

Hannapak Progress Report October 2008

ACTION PLAN OWNERSHIP UPDATE AND PROGRESS REPORT

AS AT 31 OCTOBER 2008

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Corporation submitting the action plan progress report	Hanna Group Pty Ltd ACN 000 592 745 Subsidiaries and Associated Companies Notbox Pty Ltd Rubber Latex Laboratories Pty Ltd
Nature of our organisation	Hannapak remains a privately held company. Our market share has increased to over 11%.
Time frame	Progress Report to 31 October 2008
Place in packaging chain	Converter and supplier of folding cartons
Covenant Officer Details	Jon Kaplan Director of Finance Hanna Group Pty Ltd Bells Line of Road North Richmond NSW 2754 T: + 61 2 4571 1000 F: + 61 2 4571 2135 E: jon@hanna.com.au

Responsible Officers:

Responsible officers and Covenant Committee Members are:

Covenant Principal Contact:

Jon Kaplan, Director of Finance, Hanna Group Pty Ltd, Bells Line of Road, North Richmond NSW 2754

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Jon Kaplan Director of Finance T: + 61 2 4571 1000 F: + 61 2 4571 2135 E: jon@hanna.com.au	John Yenn Operations Director T: + 61 2 4571 1000 F: + 61 2 4571 1222 E: john.yenn@hanna.com.au

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Key Performance Indicators

	Baseline 2005	Target 2006	Actual 2006	Target 2007	Actual 2007	Target 2008	Actual 2008	Proposed Action	Current Status
Energy consumption of KW used per tonne of cardboard conversion	316	294	311	273	324	254	261	7% reduction per annum	Significant reduction in KWH consumption YoY, mainly due to mix of volumes and changes in carton design. Challenges though lie ahead.
Water Consumption of KW used per tonne of cardboard conversion	0.27	.025	.0124	.024	.0133	.22	.15	4% reduction per annum	
Non Recyclable Packaging converted as a % of tonnes	6.2%	5%	6.3%	5%	7.3%	5%	3.3%	Reduction in UV Varnish	
% of consumer packaging sent for recycling expressed in tonnes	24.2%	21.2%	22.93%	19.2%	26.9%	18%	32.2%		An vast improvement on prior years due to continual improvements in waste monitoring and management
% of consumer packaging send to landfill								Data still not available	
Buy recycled Purchasing Policy	In place	In place	In place	In place	In place	In place	Under review	Under review	

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Consumption	Measure per annum	Usage per annum
Energy Consumed	<p>3,988,031 kw of energy consumed in 2008.</p> <p>A decrease of 6.7% on 2007.</p>	<p>265KW of energy used for the conversion process of cardboard (local) – 2008</p> <p>324KW of energy used for the conversion process of cardboard (local) - 2007</p>
Water Consumed	<p>2368 KL of water per annum</p> <p>2440 KL of water per annum</p>	
Non recycled content of cardboard	<p>Baseline 160 tonnes purchased</p> <p>2006 – actual 175 tonnes</p> <p>2007 – actual 198 tonnes</p> <p>2008 – actual 115 tonnes</p>	
Recycled Waste	<p>6,487 tonnes of waste recycled per annum by outside contractor</p> <p>3,554 tonnes of waste recycled per annum by outside contract - 2007</p>	<p>Resources Saved:</p> <p>Landfill space saved: 20,766 (m3)</p> <p>Water savings – 151,564 (1000 litres)</p> <p>Energy savings – 118,687 gigajoules</p>

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Covenant Stewardship Category	Proposed Action	Target	Timing	Progress Update
Disposal	Review current procedures for disposal of production waste	Review the potential to recycle production waste internally	Dec 05	<p>Recycle waste internally is impractical after consideration.</p> <p>Waste compacting has been considered and is structurally unviable.</p>
Design	<p>Minimisation of Packaging</p> <p>Streamlining of design of cartons</p> <p>Increased use of board with recycled content</p> <p>Source viable alternative board options with reduced</p>	<p>Implementation and capex spend on a plotter incorporating CAD design and technical expertise</p>	<p>Jan 06</p> <p>Ongoing</p> <p>Ongoing</p>	<p>CAD design, plotter and expertise improved in Dec 07 with additional staff recruited.</p>

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Covenant Stewardship Category	Proposed Action	Target	Timing	Progress Update
Production	Improve plant efficiencies.	Implement automatic scheduling system within MIS	Q3 2006	Completed – June 2008
	Reduce make readies	Introduce CtP to improve make ready times and reduce run sheet consumption		Completed
	Improve scheduling of jobs to minimise changeovers			Completed
Recycling	Introduction of e-portal for customers to access their information to reduce paper flow, usage and storage	Develop suitable application	Q1 2007	No suitable application without specific limitations has been found, ongoing project.

