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2014 Environmental & Social Responsibility Report

www.schiavello.com/enviroreport

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In this report we continue the increased scope of our reporting initiated last year, increasing both the geographic scope and the themes,

As our reporting systems mature and evolve, we are incorporating more of the Group's activities across the Australian operations. In keeping with our goal to demonstrate leadership within our industry, we report on the additional elements of Human Rights and Labour Practices, still within the Global Reporting Initiative (GRI) Indicators framework.

The significant take up of the principles embodied in the Green Star® Rating tools has continued, with clients calling for products which will achieve the credits within those tools. In another leading initiative, Schiavello has partnered with Ecospecifier to have the majority of our products, certified by the best practice standards of Ecospecifier Global GreenTag®.

We continue our research and development work seeking better materials and better environmental performance from our production facilities and our products.

We look forward to continuing to work with our suppliers, customers and other interested people to reduce our environmental impacts, and to look after the interests of future generations.

In 2015 we will continue to explore means to reduce our overall environmental impact.

As always we appreciate any feedback which will assist to improve our service to our customers and the wider community.

Peter Schiavello
Managing Director

Schiavello Group Pty Ltd



Schiavello

Contents

Managing Director's Statement

Introduction

Schiavello Introduces E-cycle®

Corporate Governance & Social Responsibility

Ethical Operation

Human Rights

Supply Chain Involvement

Community – Nurturing & Involvement

Supporting the Australian Community

Workforce Engagement

Corporate Sustainability Program

Designing for Environmental Sustainability

Cleaner Production

Recycling

Factory Waste recycling

Office Paper Management

Strategic R&D

Waste Management

Green marketing

Schiavello Environmental Consulting

APPENDIX Global Reporting Initiative (GRI) G3 Framework

Introduction

Energy

Water

Biodiversity

Emissions, Effluents and Waste

Human Rights – Core Indicators

Labour Practices – Core Indicators

Schiavello

| Introduction

In this report, for 2013-14, we continue reporting on the significant Environmental areas in a qualitative way and supplement that material with an Appendix based on the more rigorous framework of the Global Reporting Initiative (GRI).

In 2011-12, for the first time we started reporting on Social Responsibility also using the GRI indicators for Human Rights and Labour Practices.

The use of this framework places our reporting in an internationally recognised framework, which ensures an objective comprehensive report on all the relevant areas of the company's operations.

The Environment Program remains founded on the three pillars of:

Sustainability Principles	Environment Policy	Environmental Design Principles
<ol style="list-style-type: none"> 1. How to reduce dependence on mining and fossil fuels? 2. How to reduce dependence on persistent, un-natural substances? 3. How to reduce dependence on nature-consuming activities? 4. How can we do more with less? 	<p>Committed to:</p> <ol style="list-style-type: none"> 1. Changing, being leader in industry 2. Continuous improvement 3. Pollution prevention and reducing environmental impacts 4. Legal compliance 5. Establishing and maintaining an EMS 6. Regular public reports 	<p>Design for</p> <ol style="list-style-type: none"> 1. Efficient energy use and minimum emissions 2. Longevity and durability 3. Minimum material use 4. Disassembly. 5. Re-use and re-manufacture 6. Recycling 7. Product stewardship 8. Informing and educating

| Environmental Management System

The corporate-wide Environmental Management System provides for the systematic management of the environmental impact of operations, reducing them in accordance with the goals of the Environmental Policy. Over the last several years this EMS has been progressively integrated into the Group wide Integrated Managed Systems (IMS).

| Schiavello E-cycle® Program

Schiavello continues to implement e-cycle®, an environmental take-back program that recovers Schiavello furniture at the end of its life to recycle, or reuse and resell, as a way of reducing material consumption churn.

E-cycle® is an innovative Schiavello program that reduces the environmental impact of our products.

First implemented in 2010, e-cycle® promotes 'up-cycling', which involves the recovery of second hand Schiavello product from around Australia, and restoring it to like-new condition. The restoration process may include re-powder coating, replacing parts and re-assembly.

Part of Schiavello's internationally-accredited Environmental Management System under ISO 14001, up-cycling as a form of reuse, sits at the top tier of waste reduction, as while recycling lessens landfill, it still requires energy to render down suitable components for reconstruction. Up-cycling only requires the repair and replacement of necessary parts.

The re-introduction of such pieces into a project can ensure maximum Green Star credits and offer a cost effective, sustainable solution for clients interested in reducing their environmental impact.

The program was recently recognised for its innovative approach to sustainability at the ACTSmart Business and Office Awards winning the "Biggest reduction of waste to landfill" and "Innovation excellence" awards

| Corporate Governance & Social Responsibility

The Corporate Social Responsibility is based on several pillars including:

| Corporate Social Responsibility

- Ethical Operation
- Human Rights
- Supply Chain Involvement
- Community - Nurturing & Involvement
- Workforce Engagement

| Ethical Operation

Schiavello is committed to ensuring its business activities are conducted according to all relevant standards and applicable legislation, and to providing its stakeholders with assurances that its practices are not only in compliance with all stated obligations,

but that these are also conducted within the spirit of those obligations and that they demonstrate good corporate citizenship.

The board requires management to conduct all business activities at the highest level of ethical behaviour and to enforce a "zero-tolerance" stance against unethical and/or non-complying behaviour from its employees.

| Human Rights

As a large employer, Schiavello is committed to protecting the health, safety and well-being of its stakeholders and to ensuring its activities do not impinge on this aspiration.

Schiavello is committed to supporting and respecting the protection of internationally proclaimed human rights and our policies in this area are guided by the principles of respect and fairness for all. Our culture and core values embody a commitment to treating all team members, contractors, clients, and suppliers with dignity and respect.

| Supply Chain Involvement

Schiavello operates within a national and international network of suppliers and vendors. Recognising our capacity to influence these suppliers, we routinely reach out to our suppliers to determine their policies, practices and procedures with regard to environmental impact; compliance with applicable legislation; and their business behaviours.

We are selective in inviting a supplier to partner with us and we take all reasonable steps to monitor our supplier network on matters such as workforce management, health and safety, legislative compliance, sustainability, and viability.

| Community - Nurturing & Involvement

As the owner and operator of a substantial construction and manufacturing organisation, Schiavello recognises it has a wide-reaching responsibility to support its workforce and the surrounding community. The company regularly monitors its impact on that community and it takes all reasonable steps to adjust its activities so as not to negatively impact on the local area.

The board encourages management to take all reasonable steps to source suppliers from the local area and to provide sustainable employment to local residents.

Management is encouraged to consult and liaise with the local community on matters such as traffic flows, plant operating times, noise emissions, visual impact, and waste control.

The company owners are active in philanthropic support for a number of charities and welfare institutions and in 2011 established

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a charitable foundation to provide the long term funding of these activities.

| Supporting the Australian Community

Unusually for Australian manufacturing, Schiavello's facilities at Tullamarine continue to manufacture more than 95% of the product that we supply throughout Australia, New Zealand, South East Asia, Japan and the Middle East.

We continue to take the more challenging road, searching for efficiencies in our production processes, searching for new and innovative materials, and pursuing more efficient design engineering.

We support our local economy by sourcing in excess of 80% of our raw materials from Australia.

Based on independent analysis, we calculate that our local production business alone (excluding our construction and development operations) employs some 3,391 full time people in Australia, all as a result of our customers purchasing decisions.

| Workforce Engagement

Schiavello's board requires management to ensure the following principles are supported, monitored, and sustained:

- Freedom of Association and Collective Bargaining
- Elimination of forced and/or compulsory labour
- Elimination of any form of discrimination in respect of employment and/or occupation
- The health, safety, and well-being of our workforce is our primary objective.

| Integrated Management System

Over the last couple of years we embarked on a major internal project reviewing and comprehensively integrating the Quality, Environmental and OH&S Management Systems, which is expected to achieve the primary benefit of more effective IMS outcomes, as well as resource efficiencies from more integrated, streamlined procedures.

| Corporate Sustainability Program

Since 2010, a Corporate Sustainability Program has focused on the sharing of Schiavello's environmental knowledge and resources with our clients and staff.

This continues to involve undertaking activities in the areas of:

- Information & education, including conference presentations
- Environmental project development and support
- Research and sustainability initiative development and
- Collaboration

The achievement of gaining third party product endorsement for Schiavello products via Global Green Tag® Certification has been a major project.

Schiavello compiled extensive and detailed information from the Schiavello supply chain and Schiavello staff to report to the external Global Greentag Audit team for our comprehensive product range. The Global Greentag certification validates our past environmental activities and continuous improvement processes.

Collaboration

Schiavello continues to engage with other organisations to achieve environmental outcomes for our community .

Schiavello committed to the UN Global Compact in 2014

Engagement with numerous organisations and the promoting of sustainability.

Schiavello once again participated in the GBCA Green Cities Conference and other environmental forums.

| Designing For Environmental Sustainability

Schiavello has used the world class Life Cycle Analysis (LCA) software, SimaPro, which describe the environmental impacts of products and provides comparative information on alternatives, as major input to the design process. As is common after several years of this activity there has been less use made of this as the design principles and impacts of most materials are very well understood.

In the immediate term the Green Building Council is due to implement revised Rating Tools including a new approach to the Materials Calculators.

While the mature Environmental Program Schiavello has easily achieved maximum credits under these Rating Tools, and supplied many projects which have achieved Green Star Certification status, the impending changes to the Green Star Tools have necessitated further development.

To provide maximum choice for customers, since 2012, Schiavello has partnered with Ecospecifier to have the great majority of its products certified to GreenTag GreenRate for Levels A, B and C.

| Cleaner Production

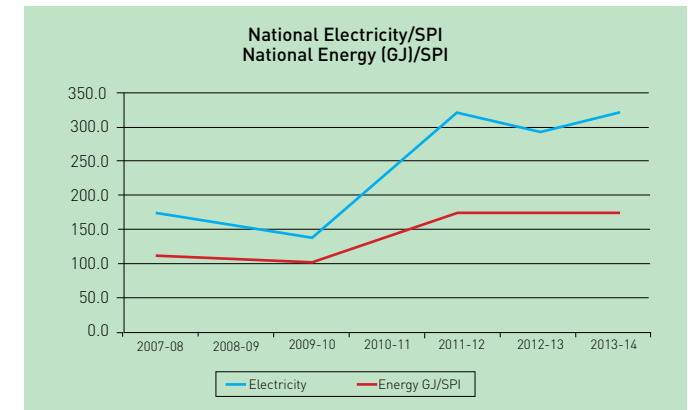
The largest area of water use, the metal powder coating line installed a water treatment system to enable re-use of the rinse water at the end of 2008. The initial savings of 10 megalitres of water per annum has been continued and confirmed.

| Schiavello Productivity Index

In order to assess our progress in reducing physical consumption, we adjust the physical measures by a Productivity factor, to take account of differing levels of activity each year.

In previous reports we used total Group Revenue, adjusted for inflation (Annual CPI increase). In this report we have developed this further, and use the Schiavello Productivity Index (SPI) which is a combination of weighted components of Revenue (35%), labour hours (45%) and Production floor area (20%). We have retrospectively applied this to the historical trends for indicators, where it is stated.

| Energy Consumption



The energy adjusted for revenue has been decreasing over the last two years.

The total energy is a combination of electricity and gas (the majority of which is used in the metal powder coating process).

| Recycling

All Divisions continue to participate in this. In the 2013-14 year, Visy collected around 70 tonnes of cardboard and paper from Schiavello sites in Victoria, a 22% decrease on the 89 tonnes in 2012-13.

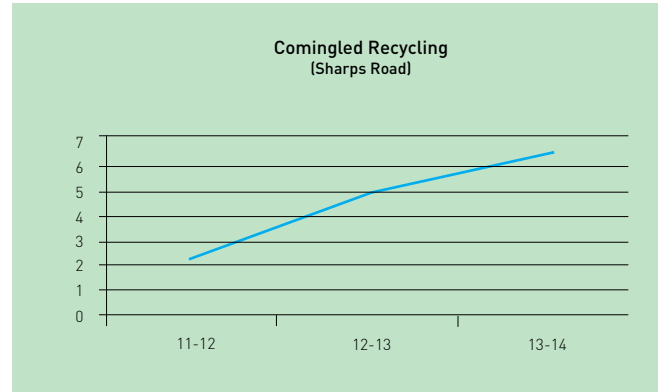
Nationally, (including Victoria) a total of 405 tonnes of materials

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was recycled compared with 429 tonnes in 2012-13. This level was continued mostly as the result of ACT's very thorough and effective program pursuing a Zero Waste goal, and also Queensland Constructions increased efforts.

This made the following savings:

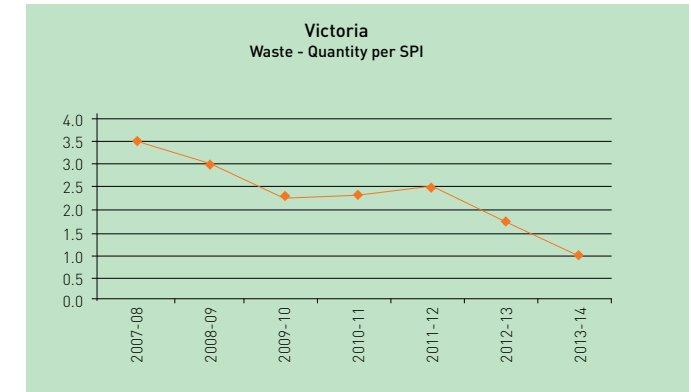
Victorian Operations	Savings FY 13-14	Cumulative Savings July 2000 - June 2014	National Savings FY 13-14
Tonnes Recycled	69.6	676	405
Trees Saved	905	8,792	5,265
Barrels of Oil	174	1,690	1,012
Landfill Cubic Metres	279	2,705	1,620
Electricity kWh	285,483	2,772,973	1,660,500
Litres of Water	2,212,841	21,493,926	12,870,900



In the last 3 years co-mingled recycling has been established and increasing.

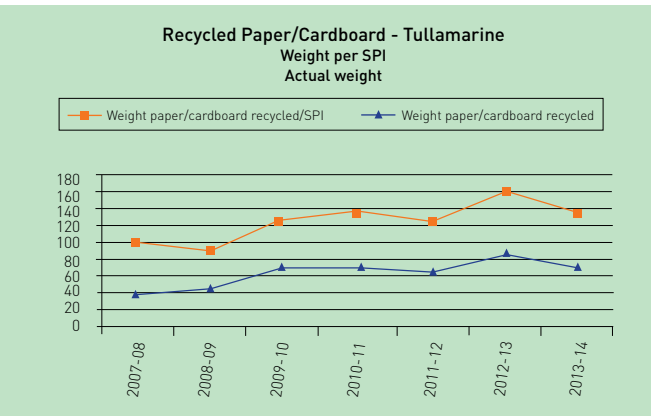
Waste Management

The year 2013-14 recorded a 51 % decrease in waste compared with the previous year. When adjusted for productivity (SPI), this represented a 47% decrease in the year.



Apart from recycling, the factories have a well-developed sense of using waste materials in other elements of products.

Management of waste on sites has managed to achieve up to 84% of waste being re-used or recycled, for projects where the client is driven by the Green Star goals.



Factory Waste Recycling

LDPE Recycling: In addition to the cardboard recycling, the Aluminium processing and the furniture assembly divisions are collecting and recycling LDPE waste. This has continued unabated throughout 2013-14.

Recycling Steel and Aluminium: Steel and aluminium waste are recycled for revenue in the metal processing, aluminium processing and panel assembly divisions.

Office Paper Management

Paper reduction strategies, where they have been practicable, continue to be part of daily practice in all parts of the organisation.

A longer-term project has commenced, to establish an electronic document management and distributions system, which will gradually result in a reduction of paper consumption.

Strategic R&D

Journals, trade publications and the Internet are continually monitored and information collected on a range of issues:

- Low or non-formaldehyde substrates
- Life Cycle Analysis
- Alternative materials

Green Marketing

Environmental and Social Responsibility Report

This Environmental and Social Responsibility Report is displayed on the website, and we are working to expand this information.

Schiavello Environmental Consulting

Building on the expertise which has been built up with the internal EMS program, Schiavello continues to offer Schiavello Environmental consulting services.

This initiative is both a way of improving other organisations' environmental performance as well as providing increased depth to the environmental performance of Schiavello products. It also presents an opportunity to add value by providing additional services and value to Schiavello customers.

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| APPENDIX Global Reporting Initiative (GRI) G3 Framework

Introduction

Description of the broad functions of each of Schiavello's manufacturing divisions.

The Corporate Office provides the core of administration, marketing, sales, and specialist functions - e.g. Research & Development, IMS (Quality, Environment and OH&S).

An integrated construction division provides a whole-of-project approach to interiors construction, base building upgrade and refurbishment, and new build.

| Global Reporting Initiative (GRI) G3 Framework for reporting on Environmental and Social Responsibility Performance

[Note: Due to the varied nature of the products and the varying proportion of production working on each product at different times over the year, it has not been possible to establish meaningful productivity indicators to compare production from year to year, and hence assess environmental impacts per unit of production.]

There are significant differences in the quantity of physical resources used in different products.

Recent years have had higher levels of activity than the previous year, so some of the increases in the indicators reflect this higher rate of production.

To allow for this we present historical trends adjusted by the SPI.

Input Material	Process Raw Material	Finishes	Assembles
Chair shells, fabric, upholstery			Chair assembly division
Granulated plastics	Plastic injection moulding division		Wiring assembly division
Solid surfaces	Solid surfaces processing division		Delivers and Installs Distributuon Division Fit-out and Systems Division State & International Offices

For this report, we supplement the qualitative material with this Appendix based on the more rigorous framework of the Global Reporting Initiative (GRI). In this Environmental Report we report on only the Environmental, Human Rights and Labour Practices Indicators of the GRI.

The GRI was reviewed in 2006 and this G3 version has been used for this report.

The use of this framework places our reporting in an internationally recognised framework, which ensures an objective comprehensive report on all the relevant areas of the company's operations.

| Global Reporting Initiative (GRI) G3 2006

Environmental Indicators

Core Indicators EN 1-4, 9, 12-13, 17-22, and 26-28.

Additional Indicators EN 5-8, 10-11, 14-16, 23-25, and 29.

Labour Practices Indicators

Core Indicators LA 1-2, 4, 7-8, 10, and 13.

Human Rights Indicators

Core Indicators HR 1-2, 4-7.

| Note On Units Used:

k =	1,000	or 10 ³	(kilo-)
M =	1,000,000	or 10 ⁶	(Mega-)
G =	1,000,000,000	or 10 ⁹	(Giga-)
T =	1,000,000,000,000	or 10 ¹²	(Tera-)
J =	Joule		
kWh =	Kilowatt hour	1kWh	= 3.6 MJ (approx.)

| Schiavello Group Context

Stakeholders

The key stakeholders (those reasonably expected to be affected by the organisation, and to affect the ability of the organisation to achieve its objectives) are:

- Clients, customers and their employees using the products
- Suppliers of materials, components and services
- Neighbours of the factories
- The organisation's employees

From responses received to previous reports, the primary users of this report are likely to be:

- Specialist environmental personnel within the stakeholder organisations
- Purchasing officers and managers sourcing and determining purchasing policy and decisions within the stakeholder organisations
- Promotion and marketing personnel
- Researchers and students of design and furniture manufacture

Relevance & Materiality

The environmental issues and indicators likely to influence the decisions of stakeholders using this report would be:

- Sourcing of timber
- Indoor air quality as affected by emissions from materials and products
- Recyclability of materials used in products
- Waste management during production
- Greenhouse gas generation
- Product stewardship and take back
- Life cycle impact of products

Input Material	Process Raw Material	Finishes	Assembles
Aluminium extrusions	Aluminium processing division	Metal powder coating division (powder coating)	Furniture and desking assembly division
Roll and sheet steel	Metal processing division	Metal powder coating division (powder coating)	Panel assembly division
Particleboard & MDF	Wood processing division	Wood processing division painting & wood powder coating	
Particleboard & MDF	Custom woodworking division	Custom woodworking division (painting)	

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| Sustainability Context

The major environmental impacts of Schiavello products are committed with the design and material selection for the product. Accordingly, the best means to minimise the impacts of the products is to design for minimum impact and then ensure they are used for as long as possible.

In the commercial furniture context there is a trend of regular renewal, known by the term "churn," when much of the resource invested in furniture is replaced.

With little impact in the use phase and in disposal, the major impact is determined by the time the product reaches the end of the manufacturing process.

Schiavello is addressing the churn factor, with its innovative Climate product – a malleable, flexible workstation structure and system – designed to survive through several "churn" cycles.

The majority of the resources used are re-constituted wooden board, steel and aluminium. Lesser resources go into the fabric, adhesives, sealants, and the packaging materials. The board fibre is generally made from the by-products of solid timber production in purpose-built plantations. Aluminium and steel represent the average products of the respective Australian industries.

| Labour Practices & Human Rights Context

The majority of Schiavello's direct employees live and work in Australia, which has robust and generally applied laws and principles ensuring decent work and fair conditions. The application of the Fair Work Act ensures that these conditions are enjoyed throughout the Australian operations.

Similarly, more than 95% of Schiavello product is sourced and manufactured using Australia-based suppliers, so similar decent work and fair conditions are enjoyed throughout the supply chain.

The practices in other countries would be relevant to the less than 5% of materials and components which may be sourced from Asia, Europe or the Americas.

Relevance & Materiality

The Social issues and indicators likely to influence the decisions of stakeholders using this report would be:

- Use of child labour
- Discrimination on the basis of gender, race, religion, sexual orientation, political beliefs
- Unfair or exploitative conditions of employment

| Environmental Indicators

Materials

EN 1. Total materials used other than water by type. Total material use is in the order of 10,000 tonnes p.a.

The major materials used in quantities of more than 1000 tonnes p.a.:

- Board (particleboard, MDF)
- Plasterboard
- Steel
- Aluminium (extrusions and die casting)

Less than 1000 tonnes p.a.:

- Plastics
- Powdercoating powder
- Paints and varnishes
- Fabric
- Petrol
- Cardboard

EN 2. Percentage of waste content. Percentages of materials used that are wastes (processed or un-processed) from sources external to the reporting organisation. Refers to both post-consumer recycled material and waste from industrial sources.

Materials Used	Wastes From External Sources	%
Particleboard	(Processed): Wood fibre is shavings, thinnings and off-cuts from plantation grown solid pine timber.	60 - 80%
Steel sheet	(Processed): Australian production of steel by BHP involves an average of 15% of recycled waste steel.	15%
LDPE bubble wrap	(Processed): Supplied with 30-50% post-consumer and post-industrial waste content.	35-50%
Aluminium	(Processed): Australian production of aluminium from major suppliers has 0% of post-consumer and post-industrial recycled waste aluminium.	0%

| Energy

EN 3. Direct Energy Use Segmented By Primary Source

(Report on all energy sources used by the reporting organisation for its own operation and for production and delivery of energy products (e.g. electricity or heat) to other organisations.

In 2011-12, for the first time these are reported as National Consumption, (previously being just Victorian) and some additional operations were included for the first time, which explains the sharp increase in that year.

Electricity use (National)	2010-11	2011-12	2012-13	2013-14
GWh/SPI	217.4	309.6	295.5	318.5
Mill. KWh (GWh)	11.408	16.451	16.596	16.546
Million MJ (TJ)	69.82	91.13	94.55	88.09

The metal powder coating operation is the major use of gas.

Gas use (National)	2010-11	2011-12	2012-13	2013-14
Million MJ (TJ)	28.69	31.90	34.8	21.923

Total energy use. (Excluding transport)

Total (National)	2010-11	2011-12	2012-13	2013-14
Million MJ (TJ)	69.75	91.12	94.55	81.49

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EN 4. Indirect Energy Use Report on all energy used to produce and deliver energy products purchased by the reporting organisation (e.g. electricity or heat) Report in Joules.	The major identifiable indirect energy is the electricity transmission and distribution loss, which averages 2.0% equivalent to an additional 1.76 TJ
EN 5. Energy Conservation Total energy saved due to Conservation and efficiency improvements.	Schiavello joined the Greenhouse Challenge and a project was undertaken to identify priority areas for energy conservation. This project targeted process efficiencies. At this stage it has not been possible to measure savings with reliability.
EN 6. Initiatives to Provide Energy-Efficient Products and Services	None applicable (products do not consume energy). De-materialising products by design has reduced the embodied energy of products.
EN 7. Initiatives to Reduce Indirect Energy Consumption	None have been identified at this stage.

| Water

EN 8. Total Water Withdrawal by Source	The annual water consumption for 2013-14 was 10700 kl (cf. 7,958kl for 2012-13), which all comes from the metropolitan reticulation system. For the duration of 2013-14, the bore and desalination plant for landscape irrigation, was shut down so no water was withdrawn.
EN 9. Water Sources and Related Ecosystems/Habitats	Identify water sources and related ecosystems/habitats significantly affected by the organisation's use of water. (Include Ramsar-listed wetlands and the overall contribution to resulting environmental trends.) None applicable.
EN 10. Total Recycling and Reuse of Water	Includes waste water and other used water. (e.g. cooling water). Since 2006 the new Corporate Office collected rain water at a maximum of 60,000 litres per time (the capacity of the tanks, which equated to a total of 24mm of rain on the collecting roof.) From the recorded rainfall of 450 mm in the 2013-14 Financial Year, the 2500m ² roof of the Corporate Office

EN 10. Total Recycling and Reuse of Water (continued)	collected approximately 1,125 kl of water used for landscape irrigation. (This is approx. 10.5% of annual site consumption). The plastic extrusion operation (SchiPlas) has a closed water recycling cooling system and associated cooling tower but have relatively insignificant volumes involved.
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| Biodiversity

EN 11. Total Amount of Land Owned, Leased, Managed for production activities or extractive use by the organisation in, or adjacent to, protected areas.	18.6 Ha (Sharps Rd site, Tullamarine)
EN 12. Description of Significant Impacts of organisation's activities and operations on protected areas.	None; Land used is suburban industrial land and is not biodiversity-rich.
EN 13. Area of Habitats Protected or Restored	Nil
EN 14. Programs For Managing Impacts on Biodiversity	Company's operations are in suburban industrial area, so none applicable.
EN 15. Number of IUCN Red List Species with habitats in areas affected by operations broken down by level of extinction risk.	Nil

| Emissions, Effluents & Waste

EN 16. Greenhouse Gas Emissions

- Direct emissions from sources owned or controlled by the reporting entity

Nationally

Tonnes CO2-equivalent	2009-10	2010-11	2011-12	2012-13	2013-14
Electricity	10,833	16,453	23,691	23,898	23,826
Gas	1,509	1,469	1,634	1,782	1,461
Vehicle fuel		698	1,194	1,125	950
Production vehicles		152	240	139	140
Total	12,342	18,772	26,758	26,944	26,377

Tonnes CO2-equivalent	2009-10	2010-11	2011-12	2012-13	2013-14
Sharps Rd Site	11,419	11,152	11,826	10,781	9,955
Victoria	11,784	17,851	25,288	25,272	24,958
National	12,342	18,772	26,758	26,944	26,377

Note: In the last two FYs, more detailed national reporting has been introduced, so these years include progressively more entities.

EN 17. Other Relevant Indirect Greenhouse Gas Emissions (CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆) Refer to emissions that are a consequence of the activities of the reporting organisation, but occur from sources owned or controlled by another entity.	At this time, no applicable activities have been identified.
EN 18. Initiatives to Reduce Greenhouse Gas Emissions and Reductions Achieved	In 2011 two projects researched energy efficiency and savings in the Corporate Office and the production facilities respectively. A number of the proposed actions are planned for implementation.
EN 19. Ozone-Depleting Substances Use and emissions of ozone-depleting substances.	No ozone-depleting substances are used in processes, or emitted from processes.
EN 20. Air Emissions NO _x , SO _x , and other significant air emissions by type. Include emissions of substances regulated under: <ul style="list-style-type: none"> • Local laws and regulations; • Stockholm's POP Convention (annex A, B and C) - Persistent organic pollutants. • Rotterdam Convention on Prior Informed Consent (PIC); Helsinki, Sofia and Geneva Protocols to the Convention on Long-Range Trans-Boundary Air Pollution 	Australian Federal and State legislation requires the reporting of quantities of materials above particular threshold levels as part of the National Pollutants Inventory. Schiavello does not trigger the threshold quantity for NPI reporting, of any substance.

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EN 21. Significant Discharges to Water by Type	Only one process (powder coating) (at one site) generates a significant discharge as a prescribed waste to the sewer system. This is the pH neutralised phosphate rinse water which discharged a total of 1,129 kl, in the FY. This is approximately a daily volume of 6 kl per working day.
EN 23. Significant Spills of Chemicals, Oils and Fuels in terms of total number and volumes.	None.
EN 24 . Hazardous Waste Transported, imported or exported waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII.	None applicable.
EN 25. Identify Water Sources and Related Ecosystems/Habitats significantly affected by the organisation's discharges of water and run-off.	Storm water run-off from the sites eventually enters Steele Creek, which joins the Maribyrnong River to take the water to Port Phillip Bay. As relatively clean run-off, this would be considered a minor impact.

EN 22. Waste

Total amount of waste by type and destination.

Destination refers to the method by which the waste is treated, including composting, reuse, recycling, recovery, incineration or landfilling.

Waste Material	Quantity of Waste	Destination	Percentage of Total
Aluminium	32 tonnes	Recycled	98%
Steel	19 tonnes	Recycled	99%
Cardboard & paper	89 tonnes	Recycled	90%
LDPE	Not available	Re-use and recycling	15% (estimate)
General waste	10,280 m ³	Landfill	100%

EN 26. Initiatives to Manage the Environmental Impacts of products and services and extent of impact reduction.	Products (workstations, panels and commercial office furniture) in use are relatively inert and benign, and even in landfill are not hazardous to the environment. The principal impacts are created by the amount and choice of material used in products.
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EN 27. Reclaimable Material Percentage of products sold that is reclaimed at the end of the products useful life by product category.	(Reclaimable refers to either the recycling or the reuse of the product materials or components). The majority of materials in all products is reclaimable at the end of life, when the customer and contract calls for this. Outside of this arrangement, many of the products are re-used in a second life on the 2nd hand market, when the original purchaser disposes of them to a third party.
EN 28. Incidents of and Fines for Non-Compliance with all applicable environmental regulations associated with environmental issues.	There have been no notices or penalties for non-compliance with any applicable environmental regulations.
EN 29. Transportation Effects. Significant environmental impacts of transportation for logistical purposes.	Diesel-powered heavy truck transport is used for the distribution of products to capital cities in states other than Victoria. Within Victoria a combination of large and smaller trucks are used.

| Human Rights

Core Indicators

Sharps Rd-based manufacturing Divisions, and other Victorian business units. For example:

- Mobi International
- Heritage Glass
- Glassworks
- Showroom
- Hospital Solutions
- Prima Architectural

Aspect: Investment and Procurement Practices	Status
HR 1. Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	The great majority of investment agreements are in Australia, with Australian entities, so all contracts require compliance with Australian statutes which adequately protect human rights.
HR 2. Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Suppliers and contractors, the great majority of whom are Australian entities, are reviewed for their compliance with Australian statutes.

Aspect: Non-Discrimination	Status
HR 4. Total number of incidents of discrimination and actions taken.	No incidents of workplace discrimination were formally identified or recorded during the reporting period.
Aspect: Freedom of Association and Collective Bargaining	Status
HR 5. Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Workers rights to freedom of association and collective bargaining are enshrined in Australian employment and industrial relations law. Schiavello organisation maintains collaborative relationships with its workforce and it's elected representatives with the aim of ensuring these rights are supported and protected at all times.
Aspect: Child Labour	
HR 6. Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	Australian employment law expressly prohibits the exploitation of children in the workplace. No instances of the use of child labour were identified or recorded during the reporting period for any Schiavello entity or it's suppliers.
Aspect: Forced & Compulsory Labour	Status
HR 7. Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour.	Australian employment law expressly prohibits the use of forced or compulsory labour in the workplace. No instances of the use of forced or compulsory labour were identified or recorded during the reporting period for any Schiavello entity or it's suppliers.

Schiavello

| Labour Practices - Core Indicators

Scope of Labour Practices Indicators

All Managerial, Corporate, Administrative, Professional, Support, Construction and Manufacturing Divisions from within the wider Schiavello Group of Companies.

Note: Labour data displayed was correct as at 30 June 2014.

An end of June 2014 snapshot was a total of 1,104 employees.

A cumulative FY 2013-14 figure is 1,521 employees at some time during the year.

LA 1. Total workforce by employment type, employment contract, and region.

Employment Type	No.
Full-time	1055
Part-time	18
Casual	31
Total	1104

Employment Contract	No.	%
Salaried (Common Law Agreement)	518	46.92
Production/Site (Approved industrial Instrument)	586	53.08
Total	1104	

Note: All workforce members referred to in this table are based in the Melbourne metropolitan area, Victoria.

LA 2. Total number and rate of employee turnover by age group, gender, and region.

(Note: All workforce members referred to in these two tables work out of the Victorian divisions, most of whom are at the Sharps Road site in Tullamarine.)

Separations: Age categories & Gender, 2013-14							
	10-19	20-29	30-39	40-49	50-59	60 & over	Total
Male	5	64	67	66	65	25	292
Female	0	22	15	7	7	4	55
Total	15	86	82	73	72	29	347

| Aspect

Labour/Management Relations

LA 4. Percentage of employees covered by collective bargaining agreements.

Employment Contract	No.	%
Salaried (Common Law Agreement)	518	46.92
Production/Site (Approved Industrial Instrument)	586	53.08
Total	1104	

Industrial Instrument includes Enterprise Agreement and Collective Agreement

| Aspect

Occupational, Health & Safety

LA 7. Injury & Lost Time

Rates of injury, occupational diseases, lost days, absenteeism, and total number of work-related fatalities by region.

Direct employees of the manufacturing units.

Lost time injury is defined as a loss of at least one shift.

Days lost relate to regular weekdays worked (5 days per calendar week).

2013-14 FY	N° of LTI's	LTIFR	Total LT Days
Production	13	16.51	280
Construction & States	2	13.4	38
Total	15		318

No work-related fatalities have occurred during the reporting period.

The systems and rules for recording and reporting occupational injuries and diseases are outlined in the OHS legislation, and these are followed in practice.

LA 8. Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.

Schiavello routinely provides training and educational opportunities to its workforce in areas such as:

- Work-life balance
- Nutrition
- Smoking cessation
- Heart disease
- Diabetes
- Cancer awareness
- Influenza vaccination

The company also operates an employee assistance program that addresses issues such as workplace and/or personal stress; mental health issues; and work-life balance matters.

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| Aspect

Training & Education

LA 10. Average hours of training per year per employee by employee category. Current practice only records vocational training within the trade category.

Hours of Training	Trade Category (only) hrs/employee p.a
Total	5293.5

| Aspect

Diversity & Equal Opportunity

LA13. Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.

Gender Breakdown	Women	Men	Women	Men
	n	n	%	%
Management (Governance Bodies)	18	83	1.63	7.52
Supervisory	5	51	0.45	4.62
Professional	23	58	2.08	5.25
Administration	143	122	12.95	11.05
Trade/Unskilled/ Apprentices	15	586	1.36	53.08
Total	204	900	18.48	81.52



Schiavello

Age Groups	10-19	20-29	30-39	40-49	50-59	60-65	66+	Total
Salaried	5	144	173	172	105	38	10	647
Production	23	163	201	212	173	65	2	839
Unknown		6	6	13	9	1		35
Total	28	313	380	397	287	104	12	1521

At this stage data is not systematically collected on cultural background and other diversity indicators. (Note the gender and the age categories come from different information bases, and these reports are snapshots at April 30, 2013 and June 30, 2013 respectively, hence the different totals).

LA 14. Ratio of basic salary of men to women by employee category.

The Schiavello organisation consciously applies the principles of pay equality across all like-for-like roles, regardless of gender.

Full Time Personnel Only	Men : Women Ratio
Management	1:25
Supervisory	1:22
Professional	1:07
Administration	1:00
Trade/Unskilled/Apprentices	1:05

This data is for full-time personnel only providing the gender ratio of salary based on average salary calculations for the categories, as reported under the Australian federal legislation.

Note: All workers engaged under the terms and conditions of an Australian Federal Government approved Collective Bargaining Agreement are paid equally, regardless of gender. This includes tradespersons; unskilled labourers, and apprentices.



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