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BLACKMORES LTD AUSTRALIAN PACKAGING COVENANT (APC) 2010-2015 ACTION PLAN



A signatory to the Australian Packaging Covenant



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# 1. EXECUTIVE SUMMARY



Blackmores Ltd was a signatory to the National Packaging Covenant (NPC) and has been invited to become a signatory to the Australian Packaging Covenant (APC). Blackmores is a brandowner, a member of the packaging supply chain and as a signatory to the Covenant is required to submit an Action Plan for the period 2010- 2015 and ongoing Annual Reports.

The purpose of the Action Plan is to show how Blackmores intends to contribute to the achievement of the Covenant's goals and to meet it's obligations under the Covenant. The three main performance goals of the Covenant are:

- Design Optimise packaging to use resources efficiently and reduce environmental impact without compromising product quality and safety
- 2. Recycling Efficiently collect and recycle packaging
- 3. Product Stewardship Demonstrate commitment of all signatories

Earlier in the year stakeholders met with their third party external consultant and participated in a workshop to review the requirements of the APC. As part of this review the stakeholders were taken through a 28 question questionnaire based on APC documentation and attendance at APC Workshops. The results of this review are documented in the Action Plan and the actions arising from this review are summarised in the Action Plan Table. Blackmores has carried out a preliminary review of the skills required to meet the requirements of the Australian Packaging Covenant. We have identified the key departments required to have input and will create a team to work on this key project as part of our ongoing efforts to address packaging. This Action Plan is to be followed up by regular meetings of the APC Team where we will continue to address the issues raised throughout the Plan. The Team will endeavour to facilitate a timely implementation of the Action Plan and will ensure data are stored in an auditable manner in a centralized APC audit database.

If you have any questions regarding Blackmores' activities under the Australian Packaging Covenant, or on Blackmores' broader environmental performance, please direct them to the Covenant contact:

#### **Philip Daffy**

Environment Manager Blackmores 20 Jubilee Ave Warriewood NSW 2012 Ph: (02) 9910 5223 Email: pdaffy@blackmores.com.au

Mr. Daffy reports through to Ms Christine Holgate, Chief Executive Officer, on all matters relating to the Covenant and Ms Holgate has endorsed this Action Plan.



# 2. COMPANY SUMMARY



### 2.1. COMPANY PROFILE

Blackmores is passionate about natural health and inspires people to take control of, and invest in, their health and wellbeing. We are leaders in developing and marketing products and services that deliver a more natural approach to health, based on our expertise in vitamins, minerals, herbs and nutrients.

The Company operates in Australia, New Zealand and Asia and currently employs more than 500 people in the region, with a head office based in Warriewood on Sydney's Northern Beaches. Blackmores became a publicly listed company in May 1985.

Blackmores has been an industry leader in Australia for more than 70 years. The company had its beginnings in the 1930s, thanks to the vision and passion of one man, Maurice Blackmore (1906–1977), an English immigrant whose ideas about health were ahead of their time.

Maurice Blackmore's belief in the health-giving properties of herbs and minerals led him to develop a whole system of healthcare based on naturopathic principles. His views on natural health, preventive medicine, and the environment were nothing short of radical in the 1930s, and his work opened the doors to new ways of treating illness and maximising health.

Maurice Blackmore was also responsible for starting one of Australia's first health food stores in Brisbane in 1938 and he worked with colleagues and friends to establish the first naturopathic colleges and associations in the country. His beliefs are still valid today and his teachings are incorporated into the training programs of many natural health practitioners.

Since taking the reins of the business in 1975, Maurice's son Marcus has continued the family traditions established by his father. He has overseen the development of Blackmores and made it a world leader in the dietary supplements business.

Blackmores' products are developed using a combination of scientific evidence and hundreds of years of traditional knowledge. Our products are made to exacting requirements, under the international PIC/s (Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme) standards of good manufacturing practice. We use high quality ingredients sourced from around the world. Our product formulations are approved by regulatory bodies where they are sold and are required to meet both our own and various governments' stringent standards of safety, quality and efficacy.





Blackmores has added a potential new growth platform to the Company with the acquisition of Pure Animal Wellbeing Pty Ltd (PAW) on 2 July 2010. PAW develops and markets natural dietary supplements and topical products for dogs and cats that are sold in veterinary clinics and specialty stores in Australia, New Zealand and Korea.

Blackmores' heritage and values are coupled with a commitment to superior business performance. Our strategic direction is focused on delivering growth and continuous improvement to maintain and enhance Blackmores' industry leadership position and achieve ongoing success for our company and our shareholders.



#### 2.2 ENVIRONMENTAL SUSTAINABILITY

Blackmores has a long term commitment to sustainability and social responsibility. We believe as responsible corporate citizens, we must address the issues of environmentally sustainable practices relating to all aspects of our business, demonstrating care, respect and compassion for our people, the broader community and the environment.

We have taken a broad-based approach to reducing packing waste across all aspects of the business through our involvement with the National Packaging Covenant. As a signatory to the new Australian Packaging Covenant, Blackmores is committed to reducing the environmental impact of our packaging through design, closing the recycling loop and demonstrating a commitment to good product stewardship.

The Covenant marks ten years of continuous improvement in the environmental performance of Blackmores' packaging and waste minimisation, and this was acknowledged at the Packaging Magazine Evolution Awards in 2006, 2007, 2008 and 2009, where Blackmores was a finalist for four consecutive years in the Pharmaceutical Packaging Action Award Category, winning twice.

As part of Blackmores' commitment to further reduce carbon emissions and minimise our carbon footprint, the conversion of all our fleet vehicles to LPG or diesel will be completed in 2011.





#### 2.3 BLACKMORES CAMPUS

The Blackmores Campus is a world-class facility that includes innovative features to minimise our environmental impact, drives operational efficiencies and importantly, provides resources and amenities to create a motivating, healthy happy place in which to work.

Officially opened in May 2009 and located at Warriewood on Sydney's Northern Beaches, the Blackmores Campus offers a new generation workplace that demonstrates the company's leadership in its balanced approach to health, work, life and the environment.

Every aspect of the campus reflects our values, our leadership and our commitment to quality. We are very proud of the sustainable building design, with a carbon footprint just one eighth of a comparable development.

Covering more than 25,000 square metres and housing more than 220 staff each day, the building has been developed to incorporate a healthy and productive working environment with a range of wonderful features including:

- Environmentally-friendly, low-volatile and low-emission furnishings including carpets, paints, and furniture.
- Building design that maximises natural lighting combined with low energy smart lighting systems to reduce artificial lighting needs.
- 100% fresh air through the use of an operable façade and access floors, resulting in an environment that is air-conditioning free for about two thirds of the year.
- Access to fresh air has been maximised with temperature-sensitive windows that open and close as the building warms and cools throughout the day.
- Integration of natural flora into the office setting, offering a tranquil workplace environment.

The campus also allows for improved production and distribution efficiency, through a significantly streamlined processing and quality assurance system, enhanced logistics and supply chain management. The integrated approach allows our Operations team to handle, store, pick and despatch goods faster and more accurately than ever before.





1,700 orders are shipped to our retail customers each week which totals more than 700,000 cartons every year. The new smart flow-through design optimises materials handling at all stages from production through to storage and despatch.

The flexible storage system design including selective, double-deep and narrow aisle racking with capacity for 5,000 pallets has provided enhanced customer service with faster order turnaround and fulfillment accuracy.

The design of the new building also embodies our commitment to environmental sustainability the key features of which include:

- One of Australia's first cogent gas-fired generation plants which provides the building energy needs electrical, heating and cooling, resulting in reduction of carbon dioxide emissions.
- Water from the pond located at the main entrance to the building is oxygenised and assists in the water-recycling system that captures stores and treats rainwater and is designed to achieve water self-sufficiency nine months of the year.
- Water-sensitive urban design practices for the control and treatment of storm water before it reaches creeks and water bodies.
- Thermally insulated facades and roof, light coloured roofing, natural shading devices (a living façade) to minimise heat loads on the building and subsequent high energy cooling requirements.
- Solar chimneys to facilitate natural ventilation.

Medicinal herbs in the Maurice Blackmore Memorial Garden are used for educational purposes, while culinary herbs are grown to include in healthy meals in the staff café. Some of the herbs featured include echinacea, lavender, rosemary, lemon balm and aloe vera.





### 2.4 BLACKMORES APPROACH TO PRODUCT STEWARDSHIP

Blackmores is aware of the importance of packaging design, selection of packaging materials and choice of minimal but effective secondary and tertiary packaging materials that facilitate production, distribution and retailing and its products. Post-consumption recovery and recyclability are integral to this life cycle approach.

The majority of Blackmores' products are packaged in glass with a polypropylene tamper-evident lid. Where products are placed in cartons, the recyclability of the carton is clearly indicated. Few products are packaged in blisters for on-shelf differentiation or in HDPE jars for bulk packs to minimise weight and breakages.

Blackmores has used glass as its preferred container since the early 60s based on its superior contents protection, recyclability and premium presentation on shelf.

Recognising that a product's life cycle necessitates a shared responsibility, Blackmores maintains an ongoing dialogue with downstream and upstream suppliers and customers on its approach to sustainable packaging, including disposal, recyclability and minimisation of packaging waste.



# 3. COVENANT CONTACT OFFICER



Mr Philip Daffy, Environment Manager, is responsible for Blackmores' commitment to the Australian Packaging Covenant. Mr. Daffy reports through to Ms Christine Holgate, Chief Executive Officer, on all matters relating to the Covenant and Ms Holgate has endorsed this Action Plan.

Mr Daffy's contact details are as follows:

Philip Daffy Environment Manager Blackmores 20 Jubilee Ave Warriewood NSW 2012 Ph: (02) 9910 5223 Email: pdaffy@blackmores.com.au

### 3.1 OUR APC TEAM

Blackmores has carried out a preliminary review of the skills required to meet the requirements of the Australian Packaging Covenant. We have identified the key departments required to have input and will create a team made up of the following individuals to work on this key project as part of our ongoing efforts to address packaging:

| Name:                           | Responsibility:                           |
|---------------------------------|---|
| Richard Henfrey<br>Team Sponsor | Director Strategic Sourcing (DSS)         |
| Jackie Smiles                   | Senior Procurement Executive (SPE)        |
| Brenda Davy                     | Category Marketing Manager (CMM)          |
| Karen Varker                    | PAW Representative (PR)                   |
| Tas Manoleskos                  | Merchandising Manager (MM)                |
| Mark Wilson                     | Warehouse and Distribution Manager (W&DM) |
| Darren Dziedziczak              | Quality Systems Manager (QSA)             |
| Philip Daffy                    | Environment Manager (EM)                  |





The APC Team is responsible for developing an internal project plan to co-ordinate all tasks required to implement the Action Plan. This list is not exhaustive and individuals may not be involved in all twelve strategies relating to the Sustainable Packaging Guidelines.

This Action Plan is to be followed up by regular meetings of the APC Team where we will continue to address the issues raised throughout this plan. The Team will endeavour to facilitate a timely implementation of the Action Plan and will ensure data is stored in an auditable manner in a centralized APC audit database.



# 4. SCHEDULE FOR PACKAGING REVIEWS



### 4.1 TYPES OF PACKAGING USED

The majority of the Blackmores' products are packaged in glass bottles some of which are cartoned, and less than 10% of the range is in alternative packaging such as blisters in cartons, HDPE bottles, PP cylinders in cartons and sachets in cartons.

The PAW range includes SKU's packaged in HDPE jars, HDPE bottles and LDPE tubes.

### 4.2 TIMETABLE FOR REVIEW

|                | % of Product Lines Reviewed |      |  |  |  |
|----------------|-----------------------------|------|--|--|--|
| Review Period: | Existing                    | New  |  |  |  |
| Year 1         | 20%                         | 50%  |  |  |  |
| Year 2         | 40%                         | 100% |  |  |  |
| Year 3         | 60%                         | 100% |  |  |  |
| Year 4         | 80%                         | 100% |  |  |  |
| Year 5         | 100%                        | 100% |  |  |  |



# 5. ACTION PLAN

## 5.1 INTRODUCTION

The purpose of the Action Plan is to show how Blackmores intends to contribute to the achievement of the Covenant's goals and to meet Blackmores' obligations under the Covenant. The three main performance goals of the Covenant are:

- 1. Design Optimise packaging to use resources efficiently and reduce environmental impact without compromising product quality and safety
- 2. Recycling Efficiently collect and recycle packaging
- 3. Product Stewardship Demonstrate commitment of all signatories

Earlier in the year Blackmores stakeholders met with its third party external consultant and participated in a workshop to review the following overarching requirements of the APC:

- Determine Action Plan requirements for Blackmores
- Assist in establishing an APC Team
- Provide overview / training for the APC Team
- Develop a project plan for development of the Action Plan
- Develop auditable document and filing system for managing the requirements

As part of this review the stakeholders were taken through a 28 question questionnaire based on APC documentation and attendance at APC Workshops. The results of this review are documented in the following sections and the actions arising from this review are summarised in the Action Plan Table.

#### 5.2 DESIGN

#### 5.2.1 COVENANT GOALS

- Review existing procedures for new packaging design or manufacture and integrate with requirements of Sustainable Packaging Guidelines;
- Determine timetable for "packaging review" of existing packaging to meet requirements of Sustainable Packaging Guidelines; and
- Identify and determine targets and actions for Plan.

#### 5.2.2 OUTCOME

The outcome should be packaging designed to:

- Avoid or minimise the use of materials and other resources;
- Optimise recyclability and recycled content; and
- Reduce litter impacts.



#### 5.2.3 KEY PERFORMANCE INDICATOR

The Key Performance Indicator for Design will be evidence that Blackmores is implementing the Sustainable Packaging Guidelines (SPG) for design or manufacture of packaging.

#### 5.2.4 CURRENT AND PLANNED ACTIONS

5.2.4.1 Blackmores does not have a documented policy and procedure for evaluating and procuring packaging using the SPG and this will be addressed in the Action Plan.

5.2.4.2 The most logical categorisation of existing packaging is by types of packaging as listed in section 4.1.

5.2.4.3 Blackmores has a formalised process for developing new packaging which needs to be revised to take into consideration the requirements of the SPG.

5.2.4.4 There are a number of improvement opportunities and successful outcomes shown in the NPC 2009-2010 Annual Report and all of these initiatives remain active in terms of maintaining or improving on the current level, in line with increasing business sales and activities. However, in the pharmaceutical industry, the need to maintain product efficacy overrides recycling / waste reduction efforts, as required by the Good Manufacturing Practice code of the Australian Therapeutic Goods Administration (TGA). The use of recycled material streams in the manufacture of primary packaging (direct product contact) is limited. In addition to this, the potential for source reduction through down gauging is limited as this can reduce barrier properties and consequently reduce product stability.

5.2.4.5 Blackmores will establish a centralized database for all issues relating to the APC including:

- All decisions and the underlying evidence for those decisions;
- Packaging review reports; and
- An auditable trail for decisions made in relation to the SPG.



### 5.3 RECYCLING

#### 5.3.1 COVENANT GOALS

- Review and document existing recovery systems;
- Review and document existing Buy Recycled Policies; and
- Identify and determine actions and targets for Plan.

#### 5.3.2 OUTCOME

The outcome should be:

- Improved recovery of recycled materials from the premises of Blackmores; and
- Increased secondary markets for recovered packaging materials.

#### 5.3.3 KEY PERFORMANCE INDICATOR

The Key Performance Indicator for Recycling will be evidence that Blackmores is implementing the on-site recovery of packaging through documentation provided from contracted waste managers, and an increase in the level of recycled content in purchases made by Blackmores.

#### 5.3.4 CURRENT AND PLANNED ACTIONS

**5.3.4.1** Blackmores' packaging waste reduction goals are to reduce waste and to be environmentally responsible. In order to measure this it will be necessary to maintain base line data (refer Appendices).

5.3.4.2 There are no formalised employee education programs about recycling and waste reduction and this will be addressed by the APC Team.

**5.3.4.3** In-house recycling of secondary packaging (packaging for received goods, e.g. bulk tablets, capsules, bottles, labels, etc.) is segregated and either sold for reuse or picked up for recycling. Plastic film is segregated and baled for sale and reuse. Waste product packaging, e.g. glass bottles, is recycled.

5.3.4.4 Recycling is currently seen as a saving.

5.3.4.5 Blackmores does not have a Buy Recycled Policy and this needs to be addressed by the APC Team.



### 5.4 PRODUCT STEWARDSHIP

#### 5.4.1 COVENANT GOALS

- Review and document existing Product Stewardship procedures;
- Review existing Supply Contracts for take back;
- Review existing Waste Management contracts; and
- Identify and determine actions and targets for Plan.

#### 5.4.2 OUTCOME

The outcome should be:

- To improve the design and recycling of packaging; and
- Reduce the overall level of litter created by packaging.

#### 5.4.3 KEY PERFORMANCE INDICATORS

The key performance indicators for product stewardship are;

- Have formalised procedures in place to work with others to improve design and recycling of packaging;
- To engage in other initiatives that show product stewardship such as education, sponsorship of initiatives etc; and
- To reduce the occurrence of litter in their operations and encourage clients to properly dispose of the packaging on products to remove them from the litter stream.

#### 5.4.4 CURRENT AND PLANNED ACTIONS

5.4.4.1 Blackmores does not have supply contracts that require take back and recycling of packaging and this will be addressed in the Action Plan.

5.4.4.2 Blackmores does not have waste management contracts that require collection and recycling of packaging.

5.4.4.3 Blackmores' procurement process does not require suppliers to participate in reducing packaging through regular meetings or product reviews.

5.4.4.4 Blackmores does not participate in industry or multi stakeholder working groups to address shared issues.



## 5.5 ACTION PLAN TABLES

| Covenant Performance<br>Goals  | Actions   | Responsibility | Baseline Data  | Targets  | Timeline          |
|--|---|----------------|--|--|-------------------|
| 1. Design - optimise<br>packaging to achieve<br>resource efficiency and<br>reduction in quantity<br>required. The design<br>efforts should reduce<br>environmental impact without<br>compromising product<br>quality and safety. |   |                |  |  |                   |
| KPI 1. Proportion of<br>signatories in the supply<br>chain implementing the<br>Sustainable Packaging<br>Guidelines for design or<br>procurement of packaging.  | Revise Environment<br>Policy to incorporate<br>principles and<br>strategies of SPG.   | EM             | Current policy adopts<br>objectives of the<br>Environmental Code of<br>Practice for Packaging,<br>together with packaging<br>and material design,<br>procurement and<br>distribution packaging<br>guidelines.                              | New policy that<br>gives step by<br>step guidance for<br>new and existing<br>packaging to<br>ensure that the<br>most sustainable<br>option is<br>considered. | September<br>2011 |
|  | Revise SOP for new<br>product development<br>to include sign off<br>for compliance with<br>revised Environment<br>Policy.   | СММ            | Existing document<br>Product Development<br>and Innovations New<br>Product Development<br>Workflow/Process has<br>sign-off by Operations/<br>Procurement for<br>Environment Policy<br>compliance at the<br>concept development<br>stage.   | Process that<br>ensures SPG<br>strategies are<br>addressed and<br>most sustainable<br>option is<br>considered for<br>new packaging.                          | October 2011      |
|  | Establish Sustainable<br>Packaging Team<br>membership and<br>terms of reference<br>including meeting<br>frequency and<br>process for<br>documentation<br>maintenance. | DSS            | Team replaces previous<br>team that administered<br>NPC action plan; team<br>is cross-functional;<br>consideration will need<br>to be given to inclusion<br>of external packaging<br>expertise. Proposed<br>composition in section<br>3.1. | Cross-functional<br>team with<br>appropriate<br>expertise to<br>champion and<br>administer<br>sustainable<br>packaging<br>initiatives.                       | June 1 2011       |
|  | Integrate Pure Animal<br>Wellbeing (PAW)<br>product packaging<br>procurement into<br>Blackmores sourcing<br>structure.  | SPE / PR       | PAW product packaging<br>has been sourced and<br>procured outside of<br>Blackmore's operations<br>team.  | Consistency and<br>compliance with<br>SPG across all<br>Blackmores'<br>brands.   | July 2012         |



| Covenant Performance<br>Goals | Actions  | Responsibility | Baseline Data  | Targets  | Timeline  |
|-------------------------------|--|----------------|--|--|-----------|
|                               | Review existing<br>products against<br>SPG.  | СММ            | Preliminary review<br>indicates 15 groupings<br>by packaging type for<br>Blackmores brand  | First grouping<br>to be reviewed<br>within three<br>months   | July 2011 |
|                               |  |                | PAW range includes<br>four groupings by<br>packaging type  | Complete review<br>of first three<br>groupings in<br>year 1  | May 2012  |
|                               |  |                |  | Review<br>completed within<br>five years   | May 2016  |
|                               | Develop template to<br>document review for<br>each grouping (refer<br>APC Handbook 63<br>questionnaire).   | СММ            |  | Strategy for<br>packaging<br>material<br>reduction based<br>on review of<br>current practices.   |           |
|                               | Finalise Groupings<br>by packaging type<br>for Blackmores and<br>PAW brands.   | СММ            |  |  | June 2011 |
|                               | Prepare timetable<br>for review of all<br>products.  |                |  |  | July 2011 |
|                               | Create timetable<br>of meetings with<br>existing suppliers<br>to assess and<br>document their<br>environmental<br>practices and<br>capabilities. | SPE            | Knowledge of suppliers'<br>credentials lies with<br>different people and<br>external documents;<br>need more formal<br>supplier review.                      | Alignment of<br>suppliers with<br>Blackmores'<br>sustainability<br>goals; creation of<br>new approved/<br>preferred supplier<br>list.                | May 2012  |
|                               | Develop centralised<br>database of all<br>meetings, reviews<br>and decisions<br>relevant to the APC  | EM             | Action plans, annual<br>reports and minutes<br>of meetings relating to<br>NPC were stored on<br>Blackmores shared<br>drive. Same model will<br>apply to APC. | Accessible<br>shared database<br>for all issues<br>relating to<br>the APC that<br>provides clear<br>audit trail for all<br>decisions made<br>re: SPG | July 2011 |



| Covenant Performance<br>Goals   | Actions  | Responsibility | Baseline Data  | Targets  | Timeline          |
|---|--|----------------|--|--|-------------------|
| <ol> <li>Recycling – efficiently<br/>collect and recycle<br/>packaging</li> <li>KPI 2. Not required by<br/>individual signatories.</li> </ol> |  |                |  |  |                   |
| KPI 3. Proportion of<br>signatories with on-site<br>recovery systems for<br>recycling used packaging.   | Review on-site<br>recovery systems for<br>used packaging.  | W&DM           | Current Waste<br>Management SOP<br>W-408 references<br>NPC and gives specific<br>guidance to disposal of<br>discarded production<br>material, as well as<br>kitchen waste. Very little<br>material goes to landfill,<br>the majority being<br>reused or recycled.  | Once baseline<br>quantities are<br>established a<br>programme<br>for continuous<br>percentage<br>improvement<br>in minimising<br>and recycling<br>discarded<br>packaging will be<br>implemented. | September<br>2011 |
|   | Review waste<br>management<br>practices of<br>Blackmores interstate<br>facilities.                             | W&DM           | Interstate offices<br>implement their own<br>recycling practices<br>for office and kitchen<br>waste.   | Improved<br>recycling using<br>uniform waste<br>management<br>practices across<br>all of Blackmores<br>Australian<br>facilities.   | December<br>2012  |
|   | Ensure trade<br>marketing and point<br>of sale materials are<br>covered within the<br>Procurement Policy.      | MM             | Trade marketing and<br>point of sale materials<br>are purchased outside<br>of the centralised<br>procurement function.   | Improvement<br>in purchasing<br>material with<br>recycled content.   | July 2012         |
|   | Review processes<br>for education and<br>training with regard<br>to in-house recycling<br>and waste reduction. | W&DM           | Current Waste<br>Management SOP<br>W-408 references<br>NPC steps taken to<br>separate and segregate<br>materials, is followed<br>by all Operations staff<br>within Blackmores<br>and is incorporated<br>into induction training<br>checklist. There are<br>no processes in place.<br>The Staff Handbook<br>references support for<br>NPC and references<br>recycling initiatives but<br>does not give specific<br>guidance on recycling<br>in the office area. New<br>process should also be<br>relevant to Blackmore's<br>interstate offices. | Motivated,<br>informed<br>personnel,<br>reduction in<br>waste, efficient<br>recycling  | July 2012         |



| Covenant Performance<br>Goals   | Actions  | Responsibility | Baseline Data  | Targets  | Timeline                 |
|---|--|----------------|--|--|--------------------------|
| KPI 4. Proportion of<br>signatories with a policy to<br>buy products made from<br>recycled packaging. | Continue collection<br>of Warriewood waste<br>stream data  | W&DM           | Data on waste and<br>recycling have been<br>collected for last 6<br>years for submission<br>to NPC, providing<br>baseline against which<br>improvement can be<br>measured.   | Improvement in<br>recycling and<br>reduction in use<br>of secondary<br>packaging | September<br>2011        |
|   | Implement a buy<br>recycled policy;<br>review Environment<br>Policy and<br>Procurement Policy<br>to ensure alignment<br>and clarity of process<br>and responsibility.          | DSS            | Current Environment<br>Policy gives guidance<br>on recycled content and<br>recyclability of materials<br>used in existing<br>packaging, but is not<br>prescriptive.<br>Procurement Policy has<br>not been completed;<br>current procurement<br>policy is Request for<br>Quote RFQv110110<br>which asks suppliers to<br>provide their position on<br>energy and climate and<br>material efficiency. | Improvement<br>in purchasing<br>material with<br>recycled content.               | September<br>2011        |
|   | Review procurement,<br>tender and supply<br>documents to ensure<br>preference is given<br>to products with<br>recycled content<br>and environmentally<br>sustainable features. | DSS            | There are guidelines<br>within the Environment<br>Policy; other policies yet<br>to be written.   | Proactive<br>sourcing of<br>packaging<br>materials with<br>recycled content.     | Commencing<br>April 2012 |
| KPI 5. Not required by individual signatories.  | Commitment<br>to percentage<br>improvement in<br>packaging purchased<br>with recycled content  | SPE            | Recycled content of<br>existing packaging will<br>be determined from<br>packaging review.<br>Once baseline figures<br>have been established<br>a figure can be<br>set for percentage<br>improvement for existing<br>purchased materials.   | Improvement<br>in purchasing<br>material with<br>recycled content                | May 2016                 |



| Covenant Performance<br>Goals  | Actions  | Responsibility | Baseline Data  | Targets  | Timeline  |
|--|--|----------------|--|--|---|
| 3. Product Stewardship –<br>demonstrate commitment of<br>all signatories   |  |                |  |  |   |
| KPI 6. Proportion of<br>signatories that have formal<br>processes for working with<br>others to improve packaging<br>design and recycling. | Assess opportunities<br>for minimising<br>packaging of existing<br>products.   | СММ            | The formal review<br>of existing product<br>packaging should<br>highlight potential for<br>removing unnecessary<br>packaging.  | Reduction in<br>number of<br>packaging<br>components;<br>reduction<br>in weight of<br>packaging.                             | Same timeline<br>as phased<br>groupings<br>assessment |
|  | Review devices<br>on all packaging<br>including consumer<br>education messages<br>and messages on<br>secondary and<br>tertiary packaging<br>about appropriate<br>disposal. | MM             | Use of Mobius loop<br>is not uniform across<br>all cartons; consumer<br>research needed<br>to ascertain most<br>appropriate recycling<br>symbol.   | Clear call to<br>action on<br>disposal of all<br>packaging,<br>reduction in<br>material going to<br>landfill or litter.      | May 2012  |
|  | Audit downstream<br>distribution<br>movement of finished<br>goods to determine<br>fate of secondary<br>and tertiary<br>packaging.  | W&DM           | Under the NPC<br>stakeholders were<br>informed of Blackmores'<br>philosophy and<br>policies with regard<br>to minimisation of<br>packaging waste,<br>however Blackmores<br>does not have clear<br>visibility over fate of<br>waste secondary and<br>tertiary packaging<br>materials. | Supply contracts<br>that specify<br>responsibility for<br>recycling/re-use<br>of packaging<br>materials.                     | November<br>2012                                      |
|  | Audit contractual<br>relationship with<br>waste management<br>partners.  | W&DM           | Current Waste<br>Management SOP<br>W-408 describes<br>pathways for separation<br>and segregation of<br>materials for recycling<br>and re-use, and names<br>the service providers.  | Waste<br>management<br>contracts with<br>suppliers of<br>recycling and<br>re-use services.                                   | September<br>2011                                     |
|  | Prepare timetable<br>of meetings with<br>packaging supplier<br>partners.   | SPE            | Current practice<br>more geared to new<br>products and initiatives<br>associated with product<br>development timetable.  | Structured<br>investigation<br>of packaging<br>innovations and<br>opportunities<br>with aim of<br>reduction in<br>packaging. | September<br>2011 (for<br>timetable)                  |



| Covenant Performance<br>Goals   | Actions   | Responsibility | Baseline Data  | Targets  | Timeline  |
|---|---|----------------|--|--|-----------|
| KPI 7. Proportion of<br>signatories demonstrating<br>other product stewardship<br>outcomes for packaging. | Investigate formation<br>of, or alignment with,<br>relevant stakeholder<br>group that functions<br>as a vehicle for<br>discussing shared<br>issues. | DSS/Team       | Options include<br>alignment with<br>competitors, industry<br>(e.g. CHC), retail<br>industry, materials<br>recycling facilities,<br>suppliers.   | Forum for<br>sharing and<br>learning with<br>objective of<br>minimising<br>packaging<br>waste. | July 2012 |
|   | Secure endorsement<br>by CEO to commit to<br>review all packaging<br>of Blackmores<br>branded products<br>against SPG.                              | DSS            | Blackmores is a signatory to the APC   | Commitment<br>to review<br>packaging,<br>minimisation of<br>packaging and<br>waste and litter. | June 2011 |
|   | Develop<br>questionnaire<br>template for<br>packaging review.   | СММ            | Third party consultant<br>and SPG provide good<br>guidance.  | Consistent<br>criteria for<br>assessing<br>packaging.  | May 2011  |
| KPI 8. Reduction in the<br>number of packaging items<br>in litter.  | Assess opportunities<br>to support a<br>community-based<br>litter reduction<br>programme.   | EM             | We have previously<br>supported Clean Up<br>Australia, Landcare<br>and Planet Ark with<br>environmental initiatives.<br>We should as a<br>minimum align with<br>Clean Up Australia as<br>a national initiative, and<br>also consider a local<br>(e.g. Pittwater Council<br>wetlands) project as one<br>option. | Partnership in a<br>litter reduction<br>programme.   | May 2012  |



# **APPENDICIES**

#### **BASELINE TABLES**

#### Table 1: Five Year History of Waste Audits by Material Type

| Material Type                           | 2005-2006               | 2006-2007               | 2007-2008            | 2008-2009            | 2009-2010               |
|---|-------------------------|-------------------------|----------------------|----------------------|-------------------------|
| Cartons                                 | 134,500 each            | 155,200 each            | 166,400 each         | 249,300 each         | 138,700 each            |
| Plastic<br>(stretch and<br>shrink wrap) | 7.5 tonnes              | 36 tonnes               | 16 tonnes            | 16 tonnes            | 43 tonnes               |
| Paper                                   | 1,175m_                 | 1,398m_                 | 1,485m_              | 1,652m3              | 3,540m3                 |
| General waste                           | 1,176m_                 | 1,409m_                 | 1,506m_              | 1,687m3              | 382.5m3                 |
| Glass                                   | 10,440 litres           | 28,800 litres           | 22,900 litres        | 20,800 litres        | 28,800 litres           |
| Caps                                    | 6,000 each              | 6,250 each              | 6,450 each           | 7,295 each           | 9,600 each              |
| Reject<br>materials                     | 18 pallets              | 16 pallets              | 16 pallets           | 18 pallets           | 27 pallets              |
| Waste water<br>(grease trap)            | 2 x annual call<br>outs | 4 x annual call<br>outs | 4 x annual call outs | 5 x annual call outs | 2 x annual call<br>outs |

#### Table 2: Five Year History of Tonnes of Packaging to Tonnes of Packaged Product.

| Material                     | 05-06 | 06-07 | 07-08 | 08-09 | 09-10 |
|------------------------------|-------|-------|-------|-------|-------|
| Paper & Cardboard            |       |       |       |       |       |
| Paper                        | 0.004 | 0.005 | 0.005 | 0.005 | 0.005 |
| Cardboard<br>(Shipper Board) | 0.046 | 0.044 | 0.046 | 0.045 | 0.045 |
| Cardboard<br>(Cartons)       | 0.004 | 0.003 | 0.003 | 0.004 | 0.004 |
| Glass                        | 0.454 | 0.475 | 0.460 | 0.423 | 0.414 |
| Plastics                     |       |       |       |       |       |
| HDPE                         | 0.008 | 0.015 | 0.021 | 0.024 | 0.025 |
| PVC                          | 0.005 | 0.006 | 0.006 | 0.007 | 0.008 |
| LDPE                         | 0.023 | 0.022 | 0.024 | 0.023 | 0.014 |
| Bulk Shrink Wrap             | 0.040 | 0.005 | 0.005 | 0.005 | 0.005 |
| PP                           |       |       |       |       | 0.009 |
| Other                        |       |       |       |       |       |
| Silica Gel                   | 0.001 | 0.001 | 0.001 | 0.001 | 0.001 |
| TOTAL                        | 0.557 | 0.547 | 0.573 | 0.543 | 0.530 |