

Australian Packaging Covenant

Action Plan

January 2011- December 2015

March 2011

MYER

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1. APC Commitment Overview

As part of the Myer commitment to sustainability, Myer is committed to adopting the Australian Packaging Covenant (APC) Sustainable Packaging Guidelines (SPG) and to the principles of product stewardship contained within the APC.

In doing so, it becomes Myer's objective to minimise the amount of packaging waste that ends up in landfill. Myer will achieve this objective by introducing 'hierarchy of waste' considerations into the briefing and design process for packaging of new products. The hierarchy of waste will require Myer to:

- Avoid/eliminate packaging wherever possible
- If packaging is necessary, design packaging that is re-usable
- If not re-usable, use materials that maximise recyclability of packaging
- As a final option, aim to minimise the quantity of packaging that goes to waste.

Myer will adopt the 10-Step review process¹, as detailed within the APC, to help achieve desirable packaging options, without compromising the quality of product and doing so within commercially relevant limitations.

In accordance with guidance provided within Sustainable Packaging Guidelines², Myer has:

- Reviewed each section of the 'Sustainability design strategies'³;
- Determined the most appropriate for Myer's business, being those relevant to the products sold by Myer; and
- Incorporated these into the Myer packaging design and development procedures.

All requests for the creation of new packaging for 'Own Brand' merchandise, and for modifications to existing packaging of 'Own Brand' merchandise, are channelled through the Myer 'Packaging and Labelling Request' (PLR) system. Key SPG questions are built into the PLR template used to submit packaging development requests. Based on responses to SPG questions contained within each PLR, the PLR system escalates requests to the Manager of Product Development for SPG review and approval. This escalation approach allows Myer to consider the merits of each request from a Form-Function-Cost perspective, prior to PLR's being released into the design and development phase.

The PLR process provides traceability and measurability, and is available for audit should it be necessary under the APC.

Where SPG cannot be assessed on a product-by-product basis, eg a commitment to efficient use of water and energy, Myer is committed to creating a 'Packaging Sustainability Commitment'. This commitment would be communicated to all parties involved in the design, production, and/or supply of packaging. Joint commitments will be sought from Myer's key packaging partners.



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General Manager- Risk, Safety & Sustainability
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¹ Refer to Section 2.1 of the APC Sustainable Packaging Guidelines (1 July 2010)

² Refer to Section 1.2 of the APC Sustainable Packaging Guidelines (1 July 2010)

³ Refer to Section 3.0 through to 3.12 of the APC Sustainable Packaging Guidelines (1 July 2010)

2. Myer Holdings Ltd Profile

The first Myer store opened in Bendigo in 1900. The business has since grown to become Australia's largest department store chain with 65 stores nationally, employing more than 14,000 people. Myer offers a range of womenswear, menswear, childrenswear, homewares, cosmetics, footwear, electrical, furniture, toys and a broad range of general merchandise.

Myer stores are located in all States and the ACT. The National Support Office is located at 800 Collins Street, Docklands, Vic, 3008. Myer has four Regional Distribution Centres located in Victoria, New South Wales, Queensland and Western Australia.

Until 2006, Myer was part of the Coles Myer group, when it was sold to the Texas Pacific Group, and then became a publicly listed company in November 2009.

Myer sells a range of merchandise of National and International brands, which accounts for approximately 83% of total sales. Myer 'Own Brands' account for the remaining 17%. Myer is therefore classified both as a Retailer and a Brand Owner for Myer 'Own Brands', within the Australian Packaging Covenant.

The following brands are Myer 'Own Brands'- exclusive to Myer:

- Vue
- Basque
- Regatta
- Miss Shop
- Reserve
- Blaq
- Tokito
- Kenji
- Milkshake
- Heritage
- Piper
- Sprout
- Mytreats
- Maddox
- Urbane
- Soho
- Tilli
- Lost Highway
- MVM
- Collections
- Jack & Milly
- Always
- Licorice
- Miss Pink
- Cooks Kitchen
- Zazou
- Kidsworld
- Surf Rider
- Miss Shop- La De Da
- Babyworld
- Brooklyn Industries
- Design Studio
- Soft Soul
- Cozi by Jennifer Hawkins
- Vue Junior
- Finito
- Innovare
- Origami
- Chloe & Lola
- Monsac
- Urban Soul

3. NPC Achievements

Since first becoming a signatory to the National Packaging Covenant in 2007, Myer has submitted three Annual Reports. The first NPC report captured the baseline data against which progress for subsequent years was compared. Over the three year period, Myer reported a significant level of achievement.

A summary of key developments is outlined below:

- The creation of a packaging and labelling request (PLR) system through which all packaging developments are channelled.
- A PLR system that embraced the Environmental Code of Practice for Packaging (EcoPP), and has since commenced transition across to the Sustainable Packaging Guidelines.
- Re-engineering of packaging across a broad spectrum of merchandise, to:
 - Minimise use of non-recyclable packaging materials (eg. foam and polystyrene);
 - Avoid using a mix of packaging materials to minimise cross-contamination of materials recovered for recycling (eg. mix of plastic and paper);
 - Eliminate unnecessary packaging, provided there is no negative impact on merchandise quality or presentation standards (eg. remove individual plastic shrouds for women's intimate apparel);
 - Encourage consumer re-use of packaging made of composite materials where recycling is not possible (eg. plastic/wire/rope composite bags used for quilts);
 - Migrate across to biodegradable plastic alternatives for bags that would otherwise be non-recyclable (eg. bags for bedlinen).
- Supply chain initiatives that have sought to optimise flow of merchandise and as a consequence, generate significant reduction in tertiary distribution packaging materials.
- An in-store focus on recycling that includes:
 - A performance dashboard for measuring improvements in collection of plastic and paper-based recyclable materials;
 - A collection and reuse system for hangers and for security tags.

4. Schedule for Packaging Reviews

Under the definitions within the APC, Myer is a 'Brand Owner'. Myer conducts the sourcing for 'Own Brands': including design, product evaluation and packaging. An abridged list of Myer 'Own Brands' is provided in the below table.

Myer Brands	Product Type	Myer Brands	Product Type
Basque	Womenswear	Babyworld	Kidswear
Miss Shop	Womenswear	Brooklyn Industries	Kidswear
Regatta	Womenswear	Jack & Milly	Kidswear
Tokito	Womenswear	Blaq	Menswear
Urbane	Womenswear	Lost Highway	Menswear
Cozi by Jennifer Hawkins	Swimwear	Reserve	Menswear
Zazou	Swimwear	* Cooks Kitchen	Kitchenware
Chloe & Lola	Intimate	* Heritage	Homewares
Soho	Intimate	* Licorice	Homewares

*Brands for which products are typically packaged.

The majority of Myer 'Own Brands' are apparel brands for which there is only minimal packaging, for example, business shirts, giftware boxes for special events. Myer has a smaller number of homeware and kitchenware 'Own Brands', for which development of packaging is typically required, for example, boxed dinnerware, quilts and pillows.

Where Myer is developing packaging for new products, Myer is committed to SPG principles. For existing products, Myer commits to SPG review of packaging by individual SKUs, within 2 years⁴.

Typical packaging materials and formats used across the assortment of Myer 'Own Brand' merchandise are outlined in the table below:

Merchandise Type	Typical Packaging Materials & Formats
Dinnerware, Cookware, Servingware (boxed)	Cardboard box, cardboard insert walls/ barriers, tissue paper product wrap
Other homewares (eg. carving boards, oil vinegar sets)	PET plastic covering/wrap (to provide product protection and allow visual identification of product)
Apparel - Non-packaged	Double sided printed cardboard swing-tags
Apparel - Packaged products	Plastic bag with internal tissue-paper/ card (eg. business shirts)
Apparel - Gift/Specialty Packaged products	Variety of boxes/ containers and materials depending on product (eg. Gown gift box at Mother's Day)
Bedlinen (sheets, sheet sets)	Plastic covering, printed and plain cardboard inserts
Bedroom Accessories (eg. Quilts)	Wire-framed plastic bag with perimeter zip and rope/ plastic handles, boxes
Jewellery, Fashion Accessories	Assortment of accessory cards &/ or boxes, swing tags
Footwear	Cardboard box, tissue paper wrap
General merchandise (eg. frames, home decorations)	Wide assortment of boxes, with/ without tissue paper wrapping, swing tags, containers etc. dependent upon product type

⁴ As most Myer products are 'indent lines' (meaning they are supplied just for a single order/season), a significant number of existing products will not be resupplied to Myer, and will therefore not require SPG review.

Xmas Trim & Trees - Small decorations	Poly bag with cardboard header card or swing tag, boxes
Xmas Trim & Trees - Mid sized decorations &/or fragile	Cardboard box or acetate container with/ without internal tissue paper wrapping
Xmas Trim & Trees - Larger items	Heavy duty (re-usable) cardboard box. Components boxed/wrapped - as required
Towels, Cushions, Loose Napery	Double sided printed cardboard swing-tags
Bathroom Accessories (e.g. soap dishes, soap dispensors)	Cardboard box or acetate container with/ without internal tissue paper wrapping
Travel Goods, Large Picnic Accessories	Swing tags
Food	Broad assortment of poly bags, swing tags, boxes, cans, cannisters and bottles

5. Covenant Contact Officer

For further information about any matters relating to the Myer Australian Packaging Covenant Action Plan, please contact:

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6. APC Action Plan Timetable

The below table contains the Myer APC Action Plan for the next 5 years: January 2011-December 2015.

This Action Plan will be used as a template to capture progress, and will be modified on a regular basis to reflect Myer's achievements and any new initiatives.

APC ACTION PLAN

COVENANT PERFORMANCE GOALS AND KPI'S	ACTIONS	RESPONSIBILITY	BASELINE DATA	PERFORMANCE GOAL	Timeline (MM/YY)
1. DESIGN – OPTIMISE PACKAGING TO ACHIEVE RESOURCE EFFICIENCY AND REDUCE ENVIRONMENTAL IMPACT WITHOUT COMPROMISING PRODUCT QUALITY AND SAFETY.	Maintain a cross functional workgroup that steers packaging sustainability initiatives and reviews outcomes	Sustainability Manager	Existing committee	Quarterly meetings	Existing committee
KPI 1 Commitment to implementing the SPG for design and procurement of packaging	Build SPG principles into the PLR (Product & Labelling Request) design and development process. Document policies and procedure for the review and decision-making process, and how competing form-function-cost requirements have been factored into final decisions	Packaging & Labelling (P&L) Manager & QA Manager	From 1/2011, vs activity over past 3 years	Measure number of SPG PLR's per annum Conduct trend analysis	Annually from 12/2011
	Apply SPG to all new packaging of 'Own Brand' products	P&L Manager	As above	As above	From 01/2011
	Conduct an SPG review on all existing 'Own Brand' consumer packaging within 2 years (i.e. a 'reasonable timeframe')	P&L Manager	Nil as at 01/2011	Analysis end 2011 Escalation in 2012	Complete by 12/2012
	Escalate PLR's for technical and functional review when PLR responses fall outside of the SPG requirements	PLR System (Buyers)	Commence 01/2011	Documented review and decisions	Full system by 12/2011
	Adopt the APC '10 Step Review Process' (Sect 2.1 of APC) <ul style="list-style-type: none"> ▪ Research sustainable packaging and opportunities ▪ Suitably qualified/trained team members to conduct PLR/SPG reviews ▪ Maintain adequate documentation and filing system ▪ Compile a list of packaging types used for 'Own Brand' products ▪ The review method must be appropriate for new & existing packaging ▪ Cross functional consultation and representation in the APC committee ▪ Remain engaged and informed about packaging 'best practices' ▪ Conduct regular reviews, and migrate to more sustainable practices ▪ Document the review process 	APC Team P&L Manager P&L Manager P&L Manager P&L Manager Sustainability Manager P&L Manager APC Team P&L Manager	Commence 01/2011	Continuous integration of review processes	12/2015 03/2011 03/2011 03/2011 03/2011 Ongoing 12/2015 Ongoing Ongoing
	Incorporate the documented review process into the Action Plan	P&L & QA Managers	-	Documented procedures	12/2011

COVENANT PERFORMANCE GOALS AND KPI'S	ACTIONS	RESPONSIBILITY	BASELINE DATA	PERFORMANCE GOAL	Timeline (MM/YY)
	Exercise proactivity and due diligence throughout the action plan period, to identify opportunities for continuous improvement in packaging, packaging design and related activities	APC Team	Existing committee	Number of new initiatives	12/2015
2. RECYCLING – THE EFFICIENT COLLECTION AND RECYCLING OF PACKAGING.	Build standard consumer messages and information about recycling and re-use into packaging of 'Own Brand' merchandise through the design process (not the PLR process)	P&L Manager	70% of packaging	100% of packaging	12/2012
KPI 3 On-site recovery systems for recycling of used packaging KPI 4 Formal, documented policy for buying products made from recycled packaging	Continuous improvement in methods of gathering recyclable material at Myer sites. Measurements to include: <ul style="list-style-type: none">▪ Trend analysis for recyclables;▪ Comparison of recyclable and general waste; and▪ Obtaining contamination data for recyclables (where possible)	APC Team, Store Operations Rep, Procurement Rep.	2-3 years of baseline data is available	Favourable increase/decreases	Annually from 12/2011
	Continually review methods by which unnecessary packaging can be eliminated/reduced from merchandise and from the supply chain	Merchandise Reps, Supply Chain Rep, P&L Manager	NPC status as at 10/ 2010	Continuous Improvement measured by process changes and improvements	Ongoing from 03/2011
	Implement a 'buy recycled' consideration into future procurement contracts relating to packaging	Procurement Rep	Partial as at Oct 2010	All new Procurement contracts and new terms	03/2011 to 12/2015
3. PRODUCT STEWARDSHIP – A DEMONSTRATED COMMITMENT TO PRODUCT STEWARDSHIP BY THE SUPPLY CHAIN AND OTHER SIGNATORIES.	Extend APC/SPG principles and Myer's sustainability commitment into the Myer supply chain in-transit (tertiary) packaging of 'Own Brand' products	APC Team, Supply Chain Rep	Progress as per Annual Report 2010	Record new initiatives	12/2013 & ongoing
KPI 7 Implementing formal processes in working with others to improve design and recycling of packaging	Extend APC/APG principles and Myer's sustainability commitment into non-'Own Brand' product packaging and in-transit (tertiary) packaging (whenever possible)	Merchandise Reps, P&L Manager	Progress as per Annual Report 2010	Record new initiatives	12/2013 & ongoing
	Develop a 'Packaging Sustainability Commitment' statement, and ensure this commitment is communicated to all parties engaged in production and supply of packaging materials	Sustainability Manager, P&L Manager	-	Create the commitment statement Communicate the statement	12/2011 12/2012
	Conduct regular reviews of the effectiveness of supply chain in-transit (tertiary) packaging initiatives (eg. on a 6 monthly or annual basis)	Supply Chain Rep, Sustainability Manager	-	Number of audits Findings and action plans	6/2012

COVENANT PERFORMANCE GOALS AND KPI'S	ACTIONS	RESPONSIBILITY	BASELINE DATA	PERFORMANCE GOAL	Timeline (MM/YY)
3. PRODUCT STEWARDSHIP..... (cont)	Communication and training: Ensure all parties involved in the design, development, manufacture and supply of packaging are aware of Myer's commitments, and the obligations Myer team members and Myer packaging partners have in achieving the packaging sustainability goals	P&L manager, Sustainability Manager, Corporate Affairs Rep, QA Manager	-	No of workshops, newsletters, communications, training courses etc.	12/2011 & ongoing
KPI 8 Other product stewardship outcomes. (e.g. including Myer suppliers into APC commitments)	Communicate Myer commitments externally, and seek further commitments from Myer's key packaging partners	Merchandise Rep, Corporate Affairs Rep, Sustainability Manager	-	No of communications, correspondence, commitments etc.	12/2011 & ongoing
KPI 9 Reduction in the number of packaging items in the litter stream	Exercise due diligence and vigilance throughout the action plan period to identify opportunities for continuous improvement in packaging, packaging design and related activities	APC Team, P&L Manager	Progress as per Annual Report 2010	No of new opportunities /initiatives	12/2011 & ongoing
	Consider opportunities to integrate a review of APC sustainability into QA/CSR factory audits	QA Manager	-	Included into (relevant) audits	12/2013
	Look for opportunities to minimise the likelihood of consumer packaging/ paper becoming litter. Specific consideration given to: <ul style="list-style-type: none"> ▪ Consumer carry-bags ▪ Receipts, docketts ▪ Brochures, catalogues 	APC Team, P&L Manager, Store Operations Rep	-	Identify real risks and potential actions	12/2011 & ongoing
	Continue the commitment to minimizing the amount of non-packaging waste that goes to landfill by implementing a range of recycle &/or re-use initiatives. By example: <ul style="list-style-type: none"> ▪ Hanger recovery and reuse program in stores ▪ Security tag recovery and reuse program at stores ▪ Providing staff/consumer recycle collection facilities ▪ Collecting used ink cartridges and channelling through a recovery process ▪ Channelling redundant IT equipment through e-recycling ▪ Introducing strategies and systems to minimise printer paper waste 	APC Team	Progress as per Annual Report 2010	Commitment to continuous review and improvement of recycle &/or re-use initiatives	12/2011 & ongoing