

GUD

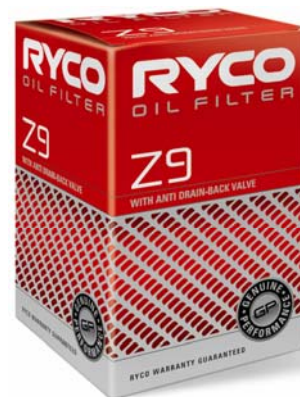
AUTOMOTIVE PTY. LTD.

National Packaging Covenant

Annual Report

GUD Automotive Pty. Ltd.
June 2005 to July 2006
Written December 2006

RYCO
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Executive Summary

Over the period of June 2005- July2006, GUD Automotive took steps as per the previous action plan to introduce a data base to cover the KPI index as indicated to the NPC.

These include Tonnes of Consumer packaging sold per annum Type 1A, 1B and 1C.

Total Wt, by type of Non Recyclable packaging sold into the Australian Market.

The Establishment of base line data.

Internal packaging was completely removed.

Reduced the amount of cross contamination of packaging materials.

Working with our new suppliers to minimize virgin raw material use.

We have also taken the opportunity to work with new suppliers in significantly reducing the amount of plastics Type 7used replacing it with recyclable cardboard.

Company Overview

- Profile

GUD Automotive Pty. Ltd. is a wholly owned subsidiary of GUD Holdings Limited, which is a top 500 listed public company based in Tottenham Victoria.

- Products

GUD Automotive Pty. Ltd. is a major supplier of air, oil and fuel filters for the automotive industry using the market leading brand name “RYCO” . As well as automotive applications, our filters are used in agricultural, marine, commercial and industrial applications.

- Packaging materials

While the majority of our packaging is cardboard, polyethylene and polypropylene are also used.

- Our Market

We have about a 30 % market share of the 30 million filters changed in Australia annually.

Key Performance Indicators

KPI	How	Responsibility	Date	Measure
1 Tonnes of Consumer Packaging sold per annum 1A Tonnes by Material Type by Source 1B Tonnes of Packaged Product Sold 1C Ratio of Product Weight to Packaging	A database of product packaged & unpackaged weight is maintained & will be cross referenced to sales data for the year.	Engineering Department	By September 2006	Quantitative Data reported to NPC. Completed
3 Improvement in Design, Manufacture, marketing and distribution to minimise the environmental impacts of packaging	GUD has completed a complete review of packaging during the previous NPC. There are no plans to conduct another review in the near future.			
4 Changes to protection, safety, hygiene, shelf-life or supply chain considerations affecting amount and type of packaging used	GUD has completed a complete review of packaging during the previous NPC. There are no plans to conduct another review in the near future.			
6 Total weight , by type, of “non-recyclable” consumer packaging sold into the Australian market	Database noted in KPI 1 to be expanded to record whether packaging is non recyclable. This will be cross referenced to the Sales information for the year.	Engineering department	Oct 2006	Quantitative data reported to NPC annually. Completed. Type 7 1.2 Tonnes
16 Percentage of signatories providing recycling collection facilities for post consumer packaging generated on site	Estimate the amount of waste generated that is sent to land fill vs amount sent to recycling.	Logistics department	Oct 2006	Data Reported to NPC 80% recycled

21 Estimated tonnage of consumer packaging sent (a) for recycling and (b) to landfill from onsite collection facilities.	As above			As above
22 Number of signatories who have formally adopted the EcoPP and developed systems for it's implementation	ECoPP requirements will be reviewed and implemented into the packaging approval process. Importance of EcoPP to be communicated to key staff including CEO. Note: Recycle logo implementation on all appropriate packaging well underway & to be continued.	Marketing department	Oct 2006	Acknowledgement of ECoPP requirements in packaging approval process. 90% complete.
26 Implementation of Buy Recycled purchasing policy or practices	Work with suppliers to establish recycled content of packaging & influence them to increase recycled content	Engineering/Logistics	Oct 2006	Quantitative data on recycled content to be reported to NPC. Not yet completed
27 Establishment of baseline data	Ensure systems in place to capture data required to satisfy above KPIs. Conduct reviews to ensure data is collected as required	Engineering/Logistics	Oct 2006	Quantitative data reported against required items. 90% Complete
28 Annual Reporting against action plan	NPC Annual report to be incorporated into schedule of required reports	Engineering Manager	Oct each year of plan	Data reported on schedule. Not achieved due to change in personnel
29 Demonstrated improvement against individual targets and milestones	Action plan submitted Feb 2006. Review of action plan to take place in Oct 2006 as part of NPC reporting schedule	Engineering Manager	October 2006	Improvement noted in the KPIs from the

				November 2005 to October 2006 reporting timeline.
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Action Plan

	Action	How	Benefit	Measure	Target	Status
1	Minimize internally generated land fill	<ul style="list-style-type: none"> Analyse audit results Formulate Action plans Implement 	Minimize material usage	Cubic Meters removed by J.J.Richards	The second half of 2003 financial year to be less than 80% of the first half. Initial revised target is to reduce to 2003 levels	04/05 year was 46.76% of 02/03 year 05/06 year was 10% of last year. TBA
2	Eliminate single use internal packaging	<ul style="list-style-type: none"> Reuse internal packaging Introduce internal crates 	Minimize material usage	Cubic Meters of waste removed from the Distribution Centre	The second half of 2003 financial year to be less than 70% of the first half.	21/12/06 Internal packaging completely removed



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	Action	How	Benefit	Measure	Target	Status
3	Reduce the size of our packaging	<ul style="list-style-type: none"> In conjunction with our packaging supplier optimise the packaging size to the product Redesign our packaging to reduce glue and tuck flaps 	Minimize material usage	Percent board reduction	Weighted 5 % reduction by December 2003	Project completed at 4.1%
4	Increase the amount of recycled material used	In conjunction with our packaging supplier increase the percentage of recycled content	Reduction in virgin raw materials used	Percent change	5 % average increase	No local packaging now purchased all product sourced overseas
5	Reduce the amount of cross contamination of packaging materials	<ul style="list-style-type: none"> Minimize the amount of printing on our packaging consistent with our products premium market position In conjunction with our packaging supplier move to single packaging material per product 	Simpler and cheaper recycling	Percent change	<ul style="list-style-type: none"> 5 % reduction by July 2003 80 % conversion by December 2003 	Achieved and completed





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	Action	How	Benefit	Measure	Target	Status
6	Reduce the amount of non-renewable resources used in our packaging	In conjunction with our packaging supplier move from non-renewable resource to renewable resource packaging	Conservation of non-renewable resources	Percent change	90% of our packaging to come from renewable resources by July 2004	Achieved and completed
7	Reduce the amount of raw material used in our shippers.	In conjunction with our packaging supplier down gauge our shippers.	Minimize material usage	Percent reduction	5% weighted average reduction by July 2004	Project completed at 4.5%
8	Encourage our customers to increase the recycling of our product and packaging	<ul style="list-style-type: none">• Enter into shared responsibility agreements with our customers to increase the volume of packaging collected and recycled.• Educate the final user of our product on recycling our product and packaging.• Actively market Ryco filter crushers	Minimize virgin raw material use		March 2003 Ongoing Ongoing	On Going due to new suppliers coming on board Ongoing



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Environment Management policy

ENVIRONMENTAL MANAGEMENT POLICY

As a responsible corporate citizen, GUD Automotive Pty. Ltd. is committed to protecting the environment. We are committed to complying with accepted environmental practices. We shall meet or exceed applicable legal requirements and commitments and continually improve the environmental aspects of our business for the benefit of our employees, shareholders and the community at large.

Our company will work towards:

- Managing processes and materials to prevent pollution and reduce their impact on the environment
- Reducing usage of hazardous and toxic chemicals
- Reducing and recycling waste and packaging
- Improving the efficiency of energy usage
- Improving our filters to reduce pollution
- Educating employees in environmental management

Our environmental management system is based on the International standard ISO 14001 *Environmental Management Systems* and we shall meet the requirements of this standard as a minimum.



Feed back

GUD Automotive Pty. Ltd. welcomes your feedback on this Annual report, or any aspect of our interaction with the environment. Any comments should be addressed to :

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