

# 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 2023 APCO Annual Report. The organisation's reporting period was **July, 2021 - June, 2022**

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.

### 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 recognize that, whilst packaging plays an important role in our business, it can also contribute to waste and be harmful to the environment. We are therefore committed to achieving sustainable packaging outcomes that reduce our impact on the environment, result in the more efficient use of resources, minimize landfill, and better inform our customers. We also support the Covenant's aim to reduce the environmental impact of consumer packaging and are committed to playing our part to help achieve Australia's 2025 national packaging targets.

Whilst the Group had, prior to the reporting period, partially implemented a 'procurement of packaging policy' within its wholesale coffee operations, during the reporting period it was motivated to develop a broader framework to better manage sustainability related matters within the entirety of its business and supply chain, including in respect to packaging.

Consistent with this commitment, and to play a more constructive role in initiatives that are consistent with the Covenant's objectives, during the reporting period (FY22) the Group, among other things:

- Adopted a Sustainability Policy that demonstrates the Group's commitment to building a more sustainable business and supply chain, including a commitment to investigate, and where appropriate implementing and maintaining, effective systems, controls and other measures to achieve that outcome, including in relation to the development and implementation of more responsible sourcing protocols; maximising recyclable, recoverable and compostable content; minimising waste; and reducing, or where feasible eliminating, single-use plastics in the Group's business;
- Adopted an Environmental Statement that recognises the Group's role in positively investing in and contributing to the responsible management, measurement and minimisation of the environmental impact of the Group's business and supply chain, including commitments to, inter alia, implement appropriate solutions to promote renewables and compostable or recyclable packing, on-pack labelling and end use recycling and disposal; to support green packaging solutions including reusable cups, recyclable pizza boxes and reusable bread bags; and to eliminate single use plastics;
- Established a Sustainability Committee, whose membership represents senior managers across a broad spectrum of the Group's business and is chaired by RFG's Executive Chairman, to investigate and implement sustainability initiatives consistent with the Group's Sustainability Policy and Environmental Statement;
- Created a dedicated new role of Sustainability Manager to drive the Group's sustainability focused initiatives and further awareness of the Group's sustainability focused activities; and
- Engaged with its personnel and franchise partner community regarding single-use plastics initiatives and responses to new regulations in respect thereto, whilst also taking a more proactive role vis-à-vis industry engagement in relation to this topic.

The Group's Sustainability Policy and Environmental Statement are available to view on the Group's website at [www.rfg.com.au/shareholder-centre/corporate-governance/](http://www.rfg.com.au/shareholder-centre/corporate-governance/).

The Group also acknowledges the important role the SPGs play in assisting the design and manufacture of packaging and during the reporting period commenced progressive implementation of the process of integrating the SPGs into its design and procurement functions. This includes review of the Group's packaging SKUs against the SPGs, with an initial focus on priority principles including design for recovery (in which case, 100% of SKUs have been reviewed against this principle). At this juncture, this review process is

incomplete, however, c.45 SKUs have been assessed against all SPGs as at the date of this report. Subsequent to the reporting period (ie during FY23YTD), and in order to further build upon the framework referred to above, the Group further refined and developed its response to sustainable packaging by, inter alia:

- Adopting a Sustainable Packaging Policy which, inter alia, further informed personnel of our obligations as an APCO member; detailed our support of APCO's aim to reduce the environmental impact of consumer packaging via the optimisation of resource recovery of consumer packaging through the supply chain and preventing the impacts of fugitive packaging on the environment; and detailed our commitment to demonstrate that support by observing our obligations as an APCO member and playing our part to help achieve Australia's 2025 national packaging targets;
- Adopting and publishing on our website at [www.rfg.com.au](http://www.rfg.com.au) (and the Australian Securities Exchange) our inaugural Sustainability Report which further reinforced the commitments and actions referred to above whilst providing details in relation to a number of the sustainable packaging initiatives we have implemented to date; and
- Further engagement with the Group's supply partners to improve data accuracy and completeness, and to improve our understanding of sustainability related initiatives implemented or under development by our supply partners, which in turn will inform future decisions and action by the Group vis-à-vis its own sustainability initiatives, including in relation to packaging.

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

Whilst the reporting period was influenced by various challenges, particularly the COVID-19 pandemic (whose influence was acute during the 1H22) and the internal restructure of our procurement division, as indicated elsewhere in this report, during the reporting period the Group took various substantive actions in order to improve its governance framework and response to sustainability related activities and imperatives, including in relation to packaging. That action has in turn formed the basis for additional action subsequent to the reporting period to drive positive change vis-à-vis sustainability. Despite these activities the Group acknowledges that more can be done, and is committed to continuous improvement to better ensure that its policies, procedures and practices more effectively respond to sustainable packaging strategies that drive positive 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.
- 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).

- Consider the following Sustainable Packaging Principles in our packaging reviews:
  - Design for recovery
  - Optimise material efficiency
  - Use of renewable materials
  - Use recycled materials
  - Design for transport efficiency
  - Provide consumer information on environmental sustainability
- **1%** of our packaging to be optimised for 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
- **15%** of our packaging to be made using some level of recycled material

## Criteria 4:

**Recoverability:**

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

- **54%** of our packaging to be designed to have all packaging components be recoverable at end-of-life.
- Use PREP to assess the recyclability of our packaging through kerbside collection in Australia and/or New Zealand.
- Investigate opportunities to use reusable packaging.

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.

- 5% of our 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
  - Soft plastics
  - Metals
- Aim for 4% of our on-site waste to be diverted from landfill.

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: