



Coca-Cola Amatil (Aust) Pty Ltd

Australian Packaging Covenant

Action Plan

2011 – 2016

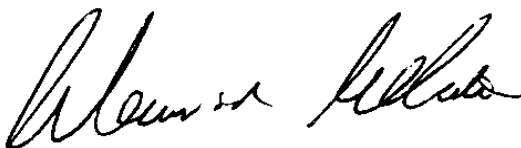
Message from the Managing Director:

It is with great pleasure that I present Coca-Cola Amatil's (CCA) first action plan under the new Australian Packaging Covenant (APC) (previously the National Packaging Covenant (NPC)). CCA has been a member of the Covenant since 1999 and through this commitment have made many positive changes to packaging sourcing and design. In the last decade CCA has achieved many great results across material reduction and product recovery. These are outlined in CCA's 2010 Sustainability@CCA Corporate Responsibility Report and includes some detail on efforts in implementing sustainable practices across the business.

As the leading manufacturer and distributor of non-alcoholic-ready-to-drink products (NARTDs), including the world's best known brand, Coca-Cola, CCA takes its responsibilities to minimise the environmental impact from operations very seriously. Included in this 2011 Action Plan is the continued commitment to light weighting and tackling the issue of packaging waste. Already significant investment has been put into the development and implementation of lighter beverage containers, packaging weight and material reduction, use of recycled content of primary and secondary packaging and public place recycling projects, all contributing to significant and meaningful outcomes.

Through this action plan CCA will focus on working collaboratively with industry bodies including the APC and Packaging Stewardship Forum (PSF) to deliver public place recycling for reducing waste to landfill and diverting to recycling. There will be a further focus on light weighting projects for the beverage container portfolio and secondary packaging lines. CCA will also work towards achieving an industry-wide collaborative approach to management of packaging waste which will involve continued engagement with suppliers and staff for innovative packaging solutions.

I invite you to read CCA's 2011-2016 Action Plan which details how CCA will support the targets of the Australian Packaging Covenant.



Warwick White,
Managing Director
Coca-Cola Amatil (Aust) Pty Ltd

About CCA

Coca-Cola Amatil (CCA) is a major public company listed on the Australian Stock Exchange. Headquartered in Sydney and operating in the Asia-Pacific region, CCA is Australia's largest manufacturer and distributor of soft drinks and other non-alcoholic beverages, and the market leader in the industry.

CCA purchases concentrate and beverage bases from The Coca-Cola Company to manufacture its trademarked products including *Coca-Cola*, *diet Coke*, *Coca-Cola Zero*, *Mother*, *Fanta*, *Sprite*, *Lift*, *Pump*, *Glacéau*, *Goulburn Valley* and *POWERADE*.

CCA also owns a portfolio of its own beverage brands including *Mount Franklin*, *Deep Spring* and *Kirks*. CCA has also expanded its beverage portfolio to include the manufacture and distribution of a number of alcoholic brands including *Blue Tongue Beer* and *Peroni*.

Coca-Cola Amatil employs over 16,000 people across six countries of operation, 4,690 of those employees are located within Australia.

Our 2011-2016 Action Plan Focus

Covenant commitment

CCA was a founding member of the National Packaging Covenant (NPC) and remain a committed supporter and signatory of the new 2010 Australian Packaging Covenant (APC). The new APC builds upon the original NPC with a continued commitment to minimising the impacts of packaging. The Covenant has and now continues to encourage CCA to manage packaging in accordance with the covenants sustainable packaging guidelines (SPG) and goals across design, recycling and product stewardship.

The role of packaging

Packaging plays a crucial role in ensuring the quality, safety and convenience of all CCA's food and beverage products. Packaging allows products to be effectively transported, maintains their quality in store, is used to provide information to consumers and ensures their safety is not jeopardised. Packaging also ensures products arrive in the consumer's hands in the same quality as they left the production line.

Brands Portfolio:

CCA Non Alcoholic Products

- Coca-Cola
- Diet Coca-Cola
- Coca-Cola Zero
- Frozen Coke
- Sprite
- Sprite Zero
- Fanta
- Lift
- Bisleri Chinotto
- Kirks flavour range
- Kirks Ginger Beer
- Kirks cordial
- Appeltiser
- Grapetiser
- Deep Spring
- Mount Franklin (still and sparkling)
- Mother
- Pump
- Pumped
- Nestea
- Powerade Isotonic
- Goulburn Valley to go (GV to go juices)
- Goulburn Valley Premium Chill
- Goulburn Valley Flavoured Milk (Dairy)
- Glaceau Vitamin Water
- Fruit Box
- Fruity Drink
- Crusta (SA only)





Packaging at CCA

CCA sees packaging as a valuable resource, not waste or litter. For example, every PET bottle is a resource that can be recycled into other products and into reducing the use of virgin PET in bottles. While beverage packaging makes up only 3 per cent of the waste stream in Australia (Packaging Stewardship Forum www.afgc.org.au), CCA recognises that both sustainable packaging and responsible recycling are important for all stakeholders in the chain.

Achievements in the area of packaging at CCA include the investment of \$274 million into Blow Fill technology allowing further light-weighting of PET bottles. In 2010 during its first year of operation and application in the NSW Northmead plant, 1000 tonnes of PET was saved. Light weighting initiatives across secondary shrink film packaging also saves over 16 tonnes of material per year.

These successes are a direct result of the continuous dialogue between the New Products Development team, The Coca-Cola Company Technical team and Environmental Managers bringing about the optimal environmental capability of our packaging. In this action plan CCA hope to expand this collaborative process with the application of the new covenants goals and the sustainable packaging guidelines (SPGs).

Public place recycling

Over the last decade CCA, government and industry have focussed on kerbside recovery. With the success of in home recycling and kerbside collection CCA has contributed to developing and expanding public place recycling initiatives.

CCA have been working with customers on a variety of public place recycling programs. From this, CCA have successfully instigated a variety of recycling programs through 2009 and 2010 with solid results. CCA instigated public place recycling at a variety of sites including shopping centres, public events, leisure events, eateries and tourist attractions. Specific customers include; Hoyts Cinema, Taronga Zoo, Oporto, ANZ stadium, Wet N Wild, Westfield and others.

These programs have all acted to capture a significant volume of CCA's packaging consumed and return this to the recycling stream, diverting it from landfill. CCA's recycling initiatives with Westfield in conjunction with the Packaging Stewardship forum help to divert 700 tonnes of packaging material away from landfill annually. Other achievements

include the recycling partnership with Australia Zoo that aims to recover 400,000 PET bottles annually and work with Warner Village Theme has collected more than 200,000 beverage containers.

Through the APC, CCA hope to support further public place recycling projects in collaboration with industry bodies to further drive the recycling of packaging containers.

Working with Industry

The new APC encourages a cross-industry collaboration to packaging. CCA continues to be a member of several industry groups in Australia, many of whom work with CCA to deliver the commitments made under the APC. An executive of CCA currently chairs both the National Packaging Covenant Industry Association ('NPCIA') and the Packaging Stewardship Forum of the Australian Food & Grocery Council ('AFCG') and is a member of the Covenant Council.

Environmental Focus

CCA is committed to conducting its business operations in a sustainable manner. As such, CCA's Sustainability strategy operates around four key areas to improve business practices. The four key pillars of the CCA Sustainability Strategy are:

- Environment
- Community
- Marketplace
- Workplace

Within the Environment pillar the key focus areas are:

- Water
- Energy
- Packaging

CCA reports back to key stakeholders, consumers and the market place through our Sustainability@CCA Corporate Responsibility Report. In 2010 CCA published its third Sustainability@CCA report outlining many key achievements across sustainability, including packaging. This report is publicly available and can be viewed online at <http://www.ccamatil.com/Sustainability/Pages/default.aspx>

Packaging types:

In order to ensure covenant commitments cover CCA's many SKUs, CCA have chosen to categorise packaging by type for the purpose of this action plan. These categories include; PET, glass, aluminium, film flexibles, corrugated board, closures and labels. This approach will also assist in facilitating engagement and collaboration with suppliers of each packaging material and will allow all current packaging types to be efficiently reviewed under the SPG as per covenant requirements.

Schedule for packaging reviews:

Packaging Category	Time target for evaluation under SPG	Details
PET	2012	<ul style="list-style-type: none"> • CCA have set targets that aim to have all packaging categories evaluated under the SPG. CCA will aim to have 100% of <u>current</u> packaging types evaluated by the targets identified. • Any <u>new</u> packaging will be evaluated under the SPG through CCA's internal processes.
Glass	2012	
Aluminium	2012	
Corrugated Board	2012	
Film Flexibles	2013	
Closures	2013	
Labels	2013	

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Coca-Cola Amatil ACTION PLAN: 2011-2016

Covenant performance goals and KPIs	Actions	Benefit	Estimated Time
1. DESIGN - optimising packaging to achieve resource efficiency and reduce environmental impact without compromising product quality and safety.			
<p>Light weighting and material reductions</p> <p>CCA will continue light weighting initiatives across primary and secondary packaging ranges including PET, aluminium, glass, board, shrink film, labels and closures within technological and commercial constraints.</p>	Continue to identify new opportunities in light-weighting initiatives and technology.	Implementation of new light weighting initiatives as they become technologically and commercially viable.	Assessment is ongoing , new development testing 2011
	<p>CCA commenced using Blow-Fill technology in 2010 in NSW.</p> <p>CCA will continue utilisation of Blow-Fill technology in plant production to further lightweight PET lines.</p>	Reduction in PET resin used	Ongoing from 2010, looking to expand where commercially viable
	Implement Blow-Fill technology across national production lines to lightweight PET (including plant capacity assessment to integrate technology).	Reduction in PET resin used	Gradual rollout starting 2011.
	Completion of identified light weighting opportunities across aluminium cans and glass bottle beverage packaging containers.	Glass and Aluminium reductions anticipated	Aluminium 2011 Glass 2011

Covenant performance goals and KPIs	Actions	Benefit	Estimated Time
	Completion of identified light weighting projects across secondary packaging lines – board and film.	Board: reductions anticipated Film: reductions anticipated	Board: 2011 Film: 2013
	Completion of identified light weighting and material reduction projects across labels and container closures.	Label: Reductions anticipated Closures: Reductions anticipated	Labels: 2011 Closures: 2013
Minimisation of environmental impacts of light weighting.	CCA will continue to assess all light weighting initiatives implemented to ensure recyclability of materials is maintained, where commercially and technically viable.	Packaging that is recyclable after use.	Projects subject to commercial viability 2011-2016
	Preliminary assessment of NPD (New product development) process around potential to include environmental impacts of light weighing of new packaging types.	The environmental impacts of light weighting being assessed during the product development stage.	2013-2014
Water and energy efficiency during packaging production and distribution. Increasing engagement with suppliers to develop: <ul style="list-style-type: none"> - collaboration across packaging solutions - awareness of APC goals and commitments - supplier conduct for packaging production 	CCA to assess what suppliers have energy and water efficiency practices and policies implemented in production of packaging.	Increased engagement with Suppliers on CCA's sustainability strategy. An increase in suppliers looking to implement water and energy efficiency practices in packaging production	2011
	CCA will investigate and assess potential to integrate water and energy efficiency practices into CCA's Supplier Of The Year program.	Increased supplier engagement and collaboration across energy and water efficiency for packaging production	2013

Covenant performance goals and KPIs	Actions	Benefit	Estimated Time
		Increased number of suppliers committed to making improvements under covenant goals	
	<p>CCA have already increased energy and water efficiency in the production of PET bottles through bottle blow moulding equipment.</p> <p>CCA will increase water and energy efficiency across packaging production lines where identified, commercially viable and within the constraints of available technology.</p>	<p>Decreased energy usage</p> <p>Decreased water usage</p>	Assessed continually for opportunities through 2011-2016
<p>Renewable energy for packaging production - suppliers</p> <p>Increasing engagement with suppliers to develop:</p> <ul style="list-style-type: none"> - collaboration across packaging solutions - awareness of APC goals and commitments - supplier conduct for packaging production 	<p>CCA to assess which suppliers utilise renewable energy during packaging production</p>	<p>Utilisation of renewable energy for production and CCA's suppliers engaged in this</p> <p>Increased number of suppliers committed to making improvements under covenant goals</p>	2011
	<p>CCA will investigate and assess potential to integrate renewable energy use into CCA's Supplier Of The Year reward program.</p>	<p>Suppliers engaged in renewable energy during packaging material production.</p>	2013
<p>Integration of the APC SPG into Policies + Procedures for evaluation and procurement of packaging at</p>	<p>Assessment of CCA's New Product Development framework (NPD) to:</p> <ol style="list-style-type: none"> 1. Identify areas to potentially increase consideration around covenant goals – raw material acquisition and 	<p>APC goals and guidelines integrated into CCA's NPD process.</p> <p>APC SPG integrated into new</p>	2012

Covenant performance goals and KPIs	Actions	Benefit	Estimated Time
CCA CCA already have a purchasing policy in place for the procurement of packaging raw materials that encompasses many of the covenant goals.	development. 2. Integrate the SPG guidelines	packaging development processes.	
	CCA currently have a purchasing policy in place. Through this plan CCA will update this policy.	Further integrating covenant goals into CCA purchasing policy	2013
2. Recycling – the efficient collection and recycling of packaging and inclusion of recycled content			
% recycled material in packaging lines As per CCA purchasing policy, recycled content is included in packaging where they satisfy current performance, safety, regulatory and cost requirements.	CCA currently use 15% rPET in PET containers. CCA are continuing with investigating potential to increase this to 25% depending on commercial viability.	Increased % recycled content	PET: Dependant on commercial viability assessments
	Working with suppliers to obtain more detailed information of recycled content in material types and drive to increase the transparency of information from suppliers.	Obtaining more detailed information around recycled content.	2011
	Assess any new opportunities to increase % recycled material with packaging suppliers.	Increased % recycled content in containers	As opportunities become commercially viable and within technical limits
	CCA to include % recycled materials in film and label packaging. Potential to include % rPET in film packaging.	% recycled content in labels and film	Labels: 2014 Film: 2014

Covenant performance goals and KPIs	Actions	Benefit	Estimated Time
Investigation of alternative material formats	CCA are investigating alternative PET formats that utilise recycled material including: <ul style="list-style-type: none"> Utilisation of PlantPET 	Commercially viable and sustainable alternative formats	Under review to assess commercial viability and product regulations 2011-2016
Opportunities around consumer point packaging initiatives and CCA in-house recycling streams	Further investigate commercial viability of recyclable consumer coffee and post-mix cups	Increased recyclability	2013
	CCA have waste streams established across all sites to collect packaging based waste. Continue to identify any areas for increased collection potential.	Waste diverted from landfill into recycling streams for re-use	2011-2016
	CCA to maintain focus on public place recycling initiatives to ensure beverage containers are diverted from landfill and into recycling streams.	Increased rate of recovered beverage containers.	2011-2016
	Continue to offer customers support in establishing recycling solutions to increase recovered material	Increased rate of recovered beverage containers.	2011-2016
	CCA to support public place recycling and container recovery through industry collaboration with relevant bodies (the Packaging Stewardship Forum, Australian food and grocery council and the Australian Packaging Covenant). Identify other partnerships to continue to drive recycling.	Increased industry collaboration and support to minimising packaging waste/impacts Increased rate of recovered beverage containers.	2011-2016

Covenant performance goals and KPIs	Actions	Benefit	Estimated Time
3. Product stewardship – a demonstrated commitment to product stewardship by the supply chain and other signatories			
Toxic materials in packaging and adhering to Australian Standards	CCA will continue to ensure no toxic materials are utilised in packaging as per Australian standards and the Coca-Cola Company guidelines.	No toxic materials used	2011-2016
Working with supplies who are also APC signatories	CCA to investigate potential to include signatory status of suppliers as a component of the selection criteria. Preference given within technical, commercial and availability limits.	Industry collaboration to packaging management	2012-2013
Suppliers engaged in sustainability programs	Assess what sustainability related programs our suppliers are involved with Encourage suppliers to engage in sustainability programs.	Increased supplier engagement around sustainability. Assist to drive a cross-functional collaboration.	2011
Other Internal engagement and sustainability programs	CCA's have an internal sustainability month-long program that operates annually (Sustainability September). Its aim is to increase engagement and awareness across CCA's 4 sustainability pillars: Environment, Marketplace, Workplace and Community. CCA will continue to drive the program to achieve greater results across sustainability.	Increased staff engagement and participation around the 4 pillars. Improved results and outcomes of campaign initiatives	Annual campaign

Covenant performance goals and KPIs	Actions	Benefit	Estimated Time
	<p>CCA and TCCC to work collaboratively on relevant sustainability programs.</p> <p>This includes the 'Live Positively' TCCC campaign that encourages us to redesign the way we work and live so sustainability is at the core of everything we do</p>	<p>Collaboration and international co-operation towards sustainability including packaging innovation.</p> <p>Continued investment in 'Project Catalyst' that aims to reduce the environmental footprint that sugarcane production has on freshwater quality and the Great Barrier Reef.</p>	2011-2016
	<p>CCA will continue to work with printing suppliers to increase recycled content of promotional materials. This includes engaging staff around including recycled material options in promotional materials.</p> <p>Utilisation of internal communications and campaigns to drive awareness.</p>	Increased engagement with staff around recycled content inclusion	2011-2016