

# The SME Sustainable Packaging Action Guide



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Is your business ready to make the change to more sustainable packaging? Congratulations on getting started.

This guide is designed to provide small to medium-sized enterprises (SMEs) with an easy five-step process to work through when changing their packaging and some resources and templates to help along the way.

## Step One: Get to know the issue

Before you get started, it is worth arming yourself with the latest sustainable packaging facts and information. Access our range of educational fact sheets, infographics, toolkits and animations at [www.arlmarketplace.org.au](http://www.arlmarketplace.org.au).

**Packaging recycling in Australia – what big picture changes mean for SMEs** ARL Marketplace

From waste bans to new legislation – Australia’s packaging and recycling industries have undergone significant changes in the past five years. But what do these changes mean for small to medium-sized enterprises (SMEs)? This fact sheet provides a snapshot of the major changes to packaging recycling and what they mean for your business.

**China Waste Ban**  
For years China was the world’s largest waste importer. But in 2017, the country announced strict new rules for the type and quality of waste it would accept. The decision left many western countries – including Australia – without a market for their waste. In response to the ban, Australia’s businesses and governments have worked together to grow Australia’s domestic recycling industry and manage this waste at home.

**What does this mean for you?**  
International waste exports might seem unrelated to your day-to-day operations. But the China Waste Ban has impacted the way Australia manages its packaging. There are a number of practical changes business owners need to start making, such as redesigning packaging to remove non-recyclable components and ensuring packaging is labelled to inform the customer of the correct bin to put it in.

**2025 National Packaging Targets**  
In response to the China Waste Ban, in 2018 Australia announced the 2025 National Packaging Targets, to deliver a new and sustainable approach to packaging. The 2025 Targets, which relate to all packaging that is made and sold in Australia, are:

- 100%** reusable, recyclable or compostable packaging.
- 70%** of plastic packaging being recycled or composted.
- 50%** of average recycled content included in packaging (revised from 30% in 2020).

**The phase out of problematic and unnecessary single-use plastics packaging.**

**What does this mean for you?**  
The 2025 Targets apply to the whole of Australia and all businesses – including SMEs - need to make practical changes to their packaging to meet them. For SMEs this means:  
Switching to reusable, recyclable or compostable packaging.  
Not using any problematic and unnecessary single-use plastic packaging.  
Using packaging made from previously recycled materials.

**State governments tackling single-use plastics**  
Across Australia, several states and territories have introduced specific legislation to phase out the sale or manufacture of problematic and unnecessary single-use plastic packaging.

**What does this mean for you?**  
Depending on where you operate, some changes may apply in your state or territory. We recommend investigating further by visiting the National Retail Association’s website: [www.nra.net.au/policy-advocacy/action-on-single-use-plastics](http://www.nra.net.au/policy-advocacy/action-on-single-use-plastics)

**Take action:**  
Keen to learn more about sustainable packaging? Start your ARL journey today at [www.arlmarketplace.org.au](http://www.arlmarketplace.org.au)

APCO AUSTRALIAN PACKAGING COOPERATION ORGANIZATION National Retail Association AIP AUSTRALIAN INSTITUTE OF PACKAGING AUSTRALIAN FOOD & GROCERY COUNCIL

**Working together to get the ARL on-pack.**  
This project received grant funding from the Australian Government.

## Step Two: Audit your packaging

### Gather the relevant information

Let's get started by gathering some information to understand how sustainable your business's packaging is currently. To make an effective sustainable packaging action plan, you need to undertake a thorough review of your current packaging portfolio.

The most comprehensive way to review your packaging is to assess it against the **Sustainable Packaging Guidelines (SPGs)**. The SPGs is a comprehensive, publicly available resource designed to help businesses design and manufacture sustainable packaging in Australia.

### The SPGs cover 10 important Sustainable Packaging Principles:



Figure 2. The Sustainable Packaging Principles

### Here are some questions to consider when assessing your packaging against the SPGs:

1. How much packaging does your business currently use?
2. What type of materials are used in your current packaging portfolio?
3. Is the packaging reusable, recyclable or compostable?
4. Is any of your packaging classified as problematic and unnecessary single-use plastic?
5. How much of your packaging is made using recycled content and how much is made from virgin materials?
6. Does your packaging contain disposal information or instructions for your customers? If yes, is it the Australasian Recycling Label (ARL)?
7. How effective is your packaging – do any of your products end up in landfill due to packaging failure?
8. Are there opportunities to make your packaging more efficient e.g., lighter, thinner?
9. Does your packaging contain any hazardous or toxic materials?
10. Is your packaging made from any renewable materials?
11. Does your packaging range contain any types of packaging commonly found in litter?
12. Is your packaging accessible for your customers to use?

### Remember to review all parts of your packaging range – including:



Both business-to-business (B2B) packaging and business-to-consumer (B2C) packaging.



All levels of packaging. Primary packaging (the container directly containing the product), secondary packaging (materials used to contain single or multiple primary packed products) and tertiary packaging (packaging used for shipping and distribution).

### Where to gather the information

To answer these questions, you may need to speak to different members of your team. Typically, this information sits with the following team members:

- **Executive:** Executive level staff can provide information about any corporate commitments and targets this aligns with.
- **Procurement:** Procurement teams are responsible for choosing more sustainable packaging materials and buying from responsible suppliers.
- **Logistics and warehousing:** Logistics and warehousing staff can help you to consider B2B packaging requirements and transport efficiencies.

Additionally, it is likely that you will have to speak to your packaging suppliers. Example email templates to assist with this process can be found at the back of this kit.

## How to assess your packaging

Once you have gathered the necessary information, it is time to decide which areas of your packaging are performing well and which need to change. You can then prioritise these changes using the traffic light system:

Category	What to look for	Areas of concern	Action required
Red light	Any packaging with serious sustainability issues.	<ul style="list-style-type: none"> <li>• Packaging classified as a problematic and unnecessary single-use plastic.</li> <li>• Packaging that cannot be recovered (recycled or composted) at end-of-life.</li> <li>• Packaging that does not contain accurate disposal instructions.</li> </ul>	Requires immediate action.
Orange light	Packaging performs its important function, with some positive sustainability qualities. However, some areas will need to be addressed.	<ul style="list-style-type: none"> <li>• Some unnecessary packaging components that could be eliminated.</li> <li>• Some opportunities to optimise the packaging e.g., lighter.</li> <li>• Some issues with product waste that could be improved with packaging design.</li> <li>• Some opportunities to remove toxic or hazardous materials.</li> <li>• Packaging does not contain any recycled materials.</li> <li>• Some opportunities to use renewable materials.</li> <li>• Packaging range contains some common litter items.</li> <li>• Some opportunities to make packaging more efficient during transport e.g., bulk shipping.</li> <li>• Some opportunities to make the packaging more accessible for your customers e.g., larger label font.</li> </ul>	Would benefit from change in the medium term.
Green light	Packaging performs its important function and addresses all 10 of the Sustainable Packaging Principles of the SPGs.	<ul style="list-style-type: none"> <li>• Can be recovered e.g., reusable, recyclable or compostable.</li> <li>• Is the most efficient packaging option available (thinnest, lightest) without compromising on quality.</li> <li>• Products do not typically end up in landfill due to failures in packaging functionality.</li> <li>• Packaging does not contain any hazardous or toxic materials.</li> <li>• Where possible packaging contains recycled materials.</li> <li>• Where virgin materials are required, packaging is made using renewable materials.</li> <li>• Packaging range does not contain any common litter items.</li> <li>• Have explored all opportunities to optimise transport efficiency.</li> <li>• Packaging is fully accessible for your customers.</li> <li>• Contains the Australasian Recycling Label.</li> </ul>	No action required.

## Step Three: Develop an action plan

### Set clear targets

Once you have a clear picture of your current packaging performance, it's time to make a plan to change it. Setting clear targets is a great way to provide a motivational goal for your company to work towards. In Australia, hundreds of businesses are currently working to meet the 2025 National Packaging Targets.

These are:

- 100% reusable, recyclable or compostable packaging.
- 70% of plastic packaging being recycled or composted.
- 50% of average recycled content included in packaging.
- The phase out of problematic and unnecessary single-use plastics packaging.

### Agree on timelines and activities

To support each target, you'll need to put in place an achievable timeline and practical action plan outlining how and when you will meet it. When setting timelines, it's important to put in place ambitious but achievable timescales. Researching what other businesses have could help to provide a benchmark to work against.

Things to consider when developing your action plan:

- Do you have enough support and resources? Or do you need to consider hiring an additional staff member or external agency?
- Which targets are most urgent? Are any governed by external factors, such as timelines to ban single-use plastics in your state or territory?
- Using the traffic light system can help you to prioritise your targets by their level of urgency.

## Step Four: Communicate the plan

**Internal stakeholders:** Who else do you need to buy into this plan to make it happen? Keep your team members across the plan and its progress. Research also shows that sustainability credentials are a strong draw card for potential employees - so be sure to include the information when recruiting.

**External stakeholders:** It is important to let all affected stakeholders know that your business is making some changes. By communicating the changes to your supply chain, you may inspire other businesses to change their approach.



## Step Five: Take action

Once you have a clear set of targets and a plan to achieve them, it is time to get to work.



**Establish a delivery team:** Who else in your organisation should be involved with the process? Set up a team internally and schedule regular meetings to ensure the project remains a priority on the to-do list.



**Speak to your supplier and switch if necessary:** You need to develop a list of your packaging suppliers and approach them to clearly communicate your business's sustainable packaging expectations and requirements. Be clear on what your expectations and requirements are from the outset and ensure that your suppliers comply with these requirements. If your current supplier isn't able to support your sustainable packaging plan – it may be time to take your business elsewhere.



**Review your procurement process:** Where appropriate, look to incorporate your sustainability requirements into your business's procurement documentation to set clear expectations of your suppliers at the beginning of any relationship.



**Track progress:** It is important to keep a clear record of progress against each target. Use the packaging data provided by your supplier as a baseline.



**Get to know your industry:** It's important to remember you aren't the only organisation working through this process. Hundreds of SMEs are working through many of the same questions and challenges. Each industry sector has its own unique opportunities and challenges, and sharing resources specific to your organisation can be beneficial. Many industries have decided to set aside commercial rivalries and work through their unique sustainability challenges together. The dairy industry and the wine industry are two examples of sectors where businesses across the supply chain come together in working groups to figure out practical solutions to their challenges. Get in touch with your industry association today to see what options are available.

**Seek help:** The following organisations are available to help you navigate this process.



- Australian Packaging Covenant Organisation (APCO).
- Australian Institute of Packaging (AIP).
- National Retail Association (NRA).
- Australian Food and Grocery Council (AFGC).



## Australian Packaging Covenant Organisation (APCO)

APCO is a not-for-profit organisation leading the development of a circular economy for packaging in Australia. APCO is the agency charged by government to deliver Australia's 2025 National Packaging Targets and make all packaging reusable, recyclable or compostable by 2025. To achieve this goal, APCO is working closely with government and industry to deliver a range of sustainable design, recycling, waste to landfill reduction and circular economy projects. In 2018, APCO developed the Australasian Recycling Label Program in partnership with Planet Ark and PREP Design. In 2022, APCO launched a new campaign in partnership with the National Retail Association (NRA), the Australian Institute of Packaging (AIP) and the Australian Food and Grocery Council (AFGC) to raise awareness among small to medium-sized enterprises (SMEs) about the benefits of adopting the ARL on their packaging. At the heart of the campaign is the ARL Marketplace, a new online platform that helps small and medium-sized enterprises (SMEs) put the ARL on their packaging. Visit the ARL Marketplace today to access a range of free educational tools and resources as well as to **start your business' ARL journey today at [www.arlmarketplace.org.au](http://www.arlmarketplace.org.au)**

## Australian Institute of Packaging (AIP)

The Australian Institute of Packaging (AIP) is the peak professional body for packaging education and training in Australasia; helping to shape the careers of generations of packaging professionals - from packaging technologists to international packaging business leaders along with a host of people in associated disciplines – sales and marketing, purchasing, production and environment.

Having served the industry for over 59 years the AIP is the only professional body designed to provide professional and personal development to all levels of the packaging industry; educational offerings include the Diploma in Packaging Technology, the Certificate in Packaging, the Master in Food & Packaging Innovation, Certified Packaging Professional (CPP) Designation, Fundamentals of Packaging Technology course, half-day training courses, conferences, technical forums, site visits, Influential Women's Mentoring program, internship program and more. The AIP covers Australia, New Zealand and parts of Asia.

To find out more visit: [www.aipack.com.au](http://www.aipack.com.au)

## National Retail Association (NRA)

The National Retail Association (NRA) is Australia's most representative retail industry association which represents over 40,000 outlets from every category of retail. We work across a broad range of issues including sustainability policy. We currently partner with various State and Territory Government's to inform retailers of the respective plastic bans and partner with APCO to ensure more businesses transition to the Australasian Recycling Label. To find out more visit: [www.nra.net.au](http://www.nra.net.au)

## Australian Food and Grocery Council (AFGC)

Founded in 1995, the Australian Food and Grocery Council (AFGC) is an industry association whose mission is to be the voice of the food and grocery supply industry and a valued service provider to members. Our vision is for a thriving and trusted industry that Sustains Australia.

We work with members to develop policy positions and represent member views to government, trading partners and stakeholders. We also provide members with a platform for collective action and provide information and insights to help them navigate complex industry issues. To find out more visit: [www.afgc.org.au](http://www.afgc.org.au)



## Resources

### Template email to gather packaging information from your suppliers:

Dear <Supplier Name>,

<Your Company Name> is conducting an audit of the sustainability of our product packaging. We are using the Australian Packaging Covenant Organisation's (APCO) Sustainable Packaging Guidelines (SPGs) as a framework for this review.

As our packaging supplier, we would appreciate your assistance and co-operation to obtain relevant information on our packaging.

Can you please provide a clear summary of how well your packaging meets the SPGs, for each of the packaging SKUs you currently supply to our organisation?

Kind regards,

<Your Company Contact Name>

### Template email to communicate sustainable packaging expectations to your suppliers

Dear <Supplier Name>,

<Your Company Name> has developed a new sustainable packaging action plan to enable our business to meet Australia's 2025 National Packaging Targets. The plan contains a series of new ambitious company targets, in line with the Australian Packaging Covenant Organisation's (APCO) Sustainable Packaging Guidelines (SPGs).

As our packaging supplier, we wanted to circulate this plan with you and set up a time to discuss how your organisation can help us to reach our new targets.

Kind regards,

<Your Company Contact Name>

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**[www.arlmarketplace.org.au](http://www.arlmarketplace.org.au)**



**Working together to get the ARL on-pack.**

*This project received grant funding from the Australian Government.*