



Environment and Energy

**THE AUSTRALIAN INDUSTRY GROUP
AUSTRALIAN PACKAGING COVENANT
ACTION PLAN**

APRIL 2011 – JUNE 2012



AUSTRALIAN INDUSTRY GROUP


Australian Industry Group

A.B.N. 763 699 587 788

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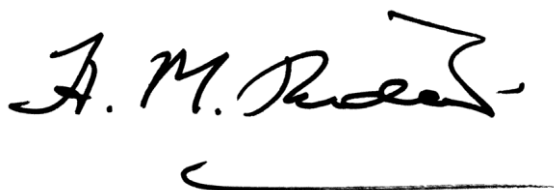
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EXECUTIVE SUMMARY

The Australian Industry Group (Ai Group) is a leading industry association in Australia. The initiatives detailed in this Action Plan focus on provision of practical information and advice to member companies to improve environmental practices and the sustainability of packaging; and internal initiatives to improve away from home recycling. Ai Group does not produce or supply consumer packaging and has no brands relevant to the consumer packaging sector.

Key initiatives to be undertaken in 2011-2012 include:

- Delivery of sustainability events
- Provision of environment and energy training
- Ongoing promotion of the aims and objectives of the Australian Packaging Covenant
- Provision to Ai Group member companies of information on the APC and the Sustainable Packaging Guidelines
- Review of away from home recycling of packaging on Ai Group sites

A handwritten signature in black ink, which appears to read 'H. M. Ridout', is positioned above a horizontal line that serves as a signature separator.

Heather Ridout
Chief Executive

1. INTRODUCTION

The Australian Industry Group (Ai Group) is a long standing supporter of the aims and objectives of the National Packaging Covenant (NPC) and its successor, the Australia Packaging Covenant (APC). Ai Group was an inaugural signatory to NPC Mark I and II and a member of the NPC Council. We are pleased to continue our support for this important initiative through membership of the APC, representation on the APC Council and through the actions articulated in this Plan.

2. AUSTRALIAN INDUSTRY GROUP PROFILE

2.1. Overview

Ai Group represents in excess of 10,000 businesses in an expanding range of industry sectors including: manufacturing; engineering; construction; automotive; food; transport; information technology; telecommunications; call centres; labour hire; printing; defence; mining equipment and supplies; airlines; and other related service industries. Ai Group members operate small, medium and large businesses. They include many major Australian and global companies operating in a range of industries.

Ai Group has a long history with more than 130 years of experience in providing professional service to industry and businesses in Australia. Ai Group works with industry to identify and communicate improvement opportunities in resource/materials efficiency - creating the tools, encouraging self assessment, benchmarking, and leading workshops to promote innovative, cost effective, practical solutions to waste minimisation, energy efficiency, water efficiency and sustainable industry practices in targeted industry sectors.

2.2. Brand Ownership. Packaging Materials and Formats

Ai Group does not produce or supply consumer packaging and has no brands relevant to the consumer packaging sector.

Ai Group's role as a membership organisation is to help member organisations run their businesses more effectively. We are working with businesses to help manage the environmental risks associated with their current operations through our consulting and training services.

Ai Group also encourages and facilitates implementation of environmentally sustainable practices which go beyond compliance.

2.3. Business Locations

Ai Group's main offices are located in Sydney, Melbourne, Brisbane, Canberra and Adelaide. We also have regional offices located in Albury/Wodonga, Ballarat, Bendigo, Newcastle and Wollongong.

3. PLAN MANAGEMENT

3.1. Covenant Contact Officer

Name: Vivienne Filling
Position: National Manager Environment Policy and Membership Services
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4. ACHIEVING APC GOALS

4.1. Introduction

Ai Group delivers an extensive suite of services to assist industry to improve sustainable business practices, including consulting and training services and successful delivery of government funded programs delivering real benefits to industry.

4.2. Commitment

Ai Group will continue to build on these services during the period covered by this action plan.

In summary, the key initiatives to be undertaken in 2011-2012 include:

- Provision of sustainability events
- Delivery of environment and energy training
- Provision of environment services
- Ongoing promotion of the aims and objectives of the APC through publications, member briefings, seminars, presentations and Ai Group's BIZassistBriefings (conducted in 33 metropolitan and regional locations nationally)
- Provision of information and assistance on APC related issues as required via Ai Group's Energy & Sustainable Business Help Desk
- Review of away from home recycling of packaging throughout Ai Group's main offices and operations

4.3. Sustainability Events

4.3.1. Environmental Solutions Forums

Ai Group's very successful Environmental Solutions Forums provide both member and non member organisations with practical information on solutions to sustainability challenges.

During the course of 2009-2010, Ai Group conducted 37 sustainability events, including networking breakfasts, practical seminars, environmental solutions forums and briefings. These events were designed to keep businesses abreast of current developments, assist in identification of practical solutions

to environmental challenges and facilitate contact with key industry representatives. These events attracted attendance by some 1700 industry representatives.

Ai Group will continue to build on the success achieved to date in the delivery of these events in New South Wales, Queensland, South Australia and Victoria. The Forums provide companies with practical solutions in the areas of energy, resource efficiency and waste minimisation and provide important networking opportunities.

In a new initiative, Ai Group has entered into a partnership with Innovate SA and Zero Waste SA under which Ai Group will deliver, during 2011, four (4) Environmental Solutions Forums and four (4) specialised workshops which will provide attendees with the skills (green skills) and capacity to help them identify opportunities to improve their environmental performance.

4.3.2. National Sustainability and Technology Forum

Ai Group's inaugural Sustainability and Technology Forum, High Tech, High Growth, Low Emissions 2011 is being held in Melbourne on Thursday 23 June 2011. The event will showcase the transformational opportunities of applying technology solutions to improve business environmental performance, increase productivity, refine business processes and maximise investment in technology infrastructure and people.

4.3.3. Support for APCC Activities

Ai Group sponsored an Action Plan workshop in Melbourne on 23 February 2011 and helped to facilitate the workshop in Sydney on 14 February 2011. Ai Group will continue to offer support to the APCC in the roll out of services to signatories.

4.4. Training Services

4.4.1. Environment and Energy Training

Ai Group delivers a range of tailored environment and energy training programs which include content on the APC. These include:

- Compliance with environmental obligations
- Practical environmental management
- Developing, implementing and improving your EMS

Ai Group will continue to offer these training programs in 2011-2012. Subject to the nature of organisations participating in the training courses, Ai Group will continue to provide practical advice and assistance to companies on their obligations under the APC and support for development of appropriate management solutions.

4.4.2. On-line Energy Training

Ai Group's recent survey of energy input costs and energy efficiency efforts identified that 73 per cent of businesses have either made no energy efficiency improvements or experienced reductions in energy

efficiency over the last 5 years, with a further 12 per cent reporting improvements of 5 per cent or less. Further, over half of all companies surveyed (57 per cent) indicate that their energy efficiency will be about the same over the next 2 years, while around 27 per cent envisage making marginal energy efficiency improvements. Just 3 per cent of respondents expect to make significant energy efficiency improvements, with a similar number of respondents expecting deterioration in energy efficiency.

In response, Ai Group is currently developing an on-line energy efficiency training program for business which targets operational staff. This program is being developed in conjunction with the Department of Environment, Climate Change and Water NSW (DECCW). Delivery of this program is due for completion in May 2012.

4.5. Environment Services

4.5.1. Resource Efficiency

Ai Group assists industry to identify resource efficiency opportunities, predominantly through the delivery of a range of government funded sustainability programs.

In conjunction with Sustainability Victoria, Ai Group has embarked on Resource Smart Industry Pilot Project. This innovative project aims to reduce carbon along the supply chain in the food sector using life cycle thinking. The project has taken a holistic approach to understanding the environmental impacts of processes and services. Many of the participants in the project are signatories to the Covenant.

Under our Sustainability Covenant with EPA Victoria, Ai Group provides funding and assistance to member companies in the identification, assessment and implementation of innovative environmental practices to achieve benefits in resource efficiency, waste reduction, ecological and economic outcomes.

Ai Group also delivers the Sustainability Advantage business support services on behalf of DECCW in New South Wales. The Program assists organisations identify what sustainability means to them, looking at what can be done now, and helping them plan for the future by providing a comprehensive roadmap for environmental action. In particular, the program assists businesses to:

- Identify and implement projects that will lower costs e.g. resources, energy; and
- Improve productivity, and enhance reputation as a supplier and employer of choice

Ai Group will continue to provide services under both the Sustainability Covenant and Sustainability Advantage program for the duration of this Action Plan.

4.5.2. Energy and Sustainable Business Help Desk

Ai Group's Energy and Sustainable Business Help Desk provides information and support to businesses to implement sustainable business practices. Ai Group will continue to offer support to APC signatories to meet the obligations under the Covenant.

4.5.3. Provision of Information to Members

Ai Group has a range of information products to promote the APC and the SPG and to assist signatories to understand their requirements.

This includes:

- Ai Group's BIZassistManual which is distributed to all member companies
- Ai Group's BIZassistBriefings, conducted 3 times per year in over 33 metropolitan and regional locations
- Ai Group website
- Sustainable Business News (10 editions per annum)

Key initiatives to be undertaken in the course of the current action plan include:

- Review of BIZassistManual factsheets relating to the APC and amendment/update as required
- Inclusion in BIZassistBriefings on APC KPIs
- Updates on key APC news for signatories and potential signatories in Sustainable Business News
- Review of Ai Group's Website content on the APC and identification of areas for amendment (eg may include FAQs, factsheets)

Support for companies requiring more detailed assistance in complying with the Covenant is available through Ai Group's Energy and Sustainable Business Help Desk as outlined above.

4.6. Away From Home Recycling

Reflecting the APC objective of improving away from home recycling of consumer packaging, Ai Group will conduct a review of such recycling services provided in our major offices. Where gaps are identified, Ai Group will investigate cost effective options to address such gaps.

4.7. Buy Recycled Policy

As detailed above, Ai Group does not manufacture or supply consumer packaging and therefore does not have policies for inclusion of buy recycled content for packaging. Ai Group will therefore examine options for development of a broader buy recycled policy consistent with other business objectives, strategies and risk management processes.

Office consumables have previously been identified as a key area where Ai Group could implement a buy recycled policy. Ai Group has previously trialled the use of 100% recycled paper in our printers and copiers with unsatisfactory results. Given the high volume usage, this equipment heats up and recycled paper is not as curl resistant resulting in jams, wastage and reduced productivity. However Ai Group is seeking to continually reduce its paper use through the delivery of on-line publications and services.

APPENDIX A. ACTION PLAN SUMMARY TABLE

APC ACTION PLAN SUMMARY					
Covenant performance goals and KPIs	Actions	Responsibility	Baseline data	Target or performance goal	Timeline or milestones (MM/YY)
1. Design – optimise packaging to achieve resource efficiency and reduce environmental impact without compromising product quality and safety					
<p>KPI 1 – Proportion of signatories in the supply chain implementing the SPG for design or procurement of packaging</p> <p>Target: 70% of Covenant signatories with documented policies and procedures for evaluating and procuring packaging using the SPG or equivalent</p> <p>Target: 70% of Covenant signatories assessing 100% of new packaging and 50% of existing packaging against the guidelines</p>	<p>Ai Group will continue to offer information, advice and assistance to Ai Group member companies on the implementation of sustainable packaging guidelines</p> <p>This will include:</p> <ul style="list-style-type: none"> ▪ BIZassistBriefings ▪ BIZassistManual ▪ Sustainable Business News ▪ Industry Newsletter ▪ Environment Working Groups ▪ Information on Ai Group website 	National Manager Environment Policy and Membership Services		<p>BIZassistBriefings, conducted in approximately 30 metropolitan and regional locations</p> <p>Relevant sections of BIZassistManual reviewed and updated as required</p> <p>Ai Group Environment Working Groups to consider APC and SPG issues</p> <p>Website reviewed and new content developed as required</p>	June 2011
2. Recycling – the efficient collection and recycling of packaging					
<p>KPI 3 – Proportion of signatories with on-site recovery systems for recycling used packaging</p> <p>KPI 4 – Proportion of signatories with a policy to buy products made from recycled packaging</p> <p>All Covenant signatories will have a formal, documented policy of buying recycled products or materials</p>	<p>Ai Group will review recycling arrangements in place in each of Ai Group's offices</p> <p>Ai Group will examine options for development of a broader buy recycled policy consistent with other business objectives, strategies and risk management processes</p>	National Manager Environment Policy and Membership Services		<p>Recycling to be considered in refurbishment of Ai Group's Sydney Office</p> <p>Recommendations for future action</p> <p>Recommendations for future action</p>	<p>Review to be completed by 30 June 2011</p> <p>Sept 2011</p> <p>March 2012</p>

APC ACTION PLAN SUMMARY					
Covenant performance goals and KPIs	Actions	Responsibility	Baseline data	Target or performance goal	Timeline or milestones (MM/YY)
3. Product stewardship – a demonstrated commitment to product stewardship by the supply chain and other signatories					
<p>KPI 6 – Proportion of signatories that have formal processes for working with others to improve design and recycling of packaging</p> <p>Target: 70% of Covenant signatories are implementing formal policies and procedures in working with others to improve design, procurement and recovery of packaging</p> <p>KPI 7 – Proportion of signatories demonstrating other product stewardship outcomes</p> <p>Target: Continuous reduction in the number of packaging items in litter</p>	Assistance on APC available through the Sustainable Business Help Desk	Manager National Environment Services		Promotion of information on APC and SPG and continued availability of support	April 2011 – June 2012
	Energy efficiency training	Manager National Environment Services and Senior Advisor Environment and Energy, NSW		Development of on-line training program	May 2012
	Delivery of Sustainability Advantage	Manager National Environment Services and Senior Advisor Environment and Energy, NSW		Provision of Sustainability Advantage Modules to participating companies	April 2011 – June 2012
	Environmental Solutions Forums and Workshops	Manager National Environment Services		Delivery of 10 forums and 4 workshops	April 2011 – June 2012
	Environmental management training programs	Manager National Environment Services		Following training programs to be available to members <ul style="list-style-type: none"> • Compliance with environmental obligations • Practical environmental management • Developing, implementing and improving your EMS 	April 2011 – June 2012