



ENVIRONMENTAL MANAGEMENT PLAN

Five Year Plan: 2011 – 2016

Directors' Endorsement: March 2011

INTRODUCTION

Madura Tea Estates is committed to minimising the impact of our products and operations on the environment. We believe that good environmental management not only makes good business sense, it also meets a growing consumer expectation for effective environmental management. Many consumers correctly express concern for the environment and claim that environmental performance is one of the factors that influence their purchasing decisions. We regard the integration of sustainable practices a key element in our product development and marketing strategy and in doing so we aim to further increase our appeal to environmentally aware consumers.

This plan focuses on how we manage the business to minimise our environmental impact. In our effort in minimising our environmental impact we endeavour to be open and transparent in our communications and to engage all stakeholders. We welcome all suggestions in the aim to continually improve our environmental management practices.

This Environmental Management Plan (EMP) was developed in consultation with the Directors and Staff at Madura Tea Estates.

COMPANY PROFILE

Madura is Tamil for 'Paradise', and that's not only what you will find if you visit our Tweed Valley Plantation, it is also the legacy we aim for in our Environmental Management. The Tweed Valley is a region of pristine rainforests, streams and rivers adjacent to the ocean, ideal climatic conditions for producing tea of unrivalled flavour and aroma.

Madura Tea Estates was established in 1978 by Michael Grant-Cook and his wife Norma and has grown to become a vital Australia-wide business producing excellent quality tea products.

In the late 1980's, Madura introduced Australia's first green tea to the market. In 2000, Madura established one of the most modern tea packing facilities in the southern hemisphere to guarantee tea freshness, flavour and indicate tamper-evidence.

Madura Tea Estates is now owned by four local families who have been and continue to be recognised for sustainable tea farming and production methods. The Madura Tea 'family' consists of more than 50 staff who work diligently to proudly produce Australia's leading speciality tea products for connoisseurs across the globe.

Madura Tea Estates is 100% Australian owned and operated. We produce solely from our premises located on the outskirts of Murwillumbah in the Northern Rivers Region of Northern NSW. Our teas are from tea grown on the estate blended with imported teas. Madura produces approximately a million cups of tea each work day of which eighty percent are teabags and the balance is leaf tea for teapots.

OVERVIEW

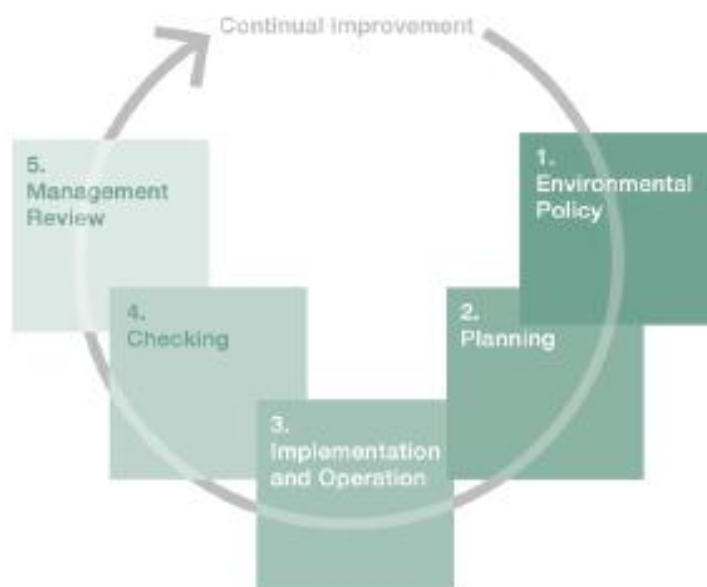
What is Madura's Environmental Management Plan?

Our plan includes;

- Details on environmental management
- Targets
- Ongoing monitoring and reporting
- Review

Why Madura has an Environmental Management Plan.

The purpose of this plan is to continually improve Madura's environmental performance. This plan aims to reduce our environmental impact for the benefit of our employees and the community.



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Ron Ford, Stephen Bright and Gary Davey

Australian Packaging Covenant Contact:

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PACKAGING GROUPS

Group	Subgroup
Shipper	Shelf ready shipper (5 styles) Foodservice envelope 200s shipper Foodservice RSC cartons
Packets	Leaf 200g 50s 100s 200s Teabag tray 20s
Foil	Overwrap Envelope
Miscellaneous	Fuso bags Block bottom bags Caddy Sample cards Pillow packs Filter paper Thread Tags

KPIs and Baseline Data will be established by 30th June 2011

PLAN MANAGEMENT

The goals of our Environmental Management Plan (with reference to APC Action Plan Workshop 21st Feb 2011) are as follows:

1. Maximise water and energy efficiency
2. Minimise materials (source reduction)
3. Use recycled materials
4. Minimise risks of toxic / hazardous materials
5. Use materials from responsible suppliers
6. Design for transport efficiency / reuse / recovery / litter reduction / consumer accessibility
7. Provide consumer information on sustainability
8. Minimise air and soil pollution

Madura Tea Estates **Environmental Management Plan** is set for 5 years after which it will be reviewed and updated.

Madura Tea's Environmental Management Plan is divided into two parts:

1. **General** – covering overall environmental issues and actions at Madura Tea Estates
2. **Packaging** – covering packaging to meet the requirements of the National Packaging Covenant

Common to both parts is our **Environmental Risk and Aspect Register**. Environmental objectives and the risks identified whilst conducting the **General and/or Packaging Environmental Self-Assessment** will be recorded and monitored in the **Environmental Risk & Aspect Register** – this register prioritises who is responsible, what actions are required and in what order environmental issues will be addressed.

The Environmental Risk & Aspect Register provides the management and review system for our Environmental Management Plan.

1. General

The purpose of this portion of our environmental plan is how we manage our environmental impact of our business (other than packaging) in our aim to minimise our environmental footprint and to continually improve our environmental practices.

A **General – Environmental Risk Assessment** will be conducted **twice yearly** to direct and monitor our activities. The 'General' section of our Environmental Plan focuses on air, water and soil, energy usage, chemical usage, waste and noise pollution etc – in fact any aspect of our business affecting the overall environment (apart from packaging).

2. Packaging

Packaging will be designed in accordance with the Australian Packaging Covenant. Our goal is to minimise environment impact whilst meeting the sometimes conflicting demands of material performance, product cost and consumer protection. Sustainable packaging is fit-for-purpose, resource efficient, made from low impact materials, and reusable or recyclable at the end of its useful life.

Madura's and the Australian Packaging Covenants 3 goals in achieving environmentally friendly packaging include:

1. **Design:** packaging that is optimised to achieve resource efficiency and reduced environmental impact without compromising product quality and safety.
2. **Recycling:** the efficient collection and recycling of packaging.
3. **Product Stewardship:** a demonstrated commitment to the aims of the Australian Packaging Covenant.

The cornerstone of this part of our **Environmental Management Plan** is the **Packaging - Environmental Self-Assessment tool** which is used to audit proposed and existing packaging designs.

Note;

All actions pertaining to achieving these goals including; timeframes, responsibilities and targets are clearly defined in our **Environmental Risk and Aspect Register**.

IMPLEMENTATION & OPERATION

Environmental objectives and the risks identified in conducting **Environmental Self Assessments** are documented and monitored in our **Environmental Risk & Aspect Register** – this register prioritises who is responsible, what actions are required and in what order environmental issues will be addressed.

The Production & Inventory Manager will be responsible for managing this register and ensuring the Self-Assessment Audits are conducted.

New Product Development will follow a Gate process:

1. Gate 1 – **Ideas Assessment** (carried out by the designated 'Product Developer' in consultation with marketing and production managers)
2. Gate 2 – **Sustainability assessment** (undertaken by a Design Management team comprising of Directors, Production Manager, QA Manager and relevant supplier representative). This assessment task is detailed in our Packaging – Environmental Self-Assessment according to the requirements of the Handbook for Signatories (Sept 2010) published by the Australian Packaging Covenant.
3. Gate 3 – **Final Approval** and order placement.

CHECKING & CORRECTIVE ACTION

Environmental issues, aspects and actions will be reviewed at each Production Meeting & Toolbox meetings along with Maintenance, Quality and Safety. A summary of those Risks and Aspects closed off and any new Risks will be documented and later added to the Environmental Risk & Aspect Register.

MANAGEMENT REVIEW & CONTINUAL IMPROVEMENT

A meeting with the Directors of Madura Tea Estates of the Environmental Risk and Aspects Register along with the results of the Environmental Self-Assessment will take place six monthly to review progress.

As part of the agenda of these meetings any additional resources required to ensure the Environmental Plan is appropriate and effectively managed will be discussed.

Underlying evidence of all design and review processes will be retained and documented in our '**local network server / public / environment**' as well as a dedicated file located in our reception area cabinets.

Timetable for auditing our existing packaging against Madura Tea Estates Packaging – Environmental Self-Assessment as per APC Sustainable Packaging Guidelines.

Group	Subgroup	Existing Packaging Audit
Shipper	Shelf ready shipper (5 styles) Foodservice envelope 200s shipper Foodservice RSC cartons	Completion 2011
Packets	Leaf 200g 50s 100s 200s Teabag tray 20s	Completion 2012
Foil	Overwrap Envelope	Completion 2013
Miscellaneous	Fuso bags Block bottom bags Caddy Sample cards Pillow packs Filter paper Thread Tags	Completion 2014

SUMMARY OF PREVIOUS ACHIEVEMENTS

With 250,000+ tea bushes constantly absorbing carbon, Madura's estate is a natural and environmentally harmonious carbon sink, benefiting the local and global community

Madura estate and imported teas are independently tested for pesticides, herbicides and bacterial contaminants

Madura draws water from three dams on the plantation as well as clean underground springs for flushing toilets, irrigation etc

Water samples are taken every August to ensure waterways are free of chemical residues

Madura tea bags use oxygen-bleached filter paper

Madura tea bags are sealed using heat instead of glue to minimise waste and water usage

Madura shipping cartons are made from 99.85% recycled materials and are 100% recyclable

Madura retail packets are 100% recyclable

Madura tea packets are made from 80% recycled material

Waste cardboard, pallet wrap plastic, used plastic strapping and non-reusable tea pallets are all recycled

Tea dust and other tea waste is collected and used on the plantation as mulch

Madura has won Australian National Packaging Covenant awards for its sustainable approach to packaging and waste minimisation

Madura Tea Estates have rationalised warehousing and transport systems to reduce freight and subsequently our carbon footprint

All picking and packing is carried out on-site, minimising freight turnarounds

Madura has reduced the thickness of our 50's / 200g packets from 450um to 400um, minimising cardboard usage

Lean manufacturing processes have been adopted throughout the factory, minimising the number of production processes and forklift movements e.g. elimination of off-line print and apply, removing additional leaf tea machinery, installing racking at point of use etc

In April 09 - changed our board grade from Artcote Plus to Artcote White increasing the recycled content of the board from 15% to 30%

In 2010 – changed from Artcote White to Artcote Kraft backed cardboard increasing the recycled content from 30% to 80%

In 2011 – purchased a variable speed inverter style air compressor reducing electricity usage

Madura has reduced the thickness and width of the foil over-wrap from 305mm to 295mm wide and 40um to 30um

We continue to investigate 'cleaner & greener' packaging alternatives, including biodegradable 'foil' materials such as biodegradable (Natureflex) film

Native tree regeneration program – removed Camphor Laurel trees and replanted every tree with Native trees (on-going yearly initiative)

Processes have been improved to eliminate waste glue in production

Used engine oil is used for recycling and stored in a bunded enclosure for environmental safety

Dam and creek banks are vegetated to reduce the incidence of rill erosion

Investigated markets for Green Tea dust

Minimised waste and inventory via an integrated packaging solution. Packaging has been designed in multiples of the smallest unit – one overwrapped 50's tray fit into one packet Two overwrapped trays fit into a 100's carton. Four overwrapped trays fit into a 200's carton.

APPENDIX 1 – ENVIRONMENTAL POLICY STATEMENT



ENVIRONMENTAL POLICY STATEMENT

The Madura Tea Estates Environmental Management Plan underpins the way we do business. This plan demonstrates our diligent and strategic approach to environmental management.

Our Directors are responsible for ensuring that the Environmental Management system is equipped with the resources necessary to ensure the Plan is implemented effectively, is annually reviewed, and the objectives and targets are set, monitored and achieved.

Madura Tea Estates is committed to the continual improvement of environmental performance by engaging in:

- Assessment of new materials and/or processes in the aim to seek environmentally friendly solutions that will minimise our environmental impact.
- Minimising the consumption of resources.
- Minimising the creation of emissions and waste
- Promoting environmental awareness in the workplace and within our customer base.
- Seeking ways to increase the use of recycled materials.

Madura Tea Estates will foster among employees an understanding of and a commitment to this Environmental Policy and our Environmental Management System.

Signed:

Ron Ford
Director

Stephen Bright
Director

Gary Davey
Director

APPENDIX 2 – BUY RECYCLED POLICY

Madura tea Estates is committed to preventing waste whenever possible through the efficient use of natural resources. Throughout our business we will give preference to purchasing products and materials made of recycled content provided these products and materials satisfy current performance, safety, regulatory and cost requirements.

We aim to ensure that our finished products contain the highest amount of post-consumer material and are recyclable and it is Madura Tea Estates policy to buy recyclable products whenever feasible.

Madura's APC (Australian Packaging Covenant) Team comprising of Madura Tea Estates Directors, Production Manager and Quality Manager undertake complete responsibility in fulfilling this policy.

(Signed)

Ron Ford

Stephen Bright

Gary Davey

APPENDIX 3 – Madura APC Team Charter

Madura Tea Estates is committed to minimising the impact of our products and operations on the environment. We believe that good environmental management not only makes good business sense, it also meets a growing consumer expectation for effective environmental management. Many consumers correctly express concern for the environment and claim that environmental performance is one of the factors that influence their purchasing decisions. We regard the integration of sustainable practices a key element in our product development and marketing strategy and in doing so we aim to further increase our appeal to environmentally aware consumers.

Madura Tea Estates APC (Australian Packaging Covenant) Team appreciates that respect for the environment is a natural component in conducting our business. We aim to continually improve our environmental management through commitment and a keen sense of responsibility to the environment.

As part of our commitment to identify and implement ways to improve efficiency with which we use resources, including packaging and other materials we will:

1. Respect the environment at every stage of the business decision making process from product design through to packaging our finished goods.
2. Foster environmental awareness in all employees at each level of our business and to encourage them to take initiative in proposing new measures to further improve environmental standards.
3. Conduct six monthly reviews of our Environmental Risk Register to ensure that risks to the environment are systematically identified and addressed.
4. Give preference throughout our business to purchase products and materials made of recycled content if these products and materials satisfy current performance, safety, regulatory and cost requirements.

We pledge our support to this Tea Charter:
(Signed)

Ron Ford

John Marchant

Stephen Bright

Gary Davey