


<b>Procurement</b>	
<b>Packaging Sustainability Policy</b>	
August 2020	

Bega Cheese Limited “Bega Cheese” is an Australian dairy and food company that recognises the need to observe the highest standards of corporate practice and business conduct in our interactions with our employees, customers, suppliers, business partners, the community and in the environment in which we operate.

Together with our suppliers, we set out to design and procure packaging that optimises the use of materials, reduces resource consumption and minimises waste.

Packaging is a key element in our total product offering and plays a major part of our broader environmental impact and our sustainability agenda. Packaging protects and preserves the quality and safety of our products and provides valuable information to our consumers.

### **Our Commitment**

Bega Cheese is committed to sustainable business growth and protection of the environment. To support this commitment, Bega Cheese will reduce the environmental impact of our packaging while ensuring we do not compromise on both the quality and safety of our products.

Packaging is a key focus area of the Bega Cheese Corporate Social Responsibility strategy which incorporates a framework for addressing the impacts of our business and identifying opportunities where we can contribute to sustainable development more broadly.

This Packaging Sustainability Policy is aligned with our commitment to the United Nations Sustainable Development Goals and Australia’s 2025 National Packaging Targets. This policy should be read in conjunction with our Ethical Sourcing Policy, our Environmental Policy and our Annual Australian Packaging Covenant Organisation (APCO) Action Plan.

### **Scope**

The Packaging Sustainability Policy applies to the design and procurement of all primary packaging (includes all packaging that is in direct contact with our products or supplied raw materials) and secondary packaging (includes those packaging materials used externally to primary packaging). Where possible, Bega Cheese will support our suppliers to ensure compliance with this policy.

We reserve the right to act if required, which may involve ceasing to deal with suppliers if they do not comply with this Bega Cheese Packaging Sustainability Policy.

Bega Cheese is an APCO signatory and, as such, we endorse and are actively working towards the 2025 National Packaging Targets launched by the Federal Government and APCO in 2018:

- 100% of all Australia’s packaging will be reusable<sup>1</sup>, recyclable<sup>2</sup> or compostable<sup>3</sup>
- 70% of Australia’s plastic packaging will be recyclable or compostable, 30% will be reusable
- An average of 50% recycled content will be included across all packaging
- Problematic and unnecessary single-use plastic packaging will be phased out through design, innovation or introduction of alternatives.

The targets will apply to all packaging that is made, used or sold in Australia.

1. reusable – able to be reused one or more times, whether for its original purpose (conventional reuse) or to fulfil a different purpose (e.g. as fuel for heat and/or energy production)

2. recyclable – able to be recycled, where waste material can be converted into new materials and objects

3. compostable – capable of disintegrating into natural elements in a compost environment, leaving no toxicity in the soil

## Requirements

The Bega Cheese Packaging Sustainability Policy sets the minimum standard to be met and includes the following specific requirements for packaging suppliers for their supply chain to Bega Cheese:

1. Identify and document key environmental impacts related to their packaging production.
2. Implement policies and improvement plans, targets and controls to minimise the effect on the environment with respect to climate change.
3. Reduce greenhouse gas emissions, energy and water intensity.
4. Divert waste from landfill and increase recycling and reuse rates.
5. Where practical, source materials and services which minimise or eliminate the impact on the environment and promote the use of recycled materials and sustainable practices with their suppliers.

We expect our suppliers to adopt a similar approach in dealing with their own suppliers.

## Bega Cheese Limited

Bega Cheese, including its subsidiaries, will adopt the minimum internal standards which are based on our aims to improve packaging to achieve our environmental and sustainability goals and implement sustainable packaging development practices.

The minimum internal standards are:

1. Develop and procure packaging that complies with the APCO Sustainable Packaging Guidelines (SPGs).
2. Develop and procure packaging that makes a demonstrable contribution to Australia's National Packaging Targets.
3. Divert packaging from landfill by working with existing recycling streams or creating new streams so that packaging is recyclable, reusable or compostable.
4. Through innovation, reuse or recycling, reduce single use packaging.
5. Reduce the weight to volume ratio of packaging.
6. Incorporate and optimise recycled content in packaging by working with suppliers to develop and substitute lower impact materials.
7. Actively engage with AFGC, APCO and other interested parties to support educational and other programs designed to increase the level of recycling in the community.

## Implementation, Monitoring and Review

Our annual APCO Action Plan incorporates the minimum internal standards and will be used to guide implementation. Progress against these standards will be monitored in accordance with our Annual APCO Report and the Bega Cheese Annual Sustainability Report, both of which are published on our company website each year. The ongoing monitoring of this policy will be managed in accordance with our product development process, of which the SPGs are integrated. This policy will be reviewed every two years.



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