

National Packaging Covenant

2007 Annual Report



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Executive Summary

This is Amcor's second NPC Annual Report. It provides information on actions and progress achieved in 2006-07 against specific Key Performance Indicators set out in Amcor's Five Year Action Plan.

A summary of 2006-07 activities and highlights covered in this Report follows:

- A 26.3% reduction in water consumption per unit of production compared with 2005-06.
- Overall energy consumption per unit of production increased marginally by 0.9%.
- Amcor is targeting ongoing incremental reduction in water and energy use in 2007-08.
- An increase in the level of recycled content was achieved in relation to aluminium beverage cans and cartons packaging compared with the previous year.
- Recycled content in relation to glass bottles packaging fell due to an increase in pack tonnage from two glass furnaces operating at full capacity with the same level of beneficiated cullet as 2005-06.
- Use of waste packaging and paper recycled through Amcor's operations and diverted from landfill has remained relatively steady in 2006-07.
- Overall waste to landfill volumes across Amcor's Australian operations increased by 13% following a 12% reduction in the previous 2005-06 period. This year's increase was due to the inability of Amcor's Fairfield Mill to find suitable opportunities to recycle the large amount of process waste from the Mill operations.
- Amcor aims to achieve a 4% reduction in waste to landfill in 2007-08.

This year's Report includes a number of case study examples highlighting Amcor's initiatives in relation to:

- Waste efficiency improvements;
- Source reduction and resource maximisation;
- Maximising recycled content;
- Maximising non-recyclable packaging; and
- Improving recovery of consumer packaging and paper.

Introduction

Amcor Limited is comprised of five substantial operating business groups in five geographic areas – Australasia, North America, Latin America, Europe and Asia. The company has annual sales of around A\$10.5 billion and operates 217 plants in 34 countries globally. Environmental sustainability is an integral component of Amcor's global manufacturing operations, as highlighted in the company's *Sustainability Report 2007*¹.

Amcor Australasia accounts for approximately 20% of the company's annual sales. In Australia, Amcor is a leading manufacturer of fibre, metal, flexible plastic and glass packaging. It operates over fifty packaging manufacturing plants and recycling depots, with annual sales of around A\$2 billion.

¹ Available at www.amcor.com

The four operating Business Divisions within the Amcor Australasia Group are:

- Fibre Packaging – Corrugated Boxes, Folding Cartons, Recycled Paper and Cartonboard
- Flexibles Packaging – Laminations, Polyethylene, Functional Coatings and Sacks
- Beverage Cans and Closures
- Glass

The Food Cans and Aerosol Cans divisions have recently been sold to the Impress Group B.V., but were still part of the Australasia Group for the purposes of this reporting period and have therefore been included in this report.

Details on each of these businesses are following.

Fibre Packaging

Amcor Corrugated Packaging

A leading packaging supplier to food, beverage and industrial manufacturers in Australia and New Zealand, Amcor Corrugated Packaging offers a full service, from design and testing through to integration into your supply chain.

Amcor Folding Cartons

With eight plants across Australia and New Zealand, Amcor Folding Cartons has the widest geographical coverage of any carton manufacturer in the region.

Amcor Recycling

Amcor is one of Australia's largest recyclers of paper and cardboard. They provide services including the collection, sorting and recycling of waste from industry, supermarkets and households.

Amcor Cartonboard

Amcor Cartonboard supplies cartonboard from its Petrie Mill in Queensland to packaging manufacturers across Australia and New Zealand.

Specialty Packaging

This Group produces high impact Point of Sale (POS) displays and a range of specialty boxes and cartons.

Flexibles Packaging

Amcor Flexibles

Amcor Flexibles in Australia and New Zealand offers flexible packaging solutions for food and beverage, personal care and healthcare products.

Amcor St Regis Bates

This business supplies a broad range of multiwall sacks for the dairy, grain, cement and industrial markets.

Beverage Cans and Closures

Amcor Beverage Cans

Amcor Beverage Cans is the market leader in metal packaging for beverages. They supply Australian and New Zealand beverage manufacturers with a wide range of can solutions.

Amcor Closure Systems

Amcor Closures, located in Melbourne, produces plastic, metal and aluminium closures under licence from leading global closure technology providers. They service food and beverage manufacturers throughout Australia and New Zealand.

Glass

Amcor Glass

Based in South Australia, Amcor Glass manufactures premium wine bottles for Australian and New Zealand wineries.

Amcor's commitment to environmental sustainability

As a result of the company's efforts during the reporting period, Amcor was recognised for achievements in packaging innovation and sustainability at the 2007 Australian Packaging Awards held on 4 October.

The company was presented with three Awards:

GOLD: National Packaging Covenant Action Plan Award

SILVER: Sustainability Award for the Amcor SureFresh™ produce carton

SILVER: Technical Innovation Award for the Amcor Versatal polymer coated steel can.

Amcor's extensive commitment to environmental responsibility and product stewardship are outlined in the *Sustainability Report 2007*. Amcor recognises that its long-term success is dependent on a balanced and focussed approach to social and environmental responsibility. The company's approach to sustainability is to create shareholder value by taking advantage of opportunities and managing risks. This will be achieved by working closely with stakeholders, particularly customers, to develop innovative and environmentally sustainable packaging solutions..

Given Amcor's prominent position in Australia's packaging supply chain and the product stewardship opportunities provided under the National Packaging Covenant, Amcor is committed to greater transparency and public reporting under this and subsequent Covenant annual reports.

Information in relation to key environmental indicators across Amcor's Australian operations for 2006-07 is provided in the following table. The data covers the Fibre Packaging; Flexibles Packaging; Beverage Cans and Closures; Glass and Food Cans and Aerosol Cans Business Divisions. Future NPC Annual Reports will exclude the Foods Cans and Aerosol Cans Divisions given the sale of this business in October'07.

Production (Tonnes)	1,429,000
Stationary Fossil Fuel Energy (GJ)	
Purchased Electricity	146,000
Natural Gas	6,171,000
Coal	1,783,000
Total Stationary Fossil Fuel Energy	8,100,000
Greenhouse (Tonnes CO₂-equivalents)	
Direct Emissions	478,000
Indirect Emissions from Purchased Electricity	504,000
Indirect Emissions from Other Sources	0
Total Greenhouse Gas Emissions	982,000
Water (kL)	
Water	3,069,000
Waste (Tonnes)	
Waste to Landfill	79,000

As a packaging manufacturer, Amcor supplies products to a large number of consumer and industrial brand owners.

Amcor became a Founding Member of the National Packaging Covenant (NPC) in 1999. Amcor is committed to the principle of product stewardship, by managing its operations and designing its products in an environmentally responsible manner.

Amcor's National Packaging Covenant Action Plan 2005-2010 has been assessed and was registered by the NPC Council on 5 September 2006.

The primary focus of Amcor in relation to the NPC relates to *Goal 1 – Packaging optimised to integrate considerations about resource efficiency, maximum resource utilisation, product protection, safety and hygiene.*

The Action Plan commits Amcor to:

- look for opportunities in conjunction with brand owners to implement improvements in pack design and manufacture to minimise environmental impacts.
- optimise the amount of post-consumer recycled content in packaging products subject to brand owner requirements, food contact standards, technical constraints and economics.
- work with service providers to progressively increase collection of post-consumer packaging from Australian sites.

Amcor has developed an Environmental Code of Practice for Packaging (ECoPP) checklist that has been implemented into product design and development processes across Amcor's Business Divisions.

This is Amcor's second Annual Report under the strengthened Covenant, and provides information on specific action taken and progress achieved during 2006-07 in relation to each of the relevant Goals referred to in the Action Plan. The Report also includes proposed action to be taken in relation to each Goal over the 2007-08 period.

Product Stewardship and Education

ARC Schools Competition

Amcor is a supporter of the Australian Recycled Cartonboard (ARC) campaign. ARC was started in 1995 to help reduce waste by promoting awareness of recycled packaging. ARC is packaging that is made from recycled inputs, is recyclable and is made in Australia. Amcor sponsors the ARC National Schools Competition. It provides students an opportunity to make a positive contribution to protecting the environment by promoting environmentally responsible packaging. Lucindale Area School in South Australia was the 2006-07 Winner taking up the challenge to tell their community: 'Recycling only works... if you buy recycled too.' They developed an innovative neoprene shopping bag with functionality to keep frozen foods cold, hot foods hot and the eggs from breaking. Amcor is sponsoring the 2007-08 Competition, which seeks entries from schools to 'write and produce a campaign to make a real difference in helping save the environment.'

Packaging Stewardship Forum

Amcor is a member of the Packaging Stewardship Forum (PSF), established in 2006 as a forum of the Australian Food & Grocery Council (AFGC).

The PSF delivers a range of industry programs for recycling, resource recovery, litter abatement and education on behalf of its members. Current focus areas of activity include:

- Clean Up Book – Guide for Indigenous Communities on how prevent and reduce litter
- Establishment of permanent Away From Home recycling systems and infrastructure in public areas and at major events/venues
- Promotion of 'Do The Right Thing' campaign to communities throughout Australia and sponsorship of Keep Australia Beautiful Tidy Towns and Sustainable Cities Awards
- Recovery of glass at pubs and clubs
- Support for implementation of the Environmental Code of Practice for Packaging amongst members.

Further information about the PSF is available at www.afgc.org.au

teamcor™ community engagement program

Amcor's community engagement program, teamcor™, supports a range of community activities. Priority is given to three areas – environmental sustainability, community education and young people. Two current community partnerships are:

- Expansion of the Education Foundation's aRe you Making A Difference? (ruMAD?) program to schools throughout Australia. ruMAD? gives students the opportunity to take a leadership role by addressing a range of environmental and community issues in their local area. Amcor recently received acknowledgement at the Packaging Magazine's Evolution Awards in the Community Partnership Action category.
- Young Achievement Australia (YAA). Amcor has partnered with YAA to introduce a new Environmental Sustainability Award for secondary and tertiary students participating in YAA's Business Skills mentoring program. Amcor has also assisted in developing an environmental checklist on packaging for students to use when designing and developing their products.

Amcor's Key Performance Indicators and Actions

Goal 1

Packaging optimised to integrate considerations about resource efficiency, maximum resource utilisation, product protection, safety and hygiene.

Goal 1.1

Total weight of consumer packaging (domestic and imported) sold per annum into the Australian market and the total weight of products packaged.

This is a brand owner KPI.

Target

Amcor will provide relevant data to its customers on request in a timely manner to allow them to complete their Action Plans and Annual Reports.

2006-07 Action

Amcor received numerous requests for information from customers over the period. All requests from customers were met.

2007-08 Target

Amcor will continue to provide relevant data to its customers on request in a timely manner to allow them to meet their NPC reporting requirements.

Goal 1.2

Resources used to produce packaging, by material type: energy (megajoules) and water (kilolitres).

Action Plan Target

1. An overall reduction of 5% in energy use per tonne of total packaging product produced over the next five years (1% in 2005-06).
2. An overall reduction of 10% in water usage per tonne of total packaging produced over the next five years (2% in 2005-06).

2006-07 Targets

1. Ongoing incremental reduction in overall energy use per tonne of total packaging produced compared with 2006-07 consumption in line with Amcor's five year reduction target of 5%.
2. Ongoing reduction in overall water use per tonne of total packaging produced compared with 2006-07 consumption, in line with Amcor's five year reduction target of 10%.
3. Introduction of a new Resource Efficiency Policy as part of Amcor's commitment to environmental sustainability.

2007-08 Targets

4. Ongoing incremental reduction in overall energy use per tonne of total packaging produced compared with 2006-07 consumption in line with Amcor's five year reduction target of 5%.
5. Ongoing reduction in overall water use per tonne of total packaging produced compared with 2006-07 consumption, in line with Amcor's five year reduction target of 10%.

2006-07 Action

Using 2005-06 baseline data, the following changes in energy and water consumption per unit of production occurred in 2006-07:

- a 0.9% increase in energy consumption (0.17% reduction in 2005-06)
- a 26.3% reduction in water consumption (14.1% reduction in 2005-06)

A new Resource Efficiency Policy was introduced.

Case Study

Water Efficiency Improvements

Amcor Beverage Cans

Through installation of water meters, new water nozzles and other improvements, from 2005-06 to 2006-07, Amcor's Beverage Can Division reduced water consumption from 380,000 KL to 330,000 KL, despite increasing can production from 2.9 billion cans to 3.1 billion cans. The overall efficiency improvement was a reduction in 27KL/million cans produced or a 23% efficiency improvement.

Amcor Cartonboard Mill, Petrie

The Petrie Mill located situated in the Pine River Shire in the northern metropolitan area of Brisbane, produces around 140,000 tonnes of cartonboard each year. Southeast Queensland is currently experiencing critical water supply shortages with Stage 6 Water Restrictions now in force. Amcor's Petrie Mill is among the top 10 water users in the Brisbane catchment area using around 4 ML per day. The Mill has been working on water reduction projects since 2005, resulting in a 32% reduction in the use of potable water over the last two years. Water saving initiatives introduced at the Petrie Mill includes increased use of water recycling through the water treatment ponds and eliminating town water for cooling. There are now plans in place to take recycled water from the Pine Rivers waste water treatment plant to further reduce Petrie Mill's demand on potable water supply.

Amcor Botany Mill

In February 2007, Botany Mill installed a reverse osmosis plant which allows bore water to be used instead of potable water for steam raising as part of its new boiler project. Amcor was granted \$1.79 million from the NSW Government's Water Savings Fund, which was put toward the \$14 million project, and this has resulted in an annual drinking water saving of 200,000,000 litres. It is believed that this is the first steam raising plant in Australia to use bore water as feed water. Since Botany Mill joined the Sydney Water "Every Drop Counts" program in June 2003, the site has saved 1 million litres of water a day, and won several awards for its water saving initiatives.

Cartons Zillmere

Amcor Cartons at Zillmere has reduced its water usage by 83%. Water saving projects implemented at Zillmere include: fitting of water efficient devices to taps, showers, toilets and urinals, re-circulating water to printing presses, reducing cooling tower bleed rate and replacing glue pots with glue guns.

Goal 1.3

Improvements in design, manufacture, marketing and distribution to minimise the environmental impacts of packaging.

Goal 1.4

Changes to protection, safety, hygiene, shelf-life or supply chain considerations affecting amount and type of packaging used.

Action Plan Target

1. Amcor will formally incorporate use of the ECoPP in relation to the design and development of all new and revised packaging products commercialised by customers (brand owners) for the Australian market.
2. A central database will be established to record information on improvements and changes as set out in Goals 1.3 and 1.4 in relation to all new and revised packaging commercialised from 1 December 2005.
3. Amcor will report information from 2 above in the company's NPC Annual Reports.

2006-07 Targets

1. Expand use of the in-house ECoPP checklist to other Amcor packaging businesses.
2. Continue to collect information on improvements and changes as set out in Goals 1.3 and 1.4 in relation to new and revised packaging commercialised for inclusion in the 2007-08 Annual Report.

2006-07 Targets

1. Continue to use the in-house ECoPP checklist in relation to design and development of new packaging products for customers.
2. Continue to collect information on improvements and changes as set out in Goals 1.3 and 1.4 in relation to new and revised packaging commercialised for inclusion in the 2008 Annual Report.

2006-07 Action

1. The in-house checklist was used by product design and development teams in Amcor's packaging businesses to ensure environmental considerations are taken into account in new packaging products being commercialised..
2. Information in relation to Goals 1.3 and 1.4 was provided by the various Amcor Business Divisions in relation to improvements or changes to packaging products that minimise environmental impact or change the amount or type of packaging used. Refer to Case Studies – Source Reduction and Resource Maximisation below.

Case Study

Source Reduction and Resource Maximisation

Fruit & Produce Xitex to CE The development of a twin wall, corrugated board grade allowed Amcor Fibre Packaging to eliminate the freight cost and environmental impact of the interstate transport associated with transporting Xitex fruit and produce packaging. Xitex was previously transported in sheet format from Queensland to NSW for die cutting. For 1 million trays, this resulted in avoiding approximately 53 semi-trailer loads delivered to NSW per year.

Arnott's Shapes 20- to 24-pack A joint development project with Arnott's and Amcor Fibre Packaging focussed on shelf-ready packaging and mutual Covenant obligations, led to a change from a 20 carton pack to a 24-pack. The introduction of the 24-pack reduced the number of outer cases used by over 588,000 and provided savings in transport, warehousing and the number of movements required throughout the supply chain. However, introduction of the 24-pack Shapes carton resulted in an underutilisation of the corrugating deckle width and excessive trim due to the particular specification used by Arnott's for their packaging and distribution requirements. After redesign and trialling, this waste was reduced by 21,000 square metres per annum.

Amcor VinPorter™ Amcor's VinPorter™ corrugated carton uses a patented one-piece design and perforation system to rapidly and safely transform into a branded six-bottle consumer carry pack. Vinporter™ was specifically developed for wine makers who want to offer a six-bottle carton that provides enhanced branding and improved retail display effectiveness. It uses half the fibre of a conventional six-bottle carton with dividers. The innovative design enables it to function as a shipper, point-of-sale display and reusable consumer carry pack.

Overall Board Grammage Reduction Through improved fibre efficiency at the mill and joint customer projects targeted at the elimination of unnecessary packaging weight or over-design, Amcor has achieved an average weight per unit area reduction in its annual fibre packaging production of 3,313 tonnes.

McCain Foods A joint development between McCain Foods and Amcor Fibre Packaging resulted in an 11% paper weight reduction for Pizza and Dinner wraparound shippers while maintaining performance through the supply chain. A reduction in packaging weight of 52 tonnes of paper per year has resulted.

Nestle Amcor Fibre Packaging worked with Nestle to develop the 24 x 190g Sweetened and Condensed Milk Tubes carton so that internal dividers are not required. By changing the method and orientation of packing, greater efficiencies have been gained, along with a 5% saving in transport costs and 9 tonnes weight reduction in solid fibre packaging.

Ridley Agri Products In a joint development with the customer and a machinery supplier, Amcor Fibre Packaging developed a machine erected cattle feed bin. The feed supplement is poured into the bin as a hot liquid which sets when cooled. The bins are then dropped in to the paddock from the back of a truck or helicopter, where they burst open to expose the supplement so it can be accessed by the cattle. To date the agriculture industry has generally been using large hand-assembled multi-component bins that require large amounts of board, typically in heavy board grades. The machine-erected bin uses far less board and only uses a heavy board grade in the sleeve, making it possible to reduce the board grade in the lid and base with an overall fibre reduction of 25% per bin.

Amcor SureFresh™ Mango Tray Amcor SureFresh™ is a recyclable PET and paper laminate for use in fruit and produce packaging. This high performance material has enabled Amcor Fibre Packaging to develop packaging formats previously not viable, such as a 6/layer mango tray. In previous seasons 12/layer trays were the only option available for use in retail due to excessive base sag in conventional board constructions. Use of the SureFresh laminate has resulted in a 30% fibre saving.

Heinz Watties (NZ) The can body thickness of Amcor's 220g can supplied to Heinz Watties (NZ) for both Baked Beans and Spaghetti has been reduced by 23.8%, from 0.21mm to 0.16mm, resulting in an overall material usage reduction of 230 tonnes. This has been achieved with the addition of circumferential beading or ribbing around the can. The involvement of customer marketing was an important consideration, as the down-gauging required a change in the physical appearance of the can.

Heinz Baby Food Cans The can body thickness of Amcor's 120g can supplied to Heinz Australia for Baby Food has been reduced 5.9%, from 0.17mm to 0.16mm, resulting in an overall reduction of material usage of 51 tonnes, due to ongoing fine-tuning of production equipment at both Amcor and Heinz manufacturing facilities.

Aerosol cans The can body thickness of Amcor's 52 and 65mm diameter aerosol cans to Reckitt Benckiser have been reduced by 5%, from 0.20mm to 0.19mm, resulting in an overall reduction of material usage of 70 tonnes across the complete range of can heights across these two diameters. There has been considerable work done by the filler in order to facilitate this change, but the resultant cost saving and material usage reduction is significant.

Ink Recycling In October 2006, Amcor Fibre Packaging Rocklea changed their ink supplier and ink dispenser. Software with the new dispenser enabled Amcor to recycle more of its ink returns from converting equipment, a large proportion which would previously have been disposed to waste due to contamination or for other reasons. The new rework system has reduced ink wastage by on average 3000kgs/month and also reduced solid waste from the Rocklea water treatment plant.

Solid Plate Outsourcing From the start of 2007, Amcor Fibre Packaging Rocklea and Athol Park have outsourced the manufacture of solid printing plates in order to reduce risk and minimise environmental impacts compared to old technology previously used. The use of newer equipment has allowed the use of less damaging solvents and fewer emissions, with a reduction in solvent use on site by 4 tonnes per year.

Goal 1.5

Average % per annum of post-consumer recycled content in packaging manufactured.

Action Plan Target

Amcor will maximise the percentage of post consumer and post industrial recycled content in its packaging in conjunction with customer requirements, package functionality and in accordance with current food contact legislation.

2006-07 Target

Amcor will continue to maximise the level of recycled content for material types and applications in accordance with food contact allowable limits and specific customer requirements.

2006-07 Action

The percentage of recycled material in relation to Amcor's various packaging types is shown in the table below. While the level of recycled content has remained the same for most packaging types, there have been a number of changes in relation to aluminium beverage cans, glass bottle, and carton – artcote grey and closures. Refer to notes below the table for explanation

2007-08 Action

Amcor will continue to maximise the level of recycled content for material types and applications in accordance with food contact allowable limits and specific customer requirements.

Amcor will seek to ascertain the level of recycled content in Closures – Steel, now being sourced from imports.

Packaging Type	Recycled Content (%) 2005-06	Recycled Content (%) 2006-07	Food Contact – Maximum Allowable (%)
Aluminium Beverage can	30	47 (a)	100
Aluminium Aerosol Can	30	30	100
Tinplate Aerosol Can	30	30	100
Food Can (Tinplate)	30	30	100
Glass Bottle	32 (b)	17 (c)	100
Carton – Artcote White	30 (d)	30	100
Carton – Artcote Kraft	80	80	100
Carton – Artcote Grey	80	95 (e)	100
Carton – Ecocote Grey (f)	100	100	100
Corrugated – Recycled	100	100	100
Corrugated – Virgin Liners	30	30	30
Corrugated – Coated	30	30	30
Flexibles – Mono PE	30	30	30
Flexibles – Composite	0	0	0
Sack – Unlined	0	0	60
Sack – PE liner	0	0	60
Sack – Non recyclable liner	0	0	60
Closures – Aluminium	[30] (g)	0	100
Closures – Steel	[30] (g)	N/A (h)	100
Closures – Plastic	0	0	0

Notes: Changes in recycled content between 2005-06 and 2006-07

- Amcor has confirmed with its aluminium supplier, Alcoa that the current recycled content is 47%. The 2006-07 level of 30% may be incorrect.
- Recycled content in glass bottles was 32% in 2006-07 not 30% as reported in Amcor's 2006 Annual Report.
- The significant reduction in recycled content to 17% is due to the increase in pack tonnage from two glass furnaces operating at full capacity with the same level of beneficiated cullet as 2006-07.
- Recycled content in 2006-07 was 30% not 20% as reported in Amcor's 2006 Annual Report.
- The recycled content increased as a result of a decision to phase out Carton – Ecocote (100% recycled content) and replace with higher recycled content Carton – Artcote Grey product.
- Carton – Ecocote was inadvertently omitted from the 2006 Report. This product was discontinued in the latter part of 2006-07.
- The 2006-07 recycled content provided in the 2006 may be incorrect.
- Supply of steel for closures is now fully imported and the level of recycled content is unknown.

Case Study

Maximising Recycled Content

Amcor's Petrie Mill requires approximately 140,000 tpa of old corrugated containers and mixed recovered papers to produce a range of cartonboard products for the Australian market. Expectations of customers to control costs and improve product appearance and quality resulted in a review of cartonboard products during the year.

Amcor has advised customers of its decision to move to One Greyback. Production of 100% Ecocote has been discontinued and replaced with 95% Artcote Grey. Ecocote was introduced in 1992 as an economic alternative to 80% Artcote Grey. The higher virgin fibre content in Artcote Grey provides superior brightness, improved product appearance and less show-through than 100% recycled content Ecocote.

The upgrade of the Petrie Mill in 2004 has enabled a gradual increase in the recycled content of Artcote Grey from 80% to 95%. The balance of fibre is made from 5% chemi-mechanical pulp from waste offcuts of local sawmills using plantation timber for the building industry. Over 48,000 tonnes of Ecocote and Artcote Grey were sold in 2006-07. The move to One Greyback replacing both Ecocote 100% and Artcote Grey 80% will result in an overall 3% increase (from 92% to 95%) in the level of recycled content in Greyback cartonboard supplied in the Australian packaging market.

Goal 1.6

Total weight, by type, of non-recyclable packaging sold per annum into the Australian market.

This is a brand owner KPI.

Target

Amcor will provide relevant data to its customers (brand owners) on request and in a timely manner to allow them to complete their Annual Reports. Further to this, Amcor will work with customers and the relevant authorities to reduce the use of non-recyclable materials currently used in food and beverage packaging

2006-07 Action

Data was provided to customers in a timely fashion on request. The data below has been used as the basis of determining recyclable content for the range of packaging types produced.

Amcor has worked closely with customers to identify opportunities to reduce the use of non-recyclable packaging. Refer to Case Studies on page 17.

2007-08 Target

Goal 1.6 is a brand owner KPI. Amcor will continue to provide relevant data to customers on request as well as identify additional opportunities to minimise non-recyclable packaging material.

Packaging Type	% of product recyclable
Aluminium Beverage can	100
Aluminium Aerosol Can	90
Tinplate Aerosol Can	90
Food Can (Tinplate)	100
Glass Bottle	100
Carton – Artcote White	100
Carton – Artcote Kraft	100
Carton – Artcote Grey	100
Corrugated – Recycled	100
Corrugated – Virgin Liners	100
Corrugated – Coated	100
Flexibles – Mono PE	100
Flexibles – Composite	0
Sack – Unlined	100
Sack – PE liner	100
Sack – Non recyclable liner	65
Closures – Aluminium	100
Closures – Steel	100
Closures – Plastic	100

Case Study

Minimising Non-Recyclable Packaging

Elimination of in-line wax coating

A wax coating has traditionally been applied to the inside paper of boxes required to perform in moist/wet conditions. Amcor Fibre Packaging's introduction of Kraft papers has reduced the need for this coating to be applied. Successful trials have allowed Amcor to remove this coating from 1.5 million square metres of board, rendering the paper more acceptable to recycling and returning a modest cost saving.

38 DoubleSeal®

Amcor's Beverage Can and Closures Division has developed the lightest hot-fill closure on the market for Berri (National Foods), switching from the 4.8g SLJ closure to the 3.75g DoubleSeal® closure. The plastic lining and foil liner have been removed, leaving mono-material, 100% recyclable HDPE and creating opportunities for new lightweight PET neck designs.

Amcor HydroArmour™ Bean Tray

Amcor Fibre Packaging has developed a solid fibre tray made out of HydroArmour material for use in produce applications that require Hydro Cooling; typically, Extended Polystyrene (EPS) is used in this application. HydroArmour is a recyclable paper laminate with a thin polyethylene film that provides excellent water resistance. Apart from being difficult to recycle, EPS is bulky and shipped over long distances to growers. Amcor HydroArmour™ trays can be erected near growers and typically an extra 1-2 layers of product can be fitted to a pallet load. In excess of 500,000 trays have been sold over the last 12 months.

Amcor's Key Performance Indicators and Actions

Goal 2

Efficient resource recovery systems for consumer packaging and paper.

Goal 2.9

Total weight of consumer packaging recycled through (a) domestic, and (b) away from home recovery systems respectively.

Target

Amcor's target will remain in accordance with Goal 1.5 (to maximise the level of recycled content for material types and applications in accordance with food contact allowable limits and specific customer requirements).

2006-07 Action

Secondary materials utilised in Amcor's manufacturing processes includes significant volumes of non consumer packaging materials that have been diverted from landfill. Data for the recovery of consumer packaging and kerbside paper over the last three years is detailed below.

2007-08 Targets

Refer to Goal 1.5 target.

Market Sector	Baseline 2004-05 (000's tpa)	2005-06 (000's tpa)	2006-07 (000's tpa)
Kerbside – consumer fibre packaging	13	16	35
Kerbside – paper	3	3	4
Kerbside – glass	43	45	45
Industrial – consumer fibre packaging	556	553	511
Industrial – transport LDPE	6	5	3

Case Study

Improving recovery of consumer packaging and paper

As part of the company's objective of reducing levels of waste to landfill, Amcor Recycling in Western Australia has been working proactively since 2003 to address the gap in both services and support for workplace recycling among small to medium sized enterprises (SMEs).

Following comprehensive market research on SME recycling behaviours, barriers and preferences, Amcor Recycling was able to successfully develop a business plan for a three year behavioural change project that combined on-the-ground services tailored to the needs of SMEs with a strong communication campaign driving engagement.

Named Recycle @ Work, the project kicked off in mid 2005, made possible by the services of Amcor Recycling WA and a grant from the State Government's Waste Management Board. From the outset, Amcor Recycling WA ran Recycle @ Work as an industry leadership initiative. The free Recycle @ Work hotline for example, provides information on many recycling companies in WA as well as Amcor.

Recycle @ Work also provided communications support to several recycling companies in regional WA as well as working with several local government authorities, the Chamber of Commerce & Industry, the Local Chambers program, the Community Newspaper group and ABC Local Radio.

Since then, Recycle @ Work has gone strongly bringing about significant change in waste disposal behaviour within the Western Australian SME sector. Full evaluation of the Program will take place in 2008. Key achievements to date include:

- At least an extra 8000 tonnes have been diverted from landfill already by over 350 small to medium businesses who have signed up to Recycle @ Work.
- An estimated 300 business already recycling have diversified their recycling practices to cover more recyclable materials.
- More than 5000 separate individuals have visited the Recycle @ Work website, accessing an average of over 4 pages of content per visit and with approximately 25% revisiting the site on another occasion for further information.

Recycle @ Work was recently acknowledged for its innovative and successful approach to promoting recycling, receiving the Small Business Leading by Example Award at the 2007 WA Environment Awards. The award recognised both the initiative taken by the Amcor Recycling WA team in establishing Recycling @ Work, along with genuine effort, commitment and leadership of all the businesses that have participated in the Program to date.

Further information is available at www.recycle@work.com.au

Goal 2.10

Total weight of recycled consumer packaging sold to end users.

Target

To secure reliable and cost effective secondary raw material recovery that meets the feedstock requirements of Amcor's Business Divisions over the 2005-2010 period.

Continue to make excess quantities of materials beyond Amcor's requirements available for sale to external markets.

2006-07 Action

Volumes of excess secondary raw material sold to external end users by Amcor in 2006-07 and the two previous years is shown in the table below.

2007-08 Targets

To secure reliable and cost effective secondary raw material recovery that meets the feedstock requirements of Amcor's Business Divisions over the 2005-2010 period.

Continue to make excess quantities of materials beyond Amcor's requirements available for sale to external markets.

Market Sector	Baseline 2004-2005 (000's tpa)	2005-2006 (000's tpa)	2006 -07 (000's tpa)
Domestic sale – consumer fibre packaging	38	42	53
Domestic – transport LDPE	1	0	0
Export – consumer fibre packaging	68	57	105
Export – transport LDPE	5	5	3

Goal 2.16

Percentage of signatories providing recycling collection facilities for post-consumer packaging generated on site

Target

Based on information conducted from the audit, Amcor will establish a target to progressively increase the number of manufacturing and office sites providing recycling facilities for post-consumer packaging between 2006 and 2010.

2006-07 Action

Amcor conducted an audit in 2005-06 which confirmed provision of recycling collection facilities for post-consumer facilities at all manufacturing sites. These facilities were maintained during 2006-07.

2007-08 Target

Amcor will continue to provide recycling collection facilities for process waste materials and other site waste.

Amcor's Key Performance Indicators and Actions

Goal 4

Supply chain members and other signatories able to demonstrate how their actions contribute to goals 1 – 3.

Goal 4.21

Estimated tonnage of consumer packaging recycled and sent to landfill respectively, from on-site collection facilities.

Action Plan Target

Amcor, in conjunction with its waste management service provider, will establish improvement targets based on the 2005-2006 baseline to progressively increase recycling of consumer packaging waste generated at manufacturing and office sites over the Action Plan period.

2006-07 Targets

Amcor will aim to achieve an overall reduction in waste to landfill of 5% in 2006-07.

2006-07 Action

Waste to landfill volumes increased by 13% over the period due to the inability of Amcor's Fairfield Mill to find suitable opportunities to recycle the large amount of process waste. This follows a 12% reduction in Amcor's waste to landfill volumes in 2005-06. Waste to landfill volumes reduced at the majority of Amcor's sites over the 2006-07 period.

2007-08 Targets

Amcor will aim to achieve an overall reduction in waste to landfill of 4% in 2007-08.

Amcor will continue to identify possible opportunities to recycle process waste material from Fairfield Mill into other useable secondary products.

Goal 4.26

Implementation of Buy Recycled purchasing policy or practices.

Action Plan Target

1. BRBA has recently developed a new Buy Recycled Coach Program. Amcor will undertake a Coach Program in 2006 to review policies, procedures and performance as well as identify buy-recycled opportunities over the Action Plan period.
2. Amcor will incorporate buy-recycled policies and procedures into the company's Green Office Program, including the use of recycled content office paper across its Business Divisions.

2005-06 Targets

1. A BRBA Coach Diagnostic Workshop will be held to review Amcor's current practices and procedures and identify further buy-recycled opportunities over the Action Plan period. A Buy Recycled Action Plan with specific objectives and targets will be developed for implementation over the Action Plan period. Amcor will share the results of the Coach program with other BRBA members.
2. Consumption of office paper will be audited in order to set reduction targets for 2007-08 period.

2006-07 Action

1. During 2006-07, further work was undertaken by the BRBA to develop the Coach Program diagnostic tool. Amcor provided funds to assist with development of this online tool by RMIT.
2. Use of EXP Green 50R Laser Printing & Copy Paper was introduced at Amcor Australasia's Head Office.

2007-08 Targets

1. The BRBA Coach Diagnostic will be undertaken to review Amcor's current practices and procedures and identify further buy-recycled opportunities over the Action Plan period. Amcor will share the results of the Coach program with other BRBA members.
2. Amcor will provide recycled content data on its manufactured products for inclusion in BRBA's National Recycled Content Database currently under development.
3. Amcor will use recycled content paper for general printing and copying in all offices.
4. Amcor will reduce overall consumption of office paper in 2007-08 by 10% from a range of initiatives including double-sided printing, reuse of scrap paper and employee education to avoid unnecessary printing/photocopying.

Amcor's Key Performance Indicators and Actions

Goal 5

All signatories demonstrate continuous improvement in the management of packaging through their individual action plans and annual reports.

Goal 5.27

Establishment of baseline performance data.

2006-07 Target

Amcor will report 2006-07 action against baseline performance data provided in the company's NPC Action Plan and the 2006 Annual Report.

2006-07 Action

This 2007 Annual Report provides performance data against the Amcor's NPC Action Plan and 2006 NPC Annual Report.

In relation to the following:

1. Resources (water and energy) used
2. Recycled Content
3. Recyclable content
4. Weight of consumer packaging recovered
5. Weight of recycled packaging sold to end users
6. Number of sites providing recycling collection facilities
7. Tonnes of material recycled/sent to landfill from Amcor sites.

2006-07 Target

Amcor will report 2007-08 action against baseline performance data provided in the company's NPC Action Plan and the 2007 Annual Report.

Goal 5.28

Annual reporting against Action Plan.

Action Plan Target

An Annual Report will be prepared and submitted by 31 October each year from 2006-2010 in accordance with the reporting requirements of the Covenant Agreement.

2006-07 Target

Submit 2007 Annual Report to NPCC.

2006-07 Action

Amcor's NPC 2007 Annual Report submitted.

2007-08 Target

Submit 2008 Annual Report to NPCC.

Goal 5.29

Demonstrated improvement and achievements against individual targets and milestones.

Target

The Amcor NPC Steering Committee will meet regularly during the year to discuss progress against each objective to ensure continuous improvement opportunities are identified, targets are achieved and actions completed in accordance with this Action Plan.

2006-07 Action

Amcor's NPC Steering Committee met on four occasions during the year to coordinate the collection of data and information from the businesses in order to prepare the company's 2007 Annual Report.

2007-08 Target

The Amcor NPC Steering Committee will continue to meet regularly to coordinate and oversee the implementation of actions and targets outlined in the Action Plan and 2007 Annual Report.

Contacts

For any enquiries regarding this report, please contact:

Amcor's National Packaging
Covenant Steering
Committee

Amcor Australasia
971 Burke Road
Camberwell, Victoria 3124
Fax: (03) 9811 7196
Attention: Group
Environment Manager

This Action Plan has been
endorsed by Amcor
Australasia's Managing
Director.

Amcor Packaging
(Australia) Pty Ltd
ABN 55 004 275 165
971 Burke Road
Camberwell, Victoria 3124