



Signatory Name: ASSA ABLOY Australia Pty Ltd

The question numbers in this report refer to the numbers in the report template. Not all questions are displayed in this report.

Status: Complete

The content in this APC Annual Report is hereby endorsed by the Chief Executive Officer, or equivalent officer of the organisation.

Yes

5. Industry sector (please select 1 only):

- Brand Owner / Wholesaler / Retailer
- Packaging Manufacturer
- Waste Management
- Other - Commercial Organisation
- Community Group
- Industry Association
- Government
- Raw Material Supplier
- Other:

6. Industry type (please select 1 only):

- Food & Beverage
- Pharmaceutical / Personal Care / Medical
- Hardware
- Homewares
- Communications / Electronics
- Clothing / Footwear / Fashion
- Chemicals / Agriculture
- Fuel
- Large Retailer
- Tobacco
- Shipping Company
- Airline
- Other:

7. Please indicate your organisation's reporting period:

- Financial Year: 1 July 2015 – 30 June 2016
- Calendar Year: 1 January 2016 – 31 December 2016

Goal 1: Design

KPI 1: % of signatories with documented policies and procedures for evaluating and procuring packaging using the SPGs or equivalent.

9. Does your company have documented policies and procedures for evaluating and procuring packaging using the SPGs or equivalent?

Yes No

Provide details of policies and procedures

PURPY01 - Buy recycled Policy - Part of Company System and Policies since March 2013.

ENG34 - Packaging Check List Document - Sustainable Packaging Guidelines incorporated to business process since March 2011.

10. Of the types of packaging **existing at the beginning of the reporting period**, what percentage had been reviewed using the Sustainable Packaging Guidelines (SPG) by the end of the reporting period?

100 %

11. Have any new types of packaging been introduced during the reporting period?

Yes No

12. If yes, of the **new types of packaging introduced during the reporting period**, what percentage have been reviewed using the Sustainable Packaging Guidelines (SPG) by the end of the reporting

100 %

13. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 1

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	<i>Revise 5 Years action Plan document</i>	Action plan till 2020 developed in late 2015 and upgraded and revised accordingly to business updates.
2.	<i>Revise the ENG34 document in the Gateway Development Process so that all new packaging is developed using updated SPG.</i>	ENG34 Document which includes SPG (Sustainable Packaging Guidelines) reviewed 01/09/2016. ENG34 Document is up to date with business and packaging guidelines.
3.	<i>Use revised ENG34 to assess all existing packaging as per the Schedule for Packaging Reviews in Section 5 of Action Plan.</i>	As per Table 1 in the 5 Year Action Plan, reviews of existing packaging was initiated in April 2016. In 2016, 22.2 % items has been reviewed. This will be progressively reviewed accordingly to Table 1. Year - %Reviewed 2016 - 22.2% 2017 - 2018 - 2019 - 2020 -
4.	<i>Use revised ENG34 to assess procured packaging.</i>	ENG 34 document is part of development gateway process, all new packaging are assessed against Sustainable Packaging Guidelines (SPG). All new designed packaging are constantly accessed against environmental impact and designed to optimum packaging number of layers and end user application.
5.	<i>Require all marketing department representatives to complete the Sustainable Packaging Covenant Toolkit.</i>	Completed in March 2017. All team member including new members are presented with introduction to APC and importance of sustainability. In addition to complete Sustainable Packaging Covenant Toolkit.

14. Describe any constraints or opportunities that affected performance under this KPI

To Design an optimum packaging using resources efficiently and reducing environmental impact without compromising price, product quality and finish are often challenging. It is also difficult to continuously disseminate importance of sustainability across business making it viable and vital for operations facilitating the inclusion of sustainability activities.

Goal 2: Recycling

KPI 3: % signatories applying on-site recovery systems for used packaging.

15. Do you have on-site recovery systems for recycling used packaging?

- Yes at all facilities/ sites
- Yes at some, but not all facilities/ sites
- No

16. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 3

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?														
1.	<i>Continues improvement on-site recovery system to maximize the recycling of used packaging and materials.</i>	2016 recycling diversion rate is 65.5% By diverging waste from an average Australian Landfill through materials, organics and energy recovery ASSA ABLOY Australia has avoided the release of 7.05 tonnes of CO2-e into the atmosphere. ASSA ABLOY Australia has on site compactor for cardboard and plastic, this maximize recycling volumes and assist recycling facility converting materials. All material recycled from Mentone Warehouse are send to Oakleigh site for compaction and collection.														
2.	<i>Aim to obtain recycling rate above 50% overall (not including metal recycling from manufacturing process).</i>	Total recycling rates 2016 is 15.5% above target. Diversion of waste is equivalent to 26 trees planted, 4.75 cubic metre of landfill saved, saving 9 employees a flight Sydney to Hong Kong, 1.5 car removed from the road for one year and 7269kWh of electricity saved. Recycling rates are constantly monitored and is possible to note that 2016 recycling rates had been positively influenced by timber and concrete recycling rates. 2016 - Recycling volume in tonnes: <table style="margin-left: 20px;"> <tr><td>Cardboard</td><td style="text-align: right;">41.4</td></tr> <tr><td>Paper</td><td style="text-align: right;">15.7</td></tr> <tr><td>Security Paper</td><td style="text-align: right;">3.6</td></tr> <tr><td>Commingle</td><td style="text-align: right;">2.5</td></tr> <tr><td>Separated Organics - Composting</td><td style="text-align: right;">3.0</td></tr> <tr><td><u>Timber / Concrete</u></td><td style="text-align: right;"><u>160.0</u></td></tr> <tr><td>Total</td><td style="text-align: right;">225.3t</td></tr> </table> Diversion rate 2016 - 65.5% (15.5% above target and 7.5% above last year rates).	Cardboard	41.4	Paper	15.7	Security Paper	3.6	Commingle	2.5	Separated Organics - Composting	3.0	<u>Timber / Concrete</u>	<u>160.0</u>	Total	225.3t
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3.	<i>Evaluate inter-company suppliers using recyclable pallets material.</i>	The factory and warehouse have recently upgraded returnable cages between manufacture and warehouses. 100 new transport cages have been made to minimize the use of pallets and maximize truck loads. Cages are used daily between Mentone and Oakleigh sites, protecting products and supporting truck loads efficiency ultimately supporting sustainability.														

4.	<i>Metals recycling rate to be incorporated to waste and recycling baseline.</i>	<p>2016 - Metal Recycling Volume was 320 tonnes. The highest portion were:</p> <table border="0"> <tr> <td>Light gauge Steel</td> <td>97.1</td> </tr> <tr> <td>Brass</td> <td>84.2</td> </tr> <tr> <td>Pressing steel</td> <td>50.1</td> </tr> </table> <p>This is 18% above last year recycling rates. Recycling rate is directly proportional to production levels. Reduction in recycling metals are currently part of manufacture operations to reduce costs of operation. ASSA ABLOY Australia aim to reduce metal recycling rates by improving manufacture transformation.</p>	Light gauge Steel	97.1	Brass	84.2	Pressing steel	50.1
Light gauge Steel	97.1							
Brass	84.2							
Pressing steel	50.1							
5.	<i>Recover recyclable packaging from obsolete products prior to disposal and write off.</i>	ASSA ABLOY Australia will continue to strive to improve performance in this important area and publish our progress.						

17. Describe any constraints or opportunities that affected performance under this KPI

ASSA ABLOY Australia promotes sustainability and has continuously improved recycling rates on site, limitations in integrating businesses departments and develop a cross functional team are opportunities that the business is evaluating to improve.
 Compacting plastic is still an issue, although team members are driving improvements and exploring improvements.
 Site infrastructure construction has direct impact on recycling rates, whilst striving to have most materials recycled, this can indirectly impact diversion rate bottom line.

KPI 4: Signatories implement formal policy of buying products made from recycled packaging.

18. Does your company have a formal policy of buying products made from recycled packaging?

Yes No

Provide details of policies and procedures (including names of policies/ procedures)

Purchase team have two policies:
 PURY01: To promote and clearly communicate, ASSA ABLOY Australia's commitment towards the integration of sustainability into its main business processes and corporate culture.
 PURPY02: ASSA ABLOY Australia is a signatory to the Australian Packaging Covenant which supports the recycling of used packaging and other products.

 PURPY01 Buy Recycled Policy.doc
 PURPY02 Buy Packaging Made from Recycled Products Policy.doc

19. Is this policy actively used?

Yes No

20. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 4

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	<i>Support the recycling industry through the purchase of products or parts with a recycled content where appropriate and justified.</i>	Recycle policy assists development and use of material made of recycled contents. Purchase team are committed to apply policy when possible and economically viable. Policy is to be applied in order to strive for increase in buying recycled materials.

2.	<i>Review and increase recycle contents on 2 major packaging lines each year over and above baseline.</i>	<p>During previous years major local manufacture lines from Australia were transferred to group companies during those changes recycled contents were updated to have packaging efficiency maximized. This year the same exercise will be carried out to improve sustainability levels across two major suppliers.</p> <p>Up to date average recycled contents within packaging are:</p> <ul style="list-style-type: none"> - Blister packs presents 2% - Insert cards presents 19% - Inner cartons presents 37% - Outer cartons presents 46%
3.	<i>Annual review of Buy Recycled policy to pursue continual improvement.</i>	<p>At the moment Buy Recycle Policy is in place, further discussion with purchase team leaders was held to promote buying recycled material. Further development to increase effectiveness and consolidation of policy were held and discussed, concluding at this stage polices are appropriate.</p>
4.	<i>Conduct annual review of cardboard supplier to determine the level of recycled product used with the aim of identifying improvement opportunities.</i>	<p>At the moment 90-95% of our suppliers have identified amount of recycled contents within packaging materials. Our goal for the next five years is to further promote the use of recycled material across all suppliers.</p>

21. Describe any constraints or opportunities that affected performance under this KPI

Niche suppliers with low volume of packaging present a challenge to obtain correct amount of recycled contents within packaging. Although very likely paper pack material will have recycled contents, it is a challenge to obtain documented information.

Goal 3: Product Stewardship

KPI 6: % signatories with formal processes to work collaboratively on packaging design and / or recycling.

22. Does your company have formal processes in place for collaborating with other companies or organisations on improved packaging designs and/or recycling which aims to reduce or eliminate waste?

Yes No

Provide details of policies and procedures (including names of policies/ procedures)

Packaging Guidelines
 ENG34 - Document Sustainable Packaging Guidelines
 Buy recycled policy

23. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 6

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	<i>Develop and apply formal policies/processes for working with suppliers and customers to improve the design, procurement and reuse/recycling of our packaging.</i>	<p>All new digital locks packaging are made of 100% of recyclable material, in an innovative design involving supplier and ASSA ABLOY marketing team, packaging was designed to promote product and further enhance the use of sustainable materials. Suppliers were required to design and develop new processes to suit those request. Targeting category growth of digital locks marketing team are ensuring sustainable packaging, negotiating with suppliers and developing innovative sustainable solutions reducing the use of non-sustainable materials such as plastic.</p>

2.	<i>Sustain ISO 14001 certification and environmental management system across all applicable sites.</i>	Environmental Management System complies with ISO 14001:2004. Certification number is CEM20335. It is valid until 04/02/2018. As part of our commitment with environment and sustainability ASSA ABLOY Australia is committed to sustain certification and go beyond in actions promoting environmental benefits. Manufacture team have recently removed cyanide materials from site.
3.	<i>Support industry and community waste and recycling events and initiatives wherever applicable to demonstrate our commitment to reducing waste.</i>	ASSA ABLOY Australia brands were not identified as source of litter, such as Keep Australia Beauty and Clean Up Australian Day. In recent years, participation in the Australian Clean Up Day, ensured that Oakleigh site is virtually free of litter.
4.	<i>Establish composting systems, hire composting providers for management of product wastage.</i>	Veolia and One Steel are our service providers for collecting and recycling materials. Veolia have recently update its collection report system and will be promoting new online system that can be accessed anytime from anywhere. This will assist to monitor and keep up to date recycling levels.

24. Describe any constraints or opportunities that affected performance under this KPI

Asia suppliers are becoming aware of impact in the environment and slowly improving ways to further promote recycled contents within packaging materials.

KPI 7: % signatories showing other Product Stewardship outcomes.

25. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 7

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?																				
1.	<i>Include action plan outcomes in Corporate Social Responsibility reporting.</i>	As part of ASSA ABLOY corporate social sustainability report, the APC action plan and reports are being evaluated and formulated to be integrated as part of the ASSA ABLOY Sustainability annual report. This will promote further commitments to the APC and increase awareness of sustainability in Australia. ASSA ABLOY Electronic products are receiving green building product certification based on its energy consumption to help to build a sustainable future. Product Stewardship creates business value for ASSA ABLOY and our customers.																				
2.	<i>Constantly strive to reduce water and power usage on the Oakleigh manufacturing site.</i>	Baseline data recorded for the past 4 years, as per below table: % Usage (increase or decrease) <table border="1"> <thead> <tr> <th></th> <th>Water</th> <th>Electricity</th> <th>Gas</th> </tr> </thead> <tbody> <tr> <td>2013</td> <td>-2.41</td> <td>-3.68</td> <td>-18.78</td> </tr> <tr> <td>2014</td> <td>-13.82</td> <td>-7.62</td> <td>-0.76</td> </tr> <tr> <td>2015</td> <td>-12.45</td> <td>2.14</td> <td>5.69</td> </tr> <tr> <td>2016</td> <td>13.18</td> <td>-13.79</td> <td>-10.15</td> </tr> </tbody> </table> Although presenting a raise in water consumption reduction in Electricity and Gas are significant improvements to operations. Raise in water consumption has been reviewed with site operations and the use of water tanks will be maximized.		Water	Electricity	Gas	2013	-2.41	-3.68	-18.78	2014	-13.82	-7.62	-0.76	2015	-12.45	2.14	5.69	2016	13.18	-13.79	-10.15
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3.	<i>Evaluate re-usable packaging for OEM customers.</i>	Returnable containers are currently being used internally between work stations. External material and components suppliers are, using ASSA ABLOY returnable crates. First initial evaluation with OEM customers raised issues with scratches and marks on parts due it being finished goods.
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26. Since the beginning of the reporting period, has your company had any other outcomes related to product stewardship?

- Yes No

If yes, please give examples of other product stewardship outcomes

ASSA ABLOY Australia, continues its commitment to replace and restore skylights that will reduce the need for electricity. In 2017, a new project is being developed to reduce the amount of water used, this will be achieved by re-harvesting water. Continuous improvement in air leakage to reduce compressor usage. Heating control by removing hot air from factory and warehouse in more efficient ways. Further evaluate the conversion of fluorescent lamps to LED.

27. Describe any constraints or opportunities that affected performance under this KPI

2016 was a good year for ASSA ABLOY our customers are quickly turning to sustainable security solutions, particularly for energy savings. ASSA ABLOY new five-year sustainability program is proceeding according to plan. During the year we expanded our portfolio of green products, improved energy and water efficiency, increased the use of environmental management systems and continued an ambitious plan to improve health and safety within the Group.

KPI 8: Reductions in packaging items in the litter stream.

28. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 8

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	<i>Add "Please Recycle" to be shown on all primary.</i>	All packaging materials when printed being guided to have "Please recycle" logo, continuous involvement of research and development team to ensure technical printed paper will also promote recycling. Marketing team continuously involved in promoting this KPI.
2.	<i>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>	ASSA ABLOY Australia is supporter of the Australian Clean Up Day. During last participation the major source of litter identified around the site were, cigarettes but's, fast food packs and soft drinks bottles. No ASSA ABLOY Australia packaging materials has been found in our litter stream.

29. Describe any constraints or opportunities that affected performance under this KPI

Focusing on the design for sustainability it is possible to reduce the number of packaging layers, which can directly impact the chances of packaging material ending up in litter stream. Although the use of polybags for small components are needed and quite hard to eliminate. ASSA ABLOY Australia is committed to clean up campaigns and we will continue to strive to support such campaigns.

Your Experiences

This section lets you share with us any achievements, good news stories and areas of difficulties in making progress against your plan and the Covenant goals and KPIs.

30. Key achievements or good news stories

Since 2003, when ASSA ABLOY Australia first joined the National Packaging Covenant, significant improvements have been made to how we design and create new packaging, improve recycling rates on site, create business awareness for sustainable actions and most importantly the improvement in a sustainable cultural shift.

Project meetings and product development process includes a number of people who endeavour to improve packaging and to make it more sustainable.

Two recent examples were the migration of digital product line from plastic blister material to a sustainable and innovative paper pack design, virtually eliminating unsustainable sources and facilitating recycling processes.

Another example, was the removal of Styrofoam from protecting packaging. Styrofoam was successfully substituted by paper, after exhaustive trials. This was possible due to involvement and support from local and overseas paper manufactures, using their facilities and research team to find an optimum design and solution.

Two new lines of product were initially developed to use Styrofoam as cushions to protect product. During the packaging development process, the team raised the concern of Styrofoam use and with the supplier. A solution using paper material was developed, satisfying project members and end user needs.

The cultural shift since 2003 is showing its benefits and becoming inbuilt to the business, promoting innovative solutions to sustainability issues.

31. Areas of difficulties in making progress against your plan, Covenant goals or KPIs

Designing sustainable packaging to meet end consumer requirements can be quite difficult and challenging at times. The use of traditional packaging methods are still the preferred industry method for packing hardware products and to change this line of thinking with suppliers can be quite arduous.

ASSA ABLOY Australia's commitment to the APC and to go above and beyond to find innovative solutions to our packaging that will promote and develop innovation and sustainability.