



Challenges + Choices

Sustainable Choices 2009



THE REPORT

This is VIP Packaging's second annual Sustainable Choices report on our social, environmental and financial performance. Our first report was released in 2008 reporting on the financial year 2007-2008.

Reporting Year

All information in the report refers to our performance and activities during the financial year ended 30 June 2009 (F09), unless otherwise stated.

Scope

This report covers the performance of divisions and operations comprising VIP Packaging (VIP). VIP Packaging is the trading name of:

VIP Steel Packaging Pty Ltd	ABN 22 095 314 195
VIP Plastic Packaging Pty Ltd	ABN 98 095 313 705
VIP Steel Packaging (NZ) Ltd	1106685 IRD 77779140
VIP Plastic Packaging (NZ) Ltd	1375879 IRD 85887041

All references to 'VIP', 'we', 'our business' and 'the company' refer to VIP Packaging.

There have been no changes during the reporting period to VIP's size, structure or ownership.

Feedback

For all comments and enquiries relating to this report please contact sustainability@vippackaging.com.au.

Materiality and Completeness

The issues we consider most material to our business are identified through a weighting process that examines internal significance (including internal communication, training and corporate policies) and external significance (including regulatory requirements and media interest).

The report is structured around the four themes of People, Profit, Planet and Progress.

In this report we cover only those issues that we believe are most material to our business and our stakeholder community at this time. Within the four themes of the report, we predominantly focus on the sustainable choices that we have made in F09. We plan to continue monitoring existing and emerging issues and engage in dialogues on these issues with our stakeholders into the future.

Global Reporting Initiative (GRI)

We used the GRI Standard Disclosures and Reporting Principles (version 3) as a reference in determining relevant content and metrics for this report. GRI sets out a standardised framework of principles and indicators that organisations can use to measure and report their economic, environmental and social performance. We have included a GRI cross-reference table on p.36 to help readers find GRI-related content and data. We have self-assessed against the GRI reporting principles to level B. More information can be found on www.globalreporting.org.

Information Integrity

VIP's sustainability and marketing teams, along with senior management, are responsible for the preparation and integrity of the information of this report, with many other key internal stakeholders contributing to this report. We believe that this report fairly represents our corporate responsibility performance (i.e. our social, environmental and financial performance) during 2009. Ernst & Young (E&Y) has provided an independent review of selected environmental and safety data.

Governance

Corporate governance, compliance, risk management and ethical conduct are essential features of an organisational commitment to sustainability. At VIP, we uphold governance processes that support our focus on the longevity and success of our business.

VIP is a privately owned company, consisting of six operational divisions that are supported by head office functions. General managers of these divisions meet quarterly to address economic, environmental and social performance. A balanced scorecard issued weekly and circulated amongst general and site managers covers safety, environment and customer delivery performance in addition to financial indicators. Further performance in the areas of corporate responsibility will be addressed in this scorecard from F09.

Outside VIP's senior management team, all employees are encouraged to provide feedback to senior management via the Sustainable Choices employee satisfaction survey and the 'Ask Ruffy' link at www.vippackaging.com.au which sends feedback directly to the Chairman.

As a subsidiary of Pact Group, VIP is ultimately governed by the senior management team, which consists of our Director and Chairman, CEO, CFO and General Counsel. In addition to the formal senior management team, an advisory board consisting of three independent (non-executive) advisors and convened by our Chairman provides guidance to VIP. The advisory board meets quarterly and advisors are appointed by our Chairman and owners.

The Chairman evaluates the senior management team and advisory board's economic, environmental and social performance. He provides feedback and direction to the business, which shapes and influences existing and new initiatives and reporting requirements. The Chairman also ultimately oversees internal audits. Internal auditors report annually to the senior management team and, if appropriate, the advisory board.

Members of the advisory board and VIP's senior management team are invited to participate in a discretionary incentive scheme, where compensation is dependant on VIP's financial, social and environmental performance.


CONTENTS PAGE

Chairman's Introduction	2
Our Packaging - Part of your Everyday	5
About VIP Packaging	6
Value Chain Engagement + our Stakeholders	9
Sustainable Choices at VIP Packaging	10
People - The VIP Packaging Team	12
People - Society	16
Profit - Responsible Growth	20
Profit - Customers + Suppliers	22
Planet - Environment	26
Progress	34
GRI + UNGC Indicators	36
E+Y Assurance Statement	38
Glossary	40



Our thanks to the following Australian and New Zealand VIP employees for their willing participation in the feature photography used throughout this report:

Matthew Burns, Andrew Castle, Janet Del Grosso, Allan Dorset, Dave Harris, Herbert Hoefflich, Graham Impey, Jai Jairam, Vive Kandasamy, Rakesh Lal, Bernie Lewis, Nina Moimoi, Anne Price, Peter Romana, Ilea Sfetkidis, Jeff Shepherd, Laite Tatafu, Elaine Tippet, Malcolm Wilkins and Adam Williams.



Every day we make choices to better the lives of our families.

CHAIRMAN'S INTRODUCTION

This year, at VIP Packaging, we have made a number of choices to deliver better outcomes for our people, our profit and our planet.

Our 2009 report focuses on the choices that we have made or are making as a business to operate sustainably. Simply, sustainability is all about making choices. Choices which address the challenges faced by business, today and tomorrow.

Empowering our People

We found in our 2008 employee satisfaction survey that sustainability is a concept that is not fully understood by many people in our organisation. This year we have taken a more practical approach in presenting what it means to be a sustainable company. It is critical that our people are engaged with and committed to sustainability at work.

Empowering our people is the only way we can ensure the sustainable success of our business. This year we have increased our communication to the various sites, we have encouraged greater participation in community benefit activities and introduced sustainability as a key performance criteria for all senior management.

The Global Financial Crisis

This year our greatest challenge has been to survive the strong financial downturn. The global financial crisis hit our entire value chain and we experienced higher raw material prices, lower demand for products and services, lower margins amidst fierce competition and a general uncertainty in the marketplace. Despite these conditions, our unrelenting commitment to sustainable practice enabled us to weather the global financial crisis with limited impact upon operations and human resources.

Thinking 'Green'

We have seen a heightened consumer awareness of environmental issues such as global warming, waste generation and landfill exhaustion. This increased concern has triggered a worldwide wave of new products and services that claim to have a 'green' or environmental benefit. As a result, consumer watchdogs are now holding manufacturers and brand owners accountable for making any false 'green' claims. Despite the few claims that have been found to be misleading, most of these new products and services are a positive and proactive response to global environmental issues.

VIP has chosen to be part of this positive response by providing our customers with tools, including product life cycle assessments, that aid in developing packaging that is genuinely better for the environment. Not only will our choices assist our customers with developing responsible 'green' products but will also help them respond to a new Packaging Covenant, which has a greater focus on the packaging's full life impact.

This report is a demonstration of the choices we have made today and will be making tomorrow to drive sustainable success and progress in our business.

Enjoy the read.



Raphael Geminder
Chairman



OUR PACKAGING - PART OF YOUR EVERYDAY

The positive impact of packaging on society is far-reaching but often forgotten. When was the last time you squeezed toothpaste from a tube, poured a glass of milk, washed your hair or ate a tub of yoghurt? What this question highlights is that most of us would answer: today. This is because packaging is part of a consumer's everyday.

Packaging allows a wide variety of goods to be transported, stored and enjoyed far from the factory or farm, without being damaged or spoiled. Packaging also facilitates the dispensing of products, it carries an increasing amount of information (much of which is required by law), it facilitates opening and closing (storage), can show when tampering has occurred, and can be child resistant. Consumer packaging can offer longevity of preservation, promotion of trade, product and brand differentiation, ease of consumption and, most importantly, packaging supports an enhanced quality of life.

Through packaging, consumers experience greater product choice, safety and value. However, with increasing choice and consumption of packaged goods, we are faced with increasing challenges.

The most widely recognised challenge of packaging is waste generation - over 80% of consumers maintain that the incorporation of environmentally preferable packaging materials is favoured*. However, other environmental challenges such as resource consumption and emitting greenhouse gases over the life cycle of a package are now understood by, and concern, consumers. Growing consumer concern is driving government and, consequently, the corporate world to address and respond to these challenges.

Responses include striving for waste reduction, landfill diversion, recovering recyclables, reducing excess packaging and reducing resource consumption and greenhouse gas emissions associated with the manufacture and transport of packaging.

In addition to environmental concerns, consumers are also troubled about societal impacts of packaging that are a factor of increased consumption such as the rising rate of obesity and the increase in allergies. As a result, we are seeing a demand for smaller portion sizes yet, ironically, more information supplied on packaging. With the recent global financial crisis we have also seen a heightened consumer demand for value-for-money goods, challenging manufacturers, brand owners and retailers alike to continue to deliver high quality products but at much lower margins.

As consumption of packaged goods continues to rise, so too does the economic, social and environmental impact of packaging. By 2056, the Australian and New Zealand populations are predicted to increase by approximately 67%* and at least 23%* respectively. This increase in population and, in turn, packaging consumption threatens to offset any savings in resource use from improved efficiency, any benefits from resource recovery as well as any gains in reducing per-capita consumption. Therefore, industry groups, governments and individual companies are constantly being challenged to improve their approach to sustainable design and disposal of packaging. This will ensure that we can all continue to enjoy the privilege of an enhanced quality of life whilst minimising our impact on the planet.

* Source: Mobium Group, The Consumer Market for Sustainability in Australia, Oct 2008

* Source: Australian Bureau of Statistics

* Source: Statistics New Zealand

There are over 30,000 different products on the supermarket shelves, each protected and promoted in its own individual packaging. As a consumer in a supermarket you therefore have over 30,000 choices.



We remain committed to our Noble Purpose – ‘To help people make sustainable choices’ through the products we deliver, technologies we invest in and designs we produce.

Our choices include:

- Leading design + innovation services
- Manufacturing excellence
- Dedicated Sustainability Services division

ABOUT VIP PACKAGING

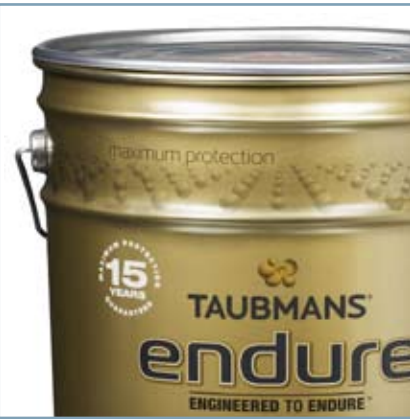
VIP is a leading plastic and steel packaging solutions provider in Australia and New Zealand, delivering innovative technologies and sustainable outcomes for our customers and consumers.

We continue to invest in our Noble Purpose – ‘To help people make sustainable choices’ through the products we deliver, technologies we invest in and designs we produce.

VIP operates 22 manufacturing sites and employs over 1,100 people across Australia and New Zealand. We use superior technology to create solutions which enhance brand value through performance and differentiation.



In F09 VIP Packaging sold in excess of 2.3 billion units of packaging to more than 2,000 customers.



● **Plastics**
Bottles, jars, tubes, jerrycans, cubes, drums, pails, tubs, IBCs

Locations	6*
Units sold*	452m
No. of employees	489

● **Steel**
Steel drums, polylined drums, general line cans, tinplate pails

Locations	5
Units sold*	110m
No. of employees	214

● **Closures**
Beverage closures, tamper evident closures, dispensing closures, child resistant closures, speciality closures

Locations	1
Units sold*	1,087m
No. of employees	132

● **Extrusion + Thermoforming**
Ultra PET® bakery packaging, Ultra PET® food bowls, CPET ovenable trays, Glofoam food trays

Locations	5*
Units sold*	511m
No. of employees	95

● **Sustainability Services**
Drum and IBC reconditioning, reconditioned and re-make steel drums, reconditioned, rebottled and cross-bottled IBCs, dedicated collection and recycling programs

Locations	4
Units sold*	0.5m reconditioned or recycled
No. of employees	62

● **New Zealand**
Plastic bottles, jars, jerrycans, cubes, drums, pails, tubs, crates, watering cans, general line cans, tinplate pails, steel drums

Locations	3
Units sold*	229m
No. of employees	71

* Multiple packaging types manufactured at common locations. Total number of actual sites is 22
* Based on F09 data, rounded to the nearest million
Note: Number of head office employees is 45

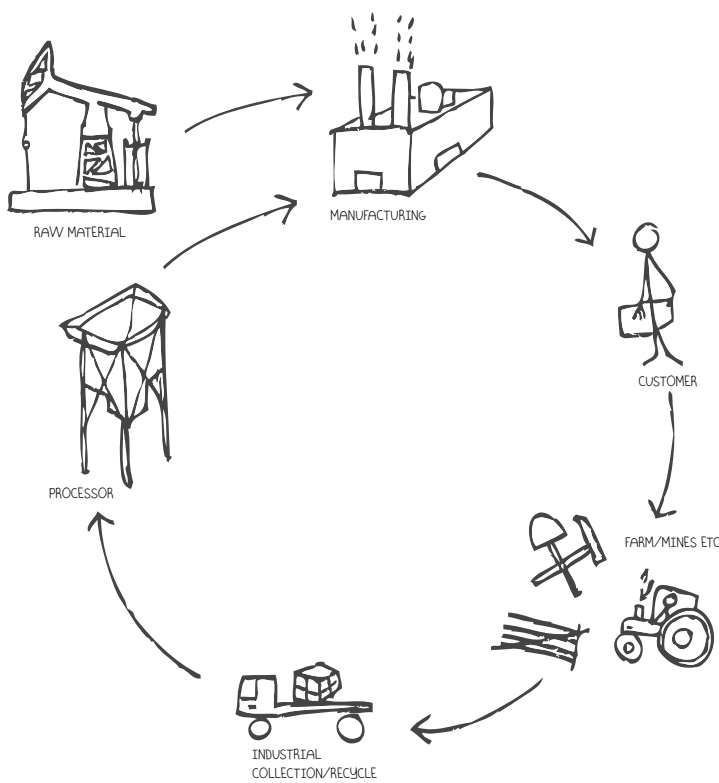
- Plastic Packaging
- Steel Packaging
- Closures
- Extrusion and Thermoformed Packaging
- Sustainability Services
- New Zealand Plastic and Steel Packaging
- Human Resources
- Technology and Innovation
- Central Marketing, IT, Procurement and Finance



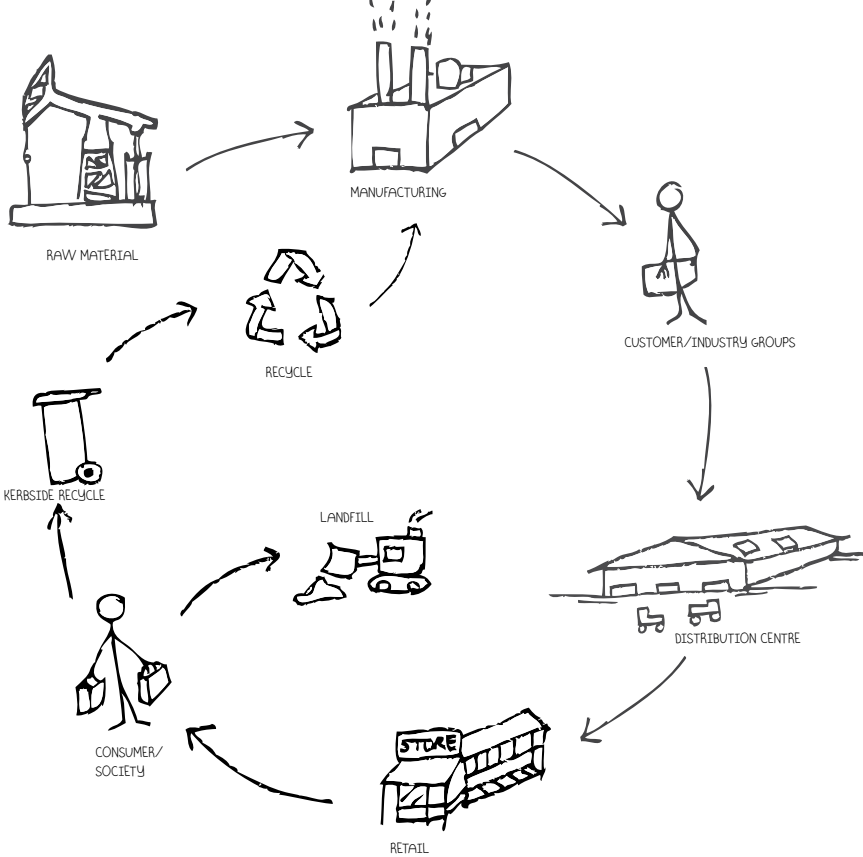
VALUE CHAIN ENGAGEMENT

In our value chain, there are a number of stakeholders who impact and/or are impacted by VIP and our activities. Stakeholder engagement, where we have an open dialogue with all groups that are part of our value chain, assists us in understanding these impacts, as well as the issues that matter to our customers, consumers, employees, suppliers and communities. It helps us to make informed and balanced decisions about how to manage our impacts and respond to stakeholder concerns.

Industrial Packaging Supply Chain



Retail Packaging Supply Chain



OUR STAKEHOLDERS



SUSTAINABLE CHOICES AT VIP PACKAGING

Responding to the challenges of sustainability is about making choices.

What does it mean to be sustainable?

Responding to the challenges of sustainability, or being corporately responsible, is a business obligation beyond legal requirements, to take ownership of the impacts of its activities on customers, suppliers, employees, consumers, communities and the environment. A focus on sustainability helps businesses to manage risk as well as create value.

Within VIP, we acknowledge that sustainability is largely about making choices which move us towards a place where, as a business, we can successfully and consistently meet the needs of today without compromising the needs of future generations.

Why is being sustainable important?

The notion of sustainability from an environmental and social standpoint is widespread and generally accepted. We, as the collective human race, need to protect and preserve our natural and man-made resources so that they are available for our future generations.

Consequently, companies often implement sustainability practices to manage risk and reputation associated with the impact of their operations on the environment and communities.

What is not often understood is the connection between sustainability and financial performance. The integration of sustainable principles within VIP has opened up a series of opportunities for our business and has supported our solid financial position in the marketplace. As a result of this position, VIP continues to invest in new and emerging technologies to support our customers with product development quickly and effectively, with a substantial amount of our profits continuously re-invested in capital expenditure each year. We have been able to weather the global financial crisis with limited impact upon operations or human resources.

This positive connection between financial performance and sustainability has been proven in A.T. Kearney's 2009 Green Winners report* which demonstrated that companies who showed a true commitment to sustainability on average outperformed their competitors.

* www.atkearney.com

It is for these reasons that the principles and opportunities of sustainability are embedded in our approach to doing business and support our Noble Purpose. We, therefore, remain committed to working with our employees, customers, suppliers, government and communities to seek safe, economical and environmentally conscious packaging solutions.

How are we working towards being sustainable?

Our Sustainable Choices Program

The VIP Packaging corporate responsibility program is called our Sustainable Choices Program. This program is more than just words to VIP. It is part of our business philosophy and guides our focus on people, profit and the planet to drive sustainable success and progress in our business. It directs our sustainability strategy and establishes our commitment to social responsibility, financial leadership and environmental management.

Our Sustainable Choices Roadmap is a practical definition for our team to understand and engage with our chosen approach to sustainability.

Our focus on People ensures we enhance the lives of our employees, invest in the communities in which we operate and engage in meaningful dialogue with our stakeholders.

Our focus on Profit ensures we are committed to furthering our growth responsibly and to building lasting and ethical relationships with our customers and suppliers. Internally, we endeavour to maintain the highest standards of leadership and communication to drive best performance and continuous improvement.

Our focus on the Planet ensures that we consider the life cycle impacts of our packaging during the design phase, continue to develop recycling and collection solutions for our packaging to avoid landfill disposal, and continue to improve the eco-efficiency of our operations.

Collectively, the choices we make in these areas progress us on our sustainability journey.



PEOPLE

If we choose to do more for our people today we will improve conditions for our people tomorrow



PROFIT

If we choose to be transparent, ethical and responsible with our profit today we will still be supplying our customers and employing our people tomorrow



PLANET

If we choose to use less today we will have more resources for our planet tomorrow



PEOPLE

Our Sustainable Choices Roadmap states that we will:

The VIP Packaging Team

Maintain the highest standards of occupational health and safety for all our people, including safety training and awareness at every level of our organisation.

Provide workplaces committed to equal opportunity and cultural diversity, and provide professional training and development for all our people.

Value and recognise the vital role our people play in the performance of our business.

Ensure our people are committed to the principles of social responsibility and environmental stewardship, and view these as essential factors for the growth of our business.

Society

Strive to identify and address the social impacts of our business, as an employer, partner and neighbour.

Engage in meaningful dialogue with our stakeholders to ensure their views are considered when meeting our social responsibilities.

Invest in the communities in which we work and live, to support the societies in which our business operates.

Respect basic human rights in all our operations, activities and partnerships, and support the protection of internationally proclaimed human, labour, political and civil rights.

Our Choices for our People

Today:

- Safety Awareness Program
- Improved employee communication (Breaking The Mould, GreenSpace, Awareness Weeks)
- Participation in many successful community partnerships
- Corporate sponsorships

Tomorrow:

- All sites to achieve a Lost Time Injury Frequency Rate of below 8 by F10
- Greater than 50% of employees to participate in the employee satisfaction survey by F10
- All sites to achieve a Safety Management System audit score of above 80% by F10
- Implement an employee workplace engagement program by F10
- Implement an employee online induction and learning program by F10
- Implement an employee volunteering and donations matching program by F11



THE VIP PACKAGING TEAM

VIP relies on the contribution of all employees to drive the progress of our business. We recognise the importance of developing safe, fair, equitable workplaces for all our people, where employee input is encouraged.

As a trans-Tasman organisation, we acknowledge the challenges associated with incorporating many sites across a broad geographical area into a shared culture. We also recognise the need for robust engagement processes to ensure all our people feel part of the VIP team.

Employee Engagement

VIP employee engagement is as great a challenge as it is of importance to our business, and with over 1,100 employees spread across 22 sites in Australia and New Zealand, our team is geographically diverse. Additionally, the majority of our people are hands-on within the manufacturing process and do not have daily access to intranet and email, making effective and frequent communication difficult.

We are continuously working to improve communication and engagement processes for the whole business with the following actions performing key roles in maintaining critical communications:

Employee Satisfaction

Our annual employee survey is an opportunity for our people to have their say on community involvement and workplace satisfaction at VIP. Although it is not compulsory to participate in the survey, it is a critical vehicle for receiving employee feedback and an integral part of planning our Sustainable Choices program.

Survey responses help to direct our corporate support of community and charity organisations. Feedback also assists in fine-tuning workplace leadership, communication, performance recognition, ethics and safety in the workplace.

As a direct result of feedback from the 2008 survey, a choice has been made to develop a site-based employee engagement program which will be rolled out in 2010, with more details to be communicated in next year's report.

Individual Performance

Twice a year, employees participate in the performance review process. This is designed to allow our people to set goals, measure performance and provide feedback.

Employees and their managers are encouraged to take full advantage of this opportunity to establish and measure indicators of employee capacity development. These reviews also allow our people to talk about any concerns and to discuss topics such as career development.

Management and middle-management employees constitute 20% of the total VIP team, with all required to participate in the performance review process. In F09, we have again achieved a completion rate of over 90% as a demonstration of our commitment to make this happen.

Regular Updates

Our company newsletter, Breaking The Mould, serves as a forum to highlight the achievements of our people and business in social responsibility, environmental management and financial leadership. As a result of feedback from the 2008 Sustainable Choices Employee Survey, we have chosen to make changes to the content and publication dates of Breaking The Mould. As the company grows, we have identified that not all sites, employees and operations are familiar to all staff, so we now have a section entitled 'Focus On', which is dedicated to introducing sites and employees to the broader organisation.

Environment News

In December 2008, VIP launched GreenSpace - a monthly environment newsletter. GreenSpace provides regular updates about what's happening at VIP from an environmental perspective, and covers the latest environmental legislation and news. It is emailed to all employees with VIP email access and can also be found on noticeboards at all VIP sites.

Workplace Health + Safety

Workplace health and safety is a fundamental moral and legal requirement of the company. VIP is committed to training our people in safety practises, with a key focus on educating people on the role that we all play in maintaining safe places to work.

We work together to create a safety culture that emphasises training and awareness, continuous improvement and total workforce participation for our employees, contractors and visitors.

Read our Occupational Health & Safety Policy at www.vippackaging.com.au/ohspolicy

Health + Safety Management

In order to control risk, each VIP site is required to maintain a comprehensive and integrated Safety Management System which is audited annually, based on the Australian and New Zealand standard AS/NZS 4801:2001. This system must be accessible to all employees. It describes the site’s safety objectives and the systems, processes and procedures intended to achieve them.

The audit result is an Executive Key Performance Indicator used to reinforce safety performance as a critical responsibility.

Each manufacturing facility is required to form a committee in which safety is discussed. Consisting of management and other employee representation, over 100 members of the VIP team participate in site occupational health and safety committees.

We remain committed to eliminating incidents that result in injury or occupational illness through processes of training, monitoring and corrective actions.

Health + Safety Performance

Our Safety Management System requires all injuries to be reported as they occur. This includes injuries that result in time away from work or medical treatment.

Lost Time Injury (LTI) frequency is a key indicator of our sites’ safety performance with 16 of our sites being 300+ days LTI free in F09. The LTI frequency rate (LTIFR) has reduced from 28 in F05 to 9.1* in F09 (Australia and New Zealand).

As our business grows, we continue to improve our safety data collection processes including a move to electronic employee sign-on systems at all our sites. We continue to drive improved reporting through safety education, training and audit processes.

Safety Awareness Program

VIP’s Safety Awareness Program has been in operation since 2005. It’s a training process designed and run to ensure that each employee learns a consistent message on safety and our responsibilities for maintaining safe workplaces. The program continues to be run across all sites every year.

Equal Opportunity + Diversity

The provision of fair and equitable workplaces is a legal and moral obligation. Our human resources team is responsible for protecting employment rights and does so throughout all VIP divisions. No prosecutions related to equal opportunity have been recorded against VIP.

Last year, VIP launched an Equal Employment Opportunity (EEO) awareness campaign. The program addresses legal compliance and policy breaches and advises our people on taking action and seeking advice about issues relating to equal opportunity. The program continues to be run at site level on an annual basis.

Supporting Working Mothers

With approximately 35% of our organisation being female in a male dominated industry, flexible work arrangements are considered after female employees return from maternity leave and are implemented as appropriate. As a result, we have retained 100% of returning mothers in professional roles with 66% of these returning to the same role on a part-time basis (where it was previously full-time) to accommodate their family responsibilities.

Reporting

The Equal Opportunity for Women in the Workplace Agency (EOWA) is a statutory authority located within the portfolio of the Australian Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA).

EOWA’s role is to administer the Equal Opportunity for Women in the Workplace Act 1999 (Commonwealth) and through education, assist organisations to achieve equal opportunity for women. We submit a report to the EOWA each year, and we have maintained compliance status throughout.

To find out more visit www.eowa.gov.au
* F09 figure verified by Ernst & Young, refer p.38

Employee Training + Skills Development

Employee training and development is managed at a site level by direct managers, with Corporate Compliance Programs being managed by head office. These programs cover training across safety, equal employment opportunities and lean manufacturing initiatives.

To better streamline and manage generic training for similar roles across multiple sites and divisions, a new online learning program is currently being developed to address employee development. The employee online induction and learning program will enable all employees to participate in cost effective, company-specific training. It will enable the provision of training for SAP, EEO, safety, ACCC, product knowledge, computer software programs, sales and induction.

Employee Wellbeing Service

Through PPC Worldwide (formerly called the OSA Group), we provide an Employee Assistance Program to give our people and immediate family members access to counselling and support services. PPC Worldwide counsellors are all professionally qualified psychologists or social workers who provide services throughout metropolitan and regional Australia.

Counsellors help employees manage a variety of issues including relationship and family concerns, work life balance, depression and stress.

Labour Relations

VIP is committed to the principles of fair and equitable labour relations demonstrated through the diversity of our teams, sites and operations. The right to freedom of association and collective bargaining are upheld in all of our Australian and New Zealand operations, with over 75% of our permanent workforce covered by these agreements.

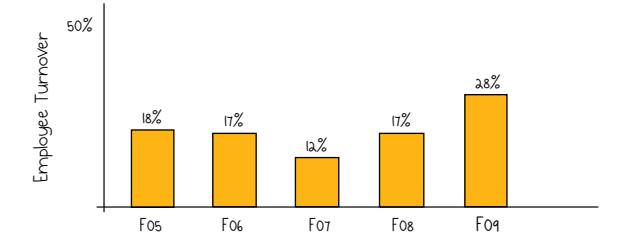
Contractual agreements observe statutory minimums in relation to termination and redundancy processes and, in some cases, exceed these provisions.

To ensure that we equip our business with sufficient human resource, we track changes in the make up of our VIP Team. Employee turnover for VIP management and middle-management from F05 to F09 jumped as a result of production consolidation across sites and the effects of the global financial crisis.

VIP Team Breakdown F09

	Common law contracts	Collective bargaining agreements	Total employees
Australia	252	785	1,037
New Zealand	22	49	71
			1,108

VIP Employer Turnover F05-F09



Note: Australian data only - New Zealand turnover data not available prior to F09



SOCIETY

Sustainable progress at VIP involves identifying the social impacts of our business, meeting the responsibilities we have to our communities, making choices to participate in areas relevant to our geographic location and to meet employees' preferences. Understanding the many and varied social responsibilities of our business is a complex task.

We are committed to giving back to the communities upon which our growth depends and to undertaking community involvement activities that are both relevant to our business and focussed on assisting others. We acknowledge the link between a healthy community, a thriving environment, a growing economy and the success of our business.

Human Rights

VIP seeks to uphold universal human rights, including accessibility, discrimination and labour rights, across all of our sites. This is reinforced through our commitment to the United Nations Global Compact (see p.21) and its principles, including those related to human rights.

Our Code of Conduct requires the fair and equitable treatment of all VIP employees, contractors and customers, and establishes the responsibilities of all employees in this regard.

Community Involvement

Community involvement of the company and its employees is fundamental to VIP. We actively participate in our local communities through corporate donations, sponsorship, fund raising and employee participation, and are always looking for new ways to contribute.

Community involvement at VIP takes place on two levels:

- Single / multiple site initiatives
- Corporate initiatives

We aim to support the social issues, causes and groups identified by our people through the employee survey process as much as possible.

Site Initiatives

Many of our sites are active in contributing to their local communities, with many maintaining relationships with charity organisations for years. Our people use their local knowledge and experience to identify opportunities to support their communities and, in doing so, contribute in many meaningful ways.

Co-ordinating multiple sites, often across Australia and New Zealand, in joint community involvement activities has its challenges. However, these challenges are usually outweighed by the benefits.

Following are just a few examples of the many activities that our sites participated in over the last year.

Brendale (QLD) + The Salvation Army

Each Christmas our Brendale site co-ordinates a grocery drive for The Salvation Army. Employees donate much-needed and appreciated food and other necessary items which are distributed to those in need so that they can enjoy festivities at Christmas.

Brendale also organises a stationery drive for The Salvation Army at the beginning of the year so that children can be supplied with the basics before the start of the new school year.

Laverton North (VIC) + Victorian Bushfire Relief

Many of our sites donated goods wherever possible to help support victims and support services following the 2009 Victorian bushfires in February 2009. Our Laverton North plastics site donated jerrycans and cubes for storage of water and cleaning products.

Devonport (TAS) + the Local Community

Each year, our Devonport site makes and donates cake tins in conjunction with Supreme Cake Company who donates cakes. The site manager, Jim Mawer, hand-delivers the delicious and beautifully presented Christmas cakes to over 50 widows in the local area. Jim has been doing this for over 40 years!

Brendale (QLD) + Breast Cancer Research

Our very generous Brendale employees are always coming up with great ways to raise money and goods for local charities. This year they sold second-hand books in the employee lunchroom for \$1 each, with all funds going towards breast cancer research.

Devonport (TAS) + Give Me 5 For Kids

Our Devonport site enthusiastically assists a local Tasmanian charity every year, by providing tins for use as collection tins during the charity's fundraising drives. This helps to raise funds for and spread awareness of this important local community group. Give Me 5 For Kids makes a real difference to the lives of the children in regional Australia and their families by supporting children's health and hospitals.

Drouin (VIC) + the Ficifolia Festival

Despite the tragic bushfires in the Gippsland region and other areas of Victoria immediately preceding the event, the 2009 Ficifolia Festival went ahead in February as planned. Our Drouin site has been a Major Sponsor of the Ficifolia Festival, showcasing art, theatre, sporting and other cultural events unique to the local community, which they participated in yet again in 2009.

Moorabbin (VIC) + Carols by Candlelight

VIP has long supported Vision Australia's Carols by Candlelight by donating the candle holders that are held by the audience throughout the night. Carols by Candlelight is a wonderful way for families and friends to get together and celebrate the spirit of Christmas. All proceeds raised at the event enable blind or vision impaired children to participate in daily activities that most people take for granted.

Sunshine (VIC) + Macedon Ranges MS Cycle Challenge

Jacek Bialobrzski of VIP Sunshine has long-supported the Macedon Ranges MS Cycle Challenge held in May, with VIP also donating plastic bottles and cubes for drinking water. Money raised will be used to help find a cure for Multiple Sclerosis and will be used by the Club for various community and charity projects.

VIP's Biggest Morning Tea (multi-site)

VIP's Biggest Morning Tea is our version of the Cancer Council's initiative, modified to incorporate our New Zealand colleagues. In May each year, employees come together to raise funds for the Cancer Council and the New Zealand Cancer Society.

These fundraising events are as much about encouraging a sense of community in the plants and developing awareness for causes that need our support as they are about raising money. Funds raised are matched dollar for dollar by VIP, and many of our sites take the opportunity to hold a morning or afternoon tea / BBQ / pizza delivery to encourage participation and donation.

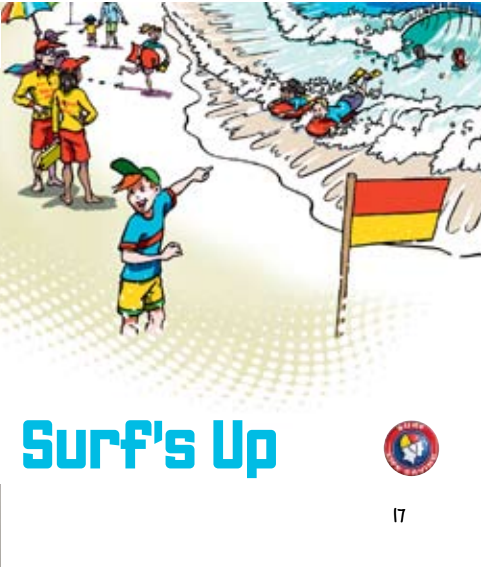
Movember Supporting Men's Health Issues (multi-site)

Last year saw the first year that VIP registered as a company to participate in Movember. At the start of Movember (during the month of November), participants register with a clean shaven face. The Movember participants have the remainder of the month to grow and groom their Mo, raising money along the way to benefit men's health.

Vizard Foundation House - from Trash to Treasure (multi-site)

Every year, Maria Whittaker, our Group Safety/Compensation Manager takes time out of her schedule to co-ordinate the collection, packing and delivery of toiletries for donation to a selected charity in need.

In December last year, Maria delivered over 100 bags of shampoo and conditioner bottles, toothbrushes, shower caps and razors thoughtfully collected by VIP employees, to Vizard Foundation House - a not-for-profit home that provides comfortable accommodation for families of patients attending nearby hospitals for treatment.





Drouin (VIC) +
the Ficifolia Festival



A U S T R A L I A



Sunshine (VIC) + Macedon
Ranges MS Cycle Challenge



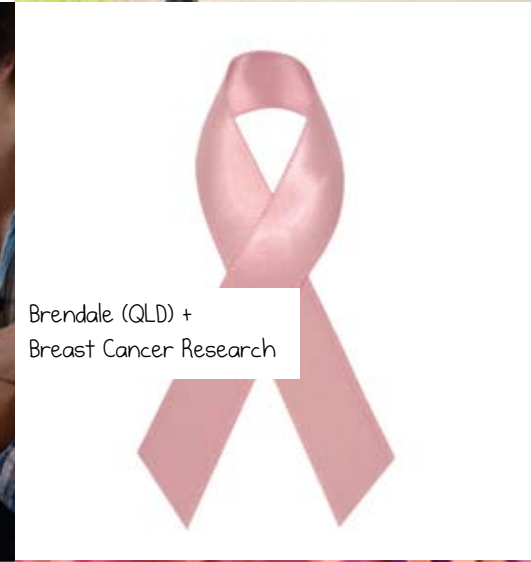
Brendale (QLD) +
The Salvation Army



Laverton North (VIC) +
Victorian bushfire relief



Brendale (QLD) +
Breast Cancer Research



Corporate Activities

Victorian Bushfire Appeal 2009

VIP employees were fast to offer charitable donations to bushfire relief funds in response to the devastating effects of fires around Victoria in February this year. Employees generously donated or salary sacrificed over AUD\$31,000 which was matched by the company and donated to the Red Cross Victorian Bushfire Appeal. Many VIP sites also made material donations including TankPODs®, bottles and jerrycans.

The Red Cross Appeal raised more than AUD\$375 million, with most of it already allocated to help survivors find shelter, rebuild homes and allow families to farewell loved ones with dignity.

We would also like to commend our employees who contributed directly to the fires effort by donating their time as CFA Volunteers.

Lavenda Springs, Kenya

VIP is proud to support the wonderful work that is carried out at Lavenda Springs - a school, children's home and community support network in Kenya. Leon Hanekom of VIP Packaging Rowville (Parmalat) has been supporting Lavenda Springs since 1997 and is involved with many activities including fundraising and billeting students from Kenya while they study in Melbourne.

Lavenda Springs is working with a network of Kenyan schools that includes nearly 1,000 children while providing a home to many who have been orphaned through AIDS. They are also in the process of building a college and eventually a university.

Surf Life Saving

Surf Life Saving Australia (SLSA) is Australia's water safety and rescue authority, incorporating 305 local surf lifesaving clubs, 17 regional branches and, seven state and territory centres. In its iconic red and gold, and as one of the largest volunteer organisations in the country, SLSA continues its 100 years of helping keep our beaches safe.

In 2006, VIP commenced a major community partnership with SLSA. This partnership strengthens our commitment to people and the planet and to sustainable communities and beaches Australia-wide.

Boardies Day

Through our partnership with SLSA, we are principal sponsors of their annual fundraising event, Boardies Day. Boardies Day is an annual community event that supports the amazing work of our volunteer lifesavers while engaging schools and workplaces in the importance of beach safety prior to summer.

Our sites made gold coin donations to wear their board shorts and surf wear to barbecues, lunches and morning teas held on-site across Australia on 28 November 2008, to show our support for SLSA.

Surf's Up + School's Curriculum

A major SLSA focus is the development of school educational material, designed to spread messages of safety and sustainability at the beach. VIP is proud to support Surf's Up, a surf safety curriculum program, which was distributed to all Australian primary schools in February 2009.

Surf's Up is a free teaching resource aimed at middle to upper primary classes with a range of cross-curricular activities associated with surf lifesaving, water safety and the beach. VIP is proud to support this program as part of our ongoing partnership with the SLSA.



Surf Life Saving



Moorabbin (VIC) +
Carols by Candlelight



Vizard Foundation House -
from trash to treasure



Devonport (TAS) +
Give Me 5 For Kids



Lavenda Springs,
Kenya



November supporting men's
health issues

Our Sustainable Choices Roadmap states that we will:

Responsible Growth

- Operate with an entrepreneurial spirit and a willingness to embrace change, to secure sustainable growth.
- Practice strong leadership and communication, to deliver best performance and continuous improvement.
- Respect and uphold all legal frameworks relevant to our operations, to ensure we remain a strategic partner of choice.
- Measure, report and analyse the performance of all areas of our business, to maintain organisational transparency and accountability.

Customers + Suppliers

- Provide innovative and sustainable solutions for our customers, and always deliver what we promise with a least cost philosophy.
- Maintain a sense of pride and ownership in all that we do, to maintain exceptional service to our customers.
- Partner with suppliers of proven integrity and service, and will not knowingly work with those that are not committed to ethical practice.
- Deliver goods and services of the highest quality, and produce safe and sustainable packaging that benefits society.

Our Choices for Profit

- Today:**
- Trade Practises Act Compliance Training
 - Signatory to UNGC
 - Ongoing investment in technology and manufacturing
 - Leading design and innovation services
- Tomorrow:**
- Roll out a formal Supplier Sustainability Assessment Process by F11
 - Launch at least five new innovation products and projects per annum
 - Ensure a return on assets of no less than 15% by F12



RESPONSIBLE GROWTH

Progress at VIP is intrinsically linked to the responsible growth and sustainability of our business. As an active corporate citizen and responsive employer, VIP is conscious of all impacts that the business has, both direct and indirect. Increasingly, corporate organisations are held accountable for many commercial impacts including those related to performance and market presence.

The success and sustainability of our organisation is dependent on a continuing commitment to ethical governance, responsible employment and investment and the provision of safe, quality packaging solutions.

As part of our commitment to operating sustainably, VIP recognises the need to practice strong leadership and communication, including organisational transparency.

Corporate governance, compliance, risk management and ethical conduct are essential features of an organisational commitment to sustainability as a market leader in our sector. At VIP, we uphold governance processes that support our focus on the longevity and success of our business.

Sedex

In 2009, VIP’s Moorabbin site became a member of Sedex, the Supplier Ethical Data Exchange, a membership organisation for businesses committed to continuous improvement of the ethical performance of their supply chains. Sedex is a not-for-profit organisation that aims to provide a secure database for companies to store and share ethical data including self-assessment, audit reports and corrective action reports and status. In addition to Sedex, we participate in numerous ethical supplier surveys with our customers.

To find out more visit www.sedex.org.uk

Trade Practices Act Compliance Training

As part of our ongoing competition law training program, certain employees are required to complete face to face and online Self Administered Legal Training (SALT™). Employees in Australia and New Zealand with responsibilities relevant to either the Trade Practices Act (AUS) or Commerce Act (NZ) undertake the training and are provided with information relevant to corporate and individual legal compliance.

New employees with relevant employment positions are required to complete SALT™ training within three months of commencing employment and all employees will be required to refresh their face to face training every two years or more frequently when there are major changes to the law.

Legal governance is also key to the ethical business practices of VIP. We are pleased to disclose that no legal actions took place in the financial year F09 for anti-competitive behaviour, anti-trust or monopoly practices.

THE 10 UNGC PRINCIPLES ADDRESS HUMAN RIGHTS, LABOUR RIGHTS, ENVIRONMENT AND ANTI-CORRUPTION

1. Businesses should support and respect the protection of internationally proclaimed human rights.
2. Business should make sure that they are not complicit in human rights abuses.
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. The elimination of all forms of forced and compulsory labour.
5. The effective abolition of child labour.
6. The elimination of discrimination in respect of employment and occupation.
7. Business should support a precautionary approach to environmental challenges.
8. Undertake initiatives to promote greater environmental responsibility.
9. Encourage the development and diffusion of environmentally friendly technologies.
10. Businesses should work against corruption in all its forms, including extortion and bribery.



United Nations Global Compact

VIP is a signatory to the United Nations Global Compact (UNGC) - a voluntary, international, corporate citizenship initiative that brings companies together with UN agencies, labour and civil society groups to support universal environmental and social principles.

Through the power of collective action, the UNGC seeks to promote responsible corporate citizenship so business can effectively meet the challenges of social and environmental sustainability.

You can read more about these principles at www.unglobalcompact.org

Economic Impacts

The responsible growth of our business is key to VIP - this means understanding the direct and indirect economic impacts of our business is critical. Direct economic impacts are measured as the value of transactions between VIP and its stakeholders. Indirect economic impacts are the results of these transactions.

Employees

Direct	Indirect
- Provision of wages	- Standard of living of employees, including spending capacity, house, car, holidays, bills, food, school fees



Customers

Direct	Indirect
- Supply of products and services	- Provision of high quality and appealing packaging, leading to increased sales - Market penetration and market share gain



Suppliers

Direct	Indirect
- Procurement of products and services	- Valued business partner, aiding the success of other businesses - Assistance in improving sustainability and overall performance



Community

Direct	Indirect
- Corporate donations - Site fundraising - Gift matching	- Social investment to support communities and contribute to community groups or associations



Government

Direct	Indirect
- Taxes	- Support government in meeting its public policy and community spending commitments



CUSTOMERS + SUPPLIERS

In business, profitability and sustainability are inextricably linked. For VIP to have longevity in the marketplace, it is fundamental that we produce quality products through manufacturing excellence and ethical business practices.

At VIP we are committed to working with our customers and suppliers to develop safe, economical and environmentally conscious packaging solutions. We do this through a collaborative approach that engages our suppliers, whilst meeting the needs of our stakeholders.

Packaging Choices for our Customers

VIP is able to offer its customers a variety of packaging choices as a result of its diverse manufacturing capabilities, geographic expanse, design innovation services and dedicated sustainability services.

Leading Design + Innovation

At VIP we recognise the impact that packaging can have on a company's brand success. This is why we offer our customers access to the latest technology platforms, diverse manufacturing capabilities, global networks and creative designs.

Our latest technological capabilities include:

- Monolayer oxygen scavenging barrier packaging using DiamondClear™ technology, available through an exclusive licensing agreement with Constar International, to deliver superior clarity and longer lifespan for food and beverage applications.
- Large blow-moulding capabilities for bulk packaging applications.
- FlakeFree™ and surface treatment technology for plastic paint pails, available through an exclusive licensing agreement with Superfos, to reduce paint skinning.

Manufacturing Excellence

VIP's philosophy of manufacturing excellence drives continual improvement in every aspect of the business. Ongoing investment in technology, design, manufacturing and people ensures the highest quality, lowest cost packaging solutions are available to our clients.

F09 investments include:

- At our Scoresby site, we have invested in monolayer barrier technologies and supporting equipment to deliver greater clarity and longer shelf life for food and beverage brands such as Wolf Blass Green Label wines.
- At our Villawood site, we have invested in an extrusion blow-moulding machine for large packaging applications like intermediate bulk containers and water tanks.
- At our Laverton drum reconditioning site, we have invested in a new furnace to deliver improved processing efficiencies, lower emissions and improved OH&S performance when reconditioning drums.
- At Parmalat's Rowville production plant where we manufacture their 1, 2 and 3 litre milk bottles in-house, we have made a number of technical and process improvements to achieve vastly improved manufacturing efficiencies.
- At our Laverton plastics site, we have invested in a high output blow-moulding machine to deliver faster, lighter weight barrier packaging solutions for brands like Goulburn Valley.

PRODUCT IN FOCUS:

Customer:
Preshafood Limited

Product:
Preshafruit®

The Challenge:
Preshafruit® juices are pressurised cold (not heat pasteurised like most other juices) using a revolutionary technique called High Pressure Processing (HPP). This pressure is intended to kill the bacteria, yeasts and moulds found in food without affecting the nutritional value, flavour, colour or aroma and extending shelf life. To maximise the yield from the HPP machine's innovative pressure vessel, a unique bottle design was required.

The Solution:
A number of design options were explored with the best solution coming from a triangular bottle. This created a unique packaging and merchandising opportunity with no other juice product in the market bottled in this kind of shape. Made on conventional two-stage PET equipment using PET performs, processing parameters were developed to allow for production of the unique triangular shape. The three distinct bottle faces of this shape have been cleverly used to communicate Preshafruit's® unique selling points while becoming a powerful branding device for the brand.

Preshafruit® won first prize over beverage giants PepsiCo and Coca-Cola in the best New Juice or Juice Drink category and the overall major award across 24 categories at the prestigious 2009 Beverage Innovation Awards in Germany. Closer to home, it took out silver in the Innovation category at the 2009 Australian Packaging Awards.



Sustainable Choices for our Customers

At VIP we are proud of our sustainability progress and choose to support our customers with tools to measure the environmental impacts of their packaging.

Our customers have access to a dedicated suite of sustainability services provided by SustainaPac®. SustainaPac® is a sustainable packaging service provider owned by our parent company.

The services offered include:

- Short and full environmental Life Cycle Assessments (LCA), Packaging Impact Quick Evaluation Tool (PIQET) assessments and recoverability and recyclability assessments.
- Packaging design to improve environmental performance.
- Working with supply chain partners to identify relevant stakeholders and develop effective communication programs.

These services help our customers to determine how best to reduce environmental impacts of packaging, measure progress on reducing impacts, report against National Packaging Covenant (NPC) requirements and identify green marketing opportunities.

VIP is able to help companies understand, quantify and compare the environmental impact of their packaging using industry renowned online software program, PIQET.

PIQET is an ideal tool for decision making in the new product development (NPD) process when a brand owner is evaluating the merits of a number of design options and wishes to compare the environmental impact of one packaging type to another. It's also useful when a brand owner is wishing to understand the environmental impacts of changing the transport route or pallet configuration of a package or packaged product.

PIQET is a quick online environmental impact assessment tool which takes information from all phases of a package's life cycle to understand where the greatest impact occurs for a range of environmental indicators. It is ideal for decision making when trying to reduce the environmental impact of packaging and can easily be incorporated into a client's NPD process as well as providing a measurable output to demonstrate adherence to the Environmental Code of Practice for Packaging (ECoPP).

Quality Choices for our Customers

In line with our commitment to manufacturing excellence, the majority of VIP plants are certified to International Quality Management standard ISO 9002 which means our customers can be assured that quality standards are rigorously adhered to in production.

VIP's continuous improvement philosophy incorporates regular value added management meetings with customers. The purpose of these meetings is to identify opportunities for improvement in the entire supply chain.

VIP is also committed to a continuous improvement program that focuses on business improvement in all aspects of our operations.

This program ensures we incorporate leading edge practices to maximise the output from our people and processes, so that we maintain our status as a low cost manufacturer of quality packaging products.

Read our Quality Policy at www.vippackaging.com.au/qualitypolicy

Our customers can be assured that quality standards are rigorously adhered to in production.



Procurement

We have made recent improvements to our procurement and supply chain functions reflecting our intention to drive sustainability across all parts of our organisation. Our expanded procurement team now co-ordinates a centralised supplier selection process, streamlining supplier engagement criteria and helping establish the framework for the uniform, fair and equitable selection of business partners. This centralisation has also allowed VIP to begin considering the sustainability performance of our suppliers.

Suppliers

One of the key challenges for a sustainable organisation is the management of its supply chain. At VIP we have taken steps towards working with our suppliers on the promotion of corporate responsibility. In 2007, we conducted a Supplier Assessment Survey that was designed to ensure that both VIP and our suppliers understand the total life cycle impacts of their products, activities and services.

In response to this survey we are now working with our business partners in aligning our sustainability principles to ensure that our supply chain partners are adhering to all social, environmental and legal responsibilities.



PRODUCT IN FOCUS:

Customer:
Parmalat

Product:
Parmalat 1L, 2L and 3L milk products including brands such as Paul's, REV and PhysiCAL

The Challenge:
Inefficiencies from in-house milk bottle manufacturing and production processes at Parmalat's Rowville plant were causing frequent downtime on its 1L, 2L and 3L milk bottle lines. VIP Packaging was brought in to review and improve operations three years ago.

The Solution:
Through technological enhancements and close collaboration, during this time, VIP has been able to reduce Parmalat's downtime from 4% per day to 0.5% per day.

A fast moving conveyor line to transport bottles from where they are blown in-house to where they are filled, was installed as well as an alarm and sensor system along the line to locate and resolve blockages and jams efficiently. All operators were thoroughly trained on the system. The improvements have increased Parmalat's productivity, and the more sophisticated line maintains the integrity of the bottles. This is another example of how we work with our customers to add value.

VIP is committed to investing in technology, design, manufacturing and people.

"VIP Packaging's solutions extend beyond packaging."

Elcio Lizak, VIP Packaging's Operations Manager at Parmalat's in-house production site.



Our Sustainable Choices Roadmap states that we will:

Environment

- Consider the life cycle impacts of our packaging during the design and development process.
- Develop innovative recycling and collection solutions for our packaging to avoid landfill disposal.
- Use natural resources responsibly and endeavour to use renewable alternatives.
- Implement an environmental management system to minimise the environmental impact of our activities, products and services, including greenhouse gas emissions and water consumption.

Our Choices for the Planet

- Today:**

 - Updated Audit Protocol
 - Utilising online electricity monitoring
 - Purchased compressed air leak detectors
 - Offsetting car emissions for fleet
- Tomorrow:**

 - No fines or prosecutions
 - Reduce Scope 1 & 2 greenhouse, gas emissions by 20% below F08 levels by F20
 - All sites to achieve an EMS audit score of 95% or higher
 - No increase in water consumption
 - No increase in waste disposed of to landfill
 - 100% of products manufactured able to be recycled, reconditioned or composted at their end of life by F15
 - Collect and reprocess 3,000 tonnes of used packaging via industry collection programs by F12



Reducing the environmental impact of our operations and services has been a long term commitment at VIP.

We consider our reputation as an environmentally engaged supplier as one of our greatest assets.

Environmental Management

At each of our sites, we work hard to conserve energy, minimise waste, prevent pollution, save water, use raw materials wisely, and monitor our transport fleet in line with our Environment Policy.

Read about this at www.vippackaging.com.au/environmentpolicy

As our business grows, so too does our capability to identify, monitor and reduce our environmental impact.

Each VIP site adheres to an environmental management system (EMS) based on the international standard ISO14001:2004. Every year, actions and targets for improving eco-efficiency are set for all sites with a view to continuously reduce our environmental impact. Each site is audited annually and these results are an Executive Key Performance Indicator. The quarterly VIP EScorecard communicates these audit results as well as sites' progress on meeting key eco-efficiency targets.

In F09, almost half of all sites achieved the VIP EMS target of 95% or higher, with EMS training being a common area where improvements can be made. In addition, our Moorabbin (VIC) site is certified to ISO14001:2004, obtaining this certification from Lloyd's Quality Assurance Limited in 2007.

Training + Awareness

The continuous improvement of our environmental performance depends on the ongoing commitment of each member of the VIP team. To assist our employees in being environmentally aware, we co-ordinate training and awareness programs across all sites.

In addition to featuring prominently in system requirements, training and awareness is promoted through environmental awareness weeks. Supported by training materials such as presentations and competitions, these awareness weeks discuss key environmental issues and initiatives. During F09, we held Climate Change Week, Recycling Week, Sustainable Packaging Week and Water and Energy Efficiency Week.

Site Upgrade

Due to the age and risk profile of the equipment at our drum and IBC reconditioning facility at Eagle Farm (QLD), we are spending in excess of AUD\$500,000 to upgrade the IBC line, decommission the reconditioned drum line and improve stormwater protection controls and wastewater handling processes. In January 2009, our site incurred an AUD\$3,000 penalty infringement notice for failing to meet some conditions of its Development Approval following some extreme rainfall events. The site upgrade will exceed the required corrective actions (monitored by the Queensland Environmental Protection Agency).

Environmental Footprint

The environmental data [Figs 2 & 3] shows that our greenhouse gas emissions decreased in F09. This is in part due to a reduction in energy consumption from some energy efficiency activities undertaken, but is primarily due to a decrease in production at some sites. Water consumption, which is predominantly used in chilled water systems, also decreased in line with production [Fig 4]. Solid waste to landfill is also down in F09 as a result of continued focus on waste avoidance, recycling and reduced production at some sites compared to F08. VIP has reported on waste disposal, with solid waste to landfill totalling 1,293 tonnes down from an estimated 1,347 tonnes in F08.

Key to reducing the environmental footprint of our operations is to measure and monitor our resource consumption, waste generation and emissions.

Green Cars

VIP has only provided operating leases for dedicated LPG and approved hybrid and diesel vehicles instead of unleaded petrol vehicles since June 2007. As a result we currently have 50% ‘green cars’ (57/115 cars) in our fleet. Additionally, our entire Australian vehicle fleet uses BP supplied fuels through its Global Choice™ program. VIP pays a premium on its fuel which BP invests in projects that offset life cycle greenhouse gas emissions associated with fuel usage. In F09 we purchased 1,083 tonnes CO₂e of offsets. We also require that employees with novated leases offset their vehicle usage emissions. In F09, these employees offset 88.5 tonnes CO₂e.

Legal + Other Reporting

VIP’s holding company is required to report under the National Greenhouse and Energy Reporting Act 2007 (Australia).

VIP has submitted:

- Reports under the National Pollutant Inventory National Environmental Protection Measure (NPI NEPM) (Australia) for its Laverton North Drum Reconditioning (VIC), Truganina Steel (VIC) and Granville Steel (NSW) sites in 2009

- Our National Packaging Covenant Annual Report for F09

Our F09 Public Report in line with the Energy Efficiency Opportunities Act 2006 (Australia) will be submitted by 31 December 2009.

Fig 1. Environmental Footprint for F09

	Unit	Amount
Electricity	GJ	356,340
LPG	GJ	12,812
Natural Gas	GJ	111,942
Diesel	GJ	5,732
Fleet Fuel	GJ	16,368
Total Energy Use*	GJ	503,244
Metered Water Consumption**	kL	81,346
Estimated Water Consumption	kL	14,213
Total Water Consumption	kL	95,609
Solid Waste to Landfill	t	1,243
VOCs / Residues	t	641

* Total verified by Ernst & Young, refer p.38.
^ Metered water consumption includes potable water, bore water and water drawn from any other water course or dam, where usage is calculated through the use of meter readings, rather than the use of estimates.

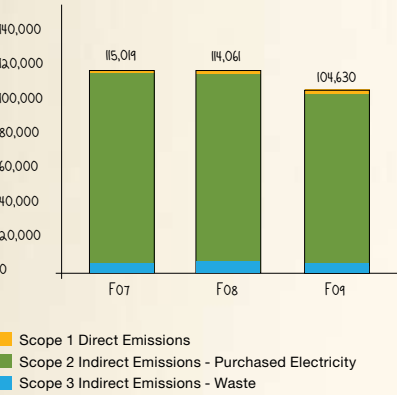
Fig 2. Greenhouse Gas Emissions for F09¹

	t CO ₂ e		
	F07	F08	F09
Scope 1 Direct Emissions ²	8,084	9,052	8,683
Scope 2 Indirect Emissions - Purchased Electricity ³	104,967	104,172	95,618
Scope 3 Indirect Emissions - Waste ⁴	1,967	2,237	1,912
Purchased Offsets ⁵	0	(1,400)	(1,083)
Total Emissions	115,019	114,061	104,630*

¹ The greenhouse gas emissions were calculated using point source emission factors and include Australian and New Zealand operations under VIP’s operational control for the year ended 30 June 2009.
² Scope 1 direct emissions included the stationary combustion of LPG, natural gas, diesel, VOCs and residues, and mobile fleet sources.
³ Scope 2 indirect emissions included all emissions from stationary sources used to provide electricity to VIP Packaging.
⁴ Scope 3 indirect emissions included disposal of solid waste to landfill and excluded emissions from wastewater.
⁵ Offsets were purchased from BP under our BP Global Choice™ fleet fuel supply agreement at an amount equivalent to fleet direct emissions in Australia.

* Total verified by Ernst & Young, refer p.38.

Fig 3. Greenhouse Gas Emissions (t CO₂e) Profile by Year



Climate Change + VIP

Climate change is the biggest global challenge of the 21st century and is as much a socio-economic issue as it is an environmental issue. Australia and New Zealand are both at risk of climate change impacts and have a big role to play in the global action to mitigate these risks. As such, there is much political debate around climate change policy in Australia and New Zealand and the regulatory uncertainty around emissions trading schemes and voluntary action makes it difficult for business to develop robust carbon strategies. However, we have committed to reducing our Scope 1 and 2 greenhouse gas emissions by 20% below F08 levels by 2020.

Read our Carbon Reduction Policy at www.vippackaging.com.au/carbonreductionpolicy

Key components of our Carbon Reduction Policy include:

- Implementing online electricity monitoring at sites to monitor our consumption in real time
- Minimising the waste of compressed air
- Upgrading inefficient compressors and chilled water systems
- Reviewing and improving lighting requirements
- Expanding recycling programs at our sites
- Offsetting all of our car fleet emissions

As the majority of our greenhouse gas emissions are due to our stationary electricity consumption [Fig 6], our Carbon Reduction Policy focuses on reducing our electricity consumption. Online electricity monitoring is in use at eight sites with a further six sites to come online in F10. We have also provided compressed air ultrasonic leak detectors and training to our VIC, NSW and QLD sites, reviewed and compiled a database of our 90 plus compressors and chilled water systems and undertaken lighting reviews. This is in line with our requirements under the Energy Efficiency Opportunities Act 2006 (Australia) requirements. We still have much work to do in reducing our electricity consumption with each change we make from now on resulting in cost savings once emission trading schemes are implemented.

We have previously reported that we would purchase 5% of our electricity from accredited GreenPower providers in Australia. However, due to the uncertainty around government policy on voluntary action in a regulated carbon market, we have chosen to focus our resources in the short term on reducing our electricity consumption.

Refer to www.vippackaging.com.au/eeoreport for our 2009 Public Report

Fig 4. Water Consumption (kL) F08 vs F09

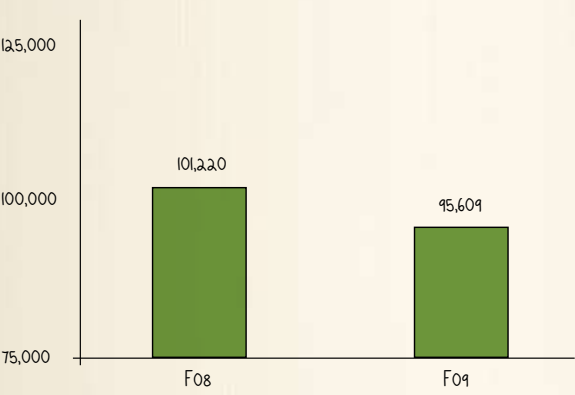


Fig 5. VIP Greenhouse Gas Emissions by Source for F09

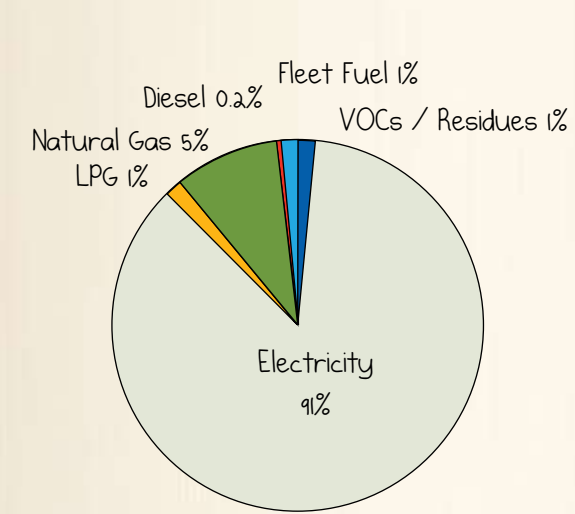
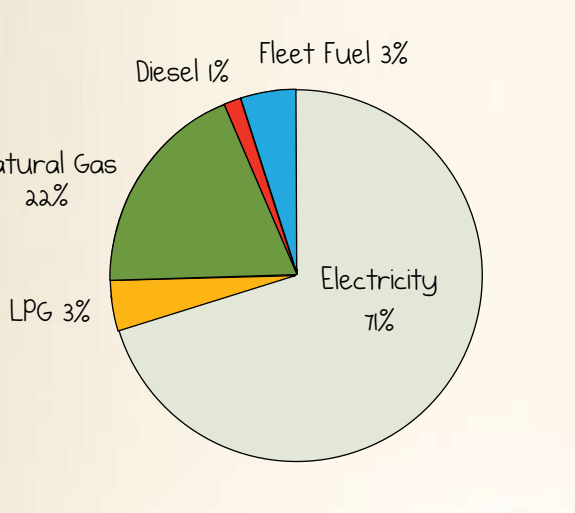


Fig 6. VIP Energy Use by Type for F09



Site Upgrade

At our drum reconditioning facility at Laverton North (VIC), we are in the process of commissioning a new 'state of the art' drum reconditioning furnace which removes drum residues (such as paints, inks, solvents and resins) so that the drums can be re-used. The new furnace is more energy efficient and switches from using diesel to natural gas resulting in reduced greenhouse emissions of greater than 20% per annum. Other benefits include reduced prescribed industrial waste generation, reduced water consumption, reduced VOC and SOx emissions and providing improved OH&S requirements.



Our new drum reconditioning furnace being commissioned at our Laverton North facility will reduce greenhouse gas emissions by more than 20%.

National Packaging Covenant

VIP is a signatory to the National Packaging Covenant in Australia and we have made great progress towards meeting our 2008-2010 Action Plan – examples are highlighted in this section. We support the extension of the Covenant beyond 2010 with a renewed focus on the whole-of-life environmental impacts of packaging.

Designing for the Environment

Key VIP designers and business development team members have undertaken sustainable packaging design training delivered by the Sustainable Packaging Alliance. They also have user access to PIQET (see p.23 for full details). PIQET is a quick, online tool which uses standard industry life cycle assessment data to compare the environmental impact of different packages. PIQET is being integrated into our NPD process.

Life Cycle Assessment

Life Cycle Assessment (LCA) is an internationally recognised approach to assessing the environmental impact of products and services across all phases of their life cycle. Environmental impacts can include greenhouse gas emissions, energy and water consumption, waste generation and smog generation. VIP has utilised the services of SustainaPac® to perform LCAs on many of our key packaging products. Figure 7 shows the life cycle phases that need to be considered when performing an LCA on a package. LCAs help VIP's designers and customers to identify specific areas on which to focus to reduce the environmental impacts of a package.

Refer to p.33 for further details

PRODUCT IN FOCUS

Customer:
Fosters

Product:
Wolf Blass Green Label

The Challenge:

Prior to the release of VIP Packaging's DiamondClear™ wine bottle technology, competitive PET wine bottles created a number of logistical and supply chain problems for brand owners: they had a shorter shelf life, generally required storage in a chilled environment prior to use and needed to be filled within two weeks of being produced.

The Solution:

After 12 months of development work with Wolf Blass, VIP is proud to manufacture the 750ml PET wine bottle used for Wolf Blass Green Label. This new product launch represents a major breakthrough from both a technological and environmental perspective.

Using DiamondClear™ active oxygen scavenging technology, available under exclusive license from Constar International, VIP addressed one of the biggest stumbling blocks associated with plastic packaging for wine - the lifespan of empty and filled bottles. The superior O₂ scavenging ability of the DiamondClear™ technology enables longer storage of both empty and filled PET bottles, providing extended shelf life whilst ensuring the same quality, taste and packaging aesthetics as a traditional Wolf Blass wine in glass. They do not need to be filled within two weeks of being produced or stored in a chilled environment, thus, eliminating refrigerator usage and associated energy consumption.

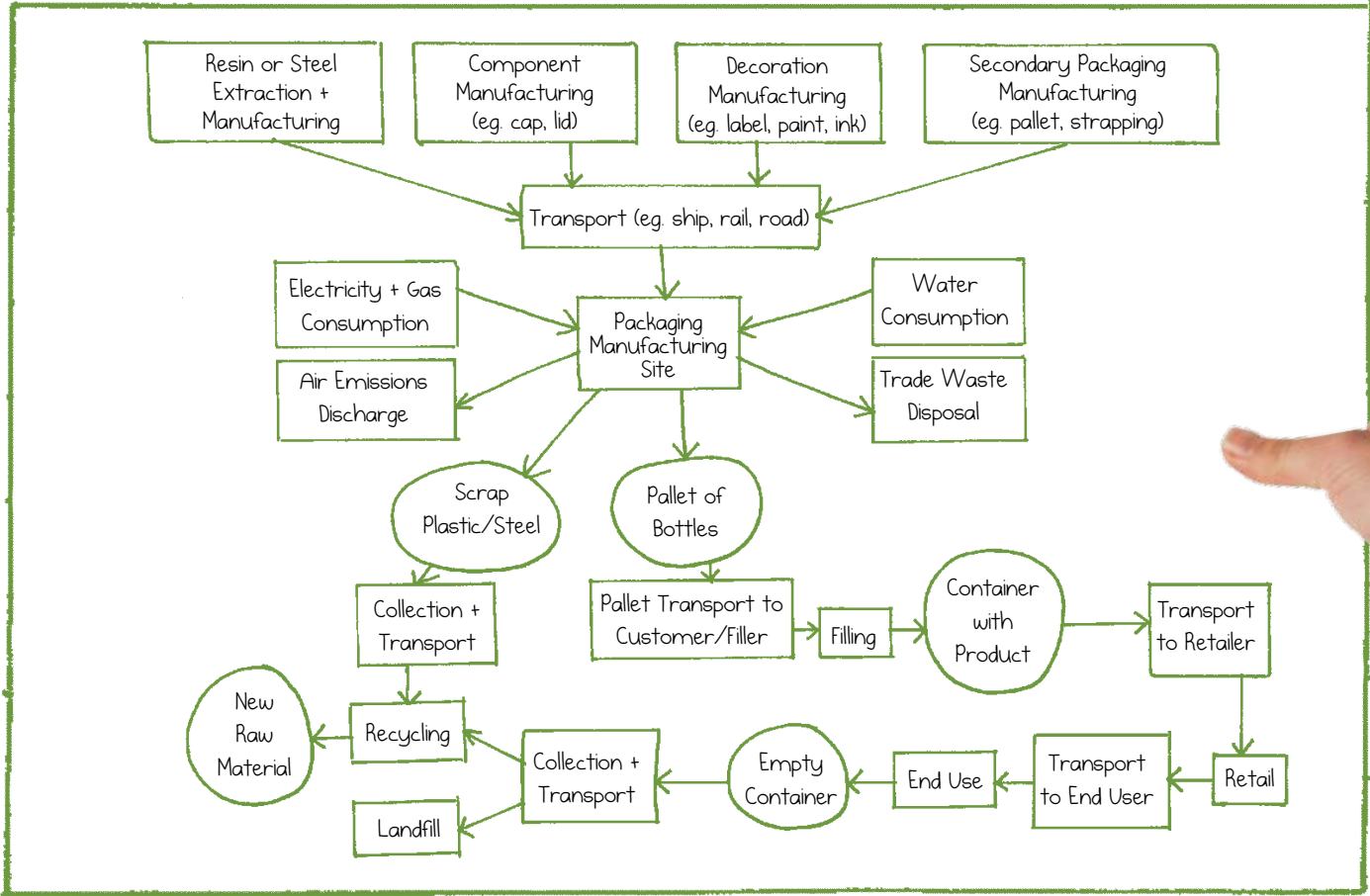
The new packaging format is also approximately 90% lighter than an industry standard glass wine bottle, 100% recyclable and shatterproof.



"Using DiamondClear™ active oxygen scavenging material, VIP Packaging has addressed one of the biggest stumbling blocks associated with plastic packaging for wine-the lifespan of both empty and filled bottles".

Daryl Black - PET Business Manager

Fig 7. Life Cycle Stages for Packaging Manufactured by VIP



Packaging End of Life

Packaging can have any one of the following end of life scenarios:

- Re-used in homes and businesses
- Reconditioned for re-use within industry
- Collected for recycling
- Converted into forms of energy
- Composted
- Disposed of to landfill
- Irresponsibly discarded as litter

At VIP we focus on the collection, re-use and recycling of packaging to divert waste from landfill and re-use of existing resources.

Recycling

The majority of packaging manufactured by VIP is technically recyclable as we use materials that can be reprocessed into other products using existing technologies. However, used packaging cannot be recycled unless collection and sorting processes and infrastructure are in place to deliver it to recyclers. VIP sells packaging for end use in Australia and New Zealand plus other countries. Key packaging recycling statistics for Australia and New Zealand are shown in figures 8, 9 and 10.

As stated in our 2008 Sustainable Choices Report, we calculated that 74% (by weight) of all packaging sold by VIP in Australia during F08 had collection and sorting processes in place to enable recycling. This figure is consistent in F09.

Key challenges to increasing this figure are:

- **Expanded polystyrene (EPS) meat trays:** although EPS is recyclable, it is not collected in kerbside collection programs as it is so light weight it is inefficient to transport and sort.
- **Steel paint cans:** although steel is a highly valued material for recycling, councils and recyclers do not actively promote the collection of used paint cans because of the potential contamination of kerbside recycling systems due to the presence of residual paint.
- **Black crystalline PET (CPET) trays:** although CPET is recyclable, sorting facilities are not able to easily sort the trays into the recycling stream.
- **Toothpaste tubes:** toothpaste tubes are generally made of foil and LDPE plastic, and the two materials cannot be easily separated during the recycling process.
- **Caps:** although caps are generally made from HDPE and PP which are recyclable, due to their small size they fall through sorting equipment if they are not attached to their original bottle/container.
- **Industrial plastic cubes and steel pails:** although both plastic cubes and steel pails are recyclable, there is a lack of collection processes in place to deliver them to recyclers outside of the agrichemical industry.

We are working with our suppliers, our customers and recyclers to come up with solutions to these challenges.

PCR from Extrusion + Thermoforming

In line with our strong sustainability platform, VIP Packaging’s Ultra PET® bakery packaging and Ultra PET® food bowls contain food grade approved post consumer recyclate (PCR), reducing our demand on natural resources.

Biodegradables + Composting

VIP is currently developing packaging utilising biodegradable resins. As biodegradable resins are made from plant matter, they emit substantially less greenhouse gases during their manufacture. However, as composting and recycling end of life solutions are yet to be fully implemented, we actively educate our customers on these issues.

Fig 8. Packaging Recycling Rates in Australia 2008

Packaging Material Recycled	Percentage
Paper and Cardboard	72%
Glass	38%
Plastics	33%
Steel	29%
Aluminium	70%
Overall Recycle Rate	57%

Source: Highlights Annual Report 2008, p.2, The National Packaging Covenant

Fig 9. Packaging Recycling Rates in New Zealand 2007

Packaging Material Recycled	Percentage
Paper	78%
Glass	62%
Plastics	23%
Steel	47%
Aluminium	88%
Overall Recycle Rate	60%

Source: Year 4 Progress Report, Table 1, New Zealand Packaging Accord

Fig 10. Australian Local Governments Collecting Plastics by Polymer for Recycling 2007

Plastic Polymer* Collected	Percentage of Local Governments Collecting
PET (1)	99.5%
HDPE (2)	99.4%
PVC (3)	75.3%
L/LLDPE (4)	63.4%
PP (5)	73.6%
PS (6)	41.5%
EPS (6)	0.0%
Other (7)	33.9%

* Plastics Identification Codes are in brackets
Source: 2007 National Plastics Recycling Survey, Figure 12-2, Hyder Consulting Pty Ltd

Drum + IBC Reconditioning

VIP is a leading drum reconditioner in Australia, offering the supply and collection of both steel and plastic drums. Drums are reconditioned using automated washing facilities, thermal oxidation treatments and shot blasting. Re-used by our customers as fully reconditioned or re-make drums (hydraulically reformed drum body with new top and plugs), these are a truly closed-loop packaging solution.

VIP is also a leading intermediate bulk container (IBC) reconditioner in Australia. IBCs are reconditioned using thorough washing and cleaning techniques, and can be leak and pressure tested, depending on our customer’s requirements.

Reconditioning extends the life cycle of steel drums and IBCs and provides complimentary alternatives to new packaging.

An environmental LCA has been performed to compare the environmental impacts of a 205L steel drum used once (single use) and a 205L steel drum that undergoes reconditioning so that it can be used five times (multi-use).

The findings of the LCA for drums manufactured by VIP are:

- The greenhouse gas emissions are 67% lower for a multi-use drum compared to a single use drum
- Water consumption is 6% lower for a multi-use drum compared to a single use drum
- Solid waste disposal to landfill is 73% lower for a multi-use drum compared to a single use drum

For further details, please refer to www.vippackaging.com.au
Note: This LCA is an internal study and has not been peer reviewed

Collection Services

Our Sustainability Services division provides dedicated collection, reconditioning and recycling services for ‘hard to recycle’ packaging.

VIP Packaging designed and implemented on behalf of the Australian Institute of Petroleum, its member companies and the Department of the Environment, Water, Heritage and The Arts, a national Recycling Plastic Oil Containers Program. The program allows consumers to dispose of used plastic lubricant oil containers via special collection facilities at more than 225 local council waste transfer stations across VIC, TAS, SA, WA, NSW and QLD. VIP collects the containers and, using our specialised reprocessing equipment, granulates and separates oil from the containers to generate post-consumer recyclate for use in new products.

DrumMUSTER is a national program for the collection and recycling of crop production and on-farm animal health chemical containers. VIP’s specialised fleet of mobile equipment collects used plastic and steel containers from transfer stations around the country so that they can be recycled. VIP collects about one third of the used containers collected in the program.

In F09, approximately 640 tonnes of used packaging was collected through the Recycling Plastic Oil Containers and drumMUSTER programs.

Reprocessed material generated by the two programs is used as post-consumer recyclate in new products such as wheelie bins, air conditioning ducts, pipes and pallets.

PRODUCT IN FOCUS:



Product:
Intermediate Bulk Containers

The Challenge:
Integral to the VIP offering is our commitment to the supply and recovery of ‘hard to recycle’ packaging. VIP has long had a closed loop solution in place for steel drums which includes collection and reconditioning services supported by the manufacturing and supply of new drums where a reconditioned product is unsuitable. In contrast to this, until recently, we were unable to provide the equivalent solution for IBCs and could only offer reconditioned products and services.

The Solution:
In F09, VIP invested in an extrusion blow-moulding machine for large packaging applications such as IBCs. This means we can now take care of our bulk packaging customers from start to finish. Our 360° IBC solution means we can supply customers with new, rebottled, cross-bottled, reconditioned and laundered IBCs, arrange collection after use, then clean and deliver the IBCs, ready for filling once again. This service is a complete solution that’s not only easy for business but the environment as well.

Our choices for today and
our choices for tomorrow.

This was our second sustainability report, a demonstration
of the choices we have made today and will be making
tomorrow to drive sustainable success and progress in
our business.



PEOPLE

	Completion Date
All sites to achieve a Lost Time Injury Frequency Rate of below 8.	F10
Greater than 50% of employees to participate in the 2010 employee survey.	F10
All sites to achieve a Safety Management System audit score of above 80%.	F10
Implement an employee workplace engagement program.	F10
Implement an employee online induction and learning program.	F10
Implement an employee volunteering and donations matching program.	F11



PROFIT

	Completion Date
Roll out a formal Supplier Sustainability Assessment Process.	F11
Launch five new innovation products and projects per annum.	Ongoing
Ensure a return on assets of no less than 15%.	F12



PLANET

	Completion Date
No fines or prosecutions.	Ongoing
Reduce Scope 1 & 2 greenhouse gas emissions by 20% below F08 levels.	F20
All sites to achieve an EMS audit score of 95% or higher.	Ongoing
No increase in water consumption.	Ongoing
No increase in waste disposed of to landfill.	Ongoing
100% of products manufactured able to be recycled, reconditioned or composted at their end of life.	F15
Collect and reprocess 3,000 tonnes of used packaging via industry collection programs.	F12

GRI Indicator	Definition	Location in Report	Page
Standard Disclosures			
1.1	Strategy and Analysis	Chairman's Introduction	2
1.2		Sustainable Choices at VIP Packaging	10
2.1	Organisational Profile	Report Details	IC
2.2		About VIP	7
2.3		About VIP	6-7
2.4		About VIP	6-7
2.5		About VIP	8
2.6		Governance	IC
2.7		About VIP	6,8
2.8		About VIP	7,15
2.9		Report Details	IC
2.10		Profit - Customers + Suppliers	23
3.1	Report Profile	Report Details	IC
3.2		Report Details	IC
3.3		Report Details	IC
3.4		Report Details	IC
3.5		Report Details	IC
3.6		Report Details	IC
3.7		Report Details	IC
3.8		Report Details	IC
3.9		Planet - Environment	28-29
3.10		Report Details	IC
3.11		Report Details	IC
3.12	GRI Content Index	GRI + UNGC Indicators	36
3.13	Assurance	E+Y Assurance Statement	34
* 4.1	Governance	Governance	IC
* 4.2		Governance	IC
* 4.3		Governance	IC
* 4.4		Governance	IC
* 4.5		Governance	IC
* 4.6		Governance	IC
* 4.7		Governance	IC
* 4.8		Governance Sustainable Choices at VIP Packaging	IC 10
* 4.9		Governance	IC
* 4.10		Governance	IC
* 4.11	Commitment to External Initiatives	Our Packaging Profit - Responsible Growth	5 20
* 4.13		People - Society Profit - Responsible Growth	14,16 20-21
4.14	Stakeholder Engagement	Value Chain Engagement + our Stakeholders	9
4.15		Value Chain Engagement + our Stakeholders	9
4.16		People - The VIP Packaging Team Profit - Customers + Suppliers	13-14 22-23
4.17		People - The VIP Packaging Team Profit - Customers + Suppliers	13 24-25
Disclosure on Management Approach			
* Economic		Profit - Responsible Growth	20-25
* Environment		Planet - Environment	26-33
* Labour Rights		People - The VIP Packaging Team	12-15
* Human Rights		People - The VIP Packaging Team + Society	16-19
* Society		Profit - Responsible Growth	20-21
* Product Responsibility		Profit - Customers + Suppliers	22-25
Performance Indicators			
* EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	Our Packaging - Part of your Everyday	5
EC9		Planet - Environment	29
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Profit - Responsible Growth	20-22
* EN3	Direct energy consumption by primary energy source.	Planet - Environment	28-29
* EN4	Indirect energy consumption by primary source.	Planet - Environment	28-29
* EN5	Energy saved due to conservation and efficiency improvements.	Planet - Environment	28-29

GRI Indicator	Definition	Location in Report	Page
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Planet - Environment	26-29
* EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Planet - Environment	26-29
* EN8	Total water withdrawal by source.	Planet - Environment	28-29
* EN16	Total direct and indirect greenhouse gas emissions by weight.	Planet - Environment	28-29
* EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Planet - Environment	26-29
EN22	Total weight of waste by type and disposal method.	Planet - Environment	28
* EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Planet - Environment	26-29
* EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Planet - Environment	27
* HR4	Total number of incidents of discrimination and actions taken.	People - The VIP Packaging Team	14
LA1	Total workforce by employment type, employment contract, and region.	People - The VIP Packaging Team	15
LA2	Total number and rate of employee turnover by age group, gender, and region.	People - The VIP Packaging Team	15
LA4	Percentage of employees covered by collective bargaining agreements.	People - The VIP Packaging Team	15
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	People - The VIP Packaging Team	14
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	People - The VIP Packaging Team	13-15
LA12	Percentage of employees receiving regular performance and career development reviews.	People - The VIP Packaging Team	13
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Planet - Environment	31
* SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures.	Profit - Responsible Growth	20
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.	Profit - Responsible Growth	20

IC: Inside front cover
* Indicator reports against UNGC principles
For details about GRI indicators, visit www.globalreporting.org



E+Y ASSURANCE STATEMENT

Independent Assurance Report on the Greenhouse Gas Emissions, Energy Use, Metered Water Consumption and Lost Time Injury Frequency Rate of VIP Packaging (comprising VIP Steel Packaging Pty Ltd, VIP Plastic Packaging Pty Ltd, VIP Steel Packaging (NZ) Ltd and VIP Plastic Packaging (NZ) Ltd) (collectively ‘VIP Packaging’)

To the Management and Directors of VIP Packaging

Scope

We have carried out an assurance engagement in order to:

- A. Provide reasonable assurance as to whether Subject Matter A detailed below is presented fairly, in all material respects, in accordance with the criteria presented below.
- B. Provide limited assurance as to whether anything has come to our attention to suggest that Subject Matter B detailed below is not presented fairly, in all material respects, in accordance with the criteria presented below.

Subject Matter

The subject matter for our assurance engagement includes the following for the year ended 30 June 2009, for the Australian and New Zealand facilities under VIP Packaging’s operational control, as presented in VIP Packaging’s Sustainable Choices Report 2009 (‘the Report’):

Subject Matter A.

- Total greenhouse gas emissions (including Scope 1 direct, Scope 2 indirect purchased electricity, Scope 3 indirect waste to landfill and offsets).
- Total energy use.
- Total metered water consumption.

Subject Matter B.

Lost time injury frequency rate (‘LTIFR’).

Criteria

The criteria are as follows:

- 1. For Scope 1 and 2 greenhouse gas emissions and energy use for Australian facilities:
 - National Greenhouse and Energy Reporting Act 2007.
 - National Greenhouse and Energy Reporting Regulations 2008.
 - National Greenhouse and Energy Reporting (Measurement) Determination 2008.

- 2. For waste to landfill Scope 3 greenhouse gas emissions for Australian facilities, the Department of Climate Change’s National Greenhouse Accounts (NGA) Factors June 2009.
- 3. For greenhouse gas emissions and energy use for New Zealand facilities:
 - The World Business Council for Sustainable Development and World Resources Institute’s Greenhouse Gas Protocol Revised Edition.
 - The New Zealand Guidance for Voluntary, Corporate Greenhouse Gas Reporting 2007.
- 4. For metered water consumption, VIP Packaging’s definition as outlined on p.28 of the Report.
- 5. For the LTIFR figure, the definition of LTIFR outlined on p.41 of the Report.

Management’s Responsibility

The management of VIP Packaging is responsible for the preparation and presentation in the Report of the subject matter in accordance with the criteria. This responsibility includes establishing and maintaining internal controls relevant to the preparation and presentation of the subject matter that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; maintaining adequate records and making estimates that are reasonable in the circumstances.

VIP Packaging’s management is responsible for selecting the criteria applied for the purpose of reporting in the Report.

VIP Packaging’s management was responsible for identifying the subject matter included in our assurance engagement. Management’s process for selecting areas to be included is described on the inside front cover of the Report. Our scope did not include any assessment of this process or the materiality or relative significance of the subject matter.

Assurance Practitioner’s Responsibility

Our responsibility is to express a conclusion on the subject matter based on our assurance engagement in accordance with ASAE 3000 ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’. Our procedures included:

- Conducting interviews and collecting evidence to understand the processes and controls supporting the collection, aggregation and reporting of the subject matter.
- Interviewing selected personnel and viewing incident reporting documentation at a sample of three VIP Packaging sites to check whether lost time injuries are being accurately reported.

- Comparing the methods applied in determining the subject matter to the criteria above.
- Assessing the completeness of reported information, within the selected reporting scope and boundary.
- Testing the calculations performed to determine the subject matter.
- Conducting analytical testing of year on year information to support the reasonableness of the subject matter.
- Reviewing the appropriateness of the presentation of the subject matter.

In addition, for Subject Matter A, we conducted the following additional procedures:

- Examining, on a sample basis, information to provide evidence supporting the source data used in determining the subject matter.

Our procedures were designed to obtain a reasonable level of assurance on which to base our conclusion for Subject Matter A and a limited level of assurance for Subject Matter B. The procedures performed depend on the assurance practitioner’s judgement including the risk of material misstatement of the subject matter, whether due to fraud or error. While we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Our procedures for Subject Matter B were designed to provide a limited level of assurance, and, as such, do not provide all the evidence that would be required to provide a reasonable level of assurance.

Use of our Report

Our assurance report has been prepared for distribution to the management and directors of VIP Packaging. We disclaim any assumption of responsibility for any reliance on this assurance statement or on the subject matter to which it relates, to any person other than management and directors of VIP Packaging, or for any purpose other than that for which it was prepared.

Independence, Competence and Experience

In conducting our assurance engagement we have met the independence requirements of the APES 110 Code of Ethics for Professional Accountants. We have the required competencies and experience to conduct this assurance engagement.

Assurance Conclusions

In our opinion, the ‘Total Greenhouse Gas Emissions’, ‘Total Energy Use’ and ‘Total Metered Water Consumption’ for VIP Packaging for the year ended 30 June 2009, as presented in the Report under the headings of “Environmental Footprint for F09” and “Greenhouse Gas Emissions for F09” on p.28 respectively, are fairly presented, in all material respects, in accordance with the criteria for Subject Matter A detailed above.

Further, based on our limited assurance procedures, nothing has come to our attention that causes us to believe that the lost time injury frequency rate for VIP Packaging for the year ended 30 June 2009, as presented in the Report under the heading of “Health + Safety Performance” on p.14, is not presented fairly, in all material respects, in accordance with the criteria for Subject Matter B detailed above.

Ernst & Young
Melbourne

27 October 2009



ACCC
Australian Competition and Consumer Commission – an Australian government organisation responsible for ensuring compliance with the Trade Practices Act 1974. The ACCC promotes competition and fair trade in the market place to benefit consumers, businesses and the community.

CEO
Chief Executive Officer

CFA
Country Fire Authority

CFO
Chief Financial Officer

CO₂e
Carbon dioxide equivalent measurement of greenhouse gas emissions in the atmosphere

Corporate Responsibility (CR)
CR is a business' obligation, beyond legal requirements, to be responsible for the impacts of its activities on customers, suppliers, employees, consumers, communities and the environment. A focus on corporate responsibility helps businesses operate sustainably.

CPET
Crystallised Polyethylene Terephthalate

E&T
Extrusion and Thermoforming Division

ECoPP
Environmental Code of Practice for Packaging

EEO
Equal Employment Opportunity p.14

EMS
Environmental Management System p.27

EPS
Expandable Polystyrene

F09
Financial year 2008-2009

FMCG
Fast Moving Consumer Goods, or goods sold in supermarkets

GRI
Global Reporting Initiative p.36

Greenhouse Gases
Many greenhouse gases occur naturally, such as water vapour, carbon dioxide, methane, nitrous oxide, and ozone. Others such as hydro fluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF₆) result exclusively from human industrial processes.

HDPE
High Density Polyethylene

IBC
Intermediate Bulk Containers

ISO
International Standard Organisation

KPI
Key Performance Indicator

LCA
Life Cycle Assessment p.31

LDPE
Low Density Polyethylene

LTIFR
Lost Time Injury Frequency Rate – number of occurrences (LTIs) divided by number of hours worked multiplied by 1,000,000. LTIs and hours worked for both employees and contractors are included. An LTI is defined as a full shift off work due to a work related injury p.14

NPC
National Packaging Covenant p.31

NPD
New Product Development

O₂
Dioxide

OH&S
Occupational Health and Safety

PCR
Post Consumer Recyclate

PET
Polyethylene Terephthalate

PIQET
Packaging Impact Quick Evaluation Tool p.23

PP
Polypropylene

PS
Polystyrene

SALT™
Self Administered Legal Training p.20

SAP
Business software comprising applications such as supply chain management, customer relationship management, product life cycle management, and supplier relationship management.

Scope 1 and 2 Greenhouse Gas Emissions
Scope 1 are direct emissions, Scope 2 are indirect emissions from consumption of purchased electricity, heat or steam.

Sedex
Supplier Ethical Data Exchange p.20

SLSA
Surf Life Saving Australia p.19

SOx
Sulphur Oxide Emissions – pollutant associated with vehicle transportation emissions

Sustainability
The Brundtland Commission defines sustainability, or sustainable development as: “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

UNGC
United Nations Global Compact p.21

VOC
Volatile Organic Compound – a substance that wants to be a gas at room temperature. Found in products such as paint and petroleum.





VIP Packaging uses
Greenhouse Friendly™
ENVI carbon neutral paper

CONSUMER

ENVI carbon neutral paper is an Australian Government
certified Greenhouse Friendly™ Product.

VIP Packaging has neutralised 3.1t of harmful greenhouse gas emissions
by using ENVI carbon neutral paper to share this information.

