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Towards Sustainable Packaging

Moving Beyond the Debate

Australians are concerned about the environment. In recent times these concerns have increased. Climate change, greenhouse gases, water shortages and energy usage are all issues provoking questions about the sustainability of our lifestyle. Being environmentally responsible is now more important to consumers.

The packaging industry in Australia needs to respond. Packaging is not viewed positively. Perceptions persist about over-packaging and excessive waste. The heightened focus on the environment means these criticisms are likely to become louder.

Yet the reality is different. Packaging is inherently able to deliver significant environmental benefits and the industry has a base of solid environmental achievement. It has taken the lead on recycling. Commercial and regulatory pressures are reducing the amount of resources, energy and water put into producing packaging. Packaging actually reduces product waste. It minimises environmental impacts by protecting products from damage, optimising processing, enabling more efficient transport, and increasing the shelf-life of perishable products. These are all sustainable outcomes.

The packaging chain is well positioned to address sustainability, and will benefit from doing so. Its record, over several decades, of tackling environmental issues means that it has the experience and expertise to meet today's sustainability challenges.

Sustainable packaging is good business! Packaging innovation and better design often means the use of less resources, the production of less waste, lower costs and a more competitive product. Recycling of used packaging also enhances sustainability. In short, sustainability is becoming the new marketing criterion.

Industry must articulate what sustainable packaging means for Australia. It needs to address the « disconnect » between the perceptions and reality of packaging.

Defining Sustainable Packaging

A sustainable packaging and product supply chain might be defined as 'a system that enables goods to be produced, distributed, used and recovered with minimum environmental impact at lowest social and economic cost'.

Sustainability is not an end in itself, but rather a continuing journey. A consensus definition of sustainability is difficult to reach for any industry sector, and it is unlikely that stakeholders would unanimously agree when an industry such as packaging has become sustainable.

In Australia, the National Packaging Covenant has, since 1999, been the principal national policy instrument for improving the "lifecycle management", or sustainability, of packaging. Other regulation and legislation promoting cleaner production, energy efficiency, protection from hazardous material and water efficiency also seek to indirectly improve sustainability in the packaging supply chain. These instruments – as well as commercial reality - are driving the goal of sustainability and forcing companies to respond. These pressures will not diminish.

Sustainability is an increasingly important part of packaging decision-making. Industry must have the flexibility and obligation to use all appropriate materials responsibly.

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The Australian Packaging Supply Chain

The industry needs to take the lead in demonstrating that packaging adds environmental value to the Australian community. It contributes to the economic and social well-being of all Australians by providing convenient, safe and cost-efficient delivery of products. It provides consumers with important, often vital, product information.

The Australian packaging supply chain has made steady progress in balancing the social, economic and environmental components of sustainability. While this progress shouldn't be overstated, it shouldn't be overlooked, either. It provides a base for future action.

Companies in the packaging supply chain have generally made improvements in sustainability in recent years. This can be measured through increased public reporting on environmental performance and genuine changes to energy, water and waste. Product design, distribution and end-of-life disposal are also important measures.

Under the auspices of the Covenant, Australia now enjoys a 56% recycling rate (2005). This level of recycling delivers an annual net benefit equal to 6.5 million m³ of landfill space saved; 1.4 million tonnes CO₂-equivalent saved; 352,000 cars removed from roads; and 19,792 Olympic pools worth of water savings. However, consumers generally hear only the contrary view of 'bad' packaging without an appropriate balancing context.

Australia's recycling rate of used packaging has been achieved at a substantially lower cost to consumers and governments than the costly recycling infrastructure in much of Europe.

Results of Australia's life cycle and supply chain approaches to packaging sustainability must be clearly communicated to stakeholders using reliable, verifiable information.

Moving Towards more Sustainable Packaging

A pro-active industry approach to sustainability provides the perfect opportunity for examination and improvement.

Adoption of sustainable practices is increasingly recognized as a demonstration of sound corporate management. Honest, open and thorough evaluation of process flows and life-cycle impacts across the packaging supply chain can also increase efficiency and improve profitability while allowing for risk reduction given the increased threats of a carbon-constrained economy and modified pricing of energy, water and other resources.

Consumers and decision makers increasingly expect to be able to quickly evaluate environmental attributes and impacts of products; industry must respond accordingly.

"Window dressing" and false claims undermine the credibility of the industry and make it vulnerable to attack. Prompt dissemination of accurate, verifiable information helps to counter inaccurate or misleading information by packaging opponents and builds market advantage over under-performing competitors. Just as brand identification can provide commercial benefit, it can also present risks if the brand becomes associated with perceived inappropriate practices.

Pursuing sustainable packaging is in industry's best interests to help ensure consumer satisfaction and reduce potential regulatory pressures. Knowledge is power; misguided knowledge is dangerous.

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The Australian packaging supply chain can demonstrate greater progress towards sustainability through:

- Actively supporting sustainable packaging strategies that evaluate packaging on the Australian market in context; seek consensus on defining sustainable packaging in Australia and on KPIs; and outline actions for demonstrating progress towards sustainability;
- Continuing to work with brand owners/fillers to reduce the impacts of packaging;
- Communicating the broader sustainability aspects of packaging and improved measurement of environmental parameters under Australian conditions for the packaging supply chain, spanning carbon footprint, environmental footprint, material consumption and life-cycle impacts across production, transport, consumer usage and end-of-life management;
- Improving coordination and usage of multi-stakeholder advisory bodies for scoping, joint fact-finding and dissemination of results to help address concerns about perceptions of 'over-packaging' and the achievements on recovery and recycling;
- Improving accountability and transparency in reporting environmental performance, including use of third-party verification, and enabling greater real-time evaluation of performance among industry, policy makers and other key stakeholders;
- Improving the uptake and reporting by companies of activities to help ensure due consideration of sustainability parameters in their packaging decision-making;
- Full and transparent application of the Covenant and the associated ECoPP and the publication of results to the fullest extent possible;
- Greater public awareness of the complex balance between the role of packaging in maintaining product quality and integrity and in reducing overall environmental impacts of product distribution, and the associated cost savings by doing so;
- Support for policies and policy instruments that reflect proper pricing of environmental externalities, both positive and negative, to help optimise market influence and better utilise the packaging industry's position with regard to recycling and minimisation of resource use; and
- Innovative approaches that contribute to supply chain sustainability.

Recycling is a visible means of demonstrating sustainability and is strongly embraced in Australia. Continued commitment to kerbside and away from home recycling programs is essential.

However, further opportunities for reducing system losses, improving transport efficiencies and developing local markets for recovered packaging should be pursued to further reduce overall environmental impacts while improving the economics of recovery.

Packaging helps reduce greenhouse gases through lighter weight, more efficient material usage, and by ensuring products get safely to consumers. Recycling of packaging provides significant greenhouse gas reductions and is essential to Australian recycling programs. Consumers and industry must continue to optimise recycling programs to yield further greenhouse benefits.

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What the Packaging Council of Australia will Do

The PCA will continue to take a leading role in improving sustainability performance across the packaging supply chain. Our aim is to make a positive contribution to helping consumers live a sustainable lifestyle. To this end the PCA will:

- Actively and constructively engage in the public debate on sustainability as it affects packaging, including defining sustainable packaging in an Australian context and tracking progress toward sustainable packaging;
- Report annually on the overall recycling figures for Australian packaging, broader trends in sustainable packaging and on information and policy gaps that need to be addressed in order to provide more valuable feedback to the packaging industry and broader community;
- Help facilitate and track progress by companies in the packaging supply chain in reducing the environmental impact of packaging, including water, greenhouse and energy issues.
- Continue to encourage companies to commit and actively participate in the National Packaging Covenant and where possible, go beyond the requirements of the Covenant; and
- Continue our programs to develop educational materials for students at the primary, secondary and tertiary levels.

Packaging Council of Australia Inc.

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