

**Comment on APCO Performance Summary result for 2022:**

Dermcare is required to publish our annual APCO report result on our website. To avoid any misunderstanding, we would like to add a foreword.

The 'Beyond Best Practice' result achieved below is disappointing because the performance bar appears to be set too low in APCO's SME reporting stream. A poor to middling result would have been appropriate for our first report as we still have a lot of work to do and a prematurely glowing APCO report does not help maintain momentum, nor is it useful to provide as evidence for overcoming external barriers to achieving sustainability. The questions are not sufficient to judge the amount of actual progress towards APCO targets, but from the outside the rating description may give the impression that we have been able to achieve substantially more than we have.

For example, the question 'Do you provide disposal information for your packaging on-pack?' provides no insight on whether it is instructed to go to landfill or be recycled. In 2022 most of our products had instructions to send to landfill since the APVMA mandates this, yet apparently simply have any instruction at all is enough to score 'Beyond Best Practice' in achieving APCO's highest performance level for SME's.

Dermcare will be disregarding the suggested performance level to maintain focus on actually achieving the APCO targets to the best of our ability within the many constraints summarised at the end of this annual report.



# APCO Performance Summary

Company Name: **DERMCARE-VET PTY. LTD.**

Trading As: **Dermcare-Vet Pty Ltd**

ABN: **60010280010**

## About the APCO Annual Report & Performance

The score above and chart below indicate your organisation's overall performance in the **2023** APCO Annual Report. With your chosen reporting period of **January, 2022 - December, 2022** you have achieved a **Beyond Best Practice** overall performance level.

1 Getting Started 2 Good Progress 3 Advanced 4 Leading 5 Beyond Best Practice

### Understanding APCO Annual Reporting performance levels:

- 1 Getting Started:** You are at the start of your packaging sustainability journey.
- 2 Good Progress:** You have made some first steps on your packaging sustainability journey.
- 3 Advanced:** You have taken tangible action on your packaging sustainability journey.
- 4 Leading:** You have made significant progress on your packaging sustainability journey.
- 5 Beyond Best Practice:** You have received the highest performance level and have made significant progress on your packaging sustainability journey.

### Packaging Sustainability Framework criteria

- Criteria 1: Governance & Strategy** This criteria considers actions to integrate packaging sustainability into business strategies.
- Criteria 2: Design & Procurement** This criteria considers actions taken to ensure that sustainability principles are considered in the design or procurement of both new and existing packaging through use of the Sustainable Packaging Guidelines (SPGs).
- Criteria 3: Recycled Content** This criteria considers actions taken to increase or optimise the amount of recycled material used by your organisation.

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Criteria 4:

**Recoverability**

This criteria considers actions taken to improve the recovery of packaging at end-of-life and increase use of reusable packaging.

Criteria 5:

**Disposal Labelling**

This criteria considers the extent to which packaging has been labelled to help consumers determine what to do with packaging at end-of-life.

Criteria 6:

**On-site Waste**

This criteria considers progress in increasing the amount of on-site solid waste being diverted from landfill.

Criteria 7:

**Problematic Materials**

This criteria considers the extent to which organisations are actively phasing out problematic and unnecessary single-use plastic packaging and preventing/reducing litter.

### APCO Annual Report Criteria Performance & Responses

Provided below are your organisation's responses to the questions within the APCO Annual Report.

Criteria 1

**Governance & Strategy**

Does your organisation have a strategy that includes goals for packaging sustainability that addresses the Sustainable Packaging Guidelines (SPGs) or equivalent?

☒ Yes ☐ No

Supporting Evidence

Project CRN21-020 and associated SPG reviews.

Criteria 2

**Design & Procurement**

Do you use the SPGs to review your packaging?

☒ Yes ☐ No

Are you keeping records of the outcomes of your reviews using the SPGs?

☒ Yes ☐ No



Please provide an example of a positive outcome you have achieved.

Consensus to remove Aloveen products from APVMA registration so that we can add ARLs to them.

How many reviews did you conduct during the reporting period?

14

Supporting Evidence

1 SPG review in 2023 per unique packaging type

Criteria 3

### Recycled Content

Do you have a policy or procedure to buy products and/or packaging made from recycled materials?

☒ Yes ☐ No

Does any of your packaging contain recycled materials?

Primary

☐ Yes ☒ No

Secondary

☐ Yes ☒ No

Tertiary

☐ Yes ☒ No

Supporting Evidence

Purchasing procedure SCP-011.



## Criteria 4

**Recoverability**

Have you investigated the recoverability of your packaging to look for opportunities for greater reuse or recycling?

☒ Yes ☐ No

## Supporting Evidence

CRN21-021, 22-017, 22-031

## Criteria 5

**Disposal Labelling**

Do you provide disposal information for your packaging on-pack?

☒ Yes ☐ No

## Supporting Evidence

All artworks - see ALS/TS's

## Criteria 6

**On-site Waste**

Do you have a system to collect and recycle used packaging generated at your facilities (e.g. office, warehouse etc.)

☒ Yes ☐ No

## Supporting Evidence

Cleanaway invoices, ShredEasy certificate of destruction.



## Criteria 7

## Problematic Materials

Which of the following activities do you undertake to help reduce the impact of litter?

- ☐ Conduct regular clean-ups on-site
- ☐ Participate in Business Clean-Up Day
- ☒ Redesign packaging to eliminate components that may have the propensity to become litter
- ☐ Other (please specify)

Please specify

- ☐ None of the above

## Supporting Evidence

CRN22-017

## Additional Information

- ☐ No additional information

Please tell us about any innovative packaging sustainability initiatives you have implemented during your chosen 12 month reporting period.

As a new APCO member, Dermcare-Vet has implemented several change projects, updated procedures, undertook ARL/PREP assessments and is now commencing reporting to APCO alongside several packaging changes in progress. We requested to add recycling option to labels of products registered with the APVMA, and joined the VMDA to advocate for streamlined APVMA assessment procedure. The main progress we are making is to remove our Aloveen products from voluntary APVMA registration to allow



Please tell us of any constraints you may have had during your chosen 12 month reporting period that has impacted on your packaging sustainability initiatives and Covenant obligations.

The APVMA requires us to pay for their full technical assessment at prohibitive cost for each registered product in order to determine whether they will allow the empty rinsed packaging to be recycled kerbside. We are a small business and cannot afford to spend the required amount on the assessments to put recycling symbols on mature products. The APVMA is unable to offer an alternative at this stage, but suggested something might eventuate in a few years depending on consensus with state bureaucracies.

*Your full response can be found towards the end of this document.*

## Full Open Responses

Additional Information - Please tell us of any constraints you may have had during your chosen 12 month reporting period that has impacted on your packaging sustainability initiatives and Covenant obligations.

The APVMA requires us to pay for their full technical assessment at prohibitive cost for each registered product in order to determine whether they will allow the empty rinsed packaging to be recycled kerbside. We are a small business and cannot afford to spend the required amount on the assessments to put recycling symbols on mature products. The APVMA is unable to offer an alternative at this stage, but suggested something might eventuate in a few years depending on consensus with state bureaucracies.

In addition to this specific regulatory barrier to recycling registered products, changing of packaging material type would require submission to the APVMA with at least 9-12 months of costly stability test data and take greater than 6 months after submission for their decision to be communicated.

In an APVMA-audited GMP environment, to get to the point of submitting to regulatory authority we first have to ensure the efficacy, safety and quality of the product will not be adversely affected. This involves formal risk assessment, testing, vendor assurance, and potentially equipment procurement and/or process and equipment validations under a controlled change process. The amount of worker time to research and implement such changes is finite and must be queued alongside normal business operations to maintain output.

During assessment of initiatives, due consideration must be given to physical constraints such as packaging integrity and accessibility of the product place limitations on packaging options, as well as functionality and chemical compatibility to avoid problems such as environmental stress cracking. In particular, some of our prescription products with steroids require airless packaging with controlled dosing, and recyclable or compostable airless packaging solutions at just the right size, dispensing volume, and material type can be very hard to find even if the APVMA would then allow it to be recycled. That is to say, supply availability is also a significant constraint in some circumstances.

As a small business under substantial regulatory burden, cost constraints on new packaging must be factored in to stay in business, whether per unit or as a one off expense. In particular, retooling of moulds for altering plastic designs is often very expensive.

Finally, the changing recyclability landscape with LDPE (rigid) no longer being considered recyclable (notified on 31 Jan 2023) has impacted recyclability of several of our products and shifted some changes that were in progress back to the start of the process. Since the goalposts are shifting it incentivises waiting for the recycling industry to settle rather than making changes now and having to re-do them later at twice the cost.



# Annual Report and Action Plan

Company Name: **DERMCARE-VET PTY. LTD.**

Trading As: **Dermcare-Vet Pty Ltd**

ABN: **60010280010**

## About APCO

Australian Packaging Covenant Organisation (APCO) is a co-regulatory not-for-profit organisation leading the development of a circular economy for packaging in Australia. APCO's vision is a packaging value chain that collaborates to keep packaging materials out of landfill and retains the maximum value of the materials, energy and labour within the local economy.

Each year, APCO Brand Owner Members are required to submit an APCO Annual Report and an APCO Action Plan. This document is the Annual Report and Action Plan output for the organisation listed above. This document provides the overall performance level of the organisation, as well as any commitments they have made to work towards on their packaging sustainability journey. This document may also include additional information provided by the Member in their report.

## Overall Performance **Beyond Best Practice**

The chart below indicates the overall performance level of this organisation listed above in the 2023 APCO Annual Report. The organisation's reporting period was **January, 2022 - December, 2022**



### Understanding APCO Annual Reporting performance levels:

- |                                |                                                                                                                              |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| <b>1 Getting Started:</b>      | You are at the start of your packaging sustainability journey.                                                               |
| <b>2 Good Progress:</b>        | You have made some first steps on your packaging sustainability journey.                                                     |
| <b>3 Advanced:</b>             | You have taken tangible action on your packaging sustainability journey.                                                     |
| <b>4 Leading:</b>              | You have made significant progress on your packaging sustainability journey.                                                 |
| <b>5 Beyond Best Practice:</b> | You have received the highest performance level and have made significant progress on your packaging sustainability journey. |

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## APCO Action Plan Commitments

For each of the Packaging Sustainability Framework criteria listed below, a description is provided along with the commitments made by the organisation in their APCO Action Plan.

### Criteria 1:

#### Governance & Strategy:

This criteria considers actions to integrate packaging sustainability into business strategies.

- Develop a strategy that includes goals for packaging sustainability that addresses the Sustainable Packaging Guidelines (SPGs) or equivalent.
- Include a commitment to the 2025 National Packaging Targets and aim to integrate it within business processes.

### Criteria 2:

#### Design & Procurement:

This criteria considers actions taken to ensure that sustainability principles are considered in the design or procurement of both new and existing packaging through use of the Sustainable Packaging Guidelines (SPGs).

- Use the Sustainable Packaging Guidelines to review our packaging to identify opportunities for improvement.
- Record the outcomes of reviews or packaging using the Sustainable Packaging Guidelines so that any team member can refer back to them in future and for auditing purposes.
- Conduct packaging reviews using the SPGs for **100%** of our packaging.

### Criteria 3:

#### Recycled Content:

This criteria considers actions taken to increase or optimise the amount of recycled material used by your organisation.

- Develop a policy or procedure to buy products and/or packaging made from recycled materials.
- Aim to use recycled materials in any packaging where this is feasible, including:
  - Primary packaging
  - Secondary packaging

### Criteria 4:

#### Recoverability:

This criteria considers actions taken to improve the recovery of packaging at end-of-life and increase use of reusable packaging.



- Investigate whether all of our packaging is recyclable at end-of-life and identify any gaps and opportunities for greater reuse or recycling.

## Criteria 5:

**Disposal Labelling:**

This criteria considers the extent to which packaging has been labelled to help consumers determine what to do with packaging at end-of-life.

- As packaging is updated or refreshed, add on-pack information for consumers on recyclability or correct disposal.

## Criteria 6:

**On-site Waste:**

This criteria considers progress in increasing the amount of on-site solid waste being diverted from landfill.

- Develop a system to collect and recycle used packaging generated at our facilities.

## Criteria 7:

**Problematic Materials:**

This criteria considers the extent to which organisations are actively phasing out problematic and unnecessary single-use plastic packaging and preventing/reducing litter.

- Undertake the following to help reduce the impact of litter:
  - Look for opportunities to redesign packaging to eliminate components that may have the propensity to become litter

**Further commitments:**

These commitments look at additional actions the organisation may take to improve reporting.

No commitments have been made for this criteria this year.