



Hakka Pty Ltd

**NATIONAL PACKAGING COVENANT
ACTION PLAN ANNUAL REPORT**

July 2007 – June 2008

(PUBLIC)

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Company Details and Contact Officer

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Company Profile

Hakka Pty Ltd is an Australian owned company, producing Asian foods (e.g. fish and meat balls, dim sims, seafoods and snack foods) under the Hakka brand name.

Founded by Mr Phillip Ang, manufacture started in 1979 from a butcher shop in Annandale. With the growth and expansion of the business, larger premises were required several times; Camperdown in 1983, Tempe in 1990, and finally new large facilities became operational in Silverwater in 2007. There are approximately 55 employees.

Originally specialising only in Chinese products, the company now provides a full range of Asian flavours and foods. It has become very successful in developing the local market for Asian foods to become the recognised market leader in Asian foods in Australia.

The company began importing in 1990 and now imports from Malaysia, Singapore, Thailand, India, Vietnam, Fiji and China.

The predominant culture in the organisation can be characterised as one of a “family” business; staff motivation and welfare is highly regarded by the owner and there are many long-serving employees. Phillip Ang still drives the business with the same level of passion and energy and has always driven the research and development functions of the business, ensuring that quality and customer focus is paramount.

Meat products are received fresh from local suppliers or frozen in cardboard cartons (with separable plastic liner) and fish is supplied frozen in plastic lined cartons from overseas. Wheat products are manufactured from local raw materials. Cardboard cartons are received in LDPE stretch wrap (plastic code 4).

Finished goods are packaged in mainly plastic bags and dispatched locally and interstate as fresh (0-4°C) or frozen (-18°C). Fresh product is dispatched in returnable plastic trays and frozen product is dispatched in cardboard cartons. Food regulations prevent any carton re-use.

Hakka products are sold to the public in NSW via distributors and retailers and interstate by distributors. Approximate ratio of local/export sales volumes is as follows:

Australia	99%
Global	1%

Executive Summary and Commitment

This Action Plan was adopted by Hakka in accordance with its obligation as a signatory to the National Packaging Covenant. It was the company's first Action Plan and is of three years duration 2007 – 2010.

The revised and strengthened Packaging Covenant came into force in 2005, under which signatories are required to produce an Action Plan reporting baseline data and proposing targets and, each year, Annual Reports against the set targets. This is the first of those Annual Reports to be reported against its first Action Plan.

Hakka's previous environmental achievements focussed on good environmental practice and reuse and recycling of packaging. They have had the effect of improving business performance whilst reducing our products' impact on the environment. Hakka prides itself on being an environmentally responsible global citizen. Much of its packaging (e.g. cardboard) remains inherently recyclable.

This Report demonstrates the achievements and challenges it has faced with regards to the selection and use of packaging by this company, aiming to reduce our use and increase recycling of packaging, taking into account the need to maintain at all times, for the benefit of our employees, our customers and all those involved in handling our products, high standards of safety, health and protection of the environment.

..... (Phillip Ang, Managing Director)

EXECUTIVE SIGNATURE

28/10/2008

DATE

Environmental Achievements and Improvements 2007-2008

Achievements:-

- Hakka's cardboard packaging distributed into the Australian market is recyclable.
- Raising environmental awareness with employees.
- Identified and separated waste and recycle streams.
- Reduced volume of waste to landfill by 60% and increased recycled volume.
- Disposed of vegetable waste as a stockfeed in place of landfill.
- Waste reduction through 'Lean manufacture' in factory involving accurate set up of production lines, monitoring of packaging yields and spoilage rates and specific training for production line staff e.g. statistical process control and troubleshooting.
- Improvement of process control through automation.
- Significant reduction in trade waste discharge and improvement in quality by improved cleaning process developed with production staff involvement.
- Returnable plastic trays for fresh product delivery to customer.
- Reuse of incoming cardboard as pallet liners and for internal storage.
- Return of vegetable incoming goods plastic bin liner to supplier.

Recent Achievements/Improvements:-

- Refining and expanding environmental performance monitoring systems. With an established process to data relevant data, we are now in a better position to streamline this process in the future for analysis and review.
- Enforcing paper recycling in all offices. This is now conducted on a regular basis.
- Increased recycling and removal of recyclables from landfill waste through waste audits. This is now conducted on a regular basis.
- Furthering education and awareness of staff, suppliers, customers, and consumers in packaging re-use, recycling and appropriate disposal. This has commenced through educating our staff through the creation of signage in staff rooms for disposal of recyclable packaging in both English and Chinese, as some staff members may not speak English as their first language.
- Establishing aluminium can recycling from canteens etc. Like above, it has also been communicated to staff with signage in multiple languages.
- Packaging design review to improve recycling and re-use/Progressively including appropriate recycle symbols on all consumer and cardboard packaging during packaging redesign. This is actively being assessed in Product Development and review of existing packaging as old stocks of packaging material are depleted.
- Incorporate recycle logo on cardboard shippers during redesign. Packaging designs are currently under review.

Proposed Improvements

The 2007-2010 Hakka Action Plan aims to develop and implement improvements across the organisation in areas such as:

- Analysing, reviewing and acting on performance indicators.
- Refining and expanding environmental performance monitoring systems.
- Investigating opportunities for packaging material reduction.
- Packaging design review to improve recycling and re-use.
- Driving improvements in re-use, waste minimisation and recycling.
- Purchasing office paper with recycled content.
- Working with other members of the packaging supply chain in expanding re-use and recycling of packaging.

- Furthering education and awareness of staff, suppliers, customers, and consumers in packaging re-use, recycling and appropriate disposal.
- Progressively including appropriate recycle symbols on all consumer and cardboard packaging during packaging redesign.
- Incorporate recycle logo on cardboard shippers during redesign.
- Increase use of returnable packaging systems with suppliers.
- Replacing where possible non-recyclable plastic with recyclable.
- Established 'Packaging Register' (specifying recommended suppliers, cost of recycling etc), facilitating review of most effective and environmentally beneficial packaging decisions.
- Frozen food product is dispatched in cardboard. When product is thawed recycled cardboard loses strength. Therefore cardboard packaging used has no recycled content. Review use of virgin grade cardboard for possible recycled content alternatives.

Hakka Environmental Code of Practice for Packaging

The Environmental Code of Practice for Packaging is part of the National Packaging Covenant. The following specific commitments related to the Environmental Code of Practice for Packaging are made.

- All packaging will conform to all government Acts, Regulations and Australian Standards.
- The Environmental Code of Practice and the Packaging Covenant are promoted through supply chain linkages to customers and end users.
- Addressing overall strategies to reduce environmental impacts in packaging supply/recovery chains.
- The packaging decision making process will be documented for beneficial and adverse environmental impacts by specific reference to the following points 1-7. If any conflict exists [The Waste Hierarchy](#) (avoidance/source reduction, re-use, recycling, energy recovery, disposal) and the requirement for the product to properly and safely perform its primary function will inform consideration of the documented best approach.

Hakka is committed to these requirements:

1. Avoidance/Source reduction, (where product efficacy, safety and appeal are not affected).
 - Avoidance of packaging or reduction of packaging mass.
 - Reduction in energy and water use:- Nil discharge of product contaminated industrial water to sewer or outside environment and increasing re-use of filtered recycled process water.
 - Monitoring of production machinery condition (noise, smell, heat generation) to reduce equipment wear and electricity use.
 - Waste reduction through 'Lean manufacture'.
2. Potential for Re-use
 - Re-use then recycling of in-process packaging waste (e.g. cardboard) wherever possible.
 - Packaging return arrangements with suppliers.
 - Packaging re-use return system for fresh food delivery.
3. Recovery and recycling
 - Consideration of product impact on resource recovery and recycling prior to introduction to market.
 - Recycling of in-house pre-consumer and post-consumer packaging and materials.
 - Use of single product material and packaging wherever possible (avoidance of composites).
 - Avoidance of raw materials with packaging cleaning/recycling problems.
 - Replacement of non-recyclable packaging with recyclable if possible.
 - Waste stream audits.
4. Incorporating recycled content
 - Hakka commits to a 'Buy recycled' policy in all areas of its business, e.g. office paper.
 - Purchase of packaging with recycled content except if packaging effectiveness is compromised.
5. Minimising impacts of packaging
 - Avoidance of hazardous or toxic materials.
6. Propensity to become litter
 - Ongoing introduction of recycling logo on all packaging.
7. Consumer information
 - Information is provided to sales staff and customers on recycling of packaging. This information is available at www.itsalivingthing.net.au/rc/guides/p2005128_Recycling_ENG.pdf.
 - Product packaging used and received by the company is cardboard and various plastics. Council facilities for codes 4-7 plastic recycling are increasingly available. Consumers are advised to check their local council's recycling facilities.

..... (Phillip Ang, Managing Director)

28/10/2008

EXECUTIVE SIGNATURE

DATE

Product Stewardship Commitments

Required Action under Covenant (as relevant)	Hakka's Commitment (with specific examples)
a) Design: consider aspects of design of packaging including recovery, re-use, recycling and litter reduction	<ul style="list-style-type: none"> • Packaging to conform to all government Acts, Regulations and Standards. • Packaging design review to improve recycling and re-use. • Environmental Code of Practice for Packaging considered in product development. • Avoidance of composite products in packaging if possible. • Replacement of non-recyclable packaging with recyclable packaging where possible.
b) Packaging: minimisation of amount of material used in production	<ul style="list-style-type: none"> • Water use is monitored. • Re-use/recycling of cardboard packaging received with raw materials. • To increase recycled content of packaging and product inputs Hakka commits to a policy of 'Buy recycled' in all areas of its business where practicable including office paper.
c) Distribution: reduce material and energy consumption	<ul style="list-style-type: none"> • Distribution is reviewed for cost and energy efficiency
d) Disposal: facilitate safe and easy disposal including recovery, re-use and recycling to minimise environmental impact	<ul style="list-style-type: none"> • Replacement of non-recyclable packaging with recyclable packaging where possible. • Major customers are encouraged to recycle packaging (e.g. cardboard and LDPE stretch wrap). • Hakka provides information on recycling of packaging to customers and end users through company representatives (from information available at www.itsalivingthing.net.au/rc/guides/p2005128_Recycling_EN_G.pdf).
e) Research: facilitate research re supply, use and recovery of packaging, identification of new uses and markets and reduction of amount of packaging	<ul style="list-style-type: none"> • Major suppliers and customers will be consulted regarding possible improvements to packaging stewardship.
f) Education: helping to establish and finance the circulation of reliable information for consumers to assist their choice	<ul style="list-style-type: none"> • See (d)
g) Labelling: accurate consumer information and labelling to encourage recycling	<ul style="list-style-type: none"> • Include appropriate recycle logos on new product packaging. • When reviewed/redesigned packaging artwork will be changed to include recycling logos of appropriate size. • Ensure appropriate size and clear placement of logos.
h) Wholesaling and retailing: Point of sale recycling information.	<ul style="list-style-type: none"> • Hakka provides information on recycling of packaging to customers and end users through company representatives (from information available at www.itsalivingthing.net.au/rc/guides/p2005128_Recycling_EN_G.pdf).

Hakka National Packaging Covenant Action Plan Roles and Undertakings

The Hakka Action Plan runs from 1 July 2007 – 30 June 2010. Mandatory environmental performance targets will be reported upon by 31 October each year during this period. The baseline data for the period has been collected from July 2006 – June 2007.

Goal 1 KPI 1

General Goal	Goal for individual brand owner	Monitoring requirement	Aim	Comment
Packaging designed, manufactured, distributed and marketed to minimise the amount of material and other resources essential to guarantee the protection, safety, hygiene and shelf life of product.	Total weight of consumer packaging (domestic and imported) sold per annum into the Australian market and the total weight of products packaged	Tonnes of packaging by material type. Tonnes of product packaged Ratio of product to packaging (by weight)	Increase ratio of product to packaging.	Packaging types Plastic Code 2 (moulded containers) Plastic Code 4 (individual product bags and stretchwrap) Plastic Code 6 (trays) Recyclable (Cardboard outer packaging) Recyclable Paper (inserts to product) Tonnages provided are to the Australian market only as required by the National Packaging Covenant.

Goal 1 KPI 6

Packaging designed, manufactured to optimise recoverability through collection systems including kerbside recycling schemes.	Total weight by type of 'non-recyclable' packaging sold per annum into the Australian market.	Tonnes, by type. % of total packaging sold.	Reduce non-recyclable packaging in product range	Like many businesses in Australia Hakka uses plastics types 4 and 6 which are 'non-recyclable' according to the Packaging Covenant. However an increasing number of recycling companies and councils are able to recycle these plastic types. Consumers are advised to check their local council's recycling facilities. Much of Australian manufacturing industry recycles code 4 plastic production packaging and pallet wrap. Hakka recycles all code 4 stretch wrap received with raw materials deliveries.
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Goal 2 KPI 16

General Goal	Goal for individual brand owner	Monitoring requirement	Aim	Comment
Provision of Collection Services for post consumer packaging and paper	Percentage of signatories providing recycling collection facilities for post-consumer packaging generated on-site.	Recycling collection facilities for post-consumer packaging generated on-site provided.	Provide recycling collection facilities for post-consumer packaging generated on-site.	<p>Recently established for paper, cardboard, steel and aluminium cans, LDPE plastic stretchwrap (type 4). Plastic production waste is under review.</p> <ul style="list-style-type: none"> ● Aluminium can recycle collection bins in lunchrooms and other employee areas. ● Received plastic wrap is commercially recycled. Recycling of plastic production waste (type 4) is being reviewed. ● All received cardboard is reused or commercially recycled. ● Waste paper (office and factory) is separated at source by user, collected by cleaner and recycled. ● Periodic audits of waste bins are conducted to ensure correct separation of landfill waste and recyclables.

Goal 4 KPI 21

Increased recycling of used packaging	Estimated tonnage of consumer packaging recycled and sent to landfill from on-site collection facilities.	Tonnes Disposed and Tonnes Recycled	Reduce amount of recyclables in landfill. Ensure recycle streams clean.	The company is monitoring mass and relative % of the following recycle streams and mass of material diverted to landfill. Aluminium, plastic (type 2), plastic (type 4), cardboard, paper Steel. See comments in baseline data.
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Goal 4 KPI 22

Adoption of Environmental Code of Practice for Packaging	Adoption of Environmental Code of Practice for Packaging		Implement Environmental Code of Practice for Packaging.	<ul style="list-style-type: none"> ● The company's Environmental Code of Practice for Packaging has been implemented and is displayed in Head Office foyer and to be placed on company website. ● Documentation to ensure best environmental practice in design of new products has been included in Design process. ● As new product lines are introduced or packaging updated, correctly coded recycle logo is being included in packaging information.
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Goal 4 KPI 26

General Goal	Goal for individual brand owner	Monitoring requirement	Aim	Comment
Adoption of 'Buy Recycled' Purchasing Policy.	Adoption of 'Buy Recycled' Purchasing Policy.	Monitor amount of products with and without recycled content	Purchase more products with recycled content.	The company will provide training to purchasing staff to investigate ways to increase amount of product purchased with recycled content.

Goal 5 KPI 27, 28, 29

Continuous improvement demonstrated against baseline data and all relevant KPIs	<ul style="list-style-type: none"> • Established baseline performance data. • Annual Reporting against Action Plan by 31/10/08 and annually thereafter • Demonstrate improvement and achievements against targets and milestones.
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Indicative Baseline Data against Action Plan KPIs (Qualifications and assumptions)

Goal 1 KPI 1

Total weight of consumer packaging (domestic and imported) sold per annum into the Australian market by material type and the total weight of products packaged. Ratio of product to packaging by weight and material type.

Tonnes of packaging by material type and source	Local (T/y)	Imported (T/y)	Product/ Packaging Ratio (Local)	Product/ Packaging Ratio (Imported)	Product/ Packaging Ratio (Total)
Glass	xxx	xxx			
Plastic Code 1	xxx	xxx			
Plastic Code 2	xxx	xxx	2639	739125	2629
Plastic Code 3	xxx	xxx			
Plastic Code 4	xxx	xxx	80.6	228	59.5
Plastic Code 5	xxx	xxx			
Plastic Code 6	xxx	xxx	35590		35590
Plastic Code 7	xxx	xxx			
Recyclable Cardboard	xxx	xxx	14.9		14.9
Non-recyclable Cardboard	xxx	xxx			
Recyclable Paper	xxx	xxx	322		322
Total weight of consumer packaging	xxx	xxx	12.03	227.6	11.4
Total weight of consumer packaging	xxx				
Total weight of product	xxx				

Goal 1 KPI 6

Total weight by type of ‘non-recyclable’ packaging sold per annum into the Australian market.

Purchased Packaging Materials	Is packaging recyclable?	Non Recyclable Packaging (T/y)
Plastic Code 4	N	xxx
Plastic Code 5	N	xxx
Plastic Code 6	N	xxx
Plastic Code 7	N	0
Non-recyclable Cardboard	N	0
Other Non-recyclable packaging		
Total		xxx

Goal KPI 6B

Total non recyclable packaging as a percentage of total packaging sold 19%

Goal 4 KPI 21 Tonnage of consumer packaging recycled and sent to landfill respectively, from on-site collection facilities. Tonnes Disposed and Tonnes Recycled. This was incorrectly reported in the baseline data (Amount to landfill corrected as 84.4% and Amount to recycle 15.6% respectively) as reflected below.

Amount to landfill (T/y)		Amount to recycle (T/y)	
Aluminium	xxx		xxx
plastic type 2	xxx		xxx
plastic type 4	xxx		xxx
cardboard and paper	xxx		xxx
steel	xxx		xxx
Total	xxx		xxx
Estimate % each above	84.4%		15.6%

Goal 4 KPI 26B

Total amount of product purchased that has recycled content (tonnes). This is a significant improvement over the baseline data due to emphasis on recycled cardboard content in packaging.

Purchased Packaging Materials	Recycled Content?	Product/ Packaging with recycled content (T/y)	Product/ Packaging without recycled content (T/y)
Plastic Code 2	N	xxx	xxx
Plastic Code 4	N	xxx	xxx
Cardboard	(either)	xxx	xxx
Plastic Wrap	(either)	xxx	xxx
Paper	(either)	xxx	xxx
Totals KPI 26B		xxx	xxx

% Packaging with recycled content	0.2%
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Targets, Timelines and Results

Goal 1 KPI

Total weight of consumer packaging (domestic and imported) sold per annum into the Australian market by material type and the total weight of products packaged. Ratio of product to packaging by weight and material type.

Tonnes of packaging by material type and source	Product/ Packaging Ratio (Total) Baseline 2006-2007	Product/ Packaging Ratio (Total) 2007 - 2008	Product/ Packaging Ratio (Total) Target 2008 - 2009	Product/ Packaging Ratio (Total) Target 2009 – 2010
Glass				
Plastic Code 1				
Plastic Code 2	2629	2008.9	>2629	>2629
Plastic Code 3				
Plastic Code 4	59.5	64.4	>59.5	>59.5
Plastic Code 5				
Plastic Code 6	35590	88710.4	>35590	>35590
Plastic Code 7				
Recyclable Cardboard	14.9	16.8	>14.9	>14.9
Non-recyclable Cardboard				
Recyclable Paper	322	1645.5	>322	>322

The indicated proposed targets are proposed on the basis of maintaining current product/packaging ratio. The type, size and thickness of packaging have already undergone optimisation and HACCP requirements place restraints on what can be done. Nevertheless a review will be undertaken for suitable cost effective solutions such as thickness grade of plastics.

Of particular note are significant improvements in Product/Packaging Ratio from material types Plastic Code 6 and Recyclable Paper, with modest improvements to Plastic Code 4 and Recyclable Cardboard, as well as overall weight of consumer packaging.

Goal 1 KPI 6

Total weight by type of ‘non-recyclable’ packaging sold per annum into the Australian market.

Purchased Packaging Materials	Non Recyclable Packaging (T/y) Baseline 2006 - 2007	Non Recyclable Packaging (T/y) Target 2007 - 2010
Plastic Code 4	xxx	Refer to KPI 1
Plastic Code 5	0	(within constraints of reduced Product / Packaging ratio)
Plastic Code 6	xxx	
Plastic Code 7	0	
Non-recyclable Cardboard	0	
Other Non-recyclable packaging		
Total	xxx	

Goal 1 KPI 6B	
Total non recyclable packaging as a percentage of total packaging sold	20%

While the company will attempt to replace non-recyclable packaging (plastic) with recyclable, as already noted the plastics are defined as ‘non-recyclable’ by the Packaging Covenant, whereas a large number of recycling companies and councils are able to recycle these plastic types. Stretchwrap recycling is nearly universal in Australia and Hakka recycles all code 4 stretch wrap received with raw materials deliveries. There are currently no viable alternatives to any of these packaging types. The target chosen is related to KPI 1 from which the data is taken, i.e. tonnages of non-recyclable product. Hence Goal 1 KPI 6B target is set at <19% baseline. Based on 2007-2008 performance, there was no significant change as per baseline data.

Goal 4 KPI 21

Tonnage of consumer packaging recycled and sent to landfill respectively, from on-site collection facilities. Tonnes Disposed and Tonnes Recycled

Amount to landfill (T/y)	2006 – 2007 Baseline (Corrected)
Aluminium	xxx
plastic type 2	xxx
plastic type 4	xxx
cardboard and paper	xxx
steel	xxx
Total	xxx
Estimate % each above	84.4%

Amount to recycle (T/y)	2006 – 2007 Baseline (Corrected)
Aluminium	Xxx
plastic type 2	Xxx
plastic type 4	Xxx
cardboard and paper	Xxx
steel	Xxx
Total	Xxx
Estimate % each above	15.6%

Regular waste audits have now been commenced to ensure that recyclables are removed from landfill waste.

A significant constraint with regards increasing recycling is that most of the production plastic waste is contaminated with food product, which affects its ability to be recycled. The company is attempting to source recyclers who are able to take this recycle.

We have been able to reduce the proportion of landfill disposal by 10% in 2007-2008 and proportionately increase amount recycled.

Goal 4 KPI 26B

Total amount of product purchased that has recycled content (tonnes)

Purchased Packaging Materials	Recycled Content?	Packaging with recycled content (T/y)	Packaging without recycled content (T/y)
Plastic Code 2	N	xxx	xxx
Plastic Code 4	N	xxx	xxx
Cardboard	(either)	xxx	xxx
Plastic Wrap	(either)	xxx	xxx
Paper	(either)	xxx	xxx
Totals KPI 26B		xxx	xxx

% Packaging with recycled content	3.8%
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A significant constraint with regards purchase of a higher proportion of packaging containing recycled product increasing recycling is that

- 1) There are no plastics available with recycled content.
- 2) Cardboard with recycled content has been found to be unsuitable. Our cardboard packaged material is mostly stored frozen. When thawed there is a significant loss of strength in the packaging.

Nevertheless the company will:-

- 1) investigate cardboard with low levels of recycled content for suitability,
- 2) investigate all types of paper purchased for recycled content material.

The plan is to double the amount of packaging with recycled content each year from baseline. We have made significant improvements in this area over 2007-2008.

Hakka is happy with the quality and robustness of the baseline data provided in this report. If there are any changes to the company's business direction or focus this may necessitate a revision of the plan.

Hakka will continue to report annually by 31 October each year for the preceding year 1 July to 30 June.