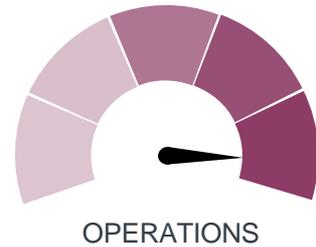
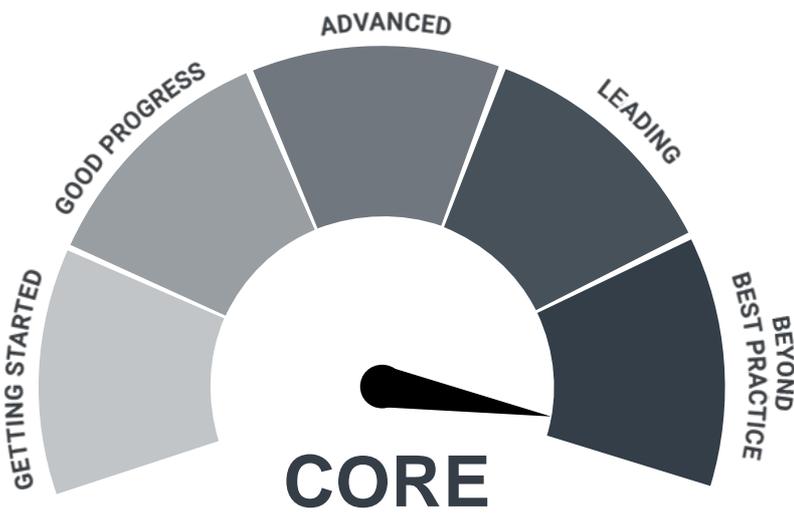


### DASHBOARD



### SUMMARY

For the 2020 APCO Annual Report, *CHEP Australia Pty Ltd* has achieved Level 5 (Beyond Best Practice) for the core criteria. All seven core criteria were answered and four 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.

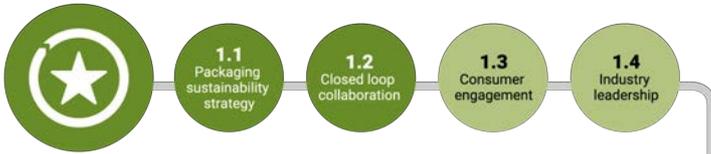
**OUTCOMES:** All criteria that lead to direct improvement in packaging sustainability.

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

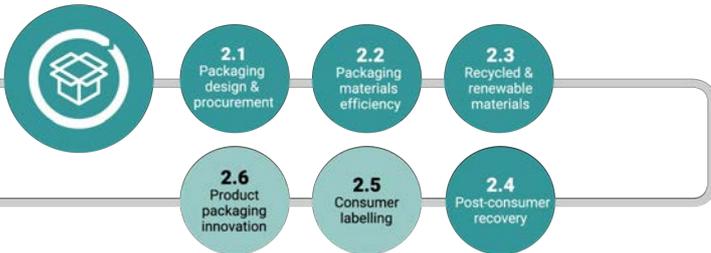
### REPORTING FRAMEWORK

#### OVERVIEW

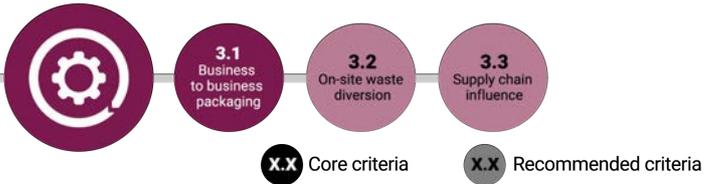
##### 1. LEADERSHIP



##### 2. OUTCOMES



##### 3. OPERATIONS



**X.X** Core criteria

**X.X** Recommended criteria

#### 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](http://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.

CHEP AU has more than doubled the amount of 'Sustainability Certificates' provided to customers in 2019 (50+). These certificates introduce customers to the circular economy by quantifying the environmental benefits, such as carbon and waste savings, of using of CHEP solutions over single-use alternatives. Many major customers now request these as part of their APCO submission which benefits all parties in the shared objectives for 2025. The environmental benefits of this process have also been confirmed and recognised through the new EMF Circulytics program providing another (additional to peer reviewed LCA's) credible third party endorsement.

Brambles (CHEP) initiated a global strategic workstream called: Innovative Products & Services. Its Ambition; Build the innovation 'engine' to deliver a portfolio of products & services that will underpin supply chains of the future. APCO's SPG's as well as product LCA's are now integral to this global workstream and will help shape all CHEP's product innovations into the future.

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

None

### CASE STUDIES

#### Case Study

Brambles receives overall "A" rating from Circulytics, has achieved excellent circular economy performance MAY 26, 2020 BY REUSABLE PACKAGING NEWS  
Analysis tool "Circulytics" from the Ellen MacArthur Foundation certifies Brambles, the parent company of CHEP, as top rating

London, May 26, 2020 – Everyone is talking about climate protection. In the current situation, companies are challenged more than ever to reduce their ecological footprint. The circular economy offers solutions to implement more resource efficiency and thus climate protection. In January 2020, the Ellen MacArthur Foundation launched "Circulytics", the first analysis tool that enables companies to precisely measure their fitness and performance. Brambles Group, a pioneer in the circular economy, was involved in the development and testing of the instrument. Now the company itself has achieved the overall rating "A" from Circulytics.

The circular economy is climate protection

The fight against climate change has dominated the public debate for months. By trying to eliminate waste and pollution, reusing products and materials while regenerating natural systems, the circular economy is actively contributing to more climate protection. The "Circulytics" assessment instrument goes beyond measuring material flows; it gives clear insights into all circular processes, shows areas for improvement and opportunities for strategic innovations. Basically, the tool contrasts the advantages of reusing materials in a circular model with the conventional linear economic model. The measuring system is divided into so-called "enablers" and "outcomes". The "enablers" include elements of the company itself, such as strategy, personnel, systems and processes, innovation and external engagement with customers and suppliers.

Brambles consistently achieved full scores in this category across topics. The principle of 'share and reuse' was decisive for this top rating, which Brambles uses according to the circular economy model for its 330 million delivery assets. But the self-developed, advanced IT systems and solutions for tracking and recovering assets also helped Brambles to do so well in the rating. Brambles also scored in the area of "Outcomes". This includes the input – in the form of material and energy – and then analyzes how the output – in the form of products or services – contributes to the circular economy. The evaluation team honored Brambles' sustainable procurement and identified development areas for its future strategy.

<https://packagingrevolution.net/for-more-climate-protection-brambles-has-excellent-circular-economy-performance/>

### CASE STUDIES

#### Case Study

##### Exceptional Work in Extraordinary Circumstances: CHEP Australia's Bushfire Relief Efforts 2019/2020

Australia experienced unprecedented extreme weather during the 2019/2020 summer which saw unstoppable 'megafire s' burn over 12.6 million hectares over 4 months. This was followed by the heaviest rainfall in 30 years. These events were in addition to the ongoing long-term drought gripping most of Australia over the last 5-7 years. During the Christmas holiday peak the CHEP Australia's Supply Chain team answered a call to action to support frontline Bush Fire Relief efforts. The Australian business, in partnership with Foodbank supplied 500 pallets and 1,100 bins into warehouses across Victoria, New South Wales and South Australia to receive the significant volume of community and CHEP customer food donations for the purposes of creating emergency food relief packages. The donations flooded in across a weekend and the Supply Chain team mobilised well above and beyond to open plants and move loads of bins to the local Foodbank warehouses and help those in a desperate situation. CHEP products featured in the background of many media reports during this period displaying a humble but absolutely essential presence. The emergency food packages proved essential during the fire events and rebuild efforts which still continue today with the help of cash donations.

As a company and a community, we have been impacted by the drought, bushfires and floods; and as a company and community, we have responded. Several of our colleagues have volunteered their own time, and continue to do so, with leading response organisations such as the Victorian Country Fire Authority and the New South Wales State Emergency Services. In Australia, our official emergency services organisations support other leading agencies in the event of an emergency and therefore require ongoing training and regular attendance. During this period both CHEP's volunteers gave up their personal time and took their Brambles volunteer days to provide frontline support to their communities during this time. The introduction of exceptional paid leave enabled staff engaged in the front line through Rural Fire Services and State Emergency Services to continue to support their local communities saving lives and property, at great risk to their own personal safety.

The exceptional work from our Supply Chain team and individual volunteers was followed by an incredibly generous Brambles donation of AU\$500m shared equally between Foodbank, Landcare, Red Cross and several rural fire agencies in addition to in-kind support, employee matching donations, totalling over AU\$30,000 and Helping Hand donations. Each year CHEP Australia, provides over \$1.7 million of in-kind equipment support to food rescue. This collaborative team effort supports the Brambles 2020 Sustainability Goals by creating 'Better Collaboration' with our key sustainability partners.

### CASE STUDIES

#### Case Study

**Saving Time, Timber Waste and Trees:** CHEP Australia's Timber Stillage product innovation.

CHEP Australia's Timber Stillage product innovation saves time, materials and natural resources and supports our Better Planet efforts. The solution formalises a previously informal service offer and solves a common problem CHEP and customers globally and delivers a purpose-built timber stillage, transferable to all Brambles' regions.

Historically, ad-hoc 'loose board' collection services had been created for a few customers with large Distribution Centres which handled significant amounts of pallets. Typically, material handling equipment and their operators can dislodge full boards from pallets most of which end up in landfill where they could be recovered and re-used within our pallet repair and conditioning process. Old fixed walled cages had been historically used but, where not fit-for-purpose design, inefficient to transport (contributed to poor truck utilisation when empty) and therefore, had poor carbon footprint. To capture more re-usable timber and reduce conditioning costs, this solution required collapsible stillage to be designed to meet the needs of all users – i.e. be safe and easy to use, easy to erect, collapse, fill, transport with CoR compliance and a durable solution meeting the CHEP Innovation Centre Safety Testing requirements.

Working closely with major retailer pilot partners and cross functional internal team CHEP have introduced an approved stillage and collection & reclaim service. Based on the validation results, CHEP will expand & formalise this great sustainability initiative.

Customer benefits:

- Reduced volume of reusable boards going to landfill.
- Reduced administration & time costs in managing the movement of skip handling, invoicing etc.
- Improved carbon footprint & corporate sustainability reporting.
- Value adding service
- New stillage stronger and safer than incumbent RTB

CHEP Benefits:

- Increased supply of reclaimed lead boards for repair
- Reduced need to purchase new timber for repair
- Reduced carbon footprint.
- Stronger customer relationships

The impact of the Timber Stillage in its first full year of operation will be reclaiming 72,000 timber boards, avoiding landfill from customer's supply chains and saving in new timber with more to come in future years as we expand the pool size & service.

### 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)

##### 2. Good progress

**Your organisation is committed to engaging consumers about packaging sustainability by:** (1) Designing packaging to reduce the impacts of consumption. (2) 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)

##### 5. Beyond best practice

**Your organisation is committed to:** Evaluating all packaging using a rigorous Life Cycle Assessment (LCA) approach.

### COMMITMENTS

Criteria 2.2 PACKAGING MATERIALS EFFICIENCY (core)

#### 5. Beyond best practice

**Your organisation is committed to:** Reducing packaging weight or optimising packaging material efficiency in all 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)

#### 5. Beyond best practice

**Your organisation is committed to:** Having all primary packaging be recoverable through existing post-consumer recovery systems and achieving the highest potential environmental value.

Criteria 2.5 CONSUMER LABELLING (recommended)

#### Not relevant

**Your organisation has indicated that this criteria is not relevant.**

Criteria 2.6 PRODUCT-PACKAGING INNOVATION (recommended)

#### 5. Beyond best practice

**Your organisation is committed to:** Evaluating and optimising all product-packaging systems using Life Cycle Assessment (LCA) or similar.

Criteria 3.1 BUSINESS-TO-BUSINESS PACKAGING (core)

#### 5. Beyond best practice

**Your organisation is committed to:** Optimising all business-to-business (B2B) packaging for efficiency and reuse.

### COMMITMENTS

Criteria 3.2 ON-SITE WASTE DIVERSION (recommended)

#### 5. Beyond best practice

**Your organisation is committed to:** Investigating opportunities to divert 100% of solid waste generated at facilities (factories, warehouses, offices, retail stores etc.) from landfill and that it is recovered through systems that achieve the highest potential environmental value.

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

Lis Mannes

Country General Manager, CHEP Pallets

Tuesday, 30 June 2020

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