

Annual Report and Action Plan

Company Name: **Retail Food Group Limited**

Trading As:

ABN: **31106840082**

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 **Good Progress**

The chart below indicates the overall performance level of this organisation listed above in the 2022 APCO Annual Report. The organisation's reporting period was **July, 2020 - June, 2021**



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.

Contact

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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

We recognise the importance of the Covenant and the Sustainable Packaging Guidelines and the role our organisation can play in positively contributing to the prioritisation of sustainable design of packaging that is more resource efficient, recyclable and aimed at increasing the recovery of used packaging, and thereby reducing the incidences and impact of litter and waste.

We are committed to developing and implementing a broader framework to better manage sustainable packaging within the entirety of our business and supply chain which:

- a) demonstrates our commitment to social, environmental and economic sustainability;
- b) seeks to utilise sustainable packaging practices that reduce carbon emissions and waste while maximising the reuse and recycling of materials; and
- c) expedites more sustainable outcomes.

In terms of recoverability, a review of unaudited information provided by our suppliers indicates that an estimated 62% of branded packaging, and 57% of all packaging, relating to our franchise brands is potentially recoverable (via reuse, recycling or compostable) however further analysis and engagement with our suppliers is necessary in order to provide further comfort regarding these figures. RFG is committed to working with its suppliers over the coming reporting period to determine opportunities to increase design for recoverability, and to incorporate reusable components, amongst its packaging SKUs.

RFG has also partially implemented a 'Procurement of Packaging Policy' across its wholesale coffee operations and is committed to refining and extending that policy as part of the development and implementation of a broader packaging sustainability strategy that aims to maximise efficiency of transport, design for accessibility and the provision of consumer information on environmental sustainability, including labelling.

In addition, the Group has established a Sustainability Committee, appointed a dedicated Sustainability Manager (being a new role) and adopted and implemented both its Sustainability Policy and Environmental Statement to further drive its commitment to sustainable packaging practices. Both the Sustainability Policy and Environmental Statement are available to view on the Group's website at rfg.com.au/shareholder-centre/corporate-governance/

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

Our reporting period was influenced by a number of challenges, particularly the emergence of the COVID-19 pandemic and its unavoidable impact. Whilst we have implemented a number of measures during this disrupted period to better assess sustainable packaging, we appreciate more can be done and are committed to continuous improvement to better ensure that our policies, procedures and practices more effectively assess and implement sustainable packaging strategies.

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 **50%** 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).
- Incorporate the Sustainable Packaging Guidelines (or equivalent) into procurement processes.
- 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 of renewable materials
 - Use recycled materials
 - Design to minimise litter
 - Design for transport efficiency
 - Design for accessibility
 - Provide consumer information on environmental sustainability
- **20%** 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:
 - Primary packaging that we use to sell 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 stationary and suppliers etc.)
- 35% of our packaging to be made using some level of recycled material
- Improve the accuracy of our data regarding use of recycled materials.

Criteria 4:

Recoverability:

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

- 1% 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.
- Use PREP to assess the recyclability of our packaging through kerbside collection in Australia and/or New Zealand.
- Aim to have 1% of our compostable packaging certified to Australian standards.
- Investigate opportunities to use reusable packaging.
- 1% of our packaging to have all packaging components that are reusable.
- Improve the accuracy of our data regarding reuse.
- Participate in a close-loop recovery program/alternative collection system.

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.

- 35% of our packaging to have on-pack labelling to inform correct disposal.
- Improve the accuracy of our data regarding labelling.

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

- Soft plastics
- Glass
- Metals
- Aim for **10%** 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
 - Participating in Business Clean Up Day
 - Delivering a litter education campaign
 - Educating franchise partners across all of RFG brands on waste management
- Phase-out the following problematic and unnecessary single-use plastic items:
 - Lightweight plastic shopping bags
 - Fragmentable (e.g. oxo-degradable) plastics