

H.A.G.

H.A.G. Import Corporation (Australia) Pty Ltd



KROSNO RITZENHOFF

AUSTRALIAN PACKAGING COVENANT

**ACTION PLAN
2011 to 2015**

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EXECUTIVE SUMMARY

As a leading homewares brand owner, H.A.G. Import Corpn (Australia) Pty. Ltd., understands the importance of environmentally responsible packaging and are committed to conducting our business activities with respect to the environment & the product stewardship principles.

It is important to know that a majority of HAG product lines are fragile (namely porcelain & glass) & are generally purchased as gifts for giving.

As signatory to the Australian Packaging Covenant, H.A.G. is committed to incorporating the Sustainable Packaging Guidelines as part of product packaging design strategy.

In addition, HAG has implemented systems and procedures to capture relevant data required for annual reporting against Key Performance Indicators (KPIs) relevant to 'brand owners'.

COMPANY PROFILE

H.A.G. Import Corporation (Australia) Pty Ltd (H.A.G.) is a family company that has been selling homewares in Australia for over 35 years. H.A.G. is the sole Australian importer and distributor for the brand names Maxwell & Williams, Casa Domani, Doozie, Headline, Krosno and Ritzenhoff.

Our warehouse / distribution facility is 24,000 sq meters with the capacity to hold 24,000 pallets.

Quality presentation are essential to the H.A.G. business model, with around 80% of over 4,000 SKU's involving gift box packaging, all of which are sourced by the individual manufacturers.

Product protection is also essential given H.A.G.'s extensive variety of homewares.

Our largest customers in Australia are Myer, House Stores (Franchise Group) and David Jones. These three major customers are the biggest aspirational homewares retailers in Australia, and in each, Maxwell & Williams is the biggest casual lifestyle brand and the biggest tabletop supplier.

All H.A.G. products are imported as finished goods and shipped to retailers / wholesalers from our warehouse in Brooklyn, Victoria. A limited amount of repacking occurs at the site; H.A.G.'s operations therefore currently have limited ability to influence product design and packaging considerations of our suppliers. However, H.A.G. will endeavour to continue to encourage commitment from all suppliers to source only recyclable packaging materials.

COMPANY BRANDS

Maxwell & Williams recognizes that our customers want to use high quality porcelain dinnerware everyday. Maxwell & Williams is now well represented internationally in over 50 markets including Australia, New Zealand, South Africa, Israel, Hong Kong, China, Canada, United Kingdom, Germany, Holland, Luxembourg, Switzerland, Belgium, Austria, Poland, Hungary, Greece, Cyprus, Czech Republic, the Slovak Republic and Italy.

The Casa Domani range offers an exciting and versatile mix of dinnerware, servingware, glassware, cutlery and napery. Casa Domani has been created to enable our customers to recognise and express their very own personal and individual styles, with design and function always being paramount ingredients in the overall makeup of the brand.

Headline collection offers affordable dinnerware, servingware & glassware to consumers as an alternative choice to existing ranges within the market.

Our Doozie range offers a light-hearted, affordable assortment of colourful and quirky items that give our consumers an opportunity to buy a product that is fun, vibrant and accessible at an extremely low cost.

Krosno glassworks was established in 1923 in the picturesque town of Krosno, which is situated in the foothills of the Carpathian Mountains in Southern Poland. Krosno prides itself on their high quality standards and strict policies, with each sophisticated, mouth-blown piece of Krosno glassware being created into exclusive pieces of art. This makes Krosno one of the most distinctive and desirable brands in the world. H.A.G. became the exclusive distributor in Australia of the Krosno brand in 1985.

Ritzenhoff is a brand about irresistible art and design, encompassing a world of fabulous creativity, uniqueness and style. The Ritzenhoff collection has been created and designed to provide each individual with a unique experience. Famous designers worldwide submit their works of art for the Ritzenhoff collection, which is considered an honour. The unique ability of these famous designers to create a distinctive range of gifts makes Ritzenhoff one of the world's most inspirational and stylish brands. The individuality and flair of the Ritzenhoff designs and the standing in which they are held is evidenced by the fact that museums, such as Guggenheim, proudly exhibit their works all over the world.

H.A.G. IMPORT LOCATION

Head Office & Warehouse location:

11-27 Millers Road, Brooklyn, Victoria, 3012.

COVENANT SUPPORT AND COMMITMENTS

As a signatory to the Australian Packaging Covenant, H.A.G. Import Corporation (Australia) Pty Ltd fully support and are committed to incorporating the Sustainable Packaging Guidelines as part of product packaging design strategy, and integrating our business activities with respect to the environment & the product stewardship principles.

HAG has identified relevant key performance indicators (KPIs) required of us under the APC and have implemented systems and procedures to capture relevant data required for annual reporting against each KPIs relevant to 'brand owners'.

The commitments outlined under each KPIs further demonstrates the commitment to APC from HAG, its Managing Directors and Management team.

Terry Fitzell, as General Manager, endores this Action Plan and the commitments contained therein.

AUSTRALIAN PACKAGING COVENANT CONTACT

Australian Packaging Covenant contact person for H.A.G. Import Corporation (Australia) Pty Ltd is: Miss Christina Nguyen (Purchasing Operations Manager)

- Phone: (03) 9318-0466
- Email: chrisn@hag.com.au

PACKAGING IN THE H.A.G. SUPPLY CHAIN

There are 3 main sources of packaging in the H.A.G. supply chain.

- The product's own packaging, (shelf-ready packaging) as seen by consumers at retail stores
- Packaging used by the supplier & manufacturer to deliver the product to Australia
- Packaging used by H.A.G. to deliver the product to retail customers

HAG strives to seek from our suppliers / manufacturers shelf-ready packaging which considers packaging materials and design for purpose, in line with SPG design strategy.

A high portion of the products are sold and despatched using the same packaging in which it arrived, therefore utilising same packaging for all purposes through the distribution from manufacturer to retailers, with only the shelf-ready packaging being available at retail for the end consumer.

Current recycling activity is limited to cardboard where unusable cartons are crushed and recycled.

Plans for a broader range of recycling are being investigated for implementation.

TYPES OF PACKAGING MATERIALS USED

H.A.G. and our suppliers use the following packaging materials in the manufacturing and distribution process:

- Paperboard primary and secondary boxes
- Cardboard outer boxes
- Plastic primary wraps (limited items only , when sold separately)
- Wood pallets
- Shrink wrap (LLDPE & PP)
- Acetate (limited items only)

DESIGN

KPI 1: Proportion of signatories in the supply chain implementing the Sustainable Packaging Guidelines for design or procurement of packaging

Action: Implement process & procedure to review new packaging at beginning of product development cycle, incorporating & consistent with the SPG				
Timeframe: 2014	Target: Develop checklist by 2012 annual reporting. 100% reviewed by 2014	Baseline Data: No	Evidence: Checklist incorporated into procedure	Responsibility: Purchasing Operations Manager

Action: Review Existing Packaging by Product Category, consistent with the SPG				
Timeframe: 2015	Target: Review current review system by 2012 annual reporting. Identify & review Product Category & packaging material used for; *top 25% of current product by 2012 *top 50% of current product by 2013 *top 75% of current product by 2014 *top 100% of current product by 2015	Baseline Data: Product registry & review system	Evidence: Registry of items reviewed showing details of packaging material	Responsibility: Purchasing Operations Manager

RECYCLING

KPI 3: Proportion of signatories with efficient on-site recovery systems for recycling used packaging

Action: Increase on-site recycling rate				
Timeframe: 2015	Target: Review current on-site recovery system for recycling & identify areas of improvement (if any) by 2012 annual reporting. Increase recycling rate to 50% of total annual disposal by 2014.	Baseline Data: On-going documentation from waste management service	Evidence: Documentation of estimated recycling against total disposal	Responsibility: Warehouse Manager

Action: Encourage & improve existing recycling policy in office & tea room facility				
Timeframe: 2015	Target: Review existing recycling policy and facility within office & identify areas of improvement by 2012 annual reporting. Implement recycling policy by 2014	Baseline Data: Current office material recycling facility	Evidence: Recycling facility visible around office & tea room. Documented policy	Responsibility: Office Manager

KPI 4: Proportion of signatories with policy to buy products made from recycled packaging.

Action: Preference to 'buy recycled' policy				
Timeframe: 2014	Target: Review & establish which office stationery can be purchased from recycled packaging or material, by 2012 annual reporting. Implement policy to buy office stationery containing recycled content by 2013	Baseline Data: No data	Evidence: Listing of products Documented Policy	Responsibility: Office Manager
2015	Review & establish a buy recycled packaging material policy against each product category, by 2012 annual reporting. Implement preference to buy recycled policy by 2014	Current in Supplier Manual	Policy implementation in Supplier Manual	Purchasing Operations Manager

PRODUCT STEWARDSHIP

KPI 6: Proportion of signatories that have formal processes for working with others to improve packaging design and recycling of packaging

Action: Coordinate with waste management service provider to distinguish against recycling & landfill				
Timeframe: 2015	Target: Review existing contracts & systems in place by 2012 annual reporting. Establish ongoing policy for waste management service providers by 2014	Baseline Data: Current recording system	Evidence: Documented collection invoice from service provider.	Responsibility: Warehouse Manager

Action: Work with suppliers to source & trial alternative packaging solutions				
Timeframe: 2015	Target: Review & identify packaging alternatives by 2012 annual reporting If alternatives are consistent with SPG, trial alternatives by 2014,	Baseline Data: No data	Evidence: Documented investigation of alternatives	Responsibility: Purchasing Operations Manager

KPI 7: Proportion of signatories demonstrating other stewardship outcomes

Action: Coordinate disposal of packaging policy with Customer base				
Timeframe: 2015	Target: Inform Customers of HAG commitment to APC by 2012 annual reporting. Encourage the proper disposal of packaging at retail premises with 20% of customer base, by 2014.	Baseline Data: No data	Evidence: Statement of APC signatory status on documents sent to customers Statements on invoices sent out	Responsibility: National Sales Manager

KPI 8: Reduction in the number of packaging in the litter stream

Action: Design packaging to reduce the incidence or impact in litter				
Timeframe: 2015	Target: Review & incorporate appropriate labeling & recycling logos on packaging; * of all new products by 2012 annual reporting *of 75% of current products by 2015	Baseline Data: Basic logo in use	Evidence: Logo & recycling encouragement on product packaging	Responsibility: Design Director