



portavin

INTEGRATED WINE SERVICES

Australian Packaging Covenant Action Plan

2010- 2015



Introduction

Portavin Integrated Wine Services look after client's wine from tank to shelf. We are winemakers working for winemakers specialising in:

- the final preparation of wine before bottling;
- bottling wine;
- cellaring and distribution of wine.

We also play a significant role in providing and handling all packaging inputs to our clients and as a result, we have embraced and committed to the **Australian Packaging Covenant (APC)**.

The Portavin Group of Companies:

- Portavin WA ACN 009 247 947
- Portavin SA Pty Ltd ACN 100 063 250
- Fearman Pty Ltd t/a Portavin Victoria ACN 009 437 316
- Portavin New Zealand Ltd (2248137)

APC Definition: Contract Packer

Contact Officer: Mike Davies (Chairman – The Portavin Group of Companies)

The Portavin Australian Packaging Covenant Management Group:

- William Bambacus - Production Manager, Portavin SA
- Paul Bourke – Warehousing and Logistics Manager, Portavin WA
- Mike Davies - Chairman – Portavin Group of companies
- Gavin Wade – Production Manager, Portavin Vic

This management group has extensive experience both at Portavin and elsewhere in bottling, packaging, warehousing and distribution. The APC is understood by this group and this action plan is the result of their work.

Term of Action Plan:

- 5 years. 2010 - 2015

Product Range:

- Receiving and final preparation of wine
- Static Wine bottling and packaging
- Mobile Wine Bottling and Packaging
- Wine cellaring in bulk and package
- Sales of wine packaging goods (Bottles, screw caps, cartons, dividers etc)
- Wine distribution
- Wine technical services

Locations:

- Adelaide (Port Adelaide)
- Auckland (Penrose)
- Melbourne (Cheltenham)
- Margaret River
- Perth (Hope Valley)
- Mobile – based in Western Australia

Size:

- Portavin bottles and packages approximately 60 million bottles per year and sells an equivalent amount of wine packaging materials

Accreditations: Portavin holds all major accreditations including:

- Australian Certified Organic
- BRC
- HACCP
- ISO 9001
- NATA
- New Zealand Sustainable Winegrowing(pending)
- NZFSA(pending)
- SQF 2000
- Tesco



Company History

Portavin was established in 1988 in Western Australia (W.A.) as a mobile bottling business to service the expanding Western Australian Wine industry. By 1990 the concept was sufficiently proven in W.A. to justify the establishment of another Portavin enterprise in Victoria (Vic) and in 1994 the same in South Australia (S.A.).

All mobile bottling lines in both SA and Vic have been sold and today Portavin owns and operates only two mobile bottling lines based in Western Australia.

In 2001 Portavin W.A. established a static bottling hall (4,500 bph) and warehouse complex in the Margaret River winegrowing region known as PMR (Portavin Margaret River), it opened in July 2002.

Also in 2001 Portavin W.A. purchased a 3.6 Ha light industrial site at Hope Valley, 35Km south of the Perth CBD. The site has been transformed into a wine services centre where we are providing; bottling, warehousing (bulk and packaged wine) and laboratory services. In addition we also warehouse and distribute wine glass for Amcor Glass from the site and maintain stock holdings of approximately 2,500 + pallets. A new 7,500 bph bottling line operates on this site.

Portavin Vic and Portavin S.A. also ventured into static bottling in 2002 and 2005 respectively. Portavin Vic, based in Cheltenham on a 20,000 sqm site, operates two bottling lines (1 x 5,000bph and 1 x 7,000bph).

Portavin S.A. also operates two bottling lines (3000bph & 7000bph) on a 14,000sqM site in Port Adelaide. All Portavin static enterprises offer an integrated wine bottling service including bulk wine receival, blending, finishing, bottling, full QA, dry goods supply, warehousing and distribution services.

Portavin has now also established an operation in Penrose, Auckland south of the city with good proximity to freight hubs, glass production and 3rd party warehousing service providers.

Portavin also has a number of supply contracts with producers of glass, screwcaps, fibre products and other dry goods and supplies these products to bottling and 3rd party clients.

In an environment where managing cost of goods and reducing emissions will be more important every day, the wisdom of bottling wine close to where it is produced as opposed to close to market and major logistic hubs will be questioned. For these reasons, we believe that particularly, Auckland, Melbourne, Adelaide and Perth are the correct locations for our bottling activities.



Portavin and the Australian Packaging Covenant

Portavin aims to be an active participant in the APC

The Australian Packaging Covenant has a clear objective to minimize the overall environmental impacts of packaging by pursuing three performance goals; Design, Recycling and Product Stewardship. At Portavin, given our 3rd party contractor status, it is well within our capabilities to satisfy the goals of recycling and product stewardship but in the vast majority of cases packaging design remains the domain of our clients. Having stated this, we appreciate our potential value in advising our clients in relation to design according to sustainable packaging guidelines. We see this as a part of our product stewardship role.

We aim to reduce our inputs and waste by more closely managing our activities through measurement and monitoring of baseline data that is developed through this action plan. Through this process we believe that our environmental impact will be minimised.

Not only will such measurement and monitoring help us reduce our inputs and waste, we also plan to take advantage of new technology and developments to achieve this aim.

Portavin is also a supplier of packaging to clients who do not use our bottling and packaging services. Given our lack of control of these supplies they cannot be included in our base line data. We do however recommend that these clients embrace the APC and are aware of our commitment to product stewardship.

Current Status - *what we do now:*

We actively recycle packaging inputs – specifically

- Glass
- Plastic
- Paper and Cardboard
- Timber
- Office consumables such as toner cartridges, computers etc.

In addition Portavin has programs in place to reduce power and water usage. Such programs include:

- Water recycling rinsing and filling equipment
- Arc power saving device
- Maintain all equipment to run optimally to minimize emissions and power consumption

Further to this, Portavin provides generic packaging inputs by the case as opposed by the pallet to our client group. Whilst economically beneficial to the client, this also reduces leftover part pallets and therefore wastage of these items.



New Goals and continued improvement for Portavin and the APC:

Whilst maintaining and improving our existing efforts, at Portavin we have set some new goals to further comply with the APC in five key areas. These are;

- **Reduce inputs**

We plan to discover and develop new ways to reduce our packaging inputs. The same applies to our office inputs.

- **Reduce waste**

We plan to further reduce industrial and office waste with new initiatives and reward our people when significant reduction targets are met.

- **Increase recycling**

We plan to increase recycling in all areas of the business with new initiatives including far greater access to re-cycling depots in a far greater range of locations within our businesses.

- **Educate our people**

We plan to develop a program to allow all of our people to be stakeholders in our commitment to the APC thus ensuring our ultimate success.

- **Product stewardship.**

We plan to communicate our commitment to the APC to our clients and the community.



Specific actions for implementing the commitments under the Covenant and supporting the achievement of the Covenant's objective and goals.

APC Goal 1	KPI	Action	Responsibility	Target Date	Verification
Packaging optimised to achieve resource efficiency and reduced environmental impact without compromising product quality and safety.	1	Incorporate Sustainable Packaging Guidelines "SPG" into existing product reviews. (By type - e.g. glass, screwcaps, cardboard etc)	APC Management Group	30-Jun-11	Documented in APC Management Group Product reviews
As above	1	Incorporate Sustainable Packaging Guidelines "SPG" into new product reviews.(All new products to be individually reviewed)	APC Management Group	Ongoing	Documented in APC Management Group Product reviews
As above	1	Review existing suppliers conformance to "SPG"	APC Management Group	30-Dec-11	Documented in APC Management Group Supplier reviews
As above	1	Review new suppliers conformance to "SPG"	APC Management Group	Ongoing	Documented in APC Management Group Supplier reviews
As above	1	Review design and operation of all equipment to ensure packaging optimisation is not compromised during production	APC Management Group	30-Dec-11	Documented in APC Management Group production reviews.

APC Goal 2	KPI	Action	Responsibility	Target Date	Verification
The efficient collection and recycling of packaging	3	Implement Onsite recovery systems for recycling used packaging	Site Managers	30/06/2011	Documented in APC Management Group Production reviews
As above	3	Review and monitor recycling facilities	APC Management Group	Ongoing Quarterly	Documented in APC Management Group Production reviews
As above	3	Develop report from ABM/Ozline to monitor wastage and recycling despatch by weight and value	APC Management Group and IT/Comms manager	30/06/2012	Documented in APC Management Group Production reviews and monthly accounts
As above	4	Develop a policy to assess recycled content in packaging we purchase and provide guidelines for procurement.	Portavin Executive Management group	30/09/2011	Documented in APC Management Group Product reviews

APC Goal 3	KPI	Action	Responsibility	Target Date	Verification
Product Stewardship - A demonstrated commitment to product stewardship by the supply chain and other signatories	6	Supplier review to assess whether Sustainable Packaging guidelines have been implemented	APC Management Group	30/06/2011	Documented in APC Management Group Supplier reviews
As above	6	Customer review to assess whether Sustainable Packaging guidelines have been implemented	APC Management Group	Ongoing	Documented in APC Management Group Production reviews
As above	8	Review use of extraneous packaging (E.g. tissue wrap, single bottle packs) and develop initiatives to reduce	APC Management Group	Ongoing	Documented in APC Management Group Production reviews
As above	8	Monitor use of dividers and develop methods to negate their use	APC Management Group	Ongoing	Documented in APC Management Group Production reviews

Formation of Baseline Data

Key to the goals above is the development of baseline data with reference to measurement and monitoring of our inputs, outputs and resultant losses and wastage. This is critical to understanding our performance.

The following table identifies the specific areas to be monitored for the first 12 months which will become the platform on which we develop a full understanding of our potential to maximize our commitment to the APC

<u>APC Baseline Data</u>				
	Measure	Record	Goal	KPI
<u>Wastage</u>				
Internal wastage and removal				
plastic	per tonne	income	2	3
Paper & cardboard	per tonne	cost/income	2	3
Glass	per tonne	Cost/month	2	3
General Waste (Landfill)	per tonne	Cost/month	1	1
Water usage	L per 9L equiv	Total usage	N/A	N/A
Power usage	KW per 9L equiv	Total usage	N/A	N/A
Machine Wrap	g/ 9LE	Total usage	2	3
LPG	kg/month		N/A	N/A
Staff Awareness	APC awards		N/A	N/A
<u>Packaging Inputs</u>				
Total dry goods used				
Glass SKU usage	Tonnes/month	av g/unit		
	Units used	bottles	1	1
Screwcaps used	Tonnes/month			
	Units used	screw caps	1	1
Labels used	Tonnes/month			
	Units used	label sets	1	1
dividers used	Tonnes/month			
	Units used	dividers	3	8
cartons used	Tonnes/month			
	Units used	cartons	1	1
Machine wrap	Tonnes/month			
	Units used	pallets wrapped	1	1
		g/pallet of wrap		
Other pallet packaging	Tonnes/month		1	1
Non-returnable Pallets	Tonnes/month		1	1

APC management group	Measure	Record	Goal	KPI
Product review by type	Product SPG rating	Annual	1	1
Supplier SPG Review	Supplier SPG rating	Annual	1	1
Equipment Optimisation Review	Equipment wastage	Annual	1	1
Recycled content review	Supplier Data	Annual	2	4
Customer SPG Review	Customer SPG rating	Annual. Top 20	3	6
Extraneous Packaging review	Tonnes Extraneous Packaging	Annual	3	8

Whilst we are collecting our first round of Base line data we will also be developing our message to: REDUCE, RECYCLE, EDUCATE and COMMUNICATE

Some initiatives that have already commenced are:

REDUCE:

Identify all areas where reduction of inputs and waste can be achieved

- Investigate glass lightweight options.
- Investigate 1L options (Glass and P.E.T).
- Review machine wrap usage at all sites.
- Investigate paper reduction options such as substitution of electronic media where paper currently exists.
- Investigate usage of PC's in areas of the business where paper based systems currently exist.
- Review optimization of packaging and use of Portavin inputs.
- Review use of Laboratory consumables including 90mm micro plates
- Review the performance of the "ark" power reduction system.
- Investigate alternative power supply options at various sites such as wind or solar at Perth site.
- Review current water use minimization programs to determine best practice. Once established, best practice shall be implemented at all sites.

RECYCLE:

Investigate opportunities to increase our recycling activity

- Review office recycling opportunities including location and marking of recycling areas.
- Review production areas recycling opportunities including location and marking of recycling areas.
- Review pallet recovery programs at various sites to minimize waste. Once best practice agreed, to be implemented at all sites.
- Investigate opportunities for some recyclables to be utilised for on-site programs. (E.g. paper composting).

EDUCATE OUR PEOPLE:

To ensure our people are appropriately resourced to maximize reduction & recycling opportunities.

- Review induction packages to ensure our people understand and abide by our commitment to the APC.
- Investigate options to incentivise our people to embrace the APC.

COMMUNICATE - PRODUCT STEWARDSHIP:

Ensure we communicate to our customers and ensure they are aware of design options, reduced packaging and recycling alternatives.

- Improve opportunities to display recycling information on packaging.
- Actively support our suppliers to continue to develop reduced packaging material alternatives – such as 1L, LW PET & Cheerpack.
- Through our website ensure our customers can access best information on package design, reduced packaging options and combinations.
- Investigate opportunities to receive our 3rd party packaging customer's used/recyclable plastic and cardboard when glass pallets are returned.



Conclusion

Reporting:

Portavin will provide an annual report to the APC. This report will comply with the covenant and provide an accurate account on our progress to **“reduce, recycle, educate and communicate”**

- We will report on information gathered and comment on its' value and the trends shown and the resultant opportunities uncovered.
- Following the first annual report, subsequent reports will show the effectiveness of actions taken.
- Ongoing reports will also outline which actions have been recognized as complete and identify new actions and initiatives to be made.

At Portavin, we recognise the value of the “APC” in terms of reducing cost, waste and pollution in the community. If we can use the “APC” to improve in these areas, we also believe that our business will be better, stronger and more sustainable as a result.

Mike Davies (Chairman)

January 2011

