



The Smith's Snackfood Company Pty Ltd and Sakata Rice Snacks Australia Pty Ltd

Australian Packaging Covenant Action Plan Addendum – 2016 Update

Table 1: Smith's and Sakata APC Action Table

Action	Responsibility	Baseline data	Targets	Milestones
GOAL 1: Design - optimise packaging to achieve resource efficiency and reduce environmental impact				
KPI 1 – Implementation of the Sustainable Packaging Guidelines				
Maintain an APC Team to manage company APC obligations and integration into business systems	APC Coordinator	Cross-functional APC Team in place since 2011. Representative turnover due to business changes.	Establish new team by December 2016 and formalise Team Charter	<ul style="list-style-type: none"> • Full cross-functional team in place by December 2016 • Team Charter accepted
APC Team to meet regularly to discuss action plan implementation	APC Coordinator	APC Team meetings held bi-annually	Minimum bi-annual APC team meetings, formalise timetable	<ul style="list-style-type: none"> • Meeting timetable established and communicated by December annually for following year • Report meeting status annually
Assess opportunities to streamline SPG review process and documentation, considering learnings to date	Performance and Productivity Senior Manager	Sustainable Packaging Guidelines currently incorporated into relevant Procurement, Product Development, Environmental and Manufacturing business systems. Multiple documents throughout systems.	Streamline SPG review and formalise any new documents and processes by June 2017	<ul style="list-style-type: none"> • Map all documentation by end March 2017 • Streamline systems and documents by June 2017
Continue to review all new packaging against Sustainable Packaging Guidelines	Packaging Development Manager	All new packaging formats are reviewed against the SPG as an integral part of our new product development process.	100% of new packaging reviewed against SPG each year	<ul style="list-style-type: none"> • Maintain register of reviews for each APC Team meeting • Ongoing process, annually report outcomes



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Update reviews of existing packaging against Sustainable Packaging Guidelines	APC Team	All existing packaging formats have been reviewed against the SPG, except for 2 that are outside our operational control.	1 major category review updated each year (total 4) from 2017	<ul style="list-style-type: none"> Annually report outcomes 4 major categories reviewed by 2020: Flexible film, corrugate board, carton board, thermoformed trays
Continue to implement improvement strategies identified during reviews of existing products. Document and report actual or attempted changes to packaging, where possible including quantifiable data.	Packaging Development Manager	Key packaging changes communicated in APC reports annually.	Opportunities for existing products documented and prioritised for implementation annually. Changes documented and reported annually	<ul style="list-style-type: none"> Ongoing process, annually report outcomes
Monitor PepsiCo global research into bio-structures as alternatives to current chip packaging for local implementation	Packaging Development Manager	PepsiCo research into suitable bio-structures and compostable films.	Identify and trial new structure by December 2018	<ul style="list-style-type: none"> Annual review of technologies Establish parameters and location for controlled trial by December 2017 Qualify suitable material for local trial by December 2018
Investigate options for fully recyclable packaging for chip bags	Packaging Development Manager	PepsiCo has set a global goal to strive to design our packaging to be recoverable or recyclable by 2025, and to partner to increase packaging recovery and recycling rates	Research documented and reported annually.	<ul style="list-style-type: none"> Ongoing process, annually report outcomes
Require all marketing department representatives to complete the Sustainable Packaging Covenant Toolkit	Marketing Commercialisation Manager	Not started	100% of marketing representatives to complete toolkit by December 2017	<ul style="list-style-type: none"> All marketing representatives to have completed toolkit by December 2017
Communicate APC and SPG requirements to all relevant functions, and implement training program to raise awareness of APC objectives.	ANZ Environment Manager	APC referenced in general Induction and newsletters	Documented annual communication and function-specific training plan. APC training completed for Procurement, Sales and R&D by end 2017	<ul style="list-style-type: none"> Documented communication and training plan by March 2017 APC training completed for Procurement, Sales and R&D by end 2017



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Leverage existing corporate reporting systems to quantify and improve monitoring of packaging sustainability initiatives	Performance and Productivity Senior Manager	PepsiCo Power Steering database in place to monitor Productivity initiatives.	Power Steering reports used to track progress for packaging improvement initiatives by April 2017	<ul style="list-style-type: none"> Identify options to improve tracking of initiatives with sustainability co-benefits by March 2017 Integrate into Performance and Productivity training and procedures by April 2017
GOAL 2: Recycling - the efficient collection and recycling of packaging				
KPI 3 – On-site recovery systems for recycling used packaging				
Improve existing waste and recovery systems at manufacturing facilities to work towards a goal of zero waste to landfill.	Site EHS Managers	92% recycling rate achieved in 2015	Zero waste to landfill for manufacturing sites by 2025	<ul style="list-style-type: none"> New waste contracts in place by December 2016 Annually report progress
Install and maintain on-site recycling facilities in all staff areas including kitchens and office areas.	Site EHS Managers	Existing systems in administrative areas include paper and cardboard, co-mingle, printer cartridge and e-waste recycling. Office refurbishment underway at Chatswood Head office, move into new offices planned by December 2016	<p>Recycling facilities available in all staff areas, focus on new Chatswood facility.</p> <p>Staff training provided and embedded within employee induction program.</p>	<ul style="list-style-type: none"> Areas lacking recycling facilities identified by March 2017 New facilities installed in these areas by April 2017 Recycling training included in new staff induction by April 2017 Existing staff inducted in recycling training March 2017
Implement PepsiCo ReCon Waste program at all manufacturing facilities to minimise waste and increase recycling	Site EHS Managers	PepsiCo ReCon is available for deployment in Australia. ReCon is a proprietary resource conservation program that enables sharing of best practice across PepsiCo globally.	ReCon Waste deployed across Australian manufacturing sites in 2017	<ul style="list-style-type: none"> ReCon Waste Workshop by June 2017 Waste stream audits at all sites by September 2017
Maintain education to all staff regarding company recycling and waste disposal practices to maximise recycling rates	Site EHS Managers	Documented waste management procedures and training at manufacturing facilities	Waste training / educational pieces produced and distributed annually	<ul style="list-style-type: none"> Ongoing process, report annually



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Conduct waste compliance audits at all sites to review waste data quality and conformance with company standards for waste management	Site EHS Managers	Waste audits completed annually to meet requirements of PepsiCo Global EHS Management System (GEHSMS) Technical standards	Year on year improvement in GEHSMS score.	<ul style="list-style-type: none"> Complete annual GEHSMS audit at each manufacturing facility by December Annually benchmark results
Maintain reporting system to monitor weight and percentages of segregated and recycled packaging material from all manufacturing sites	Site EHS Managers	Wastes are segregated on site and volumes are tracked to identify opportunities for improvement. Minimum monthly reporting of waste and recycling performance into corporate database.	Waste and recycling statistics reported annually	<ul style="list-style-type: none"> Ongoing monitoring to be reported in annual report
KPI 4 – Proportion of signatories with a policy to buy products made from recycled packaging				
Review opportunities to buy recycled.	Procurement Manager	Opportunities to buy recycled are formally monitored for each of our core packaging categories, as reported in annual APC reports.	Evaluate the potential and set targets	<ul style="list-style-type: none"> Opportunities to buy recycled packaging reported annually
Document and report recycled content purchases, reviewing these purchases to identify opportunities to increase year on year.	Procurement Manager	In 2015 we achieved 72% recycled content across our core packaging categories	Report the items purchased and the percentage of recycled content, and any future opportunities to increase recycled content percentages	<ul style="list-style-type: none"> Items purchased and improvements reported annually
Investigate alternative sources of multi-pack fibreboard to increase recycled content of our packaging materials.	Procurement Manager	Fibreboard used for our multi-packs is virgin material. The source mill is FSC certified and board weight has been minimised to reduce source virgin fibre material.	Increase recycled content of fibreboard, subject to maintaining necessary functional characteristics to meet our production and commercial needs	<ul style="list-style-type: none"> Identify options by December 2016 Assess feasibility of manufacturing trial by December 2017



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GOAL 3: Product Stewardship - demonstrated commitment to product stewardship				
KPI 6 – Proportion of signatories that have formal processes for working with others to improve design and recycling of packaging				
Assess opportunities for take-back schemes for used packaging and update supply contracts to include these requirements	Procurement Manager	The opportunity to embed packaging take-back schemes into supply contracts is assessed as contracts are due for renewal. In 2015 we maintained supplier take back schemes for re-usable potato crates, returnable pallets and chemical containers (IBCs)	Supplier packaging take-back opportunities identified, implemented, monitored and recorded	<ul style="list-style-type: none"> Ongoing process, annually report outcomes
Continue to work with suppliers to implement sustainable supply chain schemes. Implement formal global Supplier Code of Conduct Process to communicate expectations and ensure accountability to its principles.	Procurement Manager	Under the PepsiCo Global Procurement Contract Management Policy, all suppliers are required to adhere to the PepsiCo Supplier Code of Conduct.	Supplier Code of Conduct established in contracts with 100% Packaging Suppliers	<ul style="list-style-type: none"> Ongoing process, annually report outcomes
Negotiate and include packaging sustainability criteria as contracts are renewed with packaging suppliers	Procurement Manager	SPG criteria are included in our Request for Tender templates, and packaging sustainability requirements are integrated into contracts on renewal.	Packaging sustainability criteria incorporated into 100% of packaging tenders and contracts with packaging suppliers on renewal	<ul style="list-style-type: none"> Ongoing commitment with contracts updated as they are renewed. Annual reporting of inclusion of criteria.
Collaborate with global PepsiCo team to incorporate international sustainability initiatives into local practices.	APC Team	PepsiCo has implemented a global operating model to support collaboration and sharing of best practice.	Continuing dialogue with international offices to incorporate better sustainability practices for packaging and products into local business.	<ul style="list-style-type: none"> Dialogue ongoing, records retained and outcomes reported annually.



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Maintain regular scheduled meetings with packaging suppliers to identify and support implementation of continuous improvement projects	Procurement Manager Packaging Development Manager	Regular meetings held with suppliers	Minimum quarterly meetings with suppliers scheduled and minuted. Improvement projects documented for implementation.	<ul style="list-style-type: none"> Ongoing assistance provided with implementation of plans, with actions reported annually.
Review waste management contracts to ensure resource recovery is promoted and measured by contractors	Procurement Manager	National waste contractor selection and contracting underway in 2015.	All waste contracts incorporate requirements for continual improvement in resource recovery and accurate reporting of waste data	<ul style="list-style-type: none"> Waste tender evaluation and contractor selection by December 2016
KPI 7 – Other product stewardship initiatives				
Maintain ISO 14001 certification and environmental management system across all applicable sites.	ANZ Environment Manager	All Smith's and Sakata manufacturing sites certified to ISO14001	System and certification maintained and reported annually.	<ul style="list-style-type: none"> Certification reported annually
Continue programs to improve environmental sustainability of our packaged products by reducing water usage per unit production at our manufacturing facilities	Site EHS Managers	PepsiCo globally set a target for manufacturing facilities to reduce water usage/ per unit of production by 20% by 2015 relative to the base year of 2006. Smith's and Sakata achieved a 38% reduction.	25% improvement in water use efficiency at our manufacturing facilities by 2025	<ul style="list-style-type: none"> Ongoing implementation reported annually
Identify initiatives to improve efficiencies and minimise waste across all packaging machines	Performance & Productivity Senior Manager	Packaging efficiency and waste monitored at all manufacturing facilities	Aim to increase packaging efficiency year on year	<ul style="list-style-type: none"> Ongoing implementation reported annually
Implement printing controls policy for the business to reduce office paper waste.	ANZ Environment Manager	New printers installed 2015	20% Reduction in printing by December 2016	<ul style="list-style-type: none"> Reduce printing by 20% by December 2016
Support Planet Ark office waste clean out in November	ANZ Environment Manager	Friday File Fling held in November 2015 at Head office, with 3x 240L bins of paper sent to recycling	Annually participate in Planet Ark office clean out to raise awareness of recycling	<ul style="list-style-type: none"> Ongoing participation reported annually
Assess Product Stewardship models available locally to encourage return of used consumer packaging for recycling.	ANZ Environment Manager	USA operations have Existing relationship with Terracycle	Local options identified and progress reported annually	<ul style="list-style-type: none"> Report progress annually



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KPI 8 – Reduction in the number of packaging items in litter				
Ensure correct consumer disposal and recycling information is provided on packaging, with annual review to pursue continual improvement.	Marketing Commercialisation Manager	Company standard established for consumer information on packaging and incorporated into artwork approval process	Annually report results of review. 100% of products with correct disposal or recycling guidance by December 2016	<ul style="list-style-type: none"> Review of existing packaging undertaken annually 100% of packaging to show correct logo by December 2016
Identify initiatives to reduce levels of litter reported against our brands in Keep Australia Beautiful surveys.	ANZ Environment Manager	KAB Litter surveys reviewed when published	Understand brand propensity to become litter and communicate to business leaders annually. Aim to see reduction in levels of litter reported against our brands in subsequent KAB reports	<ul style="list-style-type: none"> Report initiatives annually
Identify and clean up litter on our sites.	Site EHS Managers	Site environmental, safety, housekeeping and quality inspection programs in place	Formalise litter monitoring system at all sites by end 2016 and report progress to limit litter generation annually.	<ul style="list-style-type: none"> Litter management audits in place at all manufacturing facilities by December 2016 Annual review of actions to limit litter generation
Support a local litter reduction program.	Corporate Affairs Senior Manager	Established Corporate Giving program	Raise awareness through internal promotion. Annual financial support provided to the selected program.	<ul style="list-style-type: none"> Track annual uptake
Participate annually in Clean Up Days with a goal to increase participation year on year through internal promotion.	ANZ Environment Manager	Annual Clean Up days held at manufacturing facilities	Promote Clean Up days annually. Document and annually report participation trends	<ul style="list-style-type: none"> Annual participation completed and reported