



Signatory Name: Penrite Oil Co Pty Ltd

The question numbers in this report refer to the numbers in the report template. Not all questions are displayed in this report.

Status: Complete

The content in this APC Annual Report is hereby endorsed by the Chief Executive Officer, or equivalent officer of the organisation.

Yes

5. Industry sector (please select 1 only):

- Brand Owner / Wholesaler / Retailer
- Packaging Manufacturer
- Waste Management
- Other - Commercial Organisation
- Community Group
- Industry Association
- Government
- Raw Material Supplier
- Other:

6. Industry type (please select 1 only):

- Food & Beverage
- Pharmaceutical / Personal Care / Medical
- Hardware
- Homewares
- Communications / Electronics
- Clothing / Footwear / Fashion
- Chemicals / Agriculture
- Fuel
- Large Retailer
- Tobacco
- Shipping Company
- Airline
- Other: Lubricants - Oil and Coolants

7. Please indicate your organisation's reporting period:

- Financial Year: 1 July 2015 – 30 June 2016
- Calendar Year: 1 January 2016 – 31 December 2016

Goal 1: Design

KPI 1: % of signatories with documented policies and procedures for evaluating and procuring packaging using the SPGs or equivalent.

9. Does your company have documented policies and procedures for evaluating and procuring packaging using the SPGs or equivalent?

- Yes No

Provide details of policies and procedures

Penrite Health and Safety Procedure - Waste Management Plan details the waste management practices to be implemented throughout the organisation and is applicable to all employees. The plan seeks to achieve the following:

- waste avoidance
- waste re-use
- waste recycling
- energy recovery from waste
- waste disposal

10. Of the types of packaging **existing at the beginning of the reporting period**, what percentage had been reviewed using the Sustainable Packaging Guidelines (SPG) by the end of the reporting period?

100 %

11. Have any new types of packaging been introduced during the reporting period?

- Yes No

12. If yes, of the **new types of packaging introduced during the reporting period**, what percentage have been reviewed using the Sustainable Packaging Guidelines (SPG) by the end of the reporting

%

13. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 1

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	All targets (KPIs) in this area were realised by June 2014 and reported in Penrite's 2014 Annual Report	All existing packaging designs are reviewed constantly in relation to the Sustainable Packaging Guidelines. New targets were introduced in Penrite's updated Action Plan and are subject to reporting in Penrite's 2017 Annual Report.

14. Describe any constraints or opportunities that affected performance under this KPI

Transporting product over large distances in Australia means that wall strengths and thickness in primary packaging is limited to small reductions. This limitation ensures packs do not collapse or split producing an environmental hazard or create a consumer issue with presentation and quality of Penrite's products.

Goal 2: Recycling

KPI 3: % signatories applying on-site recovery systems for used packaging.

15 Do you have on site recovery systems for recycling used packaging?

- Yes at all facilities/ sites
- Yes at some, but not all facilities/ sites
- No

16. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 3

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	<p>KPI 3.1 Collate all recycling occurring at each production site to ensure 100% of suitable used packaging is recycled.</p>	<p>Each production site now has processes in place to ensure 100% of suitable used packaging is recycled.</p> <p>The following is in place:</p> <ul style="list-style-type: none"> • Designated bins/cages for recyclable cardboard at Melbourne and Brisbane plants. Monitoring in place to ensure recyclable cardboard is not placed in general disposal bins to ensure compliance with target of 100% • Dedicated recycling bins for shrink wrap at Melbourne and Brisbane plants. Monitoring in place to ensure recyclable cardboard is not placed in general disposal bins to ensure compliance with target of 100% • Sectioned production areas for storage of 205 litre metal drums and plastic IBCs drum to be recycled - designated areas at Melbourne and Brisbane production sites to ensure 100% recycling.
2.	<p>KPI 3.3 Record number of waste bin collections per month. Use data to ensure 100% of waste paper and cardboard is being placed in the bins. Ongoing and report annually.</p>	<p>The number of monthly waste bin collections of cardboard and general rubbish at each production site are now provided by Penrite's recyclers. At each site over the last reporting year 2016 the reduction of 1 bin per month in general rubbish collection has been maintained at both production sites which is consistent with the trend identified in 2015.</p> <p>Shrink wrap recycling at both Melbourne and Brisbane production sites is recorded by date and weight. During the reporting period over 550kgs of shrink wrap in Melbourne and 450kgs of shrink wrap in Brisbane monthly has been diverted away from general rubbish to recycling.</p> <p>Ongoing inspections on waste bins are carried out on a weekly basis to ensure waste paper, shrink wrap and cardboard are placed in the correct bins.</p>

17. Describe any constraints or opportunities that affected performance under this KPI

Ongoing education and training around Penrite's Waste Management Plan is critical to ensure compliance with our target of 100% for recyclable packaging materials at Penrite's production sites. The use of casual labour is an ongoing issue in ensuring compliance with our target.

In addition in 2016, Penrite instigated a program of recycling used packaging materials at its warehouse sites in Adelaide, Perth and Sydney. This program involved the placement of recycling bins for shrink wrap and cardboard at these locations. This will form part of Penrite's 2017 report.

In addition, Penrite's training and induction program, all employees are provided with information about correct processes and procedures for disposing of waste and recycling.

KPI 4: Signatories implement formal policy of buying products made from recycled packaging.

18. Does your company have a formal policy of buying products made from recycled packaging?

- Yes No

Please explain why not

As advised in previous annual reports Penrite's packaging suppliers are signatories to the APC. In addition, Penrite currently works with its suppliers to ensure recyclable packaging materials are utilised where possible. A further review of this policy during the reporting period has deemed it appropriate that there was no requirement for a formal policy.

19. Is this policy actively used?

- Yes No

20. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 4

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	KPI 4.1 Review and monitoring existing production sites for recycled content of packaging with a target of 100% compliance- ongoing	<p>A review carried out in the 2016 reporting period identified the following usage of recycled packaging content:</p> <ul style="list-style-type: none"> • 205 litre drums of engine oil, gear oils and coolants used 100% recycled primary packaging. • 1,000 litre IBCs of engine oils, gear oils and coolants used 50% recycled primary packaging. • 200ml litre through to 6 litre engine oils, gear oils and coolants 50% of secondary packaging used recycled cardboard cartons. <p>Compliance of 100% was achieved during the reporting period by working with current packaging suppliers.</p> <p>Further changes are to be implemented with 20 litre packaging in 2017 by replacing the current plastic container with recyclable cardboard packaging.</p>

21. Describe any constraints or opportunities that affected performance under this KPI

Comparable issues with previous reporting periods particularly around Penrite's collection programs for 205 litre drums and 1,000 litre IBCs drums were encountered during the reporting period. Sufficient numbers can be collected in metropolitan areas but regional and remote areas provide challenges primarily around the issue of insufficient numbers of 205l drums and IBCs to make it economical to transfer back to Melbourne and Brisbane for recycling.

Penrite again during the reporting period has also encountered difficulties in recycling 1,000 litre IBCs which are damaged during transit or in use. Damaged IBCs render them in some cases unsuitable for recycling. Further training and education is required in handling IBCs to minimise damage.

Goal 3: Product Stewardship

KPI 6: % signatories with formal processes to work collaboratively on packaging design and / or recycling.

22. Does your company have formal processes in place for collaborating with other companies or organisations on improved packaging designs and/or recycling which aims to reduce or eliminate waste?

Yes No

Provide details of policies and procedures (including names of policies/ procedures)

Currently, collaboration with a packaging company and recyclers is underway with the intent of reducing the number of 20 litre plastic packs in the litter stream. Penrite has instigated a program to initially move a number of engine oil ranges from plastic packs to recyclable cardboard and plastic bladder packaging. This will commence in 2017 and further expanded in 2018.

During the reporting period FY 2016 no significant plastic reductions were made as all efforts were directed at the 20 litre substitution packaging program.

23. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 6

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	KPI 6.1 Ensure packaging suppliers are signatories to APC. This is an ongoing target to ensure a minimum of 80% of packaging suppliers are signatories.	The initial review identified that over 90% of suppliers of packaging materials to Penrite are all signatories to APC. Penrite has continued to work with the same packaging companies in 2016 so the target of 80% has been exceeded. It is Penrite's expectation that this will continue in the foreseeable future.

24. Describe any constraints or opportunities that affected performance under this KPI

Operating in a supported environment with APC signatories means that we are all cognisant and focused on the objective of increasing the amount of recycled materials utilised.

KPI 7: % signatories showing other Product Stewardship outcomes.

25. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 7

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	KPI 7.2: Ensure the phrase "Please Recycle" is shown on all secondary packaging (cardboard cartons) with a 2016 target of 25% of cardboard cartons.	A current program is underway, commenced in 2014, to have all secondary packaging sourced in Australia with the recyclable message on it. At the date of this report over 50% of all secondary packaging had the recyclable message. which has meant that the target of 25% has been exceeded.

26. Since the beginning of the reporting period, has your company had any other outcomes related to product stewardship?

Yes

No

If yes, please give examples of other product stewardship outcomes

Penrite contributes to an oil recycling program conducted by Supercheap Australia.

Penrite commenced contributing financially to this recycling program in December 2014.

The recycling program provides consumers with any opportunity to dispose of used engine oil and packaging at 70+ Supercheap stores throughout

Australia. The used oil is collected for recycling and the plastic packs are disposed of in a safe and environmentally responsible manner.

27. Describe any constraints or opportunities that affected performance under this KPI

KPI 8: Reductions in packaging items in the litter stream.

28. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 8

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	<p>KPI 8.1: Ensure 100% of packaging material used in production process is disposed of correctly and all warehouse bin lids are closed when not in use. This target will be subject to ongoing monitoring and reporting.</p>	<p>Audits are conducted at Penrite's Melbourne and Brisbane production sites to ensure 100% of packaging material is disposed of correctly. All waste that can be recycled is placed in designated waste bins for recycling. Monitoring is conducted on a weekly basis to ensure compliance. Corrective action is implemented if non-compliance is detected. Whilst initial compliance was good some employee and warehouse changes in Melbourne during the reporting period have meant some slippage on the target of 100% compliance during the reporting period in FY 2016.</p> <p>On-going education and monitoring has been implemented to ensure compliance with proper disposal and ensure warehouse bin closures.</p>

29. Describe any constraints or opportunities that affected performance under this KPI

Your Experiences

This section lets you share with us any achievements, good news stories and areas of difficulties in making progress against your plan and the Covenant goals and KPIs.

30. Key achievements or good news stories

Diversion of recyclable shrink wrap from the general waste stream has again been the success story for Penrite in this reporting period.

During the reporting period over 1,000kgs of shrink wrap is diverted from general waste to recycling partners monthly. Whilst collection costs have increased there has been a significant decrease in general waste generated by Penrite sites. This program has also been implemented across Penrite owned warehouses in Australia and will form part of the FY2017 Annual Report.

31. Areas of difficulties in making progress against your plan, Covenant goals or KPIs

The same issues that arose in previous reporting periods have again presented themselves in this reporting period.

The main issue was ensuring 100% correct disposal of general vs recyclable waste. Some employees have encountered issues in correctly identifying the different types of waste. Additional training is required in this area.

Collection of recycled 205 litre metal drums and 1,000 litre IBCs have posed some logistical issues in regional and remote areas of Australia.

The poor condition of recycled IBCs have also presented some additional issues in the customer recycling program. More work is required to ensure IBCs are handled correctly so as not to damage them and make them unsuitable for recycling. This will be subject to on-going education and training.