

ASSA ABLOY Australia Australian Packaging Covenant 5 Year Action Plan

July 2010 — June 2015



ASSA ABLOY

The global leader in
door opening solutions

1. Executive Summary (July 2010 – June 2015 Action Plan)

ASSA ABLOY Australia first became a signatory to the National Packaging Covenant in 2003. Since then, significant improvements have been made to onsite recycling as well as designing packaging which is recyclable and resource efficient.

ASSA ABLOY Australia now commits to the new Australian Packaging Covenant and its objectives. The Sustainable Packaging Guidelines will be incorporated into the Product/Packaging Development process and a program for reviewing current packaging against these Guidelines will be established. Product Stewardship will continue to be a focus however more formal processes for working with our suppliers and customers is our goal. All packaging reviews and evidence of working together with the supply chain will be documented and stored as objective evidence for external audits.

ASSA ABLOY Australia will consistently aim to improve onsite recycling and will purchase products/parts with a recycled content providing the performance, cost and benefits of these products/parts can be justified. Improvements have been made to water and power efficiency onsite following financial investments in these areas.

These activities display the commitment of ASSA ABLOY Australia to the Australian Packaging Covenant as well as a more sustainable future.

2. Endorsement of this Action Plan by General Manager



Tom Devine
(General Manager, ASSA ABLOY Australia Pty Ltd)

3. Company Summary/History

In Australia ASSA ABLOY manufactures, imports and exports a complete range of residential and commercial locking solutions. ASSA ABLOY Australia Pty Ltd is part of the ASSA ABLOY Asia Pacific division which also has companies in New Zealand, China, Korea and South East Asia. ASSA ABLOY Australia's customer base includes retail, trade, industrial, architectural hardware distributors, locksmiths and security dealers. This customer base covers the residential housing, commercial building and industrial application markets. In terms of the Australian Packaging Covenant, ASSA ABLOY Australia is classified as a brand owner. ASSA ABLOY brands in Australia include Lockwood, Whitco, Interlock, ABLOY and Yale.

ASSA ABLOY Australia Pty Ltd (formerly Lockwood Security Products Pty Limited) employs close to 550 people nationally and now operates one manufacturing site located in Oakleigh, Melbourne.

Distribution warehouses are located in Melbourne (Vic), Townsville (Nth Qld) and Perth (WA). Sales offices operate out of every state capital city, whilst Townsville is covered by a sales agent.

The types of packaging materials used by ASSA ABLOY in Australia are cardboard boxes, fibreboard cartons, plastic blister packs and re-usable plastic boxes for inter-company transfers.

ASSA ABLOY Australia is part of the ASSA ABLOY Group, the global leader in door opening solutions meeting end-user needs for safety, security and convenience. The Group has approximately 29,000 employees and annual sales of more than AUD \$5 billion.

4. Covenant Contact Officer

For further information about this ASSA ABLOY Australia APC 5 Year Action Plan, please contact:

Mark Solari
Packaging & Materials Handling Manager
ASSA ABLOY Australia Pty Ltd.
235 Huntingdale Road, Oakleigh. VIC. 3166.
Ph: (03) 8574 3499
Mobile: 0412 760 099
Email: mark.solari@assaabloy.com

5. Schedule for Packaging Reviews

ASSA ABLOY Australia sells products into the Australian retail hardware market as well as the commercial/industrial sector. Given this, the packaging used can generally be divided into two categories – retail display packs and cardboard cartons. However, given the total range of products on offer includes more than 30,000 sku's, the range of different sizes and shapes of display packs for instance is large. The nature of this business tends to be relatively small quantities of a large range of products compared with other businesses such as FMCG where much larger volumes of a smaller range of products are the norm.

The schedule outlined in Table 1 for the review of current packaging reflects this. Under most of the Product Groups in Table 1, there are many shapes and sizes to be reviewed and so the timing allows for a thorough review as well as the implementation of changes such as transport trials and tooling modifications.

The review of each Product Group will involve a cross-functional team including the relevant Product Manager, Packaging and Materials Handling Manager, Operations or Supplier Representative etc. These reviews will be conducted against the revised ENG34 document which incorporates the Sustainable Packaging Guidelines and completed document will be securely stored and available for external audits.

Table 1

Product Group	Review By
Nexion	April 2011
Deadlatches	May 2011
Nightlatches	June 2011
Deadlocks	August 2011
Deadbolts	October 2011
Pressed Steel Furniture	December 2011
Diecast Furniture	February 2012
General Hardware	April 2012
Screen Door Locks/Latches	June 2012
Pneumatic Door Locks/Latches	August 2012
Window Locks/Access	October 2012
Window Winders	December 2012
Stays	February 2013
Balances	April 2013
Patio Bolts	June 2013
Patio Door Handles	August 2013
Bifolds	October 2013
Mortice locks, Furn, Cyl & Acc	December 2013
Keying	February 2014
Brass Furniture	April 2014
Artefact Furniture	June 2014
Exit Devices	August 2014
Commercial KNK/KNL	October 2014
Hinges/WC/Bolts/Refrigeration	December 2014
Door Closers	February 2015
Commercial Mortice Locks	April 2015
Padlocks	June 2015

6. Action Plan Table

Covenant Performance Goals and KPIs	Actions	Responsibility	Baseline Data	Target or Performance Goal	Timeline or Milestones (MM/YY)
<p>1. Design – optimise packaging to achieve resource efficiency and reduce environmental impact without compromising product quality and safety</p> <p>KPI 1 Proportion of signatories in the supply chain implementing the SPG for design or procurement of packaging</p> <p>Target: 70% of Covenant signatories with documented policies and procedures for evaluating and procuring packaging using the SPG or equivalent</p> <p>Target: 70% of Covenant signatories assessing 100% of new packaging and 50% of existing packaging against the guidelines</p>	<p>1. Revise the ENG34 document in the Gateway Development Process so that all new packaging is developed using the SPG.</p> <p>2. Use the revised ENG34 to assess all existing packaging as per the Schedule for Packaging Reviews in Section 5 of this Action Plan.</p> <p>3. Use the revised ENG34 to assess procured packaging.</p> <p>4. Modify documented management procedures to make the above 3 actions standard practice.</p>	<p>Packaging & Materials Handling Manager.</p> <p>Packaging & Materials Handling Manager & cross-functional team.</p> <p>Purchasing Representative, Packaging & Materials Handling Manager & relevant Operations representative.</p> <p>Packaging & Materials Handling Manager, Purchasing Representative & Quality Manager.</p>	<p>ENG34 exists but currently does not include the SPG.</p> <p>The formal review process in Table 1 of this Action Plan has not commenced.</p> <p>No formal review process has commenced for procured packaging against the SPG.</p> <p>The documented management procedures need updating.</p>	<p>Release a modified version of ENG34 which includes all elements of the SPG and train all Product Mgrs/Developers.</p> <p>Complete the reviews as per the timing in Table 1 showing tangible improvements in performance against the SPG.</p> <p>Set up formal processes with suppliers to review procured packaging against the SPG.</p> <p>Complete all updates of documented management procedures.</p>	<p>Complete by March 2011.</p> <p>As per Table 1 of this 5 Year Action Plan.</p> <p>Set up processes and start reviews during 2011.</p> <p>Complete by June 2011.</p>

<p>2. Recycling – the efficient collection and recycling of packaging</p> <p>KPI 3 Proportion of signatories with on-site recovery systems for recycling used packaging</p> <p>KPI 4 Proportion of signatories with a policy to buy products made from recycled packaging</p> <p>All Covenant signatories will have a formal, documented policy of buying recycled products or materials</p>	<p>5. Continue to improve on-site recovery systems to maximise the recycling of used packaging and materials.</p> <p>6. Support the recycling industry through the purchase of products or parts with a recycled content where appropriate and justified.</p>	<p>Site Engineer.</p> <p>Purchasing Management.</p>	<p>32.2% recycling rate for Melbourne site and 29.6% recycling rate for Brisbane site in 2010.</p> <p>Current baseline needs to be established, documented & stored as reference against improvements.</p>	<p>Improve on the 2010 figures.</p> <p>Show evidence of improvement against baseline and/or documented reviews of products or parts with a recycled content.</p>	<p>Each year and numbers will be published in Annual Report.</p> <p>Commence in 2011 and ongoing.</p>
<p>3. Product stewardship – a demonstrated commitment to product stewardship by the supply chain and other signatories</p> <p>KPI 6 Proportion of signatories that have formal processes for working with others to improve design and recycling of packaging</p> <p>Target: 70% of Covenant signatories are implementing formal policies and procedures</p>	<p>7. Develop and apply formal policies/processes for working with suppliers and customers to improve the design, procurement and reuse/recycling of our packaging.</p>	<p>Packaging & Materials Handling Manager, Purchasing Representative.</p>	<p>No formal processes currently exist. This has previously been done on a case by case basis.</p>	<p>Set up and use for processes for working with suppliers and customers.</p>	<p>2011.</p>

<p>in working with others to improve design, procurement and recovery of packaging</p> <p>KPI 7 Proportion of signatories demonstrating other product stewardship outcomes</p> <p>Target: Continuous reduction in the number of packaging items in litter</p>	<p>8. Objectively determine whether our packaging is a source of litter and if so, review the design to see whether the incidence of litter can be reduced.</p>	<p>Packaging & Materials Handling Manager.</p>	<p>Subjective evidence suggests ASSA ABLOY Australia packaging is not a significant source of litter.</p>	<p>Research objective measurements to confirm whether or not ASSA ABLOY Australia packaging is present in litter streams. If it is present, review the design of the packaging to reduce litter.</p>	<p>2011.</p>
---	---	--	---	--	--------------