



Australian Packaging Covenant

Action Plan

Mar 2012 – June 2015

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.

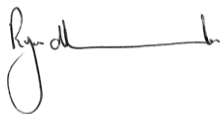
Because of Australia & New Zealand's geographical location, they are the epitome of a clean green environment, with many unique plants and high quality natural ingredients derived from their rich agricultural diversity. We are aware that what we do as a business can impact the environment.

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 2012-2015 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 its previous Australian Packaging Covenant Action Plan 2011-2012.

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.

Vitaco regularly progresses initiatives and reviews our business partnerships with packaging suppliers; and we challenge ourselves 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:

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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\$100m in Australia. Our head office is located in Auckland, New Zealand; and our Australian sales and distribution are based in Sydney and Melbourne.

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 stringent regulatory 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’ 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 NPC 2009-2012 Action Plan.

Our market-leading brands include Nutra-Life®, Healtheries®, Wagner®, Abundant Earth, Aussie Bodies®, Balance®.

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 Healtheries Jointex® - a range of natural joint care solutions, Healtheries Boost® - a fun, great-tasting range of effervescent tablets, and Healtheries 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 Healtheries 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 Healtheries 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 Healtheries KidsCare range of popular children's lunch box snacks, as well as sub branded '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 the premier sports nutrition brand 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.

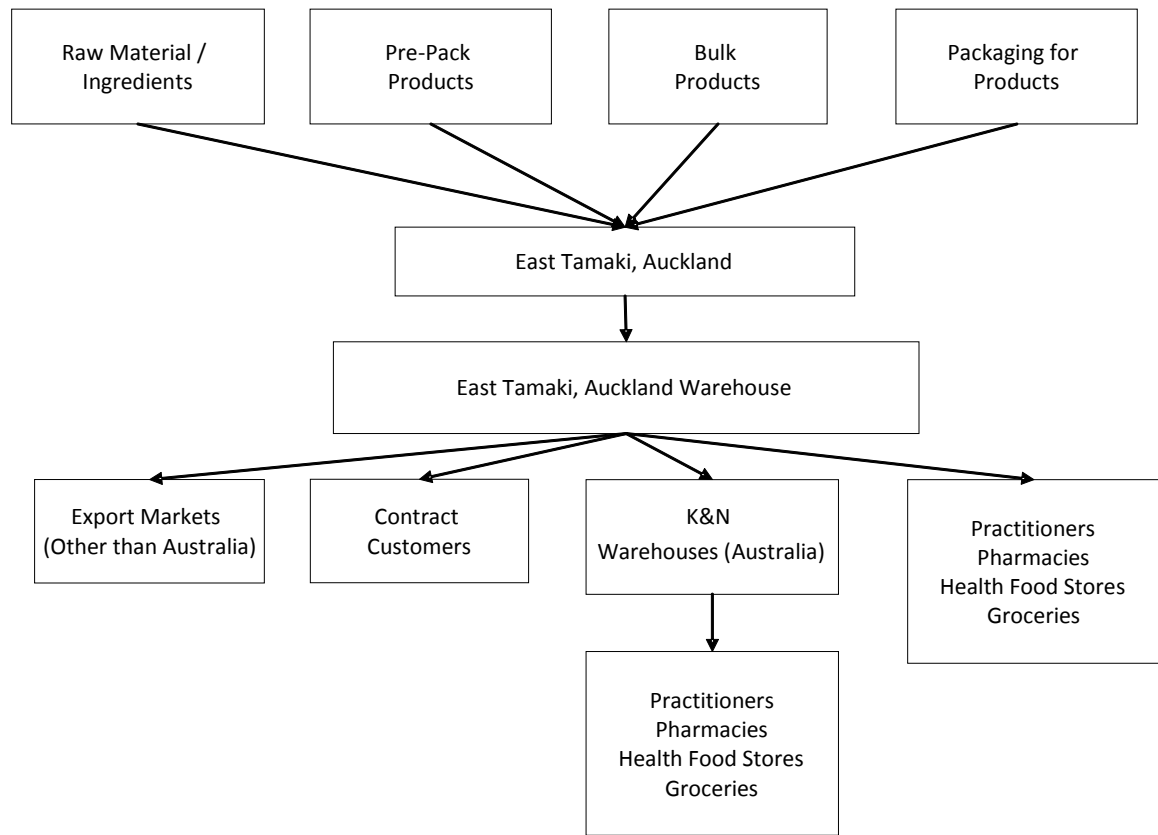
3.6 Abundant Earth

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 Tamari, Puffed Whole Grains, Hot Chocolate, and Cocoa.

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	a. Barrier bag	a. Landfill
	b. Cardboard shipper	b. Recycle
	c. Pallet	c. Reuse/recycle
	d. Shrink wrap	d. Recycle
IBC (bulk liquid raws)	a. NIL	a. Recycle
Cardboard pallecons	a. Strapping	a. Landfill
	b. Plastic Liner	b. Landfill
Tablets and capsules	a. Cardboard shipper	a. Reuse
	b. Barrier bag	b. Recycle
	c. Pallet	c. Reuse
	d. Shrink wrap	d. Recycle
Glass bottles	a. Shrink wrap	a. Recycle
	b. Cardboard	b. Recycle
	c. Pallet	c. Reuse
PET bottles	a. Shrink wrap	a. Recycle
	b. Cardboard	b. Recycle
	c. Pallet	c. Reuse
HDPE bottles	a. Shrink wrap	a. Recycle
	b. Cardboard	b. Recycle
	c. Pallet	c. Reuse
Paper labels	a. Barrier bag	a. Recycle
	b. Cardboard core	b. Reuse/recycle
	c. Cardboard carton	c. Reuse
Inner cartons (bars, supplements)	a. Cardboard carton	a. Recycle
Cardboard cartons	a. Strapping	a. Recycle
Caps & lids with	a. Barrier bag	a. Recycle
	b. Cardboard carton	b. Reuse
Foil wrap Protein Bars	a. Plastic bag	a. Landfill
	b. Pallet	b. Reuse

Purchase	Delivery Packaging	Destination
Quad Foil Bags	a. Cardboard carton	a. Recycle
	b. Shrink wrap	b. Landfill
	c. Pallet	c. Reuse
Foil Sachets	a. Plastic Bags	a. Landfill
	b. Cardboard carton	b. Recycle
Polypropylene buckets (powders)	a. Shrink wrap	a. Landfill
Lids for buckets	a. Cardboard carton	a. Recycle
Rewind (for bars)	b. Shrink wrap	b. Landfill
Silica gel	c. Plastic/foil bag	c. Landfill
	d. Shipper	d. Reuse
Scoops	a. Barrier bag	a. Landfill
	b. Cardboard shipper	b. Recycle
	c. Pallet	c. Reuse/recycle
	d. Shrink wrap	d. Recycle
Shrink wrap bundles	a. Cardboard carton	a. Recycle
Shrink wrap layer boards	a. Strapping	a. Landfill
Blister aluminium	b. Barrier bag	b. Recycle
	c. Cardboard carton	c. 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 our third party warehouse in Melbourne, and from this location 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
Air filled Cushion	Recycling / Reuse
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 HDPE bottles and less than 0.5% of bottles are still utilizing PET.

Our packaging 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
Metalised rewind	No	Landfill
Blister pack (aluminium coated)	No	Landfill
Cardboard carton	Yes	Kerbside recycling
Paper label	No	Compostable
HDPE Tamper-proof cap (polypropylene)	No	Kerbside recycling*
HDPE bottle	No	Kerbside recycling*
PET bottles	No	Landfill
Scoops	No	Kerbside recycling*
Plastic tubs - PP	No	Kerbside recycling*
Plastic lids (tubs) -	No	Kerbside recycling*
Slip sheets	yes	landfill
Tetra Pak/ Combi Block	Yes	Kerbside recycling
Wads - polycell, EPE/EPC	No	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
Foil Sachets	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 ISO 14001 Environmental Audit

Vitaco Health undertook an Environmental audit in November 2013 with the aim of understanding where the business was placed in regard to the ISO 14001 standard. Audit outcomes showed that there were comprehensive systems in place to manage the requirements under the standard and that there was demonstrated commitment to environmental improvements. It is Vitaco's intention to seek accreditation to ISO 14001 by the end of 2015.

5.2 Packaging Changes

Vitaco Health Pty Ltd now has the majority of its products in HDPE with less than 0.5% still utilizing PET. This has increased the amount of containers across our brands that are fully recyclable. With involvement from our supplier, this has been a significant advancement in environmental sustainability for 2013.

During 2013 our corrugated packaging has been reviewed and the shippers have been resized to accommodate a better fit for our products. This also now removes the need to fill shippers with paper where the bottles were previously a loose fit.

Vitaco now has a product offering in flexible packaging – this benefits both the consumer and the environment as it uses much less energy to produce these packs vs rigid packaging along with utilizing less space in the supply chain and lighter in weight when shipping.

6. Action Plan 2012 – 2015

Action	Responsibility	Timeframe	Current status Mar 14	Target	Evidence
Goal One -Packaging 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				
Reprise Australian & NZ APC Review team	AY	Aug-14	Internal restructure of Operations and Technical functions	Ensure Checksheet understood and used in the review of existing packaging and used for all new NPD and packaging changes	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/LM/JN	Aug-14	Incorporate APC reporting template into gate paper process to allow capture of information on future products. Procurement	Reissue revised policy and procedure for procuring packaging for both in house and third party manufacturers and ensure all Supply Chain and	Issued current procedure being implemented - procedure and documentation complete
Review packaging grouping and extend - Tables 4-1, 4-2, 4-3 in Vitaco APC Action plan	APC Review team	Feb-13	Current APC Tables 4-1 to 4-3 require expanding to include new inhouse manufacture	tables reflect current status and reviewed annually	updated tables
Update APC Action plan on company website	MB	Mar-13	Current APC Action Plan on website	update Action Plan at least annually	new APC plan on website
Review use of SPG checklist	FA/RS	Apr-13	Incorporated APC reporting template into gate paper process to allow capture of information on future products. Procurement	to use the SPG checklist developed for the APC in the revision of current packaging and development of new products and be a requisite fo	records of completed checksheets for products in NPD with gate papers or reviewed as per schedule.
Implemented process to review all NEW packaging via decision checklist consistent with the SPG	Product development teams	Mar-15	completed by project / gate paper for all Australian products	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 Product cycle is 18 months to 2 years for updating packaging/art	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
Update Action plan to extend activities beyond July 2012 to June 2015	APC Review team	Apr-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

Vitaco Health Pty Ltd Action Plan 2012-2015

Action	Responsibility	Timeframe	Current status Mar 14	Target	Evidence
Goal Two - Recycling:	<i>The efficient collection and recycling of packaging</i>				
KPI Two:	<i>National recycling rate for packaging</i>				
KPI Three:	<i>Proportion of signatories with on -site recovery systems for recycling used packaging</i>				
KPI Four:	<i>Proportion of signatories with a policy to buy products made from recycled packaging</i>				
KPI Five:	<i>Additional tonnes of material reprocessed in primary and secondary markets as a result of Covenant - funded projects</i>				
Develop and publicise Vitaco policy on 'Buy Recycled' in our procurement system by group	RS	Jul-12	Policy in place for board and corrugated	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 where scoped
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 monitored
Implement improved rate of recycling on site in Australian office	RdA	Jul-15	toners recycled	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 will be reviewed with art updates	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/ Graphic and Trade Promotions teams	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
Scope of reducing label backing paper recyclability improvement	BR/JN	Jun-15	currently unable to recycle label backing paper due to silicon release coating	scope project with packaging suppliers to improve recyclability	Ability to recycle label backing paper

Vitaco Health Pty Ltd Action Plan 2012-2015

Action	Responsibility	Timeframe	Current status Mar 14	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	AY	31-Mar-13	Report in preparation	Submission of activities to support action plan in required Annual report format	March Annually
Annual financial contribution to APC	Finance	1/10/2012 completed	Last paid as per Invoice Oct 12	Annual contribution determined and paid on Invoice	receipt of payment each year
Be Audit ready	AC/AY	Mar-13	update of new Capex project products	To be audit ready in the event of random selection of auditing requirement	records maintained to support action plan evidence. Eg filed Gate papers for NPD and file of reviewed products using template.
Active feedback to staff on the APC	Environment Committee	Each year after report submitted	Awareness of Australian staff on APC requirements	regular articles in Supplement newsletter and compliance of staff with Environmental initiatives	Report against performance targets and timelines to demonstrate continuous improvement
Regular review of supply chain considerations that may affect amount and type of packaging used	APC Review team/ Procurement	Annual review	Move to introduce the use of flexible packaging as a new packaging offering. Continue this in 2014/15 where appropriate.	Supply Chain issues identified and quantified	Projects identifying packaging continuous improvement and new packaging formats
Continue Vitaco Environment Committee	RS	Ongoing Regular meeting	Committee membership in transition due to internal restructure	Compliance with achievable action plan, new nominated team members	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-13	reviewed Strategy of supplier communication continued	Continued communication with suppliers on issues relating to packaging to use SPG in developing packaging in line with APC	Projects identified eg Kidscare snacking, group board procurement. Shipper Project
Energy Audit	PW/RS	Mar-14	Energy audit completed. Audit outcomes will determine actions.	Aim for a reduction of energy usage	YOY reduction in Energy consumption for all sites. New site now incorporated in the measure
POS material review	Vicky Jones	Jun-13	Review capabilities for ink	Most work will be done using Soy based inks which are considered by most to be more environmentally acceptable	Specifications

Vitaco Health Pty Ltd Action Plan 2012-2015

Action	Responsibility	Timeframe	Current status Mar 14	Target	Evidence
Goal Three - Product Stewardship: <i>A demonstrated commitment to product stewardship by the supply chain and other signatories.</i>					
KPI eight: <i>Reduction in the number of packaging items in the litter stream</i>					
POS material review	Vicky Jones	Jun-13	POS Recycled content	All the printers recycle paper and the aluminium plates if they are used	Approved suppliers
POS material review	Vicky Jones	Jun-13	POS Quantity of material printed to be reviewed	Quantities of POS requested will be queried and we are putting in place a system that will allow us to track usage and so identify over ordering and wastage, allowing us to adjust future quantities ordered to meet the needs	Reduction and optimal use of printed material