

## COMMUNICATION ON ENGAGEMENT

### AUSTRALIAN PACKAGING COVENANT ORGANISATION

**Reporting Period of this Communication on Engagement:** 12 March 2020 – 12 March 2022

#### ***Part I – Statement of Continued Support by Chief Executive Officer***

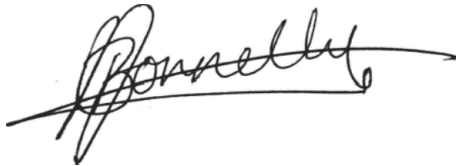
7 March 2022

To our Members and Stakeholders,

The past two years have presented significant challenges on a global level, but I am pleased to reaffirm the commitment of the Australian Packaging Covenant Organisation to the United Nations Global Compact and to the ten principles in relation to Human Rights, Labour, Environment and Anti-Corruption, which underpin the accord. This is the Australian Packaging Covenant Organisation's (APCO) Communication on Engagement (CoE) with the United Nations Global Compact and we welcome feedback on its contents.

In this communication, we describe the actions that our organisation has taken to support the UN Global Compact and its Principles since our last CoE, as suggested for an organisation such as APCO. We also commit to sharing this information with our stakeholders, using our primary channels of communication to continue to support and reinforce the objectives of the United Nations Global Compact and promote delivery of the Sustainable Development Goals.

Yours sincerely,



Brooke Donnelly  
CEO

## ***Part II – Description of Actions***

Building on the work outlined our last CoE (March 2020), APCO has continued to work across our diverse stakeholder network to drive packaging sustainability and deliver tangible positive contributions towards the achievement of the UN Sustainable Development Goals (the Goals) in Australia.

Framed by Australia's 2025 National Packaging Targets (the 2025 Targets) (Fig. 1) and with a primary focus on **SDG 12 – Responsible Consumption and Production**, APCO's work is framed by the seventeen Goals and delivers positive impacts towards a number of other, including:

- **SDG 2 – Zero Hunger** – by supporting initiatives to reduce food waste in the supply chain and in the home, reduce losses and inefficiencies in agriculture, avoid over-production and facilitate improved equity and increased food security through sustainable agricultural production and distribution.
- **SDG 6 – Clean Water and Sanitation** – by supporting industry to reduce, rationalise and eliminate unnecessary packaging, reducing demand for water used in the production of packaging materials and driving product manufacturers to use low-impact materials and sustainable production practices to reduce environmental impacts of production.
- **SDG 9 – Industry Innovation and Infrastructure** – by supporting participants in the circular packaging value chain to improve packaging inputs through improved design and material selection, and to support the establishment the infrastructure to enable improved resource recovery and material circularity.
- **SDG 11 – Sustainable Cities and Communities** – supporting all levels of Australian government in planning to meet future resource recovery requirements and establishing resilient and sustainable circular economies for packaging in Australia.
- **SDG 13 – Climate Action** – by supporting increased diversion of packaging and other related waste streams, such as high-impact food organics, from landfill and into productive, low-carbon uses; by educating stakeholders to reduce the carbon impacts typically generated through the production of virgin packaging materials, by supporting improvements in the resource recovery and recycling sector and driving the increased use of recycled materials in new packaging.
- **SDG 14 – Life Below Water** – by driving improvements across the packaging value chain to reduce the volume of packaging material entering the marine environment through improved packaging design, increased resource recovery and reprocessing capacity for packaging, and greater uptake of recycled materials in new packaging.
- **SDG 15 – Life on Land** – by supporting stakeholders to improve the sustainability of their packaging against the waste hierarchy, and working with the resource recovery and recycling sectors to divert increasing volumes of packaging materials out of landfill, reduce environmental pollution caused by fugitive packaging and build the circular economy required to support

## **Summary of APCO's work since March 2020 and its contribution to the Goals.**

### ***National Policy Environment***

Underpinning APCO's work in relation to packaging circularity, are the 2025 National Packaging Targets (the Targets), announced in 2018 and endorsed by Commonwealth, State, Territory and Local Governments across all Australian jurisdictions. Since launch, the Targets have become an embedded foundation for packaging circularity objectives across the Australian marketplace. They apply to all packaging that is made, used and sold in Australia clearly articulate a set of objectives to improve the sustainability outcomes and drive material circularity for all product packaging placed onto the Australian market by 2025:

- *100% reusable, recyclable or compostable packaging*

- 70% of plastic packaging being recycled or composted
- 50% average recycled content included in packaging<sup>^</sup>
- The phase out of problematic and unnecessary single-use plastics packaging.

<sup>^</sup> Average recycled content target was revised upwards from 30% in 2020 after APCO [Packaging Consumption and Recycling Data 2017/18](#) confirmed an average of 35% across all packaging materials had been achieved.

APCO's work towards delivery of the targets and the development of a circular economy for packaging has contributed to the Australian Government policy in a number of areas:

- The National Waste Policy Action Plan 2019, which is agreed by the Commonwealth and all state and territory environment ministers, includes the 2025 National Packaging Targets and a number of other actions to be led by APCO.
- National Plastics Plan 2021, targeting challenges around plastic use, management, recovery and recycling.
  - The NPP establishes national targets for the uptake of APCO's Australasian Recycling Program, to help drive greater recyclability and recycling outcomes
  - APCO is working with the Government and industry on detailed action plans to achieve the NPP's targets for phasing out problematic materials such as EPS and PVC.
- APCO is working with Government and industry to progress action on packaging materials identified as high priorities for action through the Environment Minister's Priority List under the Recycling and Waste Reduction Act 2020.
- Regulated phase-in of national waste export bans on unprocessed paper, plastic and glass materials by 2024, under the Recycling and Waste Reduction Act (2020) to drive domestic capacity building for resource recovery and waste commoditisation.
- National phase out of problematic single-use packaging materials, including inter alia EPS and PVC
- State / Territory bans of problematic single-use plastics, including lightweight plastic shopping bags, straws, disposable plastic cutlery and food-service packaging, .
- State / Territory development and implementation of Container Deposit Schemes for beverage containers across all Australian jurisdictions
- \$800m in funding nationally, under the Recycling Modernisation Fund, to build capacity in Australia's resource recovery, reprocessing and remanufacturing industry.
- \$15m in funding under the National Product Stewardship Investment Fund to address problematic waste streams
- APCO endorsement as an Australian Government Accredited Product Stewardship Scheme
- APCO is working with the Australian Government to improve the quality, timeliness and communication of packaging material flow and waste data
- APCO is working with Government and industry to progress action on packaging materials identified as high priorities for action through the Environment Minister's Priority List under the *Recycling and Waste Reduction Act 2020*.

## Our Packaging Future

In April 2020 APCO released [Our Packaging Future](#) (OPF), a national roadmap to deliver a circular economy for packaging in Australia. Crystallising more than 2 years of consultative work across industry, government, academia and community and advocacy groups, OPF articulates a Collective Impact approach to packaging circularity, underpinned by three key outcomes and their associated strategies to enable delivery the 2025 National Packaging Targets (Fig. 1).

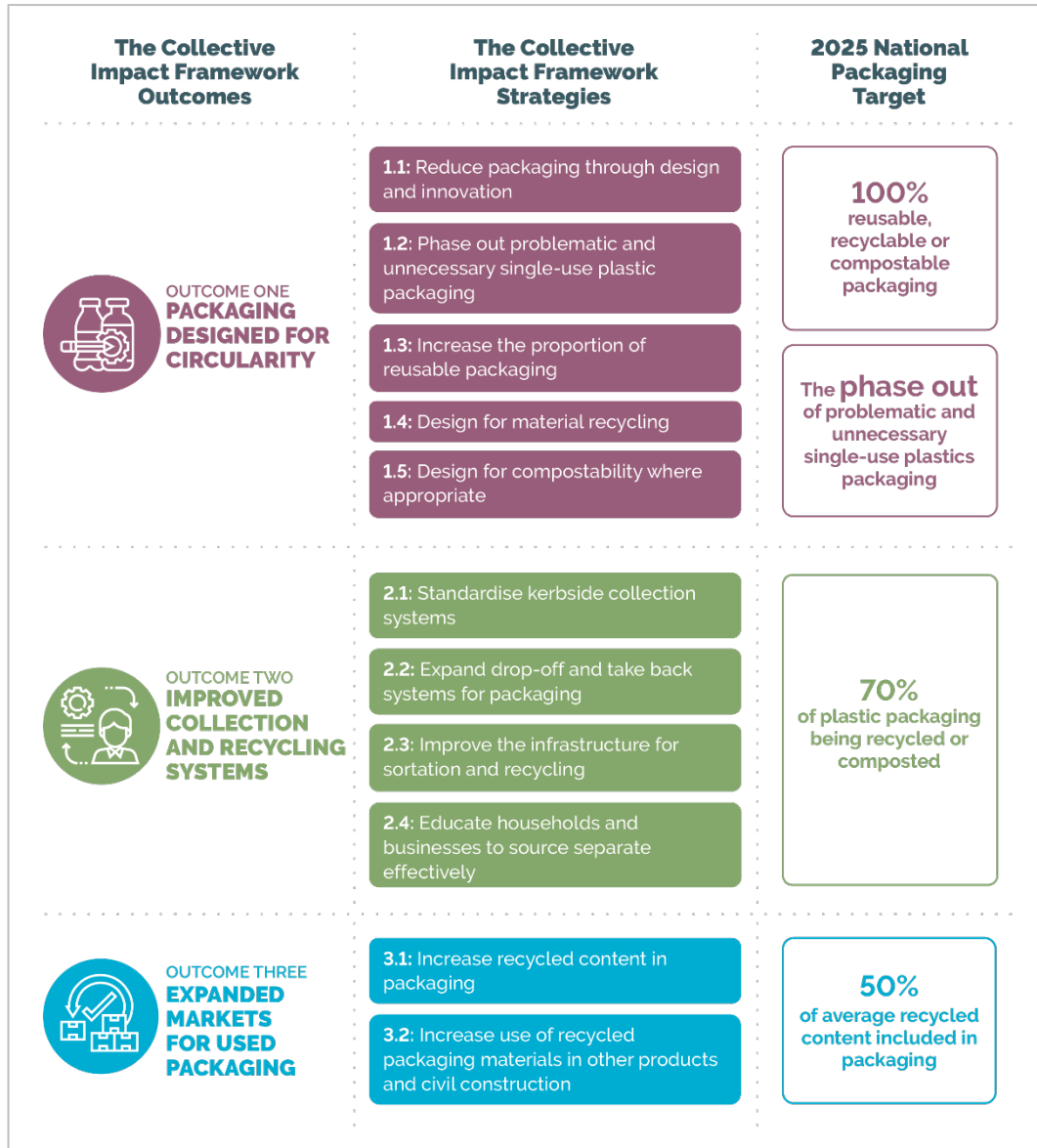
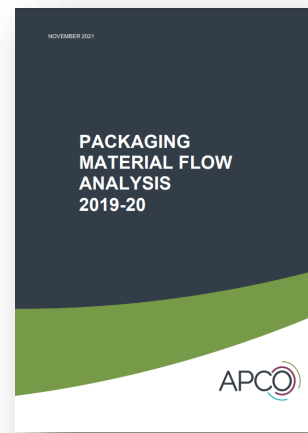


Fig. 1 – Our Packaging Future Outcomes and Strategies (APCO 2020)

Work has continued apace towards delivery of the Targets ahead of the rapidly approaching 2025 deadline and an interim review of progress was delivered in APCO's [Collective Impact Report](#), released in November 2021, supported by APCO's annual [Australian Packaging Consumption and Recycling Data 2019-20](#) report and associated [Packaging Material Flow Analysis 2019-20](#).



Aligning APCO's work with the global context of the Goals, the Collective Impact report provides APCO's diverse stakeholder audience with a clear articulation of the contribution that circular economy packaging initiatives can make towards achieving the objectives of the UN 2030 Agenda for Sustainable Development.

| Sustainable Development Goals (SDGs)  |  | Circular Economy Packaging Initiatives Supporting Progress for the SDGs  |
|---|--|--|
|  <p><b>2 ZERO HUNGER</b></p>                              | End hunger, achieve food security and improved nutrition and promote sustainable agriculture   | Packaging reduces food waste in the supply chain and in the home   |
|  <p><b>6 CLEAN WATER AND SANITATION</b></p>              | Ensure availability and sustainable management of water and sanitation for all   | Packaging reduction helps to save water in the supply chain  |
|  <p><b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b></p> | Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation  | Increased circularity for packaging requires new infrastructure for innovative materials, reuse and recycling      |
|  <p><b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b></p> | Ensure sustainable consumption and production patterns   | Circular packaging is a critical component of sustainable consumption and production                               |
|  <p><b>13 CLIMATE ACTION</b></p>                         | Take urgent action to combat climate change and its impacts  | Reduction and recycling help to reduce emissions in the supply chain and at end-of-life                            |
|  <p><b>14 LIFE BELOW WATER</b></p>                       | Conserve and sustainably use the oceans, seas and marine resources for sustainable development   | Packaging must be carefully managed at end-of-life to prevent it entering the marine environment                   |
|  <p><b>15 LIFE ON LAND</b></p>                           | Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss | Raw materials for paper and bioplastics for packaging must be purchased from sustainably managed forests and farms |
|  <p><b>17 PARTNERSHIPS FOR THE GOALS</b></p>             | Strengthen the means of implementation and revitalise the global partnership for sustainable development   | A circular economy requires collaboration along supply chains and with government and community sectors            |

### Monitoring Progress Towards the 2025 Targets

APCO continues to monitor progress towards delivery of the Targets, through the production of annual *Australian Packaging Consumption and Recycling Data* reports. Working with the national packaging value chain to capture material flows through existing systems, the annually-produced reports enable measurement of progress towards building the circular packaging economy in Australia and supports monitoring of Australia's contribution for Targets **12.3**, **12.4** and **12.5**.



Fig. 2 - Australian Packaging Consumption and Recycling Data 2018 - 2019 (Jan 2021) and 2019-2020 (Nov 2021)  
(click report icon to download)

### The Australasian Recycling Label

The rapid voluntary uptake of the Australasian Recycling Label (ARL) across the Australian packaging marketplace is driving strong behaviour change for households, while contributing to avoidance, reduction and improved recovery and recycling of domestically generated packaging waste. The Program now counts almost 750 organisations among its Membership, including many of Australia's major brands and consumer awareness of the ARL has increased significantly in recent years, with the number of Australians recognising the label growing from 48% in 2019, 64% in 2020 to 75% in 2021.

In addition to driving improved separation at source, the Packaging Recyclability Evaluation Portal (PREP) tool – the foundational evidence base on which the ARL is predicated – has become a powerful design tool for manufacturers and brand owners seeking to understand and improve the circularity of their packaging within the context of the Australian market.

In November 2020, the ARL was also recognised in the One Planet Network's Consumer Information Programme report [Can I Recycle This? A Global Mapping and Assessment of Standards, Labels and Claims on Plastic Packaging](#) and in 2021, the Australian Government acknowledged the positive impact of the ARL in the [National Plastics Plan](#), calling for 80% of supermarket products to carry the label by December 2023.

### Australia New Zealand and Pacific Plastics Pact

In May 2021, APCO launched the [Australia, New Zealand and Pacific \(ANZPAC\) Plastics Pact](#), in partnership with the Ellen Macarthur Foundation and WRAP UK. ANZPAC brings together stakeholders from across the Oceanic region to drive collaborative action towards building a circular economy for plastic. Since launching in May 2021, the ANZPAC Collective Action Group (ACAG) a senior steering committee of industry experts comprising equal representation from across the region and the plastics value chain, has been established to oversee the program. Three Member Workstreams have been created to identify and enable regional opportunities to drive tangible, system-wide impact,

The ANZPAC Member Reporting framework was launched in early 2022 to measure progress, track change and identify areas for collective impact, aligned with the global Plastics Pact Network and will help to articulate global trends, opportunities and gaps. Additionally, ANZPAC is currently developing its strategic Roadmap as a regional plan for how Members and other key actors will achieve the ANZPAC Regional Plastics Targets by 2025.

Drawing on the experience of an international network of Plastics Pacts, ANZPAC benefits from shared knowledge across more than 500 organisations globally. Supported by APCO, the ANZPAC Plastics Pact will drive the investment and innovation required to develop and implement tailored regional solutions to support some of those countries most impacted by fugitive plastics entering the land and marine environments and making tangible contributions to **SDG Targets 9, 12.1, 12.a and 12.b.**

### **Part III – Measurement of Outcomes**

#### **• APCO Membership / Regulatory Compliance**

APCO has continued to see strong growth in brand-owner membership the past two years, reaching 2000 brand-owner members at the conclusion of the current reporting period. This signals a strong increase in awareness of sustainable packaging, commitment to meeting compliance obligations and a desire to improve packaging circularity outcomes across the Australian market.

Growing membership also signals an increase in reporting on packaging sustainability as per the Australian Packaging Covenant obligations. This further contributes to the number of companies able to publish sustainability reports that incorporate packaging sustainability outcomes captured through the APCO reporting tools, in support of **SDG Target 12.6.**

Extensive engagement with industry associations during the current reporting period and increased APCOs reach out to small and medium enterprises (SMEs) with less capacity to undertake extensive work on packaging sustainability. Working with Industry Associations has amplified APCO's guidance and established strong working relationships aiding associations to support their own members on the sustainable packaging journey.

#### **• Packaging Sustainability Tools and Resources**

Over the current reporting period, APCO has added significantly to the extensive suite of resources available both publicly and member-specific, to support the development of a circular economy for packaging. These include:

- [New website](#) providing supported pathway to members on regulatory compliance, annual reporting and packaging sustainability education.
- Member Reporting / Action Planning platform to simplify member reporting against regulatory obligations.
- Introduction of an SME packaging sustainability reporting framework to meet SME reporting requirements.
- Development of SME Business Portal to provide SMEs with an easy, accessible one-stop shop on packaging sustainability issues, insights, tools and resources
- [Sustainable Packaging Guidelines](#) (Updated Oct 2020) and supporting materials such as packaging assessment templates, QuickStart guides and online education resources
- [Action Plan for Problematic and Unnecessary Single-Use Plastic Packaging](#)
- [Supporting Government Procurement of Recycled Materials](#)
- [Recycled Content Guide](#)
- [Scaling Up Reusable Packaging](#)

- [Considerations for Compostable Plastic Packaging](#)
  - [National Compostable Packaging Strategy](#)
  - [Australasian Recycling Label Consumer Insights Report 2021](#)
  - [PFAS In Fibre-based Packaging](#)
  - Understanding Lifecycle Assessments for Packaging in Australia (Member Only)
  - [Australian Dairy Sustainable Packaging Roadmap to 2025](#)
- ***Packaging Recyclability Evaluation Portal (PREP) Tool / Australasian Reporting Label (ARL)***

The National Plastic Plan objective for 80% of supermarket products to carry the ARL by the end of 2023, demonstrates the Australian Government's confidence in the positive impact being delivered through growing use of the label.

International recognition of the ARL by the One Planet Network, as an exemplary model for recyclability labelling provides further confidence to brand-owners and packaging manufacturers, encouraging further uptake and wider dissemination.

APCO will also launch a Recycled Content label in 2022, to complement the ARL. Underpinned by a traceability standard to verify the chain of custody for recycled materials, the Recycled Content label will help to increase the pull-through of recycled content in Australian packaging and provide a strong evidence-base to validate recycled content claims on pack. This will educate and enable consumers to confidently make purchase decisions around the recycled content in their packaging while helping to prevent 'greenwashing' around packaging circularity claims.

- ***Australian Packaging Consumption and Recycling Report – Material Flow Analysis Summary***

APCO's annual Australian Packaging Consumption and Recycling report, and the unpinning Packaging Material Flow Analysis report have continued to monitor movement towards the 2025 Targets.

Drawing on data collected and reported since 2017-18, APCO's Collective Impact report provides an interim assessment of progress towards the targets and evaluates the potential impact of a range of scenarios proposed to address specific emerging challenges.

- ***Member Events / Public Appearances / Participation***

APCO continues to provide education and raise awareness through public events and increasingly active participation across government and industry advisory bodies and stakeholder committees.

As the world adjusted to a new way of working under pandemic restrictions in early 2020, APCO quickly moved into the digital space, to ensure on-going access for and engagement with our members and stakeholders, to maintain momentum and keep packaging circularity front-of-mind.

Complementing a comprehensive suite of APCO-specific webinars hosted since the beginning of the pandemic, APCO was also pleased to offer a range of broader topics for discussion. In June 2020, APCO was proud to welcome UNGC Australia Head of Programs, Corinne Schoch, to discuss the role and influence of the SDGs and their relationship with Science Based Targets in driving sustainability outcomes for the packaging industry. (<https://vimeo.com/552665127>)



Similarly, APCO continues to receive regular invitations to speak at sustainability and resource recovery events across Australia and around the world. A relevant example is APCO CEO Brooke Donnelly's facilitation of a panel discussion at the UNGC Australia's ***Making Global Goals Local Business*** conference in May 2021, placing the role of packaging within the context of the SDGs and exploring the contribution of packaging to responsible consumption.

**END**

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6 March 2022

Sydney, Australia