



Australian Packaging Covenant
Smarter packaging, less waste, cleaner environment

Signatory Name: McPherson's Consumer Products

The question numbers in this report refer to the numbers in the report template. Not all questions are displayed in this report.

Status: Complete

The content in this APC Annual Report is hereby endorsed by the Chief Executive Officer, or equivalent officer of the organisation.

☒ Yes

5. Industry sector (please select 1 only):

- ☒ Brand Owner / Wholesaler / Retailer
- ☐ Packaging Manufacturer
- ☐ Waste Management
- ☐ Other - Commercial Organisation
- ☐ Community Group
- ☐ Industry Association
- ☐ Government
- ☐ Raw Material Supplier
- ☐ Other:

6. Industry type (please select 1 only):

- ☐ Food & Beverage
- ☒ Pharmaceutical / Personal Care / Medical
- ☐ Hardware
- ☐ Homewares
- ☐ Communications / Electronics
- ☐ Clothing / Footwear / Fashion
- ☐ Chemicals / Agriculture
- ☐ Fuel
- ☐ Large Retailer
- ☐ Tobacco
- ☐ Shipping Company
- ☐ Airline
- ☐ Other:

7. Please indicate your organisation's reporting period:

- ☒ Financial Year: 1 July 2014 – 30 June 2015
- ☐ Calendar Year: 1 January 2015 – 31 December 2015

Goal 1: Design

KPI 1: % of signatories with documented policies and procedures for evaluating and procuring packaging using the SPGs or equivalent.

9. Does your company have documented policies and procedures for evaluating and procuring packaging using the SPGs or equivalent?

☒ Yes ☐ No

Provide details of policies and procedures

MCP NPD Procedure

10. Of the types of packaging **existing at the beginning of the reporting period**, what percentage had been reviewed using the Sustainable Packaging Guidelines (SPG) by the end of the reporting period?

100 %

11. Have any new types of packaging been introduced during the reporting period?

☒ Yes ☐ No

12. If yes, of the **new types of packaging introduced during the reporting period**, what percentage have been reviewed using the Sustainable Packaging Guidelines (SPG) by the end of the reporting

100 %

13. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 1

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Incorporate the SPG into MCP NPD and ongoing review of all live product.	100% of all NPD incorporating SPG. Ongoing.
2.	Review all current product packaging against SPG. 100% of all ABCN SKUs will be reviewed using SPG	100% review of Health & Beauty ABCN packaging, reducing product range from 2000+ as of July 2014 to 1000 as of 09/03/2016.
3.	Establish meaningful packaging metrics to monitor and control action plan.	All items have been remeasured and all aspects of packaging weighed. Reviewed cubing program extensively to reduce shipping packaging required to support sales.

14. Describe any constraints or opportunities that affected performance under this KPI

Product marketing, hygiene, safety, security and quality.

Goal 2: Recycling

KPI 3: % signatories applying on-site recovery systems for used packaging.

15. Do you have on-site recovery systems for recycling used packaging?

- ☒ Yes at all facilities/ sites
☐ Yes at some, but not all facilities/ sites
☐ No

16. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 3

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Currently MCP has onsite facilities for the recycling of Office Paper, Cardboard, Ink Cartridges, Aluminium cans, wooden pallets.	100% of the total packaging purchased on site used is included in the recycling process. Shippers, outer cartons, cardboard and office paper - 231 tonnes was recycled during this reporting period.
2.	Develop and implement MCP Environmental Management Systems waste management plan. A waste management team to be developed.	McPhersons Consumer Products Environmental Management System has been developed and implemented, which includes Waste Management Plan, Storm Water Management Plan, Environmental Site Report, Environmental Risk Survey, Workforce Information, Spill Response Procedures and Reporting. Reviewed and updated in December 2015. MCP has never had an environmental incident.

17. Describe any constraints or opportunities that affected performance under this KPI

No constraints

KPI 4: Signatories implement formal policy of buying products made from recycled packaging.

18. Does your company have a formal policy of buying products made from recycled packaging?

- ☒ Yes ☐ No

Provide details of policies and procedures (including names of policies/ procedures)

NPD Designer Artwork Approval Form

19. Is this policy actively used?

- ☒ Yes ☐ No

20. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 4

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	In line with the SPG principals, the purchase of packaging material used for on site production purposes will be from recycled materials where applicable.	100% of all packaging material used on site and in the shipping process is manufactured from recycled materials where applicable and ongoing.
2.	For packaging included in the purchase of consumer products refer to Action 1.	100% of all new products are reviewed for ease of recycling. All product packaging at every level is currently reviewed and ongoing at NPD level.

21. Describe any constraints or opportunities that affected performance under this KPI

Product marketing, hygiene, safety, security and quality.

Goal 3: Product Stewardship

KPI 6: % signatories with formal processes to work collaboratively on packaging design and / or recycling.

22. Does your company have formal processes in place for collaborating with other companies or organisations on improved packaging designs and/or recycling which aims to reduce or eliminate waste?



Yes



No

Provide details of policies and procedures (including names of policies/ procedures)

MCP NPD Procedure.

23. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 6

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Incorporate SPG into all negotiations with suppliers regarding product packaging and product development.	Incorporate the SPG into MCP NPD and ongoing review of all product.
2.	The purchase of packaging material used for on site production purposes will come from collaborative processes with other manufacturers as per ongoing review of product development.	Incorporate the SPG into MCP NPD and ongoing review of all product.

24. Describe any constraints or opportunities that affected performance under this KPI

Product marketing, hygiene, safety, security and quality.

KPI 7: % signatories showing other Product Stewardship outcomes.

25. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 7

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Improve volumetric efficiency of on site packaging processes to use less packaging. 5% improvement per annum for duration of Action Plan.	The average dead weight per carton in October 2015 was 4.98kg. This is comparable to previous year's results.
2.	Work with suppliers who are also APC signatories by reviewing existing supplier base and encouraging non-signatories to sign.	Talks via Product Managers and Supply Planning to suppliers hasn't yield any new signatories this year. Recruitment of procurement role within the business may garner positive results in this area.
3.	Provide information and education to McPhersons employees on our commitment to the APC.	McPhersons conducts a site wide meeting each Friday in the showroom. The APC and our role has been presented twice in 2015 and has been incorporated into our new employee induction packs.

26. Since the beginning of the reporting period, has your company had any other outcomes related to product stewardship?



Yes



No

If yes, please give examples of other product stewardship outcomes

Implementing date handling procedures will improve stock handling and less dumping of products due to expiry.

27. Describe any constraints or opportunities that affected performance under this KPI

No constraints.

KPI 8: Reductions in packaging items in the litter stream.

28. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 8

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Add material ID codes and recycling symbols to all primary packaging.	All product packaging at every level is currently reviewed ongoing and at NPD level.
2.	Review label instructions to see if there is a direction for consumers to dispose of packaging in a thoughtful way. (eg. "please dispose of thoughtfully: logo ets.)	All product packaging at every level is currently reviewed ongoing and at NPD level.

29. Describe any constraints or opportunities that affected performance under this KPI

Product marketing, hygiene, safety, security and quality.

Your Experiences

This section lets you share with us any achievements, good news stories and areas of difficulties in making progress against your plan and the Covenant goals and KPIs.

30. Key achievements or good news stories

Between April 15 and March 16 we have reduced our SKUs by 11% from 953 to 848. Of these 848, 100 % have been completed for batch and SKU with a remaining 618 to be turned on and date controlled. Impetuous to turn on batch and date handling leads to increased security and inventory handling in turn reducing the need to dump expired stock with increased management controls.

31. Areas of difficulties in making progress against your plan, Covenant goals or KPIs

Product marketing, hygiene, safety, security and quality.



McPHERSON'S
CONSUMER PRODUCTS



AUSTRALIAN PACKAGING COVENANT ACTION PLAN

1 August 2016 to 1 August 2019 (3 years)

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1. Executive Summary

McPherson's Consumer Products (MCP) became a signatory to the National Packaging Covenant (NPC) in March 2007 and has renewed its support by reaffirming its commitment to the new Australian Packaging Covenant (APC).

Our aim is to support the three objectives of the APC namely:-

1. Designing packaging to achieve resource efficiency and reduced environmental impact without compromising product quality or safety;
2. Recycling via the efficient collection and reusing of packaging, and;
3. Product stewardship, the ethics of shared responsibility for the impact of MCP's products and packaging on the environment throughout their lifecycle.

During the three year period covered by this action plan, MCP aims to action eight measures that will ensure we meet our obligations under the APC. These measures are detailed in section 8 of this document.

Our obligations as a signatory are:-

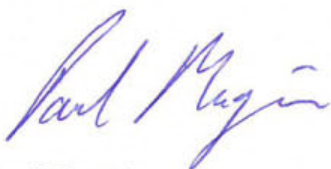
1. To submit an Action Plan that sets out what we will do to support the APC's goals;
2. Submit an annual report that details our performance to the Action Plan;
3. Participate in independent audits of the annual report and the Action Plan;
4. Publish our Action Plan and annual reports on our web site;
5. Make annual contributions to the APC Fund;
6. Incorporate the Sustainable Packaging Guidelines (SPG) into our product design process;
7. Modify our Procurement Policies to specifically source products and packaging made from recycled materials where possible and/or appropriate;
8. Establish onsite collection and recycling programs for used packaging materials;
9. Reduce litter where possible, and;
10. Assist the Australian Packaging Covenant Council (APCC) in its public awareness and accountability obligations.

This plan will operate from the 1st of August 2016 to 1st August 2019. We will submit our next report on the 31st of March 2017, and then every 12 months for the duration of this Action Plan. After this point a new Action Plan will be submitted.

With each report submission, an annual review will be undertaken where alterations to the Action Plan will be made as required by the MCP and the APC.

2. CEO Endorsement

McPherson's Consumer Products (MCP) Australian Packaging Covenant Action Plan is hereby endorsed and approved.



Paul Maguire
Managing Director
McPherson's Consumer Products
Date: 1st August 2016



3. Introduction

McPherson's Limited was established in 1860 and has a long and proud history initially begun in the manufacturing industry. It is a publicly listed Australian Company with its Corporate Office located in Kingsgrove, Sydney. The Company ceased to be classified as a manufacturing entity many years ago. Today McPhersons has substantially transformed through acquisition & divestment and the establishment of new agency partnerships; increasing participation in more profitable categories, channels and markets. McPhersons is a consumer centric organisation committed to providing consumers with innovative high quality branded products that improve their lives. Our transformation is designed to ensure that we can continue to deliver on this promise and in doing so create value for shareholders.

4. Types of Packaging Used

The majority of materials used at MCP originate in the packaging supply chain. Refer to table below:

Materials	Used In	Destination
Polyethylene Terephthalene (PET)	Jars & Bottles	Consumer
High Density Polyethylene (HDPE)	Jars & Bottles	Consumer
Polyvinyl Chloride (PVC)	Tubes	Consumer
Low Density Polyethylene (LDPE)	Shrink Wrap	MCP / Retailer
Polypropylene (PP)	Jars & Bottles	Consumer
Glass	Vials & Bottles	Consumer
Composites	Blister packs	Consumer
Paper	Office Paper	MCP
Cardboard - Standard	Shipping Cartons	MCP / Retailer

5. Covenant Contact Officer

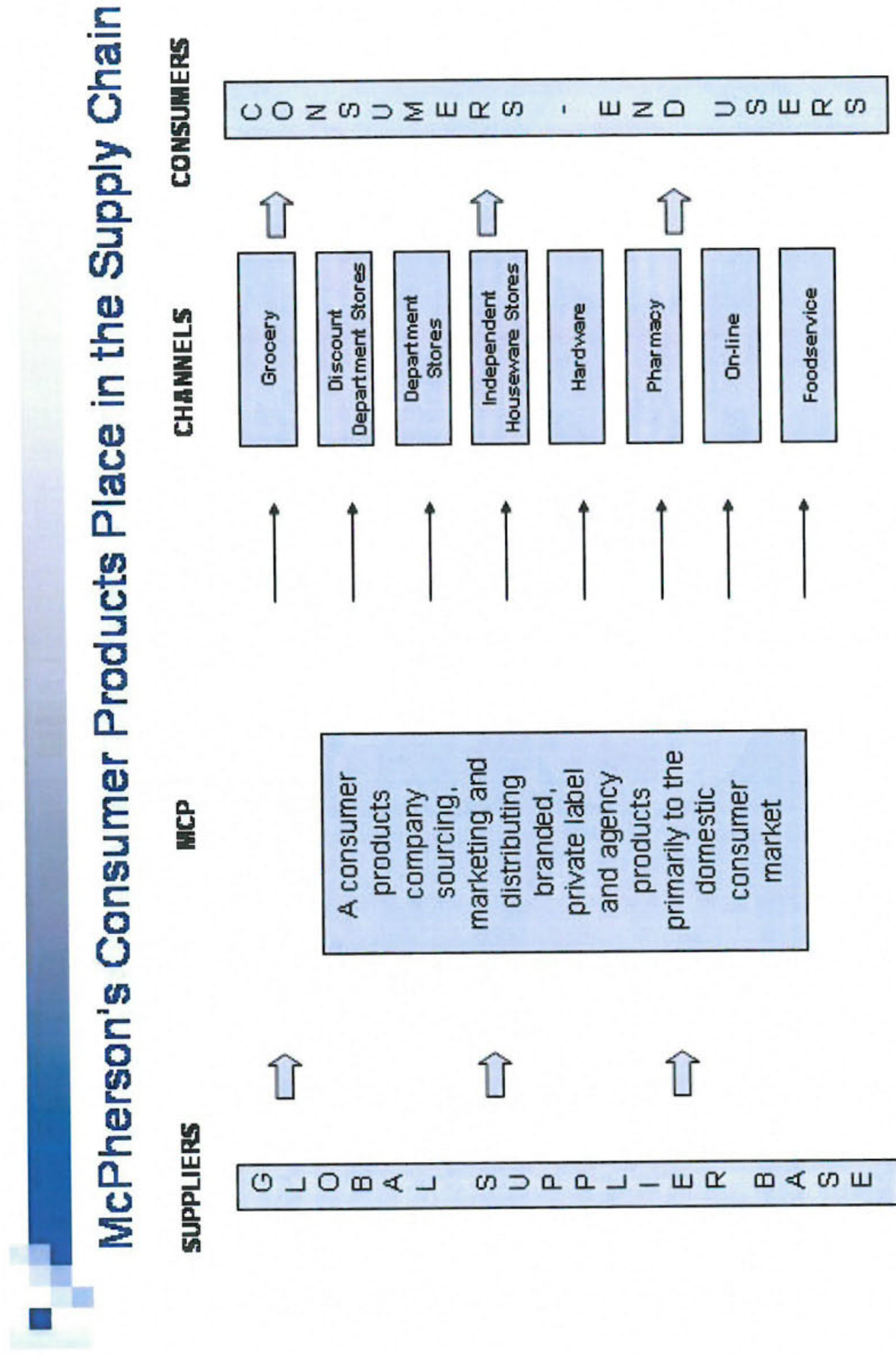
Mojgan Shadchereh	Regulatory Compliance & Quality Manager
Address	105 Vanessa Street, Kingsgrove NSW 2208
Tel:	02 9370 8000
Tel (direct)	02 9370 8157
Email:	mshadchereh@mcpher.com.au



6. McPherson's Consumer Product Categories and Brands



7. McPherson's Consumer Products Place in the Supply Chain



8. Action Plan Period:

August 2016 to August 2019 (3 years)

NPC Performance Goals	Covenant KPIs	McPherson's Consumer Products Action Items	August 2016 baseline position	Responsibility	Target or Goal	Due Date
1. Design Optimise packaging to achieve resource efficiency and reduce environmental impact without compromising product quality or safety	KPI 1: Proportion of signatories in the supply chain implementing the SPG for design or procurement of packaging	Action 1 Incorporate the SPG into MCP NPD Procedure	100% of all NPD	Product Managers	Continue incorporating SPG into NPD.	Ongoing
		Action 2 Review all current product packaging against the SPG	36% of packaging has been reviewed using SPG.	Product Managers, Procurement Manager, QA Manager and Supply Planners	100% of all A Class SKUs will comply with the SPG	Sept 2017
		Action 3 Establish meaningful packaging metrics to monitor and control action plan	50% completed every SKU has been re-measured, No data base created	Procurement Manager and QA Manager	All items have been remeasured and all aspects of packaging weighed. Reviewed cubing program extensively to reduce shipping packaging required to support sales.	Ongoing
2. Recycling The efficient collection and recycling of packaging	KPI 2: National Recycling rate	Goal relates to APC Strategic Plan, no action required by MCP	N/A	N/A	N/A	N/A
		KPI 3: Proportion of signatories with onsite recovery systems for recycling used packaging	Currently have onsite recycling facilities for: • Office Paper • Cardboard • Plastics • Aluminum Cans • Pallets	Plant Engineer	100% of total packaging purchased for onsite use included in recycling program	Ongoing
		KPI 4: Proportion of signatories with a policy to buy products made from recycled packaging	100% of all packaging material used on site and in the shipping process are made from recycled materials.	Warehouse Manager	100% of all packaging materials purchased from recycled sources	Ongoing

NPC Performance Goals	Covenant KPIs	McPherson's Consumer Products Action Items	August 2016 baseline position	Responsibility	Target or Goal	Due Date
3. Product Stewardship A demonstrated commitment to product stewardship by the supply chain and other signatories		Action 5 For packaging included in the purchase of consumer products refer to Actions 1 & 2	100% of New Products are reviewed for ease of recycling. Product packaging at the each level is currently 90% recyclable	Product Managers, QA Manager, Procurement Manager and Supply Planners	Increase usage of recyclable packaging and the use of recycled material at the each level to 100%	Sept 2019
	KPI 5: Additional tonnes of material reprocessed in primary and secondary markets as a result of covenant funded projects	Goal relates to APC Strategic Plan, no action required by MCP	N/A	N/A	N/A	N/A
	KPI 6: Proportion of signatories that have formal processes for working with others to improve design and recycling of packaging	Action 6 Incorporate SPG into all negotiations with suppliers regarding product packaging	20 suppliers from a total of 203 account for 70% of our purchased product. MCP policy is to incorporate SPG into all purchased product.	Product Managers, Procurement Manager and Supply Planners	Process developed that ensures that SPG are a key consideration in supplier meetings. 90% of purchased product will be supplied by others that incorporate SPG	Sept 2019
	KPI 7: Proportion of signatories demonstrating other product stewardship outcomes	Action 7 The purchase of packaging material used for onsite production purposes will come from collaborative processes with all other manufacturers Action 8 Improve volumetric efficiency of onsite packaging processes to use less packaging	All packaging materials purchases for onsite production are bought from suppliers who follow SPG Average dead weight per carton in October 2015 was 4.98kg. This is comparable to previous year's results.	Warehouse Manager Distribution Manager	100% of all packaging materials purchased from suppliers follow SPG. We have reached our optimum volumetric density based on our product dimensions and continue	Ongoing Ongoing

NPC Performance Goals	Covenant KPIs	McPherson's Consumer Products Action Items	August 2016 baseline position	Responsibility	Target or Goal	Due Date
		Action 9 Work with suppliers who are also APC signatories by reviewing existing supplier base and encouraging non-signatories to sign.	McPhersons to investigate potential to include signatory status of suppliers as a component of the selection criteria	QA Manager, Procurement Manager and supply planners	Review undertaken and non-signatory suppliers contacted & potential local suppliers to be APC signatories	Sept 2019
		Action 10 Provide information and education to McPhersons Employees on our commitment to the APC	McPhersons conducts a site wide meeting each Friday in the showroom. The APC and our role has been presented twice in 2015 and has been incorporated into our new employee induction packs	QA Manager, Procurement Manager and Product Managers	Formal presentation to all employee every year to make sure all new employee are aware of APC concepts & requirements	Sept 2019
	KPI 8: Reduction in the number of packaging items in the litter stream	Action 11 Add material ID codes and recycling symbols to all primary packaging and review label instructions to see if correct recyclable Symbol has been applied	Currently 70% of all existing product packaging has recycling where appropriate.	QA Manager, Procurement Manager and Product Managers	To check 100% of all new & current products for correct recycling symbols as part of new Item setup.	Sept 2019

