



NATIONAL PACKAGING COVENANT

Viscount Plastics

**Annual
Action Plan
&
Progress Report
2009**





1.0 Executive Summary

Viscount Plastics is a leading designer, manufacturer and distributor of rigid plastic products throughout Australasia, and is firmly committed to minimising the environmental impact of all products manufactured by the company. The Viscount product range is used in the Packaging, Materials Handling and Industrial markets and currently employs over 530 people with sales in excess of \$100 million.

Viscount Plastics' businesses operate under 5 guiding principles:

- *Safety Health and Environment*
- *People*
- *Quality*
- *Innovation*
- *Customers*

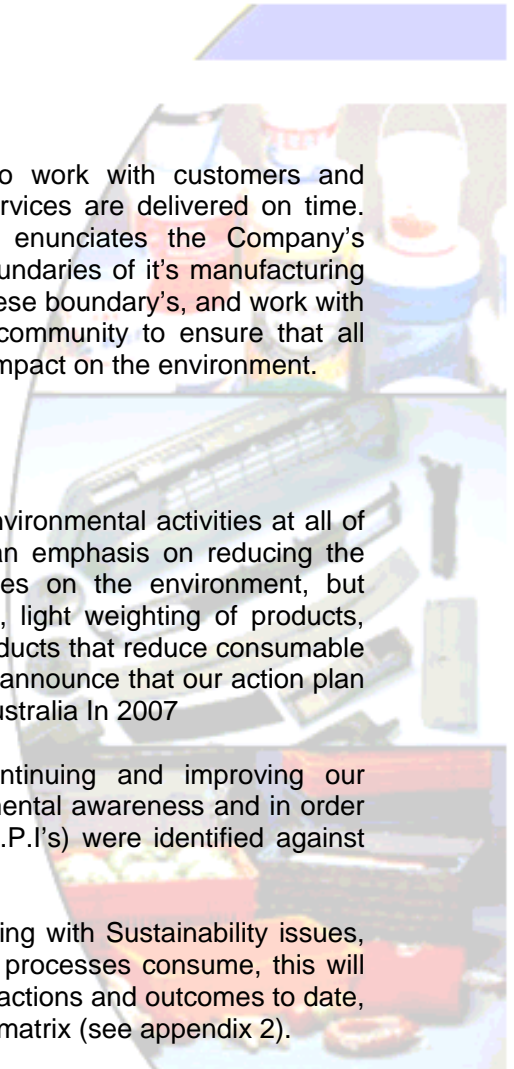
These principles ensure that Viscount continually strives to work with customers and employees to ensure that innovative quality products and services are delivered on time. Viscount's Environmental Policy (see appendix 3) clearly enunciates the Company's commitment to not only protect the environment within the boundaries of its manufacturing and distribution sites, but also a commitment to look beyond these boundaries, and work with suppliers, customers, government, industry groups and the community to ensure that all Viscount's products are responsibly managed to minimise the impact on the environment.

2.0 Action Plan Overview

In mid term we focused on extending and documenting our environmental activities at all of the Australian packaging and materials handling sites with an emphasis on reducing the impact of the by-products from our manufacturing processes on the environment, but importantly, seeking opportunities for conservation of energy, light weighting of products, recycling, achieving ISO14001 certification and introducing products that reduce consumable packaging. With these actions in mind, we were quite proud to announce that our action plan was awarded the Bronze medal by the Packaging Council of Australia In 2007

The 2006 to 2008 action plan had the objective of continuing and improving our environmental programs, maintaining the Company's environmental awareness and in order to measure progress, specific Key Performance Indicators (K.P.I's) were identified against major processes.

This data has now been translated to an actionable plan dealing with Sustainability issues, with the main focus being on Energy and Water that our key processes consume, this will now form the foundation for improvement for future years. The actions and outcomes to date, for each of the projects can be found in the Action Plan Report matrix (see appendix 2).





In summary, Viscounts NPC committee through a cross functional team involvement from all levels of the organisation have fully embraced the NPC action plan and thereby are pleased to report that the following projects have been completed.;

- Bronze award from the Australian Packaging Council
- 2lt PVC bottle weight reduction by 2g
- Environmental Code of Practice for Packaging implemented
- Increased the use of returnable packaging by 90% in the PET line
- Introduction of returnable transit packaging for a major supermarket chain
- Delivered a 'multi trip tote' as replacement for cardboard to the market place
- Energy saving in order of 57% through Consolidation of Cartridge manufacturing
- New 15lt pail design that incorporates greater strength with lighter construction
- Each facility has established a system for recycling of plastic, steel and cardboard

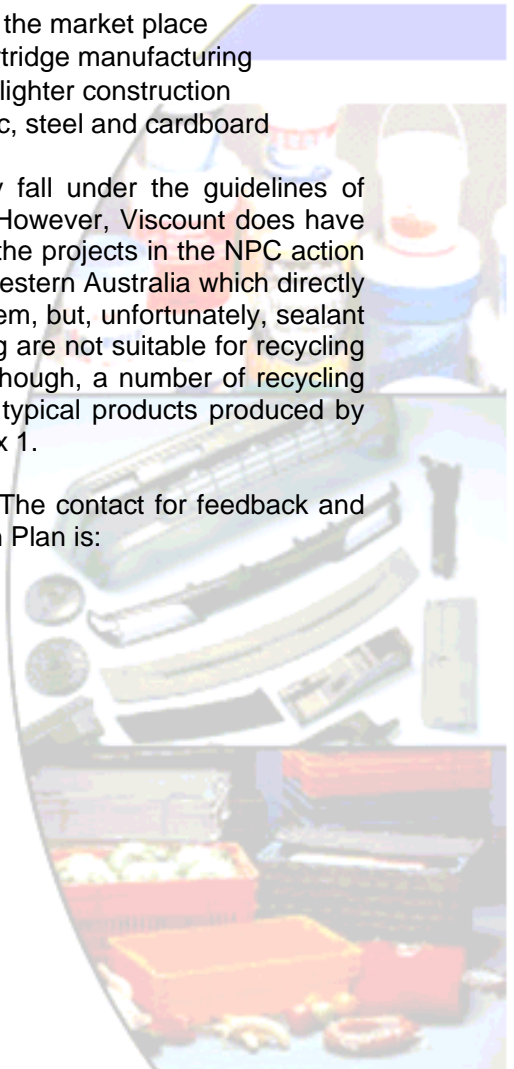
As previously reported, Viscount's products do not generally fall under the guidelines of consumer packaging as defined by the Packaging Covenant. However, Viscount does have a strong commitment to the environment which is reflected by the projects in the NPC action plan. Products such as the Milk and PET bottles produced in Western Australia which directly fall under the guidelines are part of the curbside collection system, but, unfortunately, sealant cartridges which could also be considered consumer packaging are not suitable for recycling as they are generally contaminated with product after use, although, a number of recycling options are currently under investigation. A brief summary of typical products produced by location and materials used have been documented in appendix 1.

We would welcome any feedback on our Action Plan Report. The contact for feedback and any matters relating to our National Packaging Covenant Action Plan is:

Don Malek
Viscount Plastics (Australia) Pty Ltd
17 Mills Rd Braeside VIC 3195
Phone (03) 9264 9243
E-mail: don_malek@viscount.com.au

Shane Moloughney
Managing Director

- Appendix 1 Viscount products by location and materials
- Appendix 2 2006 Action plan matrix
- Appendix 3 Environmental policy



Appendix 1 Viscount Products by Location and Materials



**Viscount Plastics
Manufacturing Locations**



Examples of Products

Packaging	Plastic pails & lids/ cartridges & accessories/ blow moulded bottles
Materials Handling	Pallets, crates (milk, bottle, poultry, fish, bread, produce etc),
Industrial	Furniture, garden accessories, communication pits, lattice etc
Materials used	HDPE, PP, Nylon, PET and Recycled Plastics
Manufacturing Processes	Injection Moulding, Extrusion, Blow Moulding and Rotational Moulding

<i>State</i>	<i>Packaging</i>	<i>Materials Handling</i>	<i>Industrial</i>
<i>Queensland</i>	✓	✓	✓
<i>New South Wales</i>	✓	✓	✓
<i>Victoria</i>	✓	✓	✓
<i>Western Australia</i>	✓	✓	✓
<i>New Zealand (2 plants)</i>	✓	✓	✓





Appendix 2 – Action Plan Report Matrix

Environmental Performance goals & key actions	NPC Key performance indicators	Viscount specific K.P.I.	Improvement goals	Reporting Site	Action / Status of Improvement goal
Goal 1 – Packaging optimised to integrate considerations about resource efficiency, maximum resource re-utilisation, product protection, safety and hygiene.					
Packaging designed, manufactured, distributed and marketed to minimise the amount of material and other resources essential to guarantee the protection, safety, hygiene and shelf-life of the product	2. Resources used to produce packaging by material type: <ul style="list-style-type: none"> Energy (Megajoules) 	Introduce energy efficiency policy in purchasing	Introduce Purchasing policy that considers Energy efficiency of new equipment	Melbourne	<ul style="list-style-type: none"> Develop purchasing Policy and introduce Procedure in 2009/10 to consider Energy efficiency when purchasing new equipment.
		Energy efficiency in manufacturing system	Measure and Improve KW per Kg of material processed	Melbourne	<ul style="list-style-type: none"> Completed independent energy usage reduction survey in 2006. Energy Action plan was developed from the survey with recommendation implemented. Improvement goal successfully completed
		Reduce energy usage	Development of energy action plan	National	<ul style="list-style-type: none"> Form Australasian Sustainability action team to identify , document and implement improvements for Energy and Water consumption at each location.
		Monitor 10,15 or 20lt pail production for energy usage.	Monitor production for two continuous weeks to determine KWA used per KG of plastic to establish base line data.	Melbourne	<ul style="list-style-type: none"> Portable power consumption monitoring equipment was purchased and the stated data acquisition completed. Plant realignment completed to maximise manufacturing efficiency. Improvement goal successfully completed
		Monitor produce crate for energy usage	Monitor production for two continuous weeks to determine KWA used per KG of plastic to establish base line data.	Melbourne and Sydney	<ul style="list-style-type: none"> Monitoring completed in 2007. Process parameters optimised in 2007/2008 year for most efficient process. Improvement goal successfully completed
		Monitor Milk bottle production for energy usage	Monitor production for two continuous weeks to determine KWA used per KG of plastic to establish base line data.	Perth	<ul style="list-style-type: none"> Monitoring to be completed in 2009 and Energy action plan to be developed in 2009/10
		Monitor Cartridge moulding production for energy usage.	Monitor production for two continuous weeks to determine KWA used per KG of plastic to establish base line data.	Sydney	<ul style="list-style-type: none"> Base line Energy data monitoring completed in 2007, consolidation of machinery completed in 2008 as per planned arrangements, >50% energy saving achieved over 2007 year. . Improvement goal successfully completed
	3. Improvements in design, manufacture, marketing and distribution to minimise the environmental impacts of packaging	Complete concept and design for lightweight cable reel	Improvements in design and Environmental impact reduction	Brisbane	<ul style="list-style-type: none"> Machinery cell installed and tooling approved, manufacture well underway, progressive rollout will be completed throughout 2009
		2lt PVC bottle weight reduction by 2g.	Environmental impact reduction	Perth	<ul style="list-style-type: none"> Reduction of 2g per PVC bottle was achieved through cross functional group participation in 2007. Improvement goal successfully completed

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		New Pail design	Improvements in design and Environmental impact reduction	Melbourne	<ul style="list-style-type: none"> New pail design completed and delivered to market place. Improvement goal successfully completed
		Pail material optimisation	Environmental impact reduction	Melbourne	<ul style="list-style-type: none"> Number of pail designs optimised, review process is continuing for the remainder of designs.
		Packaging recovery system	Development of pail recovery system	Melbourne	<ul style="list-style-type: none"> Continue to investigate improvements to the Paintback™ process with supply chain partners
		Introduction of returnable transit packaging ie: conversion of cardboard packaging to returnable plastic packaging.	Resource re-utilisation	Sydney and Melbourne	<ul style="list-style-type: none"> Tooling and machinery has been installed and the returnable transit packaging roll out completed in line with planned arrangements. Improvement goal successfully completed
	4. Changes to protection safety, hygiene, shelf life or supply chain considerations affecting amount & type of packaging used continued.	Increase the use of returnable palletising in bottle production	Resource re-utilisation	Perth	<ul style="list-style-type: none"> Reduced carton usage by 90% in the PET line. Improvement goal successfully completed Develop action plan to increase returnable palletising a further 2% in 2008 / 2009
		Complete design for multi trip tote as replacement to cardboard	Resource re-utilisation	Sydney	<ul style="list-style-type: none"> Completed and delivered to the market place. Item successfully completed
		Complete design for reusable RTP crate as replacement for cardboard	Resource re-utilisation	Sydney	<ul style="list-style-type: none"> Project completed in 2006 and 2007 RTP currently servicing the market place. . Improvement goal successfully completed
Packaging designed to optimise the amount of post-consumer recycled content	5. Average % per annum, of post-consumer recycled content in packaging manufactured	Recycle rejected pail material into alternative product.	Monitor monthly usage of recycled content to establish base line data	Melbourne	<ul style="list-style-type: none"> 'Pail recycling agreement' finalised in 2007, returned PP is now used for compost bins and HD is used in pits. Improvement goal successfully completed
		Use of carton packaging with optimal level of recycled content	Qty of packaging converted to "greater recycled content" in 2006 per site	Melbourne, Sydney and Brisbane	<ul style="list-style-type: none"> The stated sites have reviewed the recycled content of cardboard packaging with respective suppliers and reported that we are currently using "the most optimum recycled content" for the given goods. . Improvement goal successfully completed
Goal 2 – Efficient resource recovery systems for consumer packaging and paper.					
Provision of collection services for post consumer packaging and paper	16. Percentage of signatories providing recycled collection facilities for post-consumer packaging generated on site	Damaged crates from customer/industry returned for reprocessing and recycling into new products.	Monitor QTY/weight of monthly returns for 12 months in 2006 / 2007 to establish base line data	Brisbane	<ul style="list-style-type: none"> Base line data monitoring completed in 2007.
		Use of material reclaimed from damaged crates returned by customer/industry.	Establish recover/recycle system		<ul style="list-style-type: none"> Base line data suggests that Viscount generally, have no control over the amount of damaged crates generated by the customer, our focus has been on establishing the recovery and recycling system which is now in place and recycles 100% of damaged crates received. Improvement goal successfully completed
			Monitor QTY/Weight of monthly returns for 12 months to establish base line data	Perth	<ul style="list-style-type: none"> Due to security reasons, the recycling equipment has now been sold to a local recycler. Action Item closed

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		Efficient system of recovery and recycling of damaged crates from NSW sea food authority	Monitor QTY/Weight of monthly returns for 12 months to establish base line data 2009/10 Target, continue to monitor collection and seek other opportunities within the business to utilise HDPE regrind	Sydney	<ul style="list-style-type: none"> Base line data monitoring completed in 2007, unfortunately data has no trend as the amount of returned crates depends on the fish market demand, seasonal usage of the crates and damages from incorrect handling. Seek on going opportunity to use HDPE regrind within the business 				
Goal 4 – Supply chain members and other signatories able to demonstrate how their actions contribute to above goals.									
Increased recycling of used packaging	21. Estimated tonnage of consumer packaging recycled and sent to landfill respectively, from on site collection facilities	Reduction of material sent to land fill	Establish base line data for collection of material which is sent for recycling Establish base line data for collection of material that is sent to Land fill Establish and deliver improvement plan	Sydney, Brisbane and Perth	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;"><u>2006</u> 151 tonnes</td> <td style="text-align: center;"><u>2007</u> 172 tonnes</td> </tr> <tr> <td style="text-align: center;"><u>2006</u> 102 tonnes</td> <td style="text-align: center;"><u>2007</u> 93 tonnes</td> </tr> </table> <ul style="list-style-type: none"> Each facility has established recycling system for plastic, steel and cardboard, oppose to landfill. Improvement goal successfully completed 	<u>2006</u> 151 tonnes	<u>2007</u> 172 tonnes	<u>2006</u> 102 tonnes	<u>2007</u> 93 tonnes
<u>2006</u> 151 tonnes	<u>2007</u> 172 tonnes								
<u>2006</u> 102 tonnes	<u>2007</u> 93 tonnes								
	22. Adoption of Environmental Code of Practice for Packaging (ECoPP)	Implement a formal system	Implement a formal system across the company to document decision process with detailed application of ECoPP and its guidelines.	Melbourne, Sydney, Brisbane and Perth	<ul style="list-style-type: none"> Product development system procedures “Gateway” reflect EcoPP requirements. Improvement goal successfully completed 				
Secondary market creation supported for recovered packaging material	26. Implementation of Buy Recycled purchasing policy or practices	Implementation of Buy recycled purchasing policy.	Document, disseminate and implement policy.	Melbourne	<ul style="list-style-type: none"> Purchasing, and increasing the recycled content of our products is the underling philosophy of Viscount Plastics, BRBA was considered but membership at this point in time will not be undertaken. 				
Goal 5 – All signatories demonstrate continuous improvement in their management of packaging through their individual plans and annual report.									
Continuous improvement demonstrated against baseline data and all relevant KPI's	27. Establishment of base line data	Monitor process to obtain quantitative data on activity relating to relevant KPI's	Establishment of base line data in 2006 and 2007	Melbourne	<ul style="list-style-type: none"> Base line data acquisition has been completed and action plans in place as per individual items in this document. 				
	28. Annual reporting against Action Plan	Annual report against objectives and targets outlined in this plan.	Annual report to reflect ongoing improvement against action plan.	Melbourne	<ul style="list-style-type: none"> Annual report reflects base line data acquisition and continual improvement through a number of specific K.P.I objectives completed ahead of scheduled date. 				
	29 Demonstrate improvement & achievements against individual targets and milestones.	Demonstrate progress against individual targets and milestones	NPC annual report	Viscounts NPC Committee	<ul style="list-style-type: none"> Submission of action plan to NPC 				
	Education	Continuation of employee awareness programs	Summary information detailing progress have been made as a result of actions implemented under the Covenant	Viscounts NPC Committee	<ul style="list-style-type: none"> Following receipt of NPC acceptance by the NPCC, dissemination of progress against action plan was completed in conjunction with all of the Operational Managers 				

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	Community involvement	Collaboration with educational institutions, industry and government bodies.	<p>Communication with employees regarding NPC status and progress</p> <p>Interaction with interested parties</p>	<p>Viscounts NPC Committee</p> <p>Viscounts NPC Committee</p>	<ul style="list-style-type: none"> Site specific communications with key stake holders was conducted during compilation and upon submission of the NPC document. Following receipt of NPC acceptance by the NPCC dissemination to staff was completed in January of 2007 and continues through the cross functional team involvement for each of the actionable items Interaction with PACIA, local council and Swinburne University





ENVIRONMENTAL POLICY

This policy covers all activities conducted on all Viscount Plastics sites by all people on those sites. The objective of this policy is to ensure that all activities are performed in a manner that protects the environment, promotes efficiency in the use of natural resources and energy, minimises waste, and is in compliance with all applicable environmental legislation. The Environmental Management Systems shall ensure that the policy objective is achieved by:

- Anticipating environmental issues and taking appropriate action to maintain compliance with any new laws and regulations.
- Providing effective and appropriate training and instruction to all management and employees.
- Maintaining programs for environmental auditing, inspection and monitoring.
- Providing safe systems of work to prevent accidental releases and spillages, including discharges to air, water and land.
- Maintaining Viscount Plastics' standard internationally regardless of local law.
- Ensuring that Viscount is actively represented on industry / government groups concerned with the environmental impacts of our products and processes.
- Considering environmental issues when planning and implementing new processes and operations.
- Designing, manufacturing, storing and distributing products in a manner that protects the environment.
- Maintaining a consultative process that encourages employees to participate in environmental matters.
- Conserving resources by efficient use of energy and minimisation of waste.
- Working with customers and community to develop recycling strategies.
- Giving preference to suppliers and contractors that can demonstrate responsible and effective management of environmental issues.
- Monitoring of and compliance with all applicable licence conditions.
- The appropriate maintenance and application of environmental emergency procedures.

All managers and supervisors are accountable for environmental performance in their areas of control. All employees have a responsibility to follow the procedures for protecting the environment and to report incidents and hazards to their supervisors.

Shane Moloughney
Managing Director

1 January 2008