

Australian Packaging Covenant

5 Year Action Plan

2011 - 2015

Prepared by: Michael Tsang

22 August 2011

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Executive Summary

With a presence in more than 70 countries and a global workforce exceeding 35,000 people, Legrand is a world specialist in products and systems for electrical installations and information networks for the residential, commercial and industrial sectors. Legrand is the world leader in the manufacture and sale of switches and socket outlets as well as cable management products.

In Australia and New Zealand, Legrand is part of the HPM Legrand portfolio of brands which also includes: HPM, BTicino, Cablofil and Nelson. Products are distributed through third party networks of more than 5000 electrical wholesalers and retail outlets.

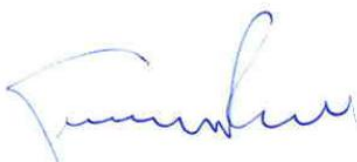
HPM Legrand aims to set the benchmark for both technological innovation and inspirational design, boosting the profile of modern electrical systems within both the Trade and Consumer segments. With such a breadth of product offering the company can offer comprehensive solutions for large projects with the efficiency and service benefits of working with one electrical supplier.

By becoming an APC signatory, HPM Legrand is committed in making a positive impact in the environment that it is growing its business. HPM Legrand will continue to pursue goals as outlined by the APC in the areas of Design, Recycling and Product Stewardship.

Key events in 2011

HPM Legrand is launching its new Excel Life range in August 2011. HPM Legrand will also begin relocating into one site in Prestons from 3 separate sites in September 2011. Most of HPM Legrand's resources are currently focused on the mentioned product launch and relocation. However, we will ensure minimal disruption to the business and our commitment to the APC. Once the company relocation to the One-Site is complete in late 2012, HPM Legrand will be in an even position to grow its business and consolidate its APC long term action plan.

The attached 5 year action plan demonstrates our commitment as an APC signatory in this transitional period for HPM Legrand.

A handwritten signature in blue ink, appearing to read 'Giuseppe Parola', written over a horizontal line.

Giuseppe Parola
CEO & Managing Director
HPM Legrand

Company Background

The Brands:



HPM

An iconic brand within the Australian and New Zealand electrical industries, HPM denotes quality, reliability and convenience. The product range includes:

- switches and power outlets for residential and commercial installations
- dimmers and fan controllers
- multi-media outlets
- sensor switches
- home networking systems
- ventilation equipment
- residential power protection
- garden lighting

Legrand

A leading international brand, Legrand offers value-added solutions for the full spectrum of electrical installations and information networks: from residential to commercial and industrial projects. The product range includes:

- switches and power outlets
- multi-media outlets
- home automation control systems
- energy-saving lighting management sensors
- emergency lighting
- power protection and time switches
- industrial plugs and sockets
- distribution boxes and switchboard accessories

BTicino

A recipient of the Compasso D'Oro, Roter Punkt and Intel Design awards, BTicino is an Italian brand synonymous with the perfect synthesis of design and technology. The product range includes:

- audio, video and handsfree door entry systems
- switches and power outlets in more than 50 distinctive coverplate styles
- home automation control systems for lighting, sound and temperature control

Cablofil

Cablofil is the world's most specified cable tray brand. Its success in both power and data cabling applications has brought conventional ladder tray in the Northern Hemisphere to the brink of extinction. Cablofil has achieved market domination because it's the most versatile, reliable, fastest to install wire mesh cable tray available – any fitting can be created onsite.

Nelson

Specialising in cost effective lamps and light fittings for domestic and commercial use, Nelson is an Australian brand that has become an industry leader in energy-saving compact fluorescent lamps and low-energy downlight kits. The product range includes:

- incandescent, halogen and fluorescent lamps
- high intensity discharge lamps
- light fixtures
- transformers
- bug zappers
- garden lighting

One Site

In July 2012, HPM Legrand will operate in one site at the Nexus Industry Park, Prestons NSW.



In 2009, Legrand has decided to relocate its three existing sites (Waterloo, Auburn and Famco in Melbourne) to a single site in the Nexus Industry Park, Prestons. The \$35 million purpose-built building will ensure all HPM Legrand's core business functions (Head Office, Manufacturing & Warehouse) are in the best competitive and cost-effective position to drive the company forward. The 23,000 square metre building will be designed, constructed and owned by the Mirvac group.

This single site will achieve greater synergy, more effective communication between departments and consequently better outcomes for the business now and in the future. The new site will include a training centre, a "state of the art" showroom, an open office environment, a unified manufacturing layout and an efficient warehouse.

In addition, the single site will also greatly enhance environmentally friendly activities such as:

- Water usage
- Energy saving – light controls
- Environmental standards
- Drought tolerant gardens
- Recycling rain water
- Recycling within the workplace

Packaging Review

HPM Legrand's position in the packaging supply chain is primarily as a brand owner / packaging user.

The major forms of packaging are as follows:

1) Plastic bags:

HPM Legrand uses around 500,000 plastic bags annually in retail and around 1,500,000 in trade. The company has achieved a good reduction in material consumption just by resizing the retail bag dimension from 2009. Before this we had only two sizes of plastic bag, a small and a big one. We designed a medium bag which will better fit the medium sized products previously put in a large bag. This simple yet effective step gave us great savings in term of amount of plastic used.

2) Blister packaging and plastic shells:

This is the packaging type HPM Legrand has spent most time optimising. For products made in Australia, the blister packaging has been completely eliminated and replaced by thin plastic bags. In addition, all the scraps of plastic generated by the process are also eliminated. This was one of our worse areas of material wastage and now it has been another saving and waste reduction.

3) Carton boxes:

In the last 2 years, HPM Legrand has successfully standardised the dimensions and the quantities in the carton boxes used. This has led to better filled cartons and a reduction in number of different cartons used. All the new boxes and packaging solutions created now show the recycle logo on the label or on the carton in addition to compliance markings.

Handling of packaging-related wastes

Using data from 2009 and 2010, it shows that we are recycling between 65% - 75% of the packaging related wastes at the 3 sites. HPM Legrand uses Veolia Environmental Services to handle the general and recycled materials. Compactors are used in Auburn and Prestons. Cardboard wastes from Waterloo are sent to Prestons via Veolia fortnightly. Once the relocation is complete in July 2012, the intercompany movement of stock and waste processing will be optimised.

HPM Legrand will continue to revise its packaging design from end 2011/early 2012 on the retail HPM and Nelson range. The review will be accelerated once the One-Site relocation is complete in July 2012.

Action Plan 2011 - 2015

Covenant performance goals and KPIs	Actions	Responsibility	Baseline data	Target or performance goal	Timeline	Evidence
Goal 1. Design – optimise packaging to achieve resource efficiency and reduce environmental impact without compromising product quality and safety						
KPI 1 Proportion of signatories in the supply chain implementing the SPG for design or procurement of packaging	50% existing packaging against the SPGs to be reviewed	R&D, Marketing, Communications, Purchasing and Industrialisation	Reviewing of existing packaging against the SPGs has not started	To review 50% of existing packaging against the SPGs	30 June 2015	All review documents and progress reports will be kept
	100% of new packaging against the SPGs to be reviewed	R&D, Marketing, Communications, Purchasing & Industrialisation	New packaging requirements to be reviewed for applicable new products from Dec 2011	All new packaging introduced over the next 5 years will be reviewed against the SPGs and Group guidelines. New retail packaging review will start Dec 2011	30 June 2015	All review documents and progress reports will be kept
Goal 2. Recycling – the efficient collection and recycling of packaging						
KPI 3 Proportion of signatories with on-site recovery systems for recycling used packaging	Continue to operate a recovery system for used packaging for the current sites and combined site	Warehouse & Distribution and OH&S	An on-site recovery system for used packaging is implemented	To ensure all used packaging is recovered and recycled in a cost-effective way	30 June 2015	An on-site recovery system will be mapped out and policy implemented
KPI 4 Proportion of signatories with a policy to buy products made from recycled packaging	Investigate the possibility of creating a buy recycled policy, in line with regulations and specific needs of our customers and corporate directives	Purchasing	There is currently no Buy Recycled Policy in place	To establish a cost- effective policy for the purchasing of recycled products where appropriate	30 June 2015	A formal policy will be mapped out and documented
Goal 3. Product stewardship – a demonstrated commitment to product stewardship by the supply chain and other signatories						
KPI 6 Proportion of signatories that have formal processes for working with others to improve design and recycling of packaging	Establish a formal process for communicating with our suppliers/customers regarding the design and recyclability of our packaging	Marketing, Purchasing and Industrialisation	There is no formal process for engaging our suppliers to improve design and recycling of packaging	To establish a formal policy for working with our suppliers/customers to improve the design and recyclability of our packaging	30 June 2015	A formal policy will be implemented. Relevant meeting minutes will be kept
KPI 7 Proportion of signatories demonstrating other product stewardship outcomes	Advise our customers and suppliers of our participation in the covenant, and encourage relevant parties to sign the APC	Marketing and Purchasing	We have not formally promoted our covenant commitment to our customers and suppliers	To demonstrate our covenant commitment to our customers and suppliers by informing them of our Buy Recycled Policy and details of onsite Recovery System.	30 June 2015	Records of formal communication between us and our customers and suppliers, regarding the APC will be kept
KPI 8 Reduction in the number of packaging items in litter	Investigate use of disposal instructions on all packaging	R&D, Technical Services and Management	Some of our specific packaging already has the recycling logo	To ensure all packaging has the correct markings/label, appropriate instruction sheets for recycling or disposal	30 June 2015	An active database with all product specifications including packaging will be in place

SPG based review schedule:

Brands	Review by
Bticino	Dec 2012
HPM	Dec 2013
Legrand	Dec 2013
Nelson	Dec 2013
Cablofil	Jan 2014

Review of Bticino packaging has started in 2011 and will complete by Dec 2012.

Review of HPM and Nelson packaging will commence in Jan 2012 and complete by end 2013.

Legrand Group has commenced review on entire Legrand packaging in 2010 and will advise the global divisions the finalised designs. Our Communications team will work closely with Group designers to ensure design changes meet the SPG requirements.

Covenant Contacts

Mr. Michael Tsang has been assigned as the HPM Legrand's Covenant contact on 28 April 2011. Michael is a Project Manager working in the Industrialisation Department and reports to Mr. Grant Coe, Industrialisation Manager and Mr. Giuseppe Parola, CEO and Managing Director.

Name: Mr. Giuseppe Parola
Title: CEO & Managing Director

Signature: 

Date: 25 August 2011

Covenant Contact:

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