



Packaging and Consumer Driven Issues

USPE Processor Workshop

May 21, 2008

Atlanta, Georgia

Vernon D. Rowe, P.E.

Corporate Environmental Manager

Pilgrim's Pride Corporation

Consumer Driven Issues

- Sustainable packaging to most consumers means “recycling”
- Environmental awareness and recycling does not translate into a willingness to pay more for sustainable packaging
 - Consumers see their job is to recycle
 - Consumers expect manufacturers to make sustainable packaging affordable
- Terminology is important in sustainable packaging
 - “No Oil Used” – “No Fossil Fuels Used”
 - “Made From 100 Percent Renewable Resources”

Wal-Mart Sustainability Program



8 % of Footprint



92 % of Footprint

Be supplied 100% by renewable energy

- Existing stores 20% more efficient in 2012
- New stores 30% more efficient in 2009
- Fleet 25% more efficient in 2008, double in 2015

Create zero waste







- 25% reduction in solid waste in 2008
- All private brand packaging improved in 2007 (right sized, reusable materials)

Sell products that sustain our environment

- 20% supply base aligned in 2008
- Preference given to aligned suppliers in 2008

Questions Leading to “Live Better” Innovations

Energy	<ul style="list-style-type: none"> • Minimal energy consumed • Renewable energy used when possible
Waste	<ul style="list-style-type: none"> • Minimal water and material consumption • Durable, reusable, upgradeable, recyclable, biodegradable products • Minimal negative outputs - air pollution, water pollution, solid waste, toxics • Maximum positive economic and social impacts on local communities

<p>Products</p> <p><i>Questions you can ask suppliers to help them find the right innovation pathway</i></p>						
	<p>Product Design</p> <p>Are our products designed so that throughout their lifecycles they minimize harm and maximize benefit in these dimensions:</p> <ul style="list-style-type: none"> • Environmental • Social • Human Health <p>How could the product consume less energy, resources, space?</p> <p>Is the product designed to be resource-efficient to maintain and operate?</p> <p>Is the product durable? Does it cause harm at the end of its life?</p>	<p>Raw Materials</p> <p>How does procurement & processing of raw materials minimize harm and maximize benefit:</p> <ul style="list-style-type: none"> • to our customers • to communities of production <p>For example:</p> <ul style="list-style-type: none"> • Costs of disposal • Compliance • Human Health • Environment <p>Are our products made using sustainable raw materials?</p> <p>Are these materials sourced & processed in a sustainable way?</p>	<p>Manufacturing</p> <p>How is the supplier seeking to deliver EDLC / customer value through innovation like:</p> <ul style="list-style-type: none"> • Reduced raw material consumption? • Energy-efficient production? • Water-efficient production? • Reduced waste per unit or dollar value? • Reduced hazardous waste? • Reuse of “waste” as an input for additional production? 	<p>Packaging & Distribution</p> <p>How is the supplier working to improve its packaging?</p> <p>How is the supplier minimizing the distances goods and parts travel in production + distribution?</p> <p>Is the distribution system efficient and operating at best practice?</p> <p>What is the supplier’s plan to minimize carbon emitted by product transport?</p>	<p>Use/Reuse & Maintenance</p> <p>Is our customer likely to consume unnecessary resources when using this product?</p> <p>Is our customer likely to harm health or the environment when using this product?</p> <p>Is the product:</p> <ul style="list-style-type: none"> • Easy to repair and upgrade? • Energy efficient to operate? ... to maintain & clean? • Water efficient to operate? ... to maintain & clean? • Easy to clean + maintain without harsh chemicals? 	<p>End of Life / New life</p> <p>What happens to our product when the customer discards it?</p> <p>What are the costs and impacts to health & environment?</p> <p>What options exist for reuse, recycling or composting? How could revenue be generated?</p> <p>What are suppliers doing to drive + improve rates of reuse, recycling, or composting?</p>

Sustainability = ROI

For Wal-Mart & our Customers!

Wal-Mart, its suppliers, its associates are engaged and on a roll toward our Environmental Sustainability goals.....and its not just emotion and passion....its good business and will deliver value to everyone as we do the right things for our environment...

**Saving
people
money
so they
can live
better**



**Earth-friendly
products won't
save the Earth
if they don't save
people money.**

At Wal-Mart®, our heart is in sustainability. How can you tell? We don't stop at offering an extensive line of Earth-friendly products, from compact fluorescent light bulbs to organic cotton sleepwear to organic tomatoes. We

Packaging Network

Five Year Plan to Reduce Packaging

5% by 2013

The screenshot displays the Clinton Global Initiative website. The top left features the CGI logo and the text "CLINTON GLOBAL INITIATIVE". Below this is a "Sign Up" button and a description of the initiative as a non-partisan project of the Clinton Foundation. The top right has a search bar and a "MEMBER SITE LOGIN" button. A navigation menu includes links for "ANNUAL MEETING", "WHO WE ARE", "WHAT WE DO", "WHAT YOU CAN DO", "NEWS & EVENTS", and "VIDEO & PHOTOS". A "THE LATEST" section highlights the "Clinton Global Initiative NYC 2006" with a featured commitment to HIV testing in Africa/Caribbean. A photo shows Bill Clinton and other leaders holding a document. Below this is a "NEWS & EVENTS" section for "The Power of Philanthropy" featuring a Fortune magazine cover and a "WEBCAST" section for the "2006 Annual Meeting" scheduled for September 20-22, 2006.

CLINTON GLOBAL INITIATIVE

Stay informed about the Clinton Foundation [Sign Up](#)

The Clinton Global Initiative is a non-partisan project of the William J. Clinton Foundation. [Learn more](#) about the Foundation's other important projects.

CLINTON FOUNDATION

Make A Personal Commitment

Each of us has a tremendous amount of power to solve problems, make a difference, and save lives. We invite you to tell the world what matters most to you, and how you plan to change the world. [Make a personal commitment](#)>

Wal-Mart to measure and reduce environmental impact of packaging [Read More >](#)

MEMBER SITE LOGIN

ANNUAL MEETING | **WHO WE ARE** | **WHAT WE DO** | **WHAT YOU CAN DO** | **NEWS & EVENTS** | **VIDEO & PHOTOS**

THE LATEST

Clinton Global Initiative NYC 2006

Featured Commitment: Public Service Ads Promoting HIV Testing in Africa/Caribbean

HBO, The Kaiser Family Foundation and Caribbean Broadcasting Company commit to harnessing the communication power of broadcast media to normalize HIV testing among young people in Africa and the Caribbean. [Learn More >](#)



1 2 3 4 < Back || Next >

NEWS & EVENTS

The Power of Philanthropy



Bill Gates has the money. But no one motivates people and moves mountains like Bill Clinton. He's even got Rupert Murdoch onboard. [Read more >](#)

WEBCAST

2006 Annual Meeting



September 20-22, 2006
Tune in now to watch the [live webcast](#).

Wal-Mart / Sam's Sustainable Packaging Scorecard

A tool that will allow Wal-Mart & Sam's Club Buyers to have all the information about packaging alternatives or more sustainable packaging materials in one place. This allows for better purchasing decisions.

Sustainable Packaging Scorecard

- Once entered, the Sustainable Packaging Scorecard compares all packages in a product category to all other packages within the product category.
 - Allows Wal-Mart to easily compare packaging sustainability across a product category.
 - Wal-Mart can use this data to make more informed purchasing decisions and buy more products with more sustainable packaging.
 - Direct suppliers can easily see how their packages compare with their competitors' packages.

Wal-Mart Sustainable Packaging Scorecard

- 7 R's of Packaging
 - Remove, Reduce, Reuse, Recycle, Renew, Revenue, Read
- Scorecard Metrics Based on:
 - 15% Material Value
 - 15% Product/Package Ratio
 - 15% Cube Utilization
 - 10% Transportation
 - 10% Recycle Content
 - 10% Recovery Value
 - 5% Renewable Energy
 - 5% Innovation

Product Innovation

Plastic Resin Reduction.....128.9MM lbs

Gallons of Water
Saved.....478.1MM

Gallons of Diesel
Saved.....20.7MM

Reduced # of
Trucks.....2.79MM





Hot N Handy Pouch Program



Hot N Handy Pouch Background

- Developed to meet the unmet needs of consumers and retailers by producing a better functioning rotisserie chicken package than the current rigid dome container, while also improving sustainability.



HOT N HANDY Pouch Features

- Leak Resistant Packaging
- Reinforced Handle and Resealable Zipper
- Micro Dot Venting and Anti-Fog Coating
- Compact and Light Weight Flexible Pouch which is Microwave, Refrigerator and Freezer Safe
- Eye-Catching Large Graphical Print Area
 - Reinforce branding
 - Environmental messaging
 - Reheating instructions
 - Clock for time-checks for health/safety standards

Hot N Handy Sustainability

Triple Bottom Line

- Triple Bottom Line – Economic, Environmental, Social
 - Production of one flexible pouch uses 88% less crude oil and generates 85% less CO₂ emissions than one rigid dome container.
 - Based on packaging material weight, Hot N Handy Pouches offer a 66% reduction in solid waste introduced into landfills versus rigid dome containers.
 - 29% of Consumers Consider the Eco-Friendliness of the Packaging they Purchase, *IRI Sustainability Study, Dec. 2007*

Hot N Handy Sustainability

Logistics, Case Box Size

- Logistics
 - Shipping one truckload of Hot N Handy utilizes 12.5 less truckloads compared to the same quantity of rigid containers
 - Flexible pouches maximize cube utilization because they are lighter and more compact to ship and thus reduce transportation CO₂ emissions versus rigid dome containers.
- Case Size and Quantity per Case
 - 250 Hot N Handy Pouches per case versus 2 ½ cases to equal the same number of rigid dome containers resulting in a 60% reduction in boxes



Hot N Handy Pouch Value Pack

- Turn-key Protein and Package Solution
 - Hot N Handy Pouches are packaged into a protective polybag along with cooking and packaging instructions.
 - Toss the Hot N Handy Value Pack in with your protein and ship it directly to the deli ready to cook and merchandise in a custom designed and branded pouch
 - Retailer saves space and money from needing to stock extra packaging
 - Saves fuel, trees and CO2 emissions by shipping in same case
 - Reduces on-site training issues by including cooking and packaging information



Sustainable Packaging Test

- Place actual sustainable package in competitive shelf context and document what happens
 - Do shoppers notice?
 - Does it impact their purchasing decision?
 - Does it impact functionality and satisfaction upon usage
 - Will the consumer tolerate a higher price point?