

Annual Report and Action Plan

Company Name: **MICHAEL HILL GROUP SERVICES PTY LIMITED**

Trading As: **Michael Hill**

ABN: **55134562440**

About APCO

Australian Packaging Covenant Organisation (APCO) is a co-regulatory not-for-profit organisation leading the development of a circular economy for packaging in Australia. APCO's vision is a packaging value chain that collaborates to keep packaging materials out of landfill and retains the maximum value of the materials, energy and labour within the local economy.

Each year, APCO Brand Owner Members are required to submit an APCO Annual Report and an APCO Action Plan. This document is the Annual Report and Action Plan output for the organisation listed above. This document provides the overall performance level of the organisation, as well as any commitments they have made to work towards on their packaging sustainability journey. This document may also include additional information provided by the Member in their report.

Overall Performance **Good Progress**

The chart below indicates the overall performance level of this organisation listed above in the 2024 APCO Annual Report. The organisation's reporting period was **January, 2023 - December, 2023**



Understanding APCO Annual Reporting performance levels:

- 1 Getting Started:** You are at the start of your packaging sustainability journey.
- 2 Good Progress:** You have made some first steps on your packaging sustainability journey.
- 3 Advanced:** You have taken tangible action on your packaging sustainability journey.
- 4 Leading:** You have made significant progress on your packaging sustainability journey.
- 5 Beyond Best Practice:** You have received the highest performance level and have made significant progress on your packaging sustainability journey.

Contact

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Additional Information

The information below indicates additional information that the organisation included in their APCO Annual Report.

Describe initiatives, processes or practices that you have implemented during your chosen reporting period that have improved packaging sustainability

- We have clear sustainability goals that outline zero waste by 2027 - these goals are public and include packaging targets.
- The sustainability goals and supporting strategy is approved by Group Executive team members and Board of Directors.
- Sustainable packaging is included in our sustainability strategy, however in 2023, this was not 100% aligned with the SPGs.
- In 2023, we found our sustainable packaging strategy difficult to implement with suppliers, especially to substantiate recyclability and recycled content claims.

Describe any opportunities or constraints that affected performance within your chosen reporting period

- The cost of using recycled material is significantly higher and impacts cost of doing business.
- The APCO guidelines are not clear on the acceptable certifications that are required for proof of the material construct. In the absence of acceptable certifications, it is difficult to verify recycled content amounts. This presents risk of making false or misleading claims about our packaging.
- We continue to seek to source more sustainable products for our packaging. This was formalised in our sustainability strategy announced in 2022.
- We are developing a formal policy to underpin our procurement of packaging that aligns with the Sustainable Packaging Guidelines.

APCO Action Plan Commitments

For each of the Packaging Sustainability Framework criteria listed below, a description is provided along with the commitments made by the organisation in their APCO Action Plan.

Criteria 1:

Governance & Strategy:

This criteria considers actions to integrate packaging sustainability into business strategies.

- Develop a strategy that includes goals (objectives) and targets for packaging sustainability that addresses the Sustainable Packaging Guidelines (SPGs) or equivalent.
- Have our executive or board of directors review our strategy and have the strategy integrated within our business processes.
- Regularly communicate and promote packaging sustainability objectives and targets within our organisation.
- Regularly engage or communicate with our external stakeholders about the environmental impacts of our packaging.

Criteria 2:

Design & Procurement:

This criteria considers actions taken to ensure that sustainability principles are considered in the design or procurement of both new and existing packaging through use of the Sustainable Packaging Guidelines (SPGs).

- Review 29% of our packaging against the Sustainable Packaging Guidelines (or equivalent).
- Improve the accuracy of our data regarding reviews of packaging using the Sustainable Packaging Guidelines (or equivalent).
- Incorporate the Sustainable Packaging Guidelines (or equivalent) into procurement processes.
- Consider the following Sustainable Packaging Principles in our packaging reviews:
 - Design for recovery
 - Design to reduce product waste
 - Use of renewable materials
 - Use recycled materials
 - Design to minimise litter
 - Design for accessibility
 - Provide consumer information on environmental sustainability

Criteria 3:

Recycled Content:

This criteria considers actions taken to increase or optimise the amount of recycled material used by your organisation.

- Develop a policy or procedure to buy products and/or packaging made from recycled materials.
- Use recycled content in:
 - Our products
 - Primary packaging that we use to sell our products
 - Secondary packaging that we use to sell our products
 - Other items which we purchase (e.g. office stationary and suppliers etc.)
- 55% of our packaging to be made using some level of recycled material
- Improve the accuracy of our data regarding use of recycled materials.

Criteria 4:

Recoverability:

This criteria considers actions taken to improve the recovery of packaging at end-of-life and increase use of reusable packaging.

- 48% of our packaging to be designed to have all packaging components be recoverable at end-of-life.
- Improve the accuracy of our data regarding recoverability.
- Investigate opportunities to use reusable packaging.

- Improve the accuracy of our data regarding reuse.

Criteria 5:

Disposal Labelling:

This criteria considers the extent to which packaging has been labelled to help consumers determine what to do with packaging at end-of-life.

- 26% of our packaging to have on-pack labelling to inform correct disposal.
- Improve the accuracy of our data regarding labelling.

Criteria 6:

On-site Waste:

This criteria considers progress in increasing the amount of on-site solid waste being diverted from landfill.

- Have recycling programs for the following materials:
 - Paper/cardboard
 - Soft plastics
 - Rigid plastics
 - Timber
 - Glass
 - Metals
 - Other - organics for food waste
- Aim for 97% of our on-site waste to be diverted from landfill.
- Improve the accuracy of our data regarding on-site waste.

Criteria 7:

Problematic Materials:

This criteria considers the extent to which organisations are actively phasing out problematic and unnecessary single-use plastic packaging and preventing/reducing litter.

- Help reduce litter by:
 - Delivering a litter education campaign