



## Signatory Name: Cigweld Pty 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 2015 – 30 June 2016
- Calendar Year: 1 January 2016 – 31 December 2016

## 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

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?

%

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 period?

%

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. | All new products to have packaging that is in line with SPG. As product development and upgrades are an ongoing process within the business, intent is to have all existing products complete by the end of 2018. | All new products launched in 2016 were completed in accordance with SPG guidelines. This includes a comprehensive review of all upgraded products in order to ensure that every effort has been made to meet the requirements of the SPG. Cigweld has also formalised its internal new product and procurement process such that key elements of the SPG in all new product specifications. These specifications are used to drive the businesses internal engineering and sourcing arrangements. |
| 2. | 50% of existing Cigweld packaging to be reviewed by 2017.   | In any given year approximately 25% of the company's annual sales are derived from new products. As a result, on a cumulative basis approximately 85% of total sales in 2014 comprised of products that have been reviewed in the last three years and are in line with the requirements of the SPG.  |
| 3. | Introduce better packaging variants to offset product/packaging transit damage and combat the increase of product theft resulting in a greater disposal of unused/damaged packaging.                              | Obtain a better understanding to what is required in the market to combat these issues. The result is better suited packaging to be introduced by the end of 2017 - heat sealed and stronger packaging that still has recyclable properties.  |

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

Effective April 2014 Cigweld Pty Ltd was acquired by Colfax, a US based multi-national that markets existing within Australia. As a result of this acquisition the Cigweld brand team inherited a number of additional brands and associated product portfolios. Upon review it was found that a number of these products have packaging that is not necessarily congruent with the requirements of the SPG. The additional challenge in this regard is that many of these products are marketed on a global basis, with Australia making up only a small proportion of total global sales. This therefore limits the ability of the brand team within Australia to enforce the necessary packaging changes such that the products in question are in alignment with the requirements with the SPG and Cigweld recently revised product/packaging specifications. Throughout 2015 the intent is to review all high volume skews within these additional portfolios with the intention of upgrading packaging standards in line with SPC.

A major constraint is the lack of resources and time within the businesses that can allow us to overhaul and/or achieve our packaging objectives in a timely manner. This simply means these things take time and other business concerns may change the direction of how these resources are allocated for the better of the business and employees.

Goal 1: Design

KPI 1: % of signatories with documented policies and procedures for evaluating and procuring packaging using the SPGs or equivalent.

Rating

3

Rating Comments

It is great to hear that key elements of the SPG have been integrated within your new product and procurement processes. We look forward to hearing the results of new packaging that is recyclable. We understand the constraints imposed by new merge with a large overseas company. Despite not being able to directly control packaging design in that aspect of the business, you may like to integrate discussion around the SPG and its principles during meetings or other collaboration activities with US arm. Better yet, you may like to place a stronger focus on amending secondary or tertiary packaging in line with the SPGs, as these are likely provided by a domestic supplier.

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 our practises into procedure's and guidelines which will be placed in our company policy. | Although a physical procedure has not been written up, we do have strong recycling protocols throughout the organisation that are strictly adhered to. We have placed multiple recycling bins with every printer and at every workplace area with clear markings. These bins are emptied every second day and we have an alliance with a recycling facility that disposed the recyclables. |
| 2. | Reduce percentage of overall packaging that is purchased with non-recyclable material.            | Currently with new products being released, we are contacting suppliers and confirming the grade of packaging and its recyclable nature. Many products also have the "Please Recycle" logo to encourage end users of the product to dispose of the packaging appropriately.  |

|    |  |   |
|----|--|---|
| 3. | Implement processes for working with others to improve design and recycling packaging. | Currently after a mass review on retail products, we have proved it be necessary to overhaul the retail packaging to meet the following: Heat sealed 'clam shell' packaging to minimise theft thus in turn minimising the disposal of damaged packaging (wasted packaging that we can avoid using heat sealing). Also better packaging that is less damaged in transit to avoid re-packaging goods. |
|----|--|---|

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

The opportunity of releasing new product and reviewing current products allows us to implement better packaging protocols. An example of this is ensuring that we do not use more packaging material than is required - including packaging space filling materials ie: foam inserts, bubble wrap etc where not required and deemed overkill.

Goal 2: Recycling

KPI 3: % signatories applying on-site recovery systems for used packaging.

Rating

Rating Comments

**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)

As new products commence development, our business implements our global product introduction process titled APD (Accelerated Product Development). This process has specific steps by which packaging must be reviewed by various key stakeholders to ensure consistency with SPG.

**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. | Reduce the percentage of overall packaging that is purchased with non-recyclable material. | With contact with our sourcing team, we are always trying to investigate ways to reduce packaging material and ensuring that the material we use is recyclable wherever possible. There have also been discussions and packaging options put forward using recyclable material for toolbox plastic. |

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

As mentioned previously, in some cases products are sold globally and as a result we tend to inherit global packaging principles. As a result this limits our ability to ensure the most feasible packaging standards are adhered to.

In order to provide customers with reliable product that is appealing, we need to find a balance between how far we can use recyclable material, in both packaging and product materials, and product reliability and appeal. An example of this is using 50% recycling material to make a blow mould toolbox causes the toolbox to warp which would not be a sound business decision to release to market. Everything is possible but cost, time and resources plays a huge part for a businesses existence.

Goal 2: Recycling

KPI 4: Signatories implement formal policy of buying packaging made from recycled products.

Rating

Rating Comments

**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

Provide details of policies and procedures (including names of policies/ procedures)

The only policy we have is our APD process in which entails we try to use recyclable material where ever possible for both equipment and packaging. We convey this information to our sourcing team and they liaise with suppliers to ensure we can achieve this as best we can.

**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. | Implement processes for working with others to improve design and recycling of packaging and/or raw materials. | All existing and potential vendors are provided with detailed product specifications such that a detailed understanding of packaging requirements is provided. Whilst this process is part of our internal APD we are yet to implement a formal external procurement process that is in complete alignment with SPG. |

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

Given that the SPG is not global, obtaining internal collaboration across international facilities is at times difficult. Cigweld continues to drive the required mindset through its formal sourcing arrangements.

Goal 3: Product Stewardship

KPI 6: % signatories with formal processes to work collaboratively on packaging design and / or recycling.

Rating

3

Rating Comments

Well done on continuing to communicate the SPG via formal sourcing arrangements, and it is good to see that you are working with vendors to understand all aspects of packaging. It is great to see that regular communication is occurring with suppliers, though future reporting may be improved if the opportunities or outcomes arising from this collaboration is outlined. Other ideas for becoming more informed about your supply chain and its environmental performance could be gained from this APC resource: [http://www.packagingcovenant.org.au/data/Resources/Supply\\_chain\\_value\\_and\\_packaging\\_sustainability.pdf](http://www.packagingcovenant.org.au/data/Resources/Supply_chain_value_and_packaging_sustainability.pdf)

**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. | Increase the use of online marketing and improve collaboration between Marketing and supply chain members (due July 2013). | This target has been achieved in full. All product literature and pricing information is now distributed electronically, reducing the need for printing by approximately 70%. This is an ongoing achievement that has assisted in reducing printed materials. |
| 2. | New business initiative is developing an eCommerce platform to essentially broaden our market.                             | This will allow us to simply send products (where possible) in recycled brown boxes, reducing the need for full scale colour printed boxes commonly used within the retail market.  |

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

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

Goal 3: Product Stewardship

KPI 7: % signatories showing other Product Stewardship outcomes.

Rating

3

Rating Comments

Congratulations digitising product literature and pricing information. We anticipate great results from your plans to change deliveries to plain brown recycled boxes. As changes like this are implemented, we encourage you to estimate the savings made - to assist with providing tangible outcomes for APC reporting. There are many other product stewardship or general sustainability activities that your company may like to explore for future APC involvement. To find out what current high performers are achieving in these areas, you may like to view the award winner case studies page on the APC website: <http://www.packagingcovenant.org.au/resources.php/76/2016-award-winner-case-studies>

**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. | Review plant contents of Welding power sources with a view to incorporating accessories into the main packaging. | As previously reported, this objective is complete. Cigweld is continuing to utilise this philosophy across its entire product portfolio to encourage customers to purchase complete kits rather than single items. In addition to our welding kits, throughout this reporting period many of our Gas Equipment kits were redesigned and price positioned to encourage a continued shift in buyer behaviour. This not only reduces the propensity to litter, it also reduces packaging costs which makes it a more effective purchasing practise for all stakeholders in the procurement chain. |
| 2. | We do, and have done, many clean up days at our organisation throughout each department.                         | Our organisation encourage 'clean up' days where each individual go through thier work areas and dispose of unwanted or used items that can be recycled. this also included cleaning up the property of the business outside.   |

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

Goal 3: Product Stewardship

KPI 8: Reductions in packaging items in the litter stream.

Rating 3

Rating Comments It is great to hear that you have consolidated different products to minimise packaging and therefore propensity for litter. Well done on conducting clean up days of the outdoor environment around sites. We suggest that you record data from future events, such as number of participants or amount of litter collected, to bolster future reporting. To further encourage litter minimisation among employees on-site, we suggest adding 'do the right thing' signage and bin infrastructure around litter hot-spots such as cigarette break areas or waste docks.

## 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

The APD process is a real good way for our business to ensure we meet and analyse how we release and build product (toolboxes).  
The online strategy we will implement this year will also reduce the need for printing full scale colour packaging.

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

Difficulties that we face each year are mainly due to resources, costs, time and factor out of our control such as the manufacturing of our equipment/components we must use and packaging guidelines stipulated by our overseas counterparts.  
As per each year we face:

- Many of our retail customers require specific customer friendly packaging which at times conflicts with the themes set out in the SPG. Cigweld continues to strive for a balanced approach in this regard.
- Many suppliers within low cost countries (predominately China) have specific packaging methods which are not always conducive to the SPG. Packaging can be modified, however as it often deviates from their standard practises it most cases it does involve a considerable cost penalty.
- The recent acquisition by Colfax has added numerous SKU's to the product range and thus we have inherited numerous examples of existing packaging. The ability for us to modify these is limited as we only take a small proportion of total global volume.

### Summary of ratings:

| KPI  | 2017 Rating (0-5) | 2016 comparison | 2015 comparison | 2014 comparison | 2013 comparison | 2012 comparison |
|--|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| KPI 1  | 3                 | 3               | 3               | 3               | 4               | 4               |
| KPI 3  | 3                 | 3               | 2               | 2               | 4               | 3               |
| KPI 4  | 3                 | 3               | 3               | 2               | 3               | 3               |
| KPI 6  | 3                 | 2               | 2               | 3               | 3               | 3               |
| KPI 7  | 3                 | 4               | 2               | 3               | 3               | 3               |
| KPI 8  | 3                 | 4               | 1               | 4               | 3               | 3               |
| <b>Average rating for this signatory</b>     | <b>3.0</b>        | <b>3.2</b>      | <b>2.2</b>      | <b>2.8</b>      | <b>3.3</b>      | <b>3.2</b>      |
| <i>Average rating across all signatories</i> | <i>TBC</i>        | <i>3.2</i>      | <i>3.0</i>      | <i>2.8</i>      | <i>2.9</i>      | <i>2.8</i>      |

Well done on continuing to progress the APC's goal throughout the reporting period. You have built a solid foundation for future improvements in packaging and general sustainability, such as through APD. As the APC moves toward a new strategic plan, collating data on past achievements in a centralised online location will be important to allow for strong benchmarking- and easier target setting. We encourage you to get involved in the APC's upcoming capacity building sessions to network with other signatories, and become familiar with the new direction of the APC and how your business can continue to play a role. Upcoming sessions, and more detail on the future structure of action plans and reporting, can be seen here:  
<http://www.packagingcovenant.org.au/pages/action-plans-and-annual-reports.html>