



Australian Packaging Covenant Action Plan

Mar 2011 – June 2012

Foreword

Vitaco Health Pty Ltd (Vitaco) is proactive in promoting the message of positive health, wellbeing 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 Australia & New Zealand's geographical location, they are the epitome of a clean green environment, with many unique plants and high quality natural ingredients derived from their 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, consumer expectations and compliance with the relevant regulations.
- Minimise waste generation and reduce impacts on land, air and water.

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



Ryan D'Almeida
GM Commercial

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1. Executive Summary

This is the Australian Packaging Covenant Action Plan 2011-2012 for Vitaco Health Pty Ltd , the parent company of both Vitaco Health Australia Pty Limited and Vitaco Health (NZ) Limited and is a continuation of the strategies and foundations the company has outlined in it's previous National Packaging Covenant Action Plan 2009-2012.

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 gave 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 meant 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:



Rosemarie Zionzee
Technical Manager

📞 Mobile: 0419 833 396

☎ DDI: +61 2 9490 0306 | ☎ Main Line: +61 2 9490 0300 | 📠 Fax: + 61 2 9490 0399

Vitaco Health Australia Pty Ltd

Level 1, 82 Waterloo Road

North Ryde NSW 2113

PO Box 399 North Ryde BC NSW 1670

Rosemarie.zionzee@vitaco.com.au

2. Company Profile

From the Latin word meaning “life”, Vitaco Health Pty Ltd 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 Pty Ltd currently has over 400 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 Pty Ltd, 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. Whilst New Zealand as a country, is no longer a subscriber to the APC, our company maintains its former stance of supporting the APC and continuing the environmental strategies that were outlined in the initial 2009-2012 Action Plan.

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 Healtheries

Healtheries began in 1904, with two Kiwi millers who wanted to focus on retaining the natural goodness of Stone ground 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 Healtheries range of dietary supplements is one of New Zealand's leading brands of natural health supplements, and is specifically developed for New Zealand lifestyles. Healtheries offers a comprehensive range of quality, affordable vitamin, mineral, garlic and herbal health supplements. The range includes Healththeries Jointex® - a range of natural joint care solutions, Healththeries Boost® - a fun, great-tasting range of effervescent tablets, and Healththeries KidsCare® - a range of dietary supplements designed specifically for children.

The heart of the Healtheries food range is the baking & cereal products - a range of tasty and nutritious products. The range includes Healththeries 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 Healththeries 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 Healththeries KidsCare range of popular children's lunch box snacks, as well as subbranded 'Wiggles®' range of products for younger children.

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.

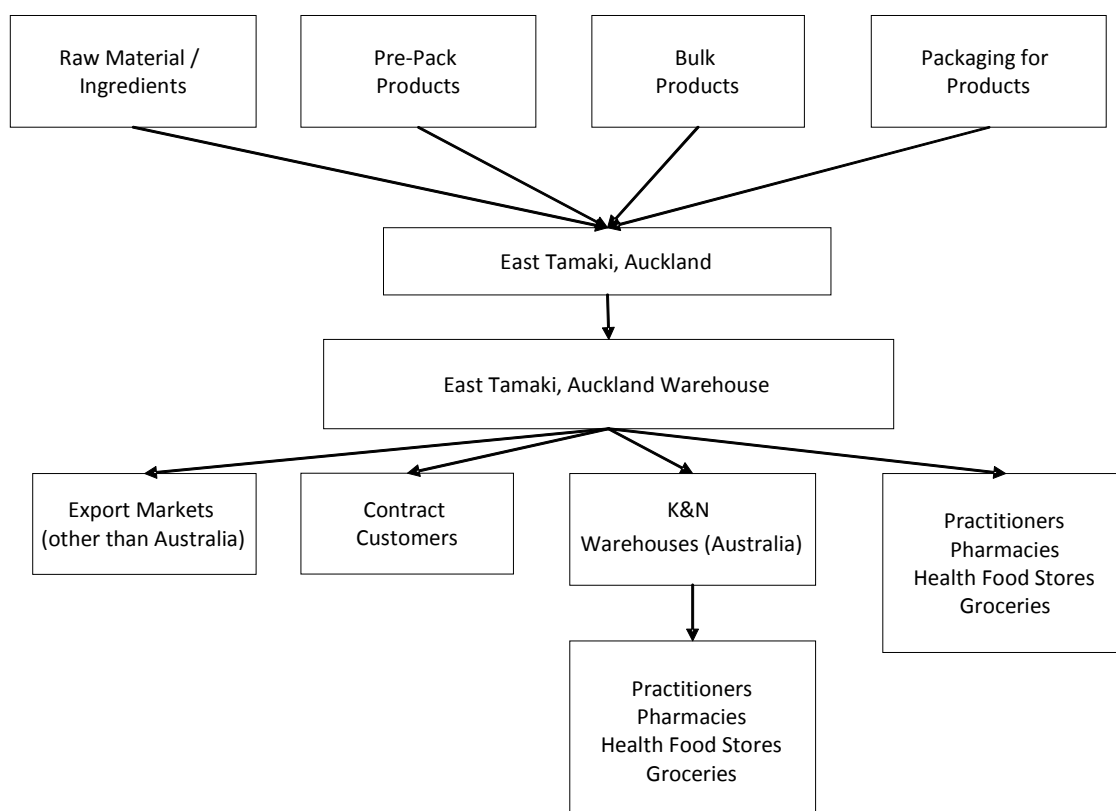
3.6 Abundant Earth

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, , Hot Chocolate, Cocoa and Premium Salt.

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 In house manufacturing



All Vitaco's products, manufactured in house are subject to quality testing at the East Tamaki Auckland plant prior to distribution. For those products which we manufacture through third party manufacturers, we promote and actively encourage the APC approach to packaging and minimizing environmental impact through our product development and renovation activities. Further details are provided below about the packaging flows related to our three main packaging interfaces for the manufacture of products:

- Purchasing
- Distribution
- Consumer

4.1 Purchasing

Our purchasing system plays a big role in our overall packaging process for both in house and third party manufactured products. Table 4-1 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 our third party warehouses in Melbourne and Perth, and from these locations orders are distributed to customers. Transport of product between the 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 Pty Ltd had formed its Environment Committee in recent years. This committee meets regularly to progress initiatives under the previous National Packaging Covenant and the new Australian Packaging Covenant.

5.2 Packaging Changes

Over the past 4 years, Vitaco Health Pty Ltd 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.

5.3 Conversion of NPC Action Plan to APC Action Plan

As part of Vitaco's compliance with the NPC, an action plan was developed to span 2009-2012. Vitaco, as part of their continued commitment to the reduction of packaging environmental impact, has transposed the previous activities to be undertaken for the period 2009-2012 under the NPC, to reflect the requirements under the three new goals, and 8 KPIs of the APC, within our internal activities and update the action plan accordingly in line with the APC Sustainable Packaging Guidelines (1 July 2010).

6. Action Plan 2011 – 2012

Action	Responsibility	Timeframe	Current status Mar 2011	Target	Evidence
Goal One - Design:	optimise packaging to use resources efficiently and reduce environmental impact without compromising product quality and safety				
KPI one:	Proportion of signatories in the supply chain implementing the SPG for design or procurement of packaging				
Convene Australian APC Review team	RZ	Jun-11	Entirely new management team in Australia; APC champion moved from NZ to Australia	Ensure Checksheet understood and used in the review of existing packaging and used for all new NPD	Completion of checksheet for New products and renovations as per timetable as per documented policy and procedure for evaluation of procuring packaging using the SPG
Integration of the SPG in design or procurement systems	RS/JN/RZ	May-11	Currently use an ECoPP checklist for NPD	Reissue revised policy and procedure for procuring packaging for both in house and third party manufacturers and ensure all Supply Chain and Product development teams aware of policy/procedure	Issued current procedure being implemented - procedure and documentation complete
Review packaging grouping and extend - formerly Tables 4-1, 4-2, 4-3 in Vitaco NPC Action plan July2009 - June 2012	APC Review team	Jul-11	Current NPC Tables 4-1 to 4-3	updated groupings to include third party manufacturing packaging for both Australian and imported goods	completed updated groupings to include all packaging formats, with a new table drafted.
Update APC Action plan on company website	MB	Apr-11	Current NPC Action Plan on website	replace current NPC with APC once approved	new APC plan on website
Review previous use of the ECoPP and replace with the SPG checklist	RZ	Jul-11	Current ECoPP checklist used in NZ	to use the SPG checklist developed for the APC in the revision of current packaging and development of new products	records of completed checksheets for products in NPD or reviewed as per schedule.
Update Action plan to extend activities beyond July 2012 to June 2015	APC Review team	Mar-12	NPC action plan in place spanned to Jul 2012	identify activities and action for further 3 year term in line with APC goals & KPIs	New APC Action plan for 2012-2015
Implement process to review all NEW packaging via decision checklist consistent with the SPG	Product development teams	Mar-15	nil complete, existing gate process	100% NPD have SPG checklist completed as part of launch	records for each new product launched with completed Appendix 2 checklist
Implement process to review all Existing packaging via decision checklist consistent with the SPG	APC Review team	Jun-15	nil complete, no formal review system	50% existing packaging reviewed against SPG checklist once product groups identified. Target 25% reviewed annually	completed checklist records (Appendix 2) for each existing packaging group identified

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Action	Responsibility	Timeframe	Current status Mar 2011	Target	Evidence
Goal Two - Recycling:	the efficient collection and recycling of packaging				
KPI Two:	national recycling rate for packaging				
KPI Three:	proportion of signatories with on -site recovery systems for recycling used packaging				
KPI Four:	Proportion of signatories with a policy to buy products made from recycled packaging				
KPI Five:	Additional tonnes of material reprocessed in primary and secondary markets as a result of Covenant - funded projects				
Develop and publicise Vitaco policy on 'Buy Recycled' in our procurement system	RS	Jul-12	Policy in place	ensure all Vitaco Supply Chain and development team utilise the policy when defining product innovation/renovations	Buy recycled' policy adopted or included in the current Environmental policy
Implement improved rate of recycling on site in factory	RS/JS/RA	Jun-15	East Tamaki - manufacturing facility	introduce a recycling program to manage our business and staff related waste streams	on site recycling facilities for collections of post consumer packaging from staff
Implement improved rate of recycling on site in Australian office	RZ	Jul-15	new office staff	50% recycling of paper, and toner cartridges; reduced use of paper	invoices of waste disposal; culture of 'think before you print'
Report on baseline data improvements in recycled packaging utilisation	JN	annually at Annual report	Baseline data in Appendix 3 of NPC annual report submitted Oct10	3% YOY improvement	% recycled content increased YOY
Ensure use of recycling logos on all consumer packaging where appropriate as reviewed, and on new products	APC Review team	Jun-15	all new products have included logos where appropriate, current packaging needs review	100% logos on packs where applicable	Recycled logos on artwork
Reduction of waste	RS/JS/RA	Jun-15	identify base waste to landfill	target of 15% reduction in waste going to landfill over 3 years	Measured reduction in waste to landfill
Seek to optimise the environmental performance of Vitaco's promotional and merchandising material, including pamphlets, shelf displays and counter displays	JS/R DA	Jun-13	identify current status	incorporate SPG parameters to design of merchandising material, including recyclability, 10%YOY improvement in recycled content	% recycled content increased YOY

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Action	Responsibility	Timeframe	Current status Mar 2011	Target	Evidence
Goal Three - Product stewardship:	a demonstrated commitment to product stewardship by the supply chain and other signatories.				
KPI eight:	Reduction in the number of packaging items in the litter stream				
Submit Annual report on APC Actions	RZ	31-Oct-11	Last report submitted Oct10 against NPC	submission of activities to support action plan in required Annual report format	Annual report submitted by lodgement date each year
Annual financial contribution to APC	BD	Oct-11	Last paid as per Invoice Oct 10	Annual contribution determined and paid on Invoice	receipt of payment each year
Be Audit ready	RZ	Oct-11	New template drafted	To be audit ready in the event of random selection of auditing requirement	records maintained to support action plan evidence.
Active feedback to staff on the APC	RZ	Quarterly from April 2011	No in depth awareness of Australian staff on APC requirements	1 page communication on Vitaco and APC quarterly	Notice updated quarterly; report against performance targets and timelines to demonstrate continuous improvement
Understand changes to supply chain considerations that may affect amount and type of packaging used	APC Review team	annual review, Oct 11	no identification of issues	Supply Chain issues identified and quantified	Projects identifying packaging continuous improvement
Update Environmental policy for Vitaco	RS	Oct-11	2009 Group Environmental policy refers to NPC and ECoPP.	Policy to reflect APC and SPG commitments	Updated Environmental Policy published
Continue Vitaco Environment Committee	RS/RZ	Oct-11	Maintain committee to progress the implementation of the APC	Compliance with achievable action plan	Action plan achieved with in timeframes submitted
Engage our supplier base on issues/projects related to packaging and environmental performance	Supply Chain - RS, JN, VB	Oct 11, annual report	Strategy of supplier communication commenced.	Continued communication with suppliers on issues relating to packaging to use SPG in developing packaging in line with APC	Projects identified
Review current Environmental provisions in Supplier Review procedure, in line with the APC	JN	Oct 11, annual report	current Supplier review procedure includes ECoPP	revised Supplier review procedure includes SPG and APC goals	Supplier review Procedure refers to APC goals and Supplier requirements to assist in meeting KPIs

