

KAILIS BROS



Kailis Bros Pty Ltd

Australian Packaging Covenant Action Plan for May 2011 to June 2015





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1. Executive Summary

In August 2010 Kailis Bros Pty Ltd became a signatory to the Australian Packaging Covenant (APC). According to the terms of the Covenant, Kailis Bros is defined as a 'brand owner / Packaging user' within the packaging supply chain. As a signatory, Kailis Bros best endeavours to adhere to and take action on the requirements as outlined in the APC.

Kailis Bros Pty Ltd is committed to reducing the adverse effects of packaging waste on the environment and we continue to seek out the best economical, technical, safe and more environmentally sustainable packaging solutions.

Kailis Bros Pty Ltd is committed to waste reduction and identifying viable ways to recycle or re-use packaging products without compromising the food safety and integrity of our product.

This Action Plan has been prepared for Kailis Bros Pty Ltd as required by the revised Australian Packaging Covenant (1 July 2010). The overall aim of this Action Plan is to improve packaging design and contribute towards increased recycling.

We would like to achieve this through supplying more bulk loads in our Business to Business transactions, looking to minimise packaging usage, reduce packaging quantity per SKU, and to carry out where possible the reuse of packaging, and increase our effectiveness in recovering and recycling packaging including production waste, tertiary and other forms of 'back door waste'.

This Action Plan will run for a period of four years from the date of submission in May 2011 until June 2015. An Annual Report will be prepared each year detailing progress on actions taken towards achieving the targets, and how the data requirements are met.

This is an opportunity for us as a company to incorporate a review mechanism of our existing packaging against the Sustainable Packaging Guidelines (SPG) to effectively implement better packaging design and recycling options for new products.

Nicholas Kailis
Managing Director

2. Company Background

Kailis Bros Pty Ltd is one of Australia's largest and most awarded family-owned seafood and food organisations. Established in 1926 the company's production facility is based at 23 Catalano Road, Canning Vale; Western Australia. The name Kailis Bros is synonymous with seafood and throughout the food industry. With offices in Melbourne, Victoria; Sydney New South Wales; Brisbane, Queensland; Processing sites at Canning Vale, Geraldton and Fremantle and an extensive network of national and international affiliations has enabled Kailis Bros to develop global expertise in all facets of the food industry.

Kailis Bros products and services are extensively tested to meet the expectations of our customers. As a quality accredited organisation, Kailis Bros is recognised for the outstanding standards of its products and services.

The business employs in excess of 576 personnel; with over 210 staff in the seafood processing operation. The company's integrated divisions operate in all levels of the supply chain including;

KAILIS BROS Seafood Catching, Procurement, Processing and Marketing also trades as:

- **National Fisheries** Lobster and Seafood Exports
- **KAILIS BROS National Trading** Food Importing and Trading
- **KAILIS BROS Fish Markets and Café** Retailing, Dining and Supermarket Supply Services
- **KAILIS BROS Food Services** Total Food Services and Logistics.
- **A.J. Langford Pty Ltd** Seafood Auction

An integrated approach has enabled Kailis Bros to maximise 'supply chain' efficiencies whilst maintaining a passion for quality and customer service. True to our origins over 80 years ago, we remain committed to providing products and services that exceed our customer's expectations.

3. Covenant Contact Officer

The appointed Covenant Officer is:

Mrs Ruth Umbrello
Quality Assurance Manager –Compliance & Training
Kailis Bros Pty Ltd
Locked Bag 5
Canning Vale
Western Australia

T: 08 9455 8500

F: 03 9455 2556

Email: ruthu@kailisbros.com.au

The Covenant Officer is responsible for overseeing the implementation of this Action Plan.

4. Our brands, products and associated packaging

Kailis Bros APC Action Plan aims to focus on the following brands manufactured and distributed from its Canning Vale facility:

- Clipper K
- Kailis Bros
- Lobstar
- 5 Star

Kailis Bros has a variety of fresh and frozen whole fish, fillets, fresh and frozen crustaceans, cooked fresh and frozen crustaceans, fish portions and other seafood consumer products in the market.

Fresh fish are received from local fishermen in re-usable plastic tubs. For instance, Atlantic Salmon is received in white polystyrene foam cartons. Some of these polystyrene cartons are re-used in our production facility. Fresh fish (whole & fillets) are processed and supplied in cardboard cartons containing plastic liners with ice packs (Hydrated gel packs). Live lobsters are supplied in polystyrene cartons with wood shavings and gel packs. These products are supplied in bulk loads into our businesses and customers.

Most value-added products are packed fresh or frozen in plastic pouches of varying size or into modified atmosphere packaging (MAP) plastic trays with brand labels applied on the surface. Our MAP products have consumer facing packaging, and are sold at retail level.

This Action Plan will have a focus on the review all of the packaging associated with supplying MAP product into supermarkets and to the consumer.

The majority of our packaging waste comes from our wet processing facility in Canning Vale Western Australia. Fishermen supply fresh fish and seafood in re-usable lidded plastic tubs with minimum packaging waste (some have plastic liners). As mentioned above fresh fish is also received in polystyrene (foam) cartons.

Overall Packaging waste:

- | | | |
|---------------------|----------------------|--------------------|
| • Plastic bags | • Plastic containers | • Lids |
| • Buckets | • Plastic drums | • Nylon strapping |
| • Labels | • Broken pallets | • Dividers & lids |
| • Polystyrene boxes | • Cardboard cartons | • Plastic pouches |
| • Stretch wrap | • Trim waste | • Cellophane sheet |
| • Salt bags | • Lid film | • Elastic bands |
| • Plastic trays | • Bubble wrap | |

Supply to Supermarkets packaging waste:

- | | | |
|--|---------------------------|----------------------|
| • Cardboard Cartons (wax coated) | • Shelf ready trays | • Stretch wrap |
| • Cardboard inserts (where applicable) | • Assorted vacuum pouches | • Thermasorb soakers |
| • Polystyrene boxes & lids | • Poly liners | • Hydrated gel packs |
| • Cardboard Cartons (plain) | • Labels | • Tape |
| • Lidding film | | |

Post consumer packaging waste:

- Shelf ready trays
- Thermasorb soakers
- Labels
- Lidding film

5. Action Plan Management & Responsibilities: May 2011- July 2015

Kailis Bros has developed this Action Plan to address both the Covenant Product Stewardship Categories and the Covenant Key Performance Indicators.

Kailis Bros’s Action Plan outlines how the company proposes to implement and measure the actions and commitments under the Covenant.

This Action Plan is for a four-year period, from May 2011 until July 2015.

Implementation – Kailis Bros APC Cross functional team will carry overall responsibility for the direction of the Action Plan.

Cross Functional Team	Responsibility
Phil Hobbs	Finance Manager
Peter Mirco	Operations Manager: Food Service & Logistics
Tony Bull	Purchasing Manger
Paul Rayment	Operations Manager - Branded Purchasing & Inventory
Cam Ferris	Processing Manager
Ryan Fuller	Export Sales & Lobster Production Manager
Gillian Parton	Quality Assurance Manager - National
Ruth Umbrello	Quality Assurance Manager –Compliance & Training
Justin Piper	Information Technology Manager
Toby Abbott	Fresh Fish Trading Assistant
Brett O’Donnell	Supply & Sales Manager

6. Schedule for packaging reviews:

As mentioned in section 4 of this plan, we have various packaging materials used within our production facility at Canning Vale. We've grouped our packaging into the following:

1. Modified Atmosphere Packaging
2. Vacuum packaging
3. Secondary and tertiary packaging
4. Bought in during procurement of raw materials.

Existing Packaging Review:

Although this Action Plan has a focus on the review of all the packaging associated with supplying Modified Atmosphere Packaging (MAP) product into supermarkets and to the consumer, we aim to review the above mentioned groups within the next four years completing in July 2015.

We will commence the review of all MAP Packaging immediately, and hope to complete the review by 31st October 2013.

New Packaging Review:

Kailis Bros Pty Ltd aims to develop a process to review all new packaging as part of the New Product Development process by 31st October 2014.

7. Action Plan KPI summary table

Goal 1. Design: Optimise packaging to achieve resource efficiency and reduce environmental impact without compromising product quality and safety

KPI 1 Proportion of signatories in the supply chain implementing the SPG for design or procurement of packaging

Actions	Responsibility	Baseline data	Target or performance goal	Timeline/ Milestones (MM/YY)	Evidence collected
Establish APC team for packaging reviews	Covenant contact officer / Cross Functional Team	No team currently in place	Initiate team and delegate responsibilities	31 st October 2011	Meeting Minutes (20/06/2011)
Develop a process to review existing MAP Packaging taking into account Sustainable Packaging Guidelines (SPG).	Quality Assurance & Production Managers	No process currently in place	Document review of all existing MAP Packaging as per SPG.	31 st October 2013	Documented MAP packaging review.
Ensure all new packaging takes into account Sustainable Packaging Guidelines.	Quality Assurance & Production Managers	No process currently in place	Document a procedure for new packaging taking into account the SPG; and commence review for new packaging.	31 st October 2014	Documented Packaging review
Develop a process to review all existing Packaging (Vacuum Packaging, Secondary & tertiary packaging) taking into account Sustainable Packaging Guidelines (SPG).	Quality Assurance & Production Managers	No process currently in place	Document review of existing Packaging as per SPG.	31 st July 2015	Documented existing packaging review.
Design all new packaging to SPG guidelines	Quality Assurance/Marketing/ Production Managers	No process currently in place	100% of all new packaging being reviewed	31 st July 2015	Completed reviews

Goal 2. Recycling: The efficient collection and recycling of packaging

KPI 3. Proportion of signatories with on-site recovery systems for recycling used packaging

KPI 4. Proportion of signatories with a policy to buy products made from recycled packaging

Actions	Responsibility	Baseline data	Target or performance goal	Timeline/ Milestones (MM/YY)	Evidence collected
Determine baseline data for all onsite recycling (used packaging, paper, plastic, wet waste, other)	Covenant contact officer / APC Cross functional team	No baseline data	Collect data for all onsite recycled packaging materials.	31 st October 2011	Data
Determine baseline data for recycled content of existing packaging.	Covenant contact officer / Production Managers	No baseline data	Collect baseline data for all packaging	31 st October 2011	Meeting Minutes
Determine industry best practice for recycled packaging	Covenant Contact Officer	No data onsite	Collect Information on industry best practice for all packaging types	31 st October 2011	Data.
Determine opportunities to recycle, re-use or return to supplier.	Covenant contact officer / APC Cross functional team	Nil	Recover all recyclable materials in house, re-use packaging where possible, and return packaging to supplier for re-use	31 st October 2012	Meeting minutes, waste data. Supply contracts.
Determine opportunities to source packaging products manufactured from recycled packaging.	Purchasing & Production team	Nil	Develop Policy to buy products made from recycled packaging	31 st October 2014	Policy & Supplier / Contractor agreements.

Goal 3. Product stewardship: A demonstrated commitment to product stewardship by the supply chain and other signatories

KPI 6 Proportion of signatories that have formal processes for working with others to improve design and recycling of packaging

KPI 7 Proportion of signatories demonstrating other product stewardship outcomes

KPI 8 Reduction in the number of packaging items in litter

Actions	Responsibility	Baseline data	Target or performance goal	Timeline/ Milestones (MM/YY)	Evidence collected
Determine opportunities to increase recycled content of new and existing packaging	Covenant contact officer / APC Cross functional team	No baseline data	100% of all new packaging being reviewed, develop formal process to include SPG at packaging design stage	31 st October 2014	Completed review.
Consider SPG in all supply contracts.	Covenant contact officer / Purchasing team	No formal process currently in place	Develop formal process to ensure SPG are considered in all new supply agreements.	31 st October 2014	Supplier / contractor agreements.
Waste collection and contracts as per Goal 2 .					
Opportunities to recycle re-use or return to supplier as per Goal 2 .					