SOFT PLASTIC STEWARDSHIP AUSTRALIA

July – September 2026

Quarterly Report

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Soft Plastic Stewardship Australia Limited

spsa.au

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Soft Plastic Stewardship Australia Limited acknowledges the Traditional Custodians of Country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present.

SOFT PLASTIC STEWARDSHIP AUSTRALIA

From the CEO

Dear supporters,

Thank you for your ongoing support of Soft Plastic Stewardship Australia Limited.

On behalf of the SPSA team, we welcome you to our first quarterly report.
This report marks an important step in our journey as we continue to deliver on the commitment we made to industry, governments and the Australian community: to **establish and operate an industry-led, not-for-profit scheme that turns soft plastics into a valuable resource.**

The past period has seen several significant milestones.



The full remediation of the legacy REDCycle soft plastics stockpile represents a major achievement for industry. Following the collapse of the previous program, this work has closed a difficult chapter and restored confidence in the pathway forward for soft plastic stewardship. We gratefully acknowledge the substantial efforts of our retail partners amd founding members, Woolworths, Coles and Aldi, whose commitment made this outcome possible.



Our collection network is now operational. More than 700 in-store drop-off sites are active across South Australia, Victoria, New South Wales, Queensland and the Australian Capital Territory. When combined with our partnerships with councils and materials recovery facilities across South Australia, Victoria and New South Wales, nearly **70 per cent of Australians now have convenient access to soft plastics recycling.**



In another significant milestone, in the July to September 2026 quarter, **we successfully collected almost 300,000 kilograms of soft plastic**, equivalent to 60 million biscuit wrappers, redirecting this valuable asset away from landfill and reducing the use of virgin polymers for local and global remanufacturing across a broad range of industry sectors.

With the initial supply chain established, soft plastics are moving effectively and safely through the system to recyclers and end markets. This demonstrates that a well-designed, industry-led model can deliver practical, scalable results.

From the CEO

Throughout the quarter we maintained intensive engagement across all levels of government. We met with the Minister for the Environment, briefed State and Territory EPAs and Environment Ministers' offices, met with two independent federal MPs, the Leader of the Opposition's office, and the Minister for the Environment's office ahead of the Environment Ministers Meeting, and wrote to all Cabinet members, crossbenchers and opposition parties.

To address the government's cost-of-living concerns, SPSA commissioned economist Stephen Koukoulas (Market Economics) to quantify the pathway for improving Australian industry productivity and reducing cost-of-living pressures. This work helped secure government prioritisation of soft plastic packaging and informed future regulatory reforms designed to boost productivity and encourage capital investment by brands and retailers.

SPSA is not only interested in recycling, we're invested in your soft plastics supply chain.

Looking ahead, we remain focused on strengthening the scheme and expanding its reach.

We will continue to work closely with Federal, State and Local governments as they fast track the enforcement of current regulations to support a resilient, efficient and nationally consistent soft plastics recycling system.

Thank you once again for your partnership. Together we are building a solution that works for industry, for communities, and for the environment.

Yours sincerely,

Barry Cosier

Barry Cosier
Chief Executive Officer
Soft Plastic Stewardship Australia Limited



Together we are building a solution that works for industry, for communities, and for the environment.

- Barry Cosier, CEO

Brand Support

Soft Plastic Stewardship Australia Limited has secured the backing of some of Australia's most prominent household brands, including Mitre10, Nestlé, Kellanova, The Magnum Ice Cream Company, Big W, Mars, Pet Stock, PepsiCo and a growing number of others.

Collectively, these brands account for approximately 15 per cent of the soft plastic packaging placed on the Australian market each year.

This represents a significant demonstration by industry leaders in soft plastics stewardship; recognising soft plastic as a critical material whose responsible management has been identified as a priority at the Environment Ministers Meeting. Building on this foundation, SPSA is focused on doubling the level of brand participation as community participation grows and we expand collections, increase the availability of recycled content, stimulate end-market demand and support the utilisation of recycling infrastructure, including projects that have attracted government funding.

Our community-facing scheme brand is nearing launch to be rolled out across retail collection points in Woolworths, Coles and Aldi stores.

Brands that join now will have the opportunity to feature on this new consumer-facing collateral, ensuring their commitment is recognised by customers at the point of collection.

Leading brands and retailers have already committed. We invite your organisation to join them in demonstrating clear industry leadership.

Greater participation will help us scale the scheme, increase economies of scale, lower unit costs and more equitably share the costs across industry participants.

HARIBO, SC Johnson, unicharm, Kellanova, P&G, Unilever, Fonterra Dairy for life, Simplot, pepsico, MARS, The Natural Confectionery Co., Sanitarium, goodman Fielder, Chobani, McCormick, reckitt, FERRERO, Peters, Colgate-Palmolive, L'ORÉAL GROUPE, CRIPPS, MIGHTY HELPFUL MITRE 10, LINDT & SPRÜNGLI, kao, McCain, HALEON, packitin, PRINGLES, Nestlé, accord, Australian Food & Grocery Council, Bulla, coles, Woolworths, ALDI, petstock, essity, Metcash, Snack Brands Australia, GWF George Weston Foods Limited, Saputo, SUNTORY, DANONE

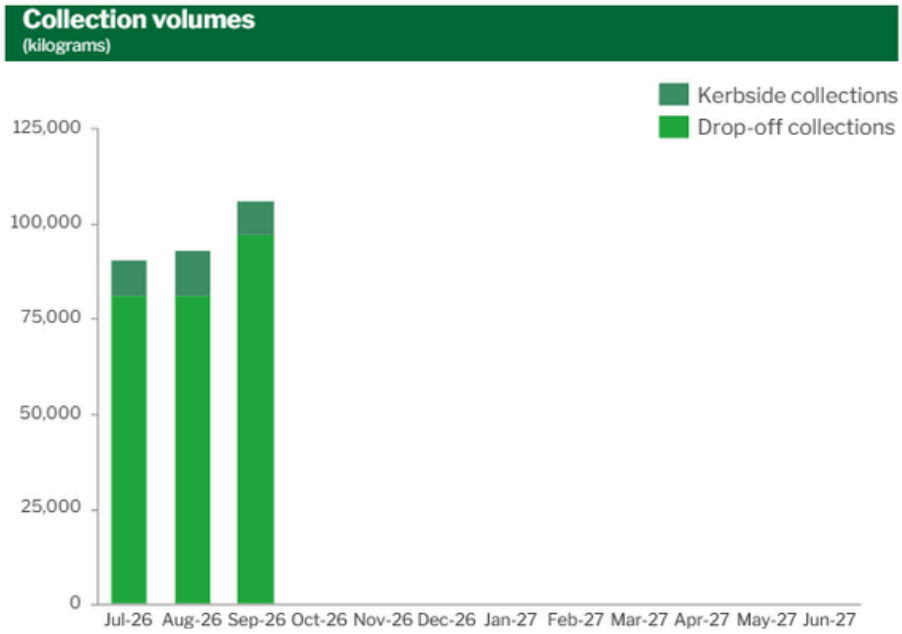
To discuss membership and secure your place, please email member.services@spsa.au



Scheme Operational Highlights

The scheme is now fully operational following the successful transition of the in-store network from the retailer led Soft Plastic Taskforce to SPSA, alongside ongoing kerbside collections across ten councils. These channels delivered almost 300,000 kilograms of soft plastics in the September quarter; clear evidence that Australians want soft plastics recycling.

Of the material collected, 165,000 kilograms were recycled during the period. The balance has been baled and is scheduled for shipment to our recycling partners throughout October.



In addition to these volumes, a further 17,000 kilograms was recycled during the quarter, largely relating to material collected by the Soft Plastics Taskforce (Coles, Woolworths and Aldi) prior to the in-store network transitioning to SPSA.

The in-store channel currently accounts for around 90 per cent of collections. Kerbside remains the longer-term pathway for scalable growth and presently contributes approximately 10 per cent of total volumes.

Consumer access, defined by the Australian Packaging Covenant Organisation (APCO) as residents living within 20 kilometres of a soft plastics recycling option, stands at approximately 69 per cent. This means almost seven in ten Australians now have convenient access to the scheme, supported by a network of 732 drop-off sites and ten council kerbside services as of 30 September 2026.

SPSA is proud to support Australian recyclers. We have agreements in place with recycling partners based in New South Wales and Victoria: iQRenew, and saveBOARD with further discussions progressing with additional recyclers and supply chain partners.

Building supply chain resilience has been a core priority since day one, given the sector's history. Information on each of our current partners, including how to procure their recycled-content products, is available by clicking on the links above.

Other activity during the quarter included progressing our partnership with the Queensland Government, which is focused on end-market development. Initial work is underway on a series of reports, and we look forward to sharing further details as the project advances.

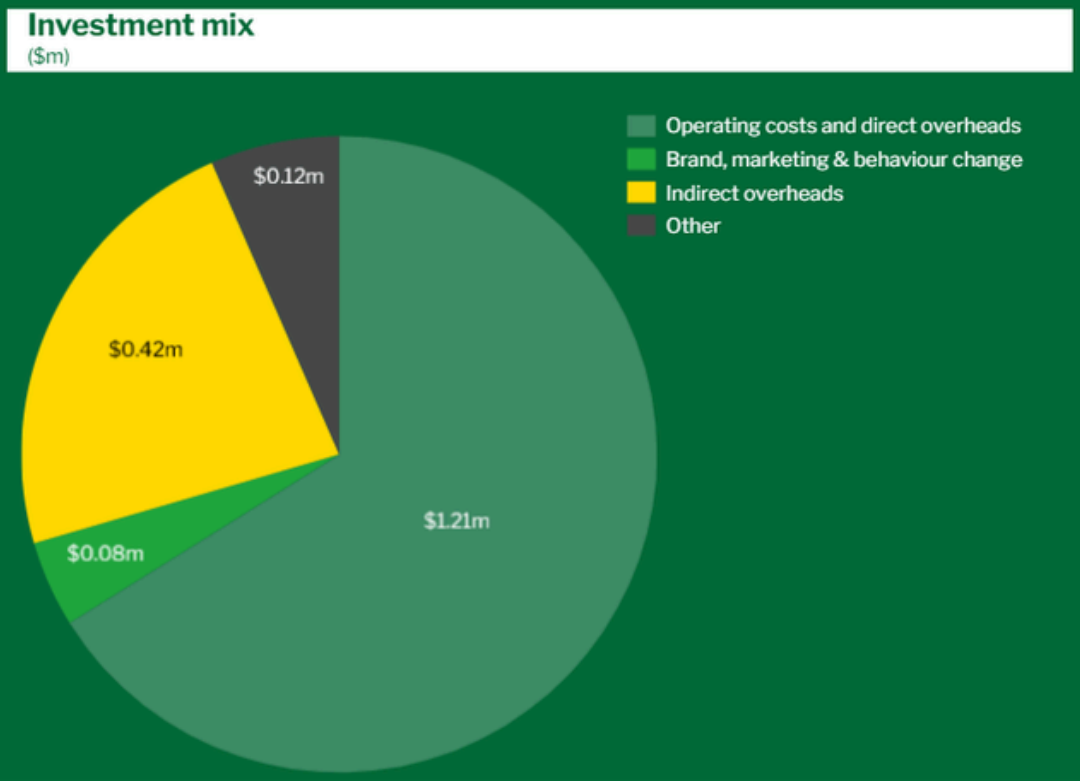
In parallel, SPSA is conducting a range of processing tests and end-market trials. Most of these are nearing completion, with volumes and results to be reported in the December 2026 quarterly update.



Investment Summary

Thanks to the strong support of our brand members, SPSA carefully invests every dollar of Scheme funds into building a resilient, scalable soft plastics recycling system.

In the September quarter we invested $1.83 million across the scheme. Around two-thirds of this went directly into operating costs: the day-to-day work of collecting, sorting, transporting and recycling soft plastics. This focused investment is already delivering tangible results, with growing collection volumes, expanded consumer access and a more robust supply chain.



We also achieved an important early milestone under our partnership with the Queensland Government, receiving an initial $200,000 in funding. Of that amount, approximately $120,000 was invested during the quarter to advance end-market development work. This collaboration is helping to unlock new demand for recycled soft plastics, understand and remove procurement barriers, and create stronger commercial pathways for Australian manufacturers.

Every investment we make is guided by a clear priority: delivering value to our members while developing a scheme that is transparent, efficient and built to last.

Reports, Research & Policy

SPSA has published its independent economic report with leading Economist, Stephen Koukolas, **Efficiency, productivity and resilience: Further integrating recycling into the broader manufacturing supply chains.** The report provides clear evidence that common sense packaging value chain reform and product stewardship is not only an environmental priority - it is a practical lever for national productivity, that can benefit community, councils, brands, retailers and recyclers.



Key findings include:

- Australia's current fragmented packaging regulatory system is reducing productivity and adding avoidable inflationary cost pressures across the supply chain.
- Well-designed regulatory reform could deliver. $115 million to $277 million in net productivity gains every year.
- The same reforms could unlock $1.6 billion to $2.6 billion in capital investment.
- Benefits extend beyond recycling itself; stronger domestic manufacturing, enhanced sovereign capability, greater investment confidence, and reduced duplication between state and local governments.
- As the report states: **"The cost of doing nothing is not zero."**
- In parallel, we partnered with Seamless to commission YouGov research into consumer attitudes. The results are unambiguous: 83 per cent of consumers are concerned about soft plastics ending up in landfill or not being effectively recycled.

That level of public concern reinforces the economic case. **Australians expect industry and government to act, and the productivity opportunity is now quantified.**

Together, these findings strengthen the mandate for a durable, industry led soft plastics scheme and for the regulatory settings that ensure it can scale sustainably.

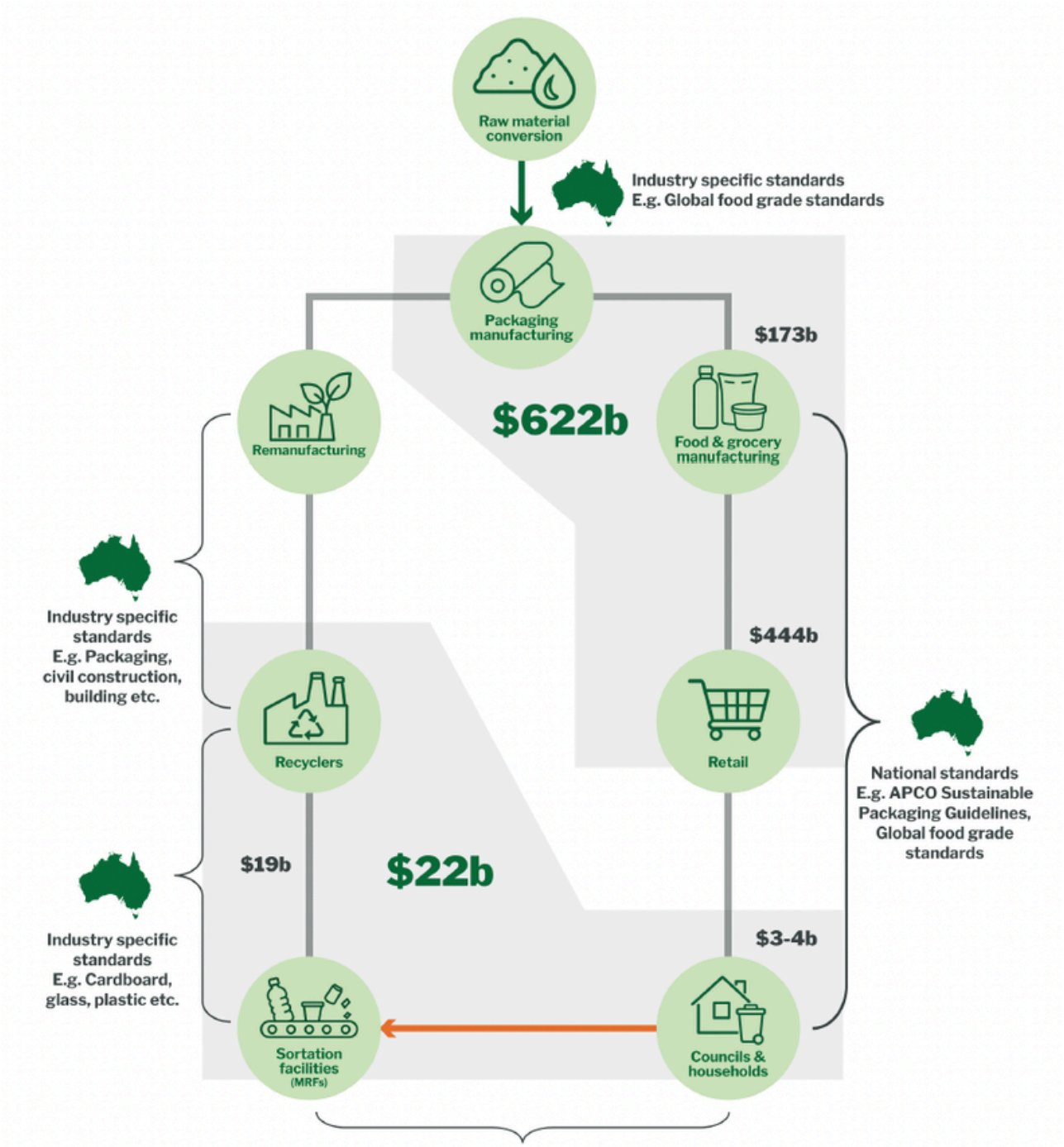
2X
Recycling capacity of peak REDcycle

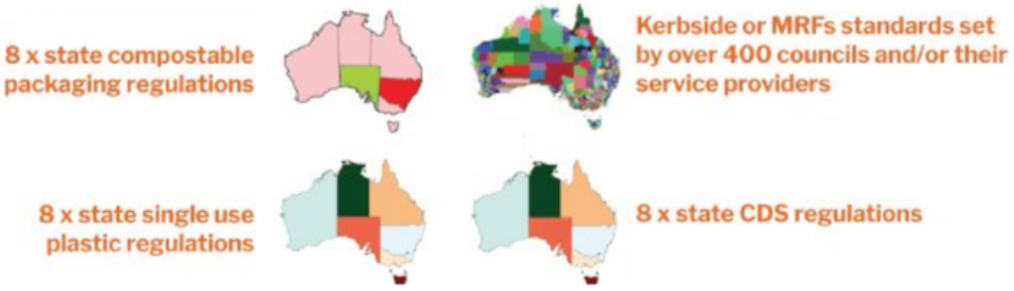
100%
REDcycle stockpile processed

~70%
Community access to collection services

>$100m
Public and private investment

Packaging value chain – Misaligned standards and regulations





1. Packaging Manufacturing $4-5B: IBIS World
2. Food and Grocery Manufacturing $173B: AFGC
3. Retail $444B: ARC
4. Councils $3.5B: ALGA
5. Recycling $1B: ACOR

83%

of consumers are concerned about soft plastics ending up in landfill or not being effectively recycled.

Source: YouGov research into consumer attitudes



Looking ahead

Scheme Brand Launch

We are excited to see our community-facing scheme brand come to life shortly.

Partnering with Thinkerbell has proven an excellent decision. Known for their award-winning creativity and strong credentials in behaviour change, they were a natural choice to help us tackle the soft plastics challenge. We look forward to sharing more news on the brand launch shortly.



If your company is a supporting member and has not yet provided its consumer-facing logos, please send them through as soon as possible, along with any relevant brand style guides.

To feature on our in-store collateral across Woolworths, Coles and Aldi, brands must confirm Scheme participation promptly - material is due to go to print soon.

For prospective members, this is a timely opportunity. Leading brands are already on board and will be visible to millions of shoppers at the point of soft plastic collection.

Joining SPSA now ensures your brand is part of the first wave of consumer-facing recognition, rather than watching from the sidelines as competitors take the lead. The brand launch will also be a powerful way to recognise the hard work and leadership of our existing members. Their early commitment has made the scheme possible, and featuring their logos on in-store collateral is a public acknowledgment of that contribution.

We look forward to hosting two workshops in Sydney and Melbourne in the coming weeks, and an update to members will be provided shortly.



2X

Recycling capacity of peak REDcycle



100%

REDcycle stockpile processed



~70%

Community access to collection services



>$100m

Public and private investment

Government Engagement

Throughout the quarter we continued intensive engagement with decision makers at every level of government.

We have met and briefed State and Territory Environment Protection Authorities, as well as the offices of State Environment Ministers. At the federal level we met with two independent Members of Parliament, the Leader of the Oppositions' office, and the office of the Minister for the Environment on several occasions in the lead-up to the Environment Ministers Meeting. We also met with the leadership team at the Department of Climate Change, Energy, the Environment and Water.

We have also written to all Cabinet members, crossbenchers and opposition parties to ensure the case for soft plastic stewardship and the regulatory reforms required is clearly understood across the political spectrum.

This sustained advocacy remains a core priority as we work to secure the settings needed for a durable, scalable scheme and common-sense packaging reform that increases productivity and investment confidence for brands and retailers.

SPSA is not only interested in recycling, we're invested in your supply chain.



Build Australia's Soft Plastics Recycling Future

Join SPSA to support the expansion of soft plastic recycling while securing your recycling label.

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Build the system. Invest in your brand.
Shape the future of soft plastics.