



## **KRAFT FOODS WASTE-REDUCTION SUSTAINABILITY SUCCESS STORIES**

July 2010

Kraft Foods has reduced net waste from its manufacturing plants by 30 percent from 2005 levels<sup>1</sup>, exceeding a goal of a 15 percent reduction by 2011. The company is creating less waste and finding new uses for the waste it does produce -- and getting results by changing its behavior, business practices and culture. Below are several success stories from around the world:

- Kraft Foods' Allentown, Pa., plant has been on a journey of zero-waste-to-landfill for several years. Employees created a campaign to focus colleagues on a zero-waste goal, which they achieved earlier this year. The plant has reduced its trash pickup schedule from 328 times per year to only 52 (once per week) -- an 84 percent reduction in just one year -- through recycling, reuse and raising awareness. A few years ago, the plant was sending nearly five million pounds of mustard seed hulls -- a byproduct from making *Grey Poupon* mustard -- to landfills each year. Today, the seed materials get repurposed as animal feed. Employees found a way to divert nearly 200 tons of material per year to a waste-to-energy facility. And even the ash byproducts get used at a local cement factory.
- For 10 years, Kraft Foods' Colombia, Mo., plant has diverted 1,600 tons of waste each year to the city's composting program. The plant sends used casings and wood ash from the hardwood smoking process for *Oscar Mayer* hot dogs that would normally go to landfills to make compost for local residents' landscaping needs.
- Kraft Foods' Fairlawn, N.J., bakery became a zero-waste-to-landfill plant in February 2010 after its employee recycling team found creative ways to collect the plant's recyclables and worked with a vendor to find places to send much of its recyclable waste. The plant reused three machines to compact plastic film trays for recycling, and its recycling team set up storage cages throughout the plant to collect other plastic

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<sup>1</sup> Normalized to production

materials and oversee collections. The plant partners with a local waste-to-energy generator for materials that can't be recycled.

- Waste-to-energy projects at Kraft Foods' cheese plants in Lowville and Campbell, N.Y., create enough renewable energy to heat about 2,600 typical homes in the Northeast for one year. Besides producing delicious *Philadelphia* cream cheese, *Kraft* cheese and *Polly-O* Italian style cheese, the plants offset about 30 percent of their natural gas needs by creating biogas through anaerobic digesters that turn whey waste – a regular byproduct of cheesemaking – into biogas. This reduces the amount of solid waste each plant produces and reduces non-renewable energy for use. The U.S. Department of Energy recently named the Campbell, N.Y., plant an "Energy Champion" as part of its 2010 Save Energy Now Award for implementing significant energy savings in their facility.
- Employees at Kraft Foods' New Ulm, Minn., plant reduced waste by 40 percent over the past four years by fine-tuning their operations and changing behavior. In 2009 alone, the plant recycled 2.4 million pounds of cardboard, cores and paper. This year, the plant became zero-waste-to-landfill after finding a partner to send remaining waste to a local energy recovery facility. Employees have been working for many years to reduce waste. In fact, for the past 15 years, they have converted organic food waste to animal feed instead of sending it to landfills.
- Kraft Foods' flavorings plant in Albany, Minn., reduced waste more than 60 percent in the past year by creating a new recycling program. And its all-volunteer, employee-led "Green Team" is making other improvements -- helping the plant reduce energy use more than 20 percent and water usage by 13 percent in the past year.
- Kraft Foods' *Planters* nuts plant in Suffolk, Va., reduced its waste to landfill more than 50 percent since 2006. Employees found ways to divert many sources of waste – like plastics, cardboard, composites and organic waste – from landfills to recycling centers. And this month, the plant is now zero waste to landfill as remaining solid waste gets sent to a local waste-to-energy generator.

- Three Canadian plants -- Mississauga, Oakville and Scarborough, Ontario -- have reached zero-waste-to-landfill status through careful reduction and management. Organic waste is repurposed as animal feed, packaging and plastics are recycled and any residual waste is sent to a waste-to-energy facility.
- Kraft Foods' focus on waste reduction has a positive impact on customers, too. The company's Bethlehem, Pa., distribution center -- where products from different plants are combined to send to retailers -- is the first zero-waste-to-landfill facility of its kind in the United States. Employees have helped reduce waste by 30 percent for several key customers compared to 2008. The teams use software -- called Kraft Integrated Demand Signal (KIDS) -- which integrates customers' point-of-sale data to send just the right amount of products to each location, minimizing overstocks and unsalable goods. And employees separate recyclables, organics and waste onsite, sending waste to an energy facility where it is burned as fuel.
- In Australia, the Port Melbourne plant eliminated more than 125 tons of filler and labeler waste between 2008 and 2009 by making its peanut butter production line more efficient. And employees made a 50 percent reduction in waste compared to 2008.
- In Austria, Kraft Foods' Vienna coffee plant creates about 250 tons of chaff -- or coffee bean husks -- each year. Last year, the plant started sending chaff to a biomass power plant, creating enough renewable energy to heat about 250 typical homes for a year.
- In Guangzhou, China, two neighboring plants discovered they could reduce waste by sharing unused sugar supplies with each other. Before, coarse-grained sugar from a *Tang* powdered beverage plant that didn't match the *Tang* recipe was shipped back to the supplier. Instead, plant managers found the sugar was perfect for the other plant's *Halls* candies and launched a plan to divert 100 tons of excess sugar per year to the *Halls* plant, which reduces packing, shipping and production costs.
- Also in China, Kraft Foods' Suzhou bakery eliminated nearly 350 tons of manufacturing waste in 2009 by fine-tuning production lines, upgrading to more efficient equipment and raising employee awareness. Employees developed a program to put nearly 150 million tons of quality broken biscuits to use by breaking them into crumbs that could be used as ingredients, rather than being discarded.

- Kraft Foods' Cikarang, Indonesia, plant created a recycling program to divert nearly 25 percent of its waste – primarily plastic components – from landfills. Employees set up a recycling program for paperboard by working with a local paper factory and diverted the equivalent of about 2,900 trees in the process. And they've begun their own composting program to divert even more waste from landfills. Now, the plant has cut its waste deliveries to three times per week instead of 14 (or twice a day), a 78 percent reduction.
- The company's Seville, Spain, coffee plant reduced waste nearly 15 percent in 2009 by making its operations more efficient. Employees improved the vacuum-packing process for its containers of roast and ground beans – reducing the amount of defective packaging that would need to be discarded. The team also switched to 1,000 kilogram "big bags" for transporting coffee beans instead of 60 kilogram bags, as fewer bags means less packaging waste.
- Employees at the Victoria, Mexico, plant made an 11 percent reduction in waste sent to landfills in 2009 by fine-tuning their operations. Team leaders monitored the amount of waste generated per position on production lines and identified "hot spots" where packing equipment and processing machines were creating the most waste. They then focused on particular parts of the production line, made preventive maintenance on packing equipment and adjusted machines' timing and manufacturing processes.

As a food company, Kraft Foods relies on the ability of the earth to produce the raw materials used every day to make its products. Conducting business in a way that respects the intersection of environmental, social and economic responsibility is the right thing to do and it makes good business sense. With this approach, Kraft Foods is making a delicious difference and building a better world. For more details on the company's sustainability focus and progress, please visit [www.kraftfoodscompany.com](http://www.kraftfoodscompany.com) and our sustainability web site, [www.kraftfoodsbetterworld.com](http://www.kraftfoodsbetterworld.com).