



GREEN'S GENERAL FOODS PTY LTD

NATIONAL PACKAGING COVENANT

ANNUAL REPORT: 2007 – 2008

Executive Summary

Green's General Foods Pty Ltd. is a private Australian Company with annual revenue of around \$125 million (GSV).

The head office is based at Glendenning in Western Sydney. This site produces a diverse range of consumer foods including baking mixes and other dry blended foods, peanut butter, breakfast cereals, popcorn and water ice for both the branded and private label market. During the year the Glendenning site ceased the manufacture of vinegar.

The Picton site located just outside Sydney manufactures a range of extruded and blended breakfast cereals and the Nhill site houses an oat mill and also packs oats and cereal blends. These plants supply both the branded and private label sectors of the market place.

The Leeton industrial cereals business produces a range of cleaned and further processed cereals and pulses that are supplied as raw materials both to other parts of the Green's business and to third party food manufacturers.

These business units use an extensive range of packaging mediums including flexible packaging, corrugated fibre-board boxes, carton-board cartons, PET and polyethylene containers and bulk bags.

Annual Report Summary

This year has been a further one of consolidation for the business with internal change and the resultant issues occupying much of senior management's time. Attached is a summary (Table 1) of the key achievements for the previous year October 2007 to October 2008.

The various manufacturing sites have continued to pursue recycling and waste reduction initiatives as detailed in the report. With regard to the reduction of product packaging there has been relatively little progress during the year. Major customers continue to request fewer consumer units per outer case thus increasing the overall ratio of product to packaging. This continues to be a part of our major customers' drive on supply chain efficiency.

The majority of retail consumer cartons used by the business are produced from 95% recycled content board and similarly the majority of corrugated board boxes used are manufactured from 100% recycled content board.

Use of the Environmental Code of Practice for Packaging with regard to the overall packaging process continues to be used in conjunction with our major packaging suppliers.

The business continues to recognise that the principles of Product Stewardship need to be incorporated in company policies and actioned in all the relevant areas of:

Design

Production

Distribution

Disposal

Research

Market Development

Education

Labelling

Wholesale and Retailing

Green's General Foods Pty Ltd.

Recycling and Reprocessing

Green's Foods remains committed to the principles behind the National Packaging Covenant and as a business we will be looking at further ways to be more efficient in our use of packaging, maximise the use of recycled content packaging and continue to minimise the amount of waste that ends up in land fill.

Yours sincerely,

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Table 1 - Green's General Foods Pty Ltd – National Packaging Covenant Report, 2007 to 2008

KPI	Reporting Measure	Results & Discussion
<p>1. Total weight of domestic packaging (domestic & imported) sold per annum into the Australian market and the total weight of products packaged.</p>	<ul style="list-style-type: none"> • Tonnes of packaging by material type by source (local or imported) • Tonnes of packaged product sold. • Ratio of product to packaging by weight 	<p>Packaging data is as follows:</p> <ul style="list-style-type: none"> • Local <ul style="list-style-type: none"> ▪ Paper: 92 tonnes ▪ Cardboard Standard: 3,911 tonnes ▪ Plastics – Type 1 (PET): 197 tonnes ▪ Plastics – Type 2 (HDPE): 309 tonnes ▪ Plastics – Type 4 (LDPE): 110 tonnes ▪ Plastics – Type 5 (PP): 87 tonnes ▪ Plastics – Type 7 (Other): 176 tonnes ▪ Composites: 156 tonnes ▪ Other: 7 tonnes • Imported: <ul style="list-style-type: none"> ▪ Composites: 179 tonnes • Net Tonnes of packaged product sold: 33,255 tonnes • Ratio of product to packaging weight = 1:0.157 <p>The ratio of product to packaging again shows an increase over last year (2007 1:0.106) and is reflective of the continuing, general trend to lower numbers of consumer units per outer shipping container.</p>
<p>3. Improvements in design, manufacture and distribution to minimize environmental impacts of packaging.</p>	<ul style="list-style-type: none"> • Examples of improvements made to packaging and their effect on minimizing the environmental impacts of the packaging. • Quantitative details of substantial improvements should be provided e.g. tonnes of packaging avoided, increased recyclability etc. 	<ul style="list-style-type: none"> • The use of an alternative corrugated board grade to reduce the weight of packaging used and reduce cost has not been successful due to the supplier not gaining enough critical mass across its customer base to make the change economically viable. • Due to other priorities a major review of flexible packaging flexible packaging types used within the business has had to be put back. More emphasis will be placed on this during the coming months as the business strives to find cost reduction initiatives.

		<p>Initiatives already in place and which were ongoing 2007 - 2008:</p> <ul style="list-style-type: none"> • Glendenning Site (Green's largest site): <ul style="list-style-type: none"> ▪ Bulk Bags used to store work-in-process are used once and then on sold to a recycler who cleans, re-conditions and re-sells them. Approximately 10,000 bulker bags used per annum, which represents around 35 tonnes of material that would otherwise have been sent to landfill. ▪ Liquid raw materials are stored in bulk tanks or re-useable palletcons. ▪ Minor work-in-process components are stored in re-usable boxes, which eventually are recycled through the cardboard stream. ▪ Approximately 225 tonnes of cardboard sent for recycling during the year. ▪ Approximately 15 tonnes of HDPE / LDPE plastic sent for recycling during the year. ▪ Around 75% of plastic drums used to supply liquid ingredients and chemicals collected for recycling. ▪ Office paper recycled via a system of yellow bins or contractor for confidential shredding and recycling. ▪ Much of the food waste material is sent for use as animal stock feed. This equates to approximately 180 tonnes which would have previously been sent to landfill. • Picton Site: <ul style="list-style-type: none"> ▪ All work in process mixes are stored in re-usable bulk containers with plastic liners that are made from recyclable plastic (plastic type 2). ▪ Approximately 155 tonnes of cardboard sent for recycling during the year. ▪ Approximately 100 tonnes of food waste material sent for use as animal stock feed during the year, thus avoiding land fill. • Nhill Site: <ul style="list-style-type: none"> ▪ Approximately 195 tonnes of cardboard sent for recycling
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		<p>during the year.</p> <ul style="list-style-type: none"> • The overall environmental benefits of sending the packaging amounts for recycling are as follows: <ul style="list-style-type: none"> ▪ Landfill space saved: 1,896 cubic metres ▪ Saving 240 tonnes of carbon dioxide from entering the atmosphere. ▪ Saving 11.286 gigajoules of energy. ▪ Saving 13,420,000 litres of water • There were no environmental impact issues with any of Green's sites in the past year.
<p>4. Changes to protection, safety, hygiene and shelf life or supply chain considerations affecting amount and types of packaging used.</p>	<ul style="list-style-type: none"> • Changes to protection, safety, hygiene, shelf life or supply chain considerations affecting amount and type of packaging used with examples and their associated impact on the amounts and types of packaging used. • Quantitative details of changes to be provided e.g. additional tonnes of packaging required, changes to materials used. 	<ul style="list-style-type: none"> • Shelf ready and shelf friendly outer packaging is generally still a requirement for our major customers as part of their supply chain efficiency programmes. • The general trend continues to be less retail units per outer shipping case. This relates to rate of retail sale (units per store per week), re-stocking quantities and shelf quantities. A rough estimate is that this is increasing overall corrugated board usage by 5 – 6%.
<p>6. Total weight, by type, of “non recyclable” consumer packaging sold per annum into the Australian market.</p>	<ul style="list-style-type: none"> • Tonnage of “non recyclable” packaging sold by material by type. • Total “non recyclable” packaging as a % of total packaging sold. 	<ul style="list-style-type: none"> • Data is as follows: <ul style="list-style-type: none"> ▪ Plastics – Type 4 (LDPE): 110 tonnes ▪ Plastics – Type 5 (PP): 87 tonnes ▪ Plastics – Type 7 (Other): 176 tonnes ▪ Composites – 335 tonnes ▪ Total non recyclable packaging = 708 tonnes • Non recyclable packaging = 13.6% of total packaging sold (This is the same

		as last year).
16. Percentage of signatories providing recycling collection facilities for post consumer packaging generated on site.	<ul style="list-style-type: none"> Whether on site recycling facilities are provided or not. If yes provide details. 	<ul style="list-style-type: none"> All offices at the Glendenning Head Office, Picton and Nhill sites have paper recycling boxes for non confidential waste paper. This is collected and fed into the site waste paper recycling stream. Confidential waste paper at Glendenning is collected by a contractor for secure disposal and recycling. No progress made during on recycling of materials from on site canteens and rest rooms. At this stage this is proving not to be economically feasible.
21. Estimated tonnage of consumer packaging sent (a) for recycling and (b) to landfill from on-site collection facilities.	<p>Amounts of consumer packaging from on-site collection which is:</p> <ul style="list-style-type: none"> Sent for recycling (tonnes and % of total waste) Sent to landfill (tonnes and % total waste) 	<p>An estimate of this information is as follows:</p> <ul style="list-style-type: none"> Amount of packaging material sent for recycling is around 595 tonnes per annum. This represents about 25% of total waste generated by the various sites. (This figure is significantly higher than last year due to an omission of recycled cardboard from Picton and Nhill sites in the 2006 – 2007 report). Amount of packaging material sent to landfill is around 390 tonnes per annum. This represents about 16.4% of total waste generated by the various sites.
22. Number of signatories who have formally adopted the ECoPP and developed systems for its implementation.	<ul style="list-style-type: none"> Has ECoPP been formally adopted? Actions and commitments that demonstrate that ECoPP has been implemented. 	<ul style="list-style-type: none"> Product Design and Development and Packaging Development Procedures now incorporate a checklist to ensure that ECoPP principles are actively considered each time a new product concept is under development. ECoPP principles are now part of Purchasing Supply Agreements. Product Development and Packaging Development staff educated with regard to ECoPP principles.
26. Implementation of Buy Recycled purchasing policy or practices.	<ul style="list-style-type: none"> Whether the signatory has implemented a Buy Recycled purchasing policy or practices. Provide details and quantitative data. 	<ul style="list-style-type: none"> Virtually all folding carton board used is currently manufactured from 95% recycled material. (A few products manufactured for specific customers use other board grades that have either 30% or 80% recycled content. This represents only 2.0% of the total carton board usage and only 0.5% of total cardboard usage). 98.8% of all corrugated board used at Green's is manufactured from material that contains 100% recycled content. This is a significant improvement on last year due to work carried it on one of our major packaging lines to achieve the

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		<p>usage of 100% recycled board for all packaging types.</p> <ul style="list-style-type: none"> • The remaining 1.2% is manufactured from board containing 73% recycled content for particular strength purposes. • 100% of total cardboard usage (3,911 tonnes) is manufactured from material with a high level of recycled content. • Greens continue to investigate with packaging suppliers the recycled content of other packaging types but there has been no practical progress in this area.
27. Establishment of baseline performance data.	<ul style="list-style-type: none"> • Report established baseline data on an annual basis. 	<ul style="list-style-type: none"> • All baseline data entered into IDAS database on 13th November 2008.
28. Annual Reporting against action plan.	<ul style="list-style-type: none"> • Report to be lodged by 31st October each year commencing 2006 and outlining progress against baseline data, action plan commitments, targets and timelines. 	<ul style="list-style-type: none"> • Report lodged 13th November 2008.
29. Demonstrated improvements and achievements against individual targets and milestones.	<ul style="list-style-type: none"> • Annual report to clearly demonstrate continuous improvement against targets and timelines in action plan. 	<ul style="list-style-type: none"> • A further review of Green's action plan is planned prior to the end of 2008 as part of the strategic plan for the business.