

**Super Retail Group
Australian Packaging Covenant
Action Plan
July 2010 – June 2014**

Introduction

This 4-year action plan sets out the strategies, actions and goals of Super Retail Group (“the Group”) as a signatory to the Australian Packaging Covenant. The Group is focused on implementing the outlined actions via the principles of product stewardship with an aim to continually improve its environmental impact with respect to packaging and waste management. This plan embodies the Group’s commitment to improving the design, recovery and recycling of its packaging materials.

Executive Summary

The Group recognises the importance of the Australian Packaging Covenant and its focus on encouraging responsible management of packaging and its associated waste.

Since becoming a signatory in July 2008, the Group has embraced the principles of product stewardship to ensure the environmental impact on new or existing packaging is continuously monitored and minimised, via a collaborative approach with our Trade Partners, and education of its team members and customers.

As a part of this plan, the Group’s focus on future sustainability aims to:

1. Optimise packaging to achieve resource efficiency and reduce environmental impact without compromising quality and safety.
2. Adopt and implement the Sustainable Packaging Guidelines.
3. Use packaging that is sourced from recycled product, where appropriate.
4. Use packaging that is made from recyclable materials, where appropriate.
5. Re-use packaging where possible.
6. Continue to look for opportunities to recycle in our stores and offices.
7. Inform our customers of the recycling abilities of the packaging they have obtained on our house-branded products.
8. Analyse, monitor, review and report on our progress, and update the plan annually.
9. Recycle product where possible and cost effective (eg. lead acid batteries).
10. Look for opportunities to be part of or support community-based litter reduction programs (i.e. Clean Up Australia and Bikes for Humanity) to reduce litter.

All of the Group’s subsidiary and joint venture companies have been included in this action plan.

Packaging materials and formats used by the Group

Plastic	Paper	Metal
Blister/Double blister	Cardboard (standard)	Aluminium
Shrink Film		
Plastic bags		
Plastic containers		
Plastic backing card		
Plastic tag strings		
Plastic boxes		

Tonnes of Packaging material used by the Group in the last financial year

Packaging Type	STOCK - IMPORT	STOCK - LOCAL
	YTD 2009/10	YTD 2009/10
Paper	2.358 TO	0.007 TO
Cardboard - Std	14.658 TO	17.197 TO
Plastics – Type 1	0.267 TO	0.636 TO
Plastics – Type 2	0.000 TO	4.515 TO
Plastics – Type 3	12.798 TO	1.962 TO
Plastics – Type 4	0.004 TO	0.015 TO
Plastics – Type 5	0.016 TO	1.087 TO
Plastics – Type 7	0.091 TO	0.000 TO
Aluminium	0.030 TO	0.000 TO
Overall Result	30.223 TO	25.419 TO

Environmental Management Systems

As part of the Group’s commitment to reduce its environmental impacts and better manage its environmental practices, an independent assessment of the Group’s environmental management systems has been conducted against the EMS standard AS/ISO 14001:2004 in August last year. The results of this assessment indicated that the Group’s current environmental management approach is compliant with some of the ISO 14001 requirements. However, there are elements that still need to be addressed to fully comply with the standard. The Group intends to appoint a Sustainability Manager to work on addressing those gaps, manage its APC Action Plan and environmental performance.

Company Profile

The Group comprises four retail businesses: Supercheap Auto, BCF (Boating Camping and Fishing), Gold Cross Cycles and Ray's Outdoors (acquired in July 2010) and a joint venture company - Oceania Bicycles, a bicycle and bicycle parts supplier. Started in 1972 by Reg and Hazel Rowe, Super Retail Group (formerly Super Cheap Auto Group) has grown to become one of Australia and New Zealand's largest retailers with around 400 stores across Australia and New Zealand and annualised sales in excess of \$1 billion. With close to 6,000 team members, the Group's success is underpinned by a continued focus on maintaining and enhancing its culture, products and core values.

Our Goals

- To be one of the 10 largest Australasian retail corporations.
- To achieve the highest team member retention across the specialty retail sector.
- To achieve higher customer satisfaction ratings than our competitors in the markets in which we operate.
- To provide returns to shareholders that exceeds the benchmark ASX 300 by 5%.

Differentiators

- Products & Innovation
 - Identifying and launching innovative value products, services and concepts quicker than our competitors whilst maintaining the relevance of our core range.
- Learning and Development
 - Providing development programs and career long learning opportunities that attract, develop and retain loyal and passionate team members.
- Customer Focus
 - Having a clear understanding of our customers' requirements and delivering friendly and informative customer service through whichever channel our customers choose.
- Core Systems
 - Leveraging our core systems and infrastructure to provide efficient and cost effective multi channel solutions.
- Speed and Discipline
 - Executing our plans with speed and discipline to ensure we achieve our objectives.

Our Team Members

The Group's Team's dedication and its culture have been the drivers of the company's growth. The team collectively strives towards developing and growing the

business to achieve market leadership in the retailing of auto parts and accessories and outdoor leisure products across Australia and New Zealand.

A strong sense of pride and team work can be found at all levels of the Group's team and senior management endeavours to introduce human resource management initiatives that motivate team members to achieve their personal best, increasing job satisfaction and company performance.

Culture and Values

The Group has a commitment to its team-based culture in which each individual team member is encouraged to contribute to the success of the company and to pursue their own personal development plan. The Group's culture is underpinned by a set of five values: passion, openness, integrity, care and discipline.

Managing Director's Endorsement

The Group supports the principles of product stewardship for packaging and those of the Australian Packaging Covenant and is committed to achieving the goals outlined this action plan. It recognises the need to incorporate the Sustainable Packaging Guidelines when introducing new products into its market and has been working closely with its trade partners, team members and customers to support the Covenant's principles.

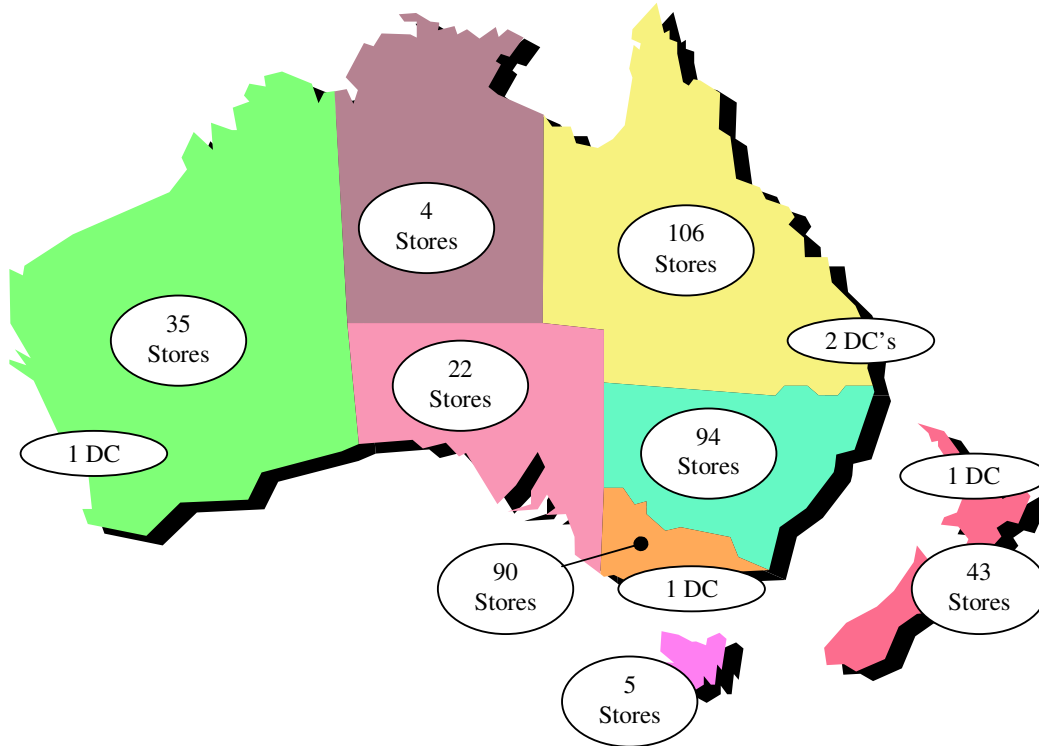
This action plan has the full endorsement and support of the Group's Leadership Team.



Peter Birtles
Managing Director

Store Network

The Group has around 400 stores and 5 distribution centres (DC) for SCA, BCF, Gold Cross & Rays across Australia and New Zealand.



Support Office Location

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Key Contact Details

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House Brands

House brands are a core focus of the Group and it is committed to the ongoing stewardship of this diverse range to ensure that our packaging is in line with the Sustainable Packaging Guidelines.

Baseline position and Action Plan Table

Goal 1. Design - optimise packaging to achieve resource efficiency and reduce environmental impact without compromising product quality and safety				
Strategy	Proposed Action Point	Baseline	Target	Timeline
Adoption and use of the Sustainable Packaging Guidelines	1. Continue to adopt our internal policies and procedures to ensure compliance with the SPG	Environmental Policy and Ethical Sourcing Policy in place	Ensure that our Team Members and Trade Partners comply with our existing Environmental Policy and Ethical Sourcing Policy	Year 1 & ongoing
		The SPG is available in the Group's website (English and Mandarin versions)	Develop a set of guidelines to assist Team Members with packaging evaluations	Year 2 & ongoing
	2. Assess all existing and new packaging by packaging type against the SPG	SPG requirements have been communicated to all Team Members and placed in our Group's website.	Processes and procedures to be developed to achieve 100% of new packaging to be evaluated against the SPG.	Year 1 & ongoing
		A packaging evaluation team was formed last year to assess existing packaging (by packaging type) against the SPG. Our first packaging evaluation took place early this year for double blister pack (cardboard + plastic)	At least 50% of existing lines to be evaluated against the SPG	Year 1-2
	3. Perform random audits to evaluate Team Member's environmental compliance and adherence to SPG	No audits have been performed to evaluate compliance with the SPG	Develop and implement Environmental audits into the Group's internal audits schedule	Year 2 & ongoing
4. Investigate any customer and team member feedback in relation to items of packaging that appear to be contrary to the SPG	No complaints were received to date	All complaints to be investigated and addressed	Year 1 & ongoing	
Goal 2. Recycling - the efficient collection and recycling of packaging				
Strategy	Proposed Action Point	Baseline	Target	Timeline
On-site recovery systems for recycling used	5. Investigate opportunities to incorporate further recycling facilities at all	Currently, cardboard and stretch films are recycled in our Distribution	Our aim is to incorporate further recycling facilities, in our stores and offices, where feasible	Ongoing

packaging	sites and implement where possible	Centres. Our Support Office has recycling bins for collection of cardboard, paper, plastic, aluminium, glass and steel. Oceania and our stores have cardboard skips to collect cardboards and send to recycling facilities.		
	6. Increase recycling rate for total waste materials	Last year, 42% of our total waste materials were sent to recycling facilities and 58% were sent to landfill	Our target is to increase the recycling rate to at least 2% a year	Year 1 & ongoing
	7. Promote waste minimisation initiatives through the Group's internal media (i.e. Basil, and The Bulletin)	Environmental Awareness Program was introduced last year across the Group to improve Team Members' education and awareness on reducing our impact on the environment.	Publish articles and case studies at least four times a year	Ongoing
Policy to buy products made from recycled packaging	8. Develop a Buy Recycled Purchasing Policy	Most of our house-branded products manufactured overseas are already packed with recycled cardboard however we do not have a policy in place	Formalize this practice in a policy to reinforce our commitment	Year 1
Goal 3. Product Stewardship – demonstrate commitment of all signatories				
Strategy	Proposed Action Point	Baseline	Target	Timeline
Formal Processes for working with others	9. Perform random audits to evaluate overseas supplier's environmental compliance and adherence to SPG	No audits have been performed to evaluate compliance with the SPG	Incorporate environmental audits into the Group's yearly Overseas Sourcing Audit	Year 1 & ongoing
	10. Develop and implement yearly attestation of environmental compliance for our overseas Trade Partners	CSR Audits are undertaken in China by independent and specialized auditors	Receive and document all CSR audits received	Year 1 & ongoing
	11. Review our Waste Management contracts with third parties and investigate opportunities for	Our Group is currently going through a tendering process with waste providers. Sustainability	Increase the recycling rate to at least 2% per year (refer to Action Point 6)	Year 1 & ongoing

	improvement	requirements have been included in the tender document.		
Reduction in litter	12. Promote and encourage recycling through media (i.e. brands' websites, catalogues, etc)	SCA catalogues currently have a message to customers encouraging recycling	Include recycling messages and symbols in media material	Year 1 & ongoing
	13. Investigate opportunities to be part of or support community-based litter reduction programs (i.e. Clean up Australia; Bikes for Humanity)	Gold Cross Cycles teamed up with Bicycles for Humanity and Toll Transport in 2010 for a 10 days promotion to collect customers' used bicycles in Gold Cross stores and send them to communities in Africa.	Continue to work with Bikes for Humanity to collect used bikes in stores and send to recycling facilities and be part/ sponsor at least one event per year	Ongoing
Other product stewardship actions	14. Battery Recycling	Super Cheap Auto teamed up with Century Yuasa in 2009 to provide product return service to SUL customers and the local community in general. Returned batteries are collected by Century Yuasa and delivered to specialist recycling and reprocessing centres which conform to the latest environmental legislations and processes.	Continue to work with Century Yuasa to collect used car batteries in stores and send to recycling facilities	Ongoing
	15. Investigate new recycling opportunities across the Group	Currently reviewing waste contract and going through a tendering process (refer to Action Point 11)	Evaluate and implement new recycling opportunities identified where possible	Year 1 to 4