

National Packaging Covenant

Annual Report 2008



DETMOLD PACKAGING

'08 annual report

national packaging covenant

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Introduction

Detmold Packaging has been a signatory to the National Packaging Covenant since 2002, and is committed to the objectives and scope of the covenant, integrating them into standard business procedures.

This report covers the products produced, sold, and activities carried out by the Detmold Packaging Group of manufacturing facilities within Australia - based in SA, QLD, NSW and Victoria for the period July 2007 - June 2008. Last year, we included data for all of the Australian manufacturing sites for the first time. Therefore we now have our first full year comparison against the 2007 baseline data.

This report demonstrates a continuation of past initiatives and introduces a range of new activities covering the fundamental areas of product stewardship namely; product development and design, warehouse and distribution, recycling and disposal, education and research.

Environmental Statement

The Detmold Packaging Group is a responsible leader in our Industry and the communities in which we operate. We demonstrate our commitment through the actions that we all take, rather than just what we say.

We have a passion for paper and we believe that we all benefit from its attributes. We partner people who value innovation and quality and who are prepared to shoulder their responsibility for the environment. We champion paper as the preferred packaging medium because in our view, it is the most responsible resource to use for this purpose.

We invest in local communities and our recruitment process and business strategies assure long term benefits to employees, their families and the communities in which they live. To our owners and investors, we provide the certainty and longevity that comes from sustainable and responsible business.

Detmold Packaging will actively support all of its customers with their programs to use environmentally friendly packaging. This will be carried out by developing new processes and introducing the use of new materials in the manufacture and distribution of the package.

Detmold Packaging will also control its own manufacturing sites to ensure that it has minimal impact on their communities and environment. This will be done by continuing to reduce the consumption of harmful substances and by reducing the production of process waste.

Reduce

The Detmold Packaging Group is committed to source reduction programs to minimise the raw material required to produce packaging that is fit for purpose. Through consultation with major suppliers and customers the Detmold Packaging Group will endeavour to participate in material rationalisation wherever possible.

Reuse

Wherever possible the Detmold Packaging Group will reuse materials within the operations to maximise recovery and minimise waste.

Recycle

Through design, customer consultation and marketing, the Detmold Packaging Group will continue to support the use of recycled materials. Optimisation of waste recycling is a key aim of the Detmold Packaging Group, to ensure environmental impacts are minimised.

Educate

A program to educate staff, suppliers and customers in the National Packaging Covenant is a key requirement for the Detmold Packaging Group in committing to our action plan.

Company Overview

Detmold Packaging is a privately owned company that has been in operation since 1948. In 2008 the Detmold Packaging Group remains a private company with sales and manufacturing facilities in 14 countries. Adelaide South Australia remains Head Office for the group with manufacturing facilities and Sales offices located both in South Australia and interstate

Manufacturing:

Adelaide, Sydney, Brisbane, Melbourne, Singapore, Jakarta, Heshan, Shanghai and Johannesburg

Sales Offices:

Australia, NZ :-	Adelaide, Sydney, Brisbane, Melbourne, Perth
Asia :-	Shanghai, Heshan, Beijing, Hong Kong, Jakarta, Singapore, Taipei, Manilla, Kuala Lumpur, Seoul, Tokyo
Europe, M-E, Africa :-	Dubai, London, Johannesburg

The Detmold Packaging Group sales are broken into four separate divisions

Detpak

Disposable products for the Quick Service Restaurant industry are sold directly to major accounts. Smaller accounts are serviced through a network of distributors. This Division also sells to Supermarket chains, Cinema groups and a variety of outlets within the food industry. Products include:

- Flat and Satchel Paper Bags
- SOS Carry Bags and Checkout Bags
- Waxed Food Wraps
- Formed and Crash Lock Bottom Cartons
- Food Pails
- Cold and Hot Drink Cups
- Napkins

Paper-Pak

This marketing division services the retail market on a direct basis. Products include:

- Paper Carry Bags
- Gift Bags
- Wrapping paper
- Up-market Boutique Paper Bags

Detmold Flexibles

The Flexibles business provide paper and film based rewind to industrial, pharmaceutical and FMCG markets. Products include:

- Printed Paper and Film Rewind
- Cold seal coating and lamination capability
- Bags and Pouches

Detmold Industrial

The industrial market comprises direct sales to manufacturing companies. Products include:

- Flat and Satchel Paper Bags
- Paper SOS Bags, 1-10kg Retail bags.
- Sacks - Sewn, Block Bottom, SOS and Pinch Bottom
- Printed Rewind - Form Fill and Food Wrap Rolls
- Food Wraps, Cover Leafs, Interleaving Sheets and Industrial Labels
- Plain/Printed Rolls and Sheets - Pallet Liners and Industrial Sheets

Place in Packaging Chain

Brand Owner

Manufacturer

Contact Officer

The officer charged with the responsibility of implementing and reporting on the Packaging Covenant Action Plan and annual reports is Tom Lunn. His details are as follows;

Tom Lunn

Corporate Marketing - Detmold Group

45 Chief Street, Brompton, 5007

Phone: (08) 8348 3200, Fax: (08) 8348 3254, Email: tom.lunn@detmold.com.au

Report vs Action Plan

Design

1. All new products to go through Tech/Design Dept.
 - Re-vamped Technical Department is giving greater emphasis to New Product Development.
 - Commenced evaluation of Life Cycle Analysis tools as part of product design to optimize materials and processes
2. Analysis on current products at reducing tube lengths.
 - Following standardisation of F&S product range (to reduce the number of sizes to reduce set-ups / waste), the same process has been applied to SOS bags and sacks globally.
3. Reducing total weight of product, by reducing film weights at Flexibles.
 - Has been implemented at Flexibles by purchasing department in Jan 2006.
 - Extended grammage reduction into other areas of the business where appropriate (for example some wraps reduced in weight by 10%)
4. Commence formal Life Cycle Analysis of all products during design and re-design stage.
 - During 2008/09 adopt an LCA standard for the Detmold Group and utilize on all product design and re-design projects

Production / Manufacturing

1. Develop baseline data of all energy consumption and material use (outer packaging and raw materials used to manufacture products). KPI #1, #2
 - Baseline data and comparison year has been gathered and reported on NPCIA website.
 - Conducted recycling review in '08 with service provider to increase recycling rates
 - Contracted 3rd party energy review specialist in '08 to recommend reduction strategies
2. Renewable Materials to replace petrochemical based films, coatings and adhesives
 - Launched several product ranges made using 100% renewable materials and continued trialing of alternative uses for PLA, cellophane derivatives, specialist papers and compostable coatings.
3. Replace Solvent Based Printing and Laminating
 - Flexibles plant has converted over 80% of paper printing from solvent based to water based during '07/08. This transition will continue. New equipment has been installed to enable water based lamination to replace solvents.

4. Introduction of 5 S program (aimed at organising work spaces more efficiently and safely).
 - A number of departments complete, will continue to roll out in '09.

Distribution

1. Search for new cling wrap for pallets with reduced density.
 1. Using successfully in Sack manufacturing. Will be determining suitability for other sites
2. New strapping machine being sought to reduce amount of tape being used
 - Current strapping machines are best practice, project cancelled.
3. Transport optimization project commenced
 - New product shape adopted for major cup category to improve container utilization
 - Review of shipper sizes commenced to minimize ullage and improve palletisation

Disposal / Recycling

1. Bins clearly marked in factory for bleached, brown or other materials.
 - This has been implemented and has improved awareness
 - Extending program to improve recycling of 'other materials' including cores and laminates
2. Develop baseline data of waste gone for recycling and to landfill (tonnes). KPI #21
 - Baseline data and comparison year has been gathered and reported on NPCIA website.
3. Any reject print reels will be used as set up material for future jobs.
 - This has been implemented and is working well. It also encompasses bag machines utilising reject print rolls for set, to minimise waste of useable raw material.

Education

1. Action plan and report to be presented to all factory and staff employees.
 - Sustainability, NPC, carbon accounting and recycling initiatives being communicated to staff through internal newsletter and formal training sessions schedules 1st qtr '09
2. Develop waste targets by departments.
 - This has been implemented and is discussed at monthly tool box meetings.

Labelling

1. LCA information including embodied energy, recycled content
 - Commenced providing LCA information for specific customer requests
 - Investigated certification opportunities for major products

Research

1. Read & research other companies reports / action plans on NPC website
 - This has begun this year, and will continue into the future.

2. Partner with specialists in sustainability
 - Signed agreement with Carbon Planet to undertake comprehensive carbon audit
 - Commenced working with an energy review specialist in Adelaide plant, successful initiatives will be rolled out globally in '09
 - Meetings held with specialists in recycling and product stewardship to determine viability of increasing recycling of specific products in the community in Australia.

Buy Recycled Policy

Detmold Packaging Pty Ltd is committed to purchasing recycled products that are fit for purpose that meet customer's criteria wherever possible. Examples of items purchased include semi recycled paper options, fully recycled paper and corrugated box packaging, fully integrated ink dispenser system designed to rework and re use waste inks. Furthermore Detmold Packaging is committed to working with suppliers to provide more environmentally friendly solutions regarding packaging materials of raw materials that either can be re used or are easy to recycle as well as utilisation of materials that provide improved yield gains to minimise waste and total raw materials required for greater output.

Senior Management Endorsement

Detmold Packaging is committed to the objectives and scope of the covenant, and to integrating them into standard business procedures.



Alfonzo Ianniello
CEO Detmold Packaging