

Graphic Packaging International (Australia)



**GRAPHIC PACKAGING**

INTERNATIONAL AUSTRALIA PTY LIMITED

# National Packaging Covenant Annual Report 2007-08

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2007-08 Annual Report  
against Action Plan 2005-08

4 September 2008

Report no: 1



Graphic Packaging International (Australia)



**GRAPHIC PACKAGING**  
INTERNATIONAL AUSTRALIA PTY LIMITED

# National Packaging Covenant Annual Report 2007-08

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2007-08 Annual Report against Action Plan 2005-08

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**Report no:** 1

**Date:** 4 September 2008

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GPIA Buy Recycled Policy

# 1 Executive summary

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Graphic Packaging International Australia Pty Ltd (GPIA) continued the successful implementation of its National Packaging Covenant commitments in Year Three of the Second Covenant (2007–08). The GPIA achievements resulting in positive environmental outcomes, particularly with respect to packaging, were:

- A reduction in pallet movements of 400 per year, achieved by shifting production to the same city at which the end-product is required.
- Expansion of reusable shippers for the distribution of 30-can packaging products to customers in all Australian states.
- Use of 100% virgin pine fibre sourced from renewable plantations at one of GPIA's American mills. This eliminates the use of hardwood fibre, reduces the amount of chemicals required to obtain the desired characteristics, and improves the recyclability of GPIA's wet strength board.
- Investigating a transition to a waterless printing process, in consultation with converters.

GPIA will prepare and submit its second Action Plan for the period July 2008–June 2010 later this year.

## 2 Introduction

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### 2.1 Purpose of document

The National Packaging Covenant (Covenant) is the voluntary component of a co-regulatory arrangement for managing the environmental impacts of consumer packaging in Australia. It is based on the principles of shared responsibility through *product stewardship* and delivered through a collaborative approach between key sectors of the packaging supply chain and all spheres of government — Federal, State, Territory and Local.

The first Covenant was launched in August 1999 and ran to June 2005. The current (second) Covenant commenced in July 2005 and is due to run for five years until June 2010. Graphic Packaging International Australia (formerly Riverwood International Australia) submitted its first (three year) Action Plan under the new Covenant agreement in January 2006, which was for the years 2005–06, 2006–07 and 2007–08.

Inclusive of Riverwood reporting, this document is GPIA's seventh Annual Report to the National Packaging Covenant Council (NPCC), and third under the new Covenant agreement. This Annual Report details the performance of GPIA against its Action Plan for the period from July 2007 to June 2008.

### 2.2 Company profile

Graphic Packaging International (Australia) Pty Ltd is a wholly owned subsidiary of Graphic Packaging International, for which the head office is in the United States.

Graphic Packaging International Australia Pty Ltd (GPIA) produces two types of paperboard packaging for the beverage industry:

- Aqua-Kote (High Wet Strength Carrier Board) – designed for use in wet environments
- Pearl-Kote (Medium Wet Strength Carrier Board) – also designed for use in wet environments, but in less demanding conditions than Aqua-Kote applications.

Both packaging materials are fully imported, and are used exclusively in the manufacture of beverage bottle and can packs, primarily full enclosed cartons and wraps. The imported packaging material is manufactured in the US, and is converted from imported rolled sheet to packs and wraps by converters here in Australia (Carter Holt Harvey, Platypus, Jaypak and Colorpak).

In addition to the sale of packaging products to end-use filling customers, GPIA also owns and leases machinery to customers for the packing of beverage products. GPIA-supplied board (Aqua-Kote and Pearl-Kote) and

other board (e.g. Visy's Microflute) is folded, and the beverages packed as part of the on-site customer production line. Machinery maintenance and service at customer sites is managed by GPIA service engineers.

Both Aqua-Kote and Pearl-Kote enjoy high pre-consumer recycling rates (effectively 100%), and post-consumer recycling rates (recovered as cardboard recycling through kerbside collection systems). The long fibre quality of GPIA products means they are highly sought after to improve the quality of recycled pulp. GPIA has received confirmation from Australian recycling companies that its wet strength carrier board is able to be recovered through existing collections systems and is suitable for recycling. GPIA has contacted the NPC confirming that its product is collected and recycled with other box board and is therefore likely to have a recycling rate well in excess of 50%.

A flowchart of the organisational setup, and packaging material flows during the 2007-08 financial year is provided in Figure 2-1.

## 2.3 Location in packaging chain

As it relates to Covenant KPI reporting GPIA occupies a ***packaging manufacturer*** position in the packaging chain.

In terms of the Covenant definitions GPIA undertakes the following activities in the packaging chain:

- supplier of raw materials for consumer packaging
- manufacturer of consumer packaging
- supplier/distributor of consumer packaging.

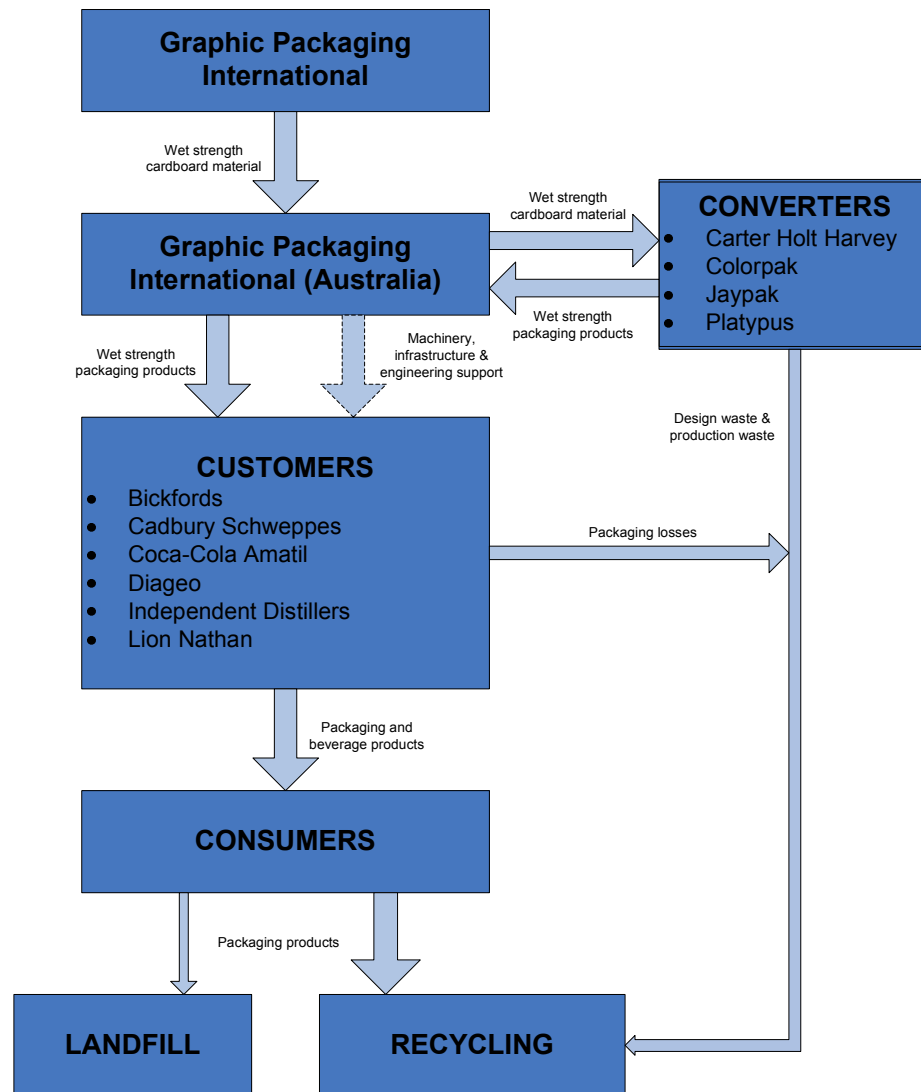


Figure 2-1 GPIA packaging material flows

## 2.4 Size of company

Revenue: \$48 million turnover during the 2007–08 financial year.

Employees: 13 full-time and part-time staff.

GPIA contributed to the Transitional Arrangements fund at the appropriate level for the 2007–08 financial year.

## 2.5 Facility locations

GPIA facilities are located at:

- Burwood, Victoria (head office)
- Burwood, Victoria (equipment servicing)
- Bella Vista, New South Wales (sales and equipment servicing)

GPIA does not operate any carrier board sheet manufacturing facilities in Australia, as packaging raw material is fully imported. Carrier board is converted locally through agreements with toll converters.

## 2.6 Appointed Covenant officer

For further information regarding this Covenant Annual Report, or any other National Packaging Covenant related matter, please contact the GPIA appointed Covenant Officer:

Mr Jeff Smith  
Managing Director  
Graphic Packaging International (Australia) Pty Ltd  
Unit 4 / 21 Huntingdale Rd  
Burwood Victoria 3125  
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Fax: (03) 9808-2622  
E-mail: [jsmith@gpia.com.au](mailto:jsmith@gpia.com.au)

## 2.7 Managing Director endorsement

I, Jeff Smith, endorse this Graphic Packaging International (Australia) NPC Annual Report (2007–08), on the GPIA NPC Action Plan 2005–2008.

**Jeff Smith**  
**Managing Director**  
**Graphic Packaging International (Australia) Pty Ltd**  
**Melbourne, September 2008**

### 3 Annual Report July 2007 – June 2008

Information in the table below provides a detailed account of Graphic Packaging's progress against Actions between 1 July 2007 and 30 June 2008.

**Table 3-1 GPIA Action Plan and description of activity during 2007-08**

Action	Performance Measure	KPI & performance goal	Year	2007-08 Activity
<b>Design</b>				
In designing packaging, careful consideration will be given to its possible effect on the environment from manufacturer to end-user, as well as to its recovery and/or final disposal. Package designers should work with all participants in the packaging supply chain to ensure that waste minimisation, secondary market creation and the reduction of litter are taken into consideration.				
1. Develop and adopt a GPIA Packaging Development Procedure (PDP) which incorporates the requirements of the ECoPP to provide a consistent set of guidelines and documentation for incorporating environmental considerations during packaging design.	Draft PDP developed by end 2006. PDP finalised and adopted into GPIA's packaging design processes by early 2007.	KPI 22 (Goal 4)	Year 2	Completed in 2006–07.
2. Apply GPIA Packaging Development Procedure to new packaging products.	Document the application of the PDP to new packages in Annual Reports.	KPI 22 (Goal 4)	Years 2-3	The PDP has been incorporated into the packaging design process of all new products. In accordance with the PDP, material minimisation, in conjunction with product testing are fundamental components of the design process, optimising the efficiency of GPIA's products.  Refer to KPI 22, Section 4.7 for a summary of actions that address KPI 22.
3. Optimise and track designs to minimise waste.	Monitor cutting efficiencies and report annually.	KPI 3 & 4 (Goal 1)	Years 1-3	As a result of its long-standing commitment to reducing the environmental impacts of its packaging products, GPIA's packaging products have long been optimised for efficiency. However, GPIA measures waste and efficiencies on a weekly basis to identify further opportunities for improvement. Incremental improvements continue to be identified from time to time.

Action	Performance Measure	KPI & performance goal	Year	2007-08 Activity
<b>Production</b>				
Packaging will be manufactured to minimise the amount of material essential to guarantee the protection, safety and hygiene and shelf life of the product. (Signatories should) report on the source and generation of packaging materials.				
4. Report annually on the energy and water consumed to produce GPIA packaging.	Energy consumption per tonne of packaging produced determined and reported on in Annual Reports. Water consumption per tonne of packaging produced determined and reported on in Annual Reports.	KPI 2 (Goal 1)	Years 1-3	No changes occurred to energy and water consumption per tonne of packaging produced during 2007–08 at GPI's Australian facilities. GPIA is investigating a waterless printing process, in consultation with converters, which would represent a significant reduction in water consumption. This would replace the current, water intensive lithographic printing process. Furthermore, the shift from hardwood to softwood fibre in the production of wet strength board at GPI's Macon mill has reduced the energy and water consumption for this process and therefore embodied in GPIA's final product. Refer to KPI 2, Section 4.2 for energy and water consumption for 2007-08.
5. Recycle at least 95% of GPIA packaging production waste generated by packaging converters and on customers packaging lines.	>95% of packaging waste recycled.	KPI 3 (Goal 1)	Years 1-3	Approximately 100% of production waste was recycled in 2007–08.
6. Report annually on average post-consumer recycled content in packaging.	Average post-consumer recycled content determined and reported upon in Annual Reports.	KPI 5 (Goal 1)	Years 1-3	Aqua–Kote and Pearl–Kote contain no post-consumer recycled content at present. However, they do contain approximately 10–15% post-industrial recycled content. Due to the demanding nature of the use of the packaging, only materials with a sufficiently long fibre (i.e. virgin fibre) can be used in the manufacture of the packaging. Refer to KPI 5, Section 4.4 for a statement on the post-consumer recycled content of GPIA products.
7. Identify opportunities for minimising waste to landfill, particularly for shrink wrap and stretch wrap, and where practical implement identified opportunities.	Waste minimisation assessment completed by March 2007. Identified practical opportunities implemented by June 2007.	KPI 3 (Goal 1)	Year 2	Minimal waste to landfill is generated from GPIA's operations. Waste is measured weekly to ensure that any increases in waste to landfill will be identified.

Action	Performance Measure	KPI & performance goal	Year	2007-08 Activity
8. Introduce recycling collections for post-consumer packaging at all GPIA sites.	Post-consumer recycling collections introduced at GPIA facilities by June 2007.	KPI 16 (Goal 2)	Year 2	Recycling collections for paper, cardboard and containers are in place at all GPIA facilities. Refer to KPI 16, Section 4.5 for an overview of recycling collections at GPIA facilities.
<b>Distribution</b>				
Logistics will be designed so as to reduce materials and energy consumption to optimal levels whilst maintaining product quality.				
9. Undertake detailed assessment of reusable freight (tertiary) packaging potential for GPIA products, and where practical implement any identified opportunities.	Reusable freight packaging assessment project completed by July 2007. Identified practical opportunities implemented by December 2007.	KPI 3 (Goal 1)	Years 2-3	During 2007–08, GPIA expanded the use of reusable shippers (cardboard crates for use on pallets) for the distribution of 30-can packaging products to customers in all states (reusable shippers were previously only in use in Queensland, NSW and WA). The reusable shippers are used on average six times, compared to just once for previous cardboard shippers used, and are recyclable at end of life. GPIA are conducting a feasibility assessment on the use of reusable shippers for 10- and 12-can packaging products. Refer to KPI 3, Section 4.2 for a summary of actions that address KPI 3.
10. Undertake tertiary packaging minimisation project, and develop recovery options for unavoidable tertiary packaging.	Tertiary packaging minimisation project completed by July 2007. Identified practical minimisation opportunities implemented and recovery systems for unavoidable tertiary packaging put in place by December 2007.	KPI 21 (Goal 4)	Year 3	GPIA reviews tertiary packaging on an ongoing basis to identify opportunities to avoid or reduce tertiary packaging. The introduction of the reusable shippers to all states has further reduced the use of tertiary packaging.
11. Investigate modifications to logistics control and systems to improve distribution efficiencies, including investigating more efficient pallet stacking patterns and heights, to reduce truck movements.	Assessment of logistics systems to identify distribution efficiencies and reduce usage of tertiary packaging completed by June 2007. Identified practical opportunities implemented by December 2007.	KPI 3&4 (Goal 1)	Year 2	GPIA reviews distribution on an ongoing basis to identify opportunities to increase efficiencies and optimise packaging per pallet. During 2007–08, Coca Cola Amatil moved a significant portion of their Jim Beam production from South Australia to Queensland. GPIA responded by shifting the production of approximately 400 tonnes of product from Victoria to Queensland. This move saves approximately 400 pallet movements previously occurring between Victoria and SA.

Action	Performance Measure	KPI & performance goal	Year	2007-08 Activity
<b>Disposal</b>				
Packaging should be designed to facilitate its safe and easy disposal by consumers when it reaches the end of its lifecycle. In this context, disposal includes re-use, recycling and other forms of recovery to minimise adverse environmental impacts.				
12. GPIA will contribute to Away from Home (AfH) recycling activities through the NPCC.	Identify appropriate GPIA contributions and assist in implementing where appropriate.	General Covenant activity	Years 1-3	GPIA remains willing to contribute to promotional and educational programs, however no opportunities were presented or identified during 2007-08.
<b>Market Development</b>				
Expand markets for recyclable materials and establish frameworks to ensure that new product development using recovered materials is accelerated and that inappropriate barriers to the marketing of products with recycled content are removed.				
13. Work with local government and other relevant organisations to increase the level of Away from Home (AfH) collections and recyclables into current kerbside collections.	Undertake assessment exercise to identify areas where GPIA can help extend AfH recycling (completed by June 2007).	General Covenant activity	Year 2	GPIA remains willing to contribute to promotional and educational programs, however no opportunities were presented or identified during 2007-08.
14. Develop and adopt a 'Buy Recycled' purchasing policy and practice.	'Buy Recycled' purchasing practices guideline developed and adopted by December 2006.	KPI 26 (Goal 4)	Year 2	During 2007-08 GPIA developed a 'Buy Recycled' policy which outlines GPIA's commitment to reducing the consumption of and purchasing environmental friendly products. A copy of the policy is provided as Appendix A.
15. Implement a 'Buy Recycled' purchasing program, incorporating purchasing practices (including contractual clauses) to incorporate consideration of the recycled content of packaging materials.	'Buy Recycled' purchasing program implemented by March 2007.	KPI 26 (Goal 4)	Year 2	In accordance with this policy, GPIA staff purchase recycled content office products and materials, wherever reasonably cost competitive products are available, to support the Australian recycling market. GPIA also purchases Fairtrade coffee, in recognition of the sustainable production methods of this product.
<b>Education</b>				
It is essential that reliable information be developed and circulated to assist consumers in making informed purchasing choices. The responsibility for establishing and financing a balanced information campaign for the general community and school students must be shared by all those in the packaging supply chain and all governments.				
16. Support and contribute to promotional and education for Away from Home and litter reduction programs.	Communicate with the NPCC a willingness to contribute to AfH and litter programs by December 2006.	General Covenant activity	Year 2	GPIA remains willing to contribute to promotional and educational programs, however no opportunities were presented or identified during 2007-08.

Action	Performance Measure	KPI & performance goal	Year	2007-08 Activity
17. Produce information releases for all GPIA staff on NPC related activities.	Distribute information releases on NPC related activities following development of Annual Reports.	General Covenant activity	Years 2-3	In 2007–08, GPIA distributed its 2006–07 Covenant Annual Report to staff and customers. Covenant outcomes were reviewed with customers, to identify opportunities to reduce the environmental impacts of packaging products, in line with their ongoing needs.
18. Use GPIA website to provide detailed reporting on GPIA environmental performance, including NPC reports.	GPIA website modified to provide environmental reports.	General Covenant activity	Years 2-3	GPIA does not currently have an Australia-specific website. GPIA currently distributes its Covenant reports to staff and customers directly.
<b>Labelling</b>				
Accurate consumer information and labelling on packaging is important to encourage appropriate recycling and/or disposal. To this end, packaging should bear appropriate information either on the packaging itself or on the label.				
19. Assess all packaging to ensure that environmental labelling on products is consistent with the ECoPP (Consumer Information), and where necessary meet the requirements of AS/NZS 14021 – Self declared environmental claims.	Wherever possible, within customer constraints, ensure that all packages have correct recycling or disposal messages, and inform customers of any non-conformances, by December 2007.	KPI 3 (Goal 1)	Year 2	All GPIA wet strength carrier board packaging products carry a basic message to consumers to “please recycle” or “please dispose of thoughtfully”.  GPIA has received confirmation from Australian recycling companies that its wet strength carrier board is able to be recovered through existing collections systems and is suitable for recycling.
<b>General product stewardship Actions</b>				
20. GPIA will develop an Environment Policy, which will include a statement of its commitment to the NPC and the ECoPP.	Environment Policy developed by November 2006.	General NPC activity	Year 2	Completed in 2006–07.
21. GPIA will formally adopt its Environment Policy.	Environment Policy adopted by February 2007.	General NPC activity	Year 2	Completed in 2006–07.
22. Develop robust baseline KPI data for numerical KPIs 2, 5 and 21.	Robust baseline KPI data established by June 2006.	KPI 27 (Goal 5)	Year 1	Completed in 2005–06.
23. Establish <i>targets</i> for KPIs 2, 5, and 21, once robust baseline KPI data available.	KPI targets determined, and published in Annual Reports against this Action Plan.	KPI 29 (Goal 5)	Years 1-3	GPIA aims to maintain its current high performance for KPIs 2 and 21. There is no post-consumer recycled content incorporated into GPIA’s packaging products, due to the demanding nature of the use of the packaging. Therefore, it is not possible for GPIA to establish a target to

Action	Performance Measure	KPI & performance goal	Year	2007-08 Activity
				increase the recycled content in its carrier board packaging products.
24. Develop a coordinated database for the annual capture and analysis of KPIs 2, 5 & 21.	Quantitative KPI recording database developed by July 2006.	KPI 28 (Goal 5)	Year 1	Completed in 2005–06.
25. Contribute to Covenant funding arrangements as required annually.	Contribute funding annually in a timely manner.	General NPC activity	Years 1-3	Financial contribution paid in full for 2007–08.
26. Report annually against this Action Plan.	<i>Annual Reports</i> against this Action Plan submitted by 31 October of each year.	KPI 28 (Goal 5)	Years 1-3	Completed for 2007–08 through the submission of this report.
27. Undertake annual audits of waste to landfill and recycling at GPIA facilities to fulfil NPC reporting requirements.	Undertake annual waste (to landfill) and recycling audits at GPIA facilities by August each year.	KPI 21 (Goal 5)	Years 1-3	Minimal waste and recycling are generated from GPIA's operations. All post manufacturing waste is collected and either recycled locally or bundled and exported for recycling. Local government kerbside garbage and recycling collection services are provided for tea room and office waste.  Refer to KPI 28, Section 4.10 for the estimated quantities of packaging sent to recycling and landfill.
28. Demonstrate improvement against GPIA's KPI targets and ongoing achievement of the Actions described in this Action Plan.	Action Plan 'Actions' and KPI targets achieved.	KPI 29 (Goal 5)	Years 1-3	Refer to KPI 29, Section 4.11 for a report on progress on KPI 29.

## 4 Company dataset (KPIs)

All relevant KPI data has also been submitted to the NPC through IDAS reporting.

### 4.1 KPI 2

*KPI 2 measures the resources used to produce packaging, in terms of energy (MJ) and water (kL) per tonne of packaging produced.*

This KPI relates to total consumption of energy and water used to produce or convert into packaging, across the whole of the signatory's operations, e.g. all company sites and all aspects of company operations.

GPIA's packaging material is fully imported, and is converted from imported rolled sheet to packs and wraps by converters here in Australia. GPIA's local energy and water consumption is comparatively minimal.

No changes occurred to energy and water consumption per tonne of packaging produced from 2006–07 to 2007–08 for GPI's Australian processes. However, GPIA, in consultation with converters, is currently investigating the implementation of waterless printing processes, which will significantly reduce water consumption in the future.

Furthermore, the shift from hardwood to softwood fibre in the production of wet strength board at GPI's Macon mill reduced the energy and water consumption for this process and therefore embodied in GPIA's final product.

Resource consumption has remained constant throughout the period 2005–08. Energy and water consumption figures for 2007–08 are outlined in Table 4-2 below.

**Table 4-2 KPI 2 Data – Estimates of resource consumption 2007–08**

Material	Resource consumption in 2007–08	
	Energy (MJ/tonne)	Water (kL/tonne)
High wet strength carrier board	194	0.32
Medium wet strength carrier board	190	0.31

### 4.2 KPI 3

*KPI 3 relates to improvements in design, manufacture, marketing and distribution to minimise the environmental impacts of packaging.*

During 2007–08, GPIA expanded the use of reusable shippers (cardboard crates for use on pallets) for the distribution of 30–can packaging products to customers in all Australian states (the reusable shippers were previously

in use in Queensland, NSW and WA only). The reusable shippers are used on average six times, compared to just once for single-use cardboard shippers previously used. The reusable shippers are recyclable at end of life.

During 2007–08, Coca Cola Amatil moved a significant portion of their Jim Beam production from South Australia to Queensland. GPIA responded by shifting the production of approximately 400 tonnes of product from Victoria to Queensland. This move saves approximately 400 pallet movements previously occurring between Victoria and SA.

During 2007–08 GPI's Macon mill in Georgia began using 100% virgin pine fibre sourced from renewable plantations. A second mill will also be using 100% virgin pine by December 2008. The plantations from which this pulp is sourced act as carbon sinks, removing carbon from the atmosphere. Furthermore, the long fibre length produced from virgin fibre means GPI uses not only less pulp, but fewer chemicals to achieve the 'wet strength' characteristics required of their products. The need for hardwood pulp, usually sourced from old growth forests, is also eliminated by the use of virgin pine pulp.

#### 4.3 KPI 4

KPI 4 relates to *changes to protection, safety, hygiene, shelf-life or supply chain considerations affecting amount & type of packaging.*

In 2007–08 GPIA reduced the movement of product between Victoria and South Australia by about 400 tonnes, which was previously transported by road.

#### 4.4 KPI 5

KPI 5 relates to the *average % per annum of post-consumer recycled content in manufactured packaging.*

There is no post-consumer recycled content currently incorporated into GPIA packaging products. Due to the demanding nature of the use of the packaging, only materials with a sufficiently long fibre (i.e. virgin fibre) can be used in the manufacture of the packaging. However both Aqua-Kote and Pearl-Kote contain 10–15% post-industrial recycle. This figure has remained constant from 2006–07 to 2007–08.

Graphic Packaging carrier board is manufactured by mills in the US, with all but one of Graphic Packaging's US based packaging production sites located adjoining a mill. This enables most cutting waste from packaging production to be recovered and returned to the mills for reprocessing.

In addition GPIA packages are 100% recyclable through cardboard recycling collections, and due to the high quality (long) fibre, offers valuable input into cardboard recycling processes. Furthermore, GPIA's increasing

use of virgin pine fibres has reduced the use of chemicals needed to provide the 'wet strength' characteristics, making it more readily recycled.

## 4.5 KPI 16

KPI 16 relates to *signatories providing on-site collection facilities for post-consumer packaging recycling*.

Recycling collections at GPIA facilities has been consistent across waste streams and facilities for the period 2005–08 as outlined in Table 4-3 below.

**Table 4-3 KPI 16 – Recycling collections at GPIA facilities**

Facility type	Recycling collection services at site		
	Cardboard	Office paper	Container
Head office / service centre	✓	✓	✓
Separate service centres	✓	✓	✓

## 4.6 KPI 21

KPI 21 is the *estimated tonnage of consumer packaging sent (a) for recycling and (b) to landfill from on-site collection facilities*.

Quantities of packaging sent to recycling and landfill have remained constant for the period 2005–08. Table 4-4 presents the estimated quantities of consumer packaging sent for recycling and to landfill from GPIA facilities during 2007–08. The estimates are based upon the numbers of pickups annually, and data available on compositional audits. The audits were undertaken at offices where similar recycling collection systems to those at GPIA, were in place.

**Table 4-4 KPI 21 Data – Estimated packaging sent to recycling and landfill 2007–08**

Packaging destination	Total	
	tonnes	%
Packaging recycled	0.47	67%
Packaging landfilled	0.23	33%
<b>Total packaging</b>	<b>0.70</b>	<b>100%</b>

## 4.7 KPI 22

KPI 22 relates to the *adoption of the ECoPP and development of systems for its implementation*.

During 2006–07, GPIA’s Packaging Development Procedure, incorporating the requirements of the ECoPP, was developed and adopted into GPIA’s packaging design processes.

#### 4.8 KPI 26

KPI 26 relates to the *implementation of Buy Recycled purchasing policy / practices*.

During 2007–08 GPIA developed and adopted a ‘Buy Recycled’ policy which outlines the company’s commitment to reducing the consumption of products and services, as well as the purchasing environmental friendly products.

In accordance with the ‘Buy Recycled’ policy, GPIA staff purchase recycled content office products and materials, wherever reasonably cost competitive products are available. GPIA also purchases Fairtrade coffee, in recognition of the sustainable production methods of this product.

#### 4.9 KPI 27

KPI 27 relates to the *establishment of baseline performance data*.

This KPI was responded to in GPIA’s NPC Action Plan 2005–08.

#### 4.10 KPI 28

KPI 28 requires *annual reporting against this Action Plan*.

This KPI has been addressed through this report, against the GPIA NPC Action Plan 2005–08.

#### 4.11 KPI 29

KPI 29 relates to *demonstrated improvement and achievements of milestones in Action Plan*.

This KPI has been addressed through this report, against the GPIA NPC Action Plan 2005–08.

# Appendix A

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## GPIA Buy Recycled Policy



# GRAPHIC PACKAGING

INTERNATIONAL AUSTRALIA PTY LIMITED

## BUY RECYCLED POLICY

Graphic Packaging International (Australia) Pty Ltd is a wholly owned subsidiary of Graphic Packaging International, for which the head office is in the United States, which produces paperboard packaging for the beverage industry.

We are committed to understanding and managing the environmental impacts of the products that we sell, in addition to the impacts of our operations. As part of this commitment, we aim to manage our purchasing activities in an environmentally responsible and sustainable manner.

This policy relates to how GPIA procures and uses products and services and aims to integrate environmental considerations into our procurement policies and practices. To achieve this we will:

- 1 Make procurement decisions considering both economic and environmental factors
- 2 Encourage purchasing staff to review the consumption of products and services and to:
  - Aim to **reduce** the consumption of products and services where possible
  - Select products which can be **reused**, in preference to those that can be used only once
  - Select products and services which contain **recycled content** and which are **recyclable**
- 3 Specify, wherever possible and reasonably practicable, the use of environmentally friendly products or services and/or recycled content products
- 4 Communicate this Policy to our customers and the community so that they then become aware of the impact they have on the environment and help them to minimise this impact

Our commitment to buying recycled will contribute to the strengthening of the Australian recycling market and deliver environmental benefits.

We will report on our progress in implementing this Policy publicly on an annual basis, within our National Packaging Covenant Annual Report.

We will review this Policy on an annual basis to ensure continuous improvement.

Our Managing Director and our purchasing staff will be responsible for ensuring and reviewing the implementation of this Policy.

**Jeff Smith**  
**Managing Director**  
**Graphic Packaging international (Australia) Pty Ltd**  
**December 2007**