



# Australian Packaging Covenant

*Smarter Packaging, Less Waste, Cleaner Environment*



Signatory Name: Qantas Airways Limited

Status: Completed

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

☒ Yes

**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:

**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:

## PART A – Signatory progress in reaching goals and targets of the Covenant

This section refers to signatory progress against Covenant KPIs. The data from this section will be aggregated across all signatories on an annual basis, and will enable the APC to assess overall progress against Covenant Goals and KPIs, and those of its own Strategic Plan. You can include any particulars relevant to your sector in Part B.

Please indicate your organisation's reporting period:

- ☐ Financial Year: 1 July 2010 – 30 June 2011
- ☒ Calendar Year: 1 January 2011 – 31 December 2011

### Goal 1: Design - optimise packaging to use resources efficiently and reduce environmental impact without compromising product quality and safety.

#### KPI 1: % of signatories with documented policies and procedures for evaluating and procuring packaging using the SPG's or equivalent

1. Does your company have documented policies and procedures for evaluating and procuring packaging using the SPG's or equivalent?

☒ Yes

☐ No

#### Definition of Packaging Type

*Reporting of the proportion of packaging reviewed using the Sustainable Packaging Guidelines, whether existing or new, need not be individual SKU or products. Signatories can review – and report on their review – by grouping their packaging into different types if this is more effective and efficient. Grouping into 'types' can be by individual products (SKU's), or by related packaging / products, e.g. by type of material used (paper/ cardboard, plastic, glass, metals...), by brands, by packaging manufacturer, or by some other category which makes sense in their own design and production processes. Reporting the number or percentage reviewed should be by 'Type' as defined by each signatory's own practices, and each signatory is free to decide how to do this. A manufacturer with a small number of products might review each package independently, with each considered a unique 'type'. A large manufacturer with many products may group them for review by looking at each material type, or may review each brand or range of products in turn, or may have different packaging suppliers and work with each in order. In both cases, the reporting should simply be by the 'types' of packaging that have been reviewed.*

2. 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?

33 %

3. Of the **new** types of packaging introduced during the reporting period, what percentage has been reviewed using the Sustainable Packaging Guidelines (SPG) by the **end** of the reporting period?

100 %

4. Describe (other?) outcomes achieved using the SPG in regard to:

*Please indicate even if you have done nothing in this area*

- a) *Avoiding or minimising the use of materials and other resources*

We are currently awaiting finalisation of a PIQET assessment of various in-flight meals packaging options. We expect this to provide information on how we can avoid or minimise materials. We will report further on this in our next APC Annual Report.

- b) *Optimising recyclability and recycled content*

We have replaced in-flight 100% polystyrene cups with 35% recycled content and recyclable formats.

- c) *Reducing litter impacts*

It is difficult for us to significantly reduce litter impacts because almost 100% of our packaged products are consumed in-flight, where their waste is not at risk of entering the litter stream. Instead, we focus our litter-reducing efforts on providing waste receptacles at ports, and sponsoring initiatives like Clean Up Australia Day.

## **Goal 2: Recycling - efficiently collect and recycle packaging.**

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

4. Do you have on-site recovery systems for used packaging?

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

6. Describe what types of packaging materials are collected and recycled on-site

Where operationally achievable, we collect all paper and commingled recycling streams across all of our ground operations. Recycling bins have been installed in all major Australian Domestic airport terminals, Qantas Club lounges and corporate offices. There is also an onboard recycling program on selected Economy services. Since November 2010, our Sydney operations have diverted general waste to an Advanced Waste Treatment (AWT) facility which enables improved recycling of metals, plastics and organic waste. Further, Qantas Engineering recycles its oily rags, scrap metal, oil filters, used aircraft oil, ground equipment oil and fluorescent tubes. Toner cartridges, mobile phones, plastic shrink wrap, uniforms and in flight passenger amenity items are other items that are recycled through existing initiatives.

7. Actual: Describe what progress (since the beginning of the reporting period), if any, has been made in collecting and recycling materials on-site

In Sydney, approximately 400 tonnes of waste was diverted from landfill each month of 2011 through the Advance Waste Treatment initiative, which allows almost 100% of the general waste to be recycled. (See 2011 Data Book) There has also been a significant investigation into installing a 'Bottle-Cycler' system into the Sydney and Brisbane Qantas Club lounges, although these measures have not been implemented.

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

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

- ☐ Yes ☒ No

### Goal 3: Product Stewardship - demonstrate commitment by all signatories

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

11. 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

12. Briefly describe how your company collaborates with other companies or organisations to improve packaging designs and/or recycling

We have been actively collaborating with Closed Loop Recycling to review and audit waste generation onboard our aircraft.  
Our Snap Fresh catering business works with SITA Environmental Solutions to ensure off-site composting of all food waste. SITA is Qantas' primary waste management service provider and frequently conducts audits to determine and recommend infrastructure needs associated with waste disposal across our facilities.  
We also have a partnership with the Packaging Stewardship Forum of the Australian Food and Grocery Council, from which we installed waste and recycling infrastructure in Qantas Domestic Terminal buildings to promote the collection of 3 separate waste streams (commingled, paper and general waste).

13. Briefly describe what progress, if any, has been made to improve packaging designs and/or recycling

As a result of collaborating with Closed Loop Recycling, in-flight polystyrene cups have been replaced with 35% recycled content and recyclable packaging formats.  
New recycling infrastructure across all facilities and the Snap Fresh composting initiative are key contributing factors to the overall reduction of 11% of waste going to landfill in 2011 against the previous year of 2010. (see 2011 Annual Report)

#### KPI 7: % signatories showing other Product Stewardship outcomes

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



Yes



No

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

16. Briefly describe what measures, if any, have been implemented to reduce litter.

It is difficult to significantly reduce our own litter impacts because almost 100% of our packaged products are consumed in-flight, where their waste is not at risk of entering the litter stream. Instead, we focus our litter-reducing efforts on providing waste and recycling receptacles as our customers disembark at ports, as detailed above, and by supporting initiatives like Clean Up Australia Day. In 2011, Qantas contributed \$100,000 to Clean Up Australia Day.

#### General

17. Please provide details of any special circumstances or additional information that will help us interpret this report (you may include links to your website showing any case studies or relevant information).

Qantas publicly reports our environmental performance annually. For our most recent reports, see:  
<http://www.qantas.com.au/infodetail/about/investors/2011AnnualReport.pdf#page=112>  
<http://www.qantas.com.au/infodetail/about/investors/qantasDataBook2011.pdf#page=61>

## PART B – Your annual performance

This section will ask you for additional data on your progress made during this reporting period against the **annual** targets you have set for each of the Covenant KPIs. The data you provide in Part B will be used to determine your performance rating. Here we are looking at your achievements in changes to packaging **outcomes** rather than **processes** (e.g. **15 tonnes** of material diverted from landfill rather than a **process** in place to investigate or actually divert waste from landfill). Please use this section to highlight any particulars that you think are relevant about your industry and sector and we will take this into account in the performance rating.

### Goal 1: Design

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

*Please enter your targets for this year or milestones in your plan and the extent to which they were achieved.*

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

	Target: What were your annual targets for the reporting period?	Actual: What did you achieve?
1.	Conduct an LCA of different ready-to-eat Snap Fresh meal packaging options (foil/PET/liquid paperboard).	A business case was prepared and accepted for the purchase of a license for use of a software package called PIQET (Packaging Impact Quick Evaluation Tool). This licence was available for use from December 2011. An R&D Food Technologist has been trained and has performed a baseline assessment for CPET trays in cardboard packaging. We are waiting on information from Confoil (Aluminium tray supplier) to complete the assessment for aluminium trays. If not received shortly we shall proceed with an assessment based on assumptions. This should be fully completed by end of June 2012.
2.	Develop an Sustainable Packaging Guidelines (SPG) summary document for licensees, explaining Qantas' interpretation of the SPGs and how they should be implemented.	Qantas have commenced a review of relevant Sustainable Packaging guidelines to insert into the licensee renewal documents.
3.	Develop checklist guides for licensees to guide the adoption of the SPGs.	Once Qantas has completed the review of Sustainable Packaging Guidelines, a checklist review document will be developed to assist licensees with the implementation of sustainable packaging principles.
4.	Where appropriate, develop clauses for insertion into contracts that require licensees to implement the SPGs.	In conjunction with Qantas Legal, appropriate clauses will be incorporated into Licensee agreements as they are renewed.
5.	Provide information to licensees around general issues, including environmental issues and the Covenant.	This information will be provided in conjunction with the checklist guide.

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

*Please enter your targets for this year or milestones in your plan and the extent to which they were achieved.*

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

	Target: What were your annual targets for the reporting period?	Actual: What did you achieve?
1.	Assess practicality of inserting 'Buy Recycled' clause into Snap Fresh Procurement Policy.	Practicality has been assessed and this clause will be included in the next review of the supply chain document used for raw material selection. The document is due for review in 2012.
2.	Insert 'Buy Recycled' clause (where appropriate) into Group Procurement Policy.	The insertion of this clause is still in progress. We have also recently updated the Procurement Procedures regarding Indigenous Minority Suppliers (Supplier Diversity). We plan to have this complete by 30 June 2012.

### Goal 3: Product Stewardship

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

*Please enter your targets for this year or milestones in your plan and the extent to which they were achieved.*

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

	Target: What were your annual targets for the reporting period?	Actual: What did you achieve?
1.	Use SITA waste audit results to conduct a rationalisation of waste and recycling infrastructure across freight facilities.	A national audit was undertaken on Qantas Sydney, Brisbane and Melbourne sites. This process made a series of recommendations and highlighted the expected diversion figures to be realised. For the most, these actions have been implemented and the results are currently being evaluated.
2.	Improve in-flight recycling program through changing material of collections bags and improving instructions.	Qantas is in the process of reviewing a range of options including the use of organic inks and bag materials made from recycled paper. New simplified user instructions have also been considered as part of proposals from our current supplier. This is currently being reviewed by external product suppliers ClosedLoop. We continue to utilise the current design in flight. A decision on any change is anticipated before the end of the calendar year 2012.
3.	Use SITA waste audit results to conduct a rationalisation of waste and recycling infrastructure across freight facilities.	A national audit was undertaken on Qantas' Sydney, Brisbane and Melbourne sites. This process made a series of recommendations and highlighted the expected diversion figures to be realised. For the most part, these recommendations have been implemented and the results are currently being evaluated.
4.	Insert general sustainability clauses into Procurement Policy.	Insertion of these clauses is still in progress. We have recently updated the Procurement Procedures regarding Indigenous Minority Suppliers (Supplier Diversity). We plan to have these actions complete by 30 June 2012
5.	Roll out 'Bottle-Cycler' in Qantas Club lounges in Sydney and Brisbane.	The feasibility of installing 'Bottle-Cycler' machines in Sydney and Brisbane was investigated in 2011, but due to several issues, this was not implemented. The machines were determined to be too noisy, and also too visually unappealing for our Qantas Club lounges. We have consulted the manufacturer about developing a machine that creates less noise and is more aesthetically pleasing. If the manufacturer can address these issues, we will install these machines into our lounges.

**KPI 7: % signatories showing other Product Stewardship outcomes.**

*Please enter your targets for this year or milestones in your plan and the extent to which they were achieved.*

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

	Target: What were your annual targets for the reporting period?	Actual: What did you achieve?
1.	Re-certify Snap Fresh ISO14001 certification for the EMS.	Snap Fresh successfully passed the ISO14001 re-certification audit and was granted certification on 22 November 2011. This certification expires on 23 August 2014.
2.	Celebrate World Environment Day annually, with 'begreen' employee engagement day.	Celebrations were held across the business. The June edition of the Qantas News internal newspaper was rebranded the 'begreen edition'. There is also a news article that appeared in the following edition of Qantas News evidencing the celebrations.
3.	Continue annual eXcel Environment Awards	The nominations for the Annual Environment eXcel Awards were carried out and were closed at the end of December 2011. The subsequent winner was then awarded in March 2012.
4.	Measure and report waste data for Qantas via annual sustainability reporting.	Waste to landfill continues to be included in Qantas' sustainability reporting, and was most recently published as part of the Qantas 2011 Annual Report as well as the 2011 Data Book.

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

*Please enter your targets for this year or milestones in your plan and the extent to which they were achieved.*

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

	Target: What were your annual targets for the reporting period?	Actual: What did you achieve?
1.	Continue support of Clean Up Australia Day.	We successfully continued to support this program through awareness, participation and financial assistance. In, 2011, the Qantas Foundation donated \$100,000 to Clean Up Australia and supported their launch for the new The Clean Up Fix Up Community Grants program, which provides seed funding for area remediation projects. The 2011 event saw approximately 311 volunteers and 5 sites registered. Further, Qantas Foundation's "Keep your local Beautiful" strategy, which focussed on local clean up sites, proved to be a great success in 2012, with approximately 1,015 volunteers helping out on 20 sites throughout Australia. Nationally, the Clean Up Australia Day event hosted approximately 7,363 sites with participation from over 591,400 volunteers, a terrific outcome, given the impact of the torrential rains and flood in NSW. A media release from Clean Up Australia Day was also issued.



## PART C – Your Experiences

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Please use the fields below to share with us any achievements, good new stories or areas of difficulty in making progress against your plan and the Covenant Goals and KPIs. Provide as much detail as you feel is appropriate.

**24.** Key achievements or good news stories.

Our recently implemented recycling and waste initiatives have contributed significantly to the overall reduction in our waste to landfill of 11% in 2010/11 compared with 2009/10. There has also been a reduction of 0.04 tonnes of waste going to landfill per available seat kilometre from the previous year of 2009/10.

Another achievement is our ongoing support for Clean Up Australia Day. In the 2011 reporting period, Qantas Foundation donated \$100,000 to Clean Up Australia and supported their launch for The Clean Up Fix Up Community Grants program, which provides seed funding for area remediation projects.

Further to our commitment to environmental responsibility, we have continued to run our annual eXcel Environment Awards. This annual event is a key part of our strategy to support and recognise our employees' commitment and positive action for the environment.

**25.** Areas of difficulty in making progress against Covenant KPIs.

Due to the nature of our operations, we are faced with some difficulties in relation to packaging.

An example of this is our licensed products, which are essentially designed and developed by a third-party licensee, who in turn sources the products from manufacturers who are generally located overseas. Qantas has limited influence over the operational aspects of licensed products, and as a result, it can be challenging to get traction from our licensees or their suppliers. To address this, we are in the process of developing an SPG summary document to educate licensees on sustainable packaging design and incorporating appropriate sustainable design criteria into licensee contracts.

In regards to implementing more sustainable packaging options, we are currently reviewing old products as they come up for reassessment on our product review cycle. Through these reviews we are looking into expanding our recycling initiatives, investigating the prospect of reusable products and reducing the use of non-recyclable packing for future products.

**26.** Any other comments.

In this Annual Report we have reported against our annual goals and targets for the reporting period. However we have in place longer term plans for our product manufacturing, packaging and distribution which each year's targets contribute. In future Reports, we will report against 3-5 year achievements as they become due.