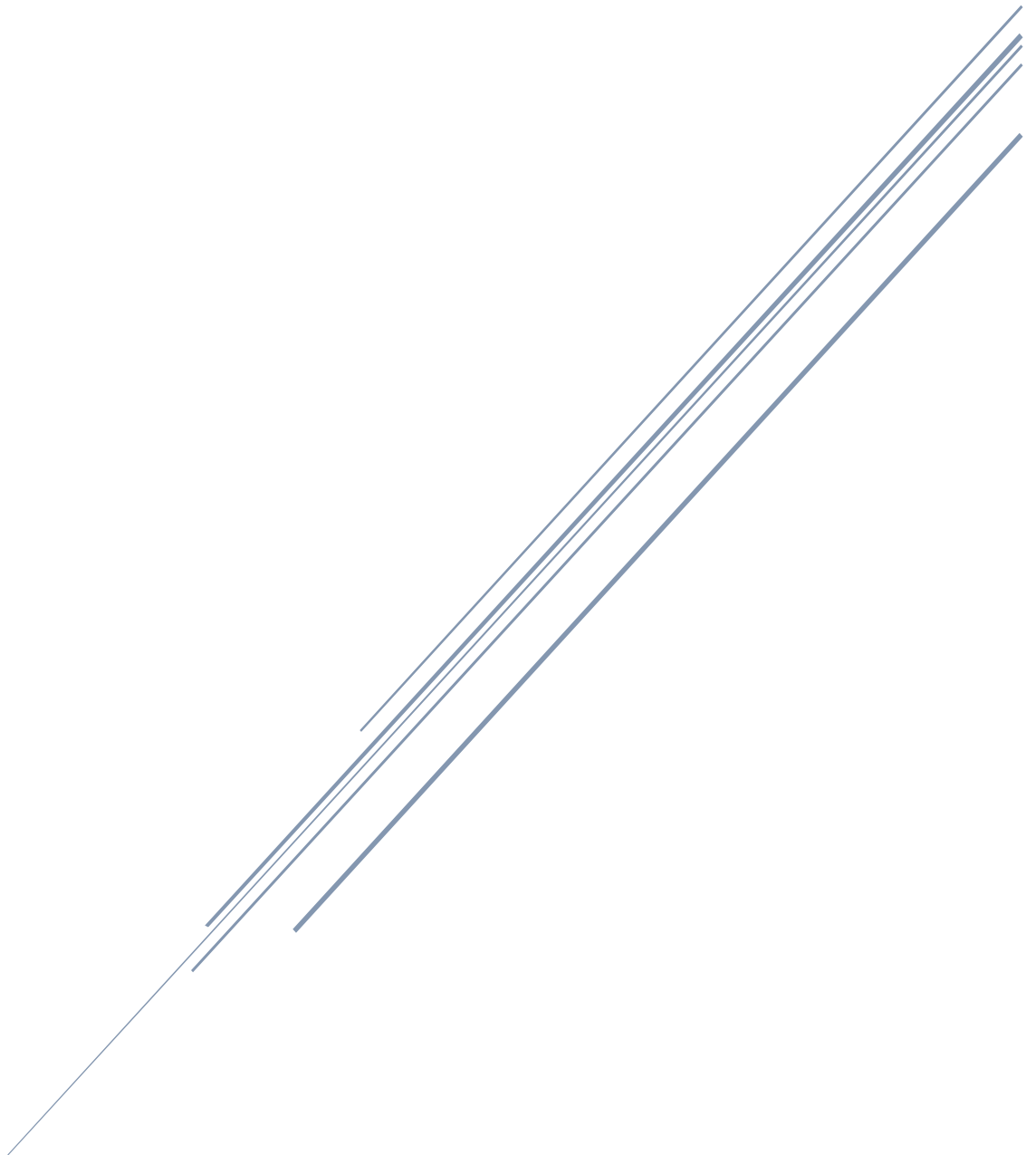


AUSTRALIAN PACKAGING COVENANT

Samsonite Australia Pty Ltd.

Action Plan



Dec 2014 – July 2019

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This APC action plan is hereby endorsed by Ari Priester on behalf of Samsonite Australia Pty Ltd

Signed: _____

Date: _____

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1 Executive Summary

Samsonite Australia imports Luggage and accessories for distribution to its customers within Australia. The luggage imported comes mainly from Asia but also from Europe and the United States.

Samsonite has four major retail groups that purchase approximately 70% of the items imported. Five major brands are the mainstay of the business, Samsonite, American Tourister, High Sierra, Hartmann and Lipault.

Samsonite are the Parent Company and Samsonite Australia as a Joint Venture Partner are both committed to sustainability and the principles of recycling.

Samsonite Australia has put together this Action plan as a part of its commitment to the Australian Packaging Covenant.

Actions have been set out under the three headings of Design, Recycling, and Product Stewardship.

2 Background Information

2.1 Company Overview

Samsonite is the world's largest travel luggage company, with a heritage dating back more than 100 years. It founded by Jesse Schwayder in 1910 in Denver, Colorado, and began business as a trunk manufacturing company. Over the last century, Samsonite have developed and widely commercialized numerous innovations in luggage.

We are principally engaged in the design, manufacture, sourcing and distribution of luggage, business and computer bags, outdoor and casual bags, an travel accessories, throughout the world, primarily under the Brands:

- Samsonite®
- American Tourister®
- Lipault®
- Hartmann®

As of December 31, 2013, our products were sold at more than 46,000 points of sale in over 100 countries through a variety of wholesale and retail distribution channels.

Our core brand, Samsonite, is one of the most well-known travel luggage brands in the world and has been central to the growth and success of our business since it was first introduced in 1941.

In 1993 we acquired American Tourister, Inc., based in Providence, Rhode Island. This enabled us to market products under two of the most well known and respected brands in the luggage market.

In 2012, we acquired the High Sierra and Hartmann brands, both based in the U.S. Founded in 1978, High Sierra's products are targeted at active lifestyle consumers and the acquisition enabled to us to expand its presence in the high-end luggage and leather goods market in the U.S. and internationally.






The Hartmann brand, founded by Joesph S. Hartmann in 1877, is recognised as a mark of quality among American luxury consumers and the acquisition enables Samsonite to expand its presence in the high end luggage and leather goods market in the U.S. and internationally.

In 2014, we further expanded our brand portfolio with the Lipault acquisition. Founded in 2004, Lipault is a chic and youthful French luggage brand known for its functional and fashionable products. It allows us to engage with female consumers through Lipault's signature Parisian style and vibrant colours.

Our market leading position results from our strong international brand presence, our significant scale, our robust investment on advertising and product innovation, our scalable distribution and sourcing ability, and our market-leading, high quality products.

2.2 Brands

The following sub-brands all exist under the Samsonite Australia Pty Ltd umbrella.

| Brand | Summary |
|---|--|
|  | <p>Samsonite is the world's largest travel luggage company, with a heritage dating back more than 100 years. We are principally engaged in the design, manufacture, sourcing and distribution of luggage, business and computer bags, outdoor and casual bags, and travel accessories throughout the world. www.samsoniteaustralia.com.au</p> |
|  | <p>Since its inception in 1877 in Milwaukee, Wisconsin, Hartmann has been a leader in the travel goods industry. Today, Hartmann proudly crafts the finest quality luggage and leather goods to meet diverse and ever-changing travel needs under the Samsonite brand. www.hartmann.com.au</p> |
|  | <p>Lipault is a chic and youthful French luggage brand known for its functional and fashionable products. It allows us to engage with female consumers through Lipault's signature Parisian style and vibrant colours. www.lipault.com</p> |
|  | <p>In 1993, Samsonite acquired American Tourister, Inc., based in Providence, Rhode Island. This enabled us to market products under two of the most well-known and respected brands in the luggage market. www.americantourister.com.au</p> |
|  | <p>Founded in 1978, High Sierra's products are targeted at active lifestyle consumers and the acquisition enabled us to expand into the casual outdoor and sport segments of the global luggage market. www.highsierra.com.au</p> |

2.3 Position in Supply Chain

Samsonite Australia Pty Ltd orders goods from Asia & Europe. Samsonite is not a manufacturer of these goods. Those goods are delivered direct to Samsonite Australia Pty Ltd and are then shipped direct to independent retail outlets who sell to end consumers. Samsonite Australia does not sell directly to consumers.

2.4 Packaging Materials and Formats

2.4.1 Packaging Materials

The packaging materials used by the supplier consist of the following:

1. Carboard cartons
2. Polypropylene bags
3. Styrofoam inserts inside the cartons
4. Shrink wrap (LDPE shrink film)

The format for transportation is via container shipped via sea freight or occasionally airfreight. All containers are loose packed. Once the container arrives, it is transferred to pallets and shrink-wrapped for storage and transportation.

2.4.2 Packaging Formats

All packaging formats for all brands are exactly the same.

The packaging formats are set out below:

The primary covering for each item is a Polypropylene non-woven cloth bag. Around this is a polypropylene clear plastic wrap. This is inserted in a cardboard box with polystyrene inserts to protect the item.

3 Action Plan Requirements

3.1 Introduction

The Australian Packaging Covenant sets out specific requirements for all signatories. These sit beneath a set of Covenant Aims requirements, which apply to the industry as a whole, as represented by the APC Covenant Council and the APC Industry Association/Secretariat. The relationship between these two sets of requirements is summarised below and shown in detail on the following pages.

Covenant Aims

The APC sets out a single overriding objective, three performance goals, and eight KPI's. The APC Strategic Plan sets out five priorities for the period 2010 to 2015. Whilst these are not directly relevant to individual APC signatories, they are nevertheless indirectly relevant. In particular, it is a requirement of the APC that the actions contained in the Action Plan of each signatory must "reflect the relevant priorities set out in the strategic plan prepared by the Covenant Council" and "each action must be linked to the performance indicators and targets set-out in the Covenant".

Signatory Aims

Whilst there are no specific KPI's for APC signatories, there are 6 implied KPI's which are required to support the 8 Covenant KPI's. In addition, there are a number of additional requirements set out in the APC.

APC Minimum Requirements Checklist for signatories

The APC sets out the minimum requirements, which must be contained within the Action Plans of each signatory.

3.2 Covenant Aim

Strategic Priorities

1. Sustainable Packaging Guidelines used to guide packaging decisions
2. Improved recycling rates for used packaging
3. Increased local secondary markets for used packaging materials
4. Improved quality of data collection and reporting
5. Improved collaboration between the supply and recovery chains
6. Reduction in packaging materials being littered

Objective: To minimise the overall environmental impacts of packaging by pursuing the following goals:

1. DESIGN: Packaging optimised to achieve resource efficiency and reduced environmental impact without compromising product quality and safety
2. RECYCLING: The efficient collection and recycling of packaging
3. PRODUCT STEWARDSHIP: A demonstrated commitment to product stewardship by organisations in the supply chain and other signatories

KPI's

- KPI 1 Proportion of signatories in the supply chain implementing the SPG (Sustainable Packaging Guidelines) for design or procurement of packaging.
- KPI 2 National recycling rate for packaging
- KPI 3 Proportion of signatories with on-site recovery systems for recycling used packaging
- KPI 4 Proportion of signatories with a policy to buy products made from recycled products
- KPI 5 Percentage of all recovered packaging which is reprocessed in Australia
- KPI 6 Proportion of signatories that have formal processes for working with others to improve design and recycling of packaging
- KPI 7 Proportion of signatories demonstrating other product stewardship outcomes
- KPI 8 Reduction in the number of packaging items in the litter stream

Targets

1. 70% of Covenant signatories with documented policies and procedures for evaluating and procuring packaging using the SPG (Sustainable Packaging Guidelines) or equivalent
2. 70% of Covenant signatories assessing 100% of new packaging and 50% of existing packaging against the guidelines
3. All Covenant signatories will have a formal, documented policy of buying recycled products or materials
4. 70% of Covenant signatories are implementing formal policies and procedures in working with others to improve design, procurement and recovery of packaging
5. Continuous reduction in the number of packaging items in litter stream

3.3 Samsonite Australia Pty Ltd Aims

The following table sets out the specific APC obligations of each signatory.

| | | | |
|----------------------------|-------|---|--|
| Design | KPI 1 | Has the SPG (Sustainable Packaging Guidelines) been adopted for the design or procurement of packaging? | The plan must indicate how the SPG (Sustainable Packaging Guidelines) will be used for the design or procurement of all new packaging. It will also need to show a timetable for reviewing existing packaging. |
| Recycling | KPI 3 | Has an on-site recovery system been established? | The plan must indicate whether there is recovery system in place. If not, it must outline the timetable for establishment of a recovery system for used packaging. |
| | KPI 4 | Is a policy in place to buy products made from recycled packaging? | The plan must indicate whether there is an existing policy or procedure (such as a Buy Recycled policy). If not, it must outline a timetable for establishing such a policy or procedure. |
| Product Stewardship | KPI 6 | Are there formal processes for working with others to improve design and recycling packaging? | The plan must include actions to improve packaging design and increase the recycling of used packaging. For example: A documented policy to review all packaging against the SPG (Sustainable Packaging Guidelines) (KPI 1); <ul style="list-style-type: none"> • Supply contracts that require take-back and recycling of packaging; • Waste management contracts that require collecting and recycling packaging |
| | KPI 7 | Are there demonstrated other product stewardship outcomes? | The plan must outline any other product stewardship actions that the signatory will take to support the Covenant's objectives and goals |
| | KPI 8 | Are there actions in pace to reduce litter? | The plan must outline actions that the signatory will take to reduce litter. |

4 Actions

4.1 Scope

Samsonite Australia Pty Ltd imports and distributes Luggage and Luggage Accessories. There are approximately 300 active SKUs across 5 brands as per 1.2

Actions have been grouped as follows:

Design

Includes actions required to establish packaging reviews for new and existing products, and actions relating to the reviews themselves.

Recycling

Includes actions required to establish appropriate policies and systems.

Product Stewardship

Includes actions required to identify issues and potential alliances/relationships, and actions to address those issues.

4.2 Design Actions

4.2.1 Packaging Review Schedule

As set out in section 1.4.2 there is one single packaging format for all products. Therefore only one review is required to cover the entire range of existing products.

There are no plans in place to change the current packaging therefore new product packaging will be covered by the above review. Should new product packaging be introduced, related actions will be incorporated into later versions of this Action Plan.

4.2.2 KPI's

| Performance goals and KPIs | Actions | Responsibility | Baseline data | Targets | Milestones |
|---|---|--|--|---|---|
| <i>1. Design - optimise packaging to achieve resource efficiency and reduce environmental impact</i> | | | | | |
| <p>KPI 1 – Proportion of signatories in the supply chain implementing the SPG for design or procurement of packaging.</p> <p>Target: 70% of Covenant signatories with documented policies and procedures for evaluating and procuring packaging using the SPG or equivalent</p> <p>Target: 70% of Covenant signatories assessing 100% of new packaging and 50% of existing packaging against the guidelines</p> | <p>1.1 Samsonite Australia will adopt the Sustainable Packaging Guidelines and will review all packaging being utilised by the company. To support this activity, Samsonite will develop a documented policy or procedure for the ongoing evaluating and procuring of packaging, using the SPGs or equivalent.</p> | <p>HR & Business Systems Manager</p> | <p>There is no existing guiding policy or procedure to support this process at present. 0% of current products are currently assessed against the SPG.</p> | <p>The development of an overarching policy/procedure for assessment of product packaging against the SPG.</p> <p>Current packaging will be assessed where possible to determine current alignment to the SPG; however, due to the short life expectancy of existing packaging (6-24 months) and committed expenditure expected impact to existing packaging will be minimal.</p> <p>Underpinned by policy/procedure, all new products from 2016 will be assessed against</p> | <p>Expected benchmarking of existing products assessed against the SPG: 2016 - 70%, 2017 – 80%, 2018 – 90%, 2019 – 100%</p> <p>2016 onwards</p> |

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| | | | | the SPG. | |
| | <p>1.2 The SPG will be introduced to all key personnel at Samsonite, for assessment against current packaging practice, broad organisational acceptance and ongoing implementation of SPG framework.</p> | HR & Business Systems Manager | No current review process of SPG to Samsonite packaging. | The Manager, Quality Control and Research & Development, will conduct reviews in February and March of each year prior to a physical visit of the suppliers in China. The Manager (QC&RD) will actively disseminate and champion the SPG to all partners and suppliers seeking broad level acceptance and implementation. | Annual, commencing 2015. |
| | <p>1.3 Implementation of timetable for review of existing packaging.</p> | HR & Business Systems Manager | No current review process or associated timetable of SPG assessment of existing Samsonite packaging. | Liaison with Samsonite Regional Head Office, for review of current practice for existing packaging and guidelines. | <p>March 2015</p> <p>June 2015</p> |

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| | | | | <p>Work with suppliers for full disclosure of material usage.</p> <p>Assessment of compliance to the SPG</p> <p>Identify and initiate implementation of cost effective enhancements in alignment to SPG</p> | <p>June 2015</p> <p>January 2016</p> |
|--|--|--|--|---|--------------------------------------|

4.3 Recycling Actions

4.3.1 KPI's

| Performance goals and KPIs | Actions | Responsibility | Baseline data | Targets | Milestones |
|--|---|-------------------------------|---|--|---|
| <i>2. Recycling - the efficient collection and recycling of packaging</i> | | | | | |
| KPI 3 – Proportion of signatories with on-site recovery systems for recycling used packaging | 3.1 An onsite recovery system has been established. Samsonite is committed to maintaining and reviewing this system. | HR & Business Systems Manager | <p>Recycling occurs at the Samsonite warehouse as well as third party warehouse providers.</p> <p>Approximately 1% of all packaging materials are managed by Samsonite, with the remaining 99% of packaging being managed by key customers.</p> <p>Of the current ~1% of packaging goods managed by Samsonite, the following approx. recycling/re-use</p> | <p>Maintain current recovery practice.</p> <p>Implement as SOE for the review and investigation of improvements to existing onsite processes and infrastructure.</p> | <p>Annual review</p> <p>Maintaining, and/or increasing percentage of onsite recovery processes as outlined through annual review process.</p> |

| | | | | | |
|--|--|--|---|---|--|
| | | | <p>is applicable: Cardboard – 95% Polybag (Polyethylene PE) – Re-use 40%, Waste 60% Non-woven Bag (Polyester Fibre) – Re-use 95%, Waste 5% Foam (Styrofoam) – Re-use 60%, Waste 40% Plastic Components – 80% recycled or re-used</p> | | |
| | <p>3.2 Assessment of recovery processes of the 4 major Samsonite customers to gain a full understanding of current performance against the SPG:</p> <ul style="list-style-type: none"> - Cardboard - Polybag: Polyethylene(PE) - Non-Woven Bag: POLYESTER FIBER - Foam: Styrofoam | <p>HR & Business Systems Manager</p> | <p>Two of Samsonite’s largest customers, are signatories to the Covenant, and are acting in accordance with APC guidelines, as outlined through their annual report process.</p> | <p>To develop a comprehensive understanding of current practice, and to influence internal and external behaviours, or adopt identified best practice where appropriate</p> | <p>2015 – Commence dialogue and initial review, prior to reporting period of 2016.</p> <p>2016 – assessment against Samsonite business practices</p> |

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| | | | | | 2017 – Business ready for implementation of best practice principles. |
| | <p>3.3 A formal recycle policy will be written to develop awareness of, and compliance to, recycling as a first option across the business.</p> | HR & Business Systems Manager | There is no current policy in place | Development and endorsement of policy, and business wide implementation, including necessary support mechanism i.e. recycle print cartridge processes etc. | 2015 Annual review, once implemented |
| | <p>3.4 Extend recycling systems at Samsonite office and warehouse facility, including, for example:</p> <ul style="list-style-type: none"> • Paper and Plastic • Printer Cartridges • Batteries • E-waste including computer equipment • Organic waste | HR & Business Systems Manager | Current practice includes the recycling of cardboard and paper waste | Expansion to include recycling of: Paper/Plastic Printer Cartridges Batteries E-waste and Organic Waste This action will be underpinned by | 2015 – 2016 Review annually |

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| | | | | the Recycle Policy | |
| | 3.5 Investigate opportunities to work with local municipalities on recycling collection. | HR & Business Systems Manager | Samsonite has established recycling collection processes with local traders. | Look to further develop expand Samsonite's recycling footprint in partnership with Monash City Council. This will include: E-Waste Organic Waste Batteries Paper | 2015 - 2016 |
| KPI 4 – Proportion of signatories with a policy to buy products made from recycled packaging. All APC signatories will have a formal, documented policy of buying recycled products or materials | 4.1 Develop and implement “buy recycled” policy for Samsonite. Despite Samsonite having “Buy Recycled” as accepted practice with all suppliers, Samsonite will develop a formal policy, in conjunction with the key stakeholders. | HR & Business Systems Manager | There is an existing understanding of “buy recycled” between Samsonite and suppliers, and further initiatives are currently underway with suppliers to further enhance this initiative. | The expansion of the “buy recycled” agreement, to develop and implement a “buy recycled” policy. To identify % of recycled materials being utilised in Samsonite packaging for benchmarking purposes, in order to measure future impact of the policy. | 2015 Annual review, once implemented |

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| | | | | | |
| | <p>4.2 Develop a full understanding of plastics used in packaging and their origin, and if any opportunities for using recycled content in plastic packaging</p> | <p>HR & Business Systems Manager</p> | <p>Samsonite currently utilises Polybags (Polyethylene PE), which are ~ 40% re-used.</p> | <p>To create organisational agility to pursue more efficient, cost effective and environmentally friendly use of, or replacement to plastics, or increased recovery of plastics, specifically Polybags.</p> | <p>2015 - 2016 Benchmarking of compounds and usage. Implement appropriate alternative options</p> <p>Creation of annual review dates, within business schedule</p> |

4.4 Product Stewardship Actions

4.4.1 KPI's

| Performance goals and KPIs | Actions | Responsibility | Baseline data | Targets | Milestones |
|--|--|-------------------------------|-------------------------------------|---|------------|
| <i>3. Product Stewardship - demonstrated commitment to product stewardship</i> | | | | | |
| KPI 6 – Proportion of signatories that have formal processes for working with others to improve design and recycling of packaging Target: 70% of Covenant signatories implementing formal policies and procedures in working with others to improve design, procurement and recovery of packaging | 6.1 Samsonite will directly liaise with the Samsonite Corporate Head office to understand the position of Samsonite as a global entity. | HR & Business Systems Manager | No current baseline data available. | Identify potential for increased stewardship and identify opportunity to influence any activities that are outside of the APC's SPG | 2015 |
| | 6.2 Explore future opportunities for product stewardship | HR & Business Systems Manager | No current baseline data available. | Identify relevant customers and other third parties with common interests in packaging Work with relevant customers and other third parties to identify product stewardship issues | 2015 |

| | | | | | |
|--|---|-------------------------------|--|--|-------------|
| | | | | Incorporate actions into future versions of the Samsonite Australia APC action plan | |
| KPI 7 – Proportion of signatories demonstrating other product stewardship outcomes | 7.1 Investigate online alternatives to catalogue production | HR & Business Systems Manager | Samsonite currently has both paper based catalogues as well as detailed product information available online, however there is no current downloadable or e-version catalogue. | Samsonite will investigate the benefits/cost of an online and/or e-catalogue as a means to minimise the requirement for print catalogues | 2015 |
| | 7.2 Feasibility study of redesign of paper based Warranty information. | HR & Business Systems Manager | All current Warranty information is provided in paper based form | In consultation with suppliers and key partners, conceptualise design of integrated Warranty information, to be located within stitching of Samsonite suit | 2015 – 2017 |

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| | | | | cases. This would minimise significant paper/card usage. | |
| | 7.3 Enhance organisational awareness of sustainable business practice. | HR & Business Systems Manager | There is no current strategy in place | Distribution of APC/Samsonite Action Plan. Development of company sustainability guide, incorporating policy and procedure statements. | 2015 - 2017 |

| Performance goals and KPIs | Actions | Responsibility | Baseline data | Targets | Milestones |
|--|---|-------------------------------|---------------|---|---|
| <i>3. Product Stewardship - demonstrated commitment to product stewardship</i> | | | | | |
| KPI 8 – Reduction in the number of packaging items in litter | 8.1 Revitalisation of external break/smoking areas | HR & Business Systems Manager | Nil | Implementation of recycle and smoking bins in key areas, including external areas | 2015 |
| | 8.2 Support for staff to participate in Clean Up Australia Day | HR & Business Systems Manager | Nil | Through positive promotion and support to staff, Samsonite will seek that at least 25% of staff participate in CUAD | CUAD 2016 - Sunday 6 March 2016, and annually there after |