

National Packaging Covenant Annual Report 2009

'09 annual report

national packaging covenant

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Highlights

- Electricity usage reduced by 5% across Detmold Australian operations compared with 2007-08
- Water usage decreased by 20% at Adelaide manufacturing site compared with 2007-08
- Completed inaugural 3rd party certified Greenhouse Gas Emissions Audit for the Detmold Group, Detpak, Paper-Pak and Detmold Industrial in Australia
- Following from a greenhouse audit recommendation have completed an air and energy demand survey of the Adelaide manufacturing site
- Followed recommendation of energy demand audit and committed capex to redistribute fittings and replace lighting, resulting in CO2 emission reduction of 255T per annum for the Adelaide site
- Launched Rabbit™ range of compostable packaging, including compostable coffee cups, sandwich wedges, window bakery bags and compostable coffee and retail bags
- New product shape adopted for 16oz hot cups to improve container utilization, resulting in 7 less 40' containers shipped per annum to distribute the same amount of product
- Pilot composting trials completed with Jeffries industrial composters and Sita waste collection services

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 2008 – June 2009. This is our second full year comparison against the 2007 baseline data.

Detmold has completed and exceeded all actions outlined in its 2006-2009 NPC Action Plan. The increased environmental focus in the community, amongst Detmold's customer and supplier base and within its own staff will be reflected in future NPC action plans with further improvements targeted for reporting, analyzing and implementing environmental improvements.

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 2009 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, Brisbane, Melbourne, Perth, Sydney
Asia :-	Shanghai, Heshan, Beijing, Hong Kong, Jakarta, Singapore, Taipei, Manila, 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

Product Development & Sustainability Manager

Detmold Group

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Report vs Action Plan

Action / Target	Measurable	Result
#1 – Total weight of consumer packaging by material type and source (tonnes)		
Key Action 1A: Set up detailed reporting through IT department so figures can be easily attained. - Cardboard – Standard Eg. Cartons - Plastics – Type 2 (HDPE) Eg. Pallet Tops - Plastics – Type 4 (LDPE) Eg. Stretch Film	- Develop baseline data by Nov 06 - Develop baseline data by Nov 06 - Develop baseline data by Nov 06	- Complete - Complete - Complete
Key Action 1B: Review current methods of packaging and identify improvements in regards to recyclable materials. - Incoming packaging of raw materials - Packaging of outgoing product	-Separation and recycling of reel outer wrap and reel discs -New product shape adopted for 16oz hot cups to improve container utilization -Minimize ullage and improve palletisation	-Complete - All plastic wrap collected and recycled, all paper wrap and discs recycled -*7 less containers shipped per annum to distribute the same product volume -Full standard range review completed
#2: KPI - Resources used to produce packaging, by material type; energy (megajoules & kwh), water (kilolitres).		
Key Action: Set up spreadsheets so energy consumptions can be entered as each bill arrives. -Energy (MJ) / Paper Used (tonnes) -Water (Kl) / Paper Used (tonnes)	Set up detailed reporting and analysis -Develop baseline data by Nov 06 -Develop baseline data by Nov 06	- Baseline complete and ongoing - Electricity usage reduced by 5% across Australian operations versus 2007-08 - Water usage decreased by 20% at Adelaide site versus 2007-08
Reduce energy and water usage per T of product - Undertake comprehensive carbon audit of Australian operations - Commence a 3 rd party energy review in Adelaide plant	- Completed inaugural greenhouse gas emissions audit 07/08 with Carbon Planet - Energy report received from Origin with specific improvement initiatives identified	- Complete - Board approved capex to alter fittings and lighting to provide annual savings of 255T of CO2 emissions p.a. (Adelaide site)
#3: KPI - Improvements in design, manufacture, marketing & distribution to minimise the environmental impacts of packaging.		
Key Action - Analyse range and implement sustainable design principles	- Complete range review and establish system by Nov 2006	- Complete and ongoing - All standard products reviewed in 2009
Continuous Improvement in Sustainable design - All new products to go through Tech / Design Dept by Oct 2007 - Analysis on current products at reducing tube lengths to minimise wasted material inside bags - Intro of 5 S's program to reduce raw material damage - Move to electronic forms to decrease use of copy paper over the company Oct 2007 - Search for new Cling wrap for pallets with reduced density - Promote Water Based Printing and Laminating in the Flexibles Business (Melbourne Site) - Commence evaluation of Life Cycle Analysis tools as part of product design to optimize materials and processes - Reduce film weights for Flexible packaging - Develop new sustainable products using renewable, compostable materials to replace non-recyclable laminates - Review manufacturing practices to reduce waste - Certification opportunities for major products	- Policy incorporated into ISO9001 system - Complete review of all standard items - Continue to roll out to remaining departments in '09. - Forms available on DetConnect (intranet) - Change pallet stretch film in sack division - Establish water-based lamination capabil'y - Promote water based tech to key clients - Select a global standard and commence informal LCA's - Complete down gauge review of all products - Launch of compostable Rebbit cup range - Launch of Rebbit bakery, retail, coffee bag - Launch of compostable sandwich wedges - Waste monitoring identified setup material opportunities - Identify suitable certifications	- Complete - Complete, reviewed in 2007 and 2009, standardized product to reduce waste and setupmaterial - Complete - Complete - Complete - Complete, majority of market still prefers superior solvent quality - Complete, using PAS2050 / ISO14044 Complete - implemented at Flexibles in Jan 2006, ongoing review. - Complete - Complete - Complete - Complete, reject print used for job setups, waste target review at tool box meetings. - Complete, commenced forestry certification process in pilot plant and attempting EN13432 cert for a product

# 5: KPI - Average % per annum, of post-consumer recycled content in packaging manufactured.		
Key Action: Packaging designed and manufactured to optimise the amount of post-consumer recycled content.	- Develop new packaging products with high recycled content	- Released 100% recycled food grade napkin - Produced a 100% recycled carry bag
# 6: KPI – Total weight, by type, of ‘non-recyclable’ consumer packaging sold per annum into the Australian market.		
Key Action: Set up detailed reporting through IT department so figures can be easily attained. - Plastics – Type 4 (LDPE) - Plastics – Type 5 (PP) - Plastics – Type 7 (Other) - Non-Recyclable Paper / Cardboard - Composites	- Develop baseline data by Nov 06 - Develop baseline data by Nov 06 - Develop baseline data by Nov 06 - Develop baseline data by Nov 06 - Develop baseline data by Nov 06	- Complete - Complete - Complete - Complete - Complete
Look at current methods of packaging and see if room for improvements in regards to recyclable materials.	- Build packing review into NPD process	- Complete and ongoing - Informal LCA’s commenced including outer packing
# 16: KPI - Percentage of signatories providing recycling collection facilities for post consumer packaging generated on site.		
Key Action: Ensure collection services for post consumer packaging and paper.	- Contracts in place for all recyclables in manufacturing sites, ongoing staff training	- Complete and ongoing - Added 10c bottle collection for SA in 2009 - Meetings held with specialists in recycling and product stewardship to increasing recycling of specific products in the community in Australia. - Pilot project completed with Jeffries industrial composters
# 21: KPI - Estimated tonnage of consumer packaging sent (a) for recycling and (b) to landfill from on-site collection facilities.		
Key Action: Increased recycling of used packaging - Recycling - Landfill	- Develop baseline data by Nov 06 - Develop baseline data by Nov 06	- Complete - Complete - Conducted recycling review in '08 with service provider to increase recycling rates - Bins clearly marked in factory for bleached, brown or other materials.
# 26: KPI – Implementation of Buy Recycled purchasing policy or practices.		
Key Action: Secondary market creation supported for recovered packaging material.	- Develop new packaging products with high recycled content	- Released 100% recycled foodgrade napkin - Produced a 100% recycled carry bag

*Saving of 397 CuM p.a. based on average monthly sales volumes = approximately 7 x 40’ containers.

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 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