

**HAIGH'S MANUFACTURING PTY
LTD**

A E HAIGH PTY LTD

153 GREENHILL ROAD, PARKSIDE SOUTH AUSTRALIA 5063



**NATIONAL PACKAGING
COVENANT ANNUAL
REPORT**

OCTOBER 2006 – OCTOBER 2007



INDEX

- 1. Introduction**
- 2. Company History**
- 3. Contact Officer**
- 4. Company Details / Locations**
- 5. Nature of the Organisation**
- 6. Time Period**
- 7. Place in the Packaging Chain**
- 8. Brand Names Owned or Sold**
- 9. Executive Summary**
- 10. Environmental Management System**
- 11. Environmental Code of Practice**
- 12. Our Achievements**
- 13. Objectives for this Plan**
- 14. Action Plan**

1. INTRODUCTION

This document sets out how Haigh's Manufacturing PTY LTD and A E Haigh PTY LTD intends to implement and measure their actions and commitments under the National Packaging Covenant.

2. COMPANY HISTORY

Haigh's Chocolates is Australia's oldest original family owned chocolate manufacturer and was founded in Adelaide in 1915 by Alfred Haigh.

Haigh's is now in its fourth generation and has been run successfully by his son Claude, grandson John, who is now chairman, and great-grandsons Alister and Simon, joint Managing Directors.

3. CONTACT OFFICER

The contact officer who is responsible for the reporting and monitoring of the action plan is:

Peter Millard
Supply Chain Manager
153 Greenhill Road
PARKSIDE SA 5063
Phone: 08 8372 7000
Facsimile: 08 8373 0528
Email: peterm@haighs.com.au
Website: www.haighschocolates.com.au



4a. COMPANY DETAILS / LOCATIONS

HAIGHS MANUFACTURING

Haigh's Manufacturing
153 Greenhill Road PARKSIDE SA 5063 (HEADOFFICE)
Phone (08) 8372 7000

Manufacturing Site
2 Douglas Street PARKSIDE SA 5063
Phone (08) 8372 7000

Distribution Warehouse
70 London Road MILE END SA
Phone (08) 8351 9372

4b. COMPANY DETAILS / LOCATIONS

A E HAIGH

A E Haigh
153 Greenhill Road PARKSIDE SA 5063 (HEADOFFICE)
Phone (08) 8372 7000

SOUTH AUSTRALIA

Adelaide Arcade
Shop 1
112-118 Grenfell Street
ADELAIDE SA 5000

Beehive Corner
2 Rundle Mall
ADELAIDE SA 5000

Glenelg
87b Jetty Road
GLENELG SA 5045

Golden Grove
Shop 24
Golden Grove Village Shopping Centre
Cnr Golden and the Grove Ways
GOLDEN GROVE SA 5125

Victoria Square
Shop 17
Central Market Arcade
VICTORIA SQUARE
ADELAIDE SA 5000

Visitors Centre
154 Greenhill Road
PARKSIDE SA 5063



VICTORIA

Block Arcade
Shop 7-8
282-286 Collins Street
MELBOURNE VIC 3000

Collins Street
Farrer House
26 Collins Street
MELBOURNE VIC 3000

Hawthorn
715 Glenferrie Road
HAWTHORN VIC 3122

Toorak Village
Shop 1
The Village Way
501 Toorak Road
TOORAK VIC 3142

Swanston Walk
Shop 6
191 Swanston Walk
MELBOURNE VIC 3000

NSW

Strand Arcade
Shop 1
412-414 George Street
SYDNEY 2000

5. THE NATURE OF THE ORGANISATION

- 1a) Ownership: Haigh's Manufacturing Pty Ltd is a privately owned family business.
- 1b) What it does: Haigh's Manufacturing is a Chocolate and Confectionery manufacturer which sources raw materials and make's them into chocolate from which we then create a fine hand crafted quality chocolate, which we distribute to our warehouse.
- 1c) Size: Haigh's Manufacturing has 1.5% of the total Australian Confectionery Market.
- 1d) Structure: Haigh's Manufacturing employees 42 fulltime staff and throughout the peak periods we also employ a significant number of Agency staff. Haigh's Manufacturing has QA, Purchasing, Production and a Research and Development team.



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- 2a) Ownership: A E Haigh Pty Ltd is a privately owned family business.
- 2b) What it does: A E Haigh sells its hand made chocolates through their own retail shops all in South Australia, Victoria and New South Wales.
- 2c) Size: A E Haigh has 1.5% of the total Australian Retail Confectionery Market.
- 2d) Structure: A E Haigh employees 95 permanent staff and they range from Full Time to Part Time and Casual, with also a significant number of agency staff throughout peak periods. A E Haigh has a Retail Manager, Shop Managers, Marketing Manager, Officer Manager, Merchandising Manager and a Corporate Brand Manager.

6. TIME PERIOD

This Annual report commencement date is from October 2006 – October 2007.

7. PLACE IN THE PACKAGING CHAIN

We are a Manufacturer, Wholesaler and a Retailer. All raw materials, finished goods and packing etc... are received by **Haigh's Manufacturing PTY LTD.**

The Retail side of our business is carried out by **A E Haigh PTY LTD.**

8. BRAND NAMES OWNED OR SOLD

Haigh's Chocolates

Images of Australia

A E Haigh

Imagine



9. EXECUTIVE SUMMARY

The joint Managing Directors for both companies are firmly committed to continuing to identify and implement Environmental solutions within the 2 companies.

This commitment extends to membership to the NPC, the allocation to labour resources and ensuring individual KPI'S are met to the objective of this document.

10. ENVIRONMENTAL MANAGEMENT SYSTEM

At Haigh's Manufacturing and A E Haigh we currently have these existing systems in place:

The bubble wrap that protects our products during transportation is reused internally. It is also given free of charge to other neighboring organisations to re use within their company for packaging items.

All packaging that is in good condition, used in the delivery of our products to our stores, is returned to the manufacturing factory to be reused. Due to HACCP requirements we can only reuse our inner cardboard cartons four times. Once these boxes have come to the end of their life cycle they are collected for recycling.

All our packaging items such as: cardboard boxes, plastic bags, glass, paper bags, gift wrapping paper and labels are all 100% recyclable. We recycle all these items in the appropriate manner to the product's requirements.

All our plastic bottles, milk containers and newspaper are all recycled once a fortnight through the council as they provide us with the appropriate containers and pick them up to empty them.

At our warehouse we recycle all our plastic that is not baled into a red plastic recycling bin supplied to us by Amcor. This bin is collected once a week. We are using a baling system to bale up the shrink wrap to recycle in a more efficient way.



We recycle all our cardboard into a blue bin which is also provided to us by Amcor. They also pick this bin up once a week or more if it is a busy seasonal period.

All our aluminum cans go into an internal bin which when full we take to a depot for recycling. We are always encouraging our staff to maintain this policy.

11. ENVIRONMENTAL CODE OF PRACTICE

Haigh's is committed to implementation of the Environmental Code of Practice for all of our packaging, and as such is incorporated in our Covenant Action Plan.

12. OUR ACHIEVEMENTS

We have completely removed plastic bags from our retail network and now only offer paper bags to our customers.

All packaging items where possible are returned from our retail network to head office for appropriate recycling if no local recycling is available.

Packaging received from our suppliers has been evaluated, and where appropriate we have suggested new methods to reduce the amount of waste. In some instances packaging has been returned to the supplier.

Our staff are more involved on a daily basis in the covenant's message and offer suggestions on improvements to our workplace to benefit the environment.

13. OBJECTIVES FOR THIS PLAN

The following has been identified to action during the year:

The use of fully biodegradable rewind material "Natureflex" for packaging of our bulk lines.

Investigate the use of biodegradable pallet wrap.

Investigate application for bio degradable corn starch plastics as try liners.

Reduction of the amount of shipping boxes from five designs to two designs. Increase the amount of product in shippers to reduce the amount of packaging required. New shipper design will also be done with maximum pallet configuration in mind.

Use of one tonne “bulka” bags of sugar to replace 25kg bags. This will decrease the “man hours” required to manually load 25kg bags, and reduce the amount of waste from paper bags which are plastic lined and not recyclable.





RECYCLING INFORMATION FOR ALL RETAIL SHOPS & MILE END:

BEEHIVE;

All Haigh's items get sent back to the Parkside Factory weekly and these include:

- Bubble Wrap
- Tissue Paper
- 3 kg boxes
- Outer boxes (Blue and Red)
- Plastic boards
- Glassine
- Cardboard
- Food safe bubble

Non Haigh's Products;

We put all tins, cartons, plastic containers, newspapers into the blue recycling crate provided by the Adelaide council.

We buy refill containers for the hand soap containers.

We recycle all cardboard (**Non Haigh's**) on recycle day.

SWANSTON WALK;

All Haigh's items get sent back to the Parkside Factory weekly and these include:

- Tissue Paper
- 3 kg boxes
- Outer boxes (Blue and Red)
- Plastic boards
- Glassine
- Cardboard
- Food safe bubble

The scented cardboard is recycled at the hotel rubbish area along with **DAMAGED** Haigh's boxes and non returnable cardboard e.g. confectionery boxes.

The bubble wrap is given to a neighboring store.

HAWTHORN;

All Haigh's items get sent back to the Parkside Factory weekly and these include:

- Tissue Paper
- 3 kg boxes
- Outer boxes (Blue and Red)
- Plastic boards
- Glassine
- Cardboard
- Food safe bubble

With external recycling, the local council **Boroondara** picks up the remainder of our cardboard e.g. Damaged Boxes and all general recyclables such as plastic and can drink containers, newspapers etc...

We are also currently actively seeking a means to recycle the larger type of bubble wrap.

VICTORIA SQUARE;

All Haigh's items get sent back to the Parkside Factory weekly and these include:

- Tissue Paper
- 3 kg boxes
- Outer boxes (Blue and Red)
- Plastic boards
- Glassine
- Cardboard
- Food safe bubble

Any damaged boxes, cardboard, newspaper, plastic containers are all recycled in the recycling bins at the Central Market.

VISTIORS'S CENTRE;

All Haigh's items get sent back to the Parkside Factory **weekly/daily** and these include:

- Tissue Paper
- 3 kg boxes

- Outer boxes (Blue and Red)
- Plastic boards
- Glassine
- Cardboard
- Food safe bubble

All other cardboard and recyclables are placed in to the recycling bins at the back of the factory at Parkside.

Empty Milk containers are cleaned and recycled on a weekly basis.

COLLINS STREET;

All Haigh's items get sent back to the Parkside Factory weekly and these include:

- Tissue Paper
- 3 kg boxes
- Outer boxes (Blue and Red)
- Plastic boards
- Glassine
- Cardboard
- Food safe bubble

GLENELG;

All Haigh's items get sent back to the Parkside Factory weekly and these include:

- Tissue Paper
- 3 kg boxes
- Outer boxes (Blue and Red)
- Plastic boards
- Glassine

- Cardboard
- Food safe bubble
- Store display items e.g. signs etc...

Things we put into our bins:

- POS receipts
- Wrapping paper bits
- Unwanted post e.g. promotions letters, faxed items
- Plastic from outers (LOT'S)
- Cardboard not sent back to factory
- Delivery labels attached to our boxes
- Tissue paper (not all, most kept)
- Ribbon ends
- Brown Bags (RARELY)
- Tea bags otherwise no food scraps usually
- Packing from milk cartons
- Hand paper towel
- Cash register roll ends and tape
- Blue strips around packages
- Cello and tissues

ADELAIDE ARCADE;

All Haigh's items get sent back to the Parkside Factory weekly and these include:

- Tissue Paper
- 3 kg boxes
- Outer boxes (Blue and Red)
- Plastic boards
- Glassine
- Cardboard
- Food safe bubble

Unfortunately our Arcade does not have a recycling bin system, so at present all other recycling is disposed of with general rubbish.

- Adelaide City Council does have a recycling collection system but the two difficulties with this are that there is no room to store the recycling until collection night. Secondly the council does not allow leaving recycling on the footpath until collection due to liability issues.

It would be encouraging for Arcade Management to implement a more positive system for recycling as long as all tenants will comply.

STRAND ARCADE;

All Haigh's items get sent back to the Parkside Factory weekly and these include:

- Tissue Paper
- 3 kg boxes
- Outer boxes (Blue and Red)
- Plastic boards
- Glassine
- Cardboard
- Food safe bubble

We take part in the Strand recycling drive which involves cardboard boxes going into a recycling bin. We re-use A4 paper to write notes on.

TOORAK VILLAGE;

All Haigh's items get sent back to the Parkside Factory weekly and these include:

- Tissue Paper
- 3 kg boxes
- Outer boxes (Blue and Red)
- Plastic boards
- Glassine
- Cardboard
- Food safe bubble

The bubble wrap is given to **4 retail shops** nearby who use it for packing items and for postage (we can't keep up with supplying them sometimes).

The Cardboard is placed in a recycle bin provided by the **Stonington Council** and it is collected fortnightly.

MILE END;

At Mile End we recycle cardboard and paper and we put it in to a Blue pick up bin.

We put plastic (shrink wrap) and all other plastics into a Baler.

We are also in the process of recycling cans into a bin and then taking them to a recycling depot for disposal.

BLOCK ARCADE;

All Haigh's items get sent back to the Parkside Factory weekly and these include:

- Tissue Paper
- 3 kg boxes
- Outer boxes (Blue and Red)
- Plastic boards
- Glassine
- Cardboard
- Food safe bubble
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The bubble wrap is given to **4 retail shops** nearby who use it for packing items and for postage.

We also put all our cardboard into a recycling bin provided by **the Block Arcade Management**. This works very well as we don't have to rely on a company to come and collect it, they just take it away and empty it when it's full.

K PI (schedule2)	Action	Responsibility	Performance Measure	Target	Milestone Goals
1	Establish baseline from FY 2007 Data	Supply Chain Manager	5.25 Product to Packaging ratio	Maintain Ratio's at this level	Reduce the damage to recycled items
	Future products will be designed with a minimal packaging and maximum content per unit.	Supply Chain Manager, & Corporate Brands Manager			All seasonal products are thoroughly thought about with the best recycling matter included in the decision. For example Collectable Christmas tins.
6	Establish baseline data for ratio of 'non-recyclable' packaging as a percentage of total packaging sold.	Supply chain Manager	10:1 Recyclable to non Recyclable	Maintain Ratio's at these levels	Minimise the use of type 4 plastics in workplace
	Investigate the use of biodegradable Pallet Wrap	Logistics Team Leader	On Going	To be completed by June 2007	Business now using bio degradable bubble wrap
	Develop guidelines for factory and retail disposal of product and packaging	Supply Coordinator	On Going	100% completed	We have made SOP for all areas in recycling and educated all our Retail/Factory Managers.

16	Establish post consumer recycling collection facilities.	Supply Chain Manager & Retail Manager	100%		All facilities offering post consumer recycling facilities for range of products
	Discuss alternate packaging with outside suppliers to find alternative with a high level of recycling value	Purchasing Manager			
26	Consider the buy recycled purchasing policy through the executive team structure	Supply Chain Manager			Fully integrated by recycled policy by October 2008
	Educate staff on Covenant and its impact on the company and environment.	Supply Coordinator	On Going	Attendance at weekly department meetings	We are always trying to come up with new ways to educate our staff on recycling.
27	Establishment of baseline performance data	Supply Chain Manager	KPI's reported	100% KPI's reported	All areas reported for October 2008 reporting period.

