

# AUSTRALIAN PACKAGING COVENANT ACTION PLAN

## THERMOS Pty Ltd



**January 2016 to December 2017**

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## Executive Summary

Founded in 1904, Thermos® is the leading manufacturer, worldwide of insulated food and beverage containers and has the highest brand awareness level in the insulated product category. Thermos® is a registered trade mark in over 115 countries.

The Thermos® brand bottle has been the original reusable bottle brand since 1904 and is well positioned to gain even larger market share given demand for reusable bottles vs disposable plastic bottles.

Thermos® brand:

- Is the worldwide leading manufacturer of stainless steel insulated bottles, food jars, hydration bottles, travel mugs, and other food storage containers, catering for all ages from babies, to adults.
- markets the leading BPA-free stainless steel vacuum-insulated food and beverage containers for babies, Foogo® by Thermos®
- Manufactures and markets the number one selling kids stainless steel vacuum-insulated food and beverage containers, FUNtainer® by Thermos®

Use of these products helps reduce demand for single-use packaging and the potential for litter.

Thermos has eliminated PVC and BPA from our products. Over time, our packaging has been optimised to improve transport efficiency and reduce material consumption while improving the recyclability of our packaging mix.

Transport packaging has generally been optimised, though we will continue to seek opportunities for improvement. Many of our products are sold to consumers without primary packaging, just a hang tag, or point of sale label.

Where a product is sold to a consumer with associated packaging, the packaging consists almost exclusively of fully recyclable cardboard or paperboard. Plastic bags are used only where necessary to maintain product quality for higher-value items and/or to protect graphics that are essential to the product.

All of our products are imported to Australia from company owned factories in various locations throughout the world. In May 2011, Thermos Pty Ltd outsourced warehousing and distribution to Yusen Logistics, a global company with certified environmental management, OH&S and quality management systems. In addition to these systems, recycling systems are used for cardboard, office paper, plastic film and polystyrene foam. An environmental management plan and policies are in place to further minimise potential for environmental harm.

Thermos Pty Ltd has been a signatory to the Australian Packaging Covenant since 2011, and fully supports the Covenant, its product stewardship principles and the Sustainable Packaging Guidelines.

Over the past five years Thermos Pty Ltd has shown strong conformance to the Sustainable Packaging Guidelines, particularly with regard to recyclability, and reduced packaging across our full product line, to minimise the impact of its products upon the environment.

Progressively since 2011 display packaging has been deleted, in accordance with the Sustainable Packaging Guidelines, and at December 2015 almost 70% of our products do not have a retail display box, which has significantly reduced the potential for litter and subsequent environmental harm.

## Company Profile

Founded in 1904, Thermos® is the leading global manufacturer of insulated food and beverage containers, and the #1 insulated food storage brand among consumers. Thermos® is a registered trade mark in over 115 countries, and the company owns state-of-the-art factories in the United States, China, Japan, and Malaysia.

The Thermos® brand has been established in Australia since the 1930's. Thermos Pty Ltd was incorporated in Australia in April 1962 and is a wholly owned subsidiary of Thermos L.L.C., which is located outside of Chicago, Illinois, USA. The registered office of Thermos Pty Ltd is at Suite 1.04, 21 Solent Circuit, Baulkham Hills NSW 2153.

Most supply and design decisions are made at the Thermos L.L.C. headquarters in Chicago. Although slight changes can be made to packaging to suit the Australian market, economies of scale limit the extent to which changes can be made, so it is more economically viable for Australia to follow the USA packaging formats, where possible. Fortunately Thermos L.L.C. headquarters fully embraces sustainable packaging guidelines to minimize the impact on the environment, so there is rarely a need to change the packaging specifications initiated by Thermos L.L.C.

Thermos Pty Ltd fully supports the Australian Packaging Covenant ( Covenant ), its product stewardship principles and the Sustainable Packaging Guidelines (Guidelines) incorporated within the Covenant. This support is reflected in our becoming a signatory and paying our contribution to the industry funding arrangements to assist in achieving Covenant targets. The commitments outlined in the attached tables further demonstrate our commitment to the Covenant and our understanding of the roles and undertakings as a signatory.

Graham Stone, as Managing Director, endorses this Action Plan and the commitments contained therein. All correspondence regarding the Covenant should be forwarded directly to Graham Stone at the following.

*Phone:* 02 8853 5400  
*Fax:* 02 8853 5499  
*E-Mail:* [gstone@thermos.com.au](mailto:gstone@thermos.com.au)

Virtually all of our products are imported to Australia directly from Thermos owned factories in China, the USA and Malaysia.

## Company Brands

Major Thermos® brand product lines include Thermos-branded vacuum insulated products, such as Flasks, Travel Mugs, Food Jars, Hydration bottles and soft coolers/picnic sets.

**Vacuum Insulated Products such as flasks, food flasks, pump pots, tea & coffee makers**



**Travel Mugs**



**Vacuum Insulated Hydration Bottles**



**Soft Coolers / Picnic Sets**

**The #1-selling kids stainless steel vacuum-insulated food and beverage containers**

**THERMOS.  
FUNtainer®**



**The leading BPA-free stainless steel vacuum-insulated food and beverage containers for babies**

**THERMOS.  
foogo®**



## Packaging Material Types Used

Thermos uses the following packaging materials in the manufacturing and distribution process:

- Cardboard outer boxes
- Paperboard
- Paper hang tags
- LDPE bags
- HDPE bags for Lunch Lugger™ cooler sets (often reused as fillers in cartons)
- PE stretch wrap
- Pallets
- A small amount of PS is cut to fit and used to protect certain travel mug handles, but only where damage has been experienced for the handles

Where Thermos packaging involves cardboard shipper cartons, they are readily recycled in facilities receiving our products.

## Sustainability Practices and Recognition

Over time, commercial decisions at Thermos have also reflected public concerns about the environment and public health.

The decision to eliminate PVC from all of our soft coolers was made in April 2006, and since then all PVC liners in our soft coolers have been replaced by PEVA.

Bisphenol A (BPA) is a controversial chemical that can be found in the lining of food cans, certain plastic water bottles and other items. Some researchers have linked the hormone-mimicking chemical to a host of issues including behavioural and developmental effects in children. Thermos plays it safe, and since November 2007 has made a commitment to only manufacture products that are BPA-free.

Thermos has long been a leader in the use of reusable bottles, and we see significant growth in the reusable bottle market:

- Consumer perception is that disposable packaging in consumer products, particularly bottled water, cola, and sports drink bottles are bad for the environment.
- The public is aware of the health benefits of staying properly hydrated.
- Consumers are seeking reusable alternatives for their hydration needs.
- Concern over BPA in some reusable bottles has driven growth of stainless steel and BPA-free alternative products.
- Major beverage manufacturers are launching powdered drink alternatives at a fast pace.

Use of these reusable containers and hydration bottles helps reduce demand for single-use packaging and the potential for litter.

At Thermos, we believe everyone deserves equal access to clean, nourishing water. A few years ago, Thermos L.L.C. has partnered with charity: water, a non-profit organisation bringing clean and safe drinking water to people in developing nations where 100% of public donations directly fund water projects. In addition to providing program funding, Thermos created and donated educational

Thermos® Hydration Bottles for charity: water. Each bottle provides clean, safe drinking water and has facts about the importance of clean water.

Independent review has shown strong conformance for Thermos® brand products and practices to the Guidelines, particularly with regard to recyclability and in minimising environmental impacts of those products.

Greater than 90% by weight of our packaging is cardboard outer boxes and paperboard inners, which are readily recycled in facilities receiving our products. Packaging redesign to help meet retailer demand for retail-ready packaging has used cardboard as either a minimal base or has integrated the base into secondary packaging.

Use of packaging other than cardboard and paperboard has been minimised. The bulk of our products are sold to consumers without any packaging, just a hang tag. Where packaging is on products sold to consumers, the bulk is cardboard that is commonly collected in household recycling programs. The only other packaging that may accompany products sold to consumers is a poly bag. Use of the poly bag is essential to protect product finishes or graphics that are integral to consumer purchases, such as stainless steel finishes or our flasks and hydration bottles with high-quality graphics. Retailers remove the poly bags prior to display unless the product and bag are contained in a cardboard display box.



Cardboard recycling has long been undertaken at our Australian distribution centre and cardboard shippers are reused where possible. In May 2011, Thermos Pty Ltd outsourced warehousing and distribution to Yusen Logistics, a global logistics company with certified environmental management, OH&S and quality management systems. In addition to these systems, recycling systems are used for cardboard, office paper, plastic film and polystyrene foam. An environmental management plan and policies are in place to further minimise potential for environmental harm.

Thermos L.L.C., Chicago USA (parent company) has developed both an Environmental Policy and a Company Environmentally Preferable Purchasing Policy for global application. The development of both policies resulted from supply chain pressures, including packaging requirements for Wal-Mart and the Essential Requirements of the EU Packaging and Packaging Waste Directive. However, the timing for finalising both policies was brought forward as prompted by Thermos Pty Ltd's Covenant Action Plan development in 2011.

The primary purpose of the Environmental Policy is to minimise the impact of Thermos companies' activities on the environment. The primary purpose of the Company Environmentally Preferable Purchasing Policy is to institute practices that minimise negative environmental impacts of Thermos companies' activities by ensuring the procurement of services and products that generate less waste material, maximise recyclability and conserve natural resources, material and energy.

## **Covenant Support and Commitments**

The original Action Plan covered the timeframe from January 2011 to December 2015, inclusive, and this amended Action Plan covers the period July 2016 to December 2017.

Thermos Pty Ltd fully supports the Australian Packaging Covenant, its product stewardship principles and the Sustainable Packaging Guidelines contained therein. This support is reflected in our becoming

a signatory in 2011 and paying our annual contribution to the industry funding arrangements to assist in achieving Covenant targets, and in our commitments provided in the following tables.

All of our products are imported to Australia directly from Thermos owned factories in China, USA and Malaysia. Thermos Pty Ltd exerts little influence on packaging used on an on-going basis, with specific regard to design, size and materials used. Any changes from the standardised packaging result in direct on-costs to Thermos Pty Ltd.

**Australian Packaging Covenant Goal 1. Packaging optimised to achieve resource efficiency and reduced environmental impact without compromising product quality and safety.**

**Thermos Pty Ltd 2010 Baseline Performance**

The Thermos® brand bottle has been the original reusable bottle brand since 1904 and is well positioned to gain even larger market share given demand for reusable bottles. Use of these products helps reduce demand for single-use packaging and the potential for litter.

Transport packaging has generally been optimised, though we will continue to seek opportunities for improvement. Many of our products are sold to consumers without primary packaging, just a hang tag. Where a product is sold to a consumer with associated packaging, the packaging consists almost exclusively of fully recyclable cardboard or paperboard. Plastic bags are essential to preserve product quality and to make products easier for consumers to inspect. Retailers remove the poly bags prior to display unless the product and bag are contained in a cardboard display box.

Greater than 90% by weight of our packaging is cardboard outer boxes and paperboard inners, which are readily recycled in facilities receiving our products. Packaging redesign to help meet retailer demand for retail-ready packaging has used cardboard as either a minimal base or has integrated the base into secondary packaging.

Use of packaging other than cardboard and paperboard has been minimised. The bulk of our products are sold to consumers without any packaging, just a hang tag.

Thermos has completely eliminated PVC and BPA from our products.

Thermos has had no formal packaging design process in place. However, Thermos has implemented continuous improvement and design considerations for over 70 years, and continues to do so to provide consumers with better sustainable product choices.

Thermos has evaluated the potential to substitute paper wraps around some of our products to help eliminate the use of poly bags for a range of our products, however it was found that in addition to being more expensive, the paper will not protect high quality graphics to the extent needed and that an upsizing of packaging may prove necessary to accommodate the paper. The paper option also makes it much more difficult for consumers to inspect the product, therefore, poly bags will continue to be used, as there is no viable alternative at this stage.

Thermos has shown strong conformance for to the Guidelines, particularly with regard to recyclability and in minimising environmental impacts of Thermos® brand products. As such, we do not anticipate significant changes to production practices and packaging types going forward.

Thermos L.L.C. has developed both an Environmental Policy and a Company Environmentally Preferable Purchasing Policy for global application. Both policies are being integrated into this Action Plan.

| <b>Thermos Pty Ltd Actions to Address Covenant Goal 1</b>   | <b>Timeframe</b>      |
|---|-----------------------|
| <b>Action 1a:</b> Thermos Pty Ltd has, and will continue to formally adopt the Sustainable Packaging Guidelines, for 100% of all new products each year.  | By Dec.2017           |
| <b>Action 1b:</b> Thermos Pty Ltd, has since 2011, and will continue to review, and eliminate where possible all display packaging, in accordance with the Sustainable Packaging Guidelines, and comply 100% with the global Thermos Environmental Policy and Company Environmentally Preferable Purchasing Policy.   | By end Dec. 2017      |
| <b>Action 1c:</b> Thermos Pty Ltd has established a product review team consisting of the Managing Director and Brand Manager. 100% of all new products will be reviewed annually, with the objective of minimising packaging.  | By end December, 2017 |
| <b>Action 1d:</b> Since 2011 Thermos Pty Ltd has reviewed all existing packaging against the Sustainable Packaging Guidelines and will ensure 100% of all new products will be reviewed annually in accordance with the Sustainable Packaging Guidelines.   | By end Dec 2017       |
| <p><b>Process and records for reporting against actions:</b> Establishment of the product review team and formal adoption of the Sustainable Packaging Guidelines will be undertaken by action of the Managing Director and duly noted in dedicated electronic and hard copy files. Product specification sheets detailing method of packaging, and point of sale materials, will be drawn up for all new products, and a summary sheet on total products will be maintained, showing packaging details per SKU.</p> <p><b>Responsibility for delivering commitments:</b><br/>           Actions 1a, 1b and 1c: Managing Director.<br/>           Action 1d: Product Review Team.</p> |                       |

| <b>Australian Packaging Covenant Goal 2. The efficient collection and recycling of packaging.</b>  |                   |
|--|-------------------|
| <p><b>Thermos Pty Ltd 2010 Baseline Performance</b></p> <p>Cardboard recycling has long been undertaken at our Australian distribution centre and cardboard shippers are reused where possible. This has continued since May 2011, when Thermos Pty Ltd outsourced warehousing and distribution to Yusen Logistics, a global company with certified environmental management, OH&amp;S and quality management systems. In addition to these systems, recycling systems will be used for cardboard, office paper, plastic film and polystyrene foam. An environmental management plan and policies are in place to further minimise potential environmental harm.</p> <p>Although the provision of recycling facilities is not specified contractually, the logistics company’s environmental management plan has an explicit objective to “Maximise the recycling of waste materials on site” as measured by a 10% increase in recycling volumes each year. Recycling activity is not likely to be tracked separately and specifically allocated to Thermos Pty Ltd, however Yusen Logistics will supply documented evidence of their annual recycling efforts, which will be included in the annual report of Thermos Pty Ltd to APC.</p> |                   |
| <b>Thermos Pty Ltd Actions to Address Covenant Goal 2</b>  | <b>Timeframe</b>  |
| <b>Action 2a:</b> Thermos Pty Ltd requires our warehouse & logistics provider, Yusen Logistics to provide evidence of certifications for environmental management, OH&S and quality management systems during the duration of this Action Plan.  | By end Dec. 2017. |
| <b>Action 2b:</b> Thermos Pty Ltd will maintain and, where opportunities are identified,   | Ongoing           |

|   |         |
|---|---------|
| increase the volume of recycled content purchased, in accordance with Thermos LLC Environmentally Preferable Purchasing Policy.   |         |
| <b>Action 2c:</b> Thermos Pty Ltd will seek verification from our logistics provider to track their stated objective of maximising the recycling of waste materials on-site and report progress in our Annual Reports.  | Ongoing |
| <b>Action 2d:</b> Thermos Pty Ltd has progressively phased in a logo designating recyclability of our cardboard display boxes and outer shipping cartons.   | Ongoing |
| <p><b>Process and records for reporting against actions:</b> Current Certificates of Registration have been secured from NYK Logistics (Australia) Pty Ltd for environmental management, OH&amp;S and quality management systems. These current and any futures Certificates of Registration, as well as documentation relating to their verification and recycling activity, will be maintained in dedicated files, consistent with all Covenant documentation.</p> <p><b>Responsibility for delivering commitments:</b> Actions 2a, 2b and 2c: Managing Director.<br/>Action 2d: Thermos senior management.</p> |         |

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| <b>Australian Packaging Covenant Goal 3. Demonstrated commitment to product stewardship.</b>   |  |
| <p><b>Thermos Pty Ltd 2010 Baseline Performance</b></p> <p>Thermos Pty Ltd has specified commitments and timeframes within this Action Plan for adoption and implementation of the Sustainable Packaging Guidelines.</p> <p>From May 2011, Thermos Pty Ltd outsourced Warehousing &amp; Distribution to Yusen Logistics, who have certified environmental management, OH&amp;S and quality management systems and recycling systems in place for cardboard, office paper, plastic film and polystyrene foam under an approved environmental management plan and policies.</p> <p>Thermos® brand products are not likely to contribute in significant quantities to the litter stream in Australia. In fact, the use of Thermos® reusable containers and hydration bottles helps reduce demand for single-use packaging and the potential for litter.</p> |  |
| <b>Thermos Pty Ltd Actions to Address Covenant Goal 3</b>  | <b>Timeframe</b>                             |
| <b>Action 3a:</b> Thermos Pty Ltd will integrate Covenant commitments and the Sustainable Packaging Guidelines into our existing management systems and confirm our logistics provider's conformance with these practices.   | By end Dec.2017                              |
| <b>Action 3b:</b> Thermos Pty Ltd has, and will continue to include a logo designating recyclability of our cardboard display boxes and outer shipping cartons, consistent with Action 2d above.   | By end Dec.2017                              |
| <b>Action 3c:</b> As Thermos® products are not likely to contribute in significant quantities to the litter stream in Australia and in fact are likely to reduce litter, Thermos Pty Ltd hereby states that our contribution to litter reduction efforts will consist of our Covenant financial contribution.  | Payment of Covenant financial contributions. |
| <p><b>Process and records for reporting against actions:</b> Current Certificates of Registration have been secured from NYK Logistics (Australia) Pty Ltd for environmental management, OH&amp;S and quality management systems. These current and any futures Certificates of Registration, as well as documentation relating to their verification, will be maintained in dedicated files, consistent with all Covenant documentation.</p>  |  |

**Responsibility for delivering commitments:** Actions 3a and 3c: Managing Director.  
Action 3b: Thermos Brand Manager.

