VISY

FOR A BETTER WORLD

Helping you achieve your sustainability targets

Progress towards the APCO 2025 National Packaging Targets and the 10 Sustainable Packaging Principles

MARCH 2022

Helping you achieve your sustainability targets

Visy's unique closed loop systems help turn recyclable material back into resources, powering the circular economy. We're constantly innovating and investing to find better ways to rethink waste, redesign supply chains and to re-manufacture packaging from materials that are recycled and recyclable, helping you – along with government and industry – be part of better, together.

As Australia's largest integrated business linking recycling and re-manufacturing at scale, Visy is an integral partner in helping you work towards your sustainability targets.

FY2021 Australia Totals

"We Take It"	
	Tonnes
Paper & Cardboard	1,237,052
Glass	406,684
PET	32,353
HDPE	12,579
Other Plastics	54,372
Aluminium	19,650
Steel	30,085
Total	**1,792,844**

"We Make It"		
Kraft Paper	*Tonnes*	689,386
Recycled Paper	*Tonnes*	814,584
Board	*Tonnes*	782,668
Glass	*Tonnes*	661,220
Food Can	*Units*	597,806,000
Beverage Can	*Units*	1,936,637,000
Plastic Containers	*Units*	1,026,645,000
Plastic Preforms	*Units*	560,528,000

Leading recycling and resource recovery

Visy is a leader in recycling, via our integrated closed loop resource and recovery systems. We collect and sort paper, cardboard, glass, plastics and metals from multiple streams, maximising the use of recyclables and, where we can, re-manufacturing it into valuable packaging. In the process, we reduce reliance on natural resources and divert recyclables from landfill.

During FY2021 Visy processed almost 1.8 million tonnes of recyclables in Australia, and redirected the majority of these to be recycled within Australia.[1]

Together we can all be part of better

Visy is a member of the Australian Packaging Covenant Organisation (APCO), and has been a signatory to the Australian Packaging Covenant since its inception in 1999. We are committed to working with all packaging stakeholders – customers, consumers, suppliers and employees – to develop packaging solutions that minimise environmental and social impacts throughout the product's entire lifecycle.

We support APCO's 10 Sustainable Packaging Principles and we work collaboratively to achieve sustainable packaging outcomes and report annually on our progress to APCO. To drive collective impact, we are also an active member in the National Packaging Targets Implementation Working Group.

[1] *Includes recyclable materials used by Visy and provided to other recyclers.*

Progress towards the 2025 National Packaging Targets

The 2025 National Packaging Targets require the industry to drive systematic change in the way packaging is designed, produced, collected and recovered. The targets are ambitious and will require both technical change from industry and behavioural change from end consumers to be achieved.

We are committed to working closely with you across design and production to develop packaging that will help us collectively meet the targets.

This includes ensuring packaging is designed for purpose whilst maximising opportunities to:

- ✓ use sustainable packaging materials;
- ✓ include recycled content;
- ✓ improve recyclability through kerbside collections; and
- ✓ support you with recycling collection opportunities to enable packaging to be re-manufactured back into new packaging.

As our unique model comprises both recycling and re-manufacturing, we offer the ability to include recycled content into our sustainable packaging solutions from the recyclables we collect through kerbside and commercial collections.

Progress against APCO target 1:
100% reusable, recyclable or compostable packaging

Progress against APCO target 2:
70% of plastic packaging being recycled or composted

Progress against APCO target 3:
50% of average recycled content included in packaging

Progress against APCO target 4:
The phase out of problematic and unnecessary single-use plastic packaging

Progress against APCO target 1:
100% reusable, recyclable or compostable packaging

Our unique, closed loop re-manufacturing processes link recycling and manufacturing.

Recyclability of our packaging

Cardboard & paper	Visy paper and cardboard based products, which do not contain coatings, are recyclable. *When specialty coatings are applied, such as those used to increase wet strength, our products may not be recyclable. Recyclability needs to be assessed depending on the coatings applied.
Glass	Visy glass products are recyclable.
Plastics	Visy produces the following plastic grades which are recyclable through kerbside collections PET (1), HDPE (2) and PP (5). Visy also produces PVC. Although PVC, polystyrene and bioplastics/ degradable plastics and other plastics may technically be recyclable, there are practical challenges to the wide availability of processes and programs for reprocessing and return to use.
Food cans – tin-plate steel	Visy steel food cans are recyclable.
Beverage cans – aluminium	Visy aluminium beverage cans are recyclable.

We work with you to:

- ✓ determine the best sustainable packaging solution for your needs;
- ✓ provide you with information on the recyclability of your packaging options; and
- ✓ support you in ensuring that you appropriately label packaging that is recyclable – making it easier for end consumers to recycle packaging correctly.

Case study: Eliminating plastic shrink wrap for cluster packs

We have developed a closed loop solution – made from recycled content and is recyclable. To eliminate the need to use plastic shrink wrap for beverage cluster packs, we have a fibre-based solution that is customisable, able to support a range of cluster sizes and improves sustainability performance.

- ✓ Kerbside recyclable supporting the circular economy
- ✓ Can be made from at least 60% recycled content
- ✓ Uses sustainably sourced fibre (FSC certified/recycled)
- ✓ Made using recycled paper predominantly sourced from kerbside collections enabling the full closed loop
- ✓ Locally manufactured board using locally made paper reducing transport greenhouse gas emissions when compared to imported products
- ✓ Saves 3.3 tonnes of greenhouse gas emissions for every tonne of fibre packaging diverted from landfill[2]
- ✓ Helps achieve APCO targets

[2] When compared to non-recyclable wet strength paper sent to landfill. Emissions factor from the National Greenhouse Gas Accounts Factors 2021.

Progress against APCO target 2:
70% of plastic packaging being recycled or composted

To support and increase the proportion of plastic packaging that is recycled, Visy works across all parts of the plastic packaging value chain. This includes:

Working with governments to maximise recyclable collection options.

Supporting councils to improve consumer recycling behaviour and providing education on the correct disposal of recyclables.

Our ongoing partnership with Cool Australia has provided 30 free lesson plans and education resources to councils and schools.

Continually investing in technology at our material recovery facilities (MRFs) to improve our sorting and recycling infrastructure.

In 2021, we invested $10m at our MRFs to increase plastics recovery to allow us to sort and recover a greater variety of plastics.

Case study: The role of recycled plastics in the circular economy

In 2012, Visy opened Australia's first recycling plastics plant, using US FDA approved recycling processes to turn plastic collected from kerbside recyclables back into food grade recycled PET and HDPE. The state of the art plastics recycling facility in Smithfield, NSW, is currently the only bottle to bottle, food grade plastics recycling facility in Australia – this basically means we are recycling used bottles to make new bottles.

In 2021, we invested a further $19m to increase capacity at our Smithfield rPET plant. Visy is the first company in Australia to be able to recycle PET Thermoforms (pots, tubs, trays) and coloured PET. These constitute a substantial portion of the plastics recovered by Visy via the kerbside collection stream.

The facility is now able to process:

- ✓ HDPE – increased capacity from 4,000 to 12,000 tonnes of recycled food grade HDPE;
- ✓ PET Thermoforms – new capacity to recycle pots, tubs, trays; and
- ✓ Coloured PET bottles – new capacity to colour sort PET bottles which are then able to be re-manufactured back into coloured PET bottles.

Progress against APCO target 3:
50% of average recycled content included in packaging

Visy is investing and innovating in new techniques, recycling infrastructure and manufacturing capability to increase the recycled content of packaging across glass, beverage can, food can, plastics, paper and cardboard.

Maximising recyclables being re-manufactured back into packaging reduces both reliance on natural resources and waste going to landfill.

Talk with us to understand the recycled content of your specific packaging.

We are committed to increasing the recycled content in our glass bottles and jars to an average of 70 per cent[3]

Progress against APCO target 4:
The phase out of problematic and unnecessary single-use plastic packaging

We support a transition away from problematic and unnecessary single-use plastic packaging as defined by APCO.

We do not produce the following problematic and unnecessary single-use plastic packaging; expanded polystyrene (EPS), rigid polystyrene (PS), multi-material laminate soft plastics, pumps or trigger packs, lightweight or heavy weight plastic shopping bags.

We work collaboratively with you to provide information on the sustainability performance of different material choices and provide alternative sustainable packaging options, including the ability to include recycled plastic content in packaging.

Case study: Visy Enviropunnet™ delivers sustainable benefits

enviropunnet® AN INNOVATION BY VISY

To help phase out single-use plastic packaging, Visy developed a recyclable sustainable punnet packaging solution that enables you to confidently deliver product to consumers. It can be made from FSC® certified fibre that is environmentally responsible. With recent concerns over hygiene and food safety, many consumers are opting for pre-packed fruit and vegetable formats that minimise exposure to environmental elements and human touch. The pre-packed format of the Enviropunnet™ offers retailers the benefit of reduced spoilage, while consumers appreciate the increased convenience of 'grab-and-go' shopping experiences.

[3] Visy calculates average recycled content in our glass containers based upon our plants' consumption of cullet, being both external glass and internal glass (for example, rejects, losses, obsolete or defective stock from our manufacturing process). The figure is based on the weight of the cullet issued into the furnace as a percentage of the furnace's total melt tonnes.

Progress towards the 10 Sustainable Packaging Principles

1 Design for recovery

As a recycling and re-manufacturing company, we understand how to design sustainable packaging suitable for recovery and re-manufacture.

Our packaging formats are designed to maximise their recovery potential through kerbside recycling systems and their re-manufacture back into future packaging.

We work with you to produce packaging that supports kerbside recyclability.

2 Optimise material efficiency

When we design packaging, we start with an assessment of your needs. We are committed to finding sustainable solutions and we strive for innovation.

Visy's packaging is always designed considering your specifications and the material efficiency of the pack. While this may restrict packaging options to specific formats and configurations, we work with you to optimise material efficiency in packaging design, including 'light weighting' packaging.

Case study: A lighter glass bottle

Our investment in technology enables us to significantly 'light weight' glass packaging, reducing the amount of glass in a container whilst maintaining structural integrity.

We have worked to reduce the weights of a selection of stock wine bottles, including reducing our current punted Burgundy bottle by 15 per cent and our current premium claret bottle by more than eight per cent, compared to the previous stock bottles. These reductions result in lower greenhouse gas emissions packaging.

3 Design to reduce product waste

Packaging plays a critical role in protecting products from damage and spoilage. We design our packaging to support products from damage and waste. When we work with you to design your packaging we take into consideration:

- the nature and fragility of the product;
- the transport method and distance; and
- environmental conditions, e.g. humidity.

We support sustainable agribusiness through innovations in product packaging and related food waste reduction technologies across the supply chain, aimed at retaining freshness of products and minimising damage. We invest heavily in technology improvements for our food customers including:

- temperature controlled packaging for produce;
- dairy specialised in-mould label barrier systems; and
- ultra lightweight beverage containers.

Case study: Linerless meat boxes

The development of our poly-free linerless boxes eliminates the need for plastic packaging for meat. The boxes are designed to maintain hydration and freshness and enables meat and poultry processing without fear of poly-entrapment (where the plastic liner is trapped into the product during the transportation or freezing process causing food quality issues).

Watch a video on our linerless meat carton here:
vimeo.com/manage/videos/326453608

4 Eliminate hazardous materials

We recognise the importance of minimising the use of hazardous materials and have a range of policies and management systems to support the selection and use of substances in packaging and our processes.

The packaging we produce for food is required to be compliant with relevant food contact material regulations, standards and legislation. We are committed to maintaining the integrity of the food chain by utilising global best practices for food safety management to produce food sector packaging materials that are:

- ✓ safe; and
- ✓ will not introduce or transfer substances that may adversely affect food quality or endanger human health.

In the course of our manufacturing operations we are required to use a range of chemicals and materials classified as dangerous goods. We operate an integrated health, safety and environmental (HSE) management system covering all sites which encompasses the management of hazardous materials and dangerous goods. We report under the National Pollutant Inventory (NPI) and through the Australian Industrial Chemicals Introduction Scheme (AICIS). Visy sites operate on lean manufacturing principles and we aim to minimise the use of all substances in our manufacturing processes.

5 Use recycled materials

We are constantly innovating and investing in technology, recycling infrastructure and manufacturing capability to increase the recycled content of packaging across glass, beverage can, food can, plastics, paper and cardboard:

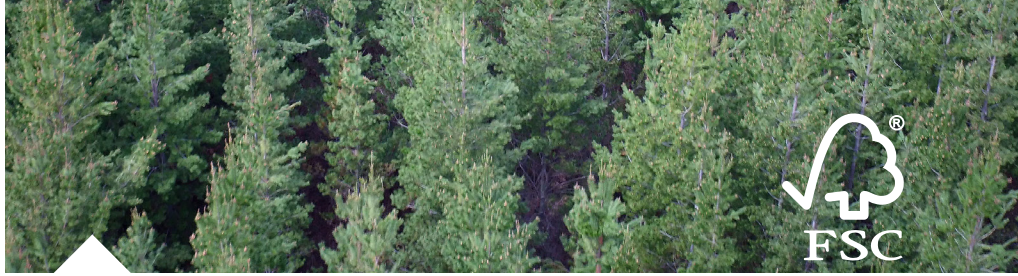
- ✓ To increase the recoverability of mixed paper recycling we are investing to install a drum pulper at Visy's Coolaroo plant in Victoria, as well as upgrading optical sorters at two of our MRFs.
- ✓ As we work to increase the recycled content of our glass jars and bottles, we are investing in a new glass beneficiation plant in Victoria, and upgrading our New South Wales glass plant.
- ✓ To support the use of recycled plastic, we are upgrading our recycled plastic facility in Smithfield, increasing capacity from 4,000 tonnes to 12,000 tonnes processed per annum.

Case study: Australia's first milk bottle made with 50% recycled plastic

Visy is set to produce Australia's first milk bottle made with 50% recycled plastic as part of a major upgrade to the country's plastics recycling capability.

We have completed a $29 million multi-state plastics recycling investment, including a $19 million upgrade to our plastics facility in Smithfield in Western Sydney. The project includes the installation of plastic sorting infrastructure in Victoria, Queensland and New South Wales, as well as an upgrade to the processing capability at Smithfield.

The upgrades at Smithfield will enable Visy to produce Australia's first milk bottle with 50% recycled HDPE, as well as being able to recycle food grade PET trays and coloured PET plastic packaging for the first time in Australia.



6 Use renewable materials

We are committed to sustainable fibre sourcing for our recycled content and virgin papers that are the predominant input into the fibre packaging products we produce.

Since 2009, all six Visy recycled paper mills have Forest Stewardship Council (FSC) Chain-of-Custody certification, with the majority of fibre inputs coming from post-consumer waste streams which are assessed against the FSC® Standard Sourcing Reclaimed Materials (FSC-STD-40-007). Visy's recycled paper mills are principally fed by our recycling network which recovers used paper and cardboard (as well as other recyclables), saving them from landfill and utilising the recovered fibre as feedstock in our box manufacturing plants which supply paper and cardboard products throughout Australia, and internationally.

Visy's Pulp and Paper site in Tumut (NSW) which produces kraft paper is certified to FSC® (FSC-C008345) and PEFC (the Programme for the Endorsement of Forest Certification) standards. Visy's Tumut site only uses fibre sourced from responsibly managed softwood plantations and are either PEFC or FSC® certified pulp inputs.

Our Visy Responsible Sourcing Commitment – Fibre, details our processes for ensuring our fibre sources are certified against the relevant accredited standards and support sustainable forest management by sourcing wood fibre from suppliers that are economically viable, environmentally responsible and socially beneficial. We conduct annual reviews of all wood suppliers providing fibre used in our production.

We are a member of Forest Stewardship Council (FSC®) Australia and the Australian Forest Products Association (AFPA).

7 Design to minimise litter

Due to the nature of the products, packaging systems may require removable pieces, such as screw caps, which can end up as litter. To reduce litter, we work with you to design packaging formats which reduce the likelihood of littering by avoiding unnecessary removable items. We also work with governments and councils to support effective 'away from home' recycling systems and community education to reduce littering.

8 Design for transport efficiency

We work with you to consider how packaging design can be optimised for transport efficiency.

Light weighting

As a market leader in innovative light weight packaging, we work with you to achieve the lowest use of resources for each products' packaging, consistent with the security and transport requirement of the contained products. Examples include:

- ✓ investing in infrastructure to lower the gauge of our aluminium cans for our customers;
- ✓ reducing glass container weights;
- ✓ working with major customers to conduct technical analysis and field trials to identify the lowest weight for specific corrugated board grades; and
- ✓ production of lighter weight, high-strength kraft papers at our kraft paper mill facility at Tumut, enabling our corrugated board plants to produce lighter weight packaging.

Pallet and truck utilisation optimisation

We work with you to identify improvements in pallet stacking patterns that maintain stability and stacking strength, while allowing lighter board grades to be used. We also work with you to fully utilise the space in trucks and shipping containers by calculating the optimum workable pallet height to be able to double stack pallets to the height of the truck instead of single stack.

We promote the use of packaging designs that allow boxes to be delivered flat pre-use and flattened post-use to assist in back-of-store recycling and collection.

All of these actions can reduce the transport miles associated with your products.

9 Design for accessibility

We work with you throughout the design process to include customer accessibility considerations. For example, design considerations including different types of handles or grip functionality for pouring.

10 Provide consumer information on sustainability

We are committed to working with you to ensure you have accurate information about the environmental attributes of the packaging we manufacture. We encourage you to enquire about the sustainability credentials of our packaging and we support your efforts to promote the recycled content, benefits of closed loop recycling and recoverability of the packaging.

We will provide you with relevant information to assist you in your use of the Australasian Recycling Label (ARL) system, where appropriate, as well as the use of third party sustainability credentials – for example, the FSC logo.

Case study: Visy Re⁺ Brand

The Visy Re⁺ brand is about delivering better packaging. Packaging that is recyclable at Visy's MRFs and that contains recycled content. We offer you the opportunity to feature the Re⁺ logo on your sustainable packaging. The Re⁺ brand is a badge of honour end consumers can look for to know the product they're purchasing is able to be recycled again and again. It's a sign of better packaging for a better world.

Our end-to-end recycling and re-manufacturing systems are unparalleled in Australia and New Zealand. This means we can offer you a unique breadth of inter-connected sustainable packaging and resource recovery solutions.

Your Visy representative can discuss options with you to help you meet your sustainability targets while ensuring your packaging remains designed-for-purpose. Together, we can all be part of better.

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