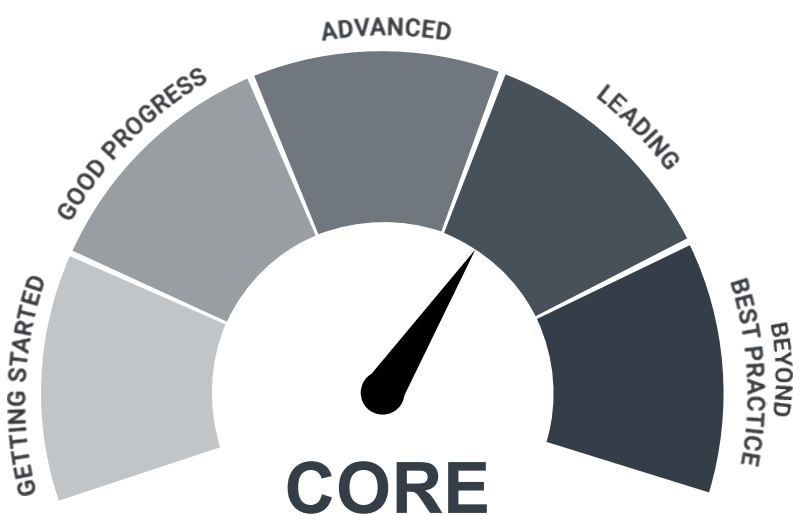
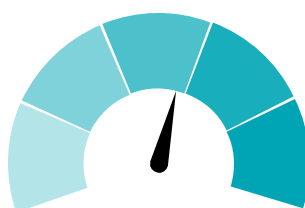


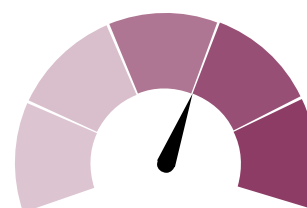
DASHBOARD



LEADERSHIP



OUTCOMES



OPERATIONS

SUMMARY

For the 2020 APCO Annual Report, *Australian Postal Organisation* has achieved Level 4 (Leading) for the core criteria. All seven core criteria were answered and six out of six recommended criteria were answered.

INDICATORS

This Annual Report shows the organisation's performance against the APCO Packaging Sustainability Framework.

CORE: All core criteria.

RECOMMENDED: All answered recommended criteria.

TOTAL: Sum of all core and answered recommended criteria.

LEADERSHIP: All criteria that defines leadership on packaging sustainability.

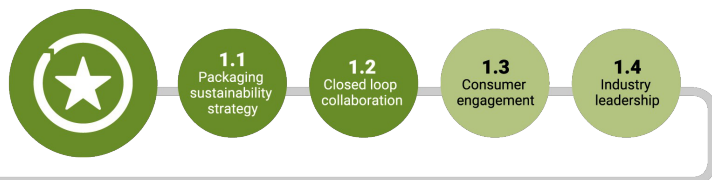
OUTCOMES: All criteria that lead to direct improvement in packaging sustainability.

OPERATIONS: All criteria related to business operations for improving packaging sustainability.

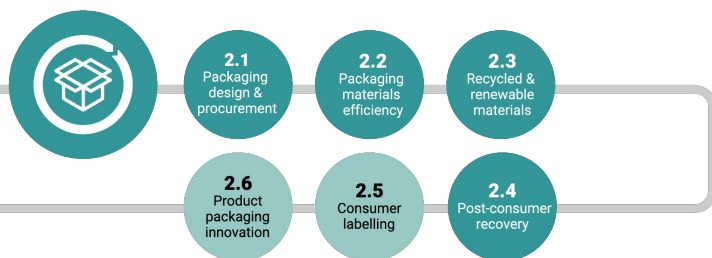
REPORTING FRAMEWORK

OVERVIEW

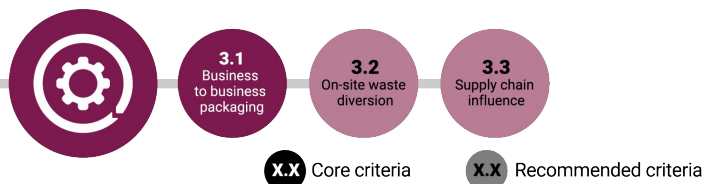
1. LEADERSHIP



2. OUTCOMES



3. OPERATIONS



LEVEL DESCRIPTION

LEVEL 0

NOT YET STARTED

The organisation does not have a plan and has not started investigating options for action under the relevant criteria.

LEVEL 1

GETTING STARTED

The organisation is developing a plan or is investigating options for action under that criteria (e.g. agreeing on goals and targets).

LEVEL 2

GOOD PROGRESS

There are documented procedures in place (e.g. to implement the Sustainable Packaging Guidelines) or some progress has been achieved, data tracking shows up to 20% of products have achieved the desired outcome.

LEVEL 3

ADVANCED

The organisation has specific, measurable targets in place, or data tracking shows that >20% of products have achieved the desired outcome.

LEVEL 4

LEADING

The organisation has more rigorous procedures in place, or an ambitious target has been met e.g. >50% of products have achieved the desired outcome.

LEVEL 5

BEYOND BEST PRACTICE

The organisation has more rigorous procedures in place, or an ambitious target has been met e.g. 100% of products have achieved the desired outcome.

ABOUT THE APCO FRAMEWORK

The APCO Packaging Sustainability Framework (the Framework) aims to provide a consistent and transparent framework for assessing and tracking packaging sustainability across organisations. The Framework consists of thirteen independent criteria that belong to three separate categories. These categories are (i) Leadership, (ii) Packaging Outcomes and (iii) Operations. The diagram above shows the different criteria included within each of these three categories.

There are two types of criteria within the Framework:

- **Core criteria** are mandatory and must be answered by all Members when completing the Annual Reporting Tool.
- **Recommended criteria** are not mandatory, but Members are encouraged to complete as many recommended criteria as possible.

Each criteria is divided into five levels of performance ranging from 'getting started' to 'beyond best practice'. The diagram above illustrates the key differences between performance levels. Please see www.packagingcovenant.org.au for more information.

ABOUT APCO

APCO is a co-regulatory, not for profit organisation that partners with government and industry to reduce the harmful impact of packaging on the Australian environment. APCO promotes sustainable design and recycling initiatives, waste to landfill reduction activities and circular economy projects. APCO Annual Reports are a key Membership obligation, providing Member organisations with a transparent method to track their packaging sustainability performance. Annual reporting also supplies APCO with valuable data and information to identify industry trends and advancements.

FREE FORM QUESTIONS

Describe initiatives, processes or practices that you have implemented during your chosen reporting period that have improved packaging sustainability.

Australia Post carefully selects packaging based on what's best for both the job and the environment, whilst partnering with others to make it easier for our customers to reuse and recycle.

Our recycled content plastic satchels, FSC certified parcel boxes, carbon neutral sending and ongoing partnership with REDCycle, are examples of our clear commitment to moving to a zero-waste society.

Joining with one of our major customers and fellow iconic Australian brand, Country Road Group, we launched our first recycled plastic satchel in December 2019. This new satchel, made of recycled plastic, sent a clear signal to the market that major Australian brands are committed to eliminating the use of virgin plastic across our packaging supply chain.

In 2020, we rolled out the new recycled plastic satchel across our broader range, moving away from using virgin plastic and giving used plastic another life. Using recycled content materials reduces greenhouse gas emissions, reduces non-renewable resource use and reduces water consumption. By 2021, 100 per cent of our plastic satchel range will be made from recycled content.

In 2019, Australia Post also teamed up with REDCycle to offer our customers access to over 1,800 soft plastics recycling points at major supermarkets across Australia.

Underscoring all these initiatives is our 2020-2022 Group Corporate Responsibility Plan, which came into effect from July 2019. The Circular Economy is one of seven key focus areas of this strategy. The Plan sets 2030 aspirations that relate to the Sustainable Development Goals, and clear commitments related to waste and packaging.

Describe any opportunities or constraints that affected performance within your chosen reporting period.

Just like postal businesses around the world, the digital disruption of our traditional core business (specifically the declining use of letters) remains a key challenge. Our priority is to balance the need to continue to serve our community with this essential service, with the need to grow in other areas, such as parcel delivery. Our Group Corporate Responsibility Plan recognises these challenges and, as one of Australia's largest and most trusted businesses, provides a blueprint to make a positive difference – economically, socially and environmentally.

There is growing customer demand for sustainable products. Public understanding of social and environmental issues is increasing globally. In Australia, 91 per cent of consumers want brands to use sustainable ingredients or material, and 92 per cent believe sustainable business practices should be standard (Monash University, 2019). In addition to this, a global survey has found that 60% of shoppers would like their eCommerce packaging to be sustainable while 50% said they would pay the equivalent of 15 cents extra if it was offered (International Post Corporation, 2018). This growing demand led to us redefining our product range to be more sustainable.

The limitations of household soft plastic recycling services in Australia mean present an ongoing challenge with Australia Post achieving APCO's '70% of plastic packaging being recycled or composted' target.

Lastly, the impact of the Coronavirus on the economy and our business, relationships with the customers and the community has resulted in some initiatives being paused.

CASE STUDIES

Case Study

Australia Post has prided itself on taking an ethical approach to business. Its Group Corporate Responsibility Plan is underpinned by the UN Sustainable Development Goals to ensure Australia Post actively contributes to advancing the global sustainability agenda.

This commitment to ethical, sustainable development is why we have recently developed a new recycled plastic satchel range to replace virgin plastics and reduce the impact of the growing eCommerce market on the environment.

Joining with one of our major customers and fellow iconic Australian brand, Country Road Group, we launched our first recycled plastic satchel in late 2019, just in time for the Christmas rush, with a full transition across the business in early 2020.

This new satchel is made of 80% recycled plastic and sent a clear signal to the market that major Australian brands are committed to eliminating the use of virgin plastic across our packaging supply chain and exploring circular packaging solutions. External research and Life Cycle Assessments have shown these new satchels produce 30% less greenhouse gas emissions than our virgin plastic satchels.

"Australia Post has been an important and collaborative partner to our business for over 10 years, and has played a critical role in service delivery with respect to our online channel, in particular, and in driving sustainability in our supply chain. Management of satchels and packaging is fundamental to efficient operations, and most recently we will commence a circular option, trialling Australia Post's new satchel made from 80 per cent recycled plastic. Creating more sustainable solutions is important to our business, as well as our customers, and collaboration with our service partners is critical to achieving the appropriate long term outcome." Peter Fouskarinis, Head of Supply Chain Australasian Region, Country Road.

Case Study

Partnership with REDcycle

We've formed a new partnership with the REDcycle Program, a recycling initiative for soft plastic via a network of supermarket drop off points. This means our plastic satchels are now fully recyclable when deposited in a REDcycle collection bin. Customers can access the REDcycle drop off points in more than 1,800 major supermarkets across Australia. The collected plastic is returned to RED Group's facility for initial processing then delivered to Australian manufacturer Repas where it undergoes a transformation into a new product.

As a REDcycle partner, Australia Post has committed to buying back recycled plastic products made from plastic recovered through the program.

Case Study

Carbon Neutrality

We're committed to delivering better environmental outcomes. That's why we introduced carbon neutral parcel deliveries for customers who send parcels at our Post Offices or book parcel pickups with their My Post Business account. Since October 2019, delivery of every parcel sent through Post Offices and MyPost is carbon neutral. We've calculated just how much carbon is used when we process, ship and deliver our parcels using the network of trains, planes and trucks. To make up for the pollution caused and achieve carbon neutrality for this portion of the business, we buy carbon credits that reduce emissions and benefit the environment.

This calculation is verified as part of the National Carbon Offset Standard program, which provides guidance on measuring, reducing, offsetting and reporting emissions that occur as a result of our operations.

COMMITMENTS

The Action Plan detailed below, is a public commitment to advancing packaging sustainability outcomes as a Member of APCO. Members are encouraged to have a comprehensive internal plan with the steps they will take to fulfill their commitments.

Criteria 1.1 PACKAGING SUSTAINABILITY STRATEGY (core)

5. Beyond best practice

Your organisation is committed to: Publicly reporting progress towards packaging sustainability.

Criteria 1.2 CLOSED-LOOP COLLABORATION (core)

5. Beyond best practice

Your organisation is committed to: Introducing a documented process to continually identify new opportunities for collaboration or to improve existing initiatives.

Criteria 1.3 CONSUMER ENGAGEMENT (recommended)

4. Leading

Your organisation is committed to engaging consumers about packaging sustainability by: (1) Including packaging information on your website or other publications. (2) Applying on-pack claims or labels. (3) Designing packaging to reduce the impacts of consumption. (4) Running a marketing campaign.

Criteria 1.4 INDUSTRY LEADERSHIP (recommended)

5. Beyond best practice

Your organisation is committed to: (1) Investigating collaborative or industry leadership actions to improve packaging sustainability. (2) Being involved in a program or initiative to improve packaging sustainability through collaboration and leadership. (3) Being involved in multiple programs or initiatives to improve packaging sustainability through collaboration and industry leadership. (4) Having at least one leadership initiative externally recognised through an award or other formal process. (5) Actively engaging with peers and/or the community to promote packaging sustainability, and sharing sustainability knowledge for non-commercial purposes.

Criteria 2.1 PACKAGING DESIGN & PROCUREMENT (core)

4. Leading

Your organisation is committed to: Reviewing at least 80% of packaging with reference to the Sustainable Packaging Guidelines (SPG) or equivalent.

COMMITMENTS

Criteria 2.2 PACKAGING MATERIALS EFFICIENCY (core)

2. Good progress

Your organisation is committed to: Reducing packaging weight or optimising packaging material efficiency in up to 20% of products.

Criteria 2.3 RECYCLED & RENEWABLE MATERIALS (core)

4. Leading

Your organisation is committed to: Incorporating or optimising recycled and/or renewable content in more than 50% of products.

Criteria 2.4 POST-CONSUMER RECOVERY (core)

4. Leading

Your organisation is committed to: Having more than 50% of primary packaging be recoverable through existing post-consumer recovery systems and achieving the highest potential environmental value.

Criteria 2.5 CONSUMER LABELLING (recommended)

4. Leading

Your organisation is committed to: Labelling more than 50% of products with disposal or recovery information.

Criteria 2.6 PRODUCT-PACKAGING INNOVATION (recommended)

1. Getting started

Your organisation is committed to: Investigating opportunities to change the design or delivery of at least one product to improve packaging sustainability.

Criteria 3.1 BUSINESS-TO-BUSINESS PACKAGING (core)

1. Getting started

Your organisation is committed to: Developing a plan or investigating opportunities to reduce the amount of single-use business-to-business (B2B) packaging used internally or sent to customers.

COMMITMENTS

Criteria 3.2 ON-SITE WASTE DIVERSION (recommended)

4. Leading

Your organisation is committed to: Investigating opportunities to divert more than 50% of solid waste generated at facilities (factories, warehouses, offices, retail stores etc.) from landfill.

Criteria 3.3 SUPPLY CHAIN INFLUENCE (recommended)

5. Beyond best practice

Your organisation is committed to engaging its supply chain about packaging sustainability by: (1) Communicating goals and guidelines. (2) Providing support to suppliers to improve their understanding of goals and strategies. (3) Collaborating with key suppliers to share knowledge. (4) Having processes to evaluate risks and opportunities for influence. (5) Having business processes to monitor supplier compliance.

SIGN OFF

Susan Mizrahi

Chief Sustainability Officer

Friday, 26 June 2020

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