

Annual Report and Action Plan

Company Name: **Caps & Closures Pty. Ltd.**

Trading As:

ABN: **89114161527**

About APCO

Australian Packaging Covenant Organisation (APCO) is a co-regulatory not-for-profit organisation leading the development of a circular economy for packaging in Australia. APCO's vision is a packaging value chain that collaborates to keep packaging materials out of landfill and retains the maximum value of the materials, energy and labour within the local economy.

Each year, APCO Brand Owner Members are required to submit an APCO Annual Report and an APCO Action Plan. This document is the Annual Report and Action Plan output for the organisation listed above. This document provides the overall performance level of the organisation, as well as any commitments they have made to work towards on their packaging sustainability journey. This document may also include additional information provided by the Member in their report.

Overall Performance **Leading**

The chart below indicates the overall performance level of this organisation listed above in the 2023 APCO Annual Report. The organisation's reporting period was **July, 2021 - June, 2022**



Understanding APCO Annual Reporting performance levels:

- | | |
|--------------------------------|--|
| 1 Getting Started: | You are at the start of your packaging sustainability journey. |
| 2 Good Progress: | You have made some first steps on your packaging sustainability journey. |
| 3 Advanced: | You have taken tangible action on your packaging sustainability journey. |
| 4 Leading: | You have made significant progress on your packaging sustainability journey. |
| 5 Beyond Best Practice: | You have received the highest performance level and have made significant progress on your packaging sustainability journey. |

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Additional Information

The information below indicates additional information that the organisation included in their APCO Annual Report.

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

Caps and Closures is continuously improving the sustainability of its material use, manufacturing processes and waste product disposition. Caps and Closures is participating in the plastics circular economy by collaborating with customers,

material suppliers, recyclers, waste repurposing enterprises and philanthropic establishments.

Exploring new materials – natural and biodegradable– low carbon footprint

1. Production validation and customer offering of eco-friendly plastic additives that improve the behaviour of plastic products. These natural additives protect the environment, reducing the product's carbon footprint by up to 50%. and the use of fossil fuel-based resins.

2. Manufacturing trials of a plastic alternative that is microplastic-free and 100% bio-degradable, yet is suitable for our injection moulding processes and recyclable by industrial composting.

Changing how we buy and stock materials

3.. Purchasing bulk bag material stock eliminating small bags. The large bags are used by a repurposing company manufacturing products from them.

Recycling/repurposing production waste product

4. Reuse of production waste, avoiding landfill. Caps and Closures waste product is an ideal "construction" material in classrooms. We have distributed materials to schools.

5. Increased reclaiming of ABS, nylon, polypropylene and polyethylene material for re-use in products.

Manufacturing process improvement

6. Automated additive mixing for moulding machines, reducing waste product by eliminating over/under use of additives.

7. Trial of hygienic custom sized polypropylene "work in progress" boxes with unlimited reusability, to replace limited use cardboard units and liner bags.

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

Energy Stewardship

As a complementary strategy to our material waste reduction initiative, Caps and Closures is upgrading its manufacturing process equipment to improve energy efficiency, thereby reducing our energy requirements and impact on the environment.

1. Installation of a new energy efficient servo-hydraulic moulding machine in 2021, The new moulder saves over 40% in energy compared with the old generation machine it replaced.

2. Installed a double wadding 83 mm machine which increased output in the same process by 100%. This process was extended to the 63 mm and 95 mm products.

3. Caps and Closures is continually looking for ways to improve its manufacturing processes in existing machines, and in combining operations and improving machine coordination and efficiencies.

4. Caps and Closures processes a wide range of wadding or sealing materials, of different material and colours. Engineering has added colour sensing capability via sensor upgrades to machines for automatic detection of faults in wadding material and cap feed supply, reducing wadding and cap waste and more

importantly reducing rejected assemblies.

5. Caps and Closures saw an opportunity to improve its energy stewardship through renewable, sustainable energy and installed a large solar array for renewable solar energy.

APCO Action Plan Commitments

For each of the Packaging Sustainability Framework criteria listed below, a description is provided along with the commitments made by the organisation in their APCO Action Plan.

Criteria 1:

Governance & Strategy:

This criteria considers actions to integrate packaging sustainability into business strategies.

- Develop a strategy that includes goals (objectives) and targets for packaging sustainability that addresses the Sustainable Packaging Guidelines (SPGs) or equivalent.
- Include a commitment to achieving the 2025 National Packaging Targets in our strategy.
- Have our executive or board of directors review our strategy and have the strategy integrated within our business processes.
- Regularly communicate and promote packaging sustainability objectives and targets within our organisation.
- Regularly engage or communicate with our external stakeholders about the environmental impacts of our packaging.
- Actively participate in initiatives to promote packaging sustainability outside of our organisation.

Criteria 2:

Design & Procurement:

This criteria considers actions taken to ensure that sustainability principles are considered in the design or procurement of both new and existing packaging through use of the Sustainable Packaging Guidelines (SPGs).

- Review **100%** of our packaging against the Sustainable Packaging Guidelines (or equivalent).
- Improve the accuracy of our data regarding reviews of packaging using the Sustainable Packaging Guidelines (or equivalent).
- Consider the following Sustainable Packaging Principles in our packaging reviews:
 - Design for recovery
 - Optimise material efficiency
 - Design to reduce product waste
 - Eliminate hazardous materials
 - Use recycled materials
 - Use of renewable materials
 - Design to minimise litter
 - Design for transport efficiency
 - Design for accessibility
 - Provide consumer information on environmental sustainability
- **100%** of our packaging to be optimised for material efficiency.

- Improve the accuracy of our data regarding packaging material efficiency.

Criteria 3:

Recycled Content:

This criteria considers actions taken to increase or optimise the amount of recycled material used by your organisation.

- Develop a policy or procedure to buy products and/or packaging made from recycled materials.
- Use recycled content in:
 - Our products
 - Secondary packaging that we use to sell our products
 - Tertiary packaging that we use to sell our products
 - Other items which we purchase (e.g. office stationery and suppliers etc.)
- **100%** of our packaging to be made using some level of recycled material
- Improve the accuracy of our data regarding use of recycled materials.
- Provide customers with the option to purchase packaging with the highest level of recycled content technically feasible.

Criteria 4:

Recoverability:

This criteria considers actions taken to improve the recovery of packaging at end-of-life and increase use of reusable packaging.

- **100%** of our packaging to be designed to have all packaging components be recoverable at end-of-life.
- Improve the accuracy of our data regarding recoverability.
- Investigate opportunities to use reusable packaging.
- **77%** of our packaging to have all packaging components that are reusable.
- Improve the accuracy of our data regarding reuse.

Criteria 5:

Disposal Labelling:

This criteria considers the extent to which packaging has been labelled to help consumers determine what to do with packaging at end-of-life.

- Provide customers with information on the recoverability of our packaging to inform correct disposal labelling on-pack.
- **100%** of our distribution packaging to have on-pack labelling to inform correct disposal.

Criteria 6:

On-site Waste:

This criteria considers progress in increasing the amount of on-site solid waste being diverted from landfill.

- Have recycling programs for the following materials:
 - Paper/cardboard
 - Rigid plastics
 - Timber
- Aim for 60% of our on-site waste to be diverted from landfill.
- Improve the accuracy of our data regarding on-site waste.

Criteria 7:

Problematic Materials:

This criteria considers the extent to which organisations are actively phasing out problematic and unnecessary single-use plastic packaging and preventing/reducing litter.

- Help reduce litter by:
 - Conducting regular clean ups