

## **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**

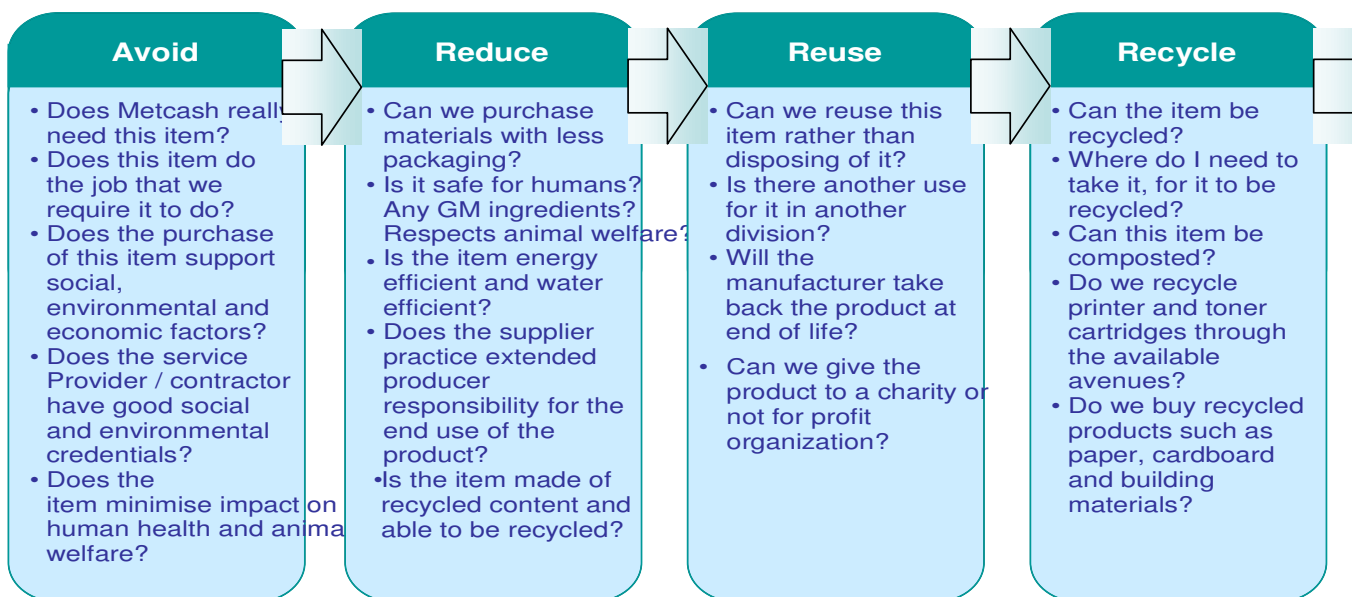
It is the responsibility of the Operations Manager to implement the Company's material and equipment disposal policy.

#### **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.



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### 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- Reuse, Recycle then Remove from sites, superseded plant and equipment which contribute to potential risks/hazards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.

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- 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

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

Signatory Name: Metcash Trading Limited Australasia

Status: Completed

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

Yes

**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:

**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:

## PART A – Signatory progress in reaching goals and targets of the Covenant

This section refers to signatory progress against Covenant KPIs. The data from this section will be aggregated across all signatories on an annual basis, and will enable the APC to assess overall progress against Covenant Goals and KPIs, and those of its own Strategic Plan. You can include any particulars relevant to your sector in Part B.

Please indicate your organisation's reporting period:

Financial Year: 1 July 2010 – 30 June 2011

Calendar Year: 1 January 2011 – 31 December 2011

### Goal 1: Design - optimise packaging to use resources efficiently and reduce environmental impact without compromising product quality and safety.

#### KPI 1: % of signatories with documented policies and procedures for evaluating and procuring packaging using the SPG's or equivalent

1. Does your company have documented policies and procedures for evaluating and procuring packaging using the SPG's or equivalent?

Yes

No

#### Definition of Packaging Type

*Reporting of the proportion of packaging reviewed using the Sustainable Packaging Guidelines, whether existing or new, need not be individual SKU or products. Signatories can review – and report on their review – by grouping their packaging into different types if this is more effective and efficient. Grouping into 'types' can be by individual products (SKU's), or by related packaging / products, e.g. by type of material used (paper/ cardboard, plastic, glass, metals...), by brands, by packaging manufacturer, or by some other category which makes sense in their own design and production processes. Reporting the number or percentage reviewed should be by 'Type' as defined by each signatory's own practices, and each signatory is free to decide how to do this. A manufacturer with a small number of products might review each package independently, with each considered a unique 'type'. A large manufacturer with many products may group them for review by looking at each material type, or may review each brand or range of products in turn, or may have different packaging suppliers and work with each in order. In both cases, the reporting should simply be by the 'types' of packaging that have been reviewed.*

2. 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?

0 %

3. Of the **new** types of packaging introduced during the reporting period, what percentage has been reviewed using the Sustainable Packaging Guidelines (SPG) by the **end** of the reporting period?

49 %

4. Describe (other?) outcomes achieved using the SPG in regard to:

*Please indicate even if you have done nothing in this area*

a) *Avoiding or minimising the use of materials and other resources*

Some new product lines reviewed have already minimised pack and carton size.  
About 60% of our products reviewed and for which we had a feedback from our suppliers, have already minimised sizes of packaging. One particular product will be reviewed to possibly eliminate tertiary packaging.  
20% disclosed using hybrid vehicles and 70% using water and energy efficiency technologies on site. Those ones also try to source their own suppliers using resource efficiency practices.

b) *Optimising recyclability and recycled content*

In the new products reviewed, majority of packaging is already recyclable and indicate on labelling their recyclability status. We're making efforts on having a higher percentage of recycled content for cardboard.  
About 70% of our products reviewed and for which we had a feedback from our suppliers, have recyclable packaging. Around 30% of the same scope of products contain recycled content.  
This area is more difficult for suppliers to take action for technical reasons: some products may not be suitable with biodegradable (wet environment) or recycled content packaging (direct contact with food).

c) *Reducing litter impacts*

When product is likely to be used away from home, labelling to prevent littering is asked to be mentioned on pack. We ask our suppliers to minimise the use of separable components that could become litter. One product is being reviewed to evaluate feasibility and stability of using alternative packaging options to minimise the use of separable components.

**Goal 2: Recycling - efficiently collect and recycle packaging.**

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

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

Yes at all facilities/ sites

Yes at some, but not all facilities/ sites

No

6. Describe what types of packaging materials are collected and recycled on-site

All Metcash worksites have general waste (to landfill), paper, and plastic recycling onsite.  
Our IGA Fresh warehouses recycle organic food waste via arrangements with local livestock farmers.  
Some sites such as our corporate head offices, also have co-mingled recycling allowing for collection of glass, aluminium and steel.

7. Actual: Describe what progress (since the beginning of the reporting period), if any, has been made in collecting and recycling materials on-site

Metcash became a national donor to Foodbank for packaged & usable but not saleable food.  
Metcash has a staff engagement program in place giving the opportunity to staff to implement projects contributing to reducing our carbon footprint, including recycling waste instead of sending it to landfill. Thanks to those efforts, we have more and more sites with co-mingled waste and improved staff awareness of paper recycling.

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

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

Yes

No

**Goal 3: Product Stewardship - demonstrate commitment by all signatories**

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

11. 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

12. Briefly describe how your company collaborates with other companies or organisations to improve packaging designs and/or recycling

The internal process Metcash follows to review product packaging in collaboration with our suppliers is described in our Australian Packaging Covenant Action Plan.

We work with Amcor and Remondis to recycle as much as possible our waste.

Metcash are on the working group for the new industry standard Product Information Form being prepared by the AFGC, and have given particular input on the packaging sections.

Metcash works with Mitre 10 to support their implementation of the Sustainable Packaging Guidelines.

13. Briefly describe what progress, if any, has been made to improve packaging designs and/or recycling

Many of our suppliers of new products are encouraged to improve the design of our packaging. Many of them are already recycle or contain a % of recycled content. Suppliers are willing to explore new ways to reduce the impacts on the environment and we will review the progress of their suggestions next year.

**KPI 7: % signatories showing other Product Stewardship outcomes**

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

Yes No



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

16. Briefly describe what measures, if any, have been implemented to reduce litter.

We ask our suppliers via the Recommendation Letter process to include the anti-litter logo and message on pack to help try and create consumer awareness and reduce the waste going into the litter stream.  
We also include in our Recommendation Letter process a request to suppliers to avoid packaging designs that may result in an increased likelihood of littering.  
We note that some environmental NGO's prefer that the anti-litter logo not be used where a product is recyclable, and to rather emphasise the recyclability.

### General

17. Please provide details of any special circumstances or additional information that will help us interpret this report (you may include links to your website showing any case studies or relevant information).

Regarding our response to Question 2:  
Metcash products come up for review (meaning they are assessed for re-ranging or re-tender) every two years. This means that by focussing on reviewing new products (which includes re-ranged or re-tendered products) every Metcash product can be reviewed every two years. Therefore, having 0% of existing products reviewed in the context of the 5 year strategy is not a negative result.

Regarding Question 8:  
Metcash does not directly purchase packaging. We encourage our suppliers to use recycled content / recyclable packaging through our Recommendation Letter process.

Regarding Question 3:  
We intend in 2012 to increase the percentage of new products reviewed, by reinforcing the process in place via internal collaboration. with the Quality Assurance department. Currently we are experiencing difficulty in being notified of each new product's Specification Form, and second, to get feedback from our suppliers after sending them our Recommendation Letter. We believe our continued efforts will improve this process over time both for Metcash and our suppliers.

General Comment: For some products, our suppliers report back that the suggestions contained in our Recommendation Letters are not possible to implement for technical or financial reasons.

## PART B – Your annual performance

This section will ask you for additional data on your progress made during this reporting period against the **annual** targets you have set for each of the Covenant KPIs. The data you provide in Part B will be used to determine your performance rating. Here we are looking at your achievements in changes to packaging **outcomes** rather than **processes** (e.g. **15 tonnes** of material diverted from landfill rather than a **process** in place to investigate or actually divert waste from landfill). Please use this section to highlight any particulars that you think are relevant about your industry and sector and we will take this into account in the performance rating.

### Goal 1: Design

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

*Please enter your targets for this year or milestones in your plan and the extent to which they were achieved.*

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

	Target: What were your annual targets for the reporting period?	Actual: What did you achieve?
1.	100% of new packaging assessed and documented	49% of new product lines reviewed.
2.	100% of existing packaging assessed and documented	Existing products are re-ranged every 2 years, therefore all existing products will be reviewed every 2 years.

### Goal 2: Recycling

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

*Please enter your targets for this year or milestones in your plan and the extent to which they were achieved.*

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

	Target: What were your annual targets for the reporting period?	Actual: What did you achieve?
1.	On site recovery systems to recover used packaging at minimum, paper /cardboard and plastic (including wrap) recycling available and implemented at each Metcash worksite from our national suppliers: 100% of Metcash worksites recycling.	Metcash recycled around 5000 tonnes and 10% of total waste in 2009/10. Metcash recycled 3400 tonnes and 8% of total waste in 2010/11.

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

*Please enter your targets for this year or milestones in your plan and the extent to which they were achieved.*

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

	Target: What were your annual targets for the reporting period?	Actual: What did you achieve?
1.	Sustainable Purchasing Policy adopted to buy products with recycled packaging where there is price parity to an alternative item	Not yet adopted.

### Goal 3: Product Stewardship

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

Please enter your targets for this year or milestones in your plan and the extent to which they were achieved.

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

	Target: What were your annual targets for the reporting period?	Actual: What did you achieve?
1.	Step by step system developed, communicated internally and implemented to work with suppliers to improve the design of Metcash branded product packaging: 100% of Product Specification Forms are issued with the Packaging specification manual	Out of a total of 179 new products in 2010/11, 49% of product specifications were reviewed & issued with the Packaging specification manual
2.	Formal process for working with others to improve design and recycling of packaging  Develop and implement: Sustainable Supply Chain Management Policy, including external auditing of suppliers  100% participation rate; 10/a external audits completed	The Sustainable Supply Chain Program has been developed, undergone initial testing, and is currently undergoing final beta testing. The launch will be 1st May 2012. 1 presentation delivered. 5 QA meetings held
3.	Develop and implement: Packaging Specification Manual, issue with the Metcash Product Spec to educate suppliers  100% issued with product spec	Out of a total of 179 new products in 2010/11, 49% of product specifications were reviewed & issued with the Packaging specification manual
4.	Develop and implement: Active working group member for the AFGC Industry Standard Product Information Form v4  Active member of the AFGC-led PIF working group	Out of a total of 179 new products in 2010/11, 49% of product specifications were reviewed & issued with the Packaging specification manual
5.	Develop and implement: Twice annually deliver packaging innovation presentation to Metcash Buyers and QC staff  Deliver 2 presentations	0/2 presentations have been made. However, extensive consultation has taken place during the development of the Sustainable Supply Chain Program, and discussed monthly at the QA meetings .
6.	Develop and implement: a new Metcash product information database, in conjunction with the release of the new industry wide PIF  Complete new product database	This project has been internally scoped and is awaiting finalisation of the PIF.
7.	Develop and implement: Track & respond to consumer enquiries about Metcash branded product packaging  Report monthly via QA mtg on enquiries	100% of consumer packaging enquiries have been logged; monthly reports tabled at QA meetings

**KPI 7: % signatories showing other Product Stewardship outcomes.**

*Please enter your targets for this year or milestones in your plan and the extent to which they were achieved.*

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

	Target: What were your annual targets for the reporting period?	Actual: What did you achieve?
1.	Lobby National Waste Policy workgroup to provide kerbside trade recycling in regional areas – to benefit our independent retailer customers: meet and/or provide submissions	Metcash has been involved in the consultation process for the NT government container deposit legislation.

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

*Please enter your targets for this year or milestones in your plan and the extent to which they were achieved.*

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

	Target: What were your annual targets for the reporting period?	Actual: What did you achieve?
1.	No target	No target

**PART C – Your Experiences**

Please use the fields below to share with us any achievements, good new stories or areas of difficulty in making progress against your plan and the Covenant Goals and KPIs. Provide as much detail as you feel is appropriate.

**24. Key achievements or good news stories.**

In our first year of implementing the SPG, we are pleased to have reviewed 49% of all new products.

We found suppliers keen to review their processes to contribute to better environmental practices for the design of our packaging.

Our active Green Teams program results in more sites making further changes to reduce waste to landfill.

This annual review process of our progress toward implementing the SPG has resulted in further strengthening of our internal focus. In addition, we have identified the need for working more closely with our high volume suppliers on sustainability through a one on one workshop process.

**25. Areas of difficulty in making progress against Covenant KPIs.**

It is difficult to obtain a 100% response rate from suppliers to our issuance of the Recommendation Letters.

**26. Any other comments.**