | | Refer 4.2 | Refer 4.2 | SPG Reviews |
| | Review all existing products using the SPG | | Refer 4.2 | Refer 4.2 | SPG Reviews |
| | Revise and update new product development process | | March 2012 | New product development process revised and updated | New product development process document |
| | Advise overseas suppliers that Cospak is a signatory to the APC and what this entails | | June 2011 | Advise all suppliers | Copies of correspondence |
| | Establish centralised data base | | Dec 2011 | 100% compliance by all stakeholders | Centralised data base |

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| Covenant Performance Goals | Actions | *Responsibility | Timeline | Targets | Evidence |
|---|---|-------------------------------|----------------------|---|------------------------------------|
| <p>2. Recycling – efficiently collect and recycle packaging</p> <p>KPI 2. Not required by individual signatories.</p> <p>KPI 3. Proportion of signatories with on-site recovery systems for recycling used packaging.</p> <p>KPI 4. Proportion of signatories with a policy to buy products made from recycled packaging.</p> <p>KPI 5. Not required by individual signatories.</p> | Review and recommend improved on-site recycling and buy recycled policies | APC Team | Dec 2011 | Review completed | Review Report with recommendations |
| | Maintain baseline data for on-site waste and recyclable packaging recovery | | March 2012 | Maintain and update baseline data | Annual Reports |
| | Formalise employee education about recycling and waste reduction | | Dec 2011 | Include in induction training | Induction Handbook |
| | Continue to review costs associated with recycling materials other than glass | | March 2012 | Reduce costs associated with recycling materials other than glass | Annual Reports |
| | Seek solutions to recycling of wood and any other packaging materials in the waste stream | | June 2011 – Dec 2015 | A minimum of one new solution per annum | Annual Reports |
| Develop a Buy Recycled Policy | Dec 2011 | Include in induction training | Induction Handbook | | |

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| Covenant Performance Goals | Actions | *Responsibility | Timeline | Targets | Evidence |
|--|--|-----------------|----------------------|---|------------------------------------|
| 3. Product Stewardship – demonstrate commitment of all signatories | Review and recommend formal processes for working with others, other product stewardship outcomes for packaging and reducing litter | APC Team | Dec 2011 | Review completed | Review Report with recommendations |
| KPI 6. Proportion of signatories that have formal processes for working with others to improve packaging design and recycling. | Formulate a documented policy to review all packaging against the SPG and develop a suppliers questionnaire to assist in answering the questions raised in the SPG | | Dec 2011 | Documented policy and questionnaire completed | Documented policy |
| | Investigate opportunities to formalise supply contracts that require take back and recycling of packaging | | March 2012 | Investigation completed | Report with recommendations |
| KPI 7. Proportion of signatories demonstrating other product stewardship outcomes for packaging. | Investigate other product stewardship opportunities | | June 2011 – Dec 2015 | A minimum of one new initiative per annum | Annual Reports |
| KPI 8. Reduction in the number of packaging items in litter. | Not applicable | | | | |