



Signatory Name: Pacific Brands Ltd

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

- Environmental and Sustainability Policy
- Standardised Work Procedures
- Packaging Brief and Sign Off (Underwear)
- Supplier & Packaging Specification Manual (Sheridan)
- New Packaging Procedure (Sheridan)
- Packaging Manual for Local Manufacturing (Tontine)

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?

15 %

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

90 %

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.	Conduct a review of documented policies and procedures for evaluating and procuring packaging using the SPG's	<p>Policies, procedures and manuals are reviewed on an ongoing basis across the group and incorporate the SPG's.</p> <p>At the Underwear Group, we have been operating our new processes which were mapped out in 2014 as part of our "LEAN" process improvement project. All SPG gates have been implemented in packaging briefs. We have also removed all excess stickers from Bonds packaging and all Berlei packaging has been refined and colours of print have been reduced.</p>
2.	Consolidation of Bonds packaging to create maximum efficiency of board use.	<p>This was actioned and completed during the previous reporting period (removal of double and triple swingtags from all bonds packaging with 95% of ranges now only having single swingtags).</p> <p>In addition, this period new packaging has had a reduction in colours for printing from 5 colours to 3 colours across 90% of the range.</p>
3.	Currently Bonds online orders are shipped in a brown paper bag, closed with a sticker and inserted into an outer plastic bag. We wish to remove a layer of packaging (brown paper bag and sticker).	<p>100% of all Bonds Online orders are now shipped in an outer plastic bag. This was implemented in the prior reporting period.</p> <p>Investigation is now underway for Berlei online packaging to move to a similar pack format reducing the packaging by approximately 40%.</p> <p>100% of the tissue paper at Sheridan has also been removed and replaced with a polyester bag which can be reused as a linen or storage bag.</p>

4.	Investigate option of converting outer plastic bag to biodegradable bag and redesign of PVC.	This was completed in prior reporting period but not feasible due to cost imposed. Liners are required to protect stock during shipping (due to weather). We do however have policies in place with suppliers to ensure cartons are shipped, full - to reduce the number of cartons used. At Sheridan and Tontine we are currently researching and testing alternatives to PVC bags (e.g. PET and/or recyclable cardboard).
5.	Initiate review of all current packaging by brand and category and identify those items that can be removed or consolidated, avoiding any unnecessary dumping of existing packaging stock (run through the system)	This is an ongoing continuous improvement process as part of our commitment to LEAN processes within our business across all Underwear brands, as packaging updates take place this is put into action. This is part of the standardised work procedure consideration.
6.	Reduce Dunlop Flooring packaging from supply going to retail	At Dunlop Flooring, the thickness of plastic film has been reduced by 20% saving 15 MT p.a.

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

We have established very clear work flows for packaging and have been using this across all Bonds categories. Going forward we will roll this out across all other brands within the underwear group portfolio.

Over the past 3 years, each of our business units have been operating under individual APC Action Plans. From 2016 onwards, we plan to revise these plans and consolidate them to create a group wide "Pacific Brands Ltd" APC Action Plan which will include revised targets and an assessment schedule for review of new and existing packaging.

In the current reporting period there has been a greater focus on packaging and the SPG's given the evolution and accessibility of social media and also as the business progresses on its sustainability journey.

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.	Convert all of Bonds Baby and Berlei onto TIC approved hangers. Currently they are on other hangers that aren't part of a closed loop recycle program.	80% are converted and recycled for use multiple times. 20% remaining under Berlei and Bonds Baby which will take 12-18 months to fully convert.
2.	Investigate different ways of ensuring packaging doesn't interfere with removal of hanger at retail	All Men's underwear for Bonds has been converted to swing ticket from saddle card, increasing the ability to remove the hanger and recycle this.

3.	Review existing in-house and on site recycling programs and identify opportunities for improvement	<p>Our in-site and on site recycling program is managed by Suez.</p> <p>Monthly workplace inspections are in place to identify any slippage or new initiatives. Current processes in place are being used efficiently as per previous update.</p> <p>The environmental management systems at our manufacturing and distribution centre sites (Flooring x 2, Tontine and Truganina) are certified within ISO14001.</p> <p>As an example, at Dunlop Flooring in particular:</p> <ul style="list-style-type: none"> • Suez diversion from landfill = 7% (18MT) in Co-mingled, paper and cardboard, timber, batteries, fluoro tubes, etc. • Cardboard boxes are reused for sample distribution • 40 MT Metal straps are recycled by SIMS METALS • Plastic waste is recycled • Ink cartridges are recycled • Additional 40MT of foam skins process waste has been recycled through regrinding from 2015 • 75% of recycling customers currently reuse packaging as bags for the underlay they have just pulled up. Dunlop Flooring then recycle the bags. <p>We are currently revisiting our in-house and on site recycling programs (company wide) and will be revising recycling targets, metrics and monitoring activities across the business. This will form part of our revised APC Action Plan for going forward.</p>
4.	Reduce the amount of packaging provided in our retail stores to reduce landfill	<p>We currently recycle approximately 80% of our inbound cartons received from suppliers for use in our retail store cartons for the Underwear Group (with the remaining 20% recycled via Suez).</p> <p>We are in the process of implementing new goods to person (GTP) machinery in our distribution centre over the next 24 months and will need to reassess this statistic once implemented. We do expect a drop of approximately 10%, this should be off set in improved product transport both within our warehouse and to customer.</p>
5.	At Dunlop Flooring, Investigate the cost of solar, rainwater and wind catchment in order to maximise water and energy efficiency.	<ul style="list-style-type: none"> • Solar has been investigated and found to be unviable • 250 KL of rainwater is harvested annually • Automatic Power Factor Correction is to be installed to improve power efficiency

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

No constraints regarding the establishment of the recycling system and all employees are educated in the different types of waste bins and recycling options available.

We are currently revisiting our in-house and on site recycling programs (company wide) and will be revising recycling targets, metrics and monitoring activities across the business. This will form part of our revised APC Action Plan for going forward.

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)

Our environmental and sustainability policy includes a commitment to pursue packaging solutions that reduce environmental impacts whilst maintaining the safety, quality and acceptance of our products.

In addition, each of our businesses have varying policies/procedures for purchasing packaging made from recycled materials. We will look to streamline these across the business as part of our revised Pacific Brands Ltd APC Action Plan for going forward.

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.	Investigate a policy to buy packaging made from recycled materials or use recyclable material and streamline procedures across the business	As above.
2.	Increase the proportion of packaging made from recycled materials for our products, encouraging product managers, designers, category, marketing and PBA teams to consider recycled materials for new packaging	<p>At the Underwear Group, we currently use packaging materials that are recyclable across 90% of our products and these carry the recyclable symbol. We currently source our packaging via third party suppliers and are investigating the feasibility of doing this across our larger suppliers. Timing on this will be end of 2016.</p> <p>At Sheridan and Tontine, we currently use materials that are recyclable across 10% of our products (15% target by 2017).</p> <p>Dunlop Carpet Cushion is manufactured from 90% recycled materials and is 100% recyclable. In addition, we run our own recycling program, Recycle by Dunlop, encouraging retailers to return their used underlay to us.</p>

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

Consistent with the prior reporting period, with a decentralised packaging and procurement facility at the Underwear Group this remains a challenge. There are large concerns around quality and consistency of our packaging given the number of manufacturing sites that are used. We will proceed to investigate feasibility of our major suppliers during 2016.

In addition, increasing input prices and deflation of the AUD remains a challenge for the business to manage when sourcing packaging.

Within our revised APC Action Plan, we will look to assess baseline data across the company of other products purchased (outside of product packaging) that use recycled content (e.g. office supplies).

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

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.	Include SPG checklist onto packaging sign off documentation (Underwear Group)	Recyclable logo check has been added into packaging sign off sheet across 100% of Underwear Group brands. We also have a check point to review all new packaging against SPG guidelines as part of the standardised work procedure.
2.	Use the vendor consolidation project to reduce the number of outer cartons (Underwear Group)	This has been an ongoing improvement exercise, to date the the following savings in the number of cartons going to each retailer is shown below. This is bought about via consolidation of orders. Big W – 15% DJ – 0% Myers – 10-15% Harris – 5% Best & Less – 5%
3.	Work with suppliers to add the appropriate recycle symbol to PVC bags and cardboard (Sheridan and Tontine)	Addition of the appropriate recycle symbol and SPI codes to PVC bags and cardboard has commenced and expected to be complete by 2017.
4.	Review compliance program of suppliers to include SPG recycling processes when selecting a new supplier (Sheridan)	This has been taken into consideration when ensuring that the supplier has sound environmental strategies in place as part of the company's compliance program.

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

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.	Create events to grow employee awareness and encourage positive behaviours (Underwear Group)	The Packaging LEAN team hosted an event to educate the wider business on new packaging procedures. This has been an ongoing continuous improvement exercise and we have conducted half yearly updates and training for all new team members on the process.
2.	Return of packaging at retail outlets (Underwear Group)	Still investigating a recovery programme for Online sales, All store sales now have the hanger removed at point of sale.

3.	Increase the number of non-saleable items that are donated to charity or reuse facility eg pulping for inserts as opposed to being dumped.	At the Underwear Group, during the period of July 2014 - June 2015, 10% of non saleable items and 14% of all non-saleable costs were donated, where the prior year was only 10% in total. At Sheridan & Tontine - 85% of non saleable products are donated to charities / zoos / animal protection / police (for animal handling). In addition, with the bush fires over Christmas many animals were burnt and the business had many enquiries regarding unsaleable products to help protect the damaged areas. These donations continue throughout the year and minimises the amount of general waste whilst also helping the community.
4.	Continue online training to key stakeholders who make decisions when creating and purchasing packaging -Marketing, Design, Quality, Sourcing, Retail staff (Sheridan)	Training has been completed by key stakeholders and all new employees are also required to participate in this training as part of the induction process.
5.	Dunlop Flooring aim to improve customer awareness about sustainability and waste management	Certification by Green Building council & Ecospecifier Global published on the Dunlop Flooring website
6.	Reduce dependence on natural resources at Dunlop Flooring manufacturing sites	1. New boilers have been installed in both manufacturing sites (Sunshine and Wetherhill Park) to reduce gas usage 2. KPIs have been set for gas, water, fuel, electricity and responsibility allocated to team members
7.	Reduce Air pollution at Dunlop Flooring manufacturing sites	Testing of emissions of VOCs has been performed (over and above our statutory requirement)
8.	Explore further opportunities for the recovery of used product (Dunlop Flooring)	We have submitted an Expression of Interest to the NSW Government for a grant under transfer of problematic waste to supply balers to our distributors for collecting used foam underlay

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

We have an annual supplier conference with all Underwear tier one suppliers where we cover sustainability as a standard agenda topic. The purpose is to inform and educate suppliers on ways of improving sustainability, for the previous year the focus was on Water and Electricity initiatives for improvement. There is excellent sharing of improvements and working together for continuous improvement opportunities.

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

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.	Use Bonds, Berlei, Jockey, Voodoo Facebook pages (circa 900k fans) to provide ideas on how to reuse and recycle our packaging (Underwear Group)	Any suggestions that are sent in are passed onto the marketing department for consideration. We are not actively using these pages to seek information as we have to ensure content remains engaging and doesn't become corporate.

2.	All packaging artwork, when new PO's need to be placed, are checked to ensure they have the recyclable symbol (where relevant) printed on the packaging Add 'recyclable symbol relevant' question to packaging brief. (Underwear Group)	This is covered in an earlier KPI above. And is part of our standardised work procedures.
3.	Participate in Business Clean Up Day (Flooring)	At Dunlop Flooring we participate annually. Drains are cleared and covers/filters maintained to prevent foam or litter from entering the storm water system.
4.	Review staff amenity areas on site, identify potential litter mitigation opportunities and address as appropriate (Sheridan and Tontine)	Consistent with the prior reporting period, staff amenities are reviewed monthly via the work place inspections and each year we see improvement due to the vigilance of people on the floor ensuring waste goes into the correct bins,

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

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

Moving online orders from bag and box to a satchel has provided packaging reductions and improved efficiency within the supply chain. We hope to see similar results with Berlei in 2016.

The removal of tissue paper and replacement with reusable polyester bags for online Sheridan orders has been well received by consumers and in turn we have seen the elimination of tissue paper in our online packaging.

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

Over the past 3 years, each of our business units have been operating under individual APC Action Plans. From 2016 onwards, we plan to revise these plans and consolidate them to create a group wide "Pacific Brands Ltd" APC Action Plan. The consolidated Plan will allow for coordinated and streamlined objectives and targets across the organisation and ensure greater focus on the key areas of impact for the company going forward.

We look forward to submitting our revised Action Plan to the APC in the coming months.