



Merlin Distribution Australian Packaging Covenant Action Plan

March 2015 – December 2020

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Executive Summary

As a brand owner / packaging user, Merlin Distribution has supported the Australian Packaging Covenant (APC) since September 2008 as part of the company's broader commitment to the environment and the conservation of natural resources.

As a signatory of the Australian Packaging Covenant, Merlin Distribution supports the Sustainable Packaging Guidelines (SPGs) as set by the APC and recognises the need to reduce packaging waste and manage packaging through the supply chain process, right through to disposal.

This action plan has the full support of the Managing Director of Merlin Distribution

A handwritten signature in black ink, appearing to read 'Chris Vaughan', written in a cursive style.

Christopher Vaughan
Merlin Distribution
Managing Director

Company Overview

Merlin Distribution is a privately owned organisation with employees whom have long standing knowledge of the Retail Hardware, Consumer and Trade markets across a broad range of Product Categories. With a targeted approach to driving forces in society today, all products in the Merlin Distribution range have been inspired by the latest lifestyle trends, as well as by heightened consumer interest towards improved living standards; in regard to safety, greener energy solutions and natural resource conservation.

Merlin Distribution is focused on providing solutions for day to day issues governing the lives of average Australians. These issues include:

- Lifestyle
- Safety
- The environment and energy conservation

In order to provide these solutions, Merlin Distribution is committed to providing the most up to date products in terms of product design and technology, at a high quality standard for the safety and enjoyment of its customers.

The diverse product range includes solar garden lighting, solar utility lighting, battery push lights, 12V LED outdoor garden lighting, safety boxes and enclosures, adaptors (including surge protection and energy saving adaptors), timers, powerboards, RCD protection products, extension leads, bathroom heaters and exhaust fans, and LED worklights, and 240V halogen worklights.

Since becoming a signatory to the APC in 2008, Merlin Distribution has been focused on reducing packaging waste along the supply chain, working on packaging design and together with overseas suppliers towards the effort of implementing the Environmental Code of Practice for Packaging (ECoPP). This new action plan continues to support improved and sustainable packaging solutions incorporating the new sustainable packaging guidelines (SPG) which came into effect in July 2010 and will also look at supporting local initiatives such as contributing towards clean up Business Day

Company Contact Details

For all matters pertaining to the Australian Packaging Covenant, the primary contact within Merlin Distribution is:

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Company Brands

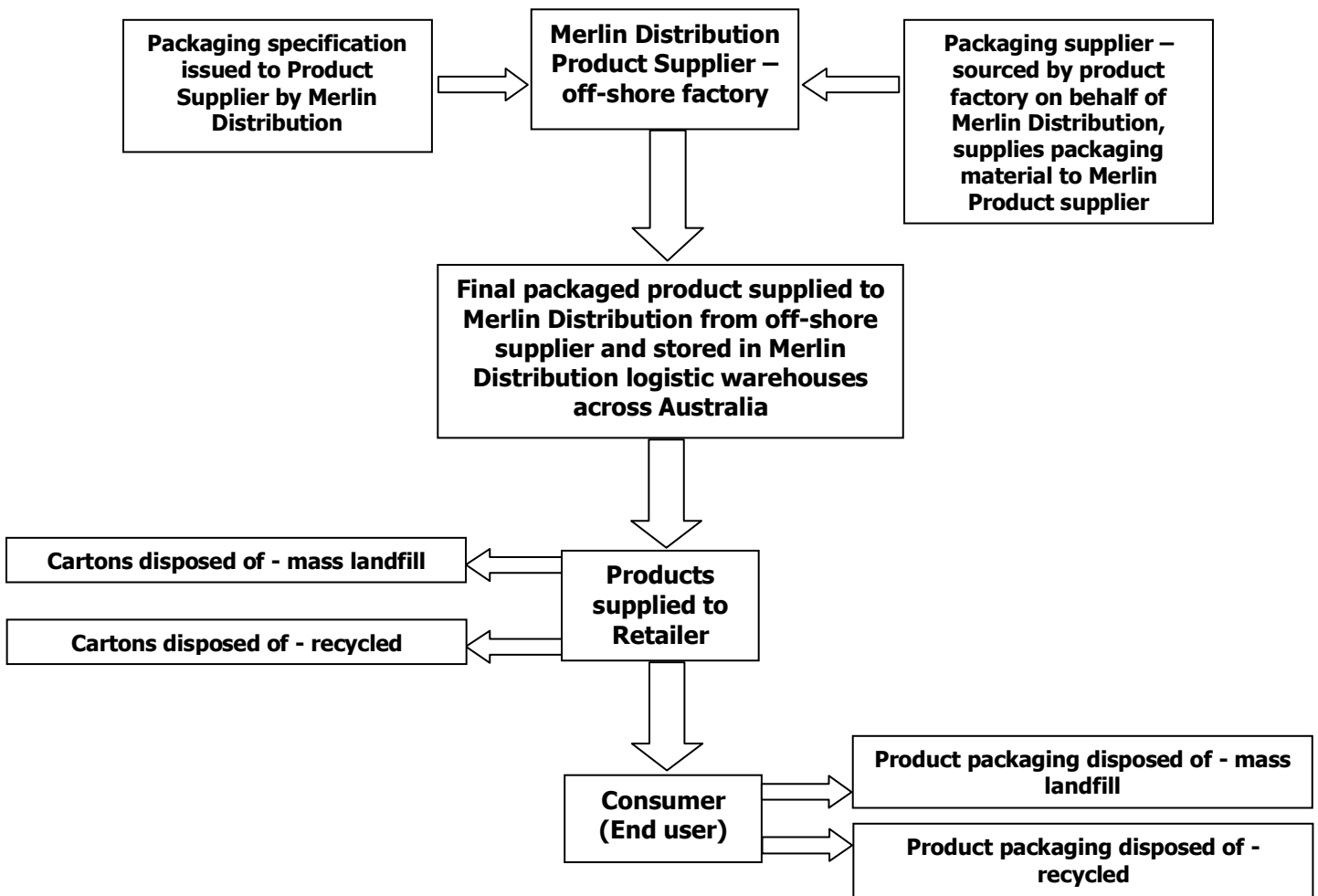
Merlin Distribution sells its wide product range under an umbrella of many brands. These brands are:

- Solar Magic™
- Magic Garden™
- Solar Wizard™
- Magic Living™
- Excalibur™
- Powerking™
- Solar Decoration

Packaging Supply Chain

As a brand owner, all products are imported as finished goods with no manufacturing facilities in Australia.

Below is a simple flowchart outlining the packaging supply chain of Merlin Distribution.



Implementing the Sustainable Packaging Guidelines (SPG)

In order to effectively conduct a review of all packaging against the SPGs, all products within the Merlin range, as per the above mentioned brand names, were categorised according to their packaging type.

Packaging Types

Due to the nature of different products and merchandising expectations different customers have, products in the Merlin range are packaged using a variety of different methods. These include:

1. Colour box packaging
2. Blister and clamshell packaging
3. POS counter top displays
4. Floor displays cartons
5. Poly-bag with header card packaging
6. Cardboard sleeve packaging

All products are packaged into shipping cartons, with some products also packed into inner cartons

Conducting the SPG review of existing products

In conducting this review, sustainability design strategies as outlined in the APC, were used to determine the following:

- Whether all levels of packaging are necessary
- Percentage of packaging components used which are not recyclable
- Whether any packaging components can be eliminated
- Whether non-recyclable packaging can be replaced with recyclable packaging materials
- Identify packaging where the 'mobius' symbol is not used, and revise artwork to include this
- Identify packaging where the 'tidy bin' symbol is not used (for non-recyclable materials), and revise artwork to include this

Conducting the SPG review for new products

- Packaging checklist in use, ensuring new packaging is effectively designed against SPGs, by consulting with overseas suppliers and local design companies to:
- Improve the design of packaging
- Recommend minimising packaging where possible
- Recommend against non-recyclable materials where possible
- Effectively communicate to consumers responsible means of disposing of packaging through use of recycling and tidyman symbols

Key Performance Indicators and Targets – Action Plan March 2015 - 2020

Covenant performance goals and KPIs	Actions	Responsibility	Status	Target or performance goal	Timeline / milestone (MM / YY)
<p>Design – optimise packaging to achieve resource efficiency and reduce environmental impact without compromising product quality and safety</p> <p>KPI 1 Signatories with documented policies and procedures for evaluating and procuring packaging using the SPGs of equivalent Signatories assessing 100% of new packaging and 50% of existing packaging against the guidelines.</p>	<p>1. Continually review existing products when new packaging is due to be printed. Conduct SPG review of these existing products and their packaging to determine whether more environmentally sound options can be introduced</p> <p>2. Review shipping marks on shipping cartons for all existing products</p> <p>3. Ensure all suppliers and design companies understand the implemented packaging checklist and are working towards the same objectives for packaging design of all new products, incorporating responsible SPGs</p>	<p>Marketing and supply chain</p> <p>Marketing</p> <p>Marketing</p>	<p>Over 80% of existing products has been reviewed against SPG guidelines</p> <p>Products developed between 2006 – 2010 do not incorporate SPG processes for shipping cartons</p> <p>Packaging checklist developed in 2012 incorporating SPG initiatives</p>	<p>Monitor ordering status for outstanding existing items that have not yet been reviewed. When new orders are placed, artwork and packaging to be reviewed to make improvements and add mobius/tidy man symbols where applicable</p> <p>For all existing items, including items previously reviewed as part of the previous Action Plan, shipping marks on all shipping cartons is to be reviewed and mobius symbol is to be added where this is currently missing</p> <p>New packaging for new products to be designed as per developed checklist concerning procurement and design</p>	<p>Outcomes reported annually</p> <p>02 / 16</p> <p>Outcomes reported annually</p>

Covenant performance goals and KPIs	Actions	Responsibility	Status	Target or performance goal	Timeline / milestone (MM / YY)
<p>Recycling – the efficient collection and recycling of packaging</p> <p>KPI 3 Proportion of signatories with on-site recovery systems for recycling used packaging</p> <p>KPI 4 Proportion of signatories with a policy to buy products made from recycled packaging or materials</p>	<p>1. Confirm with any new 3PL providers that recovery systems are in place for packaging and other waste materials, with the aim of identifying areas for improvement</p> <p>2. Develop and implement a policy at head office to recycle printer cartridges and batteries. Review process annually to identify any appropriate policy/process improvements</p> <p>3. Review office consumable purchases annually to identify any appropriate policy/process improvements for responsible procurement of supplies</p>	<p>Marketing and supply chain</p> <p>Marketing and Operations</p> <p>Marketing and Operations</p>	<p>All 3PL warehouse providers currently have processes in place for recycling or re-using waste packaging</p> <p>Printer cartridges and batteries are currently recycled at various recycling drop off zone. A formal policy does not exist</p> <p>Policy in place to purchase recycled printing paper</p>	<p>3PL providers to confirm that recovery systems are in place and in use This was completed on 02/2014 This action is to be reviewed upon the appointment of any new 3PL providers Review of recycling systems to be undertaken. System maintained and reported annually.</p> <p>Formal policy to be developed for recycling of printer cartridges and spare batteries</p> <p>Policy developed to purchase recycled office paper. This is to be reviewed and reported on annually with any further opportunities to be identified</p> <p>NB: Options for incorporating recycled materials into packaging have been explored. These simply cannot be implemented due to cost imposition and difficulties for factories to source and control materials</p>	<p>Outcomes reported annually</p> <p>02/16</p> <p>Annual</p>

Covenant performance goals and KPIs	Actions	Responsibility	Status	Target or performance goal	Timeline / milestone (MM / YY)
<p>Product stewardship – a demonstrated commitment to product stewardship by the supply chain and other signatories</p> <p>KPI 6 Proportion of signatories that have formal processes for working with others to improve design and recycling of packaging</p>	<p>1. Entrench SPG requirements into the thought process of overseas suppliers and local design companies, using the established packaging checklist for packaging and artwork design</p>	<p>Marketing and supply chain</p>	<p>Existing packaging checklist in place for new packaging and artwork design. This has been used internally and sent to local design companies, however has not been sent to overseas suppliers</p>	<p>Continue to use established checklist for the design of packaging and artwork for new products to improve the design of packaging and recommend against non-recyclable materials where possible</p> <p>Send packaging checklist to overseas suppliers for discussion and to encourage better packaging design with less environmental impact</p>	<p>Ongoing for new products. To be reported annually</p> <p>02/16</p>
<p>KPI 7 Proportion of signatories demonstrating other product stewardship outcomes</p>	<p>1. Continue to sell, promote and distribute energy-saving products encouraging energy conscious purchases</p> <p>2. Continue to sell, promote and distribute solar-powered products to help consumers reduce their carbon footprint</p> <p>3. Participate in more local initiatives such as Clean Up Business Day</p>	<p>Product development and sales</p> <p>Product development and sales</p> <p>Marketing</p>	<p>New product development is a key focus of our business with solar lighting products and energy saving products key categories</p> <p>Currently no participation in environmental programs outside day to day business</p>	<p>Energy-saving products sold reported annually</p> <p>Solar-powered products sold reported annually</p> <p>Explore opportunities to participate in local initiatives supporting recycling and litter reduction. Report annually on any involvement</p>	<p>Annual</p> <p>Annual</p> <p>Annual</p>

Covenant performance goals and KPIs	Actions	Responsibility	Status	Target or performance goal	Timeline / milestone (MM / YY)
<p>KPI 8 Reduction in the number of packaging items in litter Target: Continuous reduction in the number of packaging items in litter</p>	<p>1. Work in conjunction with overseas suppliers to reduce the levels of packaging for new products to reduce litter</p> <p>2. Review artwork of existing products including carton markings, and apply mobius and tidyman symbols where applicable</p> <p>3. Ensure packaging for all new products is appropriately labeled to guide consumers and encourage correct disposal methods</p>	<p>Marketing</p> <p>Marketing</p> <p>Marketing</p>	<p>Packaging checklist in place to ensure packaging design is evaluated for new products</p> <p>Packaging checklist in place to highlight the need for appropriate packaging disposal information</p> <p>A review of packaging for existing items is already underway</p>	<p>Review the packaging design for new products at all levels including all packaging inserts and recommend improvements by removing packaging levels where possible and where doing so will not have an effect on the protection of the product in transit</p> <p>Existing artwork reviewed and opportunities to apply appropriate disposal information identified and used to guide action above NB: At the end of the last reporting period March 2015, 85% of existing products had been reviewed These items are to be reviewed again with a focus on improving shipping marks</p> <p>New and revised artwork to contain appropriate disposal information</p>	<p>Outcomes reported annually</p> <p>02 / 16</p> <p>Outcomes reported annually</p>