



AJ BAKER & SONS PTY LTD
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SUSTAINABLE PACKAGING STRATEGY

2019 – 2025

UPDATE – MARCH 2023

COMPANY OVERVIEW:

AJ Baker & Sons Pty Ltd is a fourth generation Australian family business operating for 101 years with direct involvement by the owners. We set ourselves apart by putting **customers first**. We aim for the highest quality, flexibility and rapid response. We are constantly improving and developing by building up our branch network to better service our customers. We are guided by the following core values:

- **Excellence**

We strive to excel in everything we do. We aspire to achieve the highest standards of quality, efficiency and productivity in the design of our services and solutions. We are committed to doing it right the first time and take on each challenge as if it were our own, regardless of the demands involved.

- **Sustainability**

We meet the needs of today without compromising tomorrow. We consider the results we obtain in the short, medium and long term in everything we do for our employees, customers and stakeholders in general. We will be environmentally responsible.

- **Innovation**

We will continue to bring to market the most up to date industry technologies. We always look for new solutions in achieving maximum quality. We strive for continuous growth to reinforce our place in the market. We continuously improve productivity of our assets and resources, using them responsibly.

BRANDS

A.J. Baker & Sons has a very close business partner in the EPTA Group which has a large percentage of the European market in refrigeration design. EPTA leads the commercial refrigeration sector for Food Retail chains. Based in Milan (Italy), it has 2,500 employees and in 2010 boasted a turnover of over 650 million Euro (approx. 1.1 billion AUD), an annual production capacity of around 100,000 refrigeration case units and a commercial network worldwide. Our close business partnership enables innovative engineering solutions and accurate design to be passed onto our key account clients.

We also have a strong partnership with some of the world's leading European case manufacturer's with a fully integrated structure of suppliers such as Bonnet Neve, Criocabin, Eurocryor, IARP, Tecfrigo and Welbilt-Manitowoc Ice Machines from the US.

PACKAGING AT PRESENT

Commercial refrigeration, food service and catering equipment is relatively fragile and can be exposed to a high level of damage risk when transported from overseas and locally.

Since 1990 our European suppliers have transitioned to a reduced sustainable packaging methodology that protects their equipment as much as possible and in a sustainable manner with their collaboration to PRO EUROPE and more recently in Italy to CONAI.

As part of our action plan as signatories to APCO in Australia, it is our intention to fully review the way we package those products that we manufacture and or re-package locally, to reduce this impact on our carbon footprint, reduce wastage and increase resource efficiency without compromising on the quality and integrity of the delivered product.

ENVIRONMENTAL STATEMENT:

AJ Baker & Sons actively seeks to minimise and manage the environmental impact of its operations. We recognise that our activities, and services may have significant impact on the environment, and as a responsible corporate citizen, we acknowledge our responsibility to protect it.

We are committed to understanding and managing the environmental impact of our business and giving due consideration to the principles of ecological sustainability, prevention of pollution and continuous improvement of our environmental performance.

AJ Baker & Sons, will, as a minimum, comply with the provisions of relevant environmental legislation and regulations. This policy applies to all employees, agents or contractors of AJ Baker & Sons.

POLICY

Management is committed to:

- Developing and implementing environmental management systems that plan, document, monitor and improve environmental performance.
- Using our natural resources efficiently including minimising, reusing and recycling waste to the extent practicable.
- Actively pursuing, developing and promoting sustainable energy efficient technology together with alternative and natural refrigerants.
- Developing a Packaging Sustainability Strategy, setting goals and targets, training staff on their importance, and monitoring achievement of outcomes.
- Promoting a “buy recycled” mindset for consumables, packaging and insulation materials sourced locally and internationally to support sustainability.
- Providing the resources, information and training necessary to assist our employees and contractors to understand their environmental responsibilities and continually improve environmental management practices.
- Working with customers, contractors, suppliers, government and local communities to achieve positive environmental outcomes.
- Establishing measurable environmental objectives and targets aimed at reducing our impact on the environment.
- Monitoring, reviewing and reporting on environmental performance including the achievement of environmental objectives and targets.

This policy is an integral part of our core values and will be regularly reviewed. This policy will be communicated to all staff, contractors and other stakeholders and will be made available to the public.

SUSTAINABLE PACKAGING GUIDELINES

Apart from our manufacturing facility in Adelaide producing supermarket Deli Cases, stainless steel benching, wall panelling and some sector specific products for Defence, all of our saleable items are imported. China, Europe and the United States of America are the predominant sources, and Europe in particular has a long standing packaging covenant that has directed how our imports have been protected and presented for some time.

As such we have no control over the energy and water consumption used in the production of packaging material in foreign countries. The design and selection of materials used in our packaging is determined by functionality and cost, and not by market appeal and social demand.

Our suppliers in the main use

- Cardboard
- Pine timbers (pallets)
- MDF
- Plastics (LDPE shrink wrap and EPS slabs and sheets)

Importation of our equipment utilising mainly sea freight followed by some road transport which requires our packaging be solely designed and fabricated to ensure safe and secure transportation whilst in transit from the overseas manufacturer to our Australian warehouses and ultimately on to the end customer. The single most important factor then for our packaging is to mitigate any risk of damage.

The design, functionality and materials used for packaging of our products have been tested and proven over years of importing our equipment range. Our suppliers, working with their respective packaging covenants have developed a light weight minimalist packaging program from the 1990's and this has stood the test of time in the criteria in which we are all concerned.

Due to the comparative small volume of sales our products represent to our suppliers, AJ Baker & Sons has little or no effective means of influencing the packaging supply decision of our suppliers. It is our understanding that our main vendors already source their packaging materials through accredited packaging manufacturers compliant to the European Packaging Directive (2004/12/EC2).

It is our intent to firstly identify those suppliers and then if at all possible to source packaging for our Adelaide operations from PRO EUROPE compliant companies, or those with compliance to an alternate national sustainable packaging covenant.

STRATEGIC PLAN

1) DESIGN:

AJ Baker & Sons has a small manufacturing facility in Adelaide which produces items for the domestic market, (Supermarkets and Defence) that in the main are delivered by road transport. Imported items are delivered to our customers as received. Our packaging is selected for its light weight and overall protection qualities, and where possible, its recyclability. Main products used are LDPE shrink wrap, EPS blocks and sheets, and cardboard. It is our intent to replace as much of the EPS with cardboard as is possible given the outcome of shipping trials.

2) RECYCLING:

We currently recycle as much as is possible – cardboard, timber, PET strapping, and rigid plastics in general, but given recycle process limitations in regard to numbers of collection sites in Australia, LDPE is allocated to landfill. EPS also falls into this category, hence our intent to replace.

3) PRODUCT STEWARDSHIP:

We commit to working with our overseas suppliers as much as is possible to improve the sustainability of our packaging components. We will seek to engage accredited packaging / recycling organisations (European directive) where possible. We will also investigate improvements to our transport chain with the intent of load optimisation in order to reduce fuel usage, thereby reducing our carbon footprint and other environmental impacts resulting from the transportation of goods.

KPI	Action	Who	Baseline	What	When
Design – optimise packaging to achieve resource efficiency and reduce environmental impact					
KPI 1. Proportion of supply partners utilising the SPG for design of packaging	Prepare SPG template to allow existing packaging and alternate materials to be assessed against each of the 4 principles of the guideline.	AJB	No existing review system	Complete document	COMPLETE
KPI 2 Evaluate current situation	Determine volumes of all current materials used in AJB packaging	AJB	No current data	Complete assessment	COMPLETE
KPI 3 Quantify opportunities to improve	Identify and assess opportunities to replace materials with lower environmental impact whilst maintaining product integrity	AJB	No current system	Develop system	June 2023 Underway
KPI 4. Realise opportunities	Trial alternate packaging systems to determine effectiveness in product protection.	AJB	No current data	Commence Complete	Jun 2020 Dec 2023
Recycling – efficient collection and recycling of packaging materials					
KPI 5. Optimise on site recovery of materials for recycling	Ensure all recyclable packaging is recovered and segregated for recycling through contracted recycling providers	AJB Warehouse / stores	Currently about 70 % is recovered	85% 100%	July 2023 July 2024
Product Stewardship – Demonstrate commitment to Product Stewardship					
KPI 6. Quantify suppliers that have formal agreements to source through accredited sources	Identify and contact all suppliers and confirm PRO EUROPE accreditation and action plans.	AJB	No current system or data	Complete the survey	Dec 2023 DELAYS DUE TO COVID

DECLARATION:

I hereby declare that the Strategic Plan as submitted here is a true representation of our intentions and planned actions for the timeline as indicated. We reserve the right to change these in accordance with business activities and pressures as they arise.

Signed:

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

Mike Baker
Managing Director
AJ Baker & Sons Pty Ltd

Date: 27/03/2023