



NATIONAL PACKAGING COVENANT ACTION PLAN
JULY 2008 – JUNE 2010

Executive Summary

The Foster's Group Limited National Packaging Covenant 2008 – 2010 Action Plan details activities and initiatives that Foster's is undertaking to deliver on our commitments as a signatory to the National Packaging Covenant to reduce the impacts of our packaging on the environment, actively engage our business on material selection and identify opportunities to further improve our performance across our supply chain. This action plan addresses the "upstream" and internal elements of the Covenant that are under the control of our Australian operations in the packaging supply chain as a "Brand Owner". Being a signatory to the National Packaging Covenant is part of our broader ongoing commitment to Product Stewardship.

Our Environment Leadership Team (ELT) covering functional and operational areas across Foster's globally, is the key internal body responsible for executing our environmental programs and objectives. The ELT is responsible for overseeing the delivery of our National Packaging Covenant Action Plan.

NPC actions undertaken by Foster's can be summarised as follows:

Total Number of Actions Detailed	Number of actions completed	Number of actions closed / cancelled	Number of actions ongoing	Number of actions active	Number of actions under review
58	17	8	14	18	1

This Action Plan details activities and initiatives that are ongoing, active and under review. Completed and closed or cancelled actions are detailed in previous Action Plans and Annual Reports.

The continued focus and drive on sustainability within our business, evidenced by the appointment of our Global Manager Environment and Global Procurement Manger – Sustainability and Risk, and the establishment of our internal Environment Leadership Team, will see greater focus on the delivery and implementation of the actions listed.

For any questions relating to this document, please contact our National Packaging Covenant Contact Officer:

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Who we are & what we do

Foster's Group Limited (Foster's) is a premium global multi-beverage company delivering a total portfolio of beer, wine, spirits, cider and non-alcohol beverages.

With a portfolio of more than 200 premium brands and a history stretching back over 160 years, we've built something unique at Foster's. We are Australia's premier drinks business - with a leading portfolio of beer, wine, cider and spirits brands, and in just over a decade, we have become a major player in global premium wine.

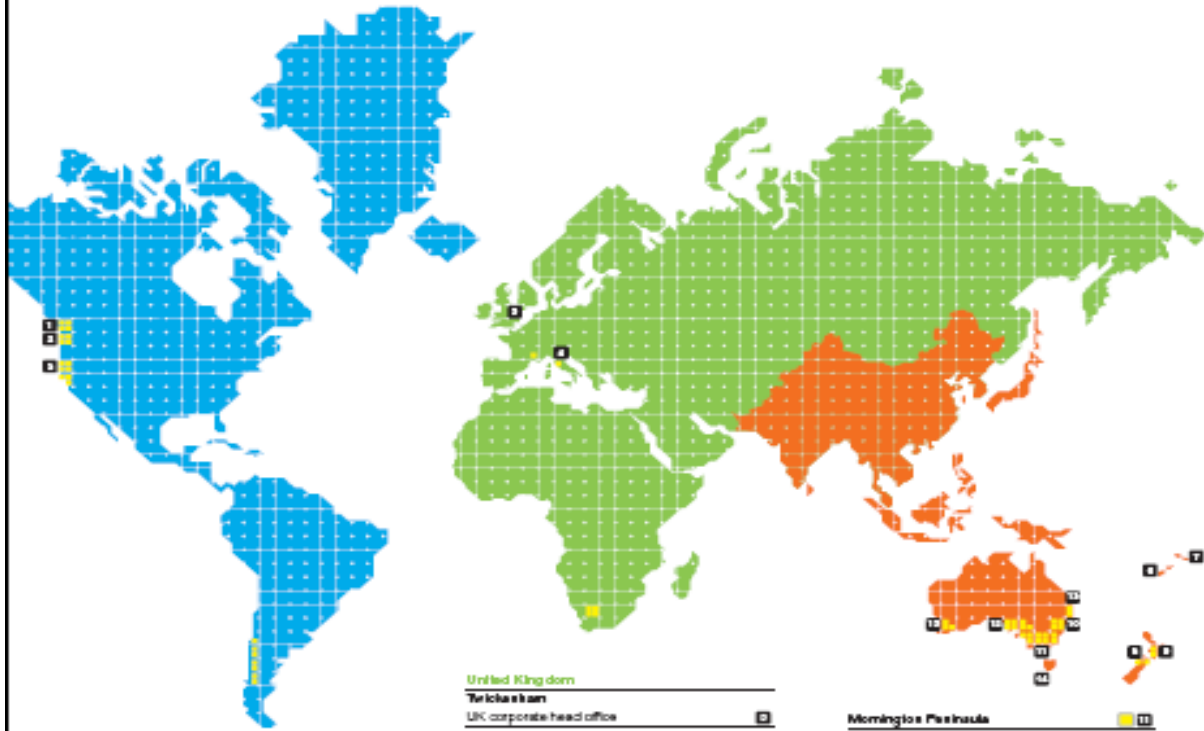
Our net sales revenue for the 2008 financial year was \$4,372.7M. As an Australian public company with a global focus, Foster's emphasises technical excellence, superior brand marketing, world-class operating efficiencies and employee development. Recent initiatives in these areas are detailed in Foster's annual Sustainability Report available on our website (www.fostersgroup.com).

Foster's markets many of Australia's most famous wines and beers, including Penfolds, Wolf Blass, Yellowglen, the Carlton beer family and Victoria Bitter. Our full brands list is shown in Figure 1 below. We have operations across Australia and New Zealand, Fiji, Samoa, Italy and the Napa Valley in California, USA, as shown in Figure 2 below, and with extensive distribution networks, our products are enjoyed throughout the Asia Pacific, the United States of America, and across Europe and the United Kingdom.

Our beer, cider, spirits and non-alcohol business involves the manufacture of beer and other beverages from water, malt and hops, and other primary ingredients, and the packaging and distribution of those beverages in lightweight recyclable primary containers including glass and PET bottles, and aluminium cans. In our wine divisions we grow grapes in Company owned vineyards, or under contract, and convert these grapes into wine. Our wine is packaged primarily in glass or in bulk for overseas shipment. Secondary packaging, such as recyclable cardboard cartons and polyethylene shrink wrap, is used to protect the product during delivery to consumers. Tertiary packaging, including reusable wooden pallets and polyethylene stretch wrap, is used to deliver these secondary packages to retail outlets. Foster's also distributes beer in bulk to a number of outlets, using stainless steel returnable kegs.



Foster's at a glance



Wine Regions, Wineries and Breweries

Grape Sourcing Regions	■
Americas	
Sonoma County	■ □
Chateau St Jean	
Whittaker's Cooperage	
Ato/Southern Winery	
Napa Valley	■ □
Beringer Vineyards	
Stage 7 Leap Winery	
Slide Winery	
St. Clement Vineyards	
US corporate head office	
Napa Grotting Centre	
Central Coast	■ □
Madison Vineyards	
TAZ Vineyards	
Chile	
Central Valley	■
South Africa	
Western Cape	■
France	
Languedoc – Roussillon	■
Italy	
Tuscany – Castello di Bobbio	■ □

United Kingdom	
Trillickham	■
UK corporate head office	■
PI	
South Pacific Distillery, Lutoko	■
PJ Brewery	■
Samoa	
Samoa Brewery, Apia	■
New Zealand	
Hawke's Bay	■ □
Shingle Peak	
Mtua Valley Marlborough	
Auckland	■ □
Mtua Valley Winery	
Otago	■
Hawke's Bay	■
Wairarapa	■
Australia	
NSW	
Hunter Valley	■ □
Underman	
Rosemount Estate	
Madge	■
Coon	■
VIC	
Melbourne	
Global Headquarters	■ □
Abbotford Brewery	■ □
Yarra Valley	■ □
St Hubert's	
Coldstream Hills	

Mornington Peninsula	■ □
T'Gallant	
Murray Darling	■ □
Underman Karadoc	
Pulkenglen	■ □
Galaxy of Glenelg	
Grampians	■ □
Suppl' Great Western	
Drummond	■
Heathcote	■
SA	
McLaren Vale	■ □
Rosemount Estate	
Barossa Valley	■ □
Saltram Estate	
Wolf Blass	
Penfolds	
Eden Valley	■
Coonawarra	■ □
Wynne Coonawarra Estate	
Clare Valley	■ □
Annie's Lane	
Adelaide Hills	■ □
Penfolds Magill Estate	
Langhorne Creek	■
QLD	
Yatala Brewery	■ □
TAS	
Cascade Brewery	■ □
WA	
Margaret River	■ □
Devil's Lair	

Figure 2 Key operating areas for Foster's Group Limited

Foster's and the National Packaging Covenant

The Foster's Group Limited National Packaging Covenant 2008 – 2010 Action Plan details activities and initiatives that Foster's is undertaking to deliver on our commitment to reduce the impacts of our packaging on the environment, actively engage our business on material selection and identify opportunities to further improve our performance across our supply chain. This action plan addresses the "upstream" and internal elements of the Covenant that are under the control of our Australian operations in the packaging supply chain as a "Brand Owner". Being a signatory to the National Packaging Covenant is part of our broader ongoing commitment to Product Stewardship. Product Stewardship, along with Energy, Water and Climate Change, Operational Waste and Leadership & Advocacy, is a core element of our broader sustainability agenda and is one of our priority focus areas, as detailed in our F08 Sustainability Report (www.fostersgroup.com)

Foster's have made significant progress in sustainability across its global operations including the establishment of an executive and board endorsed Environment Policy, with clearly stated objectives around improved efficiency in packaging use and design, and increasing recyclability and diversion from landfill, in addition to our existing commitments to reduce our energy & water use per unit of production by 10% by FY11 against a FY07 baseline, and the adoption of an internal carbon reduction program.

Our corporate environment function is the department primarily responsible for the management of the National Packaging Covenant, in conjunction with our global procurement function which is responsible for the delivery of many of the actions outlined in this document. Industry liaison and representation is a core function of our Investor Relations & Corporate Communications team. Our Environment Leadership Team (ELT) covering functional and operational areas across Foster's, is the key internal body responsible for executing our environmental programs and objectives. Going forward the ELT will be responsible for overseeing the delivery of our National Packaging Covenant Action Plan.

Activities and initiatives outlined in this document supplements Foster's participation in, and financial support of, the Packaging Stewardship Forum (PSF). The PSF focuses on the development of programs targeting post-consumer waste from across the beverage sector. Foster's has worked actively within the PSF and its predecessor BIEC, and NPC Industry Association (NPCIA) in discussing NPC targets and how they can be achieved. For further information on the PSF, refer to www.afgc.org.au or on the National Packaging Covenant web site.

Our Previous Achievements in Product Stewardship

Foster's has a long history of achievement in product stewardship directly within our operations, across our supply chain and throughout our industry. Our involvement in the development and execution of programs targeting consumer behaviour through the PSF and its various predecessors, through to ongoing industry engagement on resource recovery is testament to our commitment to improving the environmental performance of packaging material.

Foster's is a member of the National Packaging Covenant (Transitional Arrangements) Industry Association Inc (NPCIA), and made its appropriate contribution to the "transitional arrangements" for kerbside recycling during the Covenant Mk I. Under the second iteration of the National Packaging Covenant, Foster's has continued to contribute to the Industry fund through the NPCIA.

Examples of Foster's achievements under previous Covenant Annual Reports include:

Light-weighting of glass beer bottles, can ends, carton board and shrink wrap	Working with suppliers to develop a recycled content and recyclable carton board with high wet strength capability	Substantial move to screw caps on wine bottles to reduce the use of natural and synthetic cork
Decreased use and recycling of stretch wrap on pallets	Inclusion of consumer information about recyclability on all packaging	Reduced mass of printed waste film to landfill
Move to pressure sensitive labels to reduce down time and wastage	Use of recycled cardboard in shipping cartons where appropriate	Rationalisation of bottle shapes and sizes to increase bottle making/bottling runs to reduce line wastage
Use of industry bottle moulds	Creation of design synergies across product ranges so that common packaging materials can be used	Use of on-line laser printers to add variable elements of label design to a standard label, reducing the number of label variants needed and the associated wastage
Primary containers used by Foster's are recyclable at kerbside or drop-off recycling throughout Australia (where kerbside or drop-off recycling exists);	The glass, cardboard, aluminium and PET containers used by Foster's contain recycled content material	The cardboard cartons used by the company to distribute most of its products are recyclable and are primarily manufactured from recycled content material
	Extensive and growing use of returnable/reusable intermediate packaging	Redesign of labels to better match machine capabilities and therefore reduce wastage

List of Initiatives July 2008 – June 2010

The actions presented below are those that our business has undertaken to achieve in the time periods stated. Achievement and progress against these actions will be reviewed annually.

This information builds on and supplements information already provided in previous Action Plans and Annual Reports. Some of these actions have not proceeded or have been incorporated into other programs, as indicated.

Foster's NPC Action Plan Program Commitments					
	Foster's Internal Action	Reporting Measure	Status	Timeframe for Achievement	FGL Dept Responsibility
1	Action Category - KPI 1 & KPI 6 - Data Collection & Reporting				
1.1	Collect packaging & production data to meet requirements of KPI 1	a) Tonnes of packaging by material type b) Tonnes of product packaged c) Ratio of product to packaging (by weight)	Completed for 07/08 Annual Report	Reported annually	Procurement
1.2	Continue to refine internal data collection process to meet the reporting requirements of KPI 6	N/A	Completed for 07/08 Annual Report	Reported annually	Procurement
1.3	Confirm recyclable status of materials	N/A			
1.4	Calculate proportion of non-recyclable to recyclable	6A Report tonnage of "non-recyclable" packaging sold by material type and total. 6B Report total "non-recyclable" packaging as a % of total packaging sold.			
1.6	Complete and lodge NPC Annual Report	Report to be lodged by 31.10.2008 each year commencing 2006 and outlining progress against baseline data, individual action plan commitments, targets and timelines	Delayed due to internal changes	Annual	Global Environment Mgr
1.7	Ensure Annual Report includes commentary on performance	Annual Report to clearly demonstrate continuous improvement and performance against individual targets and timelines in action plan	Completed	Annual	Global Environment Mgr

Foster's NPC Action Plan Program Commitments					
	Foster's Internal Action	Reporting Measure	Status	Timeframe for Achievement	FGL Dept Responsibility
2	Action Category - Operational Performance - Packaging Specific Actions				
	Actions targeting Glass:				
2.2	Foster's will conduct meetings every six months with Owens Illinois, Amcor, Visy and PSF to work through the Covenant process to encourage the development of automated colour sorting equipment in Sydney and Brisbane. (Equipment already exists in Melbourne)	Number of meetings Number of active glass recovery programs	Ongoing	Sept-09	Government & Industry Relations Mgr Global Environment Mgr
2.6	Foster's will assess opportunities to move a substantial portion of Foster's current wine bottles to lighter weight industry bottles	% reduction in bottle weight	Active	Jun-09	Procurement
2.7	Foster's will assess opportunities to redesign wine bottles, where possible, to reduce packaging weight	% reduction in bottle weight	Active	Dec-09	Procurement
2.8	Optimisation of single serve 355 ml long neck bottle	% reduction in bottle weight	Active	Aug-09	Procurement
	Actions targeting Cardboard				
2.9	Extensive light-weighting of Cardboard (Cartons) has already been undertaken and Foster's will continue to explore opportunities in this area.	% reduction in packaging weight	Active	Jun-09	Procurement
2.10	Foster's will work with Visy to minimise the use of solvents and heavy metal containing inks in the printing process by June 2006.	Solvent and heavy metals in inks reduced	Active	Jun-09	Procurement
2.13	Foster's will assess opportunities where practical to down grade the print media on the Wine cartons	Reduction in use of inks	Active	Sep-09	Procurement
	Actions targeting aluminium cans:				
2.14	Extensive down-gauging of aluminium (cans) has already been undertaken and Foster's will continue to explore opportunities in this area. It is not currently envisioned that further down gauging opportunities will be available.	% reduction in packaging weight	Ongoing	Next report on progress due 0809 Annual Report	Procurement

Foster's NPC Action Plan Program Commitments					
	Foster's Internal Action	Reporting Measure	Status	Timeframe for Achievement	FGL Dept Responsibility
2.15	Foster's will work through the PSF and the Covenant process to increase diversion at kerbside and recover more cans in public place recycling. This will be reported under PSF Annual Reports.	% increase in diversion rate	Ongoing	Next report on progress due 0809 Annual Report	Global Environment Mgr via involvement with PSF
2.16	Foster's will investigate the opportunities for the replacement of glass packaging with aluminium and/or PET for venues/events where glass is prohibited	Weight reduction in packaging	Active	Jul-10	Procurement
Actions targeting High Wet Strength Carton Board					
2.17	Foster's considers it is not possible to further substitute HWS board to cardboard grades that can be recycled in Australian kerbside recycling systems.		Ongoing	Next report on progress due 0809 Annual Report	Procurement
2.18	Foster's will work with current suppliers of HWS board to investigate the development of systems for it to be recycled.	Recycling of packaging	Ongoing	Next report on progress due 0809 Annual Report	Procurement
2.19	Extensive light-weighting of Cardboard (HWS Carton board) has already been undertaken and Foster's will continue to explore opportunities in this area. It is not currently envisioned that further light-weighting opportunities will be available.	% reduction in packaging weight	Ongoing	Next report on progress due 0809 Annual Report	Procurement
2.23	Review of product designs and optimisation opportunities to reduce board usage where feasible.	% reduction in packaging weights	Active	Jun-09	Procurement
Actions targeting Steel (Crown Seals)					
2.25	Extensive down-gauging of steel (crown seals) has already been undertaken and Foster's will continue to explore opportunities in this area. It is not currently envisioned that further down gauging-opportunities will be available.	% reduction in packaging weight	Ongoing	Next report on progress due 0809 Annual Report	Procurement

Foster's NPC Action Plan Program Commitments					
	Foster's Internal Action	Reporting Measure	Status	Timeframe for Achievement	FGL Dept Responsibility
	Actions targeting LDPE (Shrink Film)				
2.27	Extensive reduction of plastic (LDPE shrink film) has already been undertaken and Foster's will continue to explore opportunities in this area..	% reduction in film use	Active	Next report on progress due 0809 Annual Report	Procurement
2.28	Foster's does not consider current technology allows feasible use of compostable films and films with increased recycled content. As markets develop progress and commercialisation opportunities to be reviewed	Development of suitable film	Active	Jun-10	Procurement
2.29	Foster's to work with suppliers to increase the recycled contents of shrinkfilm where feasible.	Process to include recycled material in shrinkfilm	Active	Next report on progress due 0809 Annual Report	Procurement
2.30	Foster's will work with Aperio to develop special formula film to suit Qld humid weather conditions, thus improving line efficiency and reduce waste caused by machine stoppage	Commercialisation and use of new film	Active	Next report on progress due 0809 Annual Report	Procurement
	Actions targeting PET (Bottles/Cups)				
2.32	Foster's is currently using PET bottles with the maximum level of available recyclate content and will continue working with its packaging suppliers to maintain or improve PET bottle recyclate content..	% recycled content	Ongoing	Next report on progress due 0809 Annual Report	Procurement
2.33	Foster's (via PSF) will continue working with packaging chain participants to improve PET recycling rates. Initiatives will be reported via PSF Annual Reports	% increase in diversion rate	Ongoing	Next report on progress due 0809 Annual Report	Global Environment Mgr via involvement with PSF
2.34	Foster's will explore opportunities for packaging reduction or material changes for our sponsorship and event arrangements	Change of purchasing policy	Under evaluation	Next report on progress due 0809 Annual Report	Foster's internal Environment Leadership Team

Foster's NPC Action Plan Program Commitments					
	Foster's Internal Action	Reporting Measure	Status	Timeframe for Achievement	FGL Dept Responsibility
2.35	Foster's to further explore opportunities of using PET bottles for wine	Packaging shift from glass to PET	Active	Mar-09	Marketing & Supply
3	Action Category - Operational Performance - KPI 4 - Changes to protection, safety, hygiene, shelf-life or supply chain considerations affecting amount and type of packaging used				
3.1	Foster's will report on and explain significant changes to packaging affecting weight, compound or materials as dictated by shelf life, cost, technology, environmental and OH&S considerations	Report changes to protection, safety, hygiene, shelf-life or supply chain considerations affecting amount and type of packaging used with examples, and their associated impacts on the amounts and types of packaging used. Qualitative details of changes should be provided of substantial changes where possible	Active	Next report on progress due 0809 Annual Report	Procurement Quality OH&S
4	Action Category - Operational Performance - KPI 16 - Percentage of signatories providing recycling collection facilities for post-consumer packaging generated on site				
4.1	Foster's will establish on site recycling programs at all its sites where collection and handling facilities are available in the local area	% materials recycled	Active	Next report on progress due 0809 Annual Report	Production
5	Action category - Operational Performance - KPI 21 - Estimated tonnage of consumer packaging sent a) for recycling and b) to landfill from on-site collection facilities				
5.1	Foster's will refine its data management system to provide data on the amount of consumer packaging directed to recycling and to landfill from its sites as a proportion of its total waste	Report on amounts of consumer packaging from on-site collection which is: a) sent for recycling (tonnes & % of total waste) b) Sent to landfill (tonnes and % of total waste)	Active	Next report on progress due 0809 Annual Report	Production
6	Action Category - Policy - KPI 22- Number of signatories who have formally adopted the ECoPP and developed systems for its implementation				
6.2	Foster's will also review it existing Project Planning/Decision Making process to ensure that changes to and/or new packaging materials have input from all relevant parties	Formal adoption of ECoPP Report actions and commitments that demonstrate that the ECoPP has been implemented	Active	Next report on progress due 0809 Annual Report	Marketing & Procurement

Foster's NPC Action Plan Program Commitments					
	Foster's Internal Action	Reporting Measure	Status	Timeframe for Achievement	FGL Dept Responsibility
6.3	Foster's will use their TRACCS system and i-Nova stage and gate process to help capture input regarding environmental impact of packaging using the ECoPP guidelines				
6.4	Foster's will look to better understand the lifecycle impacts of its product packaging	Introduced methodology for quantifying and understanding environmental impacts of packaging	Active	Dec-09	Procurement
7	Action Category - Policy - KPI 26 - Implementation of buy recycled purchasing policies or practices				
7.1	All Foster's businesses are committed to supporting "Buy Recycled" principles. Foster's will seek to increase the take-up of recycled content products where practicable	Report whether the signatory has implemented a buy recycled purchasing policy or practices, providing details where applicable	Ongoing	Jun-07	Procurement
8	Action Category - Education & Awareness				
8.1	Foster's will develop training materials for use in induction and ongoing training of personnel that highlights the key commitments contained within the Covenant.	Percentage of personnel trained	Ongoing	Jun-10	Foster's Environment Leadership Team
8.4	Foster's will continue to financially support and work through the PSF to participate in programs in relation to kerbside recycling optimisation, contamination avoidance, encouraging public place recycling and litter avoidance.	Number/value of PSF programs	Ongoing	Next report on progress due 0809 Annual Report	Global Environment Mgr
8.5	Foster's will continue its commitment that all containers carry the recycling logo and message, and ensure that any new products are similarly labelled.	Percentage of all containers carrying the recycling logo and message	Ongoing	Next report on progress due 0809 Annual Report	Quality
9	Action Category - Stakeholder Liaison				
9.1	Foster's will utilise various company and industry forums for discussing NPC targets and how they can be achieved with key partner's, suppliers, employees, government, industry groups, outsourced packaging co-packers and customers.	Number of industry forums at which NPC was a key agenda item	Ongoing	Next report on progress due 0809 Annual Report	Global Environment Mgr Government & Industry Relations Mgr


NPC Action Plan Sign Off

NPC Action Plan Sign Off

The Foster's Packaging Covenant Action Plan for the July 2008 – June 2010 reporting period has been signed off by the Legal Affairs Director of Foster's Group Limited, Mr Paul Conroy.

Name: Paul Conroy

Title: Legal Affairs Director
Foster's Group Limited

Signature:  _____

Date: 7th August 2009 _____