



Signatory Name: Kellogg (Aust) Pty Ltd

The question numbers in this report refer to the numbers in the report template. Not all questions are displayed in this report.

Status: Complete

The content in this APC Annual Report is hereby endorsed by the Chief Executive Officer, or equivalent officer of the organisation.

Yes

5. Industry sector (please select 1 only):

- Brand Owner / Wholesaler / Retailer
- Packaging Manufacturer
- Waste Management
- Other - Commercial Organisation
- Community Group
- Industry Association
- Government
- Raw Material Supplier
- Other:

6. Industry type (please select 1 only):

- Food & Beverage
- Pharmaceutical / Personal Care / Medical
- Hardware
- Homewares
- Communications / Electronics
- Clothing / Footwear / Fashion
- Chemicals / Agriculture
- Fuel
- Large Retailer
- Tobacco
- Shipping Company
- Airline
- Other:

7. Please indicate your organisation's reporting period:

- Financial Year: 1 July 2015 – 30 June 2016
- Calendar Year: 1 January 2016 – 31 December 2016

Goal 1: Design

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

9. Does your company have documented policies and procedures for evaluating and procuring packaging using the SPGs or equivalent?

Yes No

Provide details of policies and procedures

The Kellogg Company Global Sustainability 2020 Commitment Goals establish the foundations for packaging sustainably. The commitment includes further implementing resource-efficient packaging, as measured by improved performance for recycled content, recyclability and food-to-package ratios. As a member of the Consumer Goods Forum, we are committed to help achieve zero net deforestation from tropical forests. Kellogg will maintain our commitment to 100% timber-based packaging from either recycled content or from certified sustainable sources.

The sustainable packaging guidelines (SPG) document continues to be utilised to evaluate packaging. The document underwent review in 2016 and a new SPG team was developed to incorporate additional representation from various functions.

The SPG document continues to be utilised in the project launch process and product change approval process.

We are currently investigating adding environmental considerations on packs to the Marketing food brief to ensure consumers are aware of environmental claims about recyclability, to encourage appropriate disposal of packaging.

10. Of the types of packaging **existing at the beginning of the reporting period**, what percentage had been reviewed using the Sustainable Packaging Guidelines (SPG) by the end of the reporting period?

%

11. Have any new types of packaging been introduced during the reporting period?

Yes No

12. If yes, of the **new types of packaging introduced during the reporting period**, what percentage have been reviewed using the Sustainable Packaging Guidelines (SPG) by the end of the reporting

%

13. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 1

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Develop a process to incorporate the SPG into the procurement process for existing and new packaging materials	<p>Complete - Review completed of the Environment, Health & Safety in Procurement document, where additional environmental considerations have been inserted to increase connection to the Sustainable packaging guidelines.</p> <p>The sustainable packaging guidelines (SPG) document continues to be utilised to evaluate packaging. The document underwent review in 2016 and a new SPG team was developed to incorporate additional representation from various functions.</p> <p>The SPG document continues to be utilised in the project launch process and product change approval process.</p> <p>The Sustainable Packaging Toolkit has been reviewed by members of the Australian Packaging Covenant committee. Decision makers have been educated on the importance of packaging sustainably and encouraged to consider sustainable principles when developing new packaging formats.</p>

<p>2.</p>	<p>Evaluate packaging of current RTEC products under the SPG requirements</p>	<p>Complete - SPG reviews of RTEC products continued in 2016, where a focus remained on minimising the environmental and social impacts of packaging. This was conducted by checking packaging was fit for purpose, resource efficient, made from low impact materials and recoverable, whilst ensuring the product was protected and presented appropriately.</p> <p>Kellogg RTEC products are packed to protect the product from damage. The products manufactured are easily accessed after the cereal box and liner have been opened. In 2016, we streamlined packaging suppliers to ensure product protection and packaging consistency. Packaging reviews have been completed in 2016, where the focus remains on environmental considerations. The achievements are highlighted below.</p> <p>Two new baggers have been installed in packing enabling the cereal liner film width to be reduced and therefore less film being utilised overall. The new baggers are more efficient and therefore reduce waste.</p> <p>Weight reduction trial conducted for size 45 cartons, where a reduction in waste is anticipated once implemented.</p> <p>Investigation commenced in relation to implementing reusable cartons and/or plastic recyclable trays to increase re-usability and reduce waste.</p> <p>Reduced the amount of ink utilised on packs through reducing the number of colours printed on packaging. This improves our overall environmental footprint.</p> <p>Investigation commenced into replacing cereal liner cores with an alternate recyclable material. This will allow increased recycling.</p> <p>Underwent a change from brown board to white board. The change in board reduced the travel required, is a simpler process and has improved our environmental footprint.</p> <p>Removal of timber pallets for internationally imported products and replacement with plastic slip sheets. Increased reusability and enables plastic recycling at the end of product life.</p> <p>We met with packaging suppliers weekly in 2016 to discuss packaging, waste reduction opportunities, environmental considerations, the active projects program. Cross functional meetings are held to increase involvement and minutes are retained. A review of plastic strapping opportunities was in progress in 2016. Weekly reports on transport impacts and conditions of board are undertaken to monitor packaging quality and implement solutions.</p>
-----------	---	--

3.	Evaluate packaging of current Snacks product range under the SPG	<p>Complete - Kellogg snack product range have undergone SPG review in 2016. The continued focus on fit for purpose and environmental considerations such as ensuring consumers are aware of environmental claims is important to enable disposal of waste appropriately. Examples are noted below.</p> <p>LCM Oaty Bubble bars have the easy open flaps on the outer packaging as well as the ease of opening logo. The individual Oaty Bubble bars, Special K Protein bites and the Breakfast Biscuits have serrated edges. This enables product protection and is designed to enable consumers to open the product easily.</p> <p>Snack products contain environmental messaging including the mobius loop and the tidy man logo. LCM Oaty Bubble bars have 'Avoid littering- please dispose of wrapper thoughtfully' and the Be Natural bars contain 'If you love me, give me a second life, recycle me'. Kellogg is constantly reviewing options for on pack environmental considerations to encourage recycling efforts by consumers. In 2016, efforts commenced to include REDCycle logos on packs and there is a plan in place to launch a few Kellogg snack products in 2017 containing the REDCycle logo to encourage flexible plastic recycling.</p> <p>Pre made bags with tare notches are being utilised for various Kellogg products to enable easy opening for consumers. This is evident with the NG Edge bars.</p> <p>Removal of outer shrink wrap film from the 53g Pringles cans to shelf ready cases. This provide one recycle stream promoting easier recycling for consumers and reduces plastic waste as well as reducing product packaging damage.</p>
4.	Evaluate current packaging of Intra and Inter - Company Transfers under the SPG by June 2017	<p>Complete - Cardboard slip sheets are now utilised for all snack products brought into Australia, rather than timber pallets. This has optimised container use and enables recycling of cardboard when reuse is no longer possible.</p> <p>Work commenced in 2016 with international suppliers to provide Kellogg with spare parts on a monthly basis. This reduces the overall Kellogg footprint by reducing the transportation frequency and ensuring space optimisation.</p>
5.	Evaluate the promotional materials selection process under the SPG	<p>Complete - Kellogg work with suppliers to ensure tests are completed and prototypes are trialled to ensure the promotional materials are fit for purpose. Promotional material is reused and where this is not possible due to overuse, damage or end of promotional periods, recycling of packaging is the overall aim.</p>

6.	Investigate & Assess potential to integrate water and energy efficiency practices into Kellogg's commitments and manufacturing processes.	<p>Complete - The 2020 Sustainability Commitments were reviewed and revised in 2016 reflecting updated targets for energy, water, waste and packaging.</p> <p>Development of Natural Resource Conservation Actions Plans detailing water, waste, energy and packaging improvement projects. These action plans have been developed by a cross function team including Environment, Health & Safety, Production, Engineering, Maintenance and Continuous Improvement. Details of achievements completed include;</p> <ul style="list-style-type: none"> • Reduction in energy used on the Jetzone when running triticales by reducing the required temperature to produce quality products. Approximate savings of 6500kwh/annum. • Adjusted minimum flavour level in kettles on the first floor coater, reducing waste by approximate savings of 12000L/annum. • Installation of a stop/start program on motors after the lowerator to reduce the number of motors that run 24/7. This reduces energy usage, reduces maintenance repair frequency and increases the life of the motors. • Implementation of a direct chute on N1 to replace the timing hoppers and reduce waste. • Reduction in brown sugar waste due to changes to a valve diverter that feeds the liquid brown sugar from level 4 through to the level 3. • Conducted MP4 energy audit to identify areas of opportunity to reduce energy across the facility. <p>Monthly Regional energy management meetings with Engineering and Environment, Health & Safety to share best practice on energy reduction projects.</p>
----	---	---

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

We have successfully established processes to ensure packaging reviews are completed for packaging formats and we continue to build opportunities into design and procurement processes for new and existing packaging. We have reported many examples of initiatives that have improved our packaging sustainability outcomes.

We are aware that customer and consumer requirements are considerations in the design of our packaging and the ratio of packaging material to product can be impacted by various factors. We also recognise the opportunity to continue to embed packaging sustainability into broader business efficiency programmes as a component of continual improvement.

Goal 2: Recycling

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

15. Do you have on-site recovery systems for recycling used packaging?

- Yes at all facilities/ sites
- Yes at some, but not all facilities/ sites
- No

16. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 3

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Botany - Review and document the present on-site recycling schemes	<p>Complete - Kellogg continue to have on site recycling schemes including commingle, paper, cardboard, plastic, sludge, printer cartridge and feeds. We have now commenced reporting on capital project waste to obtain further understanding into whether this waste is recycled or placed in landfill, with the aim of increasing recycling where possible.</p> <p>In 2016, progress was made towards finalising a new agreement for many of our waste streams to be managed by one provider enabling a very tightly managed waste recovery process. This is reinforced by the Kellogg sustainability commitments which details a plan to increase to 30% the number of plants sending zero waste to landfill. In 2016 a decision to commence reporting on total waste for all Kellogg sites has taken effect. Total waste target has been developed and this decision enables the facility to expand reporting on recycling. We continue to report all waste, including the breakdown by the types of materials collected.</p> <p>In 2016, we have promoted flexible plastic recycling through communications across both the Pagewood and Botany Facilities. A Townhall presentation was also delivered to increase awareness and participation surrounding our partnership with REDCycle who collect flexible plastics, create and donate plastic benches and equipment to schools and local parks. We have also implemented snack wrapper recycling stations across site that are emptied daily and contribute to flexible plastic recycling through REDCycle. In 2016, 7.4 tonnes of Kellogg's soft plastic packaging was returned by customers and recovered through the REDCycle Program. That is equivalent to about 2.3 million pieces of packaging. Kellogg's packaging includes a mix of snack bar wrappers and cereal box liners. The cereal liners represent about 75% by weight as opposed to 25% snack bar wrappers and have always been one of the most dominant packaging types for the program overall. The July to December 2016 period saw an increase of 10% by weight for Kellogg's packaging from the previous six months.</p> <p>REDCycle participation continues to grow in New Zealand and Kellogg are working with Red cycle to enable logos to be added to packaging. Kellogg have products launching in 2017 containing the REDCycle logos.</p> <p>In 2016, environmental sustainability awareness</p>

		<p>training was completed, to increase awareness and engagement surrounding opportunities to reduce our overall environmental footprint. We have also communicated initiatives to minimise waste, for example a reduction in coffee price if employees bring their own coffee cup, in an effort to reduce paper cup usage. This initiative has been very well received.</p>
2.	<p>All Sites to continue to record and report on waste collection and disposal by mass consistent with the EMETRICS reporting requirements</p>	<p>Complete - Waste collection and disposal is tracked daily through a waste tracking database for all products arriving and departing the Botany manufacturing facility. A weighbridge is utilised to track weights of waste removed from site.</p> <p>Waste information is recorded on site operational reports, including the Kellogg Australia New Zealand - Environment, Health & Safety report in addition to being reported on monthly in Kellogg Cares About People and Planet (KCAPP) database and in our End of month site report.</p> <p>Natural Resource Conservation meetings are held regularly to review waste reduction project progress and to discuss future waste reduction opportunities. Waste trending is discussed monthly with Environment, Health and Safety, Operations, Engineering and Maintenance members and in the Kellogg work system meeting as we continue to strive for additional continuous improvement opportunities.</p>
3.	<p>Ensure formal arrangements are in place at manufacturing sites to return packaging materials to recycling or to supplier</p>	<p>Complete - Formal arrangements are in place to return packaging materials to suppliers or to enable recycling. In 2016, progress was made towards finalising a new agreement for many of our waste streams to be managed by one provider enabling a very tightly managed waste recovery and recycling process.</p> <p>We have commenced reporting on capital project waste to determine opportunities for increased recycling and reduced landfill waste.</p> <p>Work commenced in 2016 with international suppliers to provide Kellogg with spare parts on a monthly basis. This reduces the overall Kellogg footprint by reducing the transportation frequency and ensuring space optimisation.</p> <p>In 2016, reducing the number of straps required around cases to reduce excess plastic strapping and continue recycling the plastic was ongoing. Kellogg is working with suppliers on this project and we anticipate completion in 2017.</p>

<p>4.</p>	<p>All sites to review and improve waste streams with the objective of increasing recycling and reuse and minimising landfill in line with global commitments to reduce waste to landfill</p>	<p>Complete - Kellogg is committed to improving waste streams by increasing reuse and recycling. The Global Kellogg Sustainability 2020 commitments goals include a plan to increase to 30% the number of plants sending zero waste to landfill.</p> <p>We have commenced reporting on capital project waste to determine opportunities for increased recycling and reduced landfill waste.</p> <p>We continue our commitment to recycling of flexible plastics through the Red REDCycle program where we have REDCycle bins available in the work place. We have implemented snack wrapper stations where the wrappers are collected daily and added to our REDCycle contributions.</p> <p>In 2016, new printers were implemented and were automatically set up for double sided and black and white printing. Print activation only occurs once you swipe your pass at the printer and select the items you would like to print. If you fail to do this, the print job will disappear after a few days. This system encourages all to thoroughly consider whether printing is required. Monthly reports are provided to all individuals reflecting your print report in comparison to your peers. This prompts individuals to consider reducing the amount being printed on a regular basis.</p> <p>Development of Natural Resource Conservation Actions Plans detailing waste improvement projects. These action plans have been developed by a cross function team including Environment, Health & Safety, Production, Engineering, Maintenance and Continuous Improvement. Details of achievements completed in 2016 include;</p> <ul style="list-style-type: none"> • Adjusted minimum flavour level in kettles on the first floor coater, reducing waste by approximate savings of 12000L/annum. • Implementation of a direct chute on N1 to replace the timing hoppers and reduce waste. • Reduction in brown sugar waste due to changes to a valve diverter that feeds the liquid brown sugar from level 4 through to the level 3. <p>In 2016 all faxing for purchase orders has ceased due to this moving to an online forum. This reduced the amount of paper being utilised on site.</p> <p>A plan was in place towards the end of 2016 to launch an online catalogue for stationary where only recyclable options are available. This is in progress and planned for completion in 2017.</p>
-----------	---	--

5.	Conduct internal Sustainability training to increase awareness surrounding importance of recycling.	<p>Complete - Sustainability training has been conducted to Operations and Maintenance personnel. Topics included an overview of environmental legislation, sustainability at Kellogg's, progress against meeting waste, water and energy targets and waste segregation.</p> <p>Poster communications were displayed across site to increase recycling and to promote the importance of waste segregation.</p> <p>Developed a new process for visitor inductions where all visitors have been advised that waste segregation is available and will reduce landfill waste across site. We encourage our visitors to participate by using the correct bins and Recycling where possible.</p> <p>In 2016, a sustainability event calendar was developed containing key environmental awareness initiatives to be rolled out in 2017. National Recycling week was included as a key event where plans have been developed surrounding the deployment of this event.</p>
----	---	---

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

An opportunity in 2017 is to continue working with REDCycle in relation to the initial products that will launch containing the REDCycle logo and potentially other products in the future. We will continue working with REDCycle in Australia and New Zealand to increase awareness and recycling efforts.

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

18. Does your company have a formal policy of buying products made from recycled packaging?

- Yes No

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

The Kellogg Company Global Sustainability 2020 Commitment Goals contain commitments focusing on improving performance through the percent recycled material content. We have committed to 100% timber-based packaging from either recycled content or from certified sustainable sources.

We are committed to ensuring that our packaging is effective in protecting our foods while minimizing the materials used. We utilize a sustainable packaging framework that focuses on improving performance in three key areas: the package-to-food ratio, percent recycled material content and percent materials that are commonly recoverable. Kellogg is committed to continuing further implementation of resource-efficient packaging, as measured by improved performance for recycled content, recyclability and food-to-package ratios.

The Environment, Health & Safety in Procurement program has undergone review in 2016 and captures the sustainable procurement of materials whilst ensuring food safety and quality standards are met. This program includes reference to packaging recyclability and questions to determine supplier commitments to sustainability and responsible practises.

19. Is this policy actively used?

- Yes No

20. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 4

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Develop and document the ANZ policy & procedure on sustainable procurement of materials and packaging including recycled content and recyclability, while ensuring food safety and quality standards are met.	<p>The Environment, Health & Safety in Procurement program has undergone review in 2016 and captures the sustainable procurement of materials whilst ensuring food safety and quality standards are met. This program includes reference to packaging recyclability and questions to determine supplier commitments to sustainability and responsible practises.</p> <p>The procurement process includes agreement from suppliers to conduct operations in a way that reduces impact on the environment, specifically water use, energy use, green house gas emissions and waste disposal. We also expect suppliers to comply with all applicable environmental laws and regulations and site requirements relating to Environment sustainability, food safety and quality standards.</p>

2.	Continue to purchase packaging materials with recycled content and recyclability, while ensuring food safety and quality standards are met.	<p>The primary packaging products do not contain any recycled materials as they are food contact, however the majority of the subsequent packaging purchased contain recycled materials.</p> <p>We request and retain records from suppliers of board grade, to ensure our products are within required specifications for recycled content.</p> <p>We have discussed Forest Stewardship Council (FSC) Chain of custody certified material with our suppliers and our suppliers are working towards this. As consumers are interested in choosing products that are responsibly sourced and made, there is an opportunity to continue exploring this aspect.</p> <p>We maintain our commitment to obtaining 100% timber-based packaging from either recycled content or from certified sustainable sources for fibre based packaging - primary, secondary and tertiary.</p>
----	---	---

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

In 2016, we have been in discussion with our suppliers regarding Forest Stewardship Council (FSC) Chain of custody certified material. There is further opportunity to work with our suppliers in this area in the future, enabling giving consumers assurance about the origin of the products they buy.

Goal 3: Product Stewardship

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

22. Does your company have formal processes in place for collaborating with other companies or organisations on improved packaging designs and/or recycling which aims to reduce or eliminate waste?

- Yes No

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

The Environment, Health & Safety in Procurement program is in place and outlines processes for working with other organisations to improve packaging designs, to increase recycling & to reduce waste.

The Kellogg Strategic Sourcing and Request for pricing pack includes questions relating to sustainability programs and the qualification of potential suppliers. This assists in the process of selecting of suppliers. Kellogg is continuously working with our packaging suppliers to investigate packaging options.

Prior to engagement with a supplier, the Kellogg Safety Quality Requirements assessment is completed by suppliers which includes questions on the following topics; Environmental Management systems, emission control, spill prevention, waste disposal and the recyclability of materials.

In terms of collaboration to improve recycling and reduce or eliminate waste, our waste tender and contract documentation includes requirements to collaborate with our site to monitor and improve waste performance and resource recovery. The procurement process includes conditions for suppliers to conduct operations in a way that reduces impact on the environment and to comply with all applicable environmental laws and regulations.

Regular meetings are held with suppliers to improved packaging designs and/or recycling which aims to reduce or eliminate waste.

23. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 6

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Integrate the SPG into formal design and procurement processes (see KPI 1 Item 3)	<p>Complete - Review completed of the Environment, Health & Safety in Procurement document, where additional environmental considerations have been inserted to increase connection to the Sustainable packaging guidelines.</p> <p>The sustainable packaging guidelines (SPG) document continues to be utilised to evaluate packaging. The document underwent review in 2016 and a new SPG team was developed to incorporate additional representation from various functions.</p> <p>The SPG document continues to be utilised in the project launch process and product change approval process.</p> <p>The Sustainable Packaging Toolkit has been reviewed by members of the Australian Packaging Covenant committee. Decision makers have been educated on the importance of packaging sustainably and encouraged to consider sustainable principles when developing new packaging formats.</p>

2.	Hold regular meetings with packaging suppliers and packaging raw material producers to identify opportunities reducing environmental impacts	<p>Complete - Supplier Development Program meetings were held in 2016, where meeting records were retained. Environmental considerations are discussed in these meetings to ensure product consistency and to reduce environmental impacts.</p> <p>Meetings were held with corrugate suppliers in relation to shelf ready formulations and enabling ease of open edges through improvements to the cut crease profile. Weekly meetings undertaken to review and monitor packaging damages and to work with suppliers to implement changes to reduce damage. This process demonstrates the strong relationship with our suppliers and commitment to sustainability.</p>
3.	Investigate options accessible to expand reuse or recycling of on-site waste in collaboration with suppliers and recyclers (see KPI 3 Action 6)	<p>Complete - Kellogg is committed to improving waste streams by increasing reuse and recycling. The Global Kellogg Sustainability 2020 commitments goals include a plan to increase to 30% the number of plants sending zero waste to landfill.</p> <p>We have commenced reporting on capital project waste in consultation with suppliers to determine opportunities for increased recycling and reduced landfill waste.</p> <p>We continue our commitment to recycling of flexible plastics through the REDCycle program where we have REDCycle bins available in the work place. We have implemented snack wrapper stations where the wrappers are collected daily and added to our REDCycle contributions.</p> <p>In 2016, new printers were implemented and were automatically set up for double sided and black and white printing. Print activation only occurs once you swipe your pass at the printer and select the items you would like to print. If you fail to do this, the print job will disappear after a few days. This system encourages all to thoroughly consider whether printing is required. Monthly reported are provided to all individuals reflecting your print report in comparison to your peers. This prompts individuals to consider reducing the amount being printed on a regular basis.</p> <p>Development of Natural Resource Conservation Actions Plans detailing waste improvement projects. These action plans have been developed by a cross function team including Environment, Health & Safety, Production, Engineering, Maintenance and Continuous Improvement.</p> <p>A plan was in place towards the end of 2016 to launch an online catalogue for stationary where only recyclable options are available. This is in progress and planned for completion in 2017.</p>

4.	Conduct research on recycling opportunities for post-consumer HDPE liner material in consultation with recyclers and industry associations	<p>Complete - continued commitment to flexible plastic recycling through the REDCycle scheme where customers can recycle plastic at local supermarkets.</p> <p>In 2016, we have promoted flexible plastic recycling through communications across both the Pagewood and Botany Facilities. A Townhall presentation was also delivered to increase awareness and participation surrounding our partnership with REDCycle who collect flexible plastics, create and donate plastic benches and equipment to schools and local parks. We have also implemented snack wrapper recycling stations across site that are emptied daily and contribute to flexible plastic recycling through REDCycle. In 2016, 7.4 tonnes of Kellogg's soft plastic packaging was returned by customers and recovered through the REDCycle Program. That is equivalent to about 2.3 million pieces of packaging. Kellogg's packaging includes a mix of snack bar wrappers and cereal box liners. The cereal liners represent about 75% by weight as opposed to 25% snack bar wrappers and have always been one of the most dominant packaging types for the program overall. The July to December 2016 period reported a positive increase of 10% by weight for Kellogg packaging, therefore increasing recycling and reducing landfill waste.</p> <p>REDCycle / New Zealand Packaging forum participation continues to grow and Kellogg are working with REDCycle to enable logos to be added to packaging. Kellogg have few products expected to launch in 2017 containing the REDCycle logo.</p>
----	--	--

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

There are further opportunities to continue working with Red cycle in relation to the initial products that will launch containing the Red cycle logo and potentially other products in the future. We will continue working with Red cycle in Australian and New Zealand to increase awareness, engagement and recycling efforts.

There is also an opportunity to further develop external partnerships to build capability and improve sustainability outcomes.

KPI 7: % signatories showing other Product Stewardship outcomes.

25. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 7

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Obtain samples of materials and evaluate packing.	<p>Complete - Samples have been received for review on packaging requested by retailers.</p> <p>We have optimised shelf ready packaging by working with corrugate suppliers in relation to shelf ready formulations and enabling ease of open edges through improvements to the cut crease profile. Weekly meetings undertaken to review and monitor packaging damages and to work with suppliers to implement changes to reduce damages. This has been implemented for Nutri Grain, Be Natural, Oaty Bubble bars and Special K Protein Bites.</p>
2.	Provide examples of packaging changes that have	Complete - SPG reviews of products continued in

been achieved consistent with the principles of the Sustainable Packaging Guidelines

2016, where the focus remained on minimising the environmental and social impacts of packaging. This was conducted by checking packaging was fit for purpose, resource efficient, made from low impact materials and recoverable, whilst ensuring the product was protected and presented appropriately. Packaging review highlights are outlined below.

Two new baggers have been installed in packing enabling the cereal liner film width to be reduced and therefore less film being utilised overall. The new baggers are more efficient and therefore reduce waste.

Weight reduction trial conducted for size 45 cartons, where a reduction in waste is anticipated once implemented.

Investigation commenced in relation to implementing reusable cartons and/or plastic recyclable trays to increase re-usability and reduce waste.

Reduced the amount of ink utilised on packs through reducing the number of colours printed on packaging. This improves our overall environmental footprint.

Investigation commenced into replacing cereal liner cores with an alternate recyclable material. This will allow increased recycling.

Underwent a change from brown board to white board. The change in board reduced the travel required, is a simpler process and has improved our environmental footprint.

Removal of timber pallets for internationally imported products and replacement with plastic slip sheets. Increased reusability and enables plastic recycling at the end of product life.

LCM Oaty Bubble bars have the easy open flaps on the outer packaging as well as the ease of opening logo. The individual Oaty Bubble bars, Special K Protein bites and the Breakfast Biscuits have serrated edges. This enables product protection and is designed to enable consumers to open the product easily.

Snack products contain environmental messaging including the mobius loop and the tidy man logo. LCM Oaty Bubble bars have 'Avoid littering- please dispose of wrapper thoughtfully' and the Be Natural bars contain 'If you love me, give me a second life, recycle me'. Kellogg is constantly reviewing options for on pack environmental considerations to encourage recycling efforts by consumers. In 2016, efforts commenced to include REDCycle logos on packs and there is a plan in place to launch a few Kellogg snack products in 2017 containing the REDCycle logo to encourage flexible plastic recycling.

Pre made bags with tear notches are being utilised for various Kellogg products to enable easy opening for consumers. This is evident with the NG Edge bars.

Removal of outer shrink wrap film from the 53g Pringles cans to shelf ready cases. This provide one recycle stream promoting easier recycling for consumers and reduces plastic waste as well as reducing product packaging damage.

		<p>We also met with packaging suppliers weekly in 2016 to discuss packaging, waste reduction opportunities, environmental considerations, the active projects program. Cross functional meetings are held to increase involvement and minutes are retained. A review of plastic strapping opportunities was in progress in 2016. Weekly reports on transport impacts and conditions of board are undertaken to monitor packaging quality and implement solutions.</p>
3.	<p>Energy and Greenhouse Gases – continue environmental sustainability (ES) program for reducing usage/output per unit production year-in-year-out</p>	<p>Complete - The National Greenhouse & Energy Report (NGERS) 2016, the 2016 KANZ EHS Report, The Botany End of Month EHS report and the internal reporting software KCAPP record energy, water, waste and GHG reductions achieved. A significant reduction from 398, 649 GJ in 2015 to 356, 251 in 2016 was achieved in total energy consumed.</p> <p>The total Greenhouse gas emissions have also reduced from 42, 927 tCO₂-e in 2015 to 37, 956 tCO₂-e in 2016. This energy reduction is correlated with reduction projects implemented in 2016. The development of the Natural Resource Conservation Actions Plans detailing water, waste and energy improvement projects. These action plans have been developed by a cross function team including Environment, Health & Safety, Production, Engineering, Maintenance and Continuous Improvement. Various energy projects have been completed in 2016, where the achievements are noted below:</p> <ul style="list-style-type: none"> • Reduction in energy used on the Jetzone when running tritacale by reducing the required temperature to produce quality products. Approximate savings of 6500kwh/annum. • Installation of a stop/start program on motors after the lowerator to reduce the number of motors that run 24/7. This reduces energy usage, reduces maintenance repair frequency and increases the life of the motors. • Conducted MP4 energy audit to identify areas of opportunity to reduce energy across the facility. • Held monthly energy management meetings with Engineering and Environment, health & Safety to review and commence potential energy saving opportunities. <p>In 2016, the Botany site has developed Natural Resource Action plans for 2017 - 2020 and committed to completing energy reduction projects to continuously improve on energy consumption.</p>
4.	<p>Water - continue ES program for reducing usage per unit production year-in-year-out</p>	<p>The internal reporting software documents water consumption for the January to December 2016 period. Water consumption is monitored on an ongoing basis and investigated with the aim of continuous reduction on water use to support the Global water reduction commitments. In 2016 communication across site surrounding our water performance was tracked monthly and projects undertaken to reduce usage. In 2017, a further focus on water reduction is planned, where projects where highlight in 2016 for the 2017 - 2020 Natural Resource Conservation Action plans.</p>

5.	Waste - continue ES program for reducing waste and waste to landfill per unit production year-in-year-out	<p>The internal reporting software documents waste and waste to landfill reductions achieved when comparing 2015 with 2016. Waste reduction projects implemented include:</p> <ul style="list-style-type: none"> • Reduction in brown sugar waste due to changes to a valve diverter that feeds the liquid brown sugar from level 4 through to the level 3. • Implementation of a direct chute on N1 to replace the timing hoppers and reduce waste. • Adjusted minimum flavour level in kettles on the first floor coater, reducing waste by approximately 12000L/annum.
6.	Participate in and hold regular meetings with suppliers, seed stock developers and scientists to understand and develop contributions towards the sustainability of agriculture (e.g. drought resistance)	<p>We met with packaging suppliers weekly in 2016 to discuss packaging, waste reduction opportunities, environmental considerations, the active projects program. Cross functional meetings are held to increase involvement and minutes are retained. Some of the topics discussed in supplier/scientists meetings in 2016 included;</p> <ul style="list-style-type: none"> • A review of plastic strapping opportunities for cartons • Environmental opportunities to down gauge pre-made bags to reduce excess plastic • Review of snack bar liners and green carton corrugate • Supplier commitment to eco- friendly innovation to effectively reduce the use of natural resources, include light weight packaging materials, less fibre with equivalent quality and reducing environmental concerns. <p>Weekly reports on transport impacts and conditions of board are undertaken with suppliers to monitor packaging quality and implement waste minimisation solutions.</p> <p>Meetings with raw material producers continue to identify opportunities to reduce environmental impacts are discussed.</p>

26. Since the beginning of the reporting period, has your company had any other outcomes related to product stewardship?

- Yes No

If yes, please give examples of other product stewardship outcomes

The Kellogg Company Global Sustainability 2020 Commitment Goals establish the foundations for packaging sustainably. We are committed to ensuring that our packaging is effective in protecting our foods while minimizing the materials used. We utilise a sustainable packaging framework that focuses on improving performance in three key areas: the package-to-food ratio, percent recycled material content and percent materials that are commonly recoverable. Kellogg will maintain our commitment to 100% timber-based packaging from either recycled content or from certified sustainable sources.

Sustainable Packaging Guideline reviews of products continued in 2016, where a focus remained on minimising the environmental and social impacts of packaging. This was conducted by checking packaging was fit for purpose, resource efficient, made from low impact materials and recoverable, whilst ensuring the product was protected and presented appropriately. Examples include;

- LCM Bubble bars have the easy open flaps on the outer packaging as well as the ease of opening logo. The individual Bubble bars, Special K Protein bites and the breakfast biscuits have serrated edges. This enables product protection and is designed to enable consumers to open the product easily.
 - Removal of outer shrink wrap film from the 53g Pringles cans to shelf ready cases. This provide one recycle stream promoting easier recycling for consumers, reduces plastic waste as well as reducing product packaging damage.
- Snack products contain environmental messaging including the loop and the tidy man logo. LCM Bubble bars have 'Avoid littering- please dispose of wrapper thoughtfully' and the Be Natural bars contain 'If you love me, give me a second life, recycle me'. Kellogg is constantly reviewing options for on pack environmental considerations to encourage recycling efforts by consumers. In 2016, efforts commenced to include Red cycle logos on packs and there is a plan in place to launch a few Kellogg snack products in

2017 containing the logo to encourage flexible plastic recycling.

Development of Natural Resource Conservation Actions Plan detailing water, waste, energy and packaging improvement projects. These action plans have been developed by a cross function teams and projects completed include;

- Reduction in energy used on the Jetzone when running by reducing the required temperature to produce quality products. Approximate savings of 6500kwh/annum.
- Installation of a stop/start program on motors after the to reduce the number of motors that run 24/7. This reduces energy usage, reduces maintenance repair frequency and increases the life of the motors.
- Adjusted minimum flavour level in kettles on the first floor coater, reducing waste by approximately 12000L/annum.

Progress made towards finalising a new agreement for many of our waste streams to be managed by one provider enabling a very tightly managed waste recovery process. This is reinforced by the Kellogg sustainability commitments which details a plan to increase to 30% the number of plans sending zero waste to landfill. In 2016 a decision to commence reporting on total waste for all Kellogg sites has taken effect. Total waste target has been developed and this decision enables the facility to expand reporting on recycling. We continue to report all waste, including the breakdown by the types of materials collected and we have commenced reporting on capital project waste to determine opportunities for increased recycling.

We have promoted flexible plastic recycling through communications across both the Pagewood and Botany Facilities. A Townhall presentation was also delivered to increase awareness and participation surrounding our partnership with REDCycle who collect flexible plastics, create and donate plastic benches and equipment to schools and local parks. We have also implemented snack wrapper recycling stations across site that are emptied daily and contribute to flexible plastic recycling through REDCycle. In 2016, 7.4 tonnes of Kellogg's soft plastic packaging was returned by customers and recovered through the REDCycle Program. That is equivalent to about 2.3 million pieces of packaging. Kellogg's packaging includes a mix of snack bar wrappers and cereal box liners. The cereal liners represent about 75% by weight as opposed to 25% snack bar wrappers and have always been one of the most dominant packaging types for the program overall. The July to December 2016 period reported a positive increase of 10% by weight for Kellogg's packaging, therefore resulting in increased recycling and reduced landfill waste.

We have also communicated initiatives to minimise waste, for example a reduction in coffee price if employees bring their own coffee cup, in an effort to reduce paper cup usage.

Kellogg have long supported hunger relief programs through our global purpose platform, Breakfasts for Better Days, as well as the livelihoods of farmers to help ensure there is enough food for all. In 2016 we donated 11, 181, 439 servings of cereal and snacks to children and families in need.

Through Breakfasts for Better Days, we aim to create 3 billion Better Days for people by the end of 2025. These new commitments will feed more hungry families, do even more to feed the potential of children and farmers, and address the larger issue of long-term food security. We will do this by:

1. Donating food to people in need, including 2.5 billion servings of food in partnerships with hundreds of food banks across five continents;
2. Expanding breakfast programs so that 2 million children worldwide can get the best start to their day;
3. Supporting 500,000 farmers, their families and communities with Climate Smart Agriculture practices to increase yields, improve climate resiliency and reduce post-harvest food loss and food waste;
4. Committing to 45,000 volunteer days by Kellogg employees at their local community food banks, community farms and breakfast programs; and
5. Engaging 300 million people, including stakeholders and partners like you, to join Kellogg in its hunger relief efforts, through Kellogg commercial promotions, engagement online and social media participation.

Employees were engaged in the Food Drive in 2016 where we supplied non-perishable items that are always needed by Foodbank. Our Marketing teams were involved in a volunteering day creating a veggie garden with our charity partner The Clontarf Foundation, where more details were communicated with employees via our internal communications platforms.

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

Opportunities for 2017 include investigating additional projects for waste, water and energy reduction as well as strengthening our partnership with seed stock developers to understand and develop increased contributions towards the sustainability of agriculture

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

28. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 8

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Continuing to provide consumer instruction on thoughtful disposal of used packaging through recycled, recyclable and anti-litter information such as the “mobius loop” and “Tidyman” emblems.	<p>Complete - Packaging reviews were conducted in 2016, where a focus on consumer instruction on recyclability was key, as noted below:</p> <p>LCM Oaty Bubble bars have the easy open flaps on the outer packaging as well as the ease of opening logo. The individual Oaty Bubble bars, Special K Protein bites and the Breakfast Biscuits have serrated edges. This enables product protection and is designed to enable consumers to open the product easily.</p> <p>Snack products contain environmental messaging including the mobius loop and the tidy man logo. LCM Oaty Bubble bars have 'Avoid littering- please dispose of wrapper thoughtfully' and the Be Natural bars contain 'If you love me, give me a second life, recycle me'. Kellogg is constantly reviewing options for on pack environmental considerations to encourage recycling efforts by consumers. In 2016, efforts commenced to include REDCycle logos on packs and there is a plan in place to launch a few Kellogg snack products in 2017 containing the REDCycle logo to encourage flexible plastic recycling.</p>
2.	Providing information on our website on the nature of our packaging and the most appropriate disposal methods.	<p>Complete - The Kellogg website continues to provide information surrounding environmental sustainability and corporate responsibility with links to key reports and activities. Our Corporate Responsibility report includes information on our responsible sourcing commitments including sustainable agriculture, conserving natural resources, sustainable packaging and employee led environmental initiatives. It also includes information on our commitments to reduce waste, our pollution incident response management plan and previous Australian Packaging Covenant submissions.</p> <p>We also included a REDCycle story including how people could recycle their cereal packaging via our new site Open For Breakfast. We also supported this with paid digital media spend.</p>

3.	Consider opportunities to participate in community volunteering for litter reduction	<p>The volunteering policy introduced previously continues to run at the Kellogg Botany and Pagewood sites. We have continued promoting the volunteering program where participation in community litter reduction volunteering programs has been encouraged.</p> <p>We have also communicated initiatives to minimise waste, for example a reduction in coffee price if employees bring their own coffee cup, in an effort to reduce paper cup usage. This initiative has been well received.</p> <p>Employees were engaged in the Food Drive, which we run annually. Our Marketing team were involved in a volunteering day creating a veggie garden with our charity partner The Clontarf Foundation. The full story was communicated with employees via our internal communications platforms.</p>
----	--	--

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

There is an opportunity to further expand environmental information on our website, specifically on the nature of our packaging and the most appropriate disposal methods.

We will also explore obtaining increased involvement with the volunteering policy to encourage participation in community litter reduction volunteering programs.

Your Experiences

This section lets you share with us any achievements, good news stories and areas of difficulties in making progress against your plan and the Covenant goals and KPIs.

30. Key achievements or good news stories

- In 2016 we donated 11, 181, 439 servings of cereal and snacks to children and families in need through Breakfasts for Better Days. Through Breakfasts for Better Days, we aim feed more hungry families, do even more to feed the potential of children and farmers, and address the larger issue of long-term food security by:
 1. Donating food to people in need, including 2.5 billion servings of food in partnerships with hundreds of food banks across five continents;
 2. Expanding breakfast programs so that 2 million children worldwide can get the best start to their day;
 3. Supporting 500,000 farmers, their families and communities with Climate Smart Agriculture practices to increase yields, improve climate resiliency and reduce post-harvest food loss and food waste;
 4. Committing to 45,000 volunteer days by Kellogg employees at their local community food banks, community farms and breakfast programs; and
 5. Engaging 300 million people, including stakeholders and partners like you, to join Kellogg in its hunger relief efforts, through Kellogg commercial promotions, engagement online and social media participation.
- Our Marketing teams were involved in a volunteering day creating a veggie garden with our charity partner The Clontarf Foundation. The full story was communicated with employees through our internal communications platforms.
- We have promoted flexible plastic recycling through communications across both the Pagewood and Botany Facilities. A Townhall presentation was also delivered to increase awareness and participation surrounding our partnership with REDCycle who collect flexible plastics, create and donate plastic benches and equipment to schools and local parks. We have also implemented snack wrapper recycling stations across site that are emptied daily and contribute to flexible plastic recycling through Red cycle. In 2016, 7.4 tonnes of Kellogg's soft plastic packaging was returned by customers and recovered through the REDCycle Program. That is equivalent to about 2.3 million pieces of packaging. Kellogg's packaging includes a mix of snack bar wrappers and cereal box liners. The cereal liners represent about 75% by weight as opposed to 25% snack bar wrappers and have always been one of the most dominant packaging types for the program overall. The July to December 2016 period reported a positive increase of 10% by weight for Kellogg's packaging, therefore increasing recycling and reducing landfill waste. REDCycle participation continues to grow in New Zealand and Kellogg are working with REDCycle to enable logos to be added to packaging. Kellogg have few products expected to launch in 2017 containing the RDCycle logos.
- To ensure we meet consumer interests on sustainably sourced and made products, we are in consultation with suppliers on Forest Stewardship Council (FSC) Chain of custody certified material.

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

While we have made excellent progress in several years in relation to our action plan, there is always an opportunity to continuously improve. We will continue to build opportunities into design and procurement processes for new and existing packaging. We will also focus on increase engagement in volunteering opportunities in the future.