



**Gainsborough Hardware
Industries Limited
Annual Report 2008:
National Packaging
Covenant**

Executive Summary

Gainsborough Hardware Industries Ltd is committed to the role of reducing and recycling the amount of packaging and waste materials that the business processes in its day to day activities.

In completing the first year as a signatory to the National Packaging Covenant, Gainsborough has proudly committed all necessary resources across all of the business to achieve the objectives of its first year plan. The results of this first year are summarised in the 'Activities to Date' section below.

Now, having achieved this and having baseline data on over 5,900 SKU's and a process to monitor the usage of all packaging within the business, Gainsborough is in a position to begin reporting on its plans to achieve decreased usage.

Gainsborough takes its environmental responsibility seriously, and is proud to be a part of the National Packaging Covenant.

We look forward to contributing positively to the objectives of the Covenant in the coming year.

Company Details

Gainsborough is a wholly owned subsidiary of the GWA International Group of Companies, a publicly listed company.

Gainsborough's Head Office and distribution centre is located in Blackburn, Victoria. Two manufacturing plants are located at Blackburn and Kyneton, Victoria. Gainsborough has sales offices in all State Capital Cities and is distributed in Far North Queensland by a sales agent.

The Company is a manufacturer, exporter, importer and distributor of quality door furniture. With extensive market share of the Australian domestic building market, Gainsborough also exports to the USA, Europe, Africa, Asia and other global markets.

Gainsborough has built a reputation for producing quality door furniture. Recently Gainsborough renewed its certification under the ISO 9001:2000 Quality Management System. Gainsborough is also included in the internationally acclaimed Lloyds Register of Quality Assured Companies

Gainsborough Hardware Industries and the Environment

Gainsborough already has an impressive record of waste minimalisation and environmental sustainability activities including: water recycling, electrophoretic plating, recycling off cuts in production, reuse of paper and cardboard in distribution centres and full compliance with EPA regulations. These initiatives have resulted in a 30% reduction in water usage and 25% reduction in hard waste in the business since 2005.

We are continuing this record through our participation in the National Packaging Covenant.

Gainsborough Hardware National Packaging Covenant Commitment

As a signatory to the National Packaging Covenant, Gainsborough commits to minimising the environmental impacts packaging has across all our business activities.

All Senior Management and most staff have now been directly briefed about the objectives of, and role the National Packaging Covenant has to play in reducing packaging waste. Every Department Manager was tasked with auditing their area as part of the action plan, with a clear focus on identifying ways to reduce the packaging waste of the business measurably.

A working group of Senior Managers (including our General Manager) was formed to assess and execute the action plan activities and initiatives.

As at October 2008, Gainsborough has now completed the first year of its first 3 year action plan, which encompassed essentially introducing the National Packaging Covenant commitment across the organisation and obtaining the baseline data required to measure the future reductions.

Through these and other activities to be continued over the remaining two years (and beyond) of the existing action plan, Gainsborough remains committed to supporting the objectives of the National Packaging Covenant.

Activities to Date

Gainsborough's activities this year reflect the commitment the organisation has to meeting the objectives of the NPC.

In achieving all of the first year objectives of the GHI Action plan submitted in February 2008, Gainsborough has completed a range of initiatives, including:

- Weighing, measuring and collating baseline data for over 3,500 individual SKU's
- Updating their product development program to incorporate the Environmental Code of Practice and Packaging guidelines.
- Actively working with suppliers and making changes to packaging where possible to include the use of recycled materials
- Actively working with suppliers and customers and making changes to packaging to communicate to the consumer the ability to recycle the packaging
- Creating a "re-use" zone in its main distribution centre to recycle and reuse all possible incoming packaging in despatch of goods
- Educating our sales force and giving them material to discuss the Packaging Covenants impact on Gainsborough, its products and its customers
- Placing recycling containers for paper and cardboard in every office in the Head Office and Administration areas of its sites
- Continuing to pursue and achieve significant water and hard waste saving initiatives in the factory as part of our overall environmental commitment.

Gainsborough intends to build on these achievements as we enter the next year of our 3 year plan.

Compile Baseline Data		
Action	Update	KPI
Gather information on weights, type and quantity of packaging used in local manufacturing	Gainsborough has weighed over 3500 locally manufactured products, collated and entered the relevant packaging and product information into our NPC database	1, 27
Gather information on net and gross weight of imported product, packaging types and ratio	Gainsborough has weighed over 2400 imported and sourced products, collated and entered the relevant packaging and product information into our NPC database	1,27
Create a method of ongoing data collection and storage of relevant information	<p>A documented process now exists of entering new product information into our master data base of NPC data when either new products are created or changes to existing products are effected</p> <p>The new process has been successfully implemented to capture any changed or new data relating to packaging</p>	1,27
Create a report to National Packaging Covenant detailing packaging usage by weight and type	Report to be prepared from data base and submitted to NPC in February 2009	28

Local Production Initiatives		
Action	Update	KPI
Investigate current packaging designs of locally manufactured products to reduce quantity of packaging required. Investigate possibilities of changing any packaging material / styles that is non-recyclable or difficult to recycle with recyclable product	<p>Marketing and Production staff formed a working team to analyse and determine ways to identify, reduce or eliminate packaging materials that are non recyclable.</p> <p>Suppliers of packaging materials were contacted to find ways to replace or offer alternatives to non recyclable product being used</p> <p>Changes have been recorded in the NPC database to ensure the change and reductions can be measured</p>	6, 26
Ensure that all recyclable packaging used is clearly labelled as able to be recycled, with a message encouraging users to do so.	<p>Marketing identified packaging that was not effectively labelled, and redesigned or updated packaging where appropriate</p> <p>In conjunction with Bunning's, several exclusive lines had wording or symbols put onto the packaging for consumer education</p>	6
Design and implement strategies to reduce wastage or overuse of bulk packaging materials used in production.	Production staff formed a working team to analyse and determine ways to identify, reduce or eliminate wastage of bulk packaging	21
GHI embarked on a program of reducing water consumption in manufacturing via methods of recycling - continue to pursue this program and report results.	Production staff, in particular our plating line, have continued to pursue methods of recycling both energy and water.	1

Imported Product Initiatives		
Action	Update	KPI
Analyse current packaging used by overseas suppliers and create a list of suggestions on how packaging could be reduced. Ensure all recyclable packaging is clearly marked where appropriate. Determine ways of eliminating or replacing any non-recyclable packaging.	<p>Marketing and Production staff formed a working team to analyse and determine ways to identify, reduce or even eliminate packaging materials where possible on all imported product.</p> <p>Options implemented already include increasing the quantity of product per shipper, to reduce the number of shipper cartons,</p> <p>Marketing identified packaging that was not effectively labelled, and redesigned or updated packaging where appropriate</p> <p>In conjunction with Bunning's, several exclusive lines had wording or recycling information put onto the packaging for consumer education</p> <p>Changes have been recorded in the NPC database to ensure the change and reductions can be measured</p>	6, 26
Liaise with overseas suppliers regarding outcomes of audit and discuss possibility of implementing suggestions or ideas.	Suppliers of imported product that contained non recycling materials were contacted to find ways to replace or offer alternatives to non recyclable product being used. This has led to alternatives being considered and sourced by both GHI and our suppliers.	6

Product Development Initiatives		
Action	Update	KPI
ECoPP requirements will be reviewed and implemented into the new product packaging approval process. Importance of EcoPP to be communicated to all key staff including CEO. Recycle logo to be implemented on all appropriate packaging	<p>Gainsborough has updated their product development program to incorporate the Environmental Code of Practice and Packaging guidelines.</p> <p>All new products, or modifications and changes to existing products and packaging are screened through the Development process.</p> <p>The Group Marketing Manager sent a comprehensive email and hard copy memo to all staff communicating the importance of EcoPP, and a copy is posted on our work Intranet.</p> <p>Marketing identified packaging that was not effectively labelled, and redesigned or updated packaging where appropriate</p>	22

<i>Distribution & Despatch Initiatives</i>		
<i>Action</i>	<i>Update</i>	<i>KPI</i>
Analyse current packaging methods and materials used. Create a list of ways to reduce packaging - look for environmentally friendly alternative to any non-recyclable materials particularly shrink wrap, bags and bubble wrap.	<p>Warehouse Management formed a working team to assess the amount and type of packaging used. Purchasing was able to quantify the amount of packaging purchased for use in despatch and delivery of our products.</p> <p>A list of alternatives was considered to eliminate non recyclable materials, without increasing the risk of product damage during transit.</p> <p>As at November 2008 no implementation of alternatives had been achieved.</p>	4
Ensure products are despatched to vendors and merchants without the need to repack wherever possible. Look at possibility of increasing pack sizes sold to eliminate repacking at pick level.	<p>Pick faces and shipper cartons have been modified to ensure where possible products do not require repackaging or increased packaging to deliver.</p> <p>Marketing evaluated opportunities to consolidate or increase pack sizes where possible. At November 2008 two latches had been increased in pack size from 4 to 10, and bulk packs of some of the highest selling SKU's was under consideration for launch in 2009.</p>	4
Products from both overseas and from local manufacturing arrive packed with materials - cardboard, bubble wrap, pallets etc. Create an area where these materials can be collected and re-used for packing deliveries going out.	The warehouse formed a team that created a "recycle area". Almost all incoming packaging is sorted, flattened, "cleaned" of tapes and staples, and then put in sorted orderly piles for use in despatch packing.	4
Investigate possibility of consolidating vendor, merchant and interstate warehouse deliveries to reduce amount of packaging used.	<p>Discussions with two major customers have led to projects whereby orders are to be consolidated and deliveries consolidated to minimise the need for packaging and handling. Both these projects are due to commence in early 2009.</p> <p>Deliveries of stock to our interstate warehouses have been consolidated and reduced to twice a week, again minimising packaging of bulk ordered items.</p> <p>Further, our interstate warehouses have begun the same process of utilising the incoming packaging for outgoing deliveries.</p>	4

Vendor / Merchant & Consumer Education		
Action	Update	KPI
Update website with details of Gainsborough recycling policy, and provide details on how packaging of our products can be properly recycled.	Marketing has created material for our website with a GHI recycling policy and an Environmental statement. Due to technical difficulties this has yet to be uploaded onto our live server. We expect this to occur early in the new year.	4
Create a bulletin for all Sales staff to enable them to discuss recycling of packaging with vendors, merchants and builders during their sales calls.	<p>Marketing created a Sales Memo bulletin outlining our National Packaging commitment, our environmental statement and giving them information on our key environmental activities.</p> <p>Sales people were able to use the document as a presenter to discuss the GHI recycling effort with customers during their calls.</p> <p>This was issued in October 2008.</p>	4

Internal Office Initiatives		
Action	Update	KPI
Implement internal recycling bins to increase the amount of paper/cardboard, bottles and cans that are recycled. Special attention to be given to photocopy areas and laser printer stations.	<p>A working team of six office staff was appointed who drew up an action plan to capture recyclable material waste throughout the office areas.</p> <p>Cardboard box - paper recycling bins have since been placed in every office and photocopying area.</p> <p>Kitchen areas have had Styrofoam cups replaced where possible with ceramic cups.</p>	16
Reduce quantity of individual ink jet and laser printers in offices and replace with network printers / photocopiers that service larger office areas.	Our IT department has continued to rationalise printers and photocopiers across the whole business.	16
Create a plan/policy for the reduction of paper usage - particularly where alternatives exist in electronic forms such as keeping records, emails and electronic ordering from customers, increase number of vendors and merchants accepting trading account statements electronically	<p>A draft policy document has been created and tabled for review, which is expected to be implemented mid 2009.</p> <p>In the mean time, all major vendors have had the opportunity to discuss the introduction or expansion of existing electronic methods of invoicing and communication between GHI and themselves.</p>	16

<i>Long term plan</i>		
<i>Action</i>	<i>Update</i>	<i>KPI</i>
<p>After analysing the results of the various audits and initiatives enacted from this plan, a 3 year plan will be developed. The results of the current plan audits will enable identification of areas of potential improvement within the company, and provide data to allow meaningful targets to be set and measured against, for each reporting period. Results of initiatives from this plan will also be included.</p>	<p>The results of the various activities of the 2008 Action Plan for GHI can now be reviewed, and the areas of potential can now be identified.</p> <p>GHI is now in a position to formulate and update its 3 year plan to reduce packaging, from the baseline data.</p> <p>The plan is expected to be finalised and submitted to the NPC in February, 2009.</p>	<p>29</p>

Contact Details

The primary contact with regard to Gainsborough's commitment to the National Packaging Covenant is

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National Packaging Covenant KPI Report

Survey Name:

The NPC Survey 2008

Company:

NPCIA

Lodged Date:

12/12/2008 4:28:28 PM

Lodged by:

GAINSBOROUGH HARDWARE
IND. LTD

KPI 1A : Report tonnes of packaging by material type and source (local or imported)

Locally sourced packaging materials (TONNES per annum):

Paper	0.52
Cardboard - Standard (inc liquid paper board)	120.7
Cardboard - Waxed	0
Cardboard - High Wet Strength	0
Plastics - Type 1 (PET)	0
Plastics - Type 2 (HDPE)	0
Plastics - Type 3 (PVC)	20.9
Plastics - Type 4 (LDPE)	5.3
Plastics - Type 5 (PP)	0.2
Plastics - Type 6 (PS)	0
Plastics - Type 7 (Other)	0
Glass	0
Aluminum	0
Steel	0
Composites	0
Other	0

Imported packaging materials (TONNES per annum):

Paper	31.5
Cardboard - Standard	403.4
Cardboard - Waxed	0
Cardboard - High Wet Strength	0
Plastics - Type 1 (PET)	0
Plastics - Type 2 (HDPE)	0
Plastics - Type 3 (PVC)	81

Plastics - Type 4 (LDPE)	10
Plastics - Type 5 (PP)	0.3
Plastics - Type 6 (PS)	0
Plastics - Type 7 (Other)	0
Glass	0
Aluminum	0
Steel	0
Composites	0
Other	0
Total Tonnes of packaging	673.82
KPI 1B : Net tonnes of packaged product sold	2293.1
KPI 1C : Ratio of product to packaging (by weight)	
KPI 6A : Enter the total weight of non-recyclable consumer packaging sold per annum into the Australian market.	
Plastics - Type 4 (LDPE)	15.3
Plastics - Type 5 (PP)	0.50
Plastics - Type 6 (PS)	0
Plastics - Type 7 (Other)	0
Non recyclable paper/cardboard (waxed or High wet strength)	0
Composites	0
Total	15.8
KPI 6B : Total non recyclable packaging as a percentage of total packaging sold	
KPI 16A : Do you have on-site collection facilities for recycling? (consumer packaging i.e. used packaging materials, containers, wrapping or boxes etc used by staff or signatory)	Yes
KPI 16B : What types of on-site recycling facilities are provided?	
Paper/cardboard	Yes
Plastics	Yes
Metals	No

Organics	No
Other	No

KPI 21 : Enter the estimated tonnage of consumer packaging sent for recycling and to landfill from onsite collection facilities (refer to KPI 16)

KPI 21A Consumer packaging from on-site collection which is sent for recycling

Total tonnes	16.928
Percentage of total waste	9.413

KPI 21B Consumer packaging from on-site collection which is sent to landfill

Total tonnes	162.9
Percentage of total waste	90.587

KPI 22A : Has the Environmental Code of Practice for Packaging been formally adopted ?

Yes

KPI 26A : Have you adopted a buy recycled purchasing policy or practices?

Yes

KPI 26B : Provide examples or quantitative data from this adoption

127.4

Total amount of product purchased that has recycled content (tonnes)

KPI 27A : Did you report indicative baseline data (where available), including qualifiers & assumptions, by 31st October 2007? (ie. Did you enter data last year)

No

KPI 27B : Have you reported established baseline data by 31 October 2008? ? (ie are you reporting data for the first time (?) this year)

Yes

KPI 28A : Report lodged by 31 October each year and outline progress against baseline data, individual Action Plan commitments, targets and timelines.

Yes

KPI 29: Annual report clearly demonstrates continuous improvement and performance against individual targets and timelines in Action Plan.

Yes