



National Packaging Covenant Action Plan

July 2009 – June 2012

Foreword

Vitaco Health Limited is proactive in promoting the message of positive health and performance through better nutrition, by providing ongoing information, innovation and support to its customers and distribution partners. This support also includes product innovation through constant research, ensuring Vitaco is at the cutting edge of international trends in the markets in which it competes.

Because of New Zealand's geographical location, it is the epitome of a clean green environment, with many unique plants and high quality natural ingredients derived from its rich agricultural diversity. We are aware that what we do as a business can impact the environment.

As a responsible business, we are committed to doing as much as we can to reduce our environmental impact, while continuing to produce high quality products. We will do this in a sustainable manner through continuous improvement in the environmental performance of our activities. Our employees also have a responsibility to see that this policy is implemented.

Vitaco's focus environmental areas are –

- Management systems that identify, monitor and control environmental risks.
- Ensuring that our manufacturing and operation processes are assessed in advance to prevent adverse environmental impacts.
- Conducting regular environmental audits of our premises as well as our activities to ensure legal compliance and achievement of our policy.
- Corrective actions in a timely manner.
- Sharing information and knowledge across our organisation.
- Continually improving and seeking to find new ways of further enhancing our energy efficiency.
- Minimise, wherever practicable, the environmental impact of packaging while maintaining quality and compliance with the relevant regulations.
- Minimise waste generation and reduce impacts on land, air and water.

Vitaco Health Limited is committed to improving its environmental performance, to the National Packaging Covenant principles, and to the Key Performance Indicators we have proposed in our Covenant action plan.

A handwritten signature in black ink, appearing to read 'S. Kennedy', with a stylized flourish at the end.

Sarah Kennedy
Chief Executive Officer

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1. Executive Summary

This is the National Packaging Covenant Action Plan 2009-2012 for Vitaco Health Limited, the parent company of Vitaco Health Australia Pty Limited and Vitaco Health (NZ) Limited.

The core business of Vitaco is to improve the health and wellbeing of people. Because environmental factors are crucial contributors to human health, Vitaco embraces the need for sustainable and environmentally sound business practices.

The National Packaging Covenant gives Vitaco the opportunity to establish our own Environment Committee, which meets regularly to progress initiatives under the Covenant; to review our business partnerships with packaging suppliers; and to challenge us to achieve environmental excellence and leadership in the area of packaging.

Preparing and implementing our Action Plan means thinking about, and taking positive action around, the environmental impact of our packaging. This has given us the opportunity to play our role as a corporate citizen and be responsible to the environment.

All questions relating to the Vitaco Action Plan and our commitment to the environment should be directed to:

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2. Company Profile

From the Latin word meaning “life”, Vitaco Health Limited has been borne out of the 2007 integration of two major brands: the 105 year old Healtheries and Nutra-Life Health & Fitness (founded 28 years ago). The integration has provided us with a scale that has enabled us to invest in state-of-the art manufacturing and distribution facilities. This scale then provided us with the platform to successfully grow our business both in the Australasian region and internationally.

Vitaco Health Limited currently has over 580 employees, and distributes to over 25 countries worldwide, with an annual turnover of AUD\$67.4m in Australia. Our head office is located in Auckland, New Zealand; and our sales and distribution offices are based in Sydney and Melbourne in Australia.

Vitaco Health Limited, as a brand owner, is an Australasian-based manufacturing company encompassing health supplements, sports nutrition and health food. Vitaco is committed to the growth of the Australasian health & wellbeing, food & supplements market through a strong innovation and branding program. Generations of Australians & New Zealanders have turned to our trusted & well-known brands for performance, reliability and quality, time and time again.

Our products are developed by our in-house experts, using a combination of scientific evidence and hundreds of years of traditional knowledge. They are made to exacting requirements, under the principles of Good Manufacturing Practice and using ingredients sourced from around the world. Our products are required to meet both our own and various governments’ stringent standards of efficacy and quality.

Our market-leading brands include Nutra-Life®, Healtheries®, Wagner®, Abundant Earth, Aussie Bodies®, Balance®, Kordel’s agewise® (New Zealand only brand) and Kordel’s® (export only brand).

Neither Kordel’s agewise nor Kordel’s branded products will be covered in this Action Plan.

3. Vitaco Consumer Brands

The brands covered by this action plan are presented in the following paragraphs.



3.1 Nutra-Life

Nutra-Life is an extensive range of supplements, herbs and minerals committed to helping people manage their health naturally. The integrity at the core of Nutra-Life, from the quality of raw materials, to the rigorous quality testing of products to the openness of the consumer information, makes Nutra-Life the range of choice for people seeking quality products for managing their health.

3.2 Healthieries

Healthieries began in 1904, with two Kiwi millers who wanted to focus on retaining the natural goodness of Stonground flours. Today, we still keep families happy and healthy by providing a range of products that focus on five key categories: Dietary Supplements, Snacking, Beverages, Cereals, and Baking.

The Healthieries range of dietary supplements is one of New Zealand's leading brands of natural health supplements, and is specifically developed for New Zealand lifestyles. Healthieries offers a comprehensive range of quality, affordable vitamin, mineral, garlic and herbal health supplements. The range includes Healthieries Jointex® - a range of natural joint care solutions, Healthieries Boost® - a fun, great-tasting range of effervescent tablets, and Healthieries KidsCare® - a range of dietary supplements designed specifically for children.

The heart of the Healthieries food range is the baking & cereal products - a range of tasty and nutritious products. The range includes Healthieries Simple® - a wheat- & gluten-free range that promises to provide not only low-allergen nutrition, but also the pleasure and convenience of great tasting food; and Healthieries Bircher - an authentic blend of cereals, seeds and fruit that is best soaked overnight. The food portfolio also includes a market-leading herbal tea range, and the Healthieries KidsCare range of popular children's lunch box snacks.

3.3 Wagner

The Wagner Brand range in Australia has become recognised as a strong supplements brand within pharmacy - especially in the arthritis segment, where it is one of the market leaders. The range includes an extensive range of powders, capsules and tablets for arthritis, plus a quality range of carefully formulated preparations for specific conditions.

3.4 Aussie Bodies

Aussie Bodies is one of the premier sports nutrition companies within Australasia. Makers of Perfect Protein, the longest running, most successful protein-powder brand in the local market, Aussie Bodies has led product innovation and pioneered new retail territory for sports nutrition beyond its original bodybuilding core. Aussie Bodies develops protein-fortified foods, snacks, beverages, and powder-based supplements for sports-active, body-conscious and health-conscious consumers. The company won the Victorian Premier's Award for Food Innovation in 2003.

3.5 Balance

Balance sports nutrition is a comprehensive range of sports supplementation. The range includes protein powders, bars and supplements. Balance is seen as a leader in sports nutrition and is recommended by nutritionists, elite athletes and expert retail store staff throughout Australia. From single ingredients to complex formulations and advanced delivery systems, Balance offers a solution to all sporting nutritional needs – whether for the elite athlete or the weekend warrior. The products taste great, mix exceptionally well and are fantastic value for money.

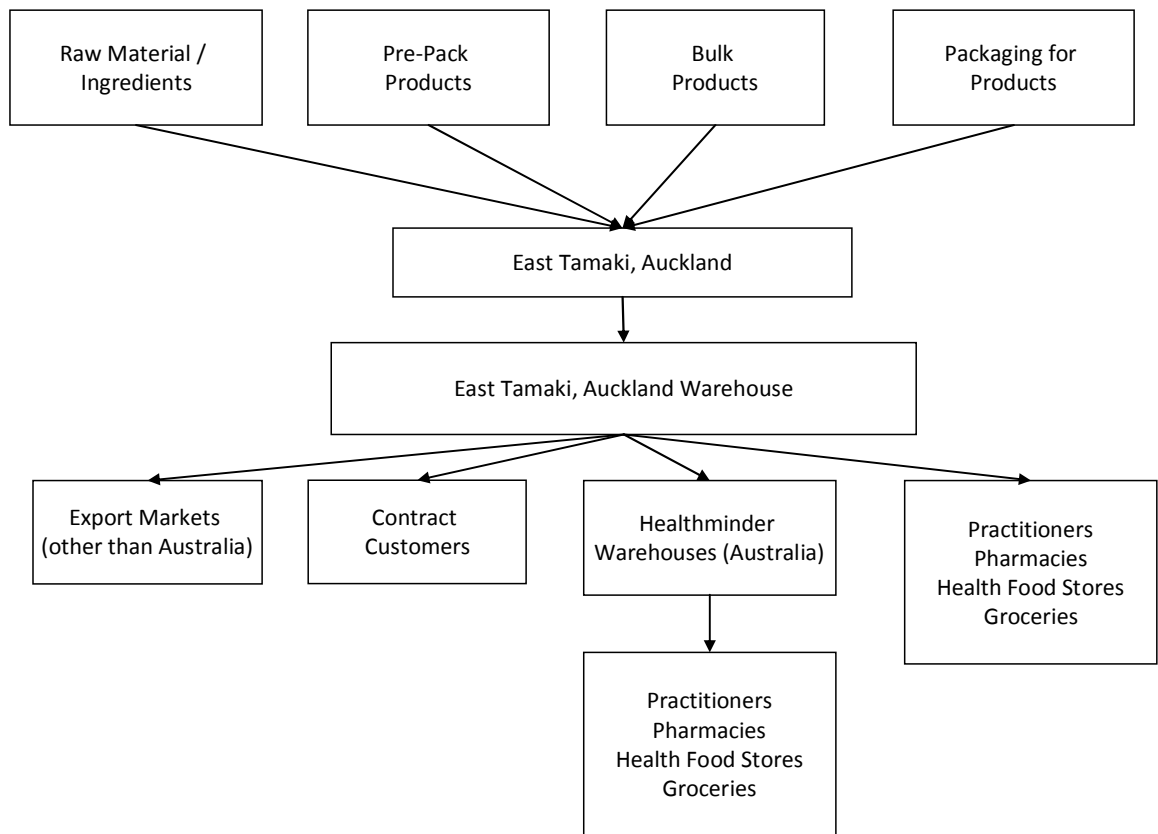
3.6 Abundant Earth

When you see the Abundant Earth logo you know that you are getting the very best that nature has to offer - food untouched by chemicals, containing nothing artificial, and which is grown and manufactured through processes that sustain the environment. Our fabulous organic range includes Bircher Muesli, Puffed Whole Grains, Healthy Handfuls Cookies, Hot Chocolate, Cocoa and Premium Seasonings.

4. Packaging

Vitaco has developed a good understanding of activities and procedures relating to packaging flows. Figure 4-1 depicts the movement of packaging across the manufacturing process, from raw materials to product to customer.

Figure 4-1: Vitaco Packaging Flows



All Vitaco's products are subject to quality testing at the East Tamaki Auckland plant prior to distribution. Further details are provided below about the packaging flows related to our three main packaging interfaces:

- Purchasing
- Distribution
- Consumer

4.1 Purchasing

Our purchasing system plays a big role in our overall packaging process. Table 3-1 shows the major packaging purchases for our products, detailing the packaging in which products are delivered, and the destinations of that transport packaging.

Table 4-1: Packaging material for goods we receive from suppliers.

Purchase	Delivery Packaging	Destination
Raw materials including herbal extracts, vitamins/minerals, teas and excipients	a. barrier bag b. cardboard shipper c. pallet d. shrink wrap	a. landfill b. recycle c. reuse/recycle d. recycle
Tablets and capsules	a. cardboard shipper b. barrier bag c. pallet d. shrink wrap	a. reuse b. recycle c. reuse d. recycle
Glass bottles	a. shrink wrap b. cardboard c. pallet	a. recycle b. recycle c. reuse
PET bottles	a. shrink wrap b. cardboard c. pallet	a. recycle b. recycle c. reuse
HDPE bottles	a. shrink wrap b. cardboard c. pallet	a. recycle b. recycle c. reuse
Paper labels	a. barrier bag b. cardboard core c. cardboard carton	a. recycle b. reuse/recycle c. reuse
Cardboard cartons	a. strapping	a. landfill
Caps & lids with induction seals	a. barrier bag b. cardboard carton	a. recycle b. reuse
Silica gel	a. plastic/foil bag b. shipper	a. landfill b. reuse
Shrink wrap bundles	a. cardboard carton	a. landfill
Blister aluminium coated foil	a. barrier bag b. cardboard carton	a. recycle b. reuse

The majority of our packaging is also delivered on pallets, which are part of a reuse scheme.

4.2 Distribution

Our Australian-sold products are transferred in two phases: from the East Tamaki Auckland warehouse to the Health Minder warehouse in Sydney, and from this location orders are distributed to customers. Transport of product between the two locations occurs frequently.

Table 4-2 shows that the vast majority of packaging we use to deliver products to our customers is either part of a reuse scheme or recyclable.

Table 4-2: Packaging material for products we deliver to customers.

Delivery Packaging	Potential Destination
Stretch wrap	Recycling
Cardboard shipper	Reuse/recycling
Shrink wrap	Recycling
Paper	Recycling
Plastic sleeve (invoice)	Landfill
Pallet	Reuse
Void fill	Landfill

4.3 Consumer

Because our products are consumable, there are food-packaging restrictions that we must abide by. By both mass and volume, the vast majority of packaging we provide to the consumer is manufactured with recyclable PET or HDPE bottles, and is easily recycled in existing kerbside collection schemes.

Table 4-3: Packaging material for products sold to the consumers.

Packaging	Recycled Content	Potential Destination
Glass bottle	Yes	Kerbside recycling
Silica gel	No	Landfill
Blister pack (aluminium coated)	No	Landfill
Cardboard carton	Yes	Kerbside recycling
Paper label	No	Compostable
HDPE Tamper-proof cap	No	Kerbside recycling*
HDPE bottle	No	Kerbside recycling*
Tetra Pak/ Combi Block	Yes	Kerbside recycling
Foil pouch	No	Landfill
Pouch re-sealable	No	Landfill
Plastic bag	No	Landfill
Plastic tray	No	Landfill
Plastic multi pack	No	Landfill
Plastic/foil inner pack	No	Landfill
Cellophane wrapping	No	Landfill
Shrink wrap (HDPE)	No	Landfill

* Not accepted by all Kerbside Systems.

We are committed to increasing the recycled content and recyclability of our products' packaging, and to improving our communication of relevant recycling information to consumers.

5. Recent Initiatives

5.1 Environment Committee

Vitaco Health Limited had formed its Environment Committee in recent months. This committee meets regularly to progress initiatives under the National Packaging Covenant.

5.2 Packaging Changes

Over the past 3 years, Vitaco Health completed replacing our glass containers with PET or HDPE containers. This has significantly reduced the weight of our products, and has consequently reduced our carbon footprint.

6. Action Plan 2009 – 2012

Objectives	Action & Target	Covenant KPI	Performance Measure	Responsible Person	Year
1. Environment Policy for Vitaco	1.1 Introduce a Group Environment Policy which reflects the goals of the National Packaging Covenant and the application of the Environmental Code of Practice for Packaging (EcoPP)	22	Review complete and new draft policy developed by October 2009	RS	Year 1
	1.2 Roll out the Policy across the Vitaco Health Limited group	22	Policy formally adopted by December 2009	RS	Year 1
2. Form the Vitaco Environment Committee	2.1 Regular bi-monthly meeting of the Environment Committee		Regular committee meeting	RS/EH	Year 1
	2.2 Maintain the Vitaco Committee to progress the implementation of the National Packaging Covenant Action Plan	22,28,29	Percent of actions implemented in accordance with Action Plan	RS	Year 1
3. Incorporate the Environmental Code of Practice for Packaging (EcoPP) into the New Product Development Process	3.1 Develop the environmental impact assessment checklist for the NPD process	3,6,22	Review complete and new draft procedure developed by January 2010	FA	Year 1
	3.2 Formally adopt the revised Vitaco New Product Development Procedure by June 2010	3,4,6,22	Procedure formally adopted by June 2010	FA/JH	Year 1
4. Engage our supplier base on issues/projects related to packaging and environmental performance	4.1 Develop and implement an on-going communication strategy with suppliers on issues related to packaging use including: <ul style="list-style-type: none"> Vitaco National Packaging Covenant and 	3	Number of suppliers communicated with. Packing improvements by suppliers identified and quantified (if possible)	JN	Year 1,2 & 3

	<p>environmental performance;</p> <ul style="list-style-type: none"> Achieving improvements in design, manufacture, marketing and distribution to minimise the environmental impacts of packaging and Understanding changes to supply chain considerations that may affect amount & type of packaging used 		Supply chain issues identified and quantified (if possible)		
	4.2 Prioritise implementation in the defined list of source reduction	3		JN	Year 2 & 3
	4.3 Review current environmental provisions in Supplier Review procedure, in line with the Covenant goals and provisions of the revised EcoPP by June 2011	22	Updated supplier review procedure	JN	Year 2
5. Engage our customers on packaging related issues	<p>5.1 Develop and implement an on-going communication strategy with customers (retailers) on issues relating to packaging use including:</p> <ul style="list-style-type: none"> Vitaco National Packaging Covenant and environmental performance; Achieving improvements in design, manufacture, marketing and distribution to minimise the 	3	<p>Number of customers (retailers) communicated with</p> <p>Packing improvements achieved, with customers identified and quantified (if possible)</p> <p>Recycle symbol on merchandising material where possible</p>	FA/LR	Year 2 & 3

	<p>environmental impacts of packaging;</p> <ul style="list-style-type: none"> Understanding changes to supply chain considerations that may affect amount & type of packaging used 		Supply chain issues identified and quantified (if possible)		
6. Seek to optimise the environmental performance of Vitaco’s promotional and merchandising material, including pamphlets, shelf displays and counter displays.	6.1 Review company merchandising material, and identify opportunities for improving environmental performance in line with revised EcoPP	3	Improvements in environmental performance of merchandising material	FA/LR	Year 2 & 3
7. Recycling program of post-consumer packaging from staff on-site	7.1 Introduce an on-site recycling program to manage our business and staff-related waste streams	16	On-site recycling facilities for collections of post-consumer packaging from staff	RS/JS/RA	Year 2 & 3
	7.2 Target of 15% reduction in waste going to landfill over 3 years (once the base is identified)	16		RS/JS/RA	Year 3
8. Ensure our consumers can make informed decisions on the disposing of Vitaco’s products	8.1 Kerbside recycling – consumer educational pieces on Vitaco’s website. Review and update as required	Education	Kerbside recycling educational material accessible and current	FA/LR	Year 2 & 3
	8.2 Publish Vitaco’s Action Plan on the Vitaco website to promote Vitaco’s commitment and achievements relating to the National Packaging Covenant, as well as other aspects of environmental performance through the company website and	Education	National Packaging Covenant and environmental performance information published	FA/LR	Year 1,2 & 3

annual report					
9. Incorporate 'Buy recycled' purchasing into Vitaco's purchasing system	9.1 Develop action plan based on recommendation and adopt a 'Buy recycled' purchasing policy	26	'Buy Recycled' policy adopted or included in the current environmental policy	JN	Year 3
	9.2 Develop a 'Buy Recycled' purchasing program	26	'Buy Recycled' purchasing program developed	JN	Year 3
	9.3 Implement a 'Buy Recycled' purchasing program	26	Report on type of recycled content of product purchased	JN	Year 3
10. Establish and further develop the Vitaco Data Information System to capture and report against National Packaging Covenant requirements.	10.1 Establish the base line data to set up the Vitaco Data Information System	1,27	Base line data for the Data Information System established	JN	Year 1
	10.2 Further develop the Vitaco Data Information System to track, record and report on the following; <ul style="list-style-type: none"> • Tonnes of packaging by material type by source (local or imported) • Tonnes of packaged product manufactured • Ratio of product to packaging (by weight) • Tonnes of 'non-recyclable' packaging manufactured by material type and total • Type 'non-recyclable' packaging as a % of total packaging manufactured • Amount of consumer packaging from on-site 	1,3,6,16,21,22,26,27	Data Information System enhanced Operational and able to generate appropriate reports by October 2012	JN	Year 2 & 3

	<p>collection which is sent for recycling (tonnes and % of total waste)</p> <ul style="list-style-type: none"> Amount of consumer packaging from on-site collection which is sent to landfill (tonnes and % of total waste) 				
	<p>10.3 Utilise company database to develop performance targets in line with Covenant's Key Performance Indicators</p> <p>10.4 Review and report against performance annually</p>	27,29	Performance targets established	JN	Year 2 & 3
11. Demonstrate commitment to National Packaging Covenant and continuous improvement	11.1 Contribute to Covenant Funding Arrangements as required each year	28	Financial contribution made each year	JS	Year 1,2 & 3
	11.2 Submit an annual report against the Action Plan	28	Report lodged by 31 October each year	RS	Year 1,2 & 3
	11.3 Report against performance targets once established	29	Report against performance targets and timelines demonstrates continuous improvement	RS	Year 1,2 & 3

7. Company Data Set

KPI 1 Total weight of consumer packaging (domestic & imported sold per annum into the Australian market) and the total weight of products packaged.

This KPI will be addressed through Objective 10 of the Action Plan.

KPI 3 Improvements in design, manufacture, marketing and distribution to minimise the environmental impacts of packaging.

This KPI will be addressed through Objective 3, Objective 4, Objective 5, Objective 6 and Objective 10 of the Action Plan.

KPI 4 Changes to protection, safety, hygiene, shelf-life or supply chain considerations affecting amount & type of packaging.

This KPI will be addressed through Objective 4 of the Action Plan.

KPI 6 Total weight, by type, of “non-recyclable” consumer packaging sold per annum into the Australian market.

This KPI will be addressed through Objective 3 and Objective 10 of the Action Plan.

KPI 16 Signatories providing on-site collection facilities for post-consumer packaging recycling.

This KPI will be addressed through Objective 7 and Objective 10 of the Action Plan.

KPI 21 Estimated tonnage of consumer packaging sent (a) for recycling and (b) to landfill from on-site collection facilities.

This KPI will be addressed through Objective 10 of the Action Plan.

KPI 22 Adoption of the EcoPP and development of systems for its implementation.

This KPI will be addressed through Objective 1, Objective 2, Objective 3, Objective 4 and Objective 10 of the Action Plan.

KPI 26 Implementation of Buy Recycled purchasing policy / practices.

This KPI will be addressed through Objective 9 and Objective 10 of the Action Plan.

KPI 27 Establishment of baseline performance data.

This KPI will be addressed through Objective 10 of the Action Plan.

KPI 28 Annual reporting against Action Plan.

This KPI will be addressed through Objective 2 and Objective 11 of the Action Plan.

KPI 29 Demonstrated improvement and achievements of milestones in Action Plan.

This KPI will be addressed through Objective 2, Objective 10 and Objective 11 of the Action Plan.

Provision of consumer information to enable more informed behaviour.

This KPI will be addressed through Objective 8 of the Action Plan.