

HJ Heinz Australia Limited

Australian Packaging Covenant 5 Year Action Plan 2010 - 2015



Table of Contents

Section	Page
Executive Summary	3
Our Commitment	3
Company History	4
Environmental Achievements	5
Major Brands	6
Packaging Formats	6
Action Plan	7
Key Contacts	9
Approval and Endorsement	9

Executive Summary

HJ Heinz Company Australia Limited (“**Heinz Australia**”) recognises and supports the important role that the Australian Packaging Covenant plays to reduce the environmental effects of packaging upon our environment.

As part of our Sustainability program, we are committed to responsible disposal of used packaging, and better design and production processes to minimise our environmental impact. We believe that packaging waste can be significantly reduced through environmentally sustainable manufacture, efficient use, effective management, recycling and disposal. To this end, Heinz Australia has been a signatory to the Australian Packaging Covenant (formerly National Packaging Covenant) since its inception in 1999.

Our Commitment

As a signatory, we are committed to working collaboratively with our packaging and waste stakeholders to ensure the best possible outcome for our environment.

Our Action Plan is founded upon the premise of responsibility. Guided by our company principles of integrity, transparency and social responsibility, we understand that the way in which we carry out our business, is as important as business itself. Through setting actions which contribute towards achieving the Australian Packaging Covenant Performance Goals and Key Performance Indicators, we not only intend to maximise our business performance, but continuously improve upon the way we do things.

As a manufacturer of quality products, we understand our responsibility to ensure we operate as sustainably as possible for the benefit of generations to come. We aim to use our Action Plan as a framework to organise, track, and drive effective life cycle management across our packaging over the next five years.

Company History

Heinz Australia commenced operations in 1935 and is a wholly owned affiliate of the HJ Heinz Company of Pittsburgh, PA, USA. The HJ Heinz Company is a global food manufacturer and marketer that has annual sales in excess of US\$10 billion and is listed on the New York Stock Exchange.

Heinz Australia's head office is located in Melbourne, with sales offices in Sydney, Brisbane, Adelaide and Perth.

Heinz Australia is a large producer of packaged foods with a proud tradition. In 2008, Heinz Australia acquired Golden Circle and now employs approximately 1600 people across the country. This includes the operation of five manufacturing sites located in:

- Echuca (Victoria)
- Girgarre (Victoria)
- Mill Park (Victoria)
- Northgate (Queensland)
- Wagga Wagga (New South Wales)

The Golden Circle name is well known throughout Australia and with the acquisition, brands contained within the Heinz line-up now include; Adam's Ale, Popper, Original Juice Co., and of course, Golden Circle.

The retail trade is not the only focus for Heinz Australia. Supplying the Food Service industry with superior product in bulk means that Heinz products are used in restaurants and hotels throughout Australia. Our company's products are also favourites with many leading quick service restaurants across the country.

Our export markets have grown significantly in recent years with key export customers based in New Zealand, Asia and the Middle East.

Environmental Achievements

Heinz has a solid track record on environmental issues demonstrating our concern for the environmental impact brought about by our manufacturing operations and products.

Heinz is involved in a number of initiatives that demonstrate our commitment to the environment including:

- The implementation of our environmental policies and management systems on a global basis. The HJ Heinz CSR Report and Sustainability Goals are available to view at www.heinz.com/sustainability;
- Commitment to develop an Environmental Management System (“**EMS**”) at each manufacturing site in line with ISO14001;
- Membership of the Australian Food & Grocery Council Environment Committee;
- Development of WaterMAP for Victorian manufacturing sites;
- Development of EREP for Victorian manufacturing sites;
- Reduction of our Adam’s Ale bottle from 27g to 21g in 2011, saving approximately seven tonnes of packaging annually.

We have also received recognition for various environmental achievements to date including:

- Save Water Awards finalist in 2003 and 2004;
- North Central Environment Achiever in 2004
- Gold Award recipient in SEDA Energy Smart Business program for participation
- Manufacturers Monthly Environmental Solution Award for reductions in water, energy, waste in 2006

Our Company is driven to reduce our environmental impact over all key elements such as Greenhouse Gas, Fuel, Wastewater, Landfill and Packaging. These goals are measured against an annual target of 2% reduction in line with other Heinz affiliates around the world.

Major Brands

Our major brands include:

Heinz	Weight Watchers	Cottee's (Jams & Toppings only)
Watties	Pataks	Rose's (Jams only)
Greenseas	Tom Piper	Orchard Ave
Hamper	Golden Circle	Juiceman
Farex	Popper	Epicure
Heinz Nurture	LOL	Original Juice
Ox & Palm	Adam's Ale	Imperial

Packaging Formats

As a manufacturer / packager of multiple product formats, Heinz Australia uses a wide variety of packaging materials. The main categories include:

Primary Packaging	Secondary Packaging	Products
3-piece steel cans	Corrugated board/shrink film	Fruit, soup, infant food, beans, spaghetti, canned meats
Liquid paperboard	Corrugated board	Long Life juice
Flexible Films/Laminates	Corrugated board	Tomato products, condiments, infant food
Glass Jars	Corrugated board/shrink film	Infant food, toppings, jams
PET (1)	Corrugated board	Juice, water, condiments
HDPE (2)	Corrugated board	Juice
PVC (3)	Corrugated board	Cordial
Polypropylene (5)	Corrugated board	Condiments, soup
Polystyrene (6)	Corrugated board	Juice, water
Paper (plain and coated)	-	Labels for varieties of products

Action Plan

Covenant Performance Goal	Outcomes	Covenant Key Performance Indicators	Heinz Australia Actions	Responsibility	Baseline Data	Target	Evidence
1. Design: Optimise packaging to achieve resource efficiency and reduce environmental impact without compromising product quality and safety	Product designed to: <ul style="list-style-type: none"> Avoid or minimise the use of materials and other resources Optimise its recyclability and recycled content Reduce the impact of litter 	<ul style="list-style-type: none"> KPI 1: Proportion of signatories in the supply chain implementing the Sustainable Packaging Guidelines for design or procurement of packaging 	<ul style="list-style-type: none"> Establish Value Engineering Teams at each manufacturing site (completed) to identify opportunities to Delete, Redesign (pack and / or closure), or Lightweight packaging Review existing packaging against Sustainable Packaging Guidelines Sustainable Packaging Guideline principles considered as part of formal packaging design process for new packaging 	<ul style="list-style-type: none"> Continuous Improvement Managers Packaging Manager 	2009 data supplied from Procurement Team	<ul style="list-style-type: none"> Global target of 15% reduction from 2009 data by 2015 (as per www.heinz.com/CSR2009/environment/sustainability) with reports on project status to be generated annually Review packaging for 40% of Heinz Australia's sales volume by Q4, 2012 and 80% of Heinz Australia's sales volume by Q4 2014 (please see Appendix 1 for review schedule) 	Documentation of all year-on-year reviews against baseline data, and results thereof, will be retained
2. Recycling: Efficient collection and recycling of packaging	Improved recovery of packaging from households and away-from-home sources	<ul style="list-style-type: none"> KPI 2: National recycling rate for packaging KPI 3: Proportion of signatories with on-site recovery systems for recycling used packaging 	<ul style="list-style-type: none"> Identify and investigate opportunity to establish on-site packaging recovery systems for our packaging Include stewardship statement where possible on all our product labelling encouraging our customers and consumers to "dispose of our packaging responsibly" to promote recycling and responsible behaviour 	<ul style="list-style-type: none"> Environmental Managers as each of our sites Packaging Manager 	<ul style="list-style-type: none"> 2005 / 2006 Landfill costs and Recycling by Tonnes data (GDW) More than half of our current packaging displays the recycling logo 	<ul style="list-style-type: none"> 2% reduction in landfill year on year to reach 20% by 2015 Opportunity to establish on-site packaging recovery systems investigated by 2015 Recycling logo displayed on 75% of our packaging by 2015 	Documentation of all year-on-year reviews against baseline data, and results thereof, will be retained
	Increased secondary markets for recovered packaging	<ul style="list-style-type: none"> KPI 4: Proportion of signatories with a policy to buy products made from recycled 	<ul style="list-style-type: none"> Include as part of Research & Development specification process, a 	<ul style="list-style-type: none"> Packaging Manager 	We do not currently have any formal inclusion of	<ul style="list-style-type: none"> Formal inclusion of recycled packaging considerations as part of Research & 	Documentation of Research & Development specification process will be provided

Covenant Performance Goal	Outcomes	Covenant Key Performance Indicators	Heinz Australia Actions	Responsibility	Baseline Data	Target	Evidence
	materials	<ul style="list-style-type: none"> packaging KPI 5: Additional tonnes of material reprocessed in primary and secondary markets as a result of Covenant-funded projects 	<ul style="list-style-type: none"> requirement to consider inclusion of recycled materials in packaging where technically feasible 		such considerations as part of our specification process	Development specification process	
3. Product Stewardship: Demonstrate commitment of all signatories	Signatories in the supply chain working with others to improve packaging design and recycling	<ul style="list-style-type: none"> KPI 6: Proportion of signatories that have formal processes for working with others to improve packaging design and recycling KPI 7: Proportion of signatories demonstrating other product stewardship outcomes for packaging 	<ul style="list-style-type: none"> Include within formal product design process, a requirement to work with suppliers and customers to improve design and recyclability of product / packaging Performance of an environmental impact assessment for all new products as part of formal product design process to agree recycled content Within the formal product design process, include a requirement to consider the inclusion of appropriate recycling logos 	<ul style="list-style-type: none"> Packaging Manager 	2011 VIPER System (design program) records	<ul style="list-style-type: none"> Collaboration with suppliers and customers embedded as part of formal product design process by 2015 Environmental impact assessments performed for all new packs and embedded as part of formal product design process by 2015 Update product design documentation by Oct. 2011 	Documentation of all year-on-year reviews against baseline data, and results thereof, will be retained
	Reduction in litter	<ul style="list-style-type: none"> KPI 8: Reduction in the number of packaging items in litter 	<ul style="list-style-type: none"> Commitment to review product / packaging design process on an ongoing basis to continuously improve and identify further opportunities to influence reduction of product / packaging waste to landfill Within the formal product design process, include a requirement to consider the inclusion of appropriate 'litter disposal' logos 	<ul style="list-style-type: none"> Packaging Manager 	2011 VIPER System (design program) records	<ul style="list-style-type: none"> Ongoing Update product design documentation by Oct. 2011 	Documentation of all year-on-year reviews against baseline data, and results thereof, will be retained

APC Contact Officer

Primary Contact	Secondary Contact
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Approved and Endorsed by:

Signed: Date:

Nigel Comer
Regional Director Heinz Australia & Regional CEO JANZ Asia Pacific
Heinz Australia

Signed: Date:

Gary Thomas
General Manager, Manufacturing
Heinz Australia

Appendix 1

Schedule for review of packaging against Sustainable Packaging Guidelines in line with Australian Packaging Covenant KPI#1:

Primary Packaging	% of Total Packaging by Weight	KPI#1 – 40% Review by Q4 2012	KPI#1 – 80% Review by Q4 2014
3-piece steel cans	30.8%	50% Complete 2012	Balance complete 2014
Liquid paperboard	6.9%	-	Complete 2014
Flexible Films/Laminates	0.4%	-	Complete 2012
Glass Jars	18.2%	50% complete 2012	Balance complete 2014
PET (1)	11.0%	Complete 2012	Review again for 2014
HDPE (2)	3.8%	Complete 2012	Review again 2014
PVC (3)	2.4%	Complete 2012	Review again 2014
Polypropylene (5)	1.9%	-	Complete 2014
Polystyrene (6)	0.4%	-	Complete 2014
Paper (plain and coated)	1.4%	-	Complete 2014
Corrugate	22.6%	Complete 2012	Review again 2014
Sundries	0.6%	-	