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 2025 APCO Annual Report. The organisation's reporting period was **January, 2024 - December, 2024**.

1 Getting Started	2 Good Progress	3 Advanced	4 Leading	5 Beyond Best Practice

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 & Closures has implemented several key initiatives and process improvements to enhance packaging sustainability during the reporting period. These efforts focus on material efficiency, recyclability, and the integration of innovative solutions to reduce environmental impact while maintaining packaging performance.

1. Increased Use of Recycled and Renewable Materials

a. We have adopted post-consumer recycled (PCR) materials, including marLENE rPP, to reduce reliance on virgin plastics and promote circularity.

b. We introduced Oysterlean, a renewable calcium carbonate-based material, to replace fossil-based plastic content and lower the carbon footprint of closures.

c. The continued development of Black-CF (Black Carbon-Free Masterbatch) allows black plastics to be detected in recycling facilities, improving the recyclability of black-colored packaging.

2. Product Innovation for Waste Reduction

a. The development of EzyLug, a lightweight alternative to traditional metal lug caps, enhances recyclability while maintaining durability and ease of use.

b. We optimized EzyPour to reduce material usage while enhancing controlled dispensing, leading to less spillage and waste.

c. The integration of ThermoShield, an award-winning thermochromic masterbatch, prevents unnecessary product disposal by visually indicating temperature-sensitive changes, ensuring product integrity.

3. Sustainable Design and Lightweighting Initiatives

a. We engineer lighter, more resource-efficient closures to reduce material consumption without compromising performance.

b. Unnecessary secondary packaging components have been eliminated, aligning with the Australian Packaging Covenant Organisation's (APCO) 2025 National Packaging Targets and global circular economy principles.

4. Waste Diversion and Responsible Manufacturing

a. We achieved a 50.7% waste diversion from landfills through improved recycling, reuse, and recovery processes.

b. Our partnerships with Suez, Veolia, Wasteless, and Astron ensure responsible waste management across our manufacturing and office sites.

c. We are developing an Action Plan to improve waste sorting and recovery efforts, particularly in general waste streams handled by Wasteless.

5. Customer Engagement and Sustainable Packaging Guidance

a. We provide detailed technical specifications to brand owners to support Product Environmental Footprint (PREP) and Australian Recycling Label (ARL) compliance, ensuring correct disposal labeling and enhanced consumer education.

b. We offer customers the highest feasible level of recycled content based on product compatibility, regulatory requirements, and performance needs.

Through these initiatives, Caps & Closures continues to drive advancements in sustainable packaging, ensuring alignment with industry best practices, regulatory standards, and environmental responsibility.

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

Caps & Closures is committed to a management plan of continuous improvement, integrating lean manufacturing principles and waste reduction strategies to drive sustainability and efficiency. Our focus remains on designing waste out of our processes, maximising the use of renewable and recycled materials, and progressing towards a circular economy across the entire value chain.

Opportunities That Enhanced Performance
1. Sustainable Material Integration
a. We continue to maximise the use of renewable and recycled materials, such as post-consumer recycled (PCR) plastics, cartons, and sustainable secondary packaging.
b. The introduction of Oysterlean (a renewable material derived from oyster shell waste) has provided an opportunity to reduce fossil-based plastic content while maintaining product integrity.
2. Industry Leadership & Award-Winning Innovations
a. The PIDA and WorldStar recognition of EzyLug, EzyPour, and ThermoShield has reinforced our position as a sustainability leader, creating further market opportunities.
b. Growing demand for circular packaging solutions has encouraged stronger brand collaborations and increased interest in recyclable closures and sustainable packaging solutions.
3. Operational & Process Optimisation
a. Our lean manufacturing approach focuses on eliminating excess material use, optimising processes, and reducing on-site waste.
b. We have achieved a 50.7% waste diversion rate, ensuring more materials are recycled, composted, reused, or sent for energy recovery.

Constraints That Affected Performance
1. Cost & Feasibility Challenges for Recycled Materials
a. Non-carbon black alternatives like Black-CF (Black Carbon-Free Masterbatch), though environmentally beneficial, remain costlier than traditional carbon black, making market adoption slower.
b. The fluctuating cost and availability of PCR materials create challenges in maintaining cost-effective sustainable packaging.
2. Technical Limitations in Recycled Content Usage
a. While we aim to maximise recycled content, certain functional and safety requirements (e.g., chemical resistance, tamper evidence, and durability) limit the amount of PCR that can be used in some closures.
b. Compatibility with high-speed manufacturing lines also imposes constraints on the material mix and processing capabilities.
3. Waste Sorting & Recovery Challenges
a. Despite our efforts to divert waste from landfill, Wasteless does not currently sort general waste for better recovery.
b. This has been identified as an Action Plan priority to improve waste segregation and increase recovery rates in future reporting periods.

Moving forward, Caps & Closures will continue to innovate in sustainable material use, enhance lean manufacturing practices, and work towards overcoming cost and technical constraints to accelerate progress towards a circular packaging economy.

Please use the space below to provide examples or case studies of exemplary packaging sustainability

conducted by your organisation.

Caps & Closures has developed several packaging solutions focused on sustainability, incorporating innovative design, enhancing recyclability, and utilising renewable materials to support circular economy objectives. Below are key case studies that highlight our commitment to exemplary sustainable packaging practices.

Case Study 1: EzyLug – A Fully Recyclable Alternative to Metal Lug Caps

Challenge:
Traditional metal lug caps are not widely recycled because of their multi-material construction, which complicates processing in standard recycling systems. It is important to reduce the carbon footprint in the manufacturing and recycling of metal materials.

Solution:
• Developed EzyLug, a plastic alternative to metal lug caps, ensuring full recyclability in standard plastic recycling streams.
• Designed with lightweighting principles, reducing material use while maintaining sealing integrity and durability.
• Improved accessibility by enhancing ease of opening and closing, making it a consumer-friendly innovation.

Outcome & Recognition:
• PIDA 2024 Silver Award Winner (Accessibility & Inclusive Design)
• PIDA 2024 High Commendation (Domestic & Household Packaging)
Case Study 2: EzyPour – Sustainable Dispensing with Recycled Materials

Challenge:
Liquid refill packaging often lacks effective portion control, leading to spillage and unnecessary product waste.

Solution:
• Designed EzyPour, a recyclable dispensing insert and overcap to improve controlled pouring and reduce product waste.
• Manufactured using 100% recycled HDPE, in alignment with circular economy principles.
• Paired with Thankyou's 1L refill bottle, supporting their sustainability mission.

Outcome & Recognition:
• PIDA 2024 Silver Award Winner (Marketing Design)
• PIDA 2024 Silver Award Winner (Health, Beauty & Wellness)
• WorldStar 2025 Finalist, reinforcing its role as an eco-friendly dispensing innovation.

Case Study 3: ThermoShield – Reducing Waste Through Smart Packaging

Challenge:
Products sensitive to temperature fluctuations can degrade prematurely, leading to waste and unnecessary disposal.

Solution:
• Developed ThermoShield, an award-winning thermochromic masterbatch that visually indicates temperature changes at a pre-selected threshold.
• Prevents unnecessary product wastage by ensuring quality control through intelligent packaging feedback.
• Maintains packaging integrity without altering the structural or material properties.

Outcome & Recognition:
• PIDA 2022 Gold Award Winner (Food Packaging)
• PIDA 2022 Gold Award Winner (Save Food Packaging)
• WorldStar 2023 Award Winner (Beverages)
• Recognised for its role in sustainability and waste prevention.
• Adopted in temperature-sensitive product categories, including food, pharmaceuticals, and logistics applications.

Case Study 4: Black-CF – Improving Recyclability of Black Plastics

Challenge:
Traditional carbon black plastics are undetectable in recycling facilities, leading to waste contamination and landfill disposal.

Solution:
• Developed Black-CF (Black Carbon-Free Masterbatch), a recyclable alternative that remains detectable in sorting facilities.
• Enables brand owners to continue using black packaging while ensuring recyclability, reducing landfill waste.
• Addresses regulatory concerns regarding the future phase-out of problematic plastic colourants.

Outcome & Market Impact:
• Promoted as a cost-effective solution for enhancing packaging sustainability.
• Encouraging customer adoption as part of Caps & Closures' sustainability strategy.

Case Study 5: Oysterlean – A Renewable Material for Sustainable Packaging

Challenge:
Traditional plastic closures are made from fossil-based materials, which contribute to carbon emissions and have a significant environmental impact. Moreover, it is important to reduce the use of virgin plastics.

Solution:
• Developed Oysterlean, a renewable material derived from oyster shell waste, reducing reliance on virgin fossil-based plastics.
• Offers a sustainable alternative while maintaining mechanical strength, durability, and compatibility with existing packaging solutions.
• Supports circular economy principles by repurposing natural by-products into functional, high-performance packaging materials.

Outcome & Recognition:
- PIDA 2023 Finalist, recognised for its innovative approach to renewable packaging solutions.
- Expanding industry awareness of bio-based alternatives for reducing environmental impact.

These case studies demonstrate Caps & Closures' leadership in sustainable packaging innovation, circular economy alignment, and responsible material use, reinforcing our commitment to driving industry-wide change.

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

- 96% 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
  - Primary packaging that we use to sell our products
  - Secondary packaging that we use to sell our products
  - Other items which we purchase (e.g. office stationary and suppliers etc.)
- 70% 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.
- 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.
- 33% of our distribution packaging to have on-pack labelling to inform correct disposal.
- 33% of our private label products 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
- Phase-out the following problematic and unnecessary single-use plastic items:
  - Rigid plastic packaging with carbon black