



Signatory Name: Metcash Trading Limited Australasia

The question numbers in this report refer to the numbers in the report template. Not all questions are displayed in this report.

Status: Complete

The content in this APC Annual Report is hereby endorsed by the Chief Executive Officer, or equivalent officer of the organisation.

Yes

5. Industry sector (please select 1 only):

- Brand Owner / Wholesaler / Retailer
- Packaging Manufacturer
- Waste Management
- Other - Commercial Organisation
- Community Group
- Industry Association
- Government
- Raw Material Supplier
- Other:

6. Industry type (please select 1 only):

- Food & Beverage
- Pharmaceutical / Personal Care / Medical
- Hardware
- Homewares
- Communications / Electronics
- Clothing / Footwear / Fashion
- Chemicals / Agriculture
- Fuel
- Large Retailer
- Tobacco
- Shipping Company
- Airline
- Other:

7. Please indicate your organisation's reporting period:

- Financial Year: 1 July 2014 – 30 June 2015
- Calendar Year: 1 January 2015 – 31 December 2015

8. Was your action plan extended or updated to cover the APC transitional year (01/07/2015 -30/06/2016)?

- Yes
- No

If yes, what is the period of your extended or updated action plan?

Start Date:

End Date:

Goal 1: Design

KPI 1: % of signatories with documented policies and procedures for evaluating and procuring packaging using the SPGs or equivalent.

9. Does your company have documented policies and procedures for evaluating and procuring packaging using the SPGs or equivalent?

- Yes No

Provide details of policies and procedures

Metcash has documented in detail its procedures for evaluating and procuring packaging, which are in keeping with the Sustainable Packaging Guidelines (SPGs), in its Packaging Covenant Action Plan.

Metcash's Action Plan has been fully reviewed and updated in March 2014.

The Action Plan details the process that Metcash follows for its Metcash Food & Grocery Corporate brands, and the process that Mitre 10 follow for their corporate brands.

These three business units private label products make up **98%** of Metcash's corporate brand sales.

- Corporate Brands: 77% of Metcash branded product sales
- Fresh: 14% of Metcash branded product sales
- Mitre 10: 7% of Metcash branded product sales
- **TOTAL: 98%**

The remaining 2% is from our Liquor and Campbells divisions. These two business units are included in examples of progress of The Action Plan, but are not subject to specific targets.

10. Of the types of packaging **existing at the beginning of the reporting period**, what percentage had been reviewed using the Sustainable Packaging Guidelines (SPG) by the end of the reporting period?

%

11. Have any new types of packaging been introduced during the reporting period?

- Yes No

12. If yes, of the **new types of packaging introduced during the reporting period**, what percentage have been reviewed using the Sustainable Packaging Guidelines (SPG) by the end of the reporting

%

13. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 1

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	100% (10) of Metcash Corporate Brands, Mitre 10 key merchandise & Marketing staff to complete the http://www.packagingcovenant.org.au/toolkit/ at least each two years.	On track to achieve target. 4 key Corporate Brands and Fresh staff completed the toolkit within the past two years. 9 key staff in Mitre 10 have completed the toolkit in FY14/15. 5 key Metcash staff including 2 key Mitre 10 employees attended the May 2015 "Packaging Assessment for Sustainability" workshops run by APC.

2.	100% of new Metcash F&G Corporate Brand packaging assessed and documented	<p>On track to achieve target.</p> <p>25% new Metcash F&G products in 11/12 80% new Metcash F&G products in 12/13 36% new Metcash F&G products in 13/14 54% new Metcash F&G products in 14/15</p> <p>These figures include the Metcash Corporate Brands, Fresh and Campbells own-brand products.</p> <p>This year we have updated the format of our Recommendation letter to make it as simple as possible and to make sure suppliers have a good understanding of what we are asking within it.</p>
3.	0% new Mitre 10 Buy Right packaging assessed and documented	<p>Target Achieved.</p> <p>In the reporting year there were the following new Mitre 10 Buy Right product SKUs ranged:</p> <ul style="list-style-type: none"> • 7. <p>In the reporting year there were the following Mitre 10 Buy Right product SKUs deleted:</p> <ul style="list-style-type: none"> • 14. <p>Due to the Mitre 10 Buy Right range still being new (3 years) and contracts long, we have chosen to focus on reviewing existing products in the Buy Right Range.</p> <p>Please see our response to the target below.</p>
4.	25% of existing Mitre 10 Buy Right packaging assessed and documented	<p>On track to achieve target.</p> <p>0% existing Mitre 10 products in 11/12 0% existing Mitre 10 products in 12/13 0% existing Mitre 10 products in 13/14 10.4% existing Mitre 10 products in 14/15</p> <p>During the reporting period, we commenced Packaging Reviews against the SPG for Mitre 10 Buy Right range of own brand products.</p> <p>This year by working with Mitre 10 we have updated the format of our Recommendation letter to make it as simple as possible and to make sure suppliers have a good understanding of what we are asking within it.</p> <p>Further responsibility has been taken on by the Mitre 10 risk, merchandise and marketing teams for implementing the SPG.</p> <p>Discussions are also undertaken in their existing regular meetings, employees are given updates on APC compliance, and are encouraged to attend training and engage with the process.</p>

5.	50% of new Mitre 10 Gard&Grow & MiPro packaging assessed and documented	<p>Target not achieved.</p> <p>At time of our APC Action Plan creation, Gard&Grow and MiPro private label brands were a pending business initiative to commence within a 1-2 year period; however business priorities have since changed. Upon commencement of the new cycle of the APC, our Action Plan will be updated accordingly.</p> <p>Packaging reviews using the SPG did commence for the Buy Right range this reporting year, and Metcash will support Mitre 10 to continue reviewing packaging in the Buy Right range in the future.</p> <p>Mitre 10 did not commence packaging reviews of the Gard&Grow and MiPro ranges.</p>
6.	Attend at least 2 monthly Metcash Food & Grocery Corporate Brands Quality Assurance meetings	<p>Target not achieved.</p> <p>No Quality Assurance meetings were scheduled in 14/15.</p> <p>With the internal restructure of Corporate Brands and Fresh, QA meetings have been discontinued in their former format.</p> <p>Other initiatives to keep Corporate Brands & Fresh informed of the outcomes of packaging reviews and key trends in consumer enquiries were achieved. These include immediate email feedback.</p> <p>Three product labels were referred to Sustainability by Corporate Brands for checking of logos and placement.</p>

14. Describe any constraints or opportunities that affected performance under this KPI

An internal issue that needs resolution surrounds the regular and consistent issuance of Product Specification Forms for review against the Sustainable Packaging Guidelines. Steps are in place to resolve this, and ensure as many as possible products are reviewed in a timely manner.

Monthly Quality Assurance meetings have not occurred within the reporting period. Should they recommence, the Sustainability Team would attend and ensure packaging is on the agenda. Sustainability Team will re-evaluate this KPI to try and work in with existing QA review processes for Metcash's next Action Plan cycle of the Australian Packaging Covenant.

It remains difficult to obtain feedback from our suppliers in follow up of our SPG Recommendation Letter. We plan to commence at least two supplier meetings per year and anticipate that this will result in improvements to packaging sustainability.

Mitre 10

None. Progress has been achieved and Packaging Reviews are underway, as well as an ongoing employee engagement program around APC.

Goal 2: Recycling

KPI 3: % signatories applying on-site recovery systems for used packaging.

15. Do you have on-site recovery systems for recycling used packaging?

- Yes at all facilities/ sites
- Yes at some, but not all facilities/ sites
- No

16. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 3

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Maintain at least 9% recycling rate across Metcash worksites.	<p>Target Achieved</p> <p>Metcash recycled 3,103 tonnes and 34% of total waste in 2014/15.</p> <p>Recycling is comprised of:</p> <p>Cardboard: 2,197 T (5% increase on 13/14). Paper: 179 T (10% decrease on 13/14). Plastic: 625 T (13% increase on 13/14). Co-mingled: 43 T (13% increase on 13/14) Steel / Construction: 14T (40% increase on 13/14). Organics: 45 T (37% decrease on 13/14).</p> <p>Waste to landfill was 6,036 T (3% increase on 13/14).</p> <p>Total waste (sum of all the above): 9,139 T (4% increase on 13/14).</p> <p>Liquid Waste was 37.5 KL (3% increase on 13/14).</p> <p>Note: We re-cast our figures for 2013/14 while completing this 2014/15 report based on improved and more complete data received after the 13/14 report was lodged.</p>
2.	Undertake at least 1 sample waste audit at a Metcash worksite with our waste & recycling contractors to identify & implement improvements	<p>Target achieved.</p> <p>1 waste audit was conducted at a Metcash site.</p> <p>A waste audit was conducted at our DC Canning Vale location in WA, resulting in the re-commencement of cardboard recycling from the chiller warehouse, and the purchase of a new pallet wrap machine that takes thinner gauge plastic.</p> <p>A waste audit tool for this has been developed in house.</p>
3.	Undertake at least 1 sample waste audit at an IGA retailer customer with their waste & recycling contractors to identify & implement improvements	<p>Target not achieved.</p> <p>0 waste audits at IGA retailer customers.</p> <p>The Sustainability Team support program for retailers has been on hold, due to supplier withdrawal. The waste audit tool we have developed will be offered once a new supplier has been secured.</p>

4.	Implement audit identified improvements in at least one Metcash & IGA site	<p>Target achieved.</p> <p>A waste audit was conducted at DC Canning Vale (Perth, WA). As a result of the audit two projects were implemented:</p> <ul style="list-style-type: none"> • Cardboard Recycling <p>A food safety audit several years ago identified that cardboard from the refrigerated warehouses was being disposed of to landfill.</p> <p>After checking with our Food Safety team, recycling of cardboard from the chiller recommenced in April 2015.</p> <ul style="list-style-type: none"> • New Pallet Wrapper <p>To reduce the amount of plastic being used to secure pallets being distributed outbound from our distribution centre, a new pallet wrap machine servicing the dry goods warehouse was introduced.</p> <p>The unit cost was \$90,000 and it is estimated to save \$12,400 pa in pallet wrap and labour savings of 40 seconds per pallet.</p> <p>The old wrap machine used 18um plastic wrap. The new wrap machine uses 14um. It is estimated to save between 20 and 25% of the plastic wrap currently used, in the order of 4.2 tonnes per annum.</p> <p>An additional 2 new pallet wrap units are proposed, for the ALM and CSD warehouses on site.</p>
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17. Describe any constraints or opportunities that affected performance under this KPI

Constraints

During the reporting period, we introduced two new categories of recycling for data capture and reporting - organic waste and steel.

Metcash's waste & recycling contractors use an estimated method to determine a generic tonnes-per-lift rate, which is then used to report back to Metcash total waste and recycling tonnes per worksite. This means our figures are approximate. At the time of establishing the contract, a weight-during-lift service was cost prohibitive.

Our total waste and recycling figures remain under reported. Our worksites have been identified as using contractors outside our two national waste and recycling contractors for a number of waste and recycling streams – for example, for broken racking (steel), and oils and greases from grease traps – which we are not capturing consistently across the business. A project is underway to review the waste & recycling contracts as well as ad-hoc and not captured recycling efforts; such as printer toner recycling in the offices and collection of cans for the SA Social Club.

KPI 4: Signatories implement formal policy of buying products made from recycled packaging.

18. Does your company have a formal policy of buying products made from recycled packaging?

Yes No

Provide details of policies and procedures (including names of policies/ procedures)

Metcash has a number of policies and procedures that guide the purchase of products with recycled content packaging.

The Metcash QA Reference Guide contains minimum requirements for suppliers of Metcash Food & Grocery branded products. It requires that all suppliers should implement the Sustainable Packaging Guidelines.

The Metcash Approved Supplier Program for our corporate branded product requires suppliers to comply with standard guidelines including recycled content of packaging.

Mitre 10's 'Product Specification' ensures the disclosure of the recycled content of product packaging and compliance among Buy Right products is very high. The same method will be used for the product specifications for Gard&Grow and Mi Pro products.

19. Is this policy actively used?

Yes No

20. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 4

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Maintain at least 50% of new Metcash Corporate Brand products reviewed having recycled content tertiary packaging	Target achieved. 61% new products reviewed in 2014 had recycled content tertiary packaging. 100% new products reviewed in 2015 have recycled content tertiary packaging.
2.	Maintain at least 20% of new Metcash Corporate Brand products reviewed having recycled content consumer unit packaging	Target achieved. 21% new products reviewed in 2014 had recycled content consumer unit packaging. 50% new products reviewed in 2015 have recycled content consumer unit packaging.
3.	Maintain at least 50% of Mitre 10 Buy Right existing products having recycled content tertiary packaging	Target achieved. 82% existing products in 2014 had recycled content tertiary packaging. 100% existing products in 2015 have recycled content tertiary packaging.
4.	Maintain at least 20% of Mitre 10 Buy Right existing products having recycled content consumer unit packaging	Target achieved. 46% existing products in 2014 have recycled content consumer unit packaging. 51% existing products in 2015 have recycled content consumer unit packaging.

5.	<p>Maintain at least 50% of new Mitre 10 Gard&Grow and MiPro products reviewed having recycled content tertiary packaging</p>	<p>Target not achieved.</p> <p>0% new products reviewed have recycled content tertiary packaging.</p> <p>At time of our APC Action Plan creation, Gard&Grow and MiPro private label brands were planned to commence, however business priorities have since changed and changes to Gard&Grow and MiPro are on hold. Upon commencement of the new cycle of the APC, our Action Plan will be updated accordingly.</p> <p>During the reporting period, Mitre 10 did not commence packaging reviews of the Gard&Grow and MiPro ranges.</p> <p>Packaging reviews using the SPG did commence for the Buy Right range this reporting year, Metcash will support Mitre 10 to continue reviewing packaging in the Buy Right range in the future.</p>
6.	<p>Maintain at least 20% of new Mitre 10 Gard&Grow and MiPro products reviewed having recycled content consumer unit packaging</p>	<p>Target not achieved.</p> <p>0% new products reviewed have recycled content consumer unit packaging.</p> <p>At time of our APC Action Plan creation, Gard&Grow and MiPro private label brands were planned to commence, however business priorities have since changed and changes to Gard&Grow and MiPro are on hold. Upon commencement of the new cycle of the APC, our Action Plan will be updated accordingly.</p> <p>During the reporting period, Mitre 10 did not commence packaging reviews of the Gard&Grow and MiPro ranges.</p> <p>Packaging reviews using the SPG did commence for the Buy Right range this reporting year, Metcash will support Mitre 10 to continue reviewing packaging in the Buy Right range in the future.</p>

21. Describe any constraints or opportunities that affected performance under this KPI

Metcash relies on the quality of information provided to us by our suppliers about their packaging. The quality of supplier disclosure around the recycled content of consumer unit, secondary and tertiary packaging is limited but improving following the introduction of our revised product specification forms.

Metcash Food & Grocery.

Questions about the recycled content of packaging are included on the product specification form. We have worked to make them as clear as possible. It is hoped that supplier awareness will increase over time.

Mitre 10

The new Buy Right brand product specification form and product specification database capture whether the consumer unit as well as secondary and tertiary packaging contain recycled content, as well as percentage of recycled content.

Other Parts of the Business

Other parts of the Metcash business also have buy-recycled policies and programs as follows;

- The Non-Trade Procurement department have increased the range of recycled content products available in the MetServices Catalogue for our independent retailer customers (such as deli containers, plastic bags etc).
- Metcash Fresh department is undertaking a case study trialling a recycled content PET meat tray. Metcash's Fresh department uses approximately 5 million meat trays per annum. A first trial has commenced at our Rocklea (Brisbane, QLD) warehouse which will use 60,000 PET plastic trays instead of foam each year.
- The relocation of our Sydney offices to One Thomas Holt Drive has resulted in the removal of under desk bins, with communal waste and co-mingled recycling bins at tea stations throughout the facility. The waste & recycling rates will be monitored and be compared for improvements.

Goal 3: Product Stewardship

KPI 6: % signatories with formal processes to work collaboratively on packaging design and / or recycling.

22. Does your company have formal processes in place for collaborating with other companies or organisations on improved packaging designs and/or recycling which aims to reduce or eliminate waste?

- Yes No

Provide details of policies and procedures (including names of policies/ procedures)

Metcash's updated Australian Packaging Covenant Action Plan describes packaging and waste recycling collaborations that are followed.

They are expressed as our targets.

This includes:

- Metcash is participating in the SA Government's Backlight light globe recycling program.
- Onsite audits and litter reviews are held with our national waste & recycling contractors to minimise waste & maximise efficient use of their services.
- Metcash also works closely with our IGA and other retailer customers on waste & recycling efficiencies through development and implementation of an auditing tool.
- Metcash are part of the National working group for the product stewardship of handheld / rechargeable batteries working closely with environment ministers.

23. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 6

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Organise and schedule at least 2 annual meetings with product suppliers to identify packaging & waste/recycling continuous improvement.	<p>Target on track.</p> <p>3 meetings with product suppliers held. 3 outcomes / changes.</p> <p>Metcash has met with key suppliers during the reporting period under the following key forums:</p> <ul style="list-style-type: none"> • Battery Product Stewardship Program • South Australian Backlight Program (light globe recycling) • Onsite meetings with waste & recycling suppliers. <p>The following 3 outcomes have been achieved:</p> <ul style="list-style-type: none"> • 20.6 tonnes of light globes recycled by Backlight in South Australia; • Purchase of a new pallet wrap machine in WA that uses 20% less plastic; • Recommencement of cardboard recycling from the chiller in WA.
2.	Monitor & respond to consumer packaging complaints.	<p>Target achieved.</p> <p>0 consumer packaging issues were lodged and resolved.</p>

24. Describe any constraints or opportunities that affected performance under this KPI

Constraints to working with others on improved design / recycling include:

- Time and resources: a limited amount of time and resources are available to manage sustainable packaging. Available time and resources have been prioritised to ensure product packaging is reviewed, to ensure Mitre 10 is up to speed on how to review product packaging also.
- Availability of suppliers for face to face meetings regarding improved design / recycling.

Opportunities to working with others on improved design / recycling include:

- Further achievements in changing the packaging of our corporate branded products to be more sustainable.

Since July 1 2012 the partnership between Toxfree Australia, Zero Waste SA and Mitre 10 has provided South Australian householders with a convenient and responsible way to recycle waste lighting instead of disposing to landfill. The Backlight Program provides a safe, free and convenient service that has:

- Light globe recycling bins in 57 South Australian Mitre 10 stores.
- Recycled 9.7 tonnes of compact fluorescent bulbs.
- Recycled 10.9 tonnes of fluorescent tubes.
- Recycled a total of 20.6 tonnes of globes.
- Significantly reduced the volume of toxic mercury and general waste (glass, plastic and metal) going to landfill.
- Demonstrates Mitre 10 as a responsible corporate citizen.

KPI 7: % signatories showing other Product Stewardship outcomes.

25. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 7

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	APC annual report outcomes included in the Metcash Annual Report	<p>Target achieved.</p> <p>The Metcash Annual Report 2015 includes the following key information about our APC Annual Report Outcomes:</p> <ul style="list-style-type: none"> • General information about APC. • Awards. • Progress against waste & recycling targets. • Waste totals. • Recycling amounts and totals. • Overview of relationship with Foodbank. • Tonnes of packaged food donated to Foodbank. • Employee goods donation activities. <p>In 2014/15, 236 tonnes of non saleable usable but packaged food was donated to Foodbank, accounting for 314,425 meals to Australians needing food relief. This is a social return on investment value of \$5.4 Million (the broader direct and indirect value from Foodbank's work; Source: Foodbank).</p>

2.	<p>Maintain implementation of Safe Work System Procedure #3.2: Material & Equipment Disposal across all applicable sites</p>	<p>During 2015 the Metcash Safe Work System Procedure #3.2 was decommissioned.</p> <p>This was because such practises have now become so integrated into our Metcash site operational culture, that we no longer needed a separate staff procedure for material and equipment disposal.</p> <p>A renewed focus has been placed on working with our waste and recycling contractors and external consultants to review current practises to ensure correct equipment is in place, provide training to our employees, and better waste and recycling data capture for more accurate reporting. This project is being run between the Non-Trade Procurement team and the Sustainability team.</p>
3.	<p>10% electricity use reduction (like for like) at our 5 distribution centres based on 2012/13 levels</p>	<p>Target achieved.</p> <p>Metcash Overall:</p> <ul style="list-style-type: none"> • 12/13 produced 113,503 T CO2-e; • 14/15 produced 85,527T CO2-e; • A 25% reduction in emissions from electricity consumption. <p>Metcash Distribution Centres:</p> <ul style="list-style-type: none"> • 12/13 produced 47,735 T CO2-e; • 14/15 produced 45,667 T CO2-e; • A reduction of 4.3% overall. <p>The reductions site by site were:</p> <p>DC Canning Vale WA :</p> <ul style="list-style-type: none"> • 12/13 12,416 T CO2-e • 14/15 9,759 T CO2-e • Reduction: 21% <p>DC Crestmead QLD :</p> <ul style="list-style-type: none"> • 12/13 12,034 T CO2-e • 14/15 11,719 T CO2-e • Reduction: 2.6% <p>DC Kidman Park SA :</p> <ul style="list-style-type: none"> • 12/13 3,409 T CO2-e • 14/15 3,110 T CO2-e • Reduction: 8.7% <p>DC Laverton VIC :</p> <ul style="list-style-type: none"> • 12/13 12,093 T CO2-e • 14/15 11,516 T CO2-e • Reduction: 4.8% <p>DC Huntingwood NSW :</p> <ul style="list-style-type: none"> • 12/13 7,783 T CO2-e • 14/15 9,563 T CO2-e • Increase of 22.8% <p>Target was not achieved at our distribution centres because our newest DC - DC Huntingwood - had not reached full operational capacity in the baseline year (12/13). A \$75 million robotic picking system was commissioned for liquor distribution in September 2014 with a similar robotic picking system in food and grocery following early in 2015.</p>

4.	Complete review of NZ experience and present report to Metcash Exec Sustainability Committee	<p>Target Achieved.</p> <p>Metcash has a relationship with NZ based company Foodstuffs, through a JV tendering firm, Metfoods.</p> <p>Foodstuffs have trialled a waste and recycling program for their retailer customers. As a result, bulk tendering and broking services in for waste & recycling were secured for Pak & Save, New World and Four Square.</p> <p>Foodstuffs aimed to include 100 stores in brokered waste & recycling deal by end 2015. Average financial saving per store per month is \$2000.</p> <p>While the initiative generated valuable learnings for Metcash, it is not directly replicable in Australia because:</p> <ul style="list-style-type: none"> • Australia is much larger, our retail customers are geographically diverse and remote. • Australia has a mature waste & recycling industry is mature and it doesn't have new entrants effecting price.
5.	Attend all meetings of the AFGC recyclability labelling working group	<p>Target Achieved.</p> <p>The group has ceased meeting as the recyclability labelling scheme is now in operation, through the collaboration of Green Chip, PREP and Planet Ark, under the name of Australian Recycling Logo.</p>

26. Since the beginning of the reporting period, has your company had any other outcomes related to product stewardship?

Yes No

If yes, please give examples of other product stewardship outcomes

NATIONAL INITIATIVES

Reusable Delivery Crates

Metcash convenience utilises re-usable plastic totes to deliver orders to company owned, company operated BP metro customers. This has the following results:

- NSW save 49,896 cartons & \$34,927 pa (commencing March 2015).
- WA save 25,395 cartons & \$17,776 pa.
- Calculations are based on 70c per cardboard box.

Follow Me Secure Printing

A new system of centralised printing reduced the Metcash printer fleet. Follow-me printing requires employees to walk to the printer and release their print jobs. It has been rolled out at key worksites across the country.

This resulted in savings of:

- \$371,136 pa.
- 6,187,200 sheets of paper pa.
- 12,374 reams of paper pa.

Foodbank

In 2014/15, Metcash donated non saleable, usable packaged food to Foodbank. Key results:

- 236 tonnes of packaged food donated;
- 314,425 meals to Australians needing food relief;
- A social return on investment value of \$5.4 Million (Source: Foodbank).

Metcash's Sustainable Retailer of the Year Award

As part of the IGA Retailer of the Year Awards, Metcash commenced a Sustainable Store award in 2013 for its IGA/Foodland retailer network to encourage product stewardship, which is a criteria for the award.

National Waste Contract Management Investigation

Metcash has commenced a review into waste & recycling to improve reporting, collection and recycling rates, and to reduce waste costs.

On site waste audits are being conducted as part of the process, which should also result in improvements in our data and reporting.

Reduction of Electricity at Distribution Centres

Metcash's electricity consumption target for its five distribution centres was to reduce electricity consumption by 10% based on 12/13 levels, to be achieved by 2015.

Metcash Overall:

- 12/13 produced 113,503 T CO2-e;
- 14/15 produced 85,527T CO2-e;
- A 25% reduction in emissions from electricity consumption.

Metcash Distribution Centres:

- 12/13 produced 47,735 T CO2-e;
- 14/15 produced 45,667 T CO2-e;
- A reduction of 4.3% overall.

Our target was not achieved, because our newest distribution centre DC Huntingwood only reached full operational capacity in early 2015.

STATE INITIATIVES

Bin Trim

Metcash shared information with our NSW retailer customers about the free waste audits and grant funding offered by the NSW EPA to encourage participation.

The Bin Trim program offers small businesses a free waste & recycling audit from an accredited assessor. Also offered is a grant of up to \$25,000 to spend on equipment to improve waste & recycling management at the sites.

Participation in BackLight Program

The South Australian Backlight Program commenced on 1st July 2012 funded by the Green Industries Office SA with support from ToxFree Australia. BackLight provides South Australian householders with a convenient and responsible way to recycle their waste lighting instead of disposing to landfill.

57 Mitre 10 retailer customer stores across South Australia are participating in the program and have collectively recycled:

- Compact Fluorescent Lamps: 9.67 tonnes
- Fluorescent Tubes: 10.95 tonnes
- TOTAL: 20.62 tonnes

SITE INITIATIVES

Metcash IGA Conference & EXPO Food Donations

Each year thousands of people attend the national Metcash-IGA conference and EXPO on the Gold Coast. The conference and EXPO runs over 3 days, with suppliers donating non saleable, usable product to Oz Harvest and Food Bank at the conclusion of the event.

The 2015 EXPO generated the following donations:

- Oz Harvest (including Rosie's): 5.8 tonne.
- Food Bank: 25.4 tonne.
- Total Donation: 31.2 tonne.

New Head Office Waste & Recycling Systems

The 600 person, new, Green Star certified head office of Metcash at 1 Thomas Holt Drive, Macquarie Park opened in October 2015.

The site operates as an almost paperless office, and implements waste & recycling systems including:

- Only under desk paper recycling bins, no general waste;
- Secure 'follow-me' printing;
- No document storage facilities (filing cabinets, etc);
- Central recycling stations at tea points, kitchenettes, and full kitchens that include waste to landfill and co-mingled recycling bins;
- All under desk and recycling station bins are clearly labelled and communication has gone out to all staff about their correct use.

PET Recyclable Meat Tray Trial

Commencing December 2015, our QLD fresh produce warehouse commenced using 100% recyclable PET plastic meat trays for packaging of approximately 360,000 packages of products per annum, 6% of total site production.

PET trays have been very well received by our retailer customers; and by consumers.

We estimate that we will avoid contributing 400,000 p.a. non-recyclable trays into the market place; a reduction in non recyclable landfill waste of 3.5 tonnes.

For this trial project, 10 different sizes from 2 suppliers are being purchased. Pricing is about 50% more for PET than EPS foam trays.

27. Describe any constraints or opportunities that affected performance under this KPI

Constraints

It can be difficult to set absolute targets in a company which is so fluid, in terms of acquisitions, divestment, site openings, and closures.

Opportunities

In the new iteration of the Packaging Covenant, opportunity exists to set forward targets on our distribution centres - which are our most permanent sites.

Opportunity also exists to re-commence participation in activities like Clean Up Australia day to highlight the product stewardship issues of being a brand owner to our Metcash staff.

KPI 8: Reductions in packaging items in the litter stream.

28. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 8

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Include requirement for recycling or disposal information to be displayed on product labelling; in supplier agreement	<p>Target achieved.</p> <p>Recycling or disposal logo or information is now required on product packaging for our corporate branded Metcash Food and Grocery & Mitre 10 product specification forms. Recycling or disposal information is also required as per Metcash Food & Grocery & Mitre 10 supplier agreements.</p> <p>Metcash is assessing the use of the Australian Recycling Logo, which provides the consumer more detailed, per component packaging recycling/disposal information.</p>

2.	Review space fill current practise for shipping cartons at least at one sample site, review options, implement more environmentally friendly option	<p>Target achieved.</p> <p>1 site reviewed for space fill. 1 change. 7 Tonne reduction in downstream waste.</p> <p>In July 2015, a new process was initiated at our QLD distribution. Secure destruction by shredding of sensitive documents was brought in house, and then the shredded paper was re-used for the packaging of orders from the on site Liquor warehouse.</p> <p>This project:</p> <ul style="list-style-type: none"> • reduces the cost of secure paper destruction; • reduces the cost of recycling paper; • reduces the costs of packaging liquor warehouse orders; • follows the waste hierarchy by re-using; • reduces the amount of waste/recycling produced by the site; • increased staff engagement; • re-uses 7 tonnes per annum of paper waste.
3.	Annual participation in Business Clean Up Day completed and reported	<p>Target not achieved.</p> <p>0 Metcash worksites participated in Business Clean Up Day 2015.</p> <p>0 Mitre 10 worksites participated in Business Clean Up Day 2015.</p> <p>0 bags of litter were collected and disposed of / recycled.</p> <p>0 employees participated.</p>
4.	<p>Identify areas with litter issues.</p> <p>Notify staff of requirement to change behaviour.</p> <p>Co mingle & waste bins at at least 10 of our worksites.</p>	<p>Target on track.</p> <p>There were no sites identified as having a litter problem during the reporting period. This could be due to having well placed and an appropriate number of bins at our worksites, as well as working with food safety requirements which do not allow litter.</p> <p>6 worksites have co mingle bins.</p>

29. Describe any constraints or opportunities that affected performance under this KPI

Constraints

Participation in Clean Up Day for 2015 was hindered. One site had been registered to participate, however industrial action meant that it could not proceed as planned.

Opportunities

A full review of the Metcash current waste & recycling contract services is underway. It is likely this will result in replication of good recycling programs - including availability of co-mingled recycling bins.

Training sessions and improved equipment for minimising waste to landfill and maximising re-use and recycling have resulted in Metcash work sites having no identifiable littering issues from employees.

Your Experiences

This section lets you share with us any achievements, good news stories and areas of difficulties in making progress against your plan and the Covenant goals and KPIs.

30. Key achievements or good news stories

NATIONAL INITIATIVES

Reusable Delivery Crates

Metcash convenience utilises re-usable plastic totes to deliver orders to company owned, company operated BP metro customers. This has the following results:

- NSW save 49,896 cartons & \$34,927 pa (commencing March 2015).
- WA save 25,395 cartons & \$17,776 pa.
- Calculations are based on 70c per cardboard box.

Follow Me Secure Printing

A new system of centralised printing reduced the Metcash printer fleet. Follow-me printing requires employees to walk to the printer and release their print jobs. It has been rolled out at key worksites across the country.

This resulted in savings of:

- \$371,136 pa.
- 6,187,200 sheets of paper pa.
- 12,374 reams of paper pa.

Foodbank

In 2014/15, Metcash donated non saleable, usable packaged food to Foodbank. Key results:

- 236 tonnes of packaged food donated;
- 314,425 meals to Australians needing food relief;
- A social return on investment value of \$5.4 Million (Source: Foodbank).

Metcash's Sustainable Retailer of the Year Award

As part of the IGA Retailer of the Year Awards, Metcash commenced a Sustainable Store award in 2013 for its IGA/Foodland retailer network to encourage product stewardship, which is a criteria for the award.

National Waste Contract Management Investigation

Metcash has commenced a review into waste & recycling to improve reporting, collection and recycling rates, and to reduce waste costs.

On site waste audits are being conducted as part of the process, which should also result in improvements in our data and reporting.

Reduction of Electricity at Distribution Centres

Metcash's electricity consumption target for its five distribution centres was to reduce electricity consumption by 10% based on 12/13 levels, to be achieved by 2015.

Metcash Overall:

- 12/13 produced 113,503 T CO₂-e;
- 14/15 produced 85,527 T CO₂-e;
- A 25% reduction in emissions from electricity consumption.

Metcash Distribution Centres:

- 12/13 produced 47,735 T CO₂-e;
- 14/15 produced 45,667 T CO₂-e;
- A reduction of 4.3% overall.

Our target was not achieved, because our newest distribution centre DC Huntingwood only reached full operational capacity in early 2015.

STATE INITIATIVES

Bin Trim

Metcash shared information with our NSW retailer customers about the free waste audits and grant funding offered by the NSW EPA to encourage participation.

The Bin Trim program offers small businesses a free waste & recycling audit from an accredited assessor. Also offered is a grant of up to \$25,000 to spend on equipment to improve waste & recycling management at the sites.

Participation in BackLight Program

The South Australian Backlight Program commenced on 1st July 2012 funded by the Green Industries Office SA with support from ToxFree Australia. BackLight provides South Australian householders with a convenient and responsible way to recycle their waste lighting instead of disposing to landfill.

57 Mitre 10 retailer customer stores across South Australia are participating in the program and have collectively recycled:

- Compact Fluorescent Lamps: 9.67 tonnes
- Fluorescent Tubes: 10.95 tonnes
- TOTAL: 20.62 tonnes

SITE INITIATIVES

Metcash IGA Conference & EXPO Food Donations

Each year thousands of people attend the national Metcash-IGA conference and EXPO on the Gold Coast. The conference and EXPO runs over 3 days, with suppliers donating non saleable usable product to Oz Harvest and Food Bank at the conclusion of the event.

The 2015 EXPO generated the following donations:

- Oz Harvest (including Rosie's): 5.8 tonne.
- Food Bank: 25.4 tonne.
- Total Donation: 31.2 tonne.

New Head Office Waste & Recycling Systems

The 600 person, new, Green Star certified head office of Metcash at 1 Thomas Holt Drive, Macquarie Park opened in October 2015.

The site operates as an almost paperless office, and implements waste & recycling systems including:

- Only under desk paper recycling bins, no general waste;
- Secure 'follow-me' printing;
- No document storage facilities (filing cabinets, etc);
- Central recycling stations at tea points, kitchenettes, and full kitchens that include waste to landfill and co-mingled recycling bins;
- All under desk and recycling station bins are clearly labelled and communication has gone out to all staff about their correct use.

PET Recyclable Meat Tray Trial

Commencing December 2015, our QLD fresh produce warehouse commenced using 100% recyclable PET plastic meat trays for packaging of approximately 360,000 packages of products per annum, 6% of total site production.

PET trays have been very well received by our retailer customers; and by consumers.

We estimate that we will avoid contributing 400,000 p.a. non-recyclable trays into the market place; a reduction in non recyclable landfill waste of 3.5 tonnes.

For this trial project, 10 different sizes from 2 suppliers are being purchased. Pricing is about 50% more for PET than EPS foam trays.

31. Areas of difficulties in making progress against your plan, Covenant goals or KPIs

At time of our APC Action Plan creation, Gard&Grow and MiPro private label brands were a pending business initiative to commence within a 1-2 year period; however business priorities have since changed. As a result, Mitre 10 did not commence packaging reviews of the Gard&Grow and MiPro ranges.

Quality Assurance meetings ceased in the reporting year and as such none were attended.

We continue to have low engagement rates with suppliers to initiate changes identified in packaging reviews following the SPG's.