



**Australian Packaging
Covenant**
5 year Action Plan
2015-2020

ASSA ABLOY

The global leader in
door opening solutions

ASSA ABLOY Australia Pty Limited ABN 90 086 451 907 ©2016_MCD462.6

1. Executive Summary (July 2015 – June 2020 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. APC 5 Years Action Plan KPI's will become part of quality management review meeting to support and promote APC commitments.

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



Simon Ellis
(Region President, 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:

Jefferson Diniz
Packaging Engineer
ASSA ABLOY Australia Pty Ltd.
235 Huntingdale Road, Oakleigh. VIC. 3166.
Phone: (03) 8574 3749
Email: jefferson.diniz@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 Engineer, Operations or Supplier Representative etc. These reviews will be conducted against the revised ENG34 document which incorporates the Sustainable Packaging Guidelines and completed documents will be securely stored and available for external audits.

Table 1

Product Group	Review By
Nexion	April 2016
Deadlatches	May 2016
Nightlatches	June 2016
Deadlocks	August 2016
Deadbolts	October 2016
Pressed Steel Furniture	December 2016
Diecast Furniture	February 2017
General Hardware	April 2017
Screen Door Locks/Latches	June 2017
Pneumatic Door Locks/Latches	August 2017
Window Locks/Access	October 2017
Window Winders	December 2017
Stays	February 2018
Balances	April 2018
Patio Bolts	June 2018
Patio Door Handles	August 2018
Bifolds	October 2018
Mortice locks, Furn, Cyl & Acc	December 2018
Keying	February 2019
Brass Furniture	April 2019
Artefact Furniture	June 2019
Exit Devices	August 2019
Commercial KNK/KNL	October 2019
Hinges/WC/Bolts/Refrigeration	December 2019
Door Closers	February 2020
Commercial Mortice Locks	April 2020
Padlocks	June 2020

In addition to the existing packaging review, ASSA ABLOY Australia commits to the Action Plan Table in section 6 of this 5 Year Plan. These actions support the Australian Packaging Covenant KPIs listed in the Action Plan Table.

6. Action Plan Table
ACTION PLAN 2020

Covenant Performance Goals and KPIs	Actions	Responsibility	Baseline data	Target or Performance Goal	Timeline or Milestones
1. Design – optimize packaging to achieve resource efficiency and reduce environmental impact					
KPI 1: Signatories with documented policies and procedures for evaluating and procuring packaging using the SPG's or equivalent. Signatories assessing 100% of new packaging and 50% of existing packaging against the guidelines.	<i>Addressing this KPI requires two key features:</i> <ol style="list-style-type: none"> <i>Incorporating the SPG into your organization's design or procurement process, ensuring packaging sustainability criteria are considered prior to new products being released into the market;</i> <i>The scheduled assessment of existing packaging against the SPG.</i> <p><i>Better plans will detail how the outcomes of these assessments will be incorporated into the development of new packaging.</i></p>				
	<i>1. Revise 5 Years action Plan document.</i>	<i>Packaging Engineer.</i>	<i>Plan to be developed and signed by ASSA ABLOY president</i>	<i>Release plan and sign.</i>	<i>Complete by Nov 2015.</i>
	<i>2. Revise the ENG34 document in the Gateway Development Process so that all new packaging is developed using updated SPG.</i>	<i>Packaging & Materials Handling Manager.</i>	<i>ENG34 exists but need to be reviewed to be most update with products and packaging's.</i>	<i>Release a modified version of ENG34 which includes all elements of the SPG and train all Product Mgrs. /Developers.</i>	<i>Complete by Dec 2015.</i>

	<p>3. 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>Packaging & Materials Handling Manager & cross-functional team.</p>	<p>The formal review process in Table 1 of this Action Plan has not commenced.</p>	<p>Complete the reviews as per the timing in Table 1 for packaging items with an annual volume of at least 10,000 units because these will give a significant environmental benefit.</p>	<p>As per Table 1 of this 5 Year Action Plan. Reviews of existing packaging begun by April 2016 Year - % Reviewed 2016 - 2017 - 2018 - 2019 - 2020 -</p>
	<p>4. Use the revised ENG34 to assess procured packaging.</p>	<p>Purchasing Representative, Packaging & Materials Handling Manager & relevant Operations rep.</p>	<p>No formal review process has commenced for procured packaging against the SPG.</p>	<p>Set up formal processes with suppliers to review procured packaging against the SPG.</p>	<p>Set up processes and start reviews during Jan 2016.</p>
	<p>5. Modify documented management procedures to make the above 3 actions standard practice.</p>	<p>Packaging Engineer, Purchasing Representative & Quality Manager.</p>	<p>The documented management procedures need updating.</p>	<p>Complete all updates of documented management procedures.</p>	
	<p>6. Require all marketing department representatives to complete the Sustainable Packaging Covenant Toolkit.</p>	<p>Packaging Engineer and Marketing Studio Manager.</p>	<p>Marketing departments often make key product design decisions. The toolkit is available here: http://www.packagingcovenant.org.au/toolkit/</p>	<p>All marketing department members to complete Toolkit by March 2016.</p>	<p>To be completed by March 2016.</p>

Covenant Performance Goals and KPIs	Actions	Responsibility	Baseline data	Target or Performance Goal	Timeline or Milestones
2. Recycling - the efficient collection and recycling of packaging					
KPI 3: Signatories with on-site recovery system for recycling used packaging.	<p><i>KPI 3 requires signatories to have in place recovery systems for used packaging, but could also cover other on-site recovery, recycling and reuse actions. The APC understands that most organizations are likely to have in place a recovery system; if this is the case the focus is therefore on continuous improvement of the system in place.</i></p> <p><i>Simply stating there is a system in place is not considered sufficient. Signatories should:</i></p> <ol style="list-style-type: none"> <i>1. Describe how they will identify existing waste streams and opportunities to improve these;</i> <i>2. Develop and maintain systems to:</i> <ol style="list-style-type: none"> <i>i. Recover or recycle used packaging on-site;</i> <i>ii. Recover or recycle other materials on-site;</i> <i>iii. Reuse packaging and delivery materials; and/or</i> <p><i>Report volumes of waste diverted from landfill.</i></p>				
	<i>7. Continues improvement on-site recovery system to maximize the recycling of used packaging and materials.</i>	<i>Packaging Engineer and Site Engineer.</i>	<i>50% or above recycling rate for Melbourne 2016.</i>	<i>Aim to get recycling rate above 50% overall (not including metal recycling from the manufacturing process).</i>	<i>Each year and numbers will be published in Annual Report.</i>
	<i>8. Aim to obtain recycling rate above 50% overall (not including metal recycling from manufacturing process).</i>	<i>Packaging Engineer.</i>	<i>Average recycling rate of 50%.</i>	<i>Monitor and aim to have recycling rate above 50% overall and steady with previous years. Recycling rate does not include metal recycled from manufacture process.</i>	<i>Each year and numbers will be monitored through the year every three months and publish published on Annual Report.</i>

	<p>9. Evaluate intracompany suppliers using recyclable pallets material.</p>	<p>Site Engineer, Environmental Engineer and Purchasing and procurement.</p>	<p>50% recycling rate for Melbourne site.</p>	<p>Assessment to be completed and evaluated yearly.</p>	<p>Every year update and indicate opportunity of improvements.</p>
	<p>10. Metals recycling rate to be incorporated to waste and recycling baseline.</p>	<p>Site Engineer, Environmental Engineer and Packaging Engineer.</p>	<p>Obtain report tonnage collected in 2016.</p>	<p>Incorporate recycling metals rating to recycling baseline document. Collect tonnage reports and include in annual reporting.</p>	<p>Incorporating packaging and non-packaging waste streams may improve recovery pay-backs.</p>
	<p>11. Recover recyclable packaging from obsolete products prior to disposal and write off.</p>	<p>90% recyclable packaging separated and recovered from obsolete products at point of disposal for recycling.</p>	<p>Recovery of materials to occur as products becomes obsolete.</p>	<p>Incorporate recommendation to have obsolete material recycled when possible and not compromising business.</p>	<p>To be incorporated by December 2016.</p>

Covenant Performance Goals and KPIs	Actions	Responsibility	Baseline data	Target or Performance Goal	Timeline or Milestones
2. Recycling - the efficient collection and recycling of packaging					
KPI 4: Proportion of signatories with a policy to buy products made from recycled packaging or materials.	<p><i>KPI 4 requires signatories to develop and implement a policy that drives the procurement of products containing recycled packaging. The intention of this KPI is to improve the market demand for recovered packaging, which is likely to improve the commercial viability of packaging recovery. As packaging is often recycled into non-packaging products, the APC encourages organizations to develop policies that cover a wide variety of products that may extend beyond packaging.</i></p> <p><i>The key components of the KPI are:</i></p> <ol style="list-style-type: none"> <i>The establishment of a policy to preferentially buy products made from recycled materials.</i> <i>To document and demonstrate the implementation and adoption of the policy, leading to an increase in the proportionate purchasing of products containing recycled content.</i> 				
	<i>12. Support the recycling industry through the purchase of products or parts with a recycled content where appropriate and justified.</i>	<i>Purchasing Management.</i>	<i>Complete the establishment of the baseline which includes specific recycled contents.</i>	<i>Completion of 100% of the baseline which includes specific recycled contents.</i>	<i>Completed by June 2020.</i>
	<i>13. Review and increase recycle contents on 2 major packaging lines each year over and above baseline.</i>	<i>Purchasing Management & Packaging Engineer.</i>	<i>Every year to be initiated in 2016.</i>	<i>Review at least 2 major packaging lines each year for increased recycled content over and above the baseline.</i>	<i>Each year and numbers will be monitored through the year.</i>
	<i>14. Annual review of Buy Recycled policy to pursue continual improvement.</i>	<i>Purchasing Management.</i>	<i>Buy Recycled policy created March 2013. Review and update if needed once a year.</i>	<i>Update the Buy Recycled Policy and apply it to all new packaging purchases.</i>	<i>Monitoring progress with aim of continuous improvement will help to ensure greater uptake.</i>

	<p>15. Conduct annual review of cardboard supplier to determine the level of recycled product used with the aim of identifying improvement opportunities.</p>	<p>Purchasing and Packaging engineer.</p>	<p>Annual survey completed and acted upon. Actions arising from this documented and reported annually.</p>	<p>Initial survey completed by December 2013</p> <p>Annual reviews conducted in March each year</p> <p>Opportunities for expansion identified, reported, and acted upon, then documented in annual reporting.</p>	<p>Recycled content in certain raw materials results in reduced operational costs for suppliers. It is good business practice to understand the recycled content of your major material inputs.</p>
--	---	---	--	---	---

Covenant Performance Goals and KPIs	Actions	Responsibility	Baseline data	Target or Performance Goal	Timeline or Milestones
3. Product Stewardship – A demonstrated commitment to product stewardship by the supply chain and other					
KPI 6: Proportion of signatories that have formal processes for working with others to improve design and recycling of packaging	<p><i>The key requirement for KPI 6 is to develop and demonstrate that formal processes are in place to work with suppliers regarding packaging sustainability; this could include arrangements with material/product suppliers and service providers as well as not- for-profits and industry associations. However, actions under this KPI will vary substantially based on the industry and place in the supply chain of the signatory.</i></p> <p><i>To address this KPI, signatories should include items in their action plans which cover the following:</i></p> <ol style="list-style-type: none"> <i>Developing, documenting, and using formal processes (such as contracts and supplier codes of conduct) for working with suppliers and clients to improve packaging design and recovery; and</i> <i>Implementing policy actions to improve packaging outcomes.</i> 				
	<i>16. Develop and apply formal policies/processes for working with suppliers and customers to improve the design, procurement and reuse/recycling of our packaging.</i>	<i>Packaging Engineer, Purchasing Representative.</i>	<i>No formal processes currently exist. This has previously been done on a case by case basis.</i>	<i>All new ASSA ABLOY Australia branded finished products or packaging must have the packaging developed in collaboration with the supplier using ENG34 document as criteria. Our customer's recycling facilities/processes must be taken into account during packaging development process.</i>	<i>Implemented in 2011 and monitoring progress with aim of continuous improvement will help to ensure greater commitment.</i>
	<i>17. Sustain ISO 14001 certification and environmental management system across all applicable sites.</i>	<i>Environmental Engineer, Site Engineer.</i>	<i>System and certification maintained and reported annually via SAI Global Audits.</i>	<i>Certification reported every 3 years.</i>	<i>Current certification expires Feb 2018. Next certification audit will be November 2017. 6 monthly surveillance audits conducted by SAI Global.</i>

	<p><i>18. Support industry and community waste and recycling events and initiatives wherever applicable to demonstrate our commitment to reducing waste.</i></p>	<p><i>Environmental Engineer, Site Engineer.</i></p>	<p><i>Waste packaging with ASSA ABLOY Australia branding is not showing up in any of the audits conducted on litter in Australia, such as on the Keep Australia Beautiful and Clean Up Australia Day websites. The main ASSA ABLOY Australia site in Melbourne is kept virtually free from litter and recycle bins are available all over the site. Recycling symbols are printed on the vast majority of our packaging and plastic identification numbers included on nearly all plastic clam-shells.</i></p>	<p><i>Yearly review report from community waste and recycling events examining for indications that our packaging are presented in major mainstream.</i></p>	<p><i>Each year.</i></p>
	<p><i>19. Establish composting systems /hire composting providers for management of product wastage.</i></p>	<p><i>Environmental Engineer, Site Engineer.</i></p>	<p><i>50% organic wastage diverted from landfill to composting systems.</i></p>	<p><i>Composting system in place by December 2013.</i> <i>System maturation / expansion June 2014.</i></p>	<p><i>This will only be a viable action where the product is food based or otherwise compostable.</i></p>

Covenant Performance Goals and KPIs	Actions	Responsibility	Baseline data	Target or Performance Goal	Timeline or Milestones
3. Product Stewardship – A demonstrated commitment to product stewardship by the supply chain and other					
KPI 7: Proportion of signatories demonstrating other product stewardship outcomes	<p>KPI 7 provides signatories with a platform to promote 'other' sustainability-focused programs and further develop systems to better manage environmental and social impacts. Ultimately, these impacts directly or indirectly influence the sustainability footprint of your organization's packaging and initiatives to manage these should be included under KPI 7. Whilst this KPI does ask signatories to extend the principles of product stewardship beyond packaging, better plans may make reference to how the initiatives will lead/have led to better packaging sustainability outcomes.</p> <p>To address KPI 7, signatories should include items in their action plans to:</p> <ul style="list-style-type: none"> i. Develop, document and maintain environmental programs for packaging and other purposes; ii. Report progress against these actions each year. 				
	<i>20. Include action plan outcomes in Corporate Social Responsibility reporting.</i>	<i>Packaging Engineer.</i>	<i>APC annual report outcomes included in CSR reporting.</i>	<i>Your action plan contents can help contribute to environmental sustainability, which should be included in your Corporate Social Responsibility report.</i>	<i>2016.</i>
	<i>21. Constantly strive to reduce water and power usage on the Oakleigh manufacturing site.</i>	<i>Environmental Engineer, Site Engineer.</i>	<i>2012 baseline data as recorded by Environmental Engineer.</i>	<i>Aim to reduce the usage of water, gas and electricity on the Melbourne manufacturing site by a further 2% each year.</i>	<i>2016 on going 2020.</i>
	<i>22. Evaluate re-usable packaging for OEM customers.</i>	<i>Packaging Engineer, Product Manager & Sales.</i>	<i>Currently all single use packaging.</i>	<i>Design/evaluate at least one type of reusable packaging with an OEM customer.</i>	<i>2016 on going 2020</i>

Covenant Performance Goals and KPIs	Actions	Responsibility	Baseline data	Target or Performance Goal	Timeline or Milestones
3. Product Stewardship – A demonstrated commitment to product stewardship by the supply chain and other					
KPI 8: Reduction in the number of packaging items in litter	<p>Actions and targets under KPI 8 should relate to your organization’s approach to improving litter management, that being packaging/products that, rather than being disposed of in a bin, are found in public places or the broader environment (streets, parks, drains, beaches, waterways, etc.). It is important that the plan focusses on actions/targets that reflect your organization’s potential litter impacts.</p> <p>To address this KPI, signatories are asked to include actions which incorporate some combination of the following:</p> <ul style="list-style-type: none"> i. Provide improved disposal information on their product packaging; ii. Reduce the number of separable parts in their packaging which are likely to become litter; iii. Reduce the presence of litter on and around their own site(s); iv. Participate in litter reduction activities in their local community. <p>It is not sufficient to simply state that your packaging is unlikely to become litter. If litter is not a material issue it is important that you demonstrate this is the case and that measures have been enacted to account for whatever litter issues there are.</p>				
	<i>23. Add “Please Recycle” to be shown on all primary.</i>	<i>Packaging Engineer.</i>	<i>Review of existing packaging undertaken annually and logos included 70% of packaging to show messages by Dec 2014, 90% by Jun 2015.</i>	<i>During packaging assessment or development all components are included to present recycling logo.</i>	<i>Add requirement for the Tidyman logo and phrase “Please Recycle” to be shown on all primaries.</i>
	<i>24. 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.</i>	<i>Packaging & Materials Handling Manager, Environmental Engineer, Site Engineer.</i>	<i>Subjective evidence suggests ASSA ABLOY Australia packaging is not a significant source of litter.</i>	<i>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.</i>	<i>Every year to research and monitor throughout campaigning and site monitoring.</i>