

Breville

Australian Packaging Covenant Action Plan

2011-2015

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1. Executive Summary

Breville Pty Limited (Breville) is home to many leading brands including Breville, Kambrook and Ronson. We are proudly Australian owned and are committed to design excellence and delivering outstanding products to our broad range of customers in Australia and in over 30 countries worldwide.

As a leader of a diverse business, it is important to acknowledge that our responsibilities go beyond financial goals. Importantly, as an organisation that distributes consumable goods, we recognise the need to act as an industry leader in environmental and social concerns.

Breville signed the National Packaging Covenant in 2009 and commenced a number of early initiatives which included:

- Designing a smaller format hard copy instruction booklet which is now in production for seven Kambrook SKUs – this initiative will reduce the total volume of paper consumed per SKU sold;
- Making product instruction booklets available online for all Breville and Kambrook products so customers can access information should original booklets become lost;
- Enhancing office based recycling facilities at the Breville Head office in Botany, to include paper and comingled recycling;
- Providing reusable 'green bags' at company events and tradeshow to reduce the volume of packaging consumed at these events;
- Introducing 100% recycled content outer packaging for a range of Kambrook lighting products;
- Convening Breville's first 'Green Charity Day' in 2009 to increase awareness of environmental issues among staff; and
- Reviewing the suitability to use 'eggshell carton', with each new product, as a substitute to polystyrene for the protection of products during transportation – this initiative is increasing the recyclability of Breville product packaging.

We are now proud to be a signatory of the Australian Packaging Covenant and look forward to achieving further gains as we implement our 2011-15 APC Action Plan. Breville senior management team endorse this action plan and support the principles of the Australian Packaging Covenant.



Stephen Audsley
Chief Executive Officer
Breville Group Limited

2. Company Profile

Breville Pty Limited (Breville) is an inspirational Australian company, creating innovative and empowering products that give our customers the confidence to surprise and delight every day.

With the expertise of our Design Centre in Sydney, we are able to provide world class, electrical consumer products, to over 30 countries worldwide. Although the Breville team span many continents and speak many languages they are bound by one common objective to grow value in an environment that promotes excellence in product development and customer service.

2.1 Major Brands

Breville is home to a number of well-known consumer electrical brands, including Breville, Kambrook, Ronson and Goldair, and also utilises its sales network and distribution channels for the personal care products of the Philips brand.

Breville

KAMBROOK
THE SMARTER CHOICE

PHILIPS

GOLDAIR

RONSON

2.2 The Breville Culture

At Breville, we are committed to providing a working environment for our people that develops them to the best of their ability.

As an organisation that distributes consumable goods primarily of an electrical nature, Breville recognises its need to act as an industry leader in environmental and social concerns.

We believe an organisation should contribute more than financial results alone, and Breville is determined to build a culture through the commitment of our employees that reduces our impact on the environment and increases our contribution to society.

2.3 History of the Breville Brand

On Melbourne Cup day in 1932, just seven months after the opening of the Sydney Harbour Bridge, Bill O'Brien and Harry Norville scraped together 500 pounds in the midst of the nation's worst economic depression to found "Breville Radio". Together they built and sold radios to a generation for whom radio was the centre of family entertainment and vital connection with a world in great upheaval.

Breville sold its radio division in 1951 with the advent of television but continued as a family business with a focus on seeking innovations to everyday living. It was John O'Brien, son of Bill, chairman and passionate supporter of Breville R&D who discovered our secret to successful innovation: each working day, until his passing in 2003, John read every one of the customer feedback cards. "It's the most important thing I do," he said. Customer feedback is still read daily by our Design, Innovation and Marketing teams. Customer feedback is, and will continue to be, the key to our success.

Breville has created some true product icons that have changed the way we live: our scissor-action sandwich toaster reached into an amazing 10% of Australian homes in the first year of its release (1974). Today, from NZ to the UK, toasted sandwiches are still affectionately known as 'Brevilles', and the term has been added to the Australian dictionary. Success followed on success with the 'Kitchen Wizz' food processor, and later on the high-wall electric wok, the health grill, panini press and award-winning Juice Fountain and espresso machines.

Breville products are now sold in over 30 countries around the world. And, like it was for Breville Radio, Breville Innovation is not just about products - it is about the way we live.

2.4 Company Locations

Breville Pty Limited Head office is located at:

Building 2, Port Air Industrial Estate
1A Hale St
Botany NSW 2019

Ph: (02) 9384 8100

www.breville.com.au

State sales offices are also located at:

- Port Melbourne, Victoria
- Eagle Farm, Queensland
- Edwards Town, South Australia
- Canning Vale, Western Australia
- Howrah, Tasmania

3. APC Management

3.1 APC Coordinator

The Breville APC Coordinator is:

George Karraz
Global Manufacturing Manager
george.karraz@breville.com.au

The company APC Coordinator will assume responsibility for overseeing the implementation of all company APC commitments by working with relevant company and supplier representatives as appropriate.

3.2 APC Team

Breville has assigned an APC Team to work with the APC Coordinator to oversee the implementation of APC commitments. The team is cross functional and includes representatives from the following business functions:

- Supply Chain
- Marketing
- Product development
- Design
- Quality; and
- Finance.

4. Packaging Materials and Formats

The major packaging formats and materials used by Breville are detailed in Table 1.

Table 1: Breville Packaging Formats and Materials

Packaging Format	Packaging Item	Material composition
Gift Box	Box	Laminated cardboard (with or without UV varnish)
	Swing tag	Cardboard and string
	Protective insert	Polystyrene and/or cardboard (eggshell carton)
	Plastic bag	Plastic Type: 02 PE-HD & 04 PE-LD
	Instruction booklet	Coated paper
	Swing tag	Cardboard and string
	Pin protector	Plastic Type: 02 PE-HD
	Cable tie	Plastic Type: 07 Nylon
	Quick start guide	Coated paper
	Product information insert	Paper
	Product sticker	Various
	Warranty card	Paper
Storage Bag	Bag	Reusable bag: Various, rope and zipper
	Cardboard insert	Cardboard
	Instruction booklet	Coated paper
	Warranty card	Paper
	Product information insert	Paper
	Cable tie	Plastic Type: 07 Nylon
Clamshell Packaging	Product sticker	Various
	Plastic shell	Plastic Types: 01 PET & 02 PE-HD
	Cable ties	Plastic Type: 07 Nylon
	Instruction booklet	Coated paper
	Warranty card	Paper
	Product information insert	Paper
Tertiary Packaging	Product stickers	Various
	Outer Carton	Cardboard
	Shrink wrap	Plastic Type: 04 PE-LD
	Security Stickers	Various
	Pallets	Wood

5. Breville Baseline Position

Breville signed the National Packaging Covenant in 2009 so recently commenced collating relevant baseline information and data. Our early APC commitments focus on gathering more detailed information and developing a comprehensive database to build on our current position as of the 2009/10 financial year.

Preliminary baseline data and information includes the following:

- Gross weight of product and packaging sold into the Australian market: 16,497 tonnes
- Total packaging sold into the Australian market: 4,076 tonnes
- Product to packaging ratio: estimated to be 4.05 to 1
- Sustainability criteria considered in new product packaging design: some consideration given, but generally an informal process
- Sustainability criteria considered in supplier agreements: formal factory audits consider the environmental and social credentials of suppliers
- Onsite systems for the collection and reuse or recycling of used packaging: yes, head office in Botany
- Data collated for the recovery of used packaging: no, data gathering systems and database are under development
- Packaging materials recycled from head office: cardboard, paper, metal, co-mingled containers
- Implemented policy or procedure to buy recycled content products: no, although some recycled content products are currently purchased
- Total number of recycled content products purchased: unknown (further analysis of current purchases is required)
- Weight of recyclate in recycled content products purchased: unknown
- Consumer information included on packaging to promote correct recycling or disposal behaviour: some labelling included (further analysis is required)
- Actions taken to reduce litter: none, given it is currently believed there is low potential for company packaging to enter the litter stream (further analysis will be undertaken)
- Annual financial contributions made to the Covenant Fund: yes

6. APC Action Commitments

Breville's APC action plan is aligned with the three APC goals of design, recycling and product stewardship. Details of these actions are outlined against the relevant APC key performance indicators.

6.1 Goal 1: Design

The first APC goal relates to 'Design' and is defined as 'optimising packaging to achieve resource efficiency and reduce environmental impact without compromising product quality and safety'. This goal has one KPI:

KPI 1 – 'Proportion of signatories in the supply chain implementing the Sustainable Packaging Guidelines (SPG) for design or procurement of packaging'

Breville understands the key to achieving this goal is the successful integration of the SPG as a business as usual process. Table 2 outlines the actions Breville will take to support Goal 1.

Table 2: Breville Actions to support APC Goal 1 - Design

Action		Timeframe	Target
<i>KPI 1: Proportion of signatories in the supply chain implementing the SPG for design or procurement of packaging</i>			
1.1	Establish an APC Team to manage all company APC obligations	Oct 2011	Formal adoption of APC team charter
1.2	Conduct regular meetings of the APC Team to facilitate implementation of the action plan	Oct 2011	Quarterly APC Team meetings convened
1.3	Establish a packaging review team	Oct 2011	Formal adoption of a packaging review team charter Regular packaging review meetings convened
1.4	Develop a format for grouping packaging to facilitate packaging reviews	Dec 2011	Company packaging grouping finalised
1.5	Develop a SPG review template	Feb 2012	Company packaging review template, consistent with the SPG, finalised and trialled
1.6	Create a database of all Breville product packaging inclusive of composition and weight	Jun 2012	Packaging database created
1.7	Develop a process for the review of Breville packaging against the SPG review template	Jun 2012	Packaging review process developed and agreed to complete the review of all existing packaging by 2015
1.8	Incorporate SPG review into the new product development process	Oct 2012	SPG integrated as a business as usual process for new product development

Action		Timeframe	Target
1.9	Review all existing packaging against the company SPG template	Jun 2015	100% of existing packaging reviewed by 2015
1.10	Identify and document new opportunities to improve existing packaging based on outcomes of packaging reviews	Annually	New packaging improvement actions documented and quantified Packaging improvement targets quantified for specific projects
1.11	Continue to report product to packaging ratio for product sold into the Australian market	Annually	Product to packaging ratio remains steady or improves
1.12	Develop a communication approach to inform Breville staff about the APC and company commitments	Dec 2012	Regular APC communication to relevant Breville staff

6.2 Goal 2: Recycling

The second APC goal relates to 'Recycling' and is defined as the 'efficient collection and recycling of packaging'. The goal contains four KPIs:

KPI 2 – 'National recycling rate for packaging'

KPI 3 – 'Proportion of signatories with on-site recovery systems for recycling used packaging'

KPI 4 – 'Proportion of signatories with a policy to buy products made from recycled packaging'

KPI 5 – 'Additional tonnes of material reprocessed in primary and secondary markets as a result of Covenant funded projects'

Table 3 outlines the actions Breville will take to support Goal 2. Note: there are no company actions specifically relating to KPIs 2 and 5, however Breville believes the actions listed under KPIs 3 and 4 and its financial contribution to the Covenant Fund broadly support Goal 2.

Table 3: Breville Actions to support APC Goal 2 - Recycling

Action	Timeframe	Target
<i>KPI 3: Proportion of signatories with on-site recovery systems for recycling used packaging</i>		
3.1	Review existing waste and recycling systems at Botany head office to seek new opportunities to improve recycling rates and collate waste and recycling data	Mar 2012 Established baseline data for company waste and recycling Established recycling targets Clear action plan to improve or maintain on-site packaging recovery rates
3.2	Where possible improve waste and recycling systems at Botany head office to increase the volume and type of materials recycled onsite	Jun 2012 Site recycling targets met
3.3	Consider a framework for reporting waste and recycling data to management	Oct 2012 Waste reporting procedure finalised and implemented
3.4	Develop educational materials to support on-site recycling rates and maximise packaging recovery efficiencies	Oct 2012 Waste/recycling education priorities identified Waste management and recycling messages communicated to staff
<i>KPI 4: Proportion of signatories with a policy or procedures to buy products made from recycled packaging</i>		
4.1	Review and document the current purchase of recycled content products	Jun 2012 Baseline for the purchase of recycled content products established
4.2	Investigate opportunities to integrate a commitment to buying recycled content packaging for Breville products	Dec 2012 Policies or procedures to purchase recycled content packaging for Breville products considered and documented
4.3	Investigate opportunities to integrate a commitment to buying recycled content products within general company operations	Dec 2012 Opportunities to consider recycled content product alternatives for general company operations completed and recommendations considered
4.4	Collate information and report on the volume of recycled content products purchased annually	Annually, from FY 2013 Weight of recyclate purchased in recycled content products reported annually. Volume of recycled packaging in recycled content products purchased is itemised

6.3 Goal 3: Product Stewardship

The third goal of the Australian Packaging Covenant relates to 'Product Stewardship' and is defined as 'the demonstrated commitment of all signatories in the supply chain working with others to improve packaging design and recycling' and 'taking action to reduce the incidence and impacts of litter'. This goal contains three KPIs which are:

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

KPI 7 – 'Proportion of signatories demonstrating other product stewardship outcomes'

KPI 8 – 'Reduction in the number of packaging items in litter'

Table 4 outlines the actions Breville will take to support Goal 3.

Table 4: Breville Actions to support APC Goal 3 – Product Stewardship

Action		Timeframe	Target
<i>KPI 6: Proportion of signatories that have formal processes for working with others to improve design and recycling of packaging</i>			
6.1	Regularly engage with packaging suppliers regarding new packaging opportunities for Breville	Annually	Annual packaging supplier discussions documented
6.2	Work with factories to formalise the process for assessing the feasibility of substituting eggshell carton for polystyrene within the new product development process	Jun 2012	Eggshell carton considered as a substitute for polystyrene in the new product development process
<i>KPI 7: Proportion of signatories demonstrating other product stewardship outcomes</i>			
7.1	Review and document the environmental gains achieved through the existing Breville refurbishment and recycling program for products returned under warranty	Jun 2012	Environmental benefits of Breville product refurbishment program documented and packaging savings noted
7.2	Investigate the feasibility of implementing a new initiative which will enable customers to return used products for recycling	Oct 2012	Feasibility study for implementing a take-back program for used products completed
7.3	Keep up to date with industry product stewardship schemes relevant to the electronics industry	Annually	Potential opportunities to support industry extended producer responsibility initiatives relevant to Breville identified
<i>KPI 8: Reduction in the number of packaging items in litter</i>			
8.1	Review all product labelling to consider the potential inclusion of consumer messages to promote preferred disposal options	Dec 2012	Review of consumer packaging disposal information complete and new opportunities identified
8.2	Investigate the likelihood of Breville product packaging entering the litter stream and document the process	Jun 2012	Potential litter impacts of Breville product packaging researched and documented

6.4 Reporting and Continual Improvement

The creation of processes and systems to share and store APC information is an important priority for Breville. As a recent Covenant signatory a key focus of our early APC commitments will be to develop monitoring systems and document all APC progress.

Breville believes strongly in the principle of continual improvement and will look to improve its operations, processes and data management accordingly. Actions relating to reporting and continual improvement are outlined in Table 5.

Table 5: Breville Reporting and Continual Improvement Actions

Action		Timeframe	Target
<i>Reporting</i>			
R1	Develop a process to facilitate information sharing and effective APC document storage	Oct 2011	APC system folder established and assessable to all relevant staff
R2	Develop an APC data collection and management systems which is audit ready	Mar 2012	Established APC data management system/s
R3	Develop and submit APC annual reports	Annually from Mar 2012	Annual reports submitted in line with APC requirements
R4	Display APC Action Plan on company website	Oct 2011	Breville APC Action Plan publicly available on the company website
R5	Display company APC Annual Reports on company website	Annually from Apr 2012	Breville APC Annual Reports publicly available on the company website
<i>Continual Improvement</i>			
R6	Continually work to identify and assess new APC action opportunities	Annually	New APC actions identified, assessed and reported in company APC Annual Reports
R7	Seek opportunities to improve APC processes, procedures and data management systems on an ongoing basis	Annually	APC processes, procedures and data management systems reviewed annually in line with annual report preparation