



**Australian
Packaging
Covenant**

**Simplot Australia
ACTION PLAN - FINAL**

July 2010 – July 2017

Contact and endorsement details

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This APC Action Plan is hereby endorsed on behalf of Simplot Australia. Appropriate resources are being made available to allow Simplot to pursue the actions set out in this plan.

Terry O'Brien, Managing Director

Date

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Executive Summary

Simplot Australia Pty Ltd is a brand owner for the purposes of the APC. Simplot manufactures, imports, and distributes frozen, chilled and ambient foods in various packaging formats. Its brands are: Edgell; Ally; Seakist; Harvest; Chiko; I&J; Birds Eye; Leggo's; John West; Quorn; Papa Guissepi's and Lean Cuisine.

Simplot has played an active role in complying with and supporting the NPC and intends to maintain this level of commitment to the Australian Packaging Covenant (APC).

Packaging materials principally include: plastic bowls, trays and flexible packaging; paper and cardboard cartons, sleeves, display units and shippers; glass bottles and jars; and metal cans and lids.

This Action Plan contains 34 actions which have been grouped under the headings of Design, Recycling and Product Stewardship. Simplot confirms that it will be using the Sustainable Packaging Guidelines (SPG) as the basis of its packaging design reviews. Targets have been set to ensure that all new products will include a review from 1 July 2011. In addition, targets have also been set to ensure that from the same date, packaging formats for at least 20% of SKU's will be reviewed each year.

The APC minimum requirements have been included on page 12. All requirements have been met and references have been provided to the relevant pages in our Action Plan.

Simplot has been a signatory to the Australian Packaging Covenant since 2011. The original action plan ran through to July 2015 in line with the APC timeframe. Simplot is still committed to the aims that are detailed in the action plan, and will continue to apply the principles for next 12 month extension period. Simplot has achieved and completed actions as detailed in Section 3 of the Action plan and remains committed to continuous improvement and sustainable solutions to packaging requirements.

Once the new APC is released to the industry, Simplot will undertake a complete review of the requirements and provide a new Action Plan to align with these requirements.

1 Background Information

1.1 Company Overview

Simplot Australia is a wholly owned subsidiary of the J R Simplot Company, a privately held food and agribusiness corporation based in Boise, Idaho. The Simplot Company was founded by J.R (Jack) Simplot in the 1930's. From the humble beginnings of Idahoan potato farming, J R Simplot Company is now a multinational food and agri-business with annual sales of more than \$US4.5 billion.

Simplot Australia was founded in 1995 when the J R Simplot Company acquired some of Australia's favourite food brand businesses including Edgell, Chiko, Birds Eye, Harvest and Leggo's. From that time the company has continued to develop through acquisition of businesses such as John West, Lean Cuisine, Papa Giuseppe as well as continual product innovation. The Australian management team is committed to enhance the well being of our consumers by delivering a range of nutritious food products that represent quality, value and convenience. A list of current subsidiaries can be made available on request.

Simplot Australia currently employs approximately 2200 people across a number of sites throughout Australia, including our Head Office in Victoria, seven manufacturing facilities in Bathurst, Devonport, Echuca, Kelso, Flemington, Pakenham and Ulverstone and sales offices in each State as well as New Zealand.

At Simplot Australia we bring earth's resources to life by transforming vegetables, meat, fish and fruits to Australia's favourite food brands at the retail store, or at your local restaurant, cafe or hotel.

We recognise our responsibility to protect the global environment in our business activities. In our operations we understand the importance of preserving natural resources, minimising waste and efficiently using water and energy. We share this responsibility with our suppliers, our employees, the community and governments.

The Simplot Australia Environmental Policy¹ affirms our commitment to adopt environmentally sound business practices. Good environmental management is vital to our long term growth to not only meet consumers' needs but to satisfy future generations.

¹ The Simplot Australia Environmental Policy can be found at <http://www.simplot.com.au/simplotcorporate/uploads/files/Environmental2006.pdf>

1.2 Brands

Brands owned by Simplot for the purposes of the APC

Brands	Summary
	<ul style="list-style-type: none"> ▪ Canned vegetables and canned bean mixes ▪ Canned food processing facilities located in Echuca, VIC and Bathurst, NSW ▪ www.edgell.com.au
	<ul style="list-style-type: none"> ▪ Canned red and pink salmon ▪ Manufactured in North America ▪ www.simplot.com.au
	<ul style="list-style-type: none"> ▪ Canned tuna ▪ Tuna Lunch kits ▪ Manufactured in South East Asia ▪ www.simplot.com.au
	<ul style="list-style-type: none"> ▪ Canned meals ▪ Produced at Echuca, VIC ▪ www.simplot.com.au
	<ul style="list-style-type: none"> ▪ Pastry outer layer filled with beef, vegetables and barley ▪ Manufactured in Bathurst, NSW ▪ www.chiko.com.au
	<ul style="list-style-type: none"> ▪ Frozen foods, including fish, burger, schnitzel and others ▪ Predominantly manufactured in Kelso, NSW and South East Asia ▪ www.ironjay.com.au

Brands	Summary
	<ul style="list-style-type: none"> ▪ Frozen products, including vegetables, potato and chip products, fish, chicken and snacks ▪ Predominantly manufactured in Kelso and Bathurst, NSW, and Ulverstone and Devonport, TAS. ▪ www.birdseye.com.au
	<ul style="list-style-type: none"> ▪ Pasta sauces ▪ Tomato products, e.g. paste and puree ▪ Stir through sauces ▪ Italian simmer sauces ▪ Convenient pasta meals ▪ Condiments (pickles) ▪ Manufactured in Echuca and Pakenham, VIC ▪ www.leggos.com.au
	<ul style="list-style-type: none"> ▪ Canned fish ▪ Chilled Seafood ▪ Canned fruit and vegetables ▪ Ready to eat tuna-based snacks ▪ Manufactured in many locations throughout the world, including Australia, Canada, USA, Europe and South East Asia ▪ www.johnwest.com.au
	<ul style="list-style-type: none"> ▪ Micoprotein frozen products ▪ Manufactured in the UK ▪ www.quorn.co.uk
	<ul style="list-style-type: none"> ▪ Frozen Meals ▪ Manufactured at Pakenham, VIC ▪ www.leancuisine.com.au

1.3 Position in the Supply Chain

Simplot Australia Pty Ltd is a brand owner for the purposes of the APC. Simplot manufactures, imports, and distributes frozen, chilled and ambient foods in various packaging formats.

Distribution of these goods occurs through an extensive network of retail supermarkets, convenience stores, food service and major distributors for outlets such as restaurants, cafes and caterers.

1.4 Packaging Materials and Formats

1.4.1 Packaging Materials

The materials involved in the packaging of our products principally include;

- Plastics – Polypropylene, polyethylene, and other composite materials in the form of bowls, trays and flexible packaging
- Paper and Cardboard– Retail cartons, sleeves, display units and shippers
- Glass – Bottles and Jars
- Metal – Cans and metal closures for jars

All of the above materials which are used in primary packaging and direct food contact meet requirements specified by Food Standards Australia and New Zealand.

1.4.2 Packaging Formats

Our packaging formats are set out in Appendix A.

2 Action Plan Requirements

2.1 Introduction

The Australian Packaging Covenant sets out specific requirements for all signatories. These sit beneath a set of Covenant Aims requirements which apply to the industry as a whole, as represented by the APC Covenant Council and the APC Industry Association / Secretariat. The relationship between these two sets of requirements is summarised below and shown in detail on the following pages.

- **Covenant Aims**

The APC sets out a single overriding objective, 3 performance goals, and 8 KPI's. The APC Strategic Plan sets out 5 priorities for the period 2010 to 2015. Whilst these are not directly relevant to individual APC signatories, they are nevertheless indirectly relevant. In particular, it is a requirement of the APC that the actions contained in the Action Plan of each signatory must “reflect the relevant priorities set out in the strategic plan prepared by the Covenant Council” and “each action must be linked to the performance indicators and targets set out in the Covenant”.

- **Signatory Aims (applies directly to Simplot)**

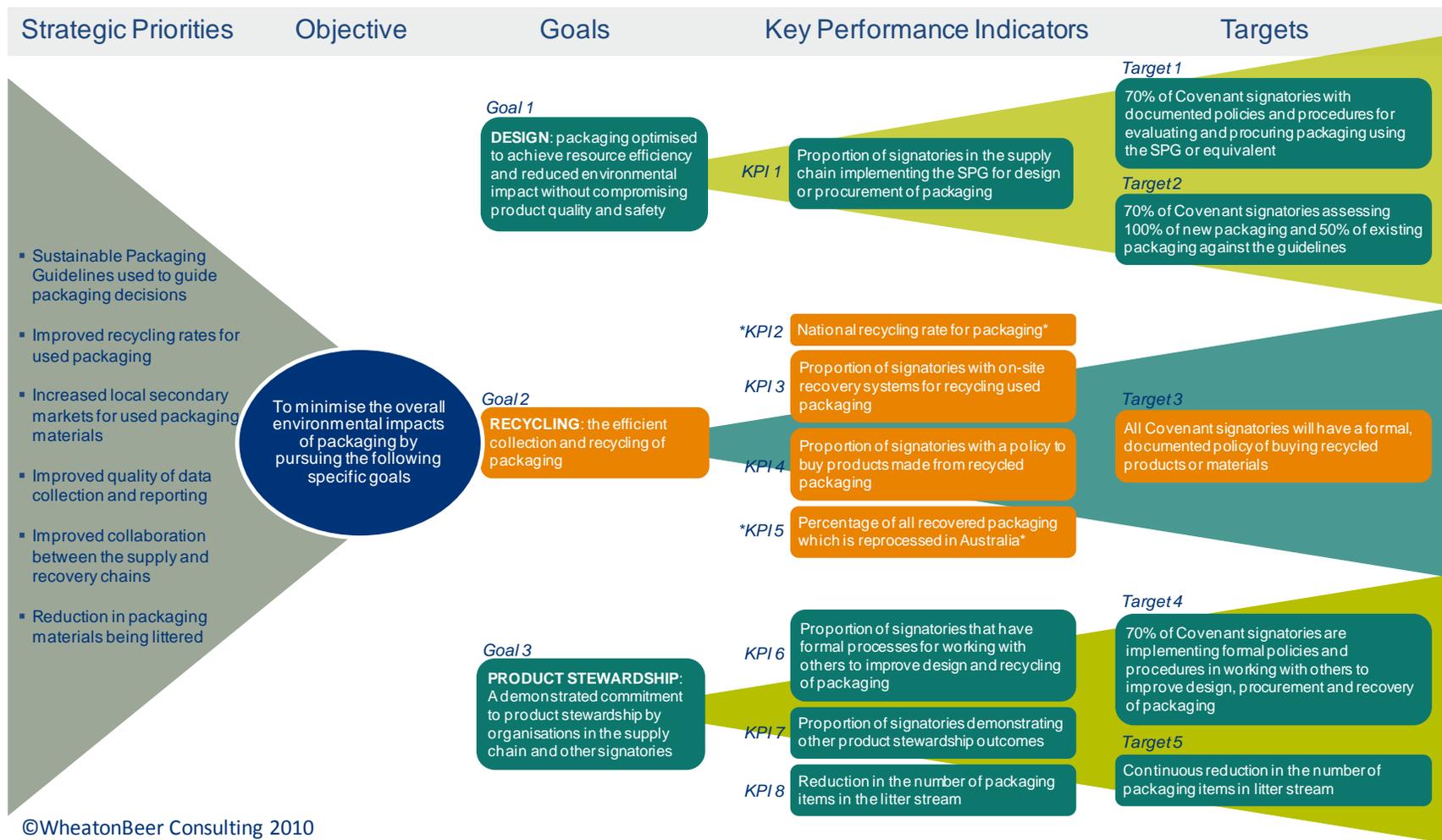
Whilst there are no specific KPI's for APC signatories, there are 6 implied KPI's which are required to support the 8 Covenant KPI's. In addition, there are a number of additional requirements set out in the APC.

- **APC Minimum Requirements Checklist for signatories (applies directly to Simplot)**

The APC sets out the minimum requirements which must be contained within the Action Plans of each signatory.

2.2 Covenant Aims

The following diagram sets out the overriding aims of the Covenant. This includes the 5 strategic priorities set out in the Strategic Plan, the single objective, the 3 goals, and the 8 KPI's.



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2.3 Simplot's Aims

The following table sets out the specific APC obligations of each signatory.

		Simplot's KPI's	Additional Requirements
Design	KPI 1	Has the SPG been adopted for the design or procurement of packaging?	The plan must indicate how the SPG will be used for the design or procurement of all new packaging. It will also need to show a timetable for reviewing existing packaging
Recycling	KPI 3	Has an on-site recovery system been established?	The plan must indicate whether there is a recovery system in place. If not, it must outline the timetable for establishment of a recovery system for used packaging
	KPI 4	Is a policy in place to buy products made from recycled packaging?	The plan must indicate whether there is an existing policy or procedure (such as a Buy Recycled policy). If not, it must outline a timetable for establishing such a policy or procedure
Product Stewardship	KPI 6	Are there formal processes for working with others to improve design and recycling of packaging?	The plan must include actions to improve packaging design and increase the recycling of used packaging. For example: <ul style="list-style-type: none"> ▪ A documented policy to review all packaging against the SPG (KPI 1); ▪ Supply contracts that require take-back and recycling of packaging; ▪ Waste management contracts that require collecting and recycling packaging
	KPI 7	Are there demonstrated other product stewardship outcomes?	The plan must outline any other product stewardship actions that the signatory will take to support the Covenant's objectives and goals
	KPI 8	Are there actions in place to reduce litter?	The plan must outline actions that the signatory will take to reduce litter

2.4 APC Minimum Requirements Checklist for Signatories

The following table sets out the APC minimum requirements which must be contained within Simplot's Action Plan. References are provided to the page within this Action Plan which fulfils each requirement.

Requirement	Included in Action Plan	Page No. Reference
1. The name of the organisation and its subsidiaries	✓	Page 2, 5
2. The nature of the organisation (what it does, its size or turnover)	✓	Page 5
3. Brands owned by the organisation	✓	Pages 6, 7
4. The place of the organisation in the supply chain	✓	Page 8
5. Packaging materials and formats used by the organisation	✓	Page 8
6. The period covered by the plan	✓	Page 1
7. Contact details for the person responsible for implementing the plan (Covenant contact officer)	✓	Page 2
8. The specific actions for implementing the commitments under the Covenant and supporting the achievement of the Covenant's objective and goals 1, 2 & 3	✓	Pages 13 - 23
9. Baseline data for all performance indicators	✓	Pages 15, 18, 20
10. Formal commitment by the Chief Executive Officer, or equivalent, to implement the action plan	✓	Page 2

3 Actions

3.1 Scope

The Simplot business in Australia includes retail products and food service products. The consumer products are in scope for the APC. The food service products are wholesale and unbranded to the consumer. These therefore fall outside the scope of the APC.

Accordingly, the actions set out below relate to Simplot’s consumer products which include approximately 650 SKU’s connected to the 12 brands listed in Section 1.2 above.

Actions have been grouped as follows:

Design	Includes actions required to establish packaging reviews for new and existing products, and actions relating to the reviews themselves
Recycling	Includes actions required to establish appropriate policies and systems
Product Stewardship	Included actions required to identify issues and potential alliances/relationships, and actions to address those issues

3.2 Design Actions

3.2.1 Preamble

Simplot has performed a high level review of the SPG and confirms that it will be using this as the basis of its packaging design reviews. Simplot has four categories of product development. These are:

Category	Comment	APC Classification
New Product Development	Development of new product groups	New Products
Line Extension	Extension of existing product lines for example to introduce new sizes	Existing Products
Cost Down	Changes to reduce the overall cost of delivering the product	
Product Improvement	Changes to the formulation of products and packaging to meet existing or emerging customer or consumer requirements	

3.2.2 Packaging Reviews

Packaging reviews incorporating the APC SPG will be performed on an ongoing basis. These reviews will be triggered as follows:

- For new products, the product development process will be modified to include consideration of the SPG
- For existing products, the product review processes will be modified to incorporate a request for a review of the relevant packaging format for this product range

In the normal course of events, packaging design for new products will take place as part of the product development process. Targets have been set to ensure that all new products will include a packaging review from 1 July 2011.

For existing products, the packaging reviews will extend to the entire related packaging format. This means that each packaging review is likely to cover a number of SKU's. Packaging formats are shown by Brand in Appendix A. It should be noted that most brands contain a number of categories. The Packaging Format reviews will be based on logical groups within each category rather than the entire Brand. Targets have been set to ensure that from 1 July 2011 onwards, packaging formats for at least 20% of SKU's will be reviewed each year.

3.2.3 KPI's

Design KPI's		Baseline Data	Comments	Related Actions
KPI 1	Has the SPG been adopted for the design or procurement of packaging?	Yes	It has been agreed in principle to adopt the SPG. The SPG will be formally adopted as part of the Action Plan implementation	1

3.2.4 Additional Design Requirements

Additional Requirements	Comments	Related Actions
<ul style="list-style-type: none"> The plan must indicate how the SPG will be used for the design or procurement of all new packaging. It will also need to show a timetable for reviewing existing packaging 	-	2, 3 4,5,6,7,8

3.2.5 Specific Design Actions

Actions	Responsibility	Timeline
1. Establish a policy to review all packaging against the SPG	Packaging Department	By 30 June 2011
2. Review the SPG to determine how to incorporate it into Simplot's processes	Packaging Department	By 30 June 2011
3. Review the New Product Development process (i.e. growth projects), and incorporate the SPG	Packaging Department	By 30 June 2011
4. Review the Line Extension process and incorporate a trigger for a packaging review	Packaging Department	By 30 June 2011
5. Review the Cost Down process and incorporate a trigger for packaging reviews	Packaging and Procurement Department	By 30 June 2011

Actions	Responsibility	Timeline
6. Review the Product Improvement process and incorporate a trigger for packaging reviews	Packaging Department	By 30 June 2011
7. Review the Capital Stage Gate process to create capabilities to deliver SPG outcomes	Supply Chain and Packaging Department	By 30 June 2011
8. For packaging that is supplied by a third party, integrate SPG into SIMSARM ² procurement process	Packaging and Procurement Departments	By 30 June 2011
9. Undertake packaging reviews for new products under Simplot's control	Packaging Department	From 1 July 2011 onwards
10. Undertake packaging reviews for existing products under Simplot's control	Packaging Department	From 1 July 2011 onwards At least 20% of SKU's per year
11. Require third parties to consider SPG for all new products not under Simplot's control	Packaging and Procurement Departments	From 1 July 2011 onwards
12. Require third parties to consider SPG for all existing products not under Simplot's control	Packaging Department	From 1 July 2011 onwards At least 20% of SKU's per year
13. Document all packaging reviews	Packaging Department	Ongoing
14. Maintain packaging review documentation for audit purposes	Packaging Department	Ongoing
15. Include Packaging as a top line consideration during the annual Marketing Planning Process for each product category	Marketing and Packaging Department	Ongoing
16. Utilise the Full Packaging specification database to hold all relevant packaging information including recycle content and LCA	Packaging Department	Ongoing

² SIMSARM: Simplot Supplier Assurance and Risk Management

Actions	Responsibility	Timeline
17. As time permits, engage in additional packaging design activities, for example: <ul style="list-style-type: none">▪ Utilise internal software to investigate supply chain efficiencies▪ Investigate packing density for frozen products▪ Investigate Photo/Bio degradable materials	Packaging Department	Ongoing
18. Identify and establish appropriate metrics to support the above actions	SAPL Sustainability Leadership team and Packaging Department	By 30 June 2011

3.3 Recycling Actions

3.3.1 KPI's

Recycling KPI's		Baseline Data	Comments	Related Actions
KPI 3	Has an on-site recovery system been established?	Manufacturing Sites have recycling systems in place	Piecemeal systems are currently in place. The intention is to review and improve these over time.	19, 20
KPI 4	Is a policy in place to buy products made from recycled packaging?	No current policy in place	The intention is to develop a policy	22

3.3.2 Additional Requirements

Additional Requirements	Comments	Related Actions
<ul style="list-style-type: none"> ▪ The plan must indicate whether there is a recovery system in place. ▪ If not, it must outline the timetable for establishment of a recovery system for used packaging 	-	19 19
<ul style="list-style-type: none"> ▪ The plan must indicate whether there is an existing policy or procedure (such as a Buy Recycled policy). ▪ If not, it must outline a timetable for establishing such a policy or procedure 	-	22 22

3.3.3 Specific Recycling Actions

Actions	Responsibility	Timeline
19. Establish a formal recycling and recovery policy that applies to all sites and offices	SAPL Sustainability Leadership team	By 30 June 2011
20. Once policies have been established, encourage and monitor improvements to recycling and recovery systems	SAPL Sustainability Leadership team and Site Environmental Managers	Ongoing
21. Add new SIMSARM requirement to ask third party warehouses whether there is a recovery and recycling system in place on site	Packaging and Procurement Departments	By 30 June 2011
22. Establish a policy to facilitate the purchase of products made from recovered / recycled packaging materials	SAPL Sustainability Leadership team	By 30 June 2011
23. Establish a procedure for all sites to report on waste data via SharePoint	SAPL Sustainability Leadership team	By 30 June 2011
24. Identify and establish appropriate metrics to support the above actions, e.g.: <ul style="list-style-type: none"> a. % / volume of recycled materials included in Simplot purchases b. % / volume of Simplot waste going to landfill / recycled c. % / volume of Consumer waste (of Simplot origin) going to landfill / recycled 	SAPL Sustainability Leadership team and Packaging Department	By 30 June 2011

3.4 Product Stewardship Actions

3.4.1 Preamble

The following packaging product stewardship issues have been identified:

1. Negative environmental impacts of shelf ready and shelf friendly packaging
2. Consumer resistance to “cheaper” packaging
3. Food contamination limits recyclability of much packaging
4. Direct food contact: Food Standards may require materials (e.g. laminates) that reduce recyclability and may increase pollution

These issues are complex and progress depends on achieving significant collaboration across the entire industry. Simplot is committed to playing an active role in addressing these and other product stewardship issues.

The vast majority of Simplot’s APC-related products are consumed at home. As a result, litter is considered to be a relatively minor issue.

3.4.2 KPI’s

Product Stewardship KPI’s		Baseline Data	Comments	Related Actions
KPI 6	Are there formal processes for working with others to improve design and recycling of packaging?	Currently using ECOPP, moving to SPG	Developing a process to incorporate SPG into the current product development process	25, 26, 27
KPI 7	Are there demonstrated other product stewardship outcomes?	Yes	-	31
KPI 8	Are there actions in place to reduce litter?	No	Review labelling on products that may be consumed away from home.	29, 30

3.4.3 Additional Requirements

Additional Requirements	Comments	Related Actions
<ul style="list-style-type: none"> ▪ The plan must include actions to improve packaging design and increase the recycling of used packaging. For example: <ul style="list-style-type: none"> ▪ A documented policy to review all packaging against the SPG (KPI 1); ▪ Supply contracts that require take-back and recycling of packaging; ▪ Waste management contracts that require collecting and recycling packaging 	-	1, 15
<ul style="list-style-type: none"> ▪ The plan must outline any other product stewardship actions that the signatory will take to support the Covenant's objectives and goals 	-	31
<ul style="list-style-type: none"> ▪ The plan must outline actions that the signatory will take to reduce litter 	-	29, 30

3.4.4 Specific Product Stewardship Actions

Actions	Responsibility	Timeline
25. Identify relevant suppliers, customers and other third parties with common interests in packaging product stewardship	Packaging Department	By 30 June 2011
26. Work with relevant suppliers, customers and other third parties to identify product stewardship issues	Packaging Department	Ongoing from 1 July 2011
27. Identify specific actions which can be taken collaboratively	Packaging Department	Ongoing from 1 July 2011
28. Incorporate actions into future versions of Simplot's APC Action Plan	Packaging Department	Ongoing from 1 July 2011
29. Explore opportunities for product stewardship where litter may be a problem – e.g. campsites	Packaging Department	Ongoing
30. Incorporate consumer education messages on packaging likely to become litter (e.g. lunch kits), to encourage responsible disposal	Packaging Department	By 30 June 2012
31. As time permits, engage in additional product stewardship activities, for example: <ul style="list-style-type: none"> ▪ Continue involvement in multi stakeholder industry groups to improve packaging design and recycling efficiencies ▪ Continue Packaging Innovation Forum initiative ▪ Research packaging trends ▪ Continue the involvement of the packaging group in Marketing ▪ Introduce full environmental labelling program for packaging ▪ Impose appropriate sustainable packaging requirements on suppliers 	Packaging Department	Ongoing
32. Identify and establish appropriate metrics to support the above actions	SAPL Sustainability Leadership team and Packaging Department	By 30 June 2011

Actions	Responsibility	Timeline
33. Prepare the Annual Report	Packaging Department	Annually, from 31 October 2011
34. Update and re-submit the Action Plan	Packaging Department	As required

Appendix A: Packaging Formats

Packaging	Leggo's	Birds Eye	I&J	John West	Lean Cuisine	Papa Giuseppe	Edgell	Ally and Seakist	Quorn	Harvest	Chiko
Cartonboard	Retail cartons, insulation sleeve	Retail Cartons	Retail Cartons	Retail Cartons	Retail Cartons	Retail Cartons	Retail Carton		Retail cartons		Retail Carton
Paper	Transport trays, transport cartons, TUN labels	Transport Cartons	Transport Cartons	Transport trays, transport cartons, TUN labels	Transport Cartons	Transport Cartons	Transport trays	Transport trays, transport cartons, TUN labels	Transport cartons, trays	Labels, transport tray	Transport Carton, serving bag
LDPE	Stretch film, bundle shrink	Bags, stretch film	Stretch film	Shrink film, Stretch film	Stretch film	Stretch film	Shrink film, stretch film	Shrink film	Stretch film, inner bags	Shrink film, stretch film	Stretch film
Polypropylene	Tubs and squeeze pack	Bowls		Tubs and trays	Trays	Shrink film	Tub for snack range				
Laminates	Bags and lidding materials	Bags and lidding materials		Lidding material	Lidding material		Bags an lidding material				
Steel	Lids and cans			Cans			Cans	Cans		Cans	
Aluminum				Cans			Easy open end for snack range		Tray		
Glass	Jars			Jars							
Polystyrene	Plastic tubs										
PVC								Clam shell			
CPET					Trays and lidding						
APET	Trays										



This document has been prepared by WheatonBeer Consulting based on information provided by Simplot Australia

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