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The company Tetra Pak Italy

Tetra Pak, world leader in food processing and packaging, expresses with the motto “protects what's good”™ the corporate philosophy, having as a vision the commitment to make food safe and available everywhere.

Active in more than 165 markets with over 20,000 employees, Tetra Pak believes in a responsible leadership to generate profitable growth in accordance with both environmental sustainability and good civic consciousness.

In close cooperation with suppliers and customers, Tetra Pak works on the development of food processing and packaging solutions, capable of offering convenient, innovative and environment friendly products to millions of people worldwide.

Its President and his curriculum

Paulo Eduardo Nigro, Brazilian, 46 years old, is the President & C.E.O. of Tetra Pak Italiana SpA. He joined Tetra Pak Brasil in 1991, at first as sales manager and then, after several functions, as Vice President – Carton Packaging Division. In 1997 he moved to Tetra Pak Canada as President & C.E.O. and, in 2001, he was appointed President & C.E.O. of Tetra Pak Italiana.

A brief introduction

Q. *In the framework of Emilia-Romagna region, a great Swedish company with branches all over the world and a President from Brazil. What led you and the company to choose Emilia Romagna, Mr. Nigro? And what are the results?*

A. The decision to build a production site in Rubiera (Reggio Emilia), in the heart of the province of Emilia-Romagna - famous all over the world for its industriousness - was carefully deliberated at the time. Along the “via Emilia”, and in particular between Modena and Reggio, there are successful Italian companies known all over the world. Just to mention one, there’s Ferrari, with its know-how in mechanics, which has received energy and inspiration from its fantastic “red cars”.

In this area so rich in resources, Tetra Pak group decided to make significant investments and opened its first factory outside Sweden. It was a challenge that led to remarkable results. Rubiera site, with around 450 employees, has become fundamentally important to the Group for reaching new milestones of innovation, sustainable growth and valorisation of human resources.

Last year’s inauguration of a new area of offices, on occasion of the 40th anniversary of Rubiera site, was a source of great pride for us at Tetra Pak.



The conversation

Q. *Reading the documents in Tetra Pak website, you get to thinking that the history of this great multinational company is “a long journey through liquids” that began on May 18, 1951. A journey involving ideas, shapes and materials. What were the most important milestones of this journey? And which way is Tetra Pak taking to be competitive on the market?*

A. The evolution of Tetra Pak packages, from shape to fine design, with constant innovation, has been important and significant over time. The original starting point was the concept of a simple, functional package that is mostly made of paper, a package that “*saves more money than it costs*”. That was the philosophy of Ruben Rausing, who invented the first Tetra Pak package in 1951.

The history of Tetra Pak began with the classic “tetrahedron” (**Tetra Classic™**) that gave the company its name and then evolving into the parallelepiped shaped package called **Tetra Brik™**.

In 1961, Tetra Pak created the first aseptic package and the UHT system, which started a major change in the way milk is transported, purchased and consumed: the **Tetra Brik Aseptic™**, with the same geometric design, was introduced. Today, this system has developed into various configurations and formats - such as those with a square base (Tetra Brik Aseptic Square) or shaped like a prism (Tetra Prisma Aseptic) - that effectively meet consumers’ needs. Also, a cardboard bottle with a reclosable cap was introduced for fresh products. It is called **Tetra Top™** and it combines the best features of the plastic bottle with the advantages of the cardboard carton.

The latest product is **Tetra Recart™**, the first Tetra Pak package for moist solid products such as soups, sauces and legumes. Light and easy to transport, it’s safe to use because unbreakable and has no sharp edges, besides being recyclable as all our packages

Last but not least, at 2006 ANUGA FOODTEC, international trade fair of food technologies in Cologne, we presented our brand-new **Tetra Aptiva Aseptic™**, the first aseptic cardboard bottle in the world. This package combines the better taste and higher nutritional value offered by an aseptic cardboard package with the appeal of a plastic bottle. Not to mention the limited investment required, since this system will cost much less than aseptic plastic bottles.

The evolution of Tetra Pak packages is also influenced by the “environmental factor”, since the philosophy behind our package development is *design for environment*. For example, our packages are specially shaped to optimise transport and storage, which minimises wasted space. Over the past 20 years, the weight of our packages was reduced by 20%.

Q. *Every journey has a goal, and you prepare yourself accordingly. It seems to us that one of the fundamental goals of Tetra Pak when it conceives its packaging and treatment systems is to create a broad concept of “**protection**”. “To protect” is a ‘motherly’ term that means “taking care of”, “making it last for the future” and “storing and conserving something that is valuable”. Could you explain how Tetra Pak conceives protection and in what direction it is oriented?*

A. The theme of protection is the underlying thread in all our business activities. I was one of those who came up with Tetra Pak’s international motto of “**Protecting what’s good**” because I believe it’s a fundamental value in our work. And, as our vision states, our job is “making food safe and available, everywhere”. For this reason, the concept of “protection” in our motto



refers to the entire process; that is, “protecting what’s good” not only means protecting food from oxygen, air, light and all other external factors, but also implies protecting the consumer by making foods available in environment friendly packages which are easy to open, transport and store. The motto also refers to protecting customers and their brands.

And “protecting what’s good” even means safeguarding forests, the environment and society. In fact, Tetra Pak has always implemented an environmental strategy based on sustainable growth, with the goal of minimising the impact of the product’s life cycle on the environment. **Important objectives have already been reached in this field: in 2005, more than 45,900 tons of post-consumer beverage cartons (44.9% of the total on the market) were recovered in Italy.** These results come from the cooperation between Tetra Pak and the Comieco recycling consortium. Thanks to a Protocol of Agreement signed in June 2003, they are extending the differentiated collection of cardboard beverage packages all over Italy (for example Rome, Milan, Florence, Trieste, Naples, Turin, Reggio Emilia, Modena, and many others).

At present, 12 million citizens can take advantage of this collection service.

The Protocol will steadily increase the quantity of wastes collected for recycling, since 100% of the three components in a Tetra Pak package - paper, polyethylene and aluminium - can be recovered to become new **Cartalatte™ and Cartafrutta™ paper, and new EcoAllene® plastic material.**

What’s more, the production facilities are certified for quality (ISO 9001), environmental protection (ISO 14000) and hygiene (Brc/Iop). From 2002 to 2005, energy consumption at our plants was reduced by over 15% and we’re committed to decreasing it by an additional 9% by 2008!!

I’m glad to inform you, as first hand information, that Tetra Pak and WWF of Sweden have signed a three-years’ agreement of global cooperation in the field of reforestation and climate change; this shows how the protection of our natural resources is part of our company’s DNA.

Q. *How does Tetra Pak secure safety along the entire value chain, particularly in the dairy-cheese sector?*

A. Our motto is “Tetra Pak protects what’s good”. It’s what distinguishes our company and our cardboard packaging. In particular, our packages are made of paper (75%), polyethylene (20%), aluminium (5%) and are opaque.

As a result, they protect foods from light which, on the contrary, negatively affects them in transparent containers. It is a well known fact that light diminishes and degrades the organoleptic properties of foods; in particular, it reduces their vitamin content. But don’t take our word for it. Numerous studies, both in Italy and abroad, have evidenced this to be true.

Also, light reduces the vitamins which fight the free radicals blamed for being the primary cause of premature cellular aging.

On the environmental front, various LCA (Life Cycle Assessment) tests conducted by the University of Padua have compared the environmental impact of our packages (Tetra Top for chilled products and Tetra Prisma Aseptic for UHT products) with plastic bottle one (PET and HDPE) throughout the entire life cycle. These tests have shown that our packages are more environment friendly because their production requires less energy and their contribution to problems such as acid rains and greenhouse effect is smaller.



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I believe that reliability is a fundamental factor for our clients/consumers. For more than 40 years, we have had a locally based production system which meets our customers' needs throughout Italy and has resulted in an advanced type of quality. We're the only company in the world that can offer integrated/turnkey systems and, at the same time, supply packages, packaging machines, integrated conversion processes for the food industry and technologies for every step in food processing and packaging. Furthermore, our technical assistance service is based in Italy, on the contrary most of our competitors serve customers from other countries.

Q. *Those who protect inspire confidence and accept the responsibility of conserving and sustaining it, not only when things go easy, but also when situations become critical. How does a great company like Tetra Pak foster the confidence of customers ?*

A. The accuracy of communication directed toward the public is the factor we emphasised when we handled the ITX crisis. First of all we contacted our customers, as soon as we received word of the ongoing tests. We informed them about the actions we were taking, about our meetings with the Health and Consumer Protection Directorate-General of the European Commission and about the decisions that we had made. Then, we held also specific meetings with several customers. Next, Tetra Pak met with and informed the Consumers' Association and the Ministry of Agricultural Policy and Forests about the measures the company had taken. We made it clear that we were at complete disposal of public health authorities and the scientific community for any request or necessary inquiry.

Considering that UV offset technology was being used for only 3% of all our packages, we immediately replaced it in the production of packaging material for baby food, and by November 30, 2005 it was eliminated from all other packages.

Tetra Pak promptly issued press releases to the media regarding the latest developments concerning this matter, especially when false information was being given about tests performed by Altroconsumo's publishing company, which admitted they were inaccurate. The goal of the company was to prevent the spread of "media panic" and exploitation. It must be pointed out that UV offset printing technology, which uses ITX fixer, is still widely employed in the food packaging industry and has been for many years. The ITX case is revolutionary in that it has affected the packaging industry on a global scale and is forcing us to reflect and to take action.

It's also the reason why Tetra Pak has further increased its investments in research and quality since the beginning of 2006. The purpose is to eliminate risks and ensure that similar incidents will never take the company by surprise again. To this end, we are planning to begin working with several universities; the ultimate goal is to monitor the entire production chain and ensure it's 100% safe. We even wish to extend this program from raw materials to the packaging at customers' sites and subsequent distribution, which naturally includes production of the packaging itself. In fact, we will be concentrating on and constantly monitoring the entire process - from raw materials to production and distribution to the end consumer. I can say, beyond the shadow of a doubt, that this program will be a real, exclusive innovation in the study of physical/chemical phenomena by the international packaging industry.

Q. *Keeping up with a changing world requires that a major company continuously expands its knowledge and skills transforming its intelligence into new solutions. This adds value to a product, but also involves added costs. Can you invest in research, personnel training and technological/scientific investigations, and ,at the same time, remain competitive on the market?*



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A. At Tetra Pak, staying competitive involves activities that range from research into the performance of materials to the development of advanced processing and packaging solutions which satisfy our customers' needs. In order to meet the challenges of an increasingly competitive market, Tetra Pak has chosen the path of innovation. With a commitment equal to a 4% of total turnover, the Group is one of the largest investors in R&D in the world.

Innovation means designing packaging that is increasingly functional, appealing and environment friendly and using the latest technologies in its production systems. And that's not all. Innovation also translates into taking important steps on the social level, including environmental projects, partnerships with non-governmental organisations such as the International Osteoporosis Foundation, and education at schools and in large retail chain stores to increase knowledge about foods and the environment.

Out of Tetra Pak's many R&D activities, the company has always devoted the greatest effort to personnel training. A front-line training program, still being carried out, aims at improving' the managerial skills through the AGORA` program, whose goal is to develop a leadership model that conforms to the socio-cultural changes within the company.

A different form of training is directed to increase the awareness of the potential offered by diversity. Last year, Tetra Pak launched the SWIM ("Sustaining Women in Management") project to favour the development of a culture which brings out the role of women in the company. With this project, all Tetra Pak female employees worldwide can use a dedicated Intranet to share experiences and opportunities for training and growth.

Another aspect of diversity is Tetra Pak's training program called "Let's photograph reality". This program was begun this year to illustrate how to interpret and solve a problem starting from different points of view and different sensitivities.

As far as traditional training is concerned, Tetra Pak began its "World Class Manufacturing" project a number of years ago. Its purpose is to improve the knowledge of processes and of the various skills within the company, in order to work in an increasingly efficient way. A specific training philosophy is at the bottom of the project: once business goals are set, we must wonder which skills are needed to reach them.

Since last year, Tetra Pak has been using a sophisticated system called "eHR" in all its training programs. With this system, the entire training program is run directly by managers and employees.