



SWS No. 3.20
Material & Equipment
Disposal

1. PURPOSE

To ensure the safe and environmentally sound disposal of materials and equipment from Metcash Trading Limited.

2. SCOPE

This procedure applies to all cases of materials and/or equipment disposal within any part of Metcash Trading Limited operations.

3. DEFINITIONS

'Disposal' shall mean sale, donation or removal to a waste reception centre or recycling facility.

'Material & Equipment' means any kind of waste from the business which may include plant, machinery, plastics, broken glass, damaged goods etc...

4. ROLES & RESPONSIBILITIES

4.1 Operations Manager

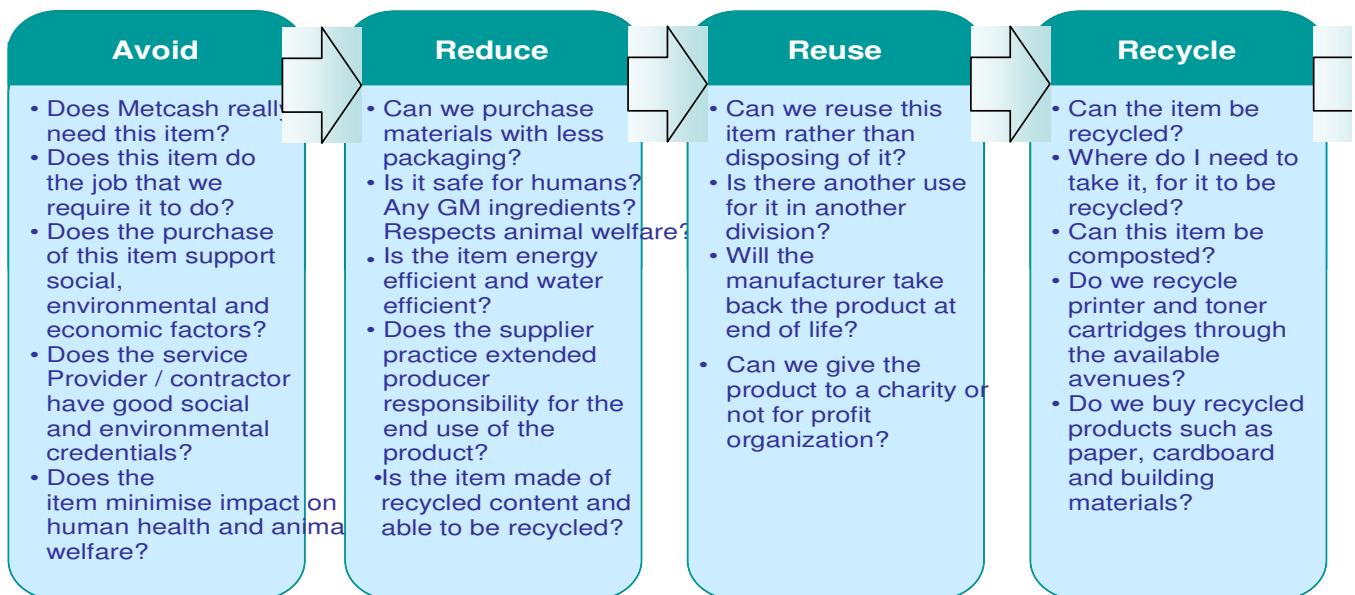
It is the responsibility of the Operations Manager to implement the Company's material and equipment disposal policy.

4.2 Employees

To ensure that all materials are placed in the relevant marked and signed areas or receptacles for disposal and to comply with all requirements for the proper disposal of those materials or equipment.

5. PROCEDURE

To determine how the material / equipment should be disposed of, staff should ask the following questions.



SWS No. 3.20
Material & Equipment
Disposal



5.1 Introduction

The procedures aim to:

- Follow the waste hierarchy and first Avoid, Reduce, Reuse, Recycle, then Remove waste safely from sites in accordance with legislative requirements
- Reuse, Recycle then Remove from sites, superseded plant and equipment which contribute to potential risks/hazards
- Protect the environment both on site and at disposal

5.2 General Requirements

- Advice should be sought from appropriate government departments (e.g EPA) on the disposal of wastes arising from incidents involving the spillage or leakage of dangerous substances. Material Safety Data Sheets also provide advice on spillage cleanup and disposal.
- The first point of contact should be the Operations Manager.
- All contracts for the disposal of plant and equipment shall be reviewed by the Operations Manager in consultation with OHS Manager.
- A record of the transaction shall be maintained on site in accordance with Metcash Trading Limited documentation retention and storage policies.

5.3 Procedure for Material and Equipment Disposal

5.3.1 Determine type of material or equipment to be disposed

Material and Equipment generated from the Metcash business falls broadly into the following categories:

- Recyclable materials e.g. plastic, glass, cardboard.
- Damaged Goods e.g. Dry groceries, perishable goods and alcoholic beverages.
- Equipment e.g. office faxes, photocopiers, computers, or warehouse forklift, pallet jack machinery for example.

5.3.2 Ensure material or equipment is stored in appropriate area and in correct receptacle

- Ensure that appropriate receptacles for the site are available. Our national waste and recycling contractor is able to provide a range of recycling solutions, including a co-mingled service (cardboard, plastic, glass, tin, aluminium in the one bin) and organics / food waste.
- Ensure receptacles are appropriately signposted.
- Recyclable materials:
- Glass in approved and adequately marked glass bins or co-mingled bin
- Plastics in plastics only bins or co-mingled bin and baled if site has plastics baling machine as per the national recycling contract
- Cardboard/Paper in cardboard/paper bins or co-mingled bin and baled if the site has a baling machine, as per the national recycling contract
- Residual non-recyclable waste in the general waste bins
- Damaged Goods:
- Staff should attempt to recover damaged stock to a wholesale unit, e.g. 3 cartons with damaged units could be made into 2 whole cartons. This includes replacing damaged items with similar but not the same, e.g. 3 cans of Sprite could make up 21 cans of Coke to a full case.
- Items less often damaged, or in smaller quantities should be made into mixed pallets and sold at discount to selected supermarkets.
- Damaged product that is not saleable, but still is wholesome is donated to an appropriate charity, e.g. Foodbank, OzHarvest, the Salvation Army or the RSPCA.

SWS No. 3.20
Material & Equipment
Disposal



- Damaged product that is not wholesome or saleable, where practical, should be separated from container, with food going in the Organics bin and the container going in the Co-mingle bin. Where not practical to separate the item goes in the General Waste bin.
- If dangerous, stored in appropriate allocated quarantine area and adequately bunded area on site.
- Equipment:
 - Should be purchased / replaced with a view to reuse, recycling, or end of life takeback by the supplier.
 - Should be donated if still useable to an appropriate charity e.g. Salvation Army.
 - Stored and packed in designated area for site.

5.3.3 Follow internal procedures for adjusting material & equipment out of Metcash systems

- All materials that are classified as damaged goods and all equipment must be adjusted from any Metcash systems before they are disposed of.
- All Damaged goods must be reported to the inventory department and adjusted out of the stock holdings for the site. In addition, any paperwork required to dispose of the goods must be completed and suppliers where necessary contacted for credit and approval as required.
- All equipment to be disposed must be assessed by either the commercial or administration manager to write of the equipment from the company asset register before disposal.

5.3.4 Obtain Internal Approval from Site Operations Manager

- The site operations or branch manager must ensure that all materials and equipment has been stored and being disposed if in the correct receptacle and all necessary adjustments made to take out the damaged goods and/or equipment from Metcash systems before approving the disposal of the materials and/or equipment.

5.3.5 Contact Provider for disposal of Material and Equipment

- Contact the appropriate contracted provider to take the material and/or equipment from the site and ensure that a record of the disposal transaction is kept for records.

6. RECORDS/ DOCUMENTATION

Register of Materials and Equipment disposed

7. REFERENCES

Nationally Applicable

Protection of the Environment Operations Act 1993
Australian Packaging Covenant

Applicable to Victoria:

Vic OHS Act 2004
Victorian Occupational Health & Safety Plant Regulations 1995
Environmental Protection (Prescribed Wastes) Regulations 1998

Applicable to Tasmania

Workplace Health and Safety Act 1995
Workplace Health and Safety Regulation 1998

Applicable to NSW

Occupational Health and Safety Act 2000

SWS No. 3.20
Material & Equipment
Disposal



Occupational Health and Safety Regulation 2001
Protection of the Environment Operations (Waste) Regulation 2005
Waste Avoidance and Resource Recovery Act 2001

Applicable to A.C.T

Occupational Health and Safety Act 1989
Environmental Protection Act 1997
Litter Act 1977
Waste Minimisation Act 2001
No Waste to Landfill by 2010 Strategy

Applicable to Queensland

Workplace Health and Safety Act 1995
Workplace Health and Safety Regulations 1997
Environmental Protection (Waste Management) Regulation 2000

Applicable to South Australia

Occupational Health, Safety and Welfare Act 1986
Occupational Safety and Health Regulation 1996
Environmental Protection (Waste to Resource) Policy 2010

Applicable to Western Australia

Occupational Safety and Health Act 1984
Occupational Safety and Health Regulations 1996
Health (Treatment of Sewage and Disposal of Effluent and Liquid Waste) Regulations 1974

Applicable to Northern Territory

Work Health Act
Work Health (Occupational Health and Safety) regulations
Waste Management and Pollution Control Act 1999

Applicable to Tasmania

Environmental Management and Pollution Control Act 1994

8. RESOURCES

www.workcover.nsw.gov.au/
www.comcare.gov.au/
www.nohsc.gov.au/
www.whs.qld.gov.au/index.htm
www.safetyline.wa.gov.au/
www.workcover.vic.gov.au/
www.wst.tas.gov.au/
www.workcover.com/ (south Australia)
www.worksafe.nt.gov.au



Metcash National Packaging Covenant Results

**Action Plan #5
Year 4 (of 5 year plan)
1st July 2008 to 30th June 2009**

1.1 TABLE OF CONTENTS

1.1	TABLE OF CONTENTS.....	2
1.2	INTRODUCTION	3
1.3	EXECUTIVE SUMMARY.....	4
	Table 1 Metcash Summary action plan from 2009 onwards.....	4
1.4	COMPANY PROFILE	5
	Table 2. Metcash business pillars	5
	Table 3. Typical local packaging material usage for 2008/09 for Metcash corporate brand products.....	5
1.5	OBJECTIVES.....	6
1.5.1	EXISTING	6
	A) Improve the national waste management and recycling system across Metcash sites.....	6
	B) Create a better integrated recovery recycling system for regional/ metro retail networks.....	6
	C) Continue process of review of corporate brand designed items at product reviews	6
	D) Continue to use the Environmental Code of Practice for Packaging	6
1.5.2	NEW	6
	E) Sustainability policy and project initiatives	6
	F) Integrate and update product specification database	7
	G) Formation of the Metcash Environmental Sustainability Committee (MESC)	7
1.6	RESULTS.....	8
	Figure 1 Total Number of Metcash Corporate product SKU's	8
	Figure 2 Local and imported packaging.....	8
	Figure 3 Product to Packaging ratio and % of sales from non recyclable packaging	9
	Figure 4 Packaging material (local + imported) usage comparison 2007/08 vs 2008/09	10
	Figure 5 Total recovered recyclables	11
1.7	INITIATIVES AND CHALLENGES	12
1.7.1	INITIATIVES.....	12
1.7.2	CHALLENGES	12
	Internal challenges	12
	External challenges	12
1.8	METCASH ACTION PLAN 2008-2009.....	13
1.9	NATIONAL PACKAGING COVENANT CONTACT	16
1.10	CEO ENDORSEMENT	17

1.2 INTRODUCTION

Metcash have been a National Packaging Covenant MK II (NPC) member since 23rd September 2005. Metcash group continues to actively fund the NPC Transitional Arrangements Contributions since 2000. To date, Metcash has committed funding in the total of \$800,000 as well as in substantial in-kind internal and external resources to NPC related activities.

The results reported in IDAS and contained within this report highlight our progression towards achievement of our goals as outlined in our 5 year (2005-2010) plan.

The CEO of Metcash Trading Limited has endorsed this report.

We have improved the sustainability of our packaging by implementing a step by step approach which exceeds NPC Mark II requirements. With the vision of empowering our people and supporting our community; we are integrating consideration of environment and community into core business, from CEO to every single employee in the business.

In late 2008, the Metcash Environmental Sustainability Committee (MESC) was established with senior executives including the CEO as members. Metcash also employed a Sustainability Manager in 2008 and in August 2009 employed a specialised Sustainable Packaging Technologist to coordinate the implementation of sustainable corporate branded products.

This report outlines achievements made in the last financial year, as well as indicating the future projects, such as working to align with the iteration four of the industry standard Product Information Form. Targets have been assigned and reported against for on going projects. Our original and new Objectives are outlined and reported against. Refer to Section 1.8 for progress on implementing the Action Plan #5, and any changes to the plans, to ensure Metcash continue to meet new or existing future KPI's (Key Performance Indicators) as requested in the Covenant Mark II targets.

Overall, Metcash has demonstrated improvement in recycling rates and packaging material usage in the reporting period.

1.3 EXECUTIVE SUMMARY

During the reporting period, Metcash underwent a number of critical changes which have affected the statistics required to be collected under the National Packaging Covenant Mark II. These include:

- Rapid expansion of the business via acquisition of the IGA Fresh division
- Global Financial Crisis leading to changes in consumer behaviour
- Transfer of the national waste contract from Wanless to Remondis
- Waste collection figures based on industry estimates rather than calculation during lifts
- Increased sales of corporate brands due to the financial crisis impact on households
- Our competitors especially Coles have forced conversion of cartons to shelf ready packaging design impacting on cardboard requirement
- Corporate product mix changes affecting packaging to product % ratio

Despite this, overall Metcash showed an improvement in:

- waste diverted from landfill into recycling, a result of audits and staff education
- resourcing support for the waste and packaging area, with the recent employment of both a national Sustainability Manager and a Sustainable Packaging Technologist
- Voluntary adoption of additional Action Objectives.

Table 1 Metcash Summary action plan from 2009 onwards

Business Strategy	NPC KPI	Metcash projects	Status	Target timeline	Comments
Waste (recyclable)	16, 21	New waste contractor	■	Completed	
	16, 21	Funding of kerb-side recycling	▶	On-going	
	16, 21	On-site recycling programme	▶	On-going	
Waste (non-recyclable)	16, 21	New waste contractor	●	Completed	
	16, 21	On-site recycling education to reduce recyclable waste	▶	On-going	
Packaging usage	1, 22, 26, 28, 29	Sustainable Packaging Technologist employed	■	From Aug 09	
	1, 28, 29	Packaging material audit by commodity	▶	From Nov 09	
	22, 26, 29	PIQET license	▶	From Sep 09	
Data quality	1	New Metcash information system	■	From Quarter 3 2010	Awaiting AFGC PIF version 4 to release before Metcash can adapt
	1	New Metcash packaging specification	■	From Quarter 3 2011	Awaiting Metcash new information system established then can start request new supplier specifications
	22, 26, 29	PIQET license	▶	From Sep 09	
		● Started			
		▶ On-going			
		■ Completed			
		■ On-hold			

1.4 COMPANY PROFILE

Metcash Trading Limited Australasia (Metcash) is a leading marketing and distribution company operating in the food and other fast moving consumer goods categories. It has four Business Pillars – IGA Distribution (IGA-D), Campbells Cash & Carry, Australian Liquor Marketeters (ALM) and from 29th Oct 2007 IGA Fresh has become the 4th business pillar for Metcash.

In the 0809 financial year, the four pillars have generated \$10.97 billion dollars of sales. Out of the four business pillars only ALM does not carry any private label products while the other three business pillars carries 1750 private label skus ranging from fresh food, groceries and general merchandise and another 60 new fresh produce lines in development.

The main private label brands in descending sales volume for Metcash are:

- Black & Gold 858 skus
- IGA Signature (Formerly IGA) 712 skus
- Various Controlled brands 281 skus
- *IGA- Fresh (about 60 new fresh produce items are not included in the 2009 report)
- Chef's Essentials 14 skus

Table 2. Metcash business pillars

	IGA - D	IGA - Fresh	Campbell's Cash & Carry	ALM
No. of total skus	18000	780	12000	8000
No. of customers	1330 IGA; 1000 Foodworks; 100 others	same as IGA-D	over 18000 customers	Over 13000 customers

As indicated above, Metcash produced over 1,800 skus of products under its corporate brands in the 2008-2009 financial year. Table 3 below shows the typical usage of packaging material for Metcash corporate branded products.

Table 3. Typical local packaging material usage for 2008/09 for Metcash corporate brand products

Packaging material	Typical usage	Tonnages (T)
Paper	paper bag, stickers	92
Standard Cardboard	Clothes folding inserts, boxes,	8838
Wax Cardboard	butter, frozen bakery	177
HWS-Cardboard	Tetra bricks	321
1-Plastic (PET)	cleaning, shampoo, sources bottles, and cups	1321
2-Plastic (HDPE)	Smallgoods, bakery, cleaning solution bottles	1231
3-Plastic (PVC)	Honey	673
4-Plastic (LDPE)	wraps, shopping bags, bag in box bags	1867
5-Plastic (P/Prop)	confectionary, frozen food	2369
6-Plastic (P/Styrene)	Prepared meals	32
7-Plastic (Other)	plates, cups	13
Glass	Jams, sources jars	1950
Aluminum	Soft drink cans	144
Steel	Can foods	1744
Composite	Instant drinks, chips	790
Other	Latex	0
Total		21561

1.5 OBJECTIVES

The global financial crisis contributed to the major increase in sales of corporate branded products. In 2008-2009, Metcash continued to achieve its four original objectives from 2007-2008, and also incorporated several new objectives.

1.5.1 EXISTING

A) Improve the national waste management and recycling system across Metcash sites

- New waste and recycling national contract to centralise recycling data collection
- Co-mingled waste collection trial at two Metcash offices
- Onsite education and waste audits.

B) Create a better integrated recovery recycling system for regional/ metro retail networks

- Work in progress requiring collaboration between local government, waste contractors, NPC and Metcash to offer trade/commercial recycling for IGA and other stores in regional areas.
- Metcash continues to encourage IGA and other customers to establish and maintain plastic bag recycling units onsite to help communities to recycle plastic bags.

C) Continue process of review of corporate brand designed items at product reviews

- During 2007-2008, Metcash employed for the first time a Sustainability Manager to develop and implement Metcash wide sustainability initiatives.
- During 2008-2009, Metcash employed for the first time a Sustainable Packaging Technologist in order to target improvement in the resource efficiency of our packaging.
- In 2007-2008 Metcash started to investigate the benefit of sustainable packaging design/comparison software "PIQET", and has since obtained a PIQET licence in the 2008-2009 financial year. This will able Metcash to choose more sustainable packaging for corporate branded products in the future, and find optimal ways to drive % packaging to product ratio downwards.

D) Continue to use the Environmental Code of Practice for Packaging

- Metcash has incorporated in its trading contract that suppliers should review Metcash corporate brand products packaging annually to seek more sustainable packaging option(s)
- A Sustainable Packaging Technologist has been employed to assist suppliers to identify more sustainable packaging opportunities
- The Sustainable Packaging Technologist will also educate Buyers (marketing) on the benefit of sustainable packaging and liase trials with suppliers (co-manufactures) on sustainable packaging by using PIQET
- We have incorporated new biodegradable checkout bags into our product range for South Australia and other states customers

1.5.2 NEW

E) Sustainability policy and project initiatives

- Metcash has developed and introduced in 2008-2009 a 'suite of policies' and strategies for integrating sustainability considerations into the core business of the company. This includes the development of a Sustainability Strategy of projects, Policy of fundamental commitments, and resource efficiency targets for each Metcash facility.

F) Integrate and update product specification database

- Metcash has acquired several businesses in the new IGA-Fresh division which has 12 different sites. IGA-Fresh's sku data is not included in the 2008-2009 NPC report due to the launch date of the range; however, at the same time there was lack of information on the packaging usage in the Fresh division; especially the un-sold packaged fresh produce packaging disposal methods/ tonnage. In addition, with different states and different businesses having different information systems, it continues to be challenging and time consuming compile the data required for annual NPC Mark II reporting. Metcash identified this issue several years ago, and flagged two different projects to address difficulty in data collection. In 2008-2009 South Australian sales data has been successfully incorporated into our main information system. West Australian sales data should be integrated also in February 2010. This update in information systems will help Metcash report more accurate sales figures in the future.
- In year 2000, Metcash voluntarily established an electronic database for product specifications (including packaging). With the growth and expansion of the business, the database system is no longer adequate or sufficient enough to fulfil business needs, including for more "turnkey" NPC reporting. Metcash has commenced a project to upgrade our specification database system to align with the industry standard Australia Food and Grocery Council (AFGC) Product Identification Form (PIF). This will streamline data capture and reporting. Unfortunately, AFGC has delayed its final launch of the electronic fourth version of the PIF to mid 2010; Metcash will follow up closely for the launch and then develop a new internal database as soon as possible. In the interim, the Sustainable Packaging Technologist will audit suppliers on its packaging material and usage by commodities for the 2009-2010 NPC report.

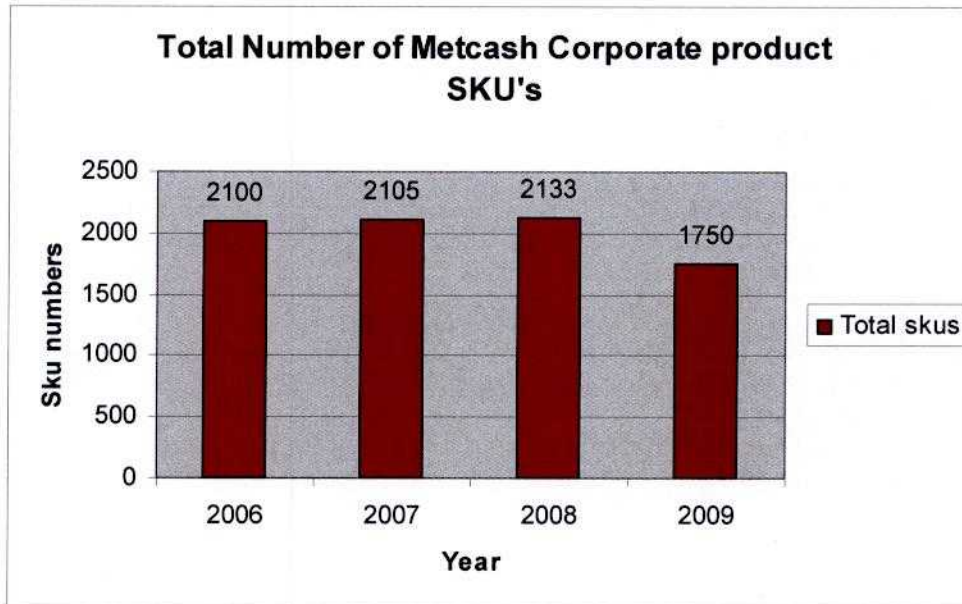
G) Formation of the Metcash Environmental Sustainability Committee (MESC)

- To avoid streamline development and implementation of the sustainability strategic direction for the business, Metcash in 08-09 established the MESC. Membership of the MESC is senior executives, including our CEO Andrew Reitzer, the General Manager Risk and the Sustainability Manager. This illustrates Metcash's commitment to integrating sustainability into core business.

1.6 RESULTS

The number of different sku's sold under Metcash's corporate labels was rationalised last year and thus was reduced by 383 items (18%) during the reporting period (see Figure 1). The 2008/09 was a period of expansion for Metcash, with the purchase of IGA Fresh properties and development of new IGA Fresh branded corporate products. These newly launched (approximately 900 skus in the IGA-Fresh range were sold but not reported in this reporting period due to data gathering problems however, IGA Fresh sku's will be incorporated in next years NPC report.

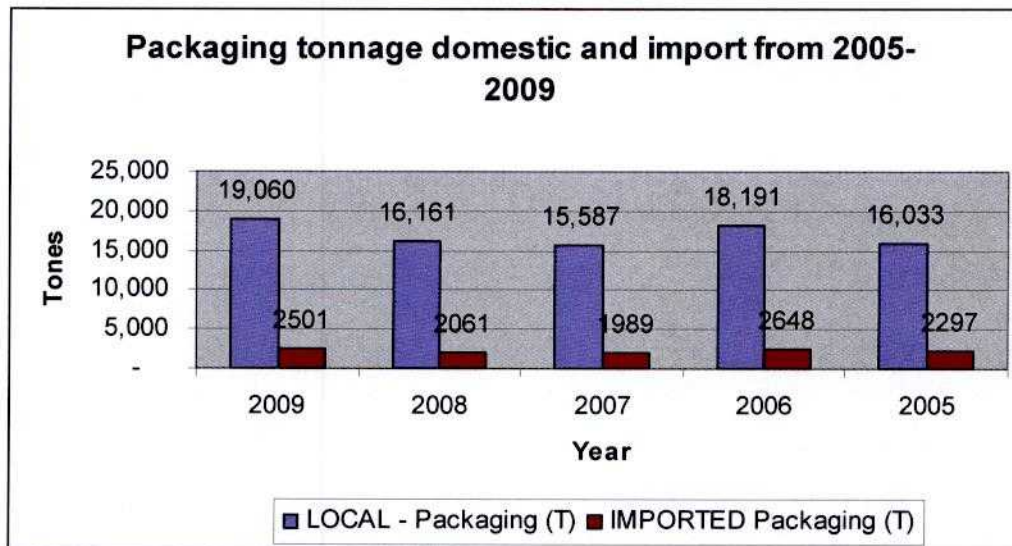
Figure 1 Total Number of Metcash Corporate product SKU's



Despite the fact that the numbers of Metcash skus were reduced in 2008-2009 by 18% (as above), the revenue and volume sales of the products increased. This may be due to the global recession which resulted in consumers' switching to our corporate branded products instead of other brands due to better value for money.

Figure 2 below shows the overall packaging tonnes increased due mainly to the increased sales.

Figure 2 Local and imported packaging



Metcash's non-recyclable packaging tonnage rose from 2007/08 to 2008/09. One of the reasons for the increase of non-recycle packaging is that Metcash have opted to consider all imported product packaging as non-recyclable for this year's calculations. Imported packaging will be audited in the future as a new Metcash project initiative to obtain better data from suppliers on their material usage. In addition, Metcash will continue to increase the recycled and recyclable content of our corporate branded products using the new PIQET tool and sustainability packaging expert.

Figure 3 also shows the increase in the product to packaging ratio over last year due to sales mix. There are couple of reasons we believe contribute to this trend – Competitor's push on Shelf ready packaging and the increase on Private label General merchandise items.

As explained previously, our retail competitors are trying to reduce in-store handling costs and are pushing all the manufactures to adopt the shelf ready packaging. For product to go through the supply chain with the same product protection performance, it is normally required to increase by a minimum of 30% cardboard content. This certainly increased our packaging to product ratio.

Another issue, we have identified is the increase in general merchandise items sales and ranging under private label brands. Through the 2007/2008 to 2008/2009 financial years, we have identified that the General Merchandise ranges has changed from 3.3% in total product range to 3.5% product range. These general merchandise items normally have high product to packaging ratio due to the light weight of the goods these packaging is trying to protect e.g. new light bulbs (CFL's), the new electrical items, new light weight clothing lines and gloves etc. It certainly made a significant contribution on the increase of the product to packaging ratio in the 2008/2009 results.

Figure 3 Packaging to Product ratio and % of sales from non recyclable packaging

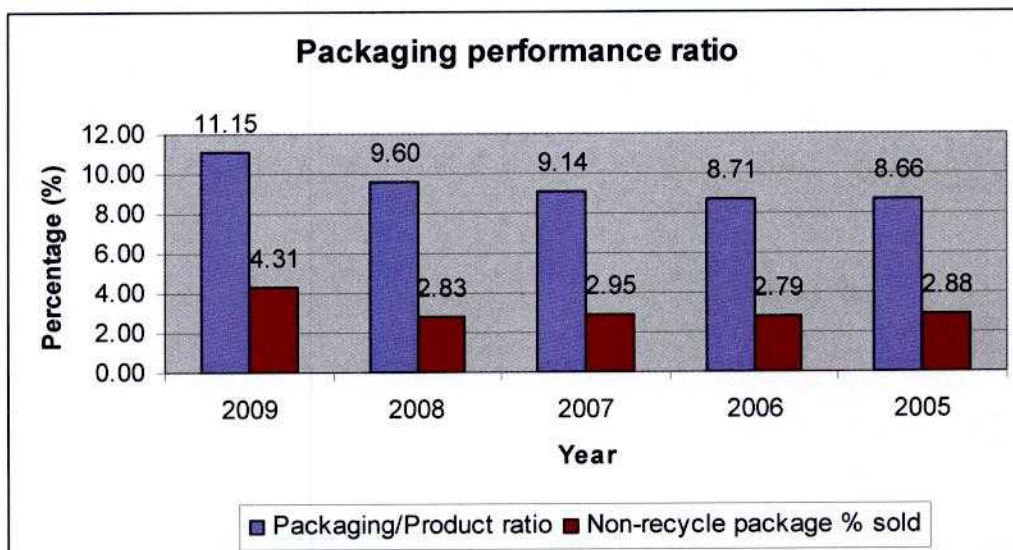
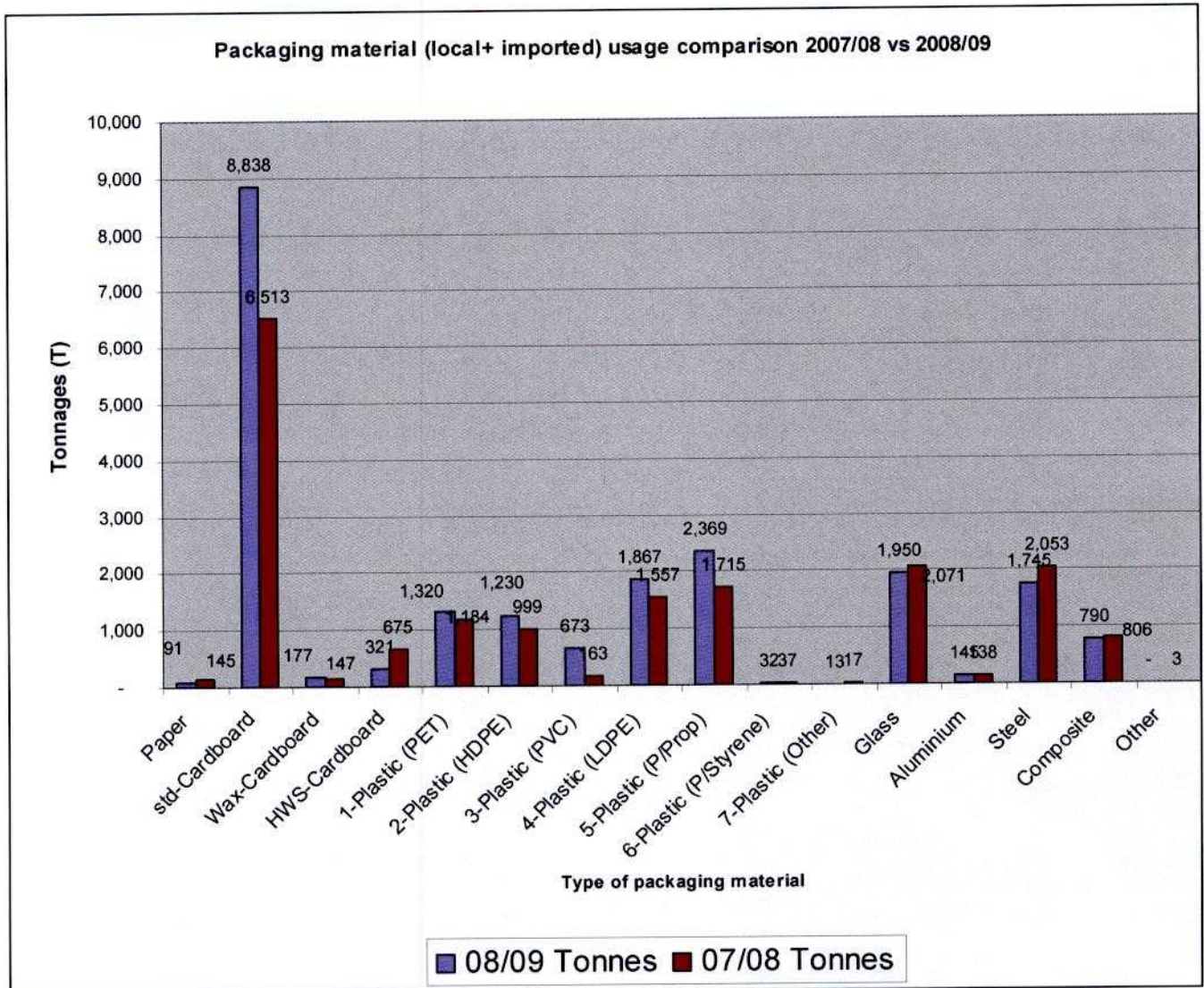


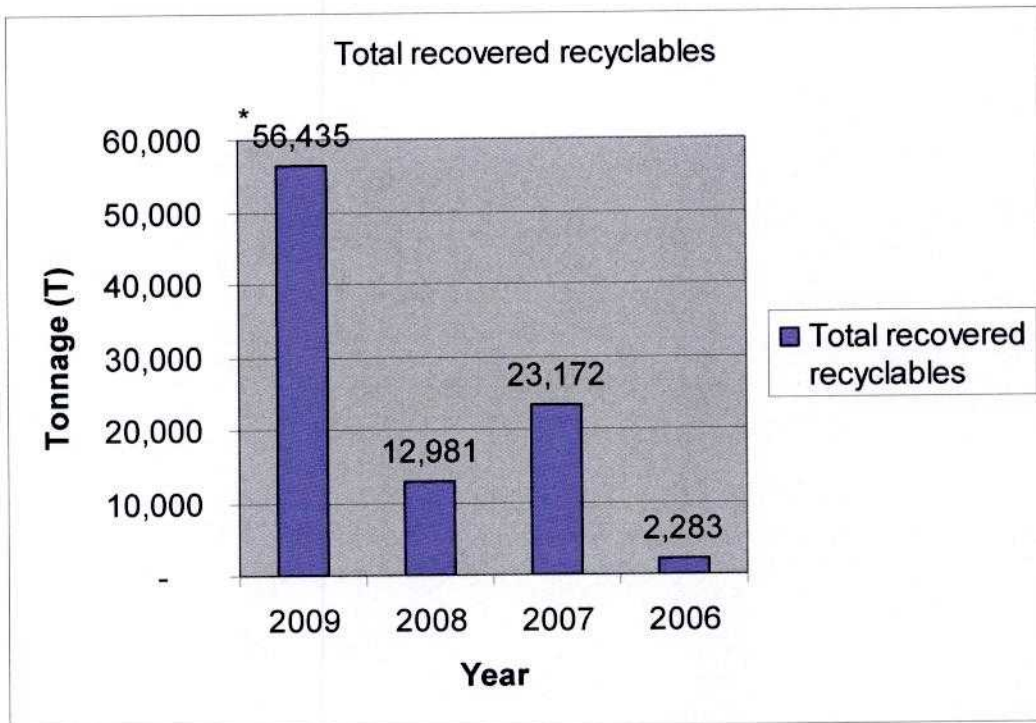
Figure 4 below indicates the relationship between different types of material and the tonnage used for Metcash corporate branded products in 2007-2008 and 2008-2009. The dramatic increase in standard cardboard usage is due to the change over to shelf ready packaging as well as the skus range change (i.e. less food but increased skus in clothes and other General Merchandise items).

Figure 4 Packaging material (local + imported) usage comparison 2007/08 vs 2008/09



During the reporting period, Metcash commenced a new contract for our waste and recycling. As a result of the handover process, and waste audits conducted at each of our major distribution centres, we are pleased to report significant increase in the amount of total recovered recyclables in 2009 across all of our warehouses. *Note: It is however important to note that our waste and recycling contractors use estimated figures for each bin they empty, being 110kg per square metre. Therefore, if bins are lifted more frequently, even if they are not full, it is assumed that each square meter capacity of the bin is calculated at 110kg.

Figure 5 Total recovered recyclables



*Estimates of 110kg pr bin lift by new contractor may be overestimating collections.
To be further studied in calendar year 2010 to tighten up calculations process.

1.7 INITIATIVES AND CHALLENGES

1.7.1 INITIATIVES

During this NPC reporting year, Metcash has started several initiatives to fast track sustainability of packaging. This includes:

- Formation of the Metcash Environmental Sustainability Committee
- Inclusion of sustainability in the 2009 Metcash Annual Report for the first time.
- Introduction of a co-mingled waste recycling program.

Further detail is contained in the Metcash Action Plan section.

1.7.2 CHALLENGES

Metcash has faced numerous challenges in integrating sustainability into core business, including the improvement of the resource efficiency of packaging. These challenges are both from internal limitations to external forces (government legislation, competitors, and suppliers).

Internal challenges

- Business expansion: A period of expansion for the business has resulted in new fresh range of products being developed under our corporate brands strategy.
- Data collection + database: Metcash developed an in house "Product Specification" form and database in 2000 to store and upload the specifications from corporate branded products. However, with the expansion of the business, and the acquisition of multiple legacy systems, there is a need for consolidation. This results in estimations around packaging material usage for products and gauge thickness on material
- Industry Standard Database and PIF: Uncertainty around the finalisation of the AFCG Product Information Form (version 4) and a possible Specifications Database project has made it difficult to generate a better turnkey collection and analysis system for NPC signatory brand owners and suppliers.
- Unsold IGA Fresh Product/Packaging: Due to IGA Fresh being a new fourth business pillar, Metcash are yet to establish data collection and reporting methodologies to capture the tonnages and composition of unsold fresh produce packaging.

External challenges

- Local Shopping Bag Legislation: South Australia passed legislation that bans the use of plastic shopping carry bags under 35µm. This has caused verification and supply chain issues in securing biodegradable bags for consumers.
- Supplier consistency and change over ability: To ensure corporate branded products meet Metcash standards, Metcash quality assurance department performs routine audits on suppliers. However, this process to date has not focussed on the sustainability of packaging and compliance from suppliers from a packaging point of view. Therefore, supplier consistency has been a challenge for Metcash.
- Supplier equipment constraints: Not all packaging can be changed to a more sustainable format due to limitation with our suppliers' equipment, and the handling requirement through out the distribution chain.
- The SRP strategic direction by competitors (Coles and Woolworths) to significantly increase conversion of cardboard carton to Shelf Ready Packaging (SRP) designs has significantly increased the amount of cardboard to maintain strength of the unit through the supply chain.

Actions taken or proposed to overcome these challenges are noted as KPIs in the Action Plan below.

1.8 METCASH ACTION PLAN 2008-2009

Goals used by Metcash for this Action Plan #4 are based on those within supplied booklet on NPC Mark II from pages 20 to 22.

- Goal 1 – Packaging Optimised (minimise the amount of materials used)
- Goal 2 – Efficient Resource Recovery Systems for Consumer Packaging and Paper (enhance systems due to national structure)
- Goal 3 – Help Supply Chain make informed decisions about consumption, use and disposal of packaging product (education)
- Goal 4 – Supply Chain members demonstrate how their actions contribute to Goals (1) – (3) above (see commitments)
- Goal 5 – Demonstrate Continuous Improvement in management of packaging through Action Plans and Annual Reports (Data)

Covenant Category	AIMS Summary (and Metcash detail)	Process and Measures (responsibility) • KPI's	Target	2008-9 Report Progress on Plan
Goal 1 Item 1	Provide data to NPCC on all packaging materials as requested within Covenant Mark II <i>Metcash Detail:</i> Improve NPCC Data gathering.	Year 3 on - Make further gains in determining more accurately the baseline data via more practical methods of determining annual weights to formally measure all new products more accurately and save in database Year 3, 4 and 5 - Compare annual data to identify gaps with industry.	Nov 08, 09 and 10 Action report to provide data to NPCC	The accompanying IDAS submission includes: <input type="checkbox"/> Total Local Tonnes of packaging made was 19062 Tonnes an increase of 18% <input type="checkbox"/> Imported 2500 Tonnes of packaging, increased 21% <input type="checkbox"/> Of the above local, Cardboard was 36%, an increase of 9%. <input type="checkbox"/> Total non-recyclables was 4.31%, a increase of 1.48% <input type="checkbox"/> Total Net Tonnes of Packaged Corporate branded product sold in Australia for Metcash was 240,445 Tonnes (37% increase) * The above results were badly impacted by GFC mix by sales increases, by SRP impact on cardboard design and GM product range growth
Goal 1 Item 3	Improve design and distribution to minimise environmental impacts of packaging <i>Metcash Detail:</i> Systematically review corporate branded product packaging.	<ul style="list-style-type: none"> • Systematically review the packaging of 1,800 corporate controlled sku's by category. • Review all new sku's using PIQET software. 	Nov 09, 10 Action report to provide % of 1800 sku's reviewed, and number of new sku's reviewed.	<input type="checkbox"/> Product to packaging ratio was increased to 11.15%, a further drop of 1.6% <input type="checkbox"/> Employment of Sustainable Packaging Technologist to conduct this Action <input type="checkbox"/> Purchase of licence for PIQET software to analyse packaging designs. * The above results were badly impacted by GFC mix by sales increases, by SRP impact on cardboard design and GM product range growth

<p>Goal 1 Item 4</p>	<p>Changes to protection safety, hygiene, shelf life or supply chain considerations affecting amount & type of packaging used <i>Metcash Detail:</i> <i>Environmentally sensitive alternatives only to be used if they meet safety, hygiene & supply chain requirements.</i></p>	<ul style="list-style-type: none"> Undertake trials of environmentally sensitive packaging alternatives, and only commission for use if safety, hygiene, shelf life and supply chain considerations are met. 	<p>* Annual Action Reports to report on</p> <ul style="list-style-type: none"> - no of corporate brand products evaluated and not commissioned due to safety, hygiene, shelf life and supply chain considerations not being met. 	<ul style="list-style-type: none"> <input type="checkbox"/> Sustainable Packaging Technologist employed to manage this process. <input type="checkbox"/> Biodegradable plastic suppliers have been met and samples reviewed. <input type="checkbox"/> Innovative lightweight product suppliers have been met and samples reviewed. <input type="checkbox"/> Purchase of licence for PIQET design tool.
<p>Goal 1 Item 6</p>	<p>Packaging designed and manufactured to optimise it's recoverability through collection systems <i>Increase recyclability.</i></p>	<p>Increase the use of recyclable packaging for Metcash corporate branded products.</p>	<p>Nov 09 Action Report to report on recyclable content</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Locally produced cardboard packaging increased 36% to 8,600Tonnes due to growth of SRP designed tray packaging systems and increased sales for corporate brands from \$330M to \$ 420M (27% increase due to Global Financial Crisis)
<p>Goal 2 Item 16</p>	<p>Provision of Collection Services for post consumer packaging and paper <i>Audit and promote recycling through 75 properties nationally.</i></p>	<p>Year's 2,3,4, 5 - Make further gains against baseline recovery data across our wholesaling business by increasing actual material collected by a target of 5% per annum.</p>	<p>Nov 09 Action Report to report on Tonnes of cardboard and plastic recovered</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Facility based targets for waste reduction were set Oct 2009 <input type="checkbox"/> Recycling increased threefold to 56,000 tonnes from 13,000 tonnes <input type="checkbox"/> Waste to landfill reduced dramatically also to 93,647 (55%), from 210,000 in 08.
<p>Goal 3 Item 19</p>	<p>Change in consumer behaviour (purchase, use, disposal) <i>Develop ongoing Education programs internally and externally</i></p>	<ul style="list-style-type: none"> Internally promote sustainability by all available channels Externally promote sustainability to suppliers, customers and consumers via all available channels 	<p>Report on progress annually</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Internal and external education programs continue under the leadership of the Sustainability Manager, including use and disposal of waste and packaging at warehouse and retail level leading to the significant collection gains in goal 2 above
<p>Goal 4 Item 22</p>	<p>Adoption of ECoPP <i>Continue to formally</i></p>	<ul style="list-style-type: none"> Integrate sustainable packaging at design stage 	<p>Report on progress annually</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Process established with merchandise teams for accesses all new sku's to be reviewed by Sustainable Packaging Tech with PIQET tool

Goal 4 Item 26	adopt the ECoPP and develop such systems for implementation	<ul style="list-style-type: none"> Secondary market creation supported for recovered packaging material Develop and implement internal sustainable purchasing policy 	Report on progress annually	<input type="checkbox"/> Existing products to be reviewed by category over agreed timeframes <input type="checkbox"/> Updating Product Specification and database to better align with the upcoming AFGC industry standard PIF (expected Feb to May 2010) <input type="checkbox"/> Sustainability manager has developed draft internal sustainable purchasing policy which is going through final legal and management reviews <input type="checkbox"/> Reviews of sustainable sourcing and recycled content for corporate brand products to continue in 2010 using PIQET and other assessments <input type="checkbox"/> Stocking of 50% recycled content plastic carry shopping bags and biodegradable bags continue for customer stores
Goal 5 Item 27	Establishment of baseline performance	<ul style="list-style-type: none"> Complete 	Complete	Complete
Goal 5 Item 28	Annual Report against Action Plan	<ul style="list-style-type: none"> This report forms such a report 	Complete	Complete
Goal 5 Item 29	Demonstrated improvement and achievements against individual targets and milestones	<ul style="list-style-type: none"> Demonstrate and Achieve recovery targets above 	Annual Action Reports	This report forms such a report

1.9 NATIONAL PACKAGING COVENANT CONTACT

For further information regarding National Packaging Covenant MKII – Action Plan results for 2008-09 (Year 4) for Metcash Trading Limited, please contact:

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1.10 CEO ENDORSEMENT



Andrew Reitzer
CEO
Metcash Trading Limited
October 30th, 2009