



## **Nestlé Australia**

# **2005 - 2006 National Packaging Covenant Action Plan Progress Report**

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## Foreword

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Nestlé has a long history of commitment to the environment: for more than half a century our staff have pioneered environmental work the world over. As we grew from humble beginnings into the world's largest food and beverage company, we strove to take the fundamental cultural values of environmental preservation and cleanliness into every country in which we operate.

As Nestlé continually seeks to meet consumers' changing needs by using the best science and technology to make food that is nutritious and tasty, we are also very conscious that the decisions we make about our products and packages have an effect on the resources we use to make them. As such, we endeavour to ensure that our business has a long-term sustainability, by considering our environment and social responsibilities, and integrating these into daily business practices.

Since first signing the National Packaging Covenant in September 2000, Nestlé has progressively worked towards improving the processes involved with packaging and design decisions in order to reduce the associated environmental impacts. Our procedures and checklists allow our marketing and product development staff to evaluate the environmental consequences of their product and package design choices. Our No Waste @ Work program ensures that our factory, warehouse and office staff are better equipped to understand the effects their own actions have on the environment and provides them with new skills and tools to further reduce these impacts. A formal communication process has been established with our suppliers and education of consumers through disposal information on packaging and on the Nestlé Internet site encourages informed behaviour. Equally, this activity has raised awareness of the issues within Nestlé.

In re-signing the strengthened Covenant, Nestlé has focussed this approach to Working with Our Employees, Working with Our Consumers and Working with Our Partners.

I am pleased to be able to share with you our progress on the National Packaging Covenant Action Plan under the strengthened Covenant. We are undoubtedly moving to further integrate environmental considerations into our business practices.

Jorge Sadurni

CEO, Nestlé Oceania



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# 1 Executive Summary

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Nestlé Australia Ltd is a manufacturer, importer, exporter, marketer and distributor of a wide range of packaged food and beverage products. As a producer of packaged goods, Nestlé is committed to the principles of shared responsibility for packaging and product stewardship, which are inherent to the National Packaging Covenant.

Through National Packaging Covenant commitments to date, Nestlé has made considerable advancements in the environmental performance of our packaging and operations. In re-signing the strengthened National Packaging Covenant, we are seeking to build further on this foundation and strengthen the capacity of our Employees, Consumers and Partners in the packaging supply chain.

While consistent with the environmentally focused performance goals of the strengthened Covenant, our overarching strategy of our three-year Action Plan is:

**Working with Our Employees** - At Nestlé, we want all our employees to do the right thing when it comes to the environmental aspects of the packaging that we use. Going forward, we will continue to focus on putting the right procedures, the right attitudes, and the right skills in place to ensure this happens. Performing in line with the new Environmental Code of Practice for Packaging and collecting performance data are major parts of this.

**Working with Our Consumer** - We recognise that some of the packaging from our products ends up as litter – with our brands on it. We also recognise that, while the recovery of packaging from households through kerbside recycling is very good, the recovery of packaging from settings away-from-home is not. So, we are ramping up our efforts to work with others towards better litter abatement and better recovery of packaging consumed away-from-home. We want to help as many of our consumers as possible to do the right thing too.

**Working with Our Partners** - Packaging is changing all the time to meet consumers' changing needs. As it does, we recognise that we must play a role with our partners to make sure that the environment doesn't come last as innovation occurs. So, we will continue to cooperate with our packaging suppliers in choosing the right material and design selections wherever possible. We will be working with our major customers to seek opportunities to present our products in the most efficient and environmentally sound way. And, we will be developing stronger relationships with the recycling industry to make sure that wherever possible we are working together, especially when new packaging is introduced.

A baseline of performance is presented in the Company Data Set, our Objectives, Actions and Targets will lead us towards the establishment of performance targets and we will report annually demonstrating continuous improvement.



## 2 Nestlé Company Details

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### 2.1 Who we are

Nestlé Australia Ltd (NAL) is a wholly owned subsidiary of the Swiss-based global food and beverages company, Nestlé S.A. NAL is the major market within Nestlé's Oceania region, which encompasses Australia, New Zealand, and the Pacific Islands. In Oceania Nestlé employs more than 4,500 people in over 70 offices, factories and distribution centres strategically located across the region. Of these NAL employs approximately 3800 full time staff. The NAL (and Oceania) regional headquarters is at Rhodes in Sydney. New Zealand's head office is based in Auckland. The Nestlé Pacific Islands business (NPI) includes not only Papua New Guinea, New Caledonia and Fiji, but also French Polynesia, the Solomon Islands, Vanuatu, Tonga, Samoa and the small islands of Tuvalu, Niue, The Cook Islands, Kiribati, Nauru, Tokelau, Wallis & Futuna and Pitcairn.

While much of our work is aimed at providing local products for local needs, we also take advantage of export opportunities where they arise, and every year Nestlé Oceania generates more than AUD \$260 million selling our products to foreign shores.

There are other Nestlé operations in the region which form part of the worldwide Nestlé Group but which operate independently from Nestlé Australia Ltd. These include Nestlé Purina pet food (included in this plan), Nestlé Waters (Perrier, S. Pellegrino and Vittel), Nespresso, and Alcon Laboratories, a global leader in vision care. The Nestlé Group also has an interest of more than 26% in the world's leading cosmetics company, L'Oreal. Together Nestlé and L'Oreal have leveraged their relationship by forming two further joint ventures, Galderma and Innéov, to develop leading edge products in dermatology and the new field of nutricosmetics. Nestlé also has a cereals joint venture with the US-based company General Mills known as Cereal Partners Worldwide (CPW).

Whilst the Covenant is an Australian co-regulatory agreement, the principles and objectives of the Action Plan document extends across Nestlé's operations in Oceania and has specific applicability in meeting Nestlé New Zealand's obligations under the Brand owners and Retailers Sector Action Plan which is part of the New Zealand Packaging Accord 2004. For Annual Covenant Reporting reporting purposes however actions and performance indicators shall be limited to Australia.



## 2.2 What we make

In Oceania, Nestlé believes it is very important to focus on making local products for local needs – it means we always stay close to the community and our customers. Our customers are a vital part of our business and we work closely with them to improve the way we design, package, deliver and merchandise our products. And our brands and products are the focus of continual innovation and renovation so that they will continue to meet and exceed our customers' expectations, for taste and nutritional quality.

Throughout Oceania, the Food and Beverages Division provides many of our most recognised products: drinks like MILO, NESQUIK, NESCAFÉ and INTERNATIONAL ROAST coffee, and the CARNATION and NESTLÉ milks, which are complemented by the Nestlé range of baking chocolate products. We also make a range of cooking aids and complete meals under the MAGGI brand, as well as the LEAN CUISINE range of frozen meals, soups and fish. And in Australia, PAPA GIUSEPPI'S provides pizzas for all the family.

Our Australian chilled dairy range provides nutritious and tasty yogurts and fresh dairy desserts, including NESTLÉ All Natural, regular yogurt and 99% fat free yogurt. Also in Chilled Dairy's product portfolio are the NESTLÉ Diet yogurt and dessert range.

From MILKY BAR to ALLEN'S MINTIES and SNAKES ALIVE, Nestlé's range of confectionery has been a favourite for many years. Popular brands in Oceania include KIT KAT, SMARTIES and, of course, LIFE SAVERS.

In supermarkets and other outlets through most of Australia, you can find the whole range of NESTLÉ PETERS ice cream. Our tubs of ice cream vary from traditional vanilla through to a whole range of exotic delights, and on hot days, our customers love nothing more than the refreshing taste of such brands as CHOC WEDGE, DRUMSTICK and FROSTY FRUITS. We also make the luxury HEAVEN range, and the frozen fat free delight of VITARI.

Our rapidly growing Food Services and Industrial Division provides a wide range of food and beverage solutions to businesses such as cafes, restaurants, pubs, clubs, offices, airlines, schools and hospitals. CDS Gourmet Foods at Brunswick forms part of this Division.

In 2004 we acquired CHALET PATISSERIE, a Brisbane-based company that bakes a gourmet range of gateaux, cheesecakes, flans and individual portions for the food services industry. In 2005 Nestlé bought the Melbourne-based performance nutrition company Musashi.

In 2006 we added another iconic brand to the Nestlé stable with the acquisition of Uncle Tobys. Uncle Tobys' key brands include Vita Brits, Uncle Tobys Oats, Uncle Tobys Muesli Bars, Rollups and Le Snack. The Uncle Tobys cereals business, which includes Uncle Tobys Oats, became part of Cereal Partners Worldwide (CPW).



In Australia, one of the product ranges we are very proud of is NESTLÉ NUTRITION. The Nestlé name was born out of concern for infant nutrition, and today our range includes NAN, LACTOGEN and NESLAC. We also have specialist nutrition products, which are prescribed by health care professionals for people with special nutrition needs. For athletes and active people, our POWERBAR range provides a source of convenient and nutritious energy when it is needed most.

Despite our local focus, some of the products we make in Oceania are exported to Nestlé markets in countries outside our immediate region. In Australia, milk products such as NESPRAY, CARNATION and SUNSHINE are among our top exports, along with confectionery such as KIT KAT. In New Zealand, we manufacture a range of MAGGI culinary products for Japan, along with confectionery products for the USA.

## 2.3 History

Nestlé Australia Ltd's parent, Nestlé S.A, is named after its founder, Henri Nestlé, who, in 1867, at a time of high infant mortality, developed a milk-based food for babies unable to feed from their mothers. News of this success spread quickly and within five years, NESTLÉ Milk was being sold around the world as a food for babies, old people and the infirm.

Rapid development followed and the company soon diversified into other areas with the introduction of a condensed milk product, followed by a move into the growing chocolate industry. Although Henri bowed out of the company in 1875, the name was retained and in 1905 it merged with the Anglo-Swiss Condensed Milk Company to form a dynamic new venture capable of developing the growing world markets for milk-based products. From that time on, in keeping with Henri Nestlé's original philosophy, the company has continued to develop through product innovation and acquisitions.

Australia, which was served by a network of sales agents, was among the most dynamic of markets for this formidable new company and sales boomed both in the outback and in the cities. By 1906, Australia had become the second largest export market for the company. The area showed such tremendous potential that the company decided to begin local production. In 1908, the company set up business in Australia. Over the years a number of companies amalgamated with Nestlé, a nationwide sales and distribution network was established and the company grew through both World Wars and the Great Depression. The invention of MILO in 1934 stands out as a great Australian achievement - the product of Australian ingenuity and distinctive Nestlé technology.

Today, Nestlé employees throughout the Oceania Region are just as committed to providing good food for good living, continuing the tradition that Henri Nestlé began more than 130 years ago.



Total Nestlé Oceania sales in the region for the year ending December 31, 2005 amounted to \$AU2.406 billion.

## 2.4 Where we work

Over the years, we have structured our operations to allow us to fit in as best we can in the communities in which we make and sell our products. In Oceania many of our factories are located in smaller towns, allowing us to participate more actively in local communities.

Much of our manufacturing operations in Australia are based in Victoria. At historic Echuca on the Murray River, we produce our high quality yogurts and our fresh dairy desserts including NESTLÉ DIET, AERO and MILO, along with a range of yogurts and desserts designed specially for children.

Nearby Tongala in the fertile Goulburn Valley is in the heart of dairy cattle country, and is the only site in Australia at which we produce liquid milk products such as NESTLÉ Sweetened Condensed Milk and CARNATION Evaporated Milk.

In suburban Melbourne, Mulgrave at the foot of the Dandenong Ranges, is where we make our famous range of ice creams – PETERS Original, Extra Creamy and Light & Creamy, along with brands such as DRUMSTICK, HEAVEN, MAXIBON, ICY POLES and CHOC WEDGE.

Nearby Pakenham is home to our more substantial meals – a variety of noodles, lasagnes, frozen meals and pizzas from brands such as MAGGI, LEAN CUISINE and PAPA GIUSEPPI'S. And at Brunswick, Food Services has its CDS Gourmet Foods manufacturing unit.

Heading north out of Melbourne on the Hume Highway is a sweet trip for Nestlé. At Campbellfield, we produce legendary chocolate bars such as HEAVEN, VIOLET CRUMBLE, KIT KAT and MILKY BAR, along with SMARTIES and ALLEN'S FANTALES. Further north, Broadford is where we make the ALLEN'S range of confectionery – SNAKES ALIVE, KILLER PYTHONs, CHICOS and PARTY MIX. Uncle Tobys' factory at Wahgunyah produces Muesli Bars, Vita Brits, Le Snack and the famed Uncle Tobys Oats cereals, among others products.

In New South Wales, we make our MILO and NESQUIK powders at Smithtown on the mid north coast. At Blacktown in Western Sydney, we produce the 'relief lozenges' – BUTTER MENTHOL, SOOTHERS, THROATIES, ANTICOL and QUICK-EZE.

Just north of Queensland's Sunshine Coast, the Gympie factory is our Australian coffee-processing factory, with the range of NESCAFÉ, INTERNATIONAL ROAST and ANDRONICUS, catering to all types of coffee lovers. In Brisbane, the Carole Park factory makes the delicious CHALET PATISSERIE range of cakes.

Across the Tasman, our Cambria Park factory in Manukau near Auckland makes a wide range of MAGGI products including instant sauces, gravies and soups. Cambria Park also has a modern confectionery plant producing



ALLEN'S KOOL MINTS and LIFE SAVERS, FRUIT TINGLES, MINTIES, WONKA, BLACK KNIGHT and NESTLÉ Scorched Almonds.

On the north coast of Fiji's Vitilevu, the Ba factory makes MAGGI noodles and a number of snack and confectionery products popular through the Pacific Islands. BONGO snacks and confectionery under the ALLEN'S and JASONS brands are some of the biggest sellers.

On Papua New Guinea's North Coast, our factory at Lae produces MAGGI noodles and re-packs NESCAFÉ Coffee, MILO powder, COFFEE-MATE non dairy creamer, SUNSHINE milk powder and MAGGI Kakaruk stock tablets.

And in New Caledonia, our only factory in Oceania with a French flavour makes Nestlé chilled yogurt, desserts and chocolates.

In addition to our manufacturing sites we also operate from a number of sales offices and distribution centres throughout the region. The main distribution centres in Australia are located at Arndell Park (Sydney) and Altona (Melbourne).

## 3 Nestlé and Packaging

### 3.1 Packaging Overview

Nestlé is firmly committed to finding packaging solutions, which will contribute to a better environment. Packaging is of course essential for both Nestlé and for the consumer. It ensures the safety and quality of products – from manufacture through to storage, distribution and consumption. In addition, packaging contributes to product appeal, provides convenience, communicates information (e.g. on nutrition and serving instructions), and may include tamper-evidence features. Packaging can also help prevent or reduce product waste.

Nestlé utilises a number of packaging materials to ensure that our products are delivered to our customers and consumers in the same way they left the factory. Those material types are as detailed in Table 3-1 below.

**Table 3-1 Types of Packaging Materials Used by Nestlé**

Packaging Type	Description	Typical Use
Coated Paper	Wax coated paper,	Sugar confectionery wrappers
Wood	Wooden sticks	Ice cream sticks, pallets
Flexible laminates	Composite flexible materials printed and laminated to form bags and wrappers. Materials used are papers	Confectionary bags and wrappers. Powdered sauce and soup mixes. Noodle meal wrappers. Single serve powdered products (coffee and Milo)
Paper Labels	Paper labels	Labels for cans bottles and cartons
Rigid Plastics containers	Polypropylene, polystyrene, High density Polyethylene	Yoghurt containers, confectionary trays, Ice Cream tubs, Powdered Foods.
Carton board	Folding Cartons	Frozen Pizzas, frozen meals. Display cartons for confectionery.
Metal	Steel containers	Milk products, coffee and Milo
Corrugated Cases	Cases made of corrugated board	Transport containers for distribution purposes
Glass	Clear glass containers	Sauce bottles and coffee Jars
Liquid paperboard (LPB)	Tetrapaks	Soup stocks
Polyethylene Terephthalate (PET)	Black crystalline PET	Food trays
Composite Can	Containers with paper walls and metallic ends	Coffee substitute beverages

Nestlé Australia sources its packaging materials from a wide variety of packaging suppliers both locally and international. In all, over 200 companies are involved in the Nestlé packaging supply chain, with major suppliers including Covenant signatories Amcor and Visy.



## 3.2 Packaging Minimisation


Nestlé Australia Ltd became a signatory to the National Packaging Covenant on September 28th 2000 and is committed to the key Covenant principles of product stewardship and shared responsibility. These commitments are consistent with those which are evident in Nestlé's worldwide and Oceania environment policies and in Nestlé's demonstrated efforts over the past decade to reduce packaging waste worldwide.

As stated in Nestlé's Policy on the Environment, Nestlé globally supports an integrated approach to packaging waste minimisation that favours source reduction, reuse, recycling and energy recovery to minimise the impact of packaging on the environment. Since 1991, environmental considerations have become an important criterion in Nestlé's renovation and innovation of packages and packaging materials. Reducing the amount of packages and packaging materials needed for a product, whilst safeguarding safety and quality, is a continuing key objective and priority. In Australia, the Nestlé Oceania Environmental Policy commits the organisation to *"identifying and reducing risk to minimise environmental impact arising from our operations and products"*. Packaging impacts, as such, are required to be considered in the decision-making processes. In Australia the Nestlé Oceania Packaging Policy reflects the goals of the strengthened National Packaging Covenant and the Environmental Code of Practice for Packaging (ECoPP).

## 2005-2006 Nestlé Action Plan Progress report

Objective	Action and Target	Covenant KPI	Performance Measure	Progress against performance measure
<p>1. Ensure the <i>"Environmental Packaging Position"</i> for Nestlé Oceania and other relevant policies and strategies reflects the goals of the strengthened National Packaging Covenant and the Environmental Code of Practice for Packaging (EcoPP).</p>	<p>1.1 Establish "Environmental Packaging Position" for Nestlé Oceania to ensure alignment with the goals of the strengthened National Packaging Covenant and the Environmental Code of Practice for Packaging (EcoPP) and with the "Nestle policy on the Environment"</p> <p>1.2 Develop and implement procedures to clearly define the processes and approvals required for all packaging decisions. Processes to define materials permitted to be used, and provide processes for: New/innovation packaging, reviews of existing, and addressing queries on packaging</p>	KPI 22	<ul style="list-style-type: none"> <li>Establish Position by March 2006</li> <li>Policy and procedures formally adopted by July 2006.</li> </ul>	<ul style="list-style-type: none"> <li>Complete - Nestle Oceania Packaging Policy was approved by Nestlé's CEO in July 2006</li> <li>In progress - Policy and procedures adoption are still a work in progress</li> </ul> <p>In progress - Environmental considerations have been incorporated into Nestlé's "Technical Toolkit". This toolkit has been developed to ensure all technical considerations, including minimising Pkg environmental impacts, are communicated to our Marketing and Product Application Groups. Training is due to start for Marketing and technical groups in Q1 2007. This will include a new Best Practice "New Product Development Brief" which incorporates the need for preliminary environmental assessments at the concept stage of packaging. Environmental impact reviews are now a mandatory element in the technical approval process of any new packaging development. A formal escalation process has been defined for products that have a negative environmental impact. This has been communicated to the Packaging Technologists and will be formally communicated to Marketing in the Q1, 2007 workshops.</p> <p>Year 2 - Determine that the technical approval process is being fully utilised to escalate negative environmental impacts</p> <p>Year 2 - Roll out to Uncle Toby's</p>

Objective	Action and Target	Covenant KPI	Performance Measure	Progress against performance measure
<p>2. Ensure that the New Package Development Procedure incorporates the objectives of the revised EcoPP.</p>	<p>2.1 Review, update and implement the New Package Development Procedure and other relevant required procedures (part of Strategy from Objective 1) to incorporate the objectives of the revised EcoPP.</p> <p>2.2 Collaborate with the SPA to obtain use of the Packaging Impact Quick Evaluation Tool (PIQET) once developed</p>	KPI 22	<ul style="list-style-type: none"> <li>• Review complete and New Package Development Procedure (and others required) drafted by March 2006.</li> <li>• New Package Development Procedure (and others required) formally adopted by July 2006.</li> <li>• Implementation of PIQET for improving assessment process for New Package Development Procedure</li> </ul>	<ul style="list-style-type: none"> <li>• Complete - New Packaging Development procedures incorporating environmental processes and approvals were developed and approved in May 2006</li> <li>• Complete - New Packaging Development Procedure formally adopted by Packaging Development Technologists in June 2006</li> <li>• In progress - Nestlé is an active member of the industry advisory committee for PIQET. SPA to handover PIQET tool to Nestlé in December 2006. 17 Packaging technologists were trained in the use of PIQET in September 2006. PIQET is to be implemented as a std tool in Q1 2007</li> </ul>
	<p>2.3 Update and deliver internal training on the Environmental Packaging Policy &amp; Strategy and procedures including, use of the revised New Package Development Procedure to Packaging Technologists, Brand Managers and Marketing staff</p>	KPI 22	<ul style="list-style-type: none"> <li>• Percentage of staff to have completed training.</li> </ul>	<ul style="list-style-type: none"> <li>• In progress - 100% Packaging techs, 0% Marketing</li> </ul> <p>Packaging Technologists Training Complete – Updated Packaging procedures were formally implemented in June 2006 at the annual Packaging Technologists Conference. 100% attendance at the conference was achieved</p> <p>Marketing staff training has not commenced for 2006 – “Technical Toolkit Workshops” incorporating environmental considerations are planned for each of the Nestlé Oceania divisions in 2007. These will cover Marketing and Technical groups for all divisions.</p>

Objective	Action and Target	Covenant KPI	Performance Measure	Progress against performance measure
	<p>2.4 Design and implement a packaging information tracking tool to track and report annually by October each year on:</p> <p>(i) Tonnes of packaging by material type by source (local or imported);</p> <p>(ii) Tonnes of packaged product sold;</p> <p>(iii) Ratio of product to packaging (by weight);</p> <p>(iv) Tonnage of "non-recyclable" packaging sold by material type and total;</p> <p>(v) Total "non-recyclable" packaging as a % of total packaging sold;</p> <p>(vi) Case studies of New Package Development Procedure with improvements in environmental impacts quantified; and.</p> <p>(vii) Examples of changes to protection, safety, hygiene, shelf life or supply chain considerations identified with improvements in impacts quantified.</p>	<p>KPI 1</p> <p>KPI 3</p> <p>KPI 4</p> <p>KPI 6</p> <p>KPI 27</p>	<ul style="list-style-type: none"> <li>Packaging information tracking tool to be operational and able to generate reports by October 2006.</li> </ul>	<ul style="list-style-type: none"> <li>In progress – Nestlé Australia Packaging information has been entered into IDAS, please refer to attached PDF file for the data set. This data set relates to local Nestlé Australia factories only, which accounts for 78% of product (by weight) on the Australian market. Interestingly 69% (by weight) of our packaging sourced by our local factories has a recycled content.</li> </ul> <p style="text-align: center;"> Avatar Document</p> <p>Note: IDAS is a web-based system designed to collect and aggregate quantitative industry data allowing the measurement of Covenant performance against its targets and objectives. The process requires industry signatories to input their relevant KPI data (quantitative only) into IDAS.</p> <p>Year 2 - Data set to have imports and local copackaging/co-manufacturing included.</p> <p>Year 2 - Case studies of New Package Development Procedure with improvements in environmental impacts quantified will occur in Year 2 with the launch of PIQET.</p> <p>Complete - Examples of changes to protection, safety, hygiene, shelf life or supply chain considerations identified with improvements in impacts quantified. SEE APPENDIX 2</p>

Objective	Action and Target	Covenant KPI	Performance Measure	Progress against performance measure
	2.5 Utilise packaging information tracking tool to develop performance targets in line with Covenant Key Performance Indicators.	KPI 29	<ul style="list-style-type: none"> <li>Performance targets established by October 2006</li> <li>Review and report against performance annually by October each year.</li> </ul>	<ul style="list-style-type: none"> <li>Not commenced - Performance targets to be established in 2007 when report available to provide co-packing/co-manufacturing and import data.</li> <li>Not commenced</li> </ul>

Objective	Action and Target	Covenant KPI	Performance Measure	Progress against performance measure
3. Establish a structured process for engaging with Nestlé's packaging suppliers and customers regarding the National Packaging Covenant commitments	3.1 Write to supplier and customers to communicate the Nestlé Oceania " <i>Environmental Packaging Policy and Strategy</i> " and the requirements of Nestlé's 3-year Action Plan by July 2006.	KPI 22 KPI 3 KPI 4	<ul style="list-style-type: none"> <li>Percentage of suppliers and customers contacted.</li> </ul>	<ul style="list-style-type: none"> <li>In progress - Nestlé contacted its Packaging suppliers in August 2006 and provided them with a copy of the Nestlé Environmental Packaging Policy and Strategy. This email went to the 12% of suppliers who supply over 92% of Nestlé Oceania Packaging requirements. These suppliers supply across all major Packaging categories including Flexibles, Corrugated, Cartons, Glass, Metal, Rigid Plastics and Paper.</li> </ul> <p>Year 2 - Customers will be addressed in 2007</p>

Objective	Action and Target	Covenant KPI	Performance Measure	Progress against performance measure
	<p>3.2 Work with suppliers and customers to:</p> <p>(i) Facilitate and report on improvements in design, manufacture, marketing and distribution of packaging utilising the ECoPP;</p> <p>(ii) Identify and report on changes to protection, safety, hygiene, shelf life or supply chain considerations affecting amount &amp; type of packaging.</p> <p>(iii) Determine the environmental and Covenant performance.</p>	<p>KPI 22</p> <p>KPI 3</p> <p>KPI 4</p>	<ul style="list-style-type: none"> <li>• Number of packaging improvements identified.</li> <li>• Effect of improvements made to packaging on environmental impacts quantified.</li> <li>• Number of examples of changes to protection, safety, hygiene, shelf life or supply chain considerations identified.</li> <li>• Effect of changes quantified</li> </ul>	<ul style="list-style-type: none"> <li>• Complete - Nestlé contacted its major suppliers in July 2006 (as per 3.1) and asked them to report on all initiatives that have been completed in conjunction with Nestlé over the past 12 months to reduce the usage of packaging in our products.</li> </ul> <p>Suppliers were asked to report on packaging initiatives undertaken in the last 12 months that have resulted in improvements to Environment, Protection, Safety, Hygiene, Shelf Life &amp; Supply Chain</p> <ul style="list-style-type: none"> <li>• There have been <b>4</b> significant initiatives to reduce packaging by our suppliers:</li> </ul> <ol style="list-style-type: none"> <li>1. Metal – our supplier of cans, Amcor Cans, has worked with our sites at Tongala, Gympie and Smithtown to down gauge our current metal cans and reduce our tonnage of metal by 256tonnes during 2006.</li> <li>2. Cartons – several initiatives have delivered a decrease in tonnage by 213 tonnes. These initiatives include removing a pour spout from Friskies cartons at Blayney, reducing the calliper on impulse ice cream cartons at Mulgrave and changing to a lighter substrate for Smarties at Campbellfield.</li> <li>3. Flexibles – Gabb's have removed the cardboard pallet box that they have been using to supply flexibles to our ice cream site at Mulgrave and reduced the corrugated packaging by 1.3 tonnes.</li> <li>4. Plastics - Reduction in plastic for Smithtown office jar closure saved 0.8Tpa</li> </ol>

Objective	Action and Target	Covenant KPI	Performance Measure	Progress against performance measure
	3.2 continued			<p>An e-auction was conducted earlier in 2006. This incorporated a requirement for suppliers to detail environmental policies, systems, targets to minimise packaging impacts, and what achievements have been made to improve recycleability. This was used to ensure suppliers met environmental requirements.</p> <p>A pilot was also conducted this year on a new environmental sourcing checklist.</p> <p>Year 2 - Assess pilot for environmental sourcing checklist and roll out to strategic suppliers</p> <p>Year 2 - Customers will be addressed in 2007</p>

Objective	Action and Target	Covenant KPI	Performance Measure	Progress against performance measure
	<p>3.3 Utilise outcomes of the supplier engagement process as a basis for an annual environmental and Covenant performance assessment of existing suppliers and for all new suppliers under consideration.</p>	<p>KPI 3 KPI 4</p>	<ul style="list-style-type: none"> <li>Number of assessments undertaken.</li> <li>Number of suppliers who meet performance requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Complete - Nestlé Oceania holds an annual performance review with its strategic Packaging suppliers. There are reviews held with <b>8</b> suppliers covering 75% of the Nestlé Oceania Packaging spend.</li> </ul> <p>Within these reviews each supplier has discussed its approach to environmental issues and addressed the work they are doing in relation to the Australian Packaging Covenant and New Zealand Packaging Accord.</p> <p>Further to this exercise, whenever Nestlé Oceania tenders its packaging business, all suppliers are requested to complete a Supplier Information Form. Within this form Nestlé now include the following questions to enable us to assess both local and overseas suppliers from an environmental perspective. The answer to the following questions are taken into consideration when selecting:</p> <ol style="list-style-type: none"> <li>Please detail the Environmental policies and systems currently conformed to by your company confirming that they meet Australian standards and that the services supplied to Nestlé are done so without any detrimental effects to the environment.</li> <li>Does your company have specific targets/objectives to minimise packaging impacts? If so what are these?</li> <li>What actions/projects has your company taken/implemented to increase the recycleability of your packaging products?</li> </ol> <ul style="list-style-type: none"> <li>Complete - 85% of suppliers assessed met performance requirements</li> </ul>

Objective	Action and Target	Covenant KPI	Performance Measure	Progress against performance measure
4 Seek to engage the reprocessing industry with a view to overcoming barriers to the recycleability of certain packaging.	4.1 Seek to build a structured engagement process with the reprocessing industry to identify, discuss and overcome barriers to recycleability of certain packaging, particularly with regards to introduction of new products and packaging types or combinations.	KPI 3 KPI 4	<ul style="list-style-type: none"> <li>Improvements in recycleability of Nestlé's products resulting from discussions.</li> </ul>	<ul style="list-style-type: none"> <li>Complete- Nestlé investigated a move for some of it's brands from Metal cans to Composite cans (paper board body with metal ends). A Life Cycle Assessment (LCA) was conducted and determined that the energy levels required to manufacture a composite can were much lower compared to the existing metal can. At the time the composite can was not considered recyclable. Nestle had to address this issue before a change could be endorsed. See Appendix 3 for details</li> </ul>

Covenant Goal 2 – efficient resource recovery systems for consumer packaging and paper.				
Objective	Action and Target	Covenant KPI	Performance Measure	Progress against performance measure
5	<p>Maximise the recovery of post-consumer packaging generated by Nestlé staff.</p> <p>5.1 Seek to establish collection facilities for the on-site collection of post-consumer packaging recycling generated by Nestlé staff and report on performance. (For example the collection of beverage containers from the staff café.)</p>	KPI 16	<ul style="list-style-type: none"> <li>On-site recycling facilities for collection of post-consumer packaging from staff.</li> <li>Amount of post consumer packaging collected from staff. (If quantifiable otherwise qualitative details)</li> </ul>	<p>Nestlé Oceania has an overall waste reduction target of 5% for its manufacturing sites in alignment with Nestlé global targets. Sites broadly are expected to each contribute to this overall target and were set 5% target for 2006. This target is achieved through various waste management/reduction initiatives including on site recycling.</p> <ul style="list-style-type: none"> <li>In progress - Just over half of Nestlé's manufacturing sites and most offices have collection facilities.</li> </ul> <p>Materials recycled include: Aluminium cans, paper/cardboard board, glass &amp; plastics bottles.</p> <p>Several of those, which currently do not, are located in country regional areas where there are no recycling service providers. A number of sites currently not recycling are investigating options for contractors for recycling, and/or planning on conducting waste audits to identify site waste mgt options.</p> <ul style="list-style-type: none"> <li>Not commenced - It is not currently possible to report actual figures of the post consumer waste, which is recycled from sites, as this recycled material is generally collected with other site recycling waste.</li> </ul> <p>Specific targets have not been set historically for the sales &amp; admin offices however, waste mgt plans and strategies are being progressively developed &amp; implemented via SHE committees.</p>

Covenant Goal 3 – Consumers able to make informed decisions about consumption, use and disposal of packaging of products.				
Objective	Action and Target	Covenant KPI	Performance Measure	Progress against performance measure
6 Seek to ensure that Nestlé customers are aware of correct recovery and disposal options for Nestlé products.	<p>6.1 Undertake a review of the Nestlé Litter Strategy to incorporate current research and opportunities, specifically:</p> <p>(i) The further refinement and acceptance of the Direct Litter Indicator (DLI) and Cumulative Litter Indicator (CLI);</p> <p>(ii) Build DLI/CLI into New Product Development Procedure as appropriate, and;</p> <p>(iii) Participation in the AFGC's Pkg stewardship forum and possible participation in other industry wide initiatives.</p>		<ul style="list-style-type: none"> <li>DLI/CLI applied in public report.</li> <li>DLI/CLI incorporated into New Product Development Procedure.</li> <li>Percentage of AFGC's Litter Subgroup meeting attended.</li> </ul>	<ul style="list-style-type: none"> <li>No t commenced – DLI/CLI have served their purpose in gaining a greater understanding of the litter stream. However changes in the industry have meant that the indicators are no longer considered the most appropriate methodology to meet the original objective. Consequently 6.1 will be removed from the action plan and a greater focus will be placed on 6.2.</li> </ul> <p>Nestlé's Litter strategy, which was first developed in 2003, outlines internal and external actions, which Nestle commits to undertaking in response to the increasing focused attention on litter. External actions have included assisting to promote an industry – sector response to litter via the AFGC through chairing the AFGC's Litter Management Group. As part of this Nestle previously commissioned Nolan ITU (now part of Hyder) to conduct a study and develop specific litter indicators – the DLI &amp; CLI. The intent was to further progress and facilitate the use of these by industry as indicative litter indicators, however there is now some doubt as to the appropriateness of the use of the DLI/CLI</p> <p>In 2006 the AFGC's Litter Management Group was disbanded due to the establishment of the AFGC's Packaging Forum. The AFGC Packaging Forum has been established and one of its objectives is related to litter. Nestle intends on assessing membership of the Forum once guidelines/business plan objectives have been clearly defined, and the potential for furthering the litter indicators.</p>

Objective	Action and Target	Covenant KPI	Performance Measure	Progress against performance measure
	6.2 Work with industry groups to improve the recovery of packaging from Nestlé products consumed both in the home and away-from-home, including recovery from public places by July 2007.	Education	<ul style="list-style-type: none"> <li>• Identify industry groups.</li> <li>• Percentage of meetings attended.</li> <li>• Number of projects resulting from collaborations.</li> </ul>	<ul style="list-style-type: none"> <li>• Not commenced – This was an action planned for Year 2 &amp; 3, as per our 2005-2008 action plan.</li> </ul> <p>Nestlé is an active member of the AFGC and the AFGC Environment Committee, and involved with the activities &amp; initiatives of the Council/Group. The AFGC Environment Committee has, as reported in the 2005 AFGC Environment Report been, focused on litter management as one of the focus areas over the past two years.</p> <p>As indicated in 6.1, Nestlé is considering membership of the AFGC Packaging Forum. Applicable actions shall be reported on in following reports.</p>
	6.3 Continue, through the packaging sampling review process for existing products every two years, to ensure disposal guidance is provided on all products and an identification number on all plastic rigid packaging by June 2008.	Education	<ul style="list-style-type: none"> <li>• Percentage of products with correct disposal guidance.</li> <li>• Percentage of plastic rigid packaging with identification number.</li> </ul>	<p>A survey of all consumer complaints regarding disposal guidance and rigid plastic identifiers was completed in April 2006. All complaints received have been resolved, unless capital was required. Any capital requirements have been budgeted for completion in 2007.</p> <ul style="list-style-type: none"> <li>• Complete - 100% of products surveyed now have correct disposal guidance. Of the issues found in the survey all artwork has since been amended.</li> <li>• Complete - More than 99% of our plastic products have their rigid plastic identifiers. Of the products surveyed only one product size has been found to be missing its rigid plastic identifier. The capital required to amend this has been budgeted for completion in 2007</li> </ul> <p>Nestlé ensures that customers are aware of correct recovery and disposal options for Nestlé products through internal artwork &amp; environmental check lists</p> <p>Year 2 – Further audits to be carried out for disposal guidance and rigid plastic identifiers in 2007</p>



<p>Nestlé Australia Limited</p>	<p>6.4 Continue to promote staff awareness and participation in National Packaging Covenant and Nestlé's Action Plan initiatives including:</p> <ul style="list-style-type: none"> <li>(i) Maintaining up-to-date information on the Intranet site;</li> <li>(ii) Review and further development of 'Fact Sheets';</li> <li>(iii) Regular articles in the Nestlé Internal magazine 'Life', and;</li> <li>(iv) Packaging Waste Reduction / Environmental Awareness activities.</li> </ul>	<p>Education</p>	<ul style="list-style-type: none"> <li>• Visits and downloads from staff Intranet site.</li> <li>• Up-to-date information on the Intranet site.</li> <li>• Number of Fact Sheets finalised and published.</li> <li>• Number of articles in the Nestlé Internal magazine 'Life'.</li> <li>• Percentage of staff participation in Environmental/Packaging Waste Reduction Awareness Activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Not commenced – Unable to access this data currently due a global website changeover</li> <li>• Complete - The NPC Intranet site has been updated to include the "Environmental Code of Practice for Packaging", the "Oceania Packaging Environmental Policy" and the "2005-2008 Action plan".</li> </ul> <p>Year 2 – Due to global structural change to the Nestle intranet, a revamp to the environmental section of the Nestle Intranet will be made in 2007.</p> <ul style="list-style-type: none"> <li>• Not commenced – The use of Fact sheets as an effective communication tool is in doubt and will be reviewed in 2007</li> </ul> <p>Nestle had previously prepared and published a number (15) of Fact Sheets as part of "Why Does the Environment Matter?" to provide some general background and information on how environmental issues are being addressed by the business.</p> <p>Year 2 – Review use of fact sheets as an effective communication tool.</p> <ul style="list-style-type: none"> <li>• Completed – " We can make a difference" article in the 2006 autumn edition of the Nestle "Life" magazine, which is available to all 3,800 Nestle employees. Year 2 – More articles are planned in 2007</li> <li>• Completed - Nestle Oceania promoted WED as a day to celebrate and reflect on the Environment. The International theme for WED was "Don't Desert the Drylands" however sites were encouraged to celebrate &amp; promote the day in a number of ways to promote greater environmental awareness. Across the region a children's drawing competition was held. Entrants were required to draw/paint anything to reflect a number of environmental themes including "Reduce waste/litter". The competition was extremely successful. Some sites held activities on the day to promote awareness including clean ups of local roadside areas. % of staff participation is not quantifiable.</li> </ul>
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Objective	Action and Target	Covenant KPI	Performance Measure	Progress against performance measure
				Multiple internal presentations regarding Nestlé's commitments to the NPC has covered the majority of our divisional boards, Consumer services, Packaging Technologists, Purchasing & Global, Asian, and South African Pkg representatives
	6.5 Work with industry associations to promote recycling and to support the provision of information to consumers on packaging and via other mechanisms.	Education	<ul style="list-style-type: none"> <li>• Number of initiatives undertaken in association with industry stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>• Not commenced – To be addressed in Year 2</li> </ul>

	<p>6.6 Continue to expand the provision of environmental and packaging information contained within the Nestlé Australia <u>Internet</u> to assist in the education of the Australian community regarding packaging including:</p> <p>(i) The <i>"Environmental Packaging Policy"</i> for Nestlé Oceania;</p> <p>(ii) Nestlé Action Plans and Annual Reports;</p> <p>(iii) Recycling and disposal information for post consumer packaging, and;</p> <p>(iv) Information on packaging related activities and investigations.</p>	<p>Education</p>	<ul style="list-style-type: none"> <li>• Website updated regularly (annually as a minimum)</li> <li>• Number of site visits and downloads.</li> <li>• Enquiries received through website contacts.</li> <li>• <i>"Environmental Packaging Policy and Strategy"</i> for Nestlé Oceania; published</li> <li>• Nestlé Action Plans and Annual Reports published.</li> <li>• Recycling and disposal information for post consumer packaging published.</li> <li>• Information on packaging related activities and investigations published.</li> </ul>	<ul style="list-style-type: none"> <li>• Not commenced - Budgets to update the website have been allocated for 2007</li> </ul>
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Covenant Goal 4 – supply chain members and other signatories able to demonstrate how their actions contribute to goals (1)–(3).				
Objective	Action and Target	Covenant KPI	Performance Measure	Progress against performance measure
7 Maintain the Nestlé's No Waste @ Work program (or equivalent) at all manufacturing sites and distribution centres in relation to solid waste minimisation and recovery.	<p>7.1 Design and implement a waste information management system to track and report annually by October each year on:</p> <p>(i) packaging, environmental and waste minimisation projects within each site including:</p> <ul style="list-style-type: none"> <li>management of products with QA, Aged, Expired status;</li> <li>solid waste minimisation plans, and;</li> </ul> <p>(ii) the amount and type of packaging material recovered for recycling;</p> <p>(iii) the amount and type of packaging material sent to landfill, and;</p> <p>(iv) performance against established environmental and financial waste management benchmarks around service performance and commercial arrangements in relation to current waste management practices</p>	KPI 21 KPI 27	<ul style="list-style-type: none"> <li>Number of environmental and waste minimisation projects.</li> </ul>	<p>Complete - Management of products with QA, aged and expired stocks:</p> <p>1) Aged and Expired stock - Nestle Australia has information management systems to track and report on Aged and expired finished products. The 2006 target is to reduce aged and expired stock by 16% (Vs 2005 actual). Currently tracking at 13%.</p> <p>2) QA - The final release quality (FRQ) is measured at an individual factory on a monthly basis. Each factory maintains individual action plans to address quality failures. The average FRQ achieved YTD in 2006 is less than 2005. This is mainly due to 2 quality failures in early 2006, 50% of the sites have however improved on a year-to-year comparison with 2005.</p> <p>3) Solid waste management plans - Nestle collects waste data monthly from all manufacturing sites. Across the region a target of 5% reduction (of waste disposed of to landfill) has been set for 2006.</p> <p>All manufacturing sites are required to establish and implement waste management plans. These are to ensure the sites minimise waste produced. Additionally most sites have commenced projects to reduce packaging waste.</p> <p>Waste reduction project example - Ceased the use of plastic top sheets on pallets of finished goods (were previously a market requirement to protect top row of pallet) (estimated expected savings: 14t/yr)</p>

		<ul style="list-style-type: none"> <li>• Amounts and types of consumer packaging from on-site collection, which is sent for recycling.</li> <li>• Amounts of types of consumer packaging from on-site collection, which is sent to landfill.</li> <li>• Percentage of self-assessments against environmental and financial waste management benchmarks undertaken.</li> </ul>	<ul style="list-style-type: none"> <li>• Complete - Refer to IDAS PDF in 2.4</li> <li>• Complete - Refer to IDAS PDF in 2.4</li> </ul> <p>Note: IDAS is a web-based system designed to collect and aggregate <u>quantitative</u> industry data allowing the measurement of Covenant performance against its targets and objectives. The process requires industry signatories to input their relevant KPI data (quantitative only) into IDAS.</p> <p>Sales/admin offices are also involved with waste management initiatives. These include: paper/cardboard, plastics, cans, and toner recycling. Other initiatives also include: light sensors, and sensors in men's urinals to minimise waster usage,</p> <p><b><i>Waste mgt plans and strategies are being progressively developed &amp; implemented formally via SHE committees.</i></b></p> <p>Sites (manufacturing) report monthly on the waste sent to landfill &amp; waste recycled. Nestle has an overall waste reduction target of 5% for waste disposed of to landfill. The total waste calculations usually include: liquid wastes, sludge waste and any waste product, which is disposed of to farmers etc. These are not included in the IDAS figures.</p> <p>At year to date, Nestle is tracking on target to achieve the total 5% reduction target. Nearly all materials collected on site for recycling are from production areas and considered packaging materials. Waste collected and then disposed off site to landfill is collected from a number of sources on each site into general waste bins. Segregation into packaging and non-packaging waste is currently neither practical nor feasible.</p> <ul style="list-style-type: none"> <li>• Not commenced - Limited progress, as focus has been to establish systems to collect data. Action to be reviewed &amp; addressed in Yr 2 &amp; 3.</li> </ul>
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Objective	Action and Target	Covenant KPI	Performance Measure	Progress against performance measure
	7.2 Utilise waste information management system to develop performance targets in line with Covenant Key Performance Indicators by October 2006. Review and report against performance annually by October each year.	KPI 29	<ul style="list-style-type: none"> <li>• Performance targets established.</li> <li>• Reports generated by October each year.</li> </ul>	<ul style="list-style-type: none"> <li>• Complete - Nestle Oceania has an overall 5% waste reduction target. All sites are expected to develop action plans to achieve this.</li> <li>• Complete – Information on waste is collected and reported on a monthly basis.</li> </ul>
8 Consider obtaining Membership of the Buy Recycled Business Alliance (BRBA) and progress the use of recycled materials within Nestlé, especially in product packaging.	8.1 Through the BRBA Coach Program: <ul style="list-style-type: none"> <li>a. Develop and adopt a buy recycled purchasing policy by March 2006;</li> <li>b. Implement a buy recycled program by June 2007, and;</li> <li>c. Design and maintain an information management system to track and report on the purchase of recycled content products by October 2007.</li> </ul>	KPI 26	<ul style="list-style-type: none"> <li>• Membership of the Buy Recycled Business Alliance by March 2006.</li> <li>• Buy Recycled Coach Program undertaken.</li> <li>• Buy Recycled policy adopted by March 2006.</li> <li>• Buy recycled purchasing program developed by June 2007.</li> </ul>	<ul style="list-style-type: none"> <li>• In progress - Representatives have met with the BRBA to discuss membership and have attended 2 BRBA meetings. The possibility of joining the BRBA is still under review and a decision will be made within the next 12 months. Accordingly, a policy has not yet been developed.</li> <li>• Not commenced</li> <li>• Not commenced</li> <li>• Not commenced</li> </ul> <p>With regard to purchase of re-cycled materials, Nestlé Oceania does make recycled paper available as part of its office supplies solution.</p> <p>Where possible we do utilise re-cycled material within our packaging materials.</p>

**Covenant Goal 5** – all signatories demonstrate continuous improvement in their management of packaging through their individual action plans and annual reports.

Objective	Action and Target	Covenant KPI	Performance Measure	Progress against performance measure
9 Report on the performance against Nestlé's Action Plan demonstrating continuous improvement.	9.1 Contribute to Covenant Funding Arrangements as required each year.		<ul style="list-style-type: none"> <li>Financial contribution made each year.</li> </ul>	Complete - Financial contribution made.
	9.2 Submit an Annual report against the Action Plan.	KPI 28	<ul style="list-style-type: none"> <li>Report lodged by 31 October each year.</li> </ul>	Complete - Report lodged.
	9.3 Report against performance target once established.	KPI 29	<ul style="list-style-type: none"> <li>Report against performance targets and timelines demonstrates continuous improvement.</li> </ul>	Not commenced – Performance targets to be set in 2007
	9.4 Undertake external verification of the achievement of Nestlé's Action Plan commitments for each Annual Report.	KPI 28	<ul style="list-style-type: none"> <li>Verification complete and submitted with Annual Report, lodged by 31 October each year.</li> </ul>	Complete - Verification by external consultant. Report submitted with this progress report to the NPC council.

Summary table of performance measures	
23	Completed
7	In Progress
24	Not Commenced
<b>54</b>	<b>Total</b>

## 4 Company Data Set

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### KPI 1A Tonnes of Packaging Material by type and source

This KPI is addressed through Objective 2 of the Action Plan Progress report.

### KPI 1B Tonnes of packaged product sold

This KPI is being addressed through Objective 2 of the Action Plan Progress report.

### KPI 1C Ratio of product to packaging (by weight)

This KPI is being addressed through Objective 2 of the Action Plan Progress report.

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

This KPI is being addressed through Objective 2 and Objective 3 of the Action Plan Progress report.

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

This KPI is being addressed through Objective 2 and Objective 3 of the Action Plan progress report

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

This KPI is being addressed through Objective 2 of the Action Plan Progress report.



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

This KPI is being addressed through Objective 5 of the Action Plan Progress report.

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

This KPI is being addressed through Objective 7 of the Action Plan Progress report.

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

This KPI is being addressed through Objective 1, Objective 2 and Objective 3 of the Action Plan Progress report

KPI 26A Implementation of Buy Recycled purchasing policy / practices.

This KPI is being addressed through Objective 8 of the Action Plan Progress report

KPI 27A Establishment of baseline performance data

This KPI is being addressed through Objective 2 and Objective 7 of the Action Plan Progress report

KPI 28A Annual Reporting against Action Plan.

This KPI is being addressed through Objective 9 of the Action Plan Progress report



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

This KPI is being addressed through Objective 2, Objective 7 and Objective 9 of the Action Plan Progress Report

## Education - Provision of consumer information to enable more informed behaviour.

Education is being addressed through Objective 6 of the Action Plan Progress report



## 5 Nestlé Contact for the National Packaging Covenant

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Nestlé's contact for information regarding this National Packaging Covenant Action Plan:

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National Packaging Covenant Co-ordinator

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# Appendix 1

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## Organisations covered by this plan

This Action Plan covers Nestlé Australia Ltd.

Note 1 - This plan covers the operations of Nestlé Purina Petcare as well as their pet care products manufactured and marketed in Australia.

Note 2 - When and as practical, the systems and processes of Musashi, CDS, Chalet, Uncle Toby's & Nutrition in relation to packaging waste management and minimization shall firstly be assessed against the NPC Action Plan requirements, and then secondly objectives and actions systematically implemented and/or modified as appropriate.

## Appendix 2

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Examples of changes to protection, safety, hygiene, shelf life or supply chain considerations identified with improvements in impacts

- Move from Corrugate to Shrinkwrap for ice cream tubs at Mulgrave factory. The move saved 188T pa in corrugate and improved pallet utilisation by 20%. This was offset by a usage of 26T pa shrinkwrap
- Move to Tray and shrink at Smithtown factory. Change from wraparound cartons to tray and shrink film saved 397T pa of cardboard. This was offset by a usage of 80T pa shrink film.

# Appendix 3

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## Reprocessing industry engagement

Nestlé investigated a move for some of its brands from Metal cans to Composite cans (paper board body with metal ends). A Life Cycle Assessment (LCA) was conducted and determined that the energy levels required to manufacture a composite can were much lower compared to the existing metal can. At the time the composite can was not considered recyclable. Nestle had to address this issue before a change could be endorsed.

Sonoco, the composite can manufacturer, had experienced this issue in other countries but had not challenged it in Australia. Technically, Sonoco believed that the can is best directed to the metal can recycling industry for as there is still a good percentage of metal incorporated in the composite can and that the paperboard body would assist as a fuel in the furnace.

At the request of Nestle, Sonoco was asked to assist in changing the acceptance of the composite can to a recyclable material.

Sonoco (Australia) obtained a technical expert who visited the EPA in many states, collectors, sorters, the NPC and Blue Scope Steel including Simms Metals. The outcome of these discussions gave Sonoco the confidence in believing that Australia could recycle composite cans made of paperboard and tinplate materials in Australia and it would be included in the metal can recycling stream. Sonoco were about to enter into trials using a can currently which they currently manufacture for another brand owner to validate this view but at that time Nestle reviewed their direction and economics associated with a change to composite cans and the outcome was that Nestle would stay in the current metal can for a little longer.

Nestle believe that our intervention with Sonoco was positive in paving the way for the composite can being accepted in the metal can recycling stream.

