

# *Kellogg's*<sup>®</sup>



**Kellogg (Aust.) Pty Ltd  
Australian Packaging Covenant  
Action Plan 2011 - 2015.**



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## 1. Foreword

*Kellogg (Aust.) Pty. Ltd. has been a signatory of the National Packaging Covenant, (now APC), since 2001. We support the principles of product stewardship and shared responsibility and continually aim to improve environmental performance across our manufacturing operations. Our commitment to the APC has the support of the Kellogg Australia Board of Directors and aligns with the objectives of the Kellogg Company Environmental Policy.*

This Action Plan targets improvements in line with the intent of the Sustainable Packaging Guidelines and the three goals of Design, Recycling and Product Stewardship. Kellogg aims to continue to improve total environmental performance and lifecycle management of consumer packaging, while meeting our food safety and quality standards, by pursuing the following goals:

- Implement the Sustainable Packaging Guidelines for design and procurement of packaging
- Reduce use of non-recyclable packaging materials
- Increase reuse and recycling of on-site packaging waste
- Identify and reduce packaging litter associated with Kellogg's products
- Buy products and packaging with recycled content
- Work with our suppliers and other signatories of the APC with whom we have a relationship to reduce the environmental impacts of our packaging.

Kellogg in Australia and its subsidiaries recognise and adopt the Sustainable Packaging Guidelines and acknowledges that packaging should be fit-for-purpose and designed to have the minimum net impact on the environment while also fully preserving the integrity and safety of the product it contains. Our operations include environmental sustainability programs and targets requiring continuous improvement in waste, water, energy and emissions, and these are helping to reduce the environmental impacts of our products.

Our commitment to product stewardship is additionally demonstrated through our support for the Australian Packaging Covenant. Specific actions are outlined in this plan and we will report our progress annually.

These commitments are underpinned by the Kellogg Environmental Policies and Standards.

We have global initiatives to reducing the amount of packaging we use to ship and protect our products and have introduced sustainable design criteria in our new product processes.

Globally we are sharing results of our work internally as a prelude to setting global targets. Setting targets has been a challenging process as we work to identify suitable metrics and to reconcile the issues of food safety, consumer expectations, differing customer requirements and legislative requirements that exist in many jurisdictions. This work will continue in 2011.



Kellogg will publish its third Corporate Responsibility Report in April 2011. In this report we communicate our Sustainability framework and progress in meeting the environmental objectives that were announced in 2009. For more information please go to:

[www.kelloggcompany.com/CR](http://www.kelloggcompany.com/CR)

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Kellogg (Aust) Pty Ltd



## 2. Company Profile

### 2.1 Overview

Kellogg (Aust.) Pty. Ltd. manufactures a number of cereal and nutritious snacks products and has been providing food for the Australian community since 1924. Kellogg has three manufacturing facilities in Australia. Ready-to-eat cereal products are manufactured at Botany in Sydney, New South Wales and a wide range of nutritious snacks products are manufactured at Charmhaven on the NSW Central Coast. A third facility at French's Forest, also in Sydney, manufactures and packs another range of ready-to-eat-cereal products. Our products are distributed around Australia and to New Zealand and the Asia-Pacific region.

Kellogg is an innovative company providing quality foods based on wholesome grains, nuts and fruits for a healthier world. Kellogg acknowledges quality as a critical factor from the farm to the supermarket shelf and has implemented rigorous programs to assure the high standards of quality, safety and consistency consumers have come to expect from the Kellogg's label.

Further information regarding Kellogg's Australian operations can be obtained from:

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Consumer Services  
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Further information regarding Kellogg's APC Action Plan can be obtained from:

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### 2.1.1 Brands

Kellogg's products include some of the most instantly recognisable domestic brand names in the cereal and nutritious snacks marketplace. A long history based on reliability and quality has seen Kellogg market numerous products using brand names that are well known to Australian consumers. This includes the brands of Kellogg's, Be Natural, Sunibrite and Vogels. Some of these are illustrated below.





## 2.2 Packaging materials and formats

Kellogg uses a range of packaging formats to provide its ready-to-eat-cereal and nutritious snack products to partner companies, customers and consumers.

Packaging is designed to meet the requirements of quality, food safety and consistency and to retain freshness to the full extent of shelf life, thus minimising waste from disposal of prematurely unsuitable food.

Kellogg's is an iconic brand and is recognised in Australia and globally as producing a quality range of products to a rigorous quality assurance standard. Our packaging delivers the expectations of our customers and consumers in food safety, quality and consistency. It carries information for consumers, including nutritional information, which is important in making a purchase choice. As well, promotional information is provided in order to maintain and improve our competitive position.

### 2.2.1 Ready-To-Eat-Cereal

The packaging format for our cereal products is "bag-in-box". This format is widely used in the ready-to-eat cereals segment of the market in Australia and internationally.

Primary packaging consists of High density polyethylene (HDPE) bags formed, filled and heat sealed. The bags provide an easy-to-open capability for consumers and carry the necessary barrier properties to deliver freshness over the shelf life of our cereals. The HDPE is manufactured from 100% virgin material to meet food safety standards.

Secondary packaging consists of a printed, cardboard carton into which the bag is inserted. Flaps are glued using hot-melt adhesive. Printing is only on external faces of the carton. All cartons are sourced from 80% to 100% recycled material. The cartons are recyclable and are so marked.

Tertiary packaging consists of corrugated cardboard cases with minimal printing in black ink. Corrugated cases are sourced from 100% recycled material and are recyclable.

Stretch wrap is used to wrap and secure cases onto a pallet. Stretch wrap is made from Low density polyethylene (LDPE). The LDPE is manufactured from 100% virgin material.

Polypropylene (PP) bowls with metal lid seals are utilised for portion control packs.

### 2.2.2 Nutritious snacks

The packaging format for our snacks products is metallised or HDPE film packed into cardboard pantry packs and corrugated cases, or directly into corrugated cases for individual portions sold as such.

Primary packaging is made from either HDPE or metallised film where additional barrier properties are required for preserving product quality and safety.

Secondary and tertiary packaging is made from 100% recycled carton board and corrugated board respectively. The cases are stacked in optimal patterns on reusable timber pallets and secured with LDPE stretch film for transport, storage and handling.



### **2.2.3 Inter and intra-company transfer**

Products packed for inter and intra-company transfer for blending or packing are packaged to preserve the quality and food safety of the contents. The packaging enables easy handling, transportation and storage, and discharge of foods in a safe and food safe manner.

Kellogg's products packed for this function are filled into colour coded LDPE bags, which are sealed by metal-detectable cable tie made from HDPE. The bags are contained within a one cubic metre reusable food standard Intermediate Bulk Container (IBC), which is collapsible upon emptying for optimum storage and transportation. The IBC's are reusable after washing and sanitising.

### **2.2.4 Promotional Packaging**

Promotional packaging includes point-of-sale displays. We are proposing to undertake a review of the promotional packaging activities and to report on the outcomes of this evaluation in future reports.

## **2.3 Period of Plan**

This is the first Action Plan for Kellogg under the revised Australian Packaging Covenant and outlines its commitments for 2011 to 2015. Annual reports will be provided on a calendar year basis.



### 3. Benchmark Data

#### 3.1 Achievements to date under the National Packaging Covenant

Kellogg has been a signatory to the Covenant since 2001. Our achievements over the last five years (2005 – 2010) include<sup>1</sup>:

- a reduction in the amount of non-recyclable packaging, from 2.2% to 1.8% of all packaging used by Kellogg's
- a 73% increase in the amount of non-food manufacturing waste collected for recycling
- an increase in the recovery rate for all on-site waste from 81% in 2005-2006 to 90% in 2009-2010.

Examples of the environmental outcomes achieved by Kellogg over the past five years include:

- downgauging plastic cereal bags for Froot Loops and all single serve products, resulting in annual savings of 34 tonnes per year
- further light weighting of the corrugated board used for shipping cereal, resulting in annualised savings of 8.7 tonnes
- reducing the number of truck movements associated with the delivery of packaging materials by 42% by utilising trucks with greater capacity
- a further reduction in waste to landfill through the identification of recovery options for cardboard cores and water treatment sludge
- shifting to bulk supply of grain ingredients for Guardian cereal
- changing the format of a vitamin/mineral pre-mix from individual pouches to pails, resulting in the saving of more than 100,000 plastic bags annually
- shifting from a UV to aqueous varnish for a range of products
- redesigning point-of-sale display and promotional materials to optimise recycled content and recyclability.

Data for some of the Covenant KPIs is summarised below in Figures 2.1 and 2.2.

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<sup>1</sup> These figures exclude the Kellogg's site at Frenchs Forest, which was acquired in September 2008 through the acquisition of Speciality Cereals Pty Ltd. Kellogg's and Specialty Cereals submitted separate reports and data to the NPC.



Figure 2.1 Non-recyclable materials, recycling and waste per tonne of product

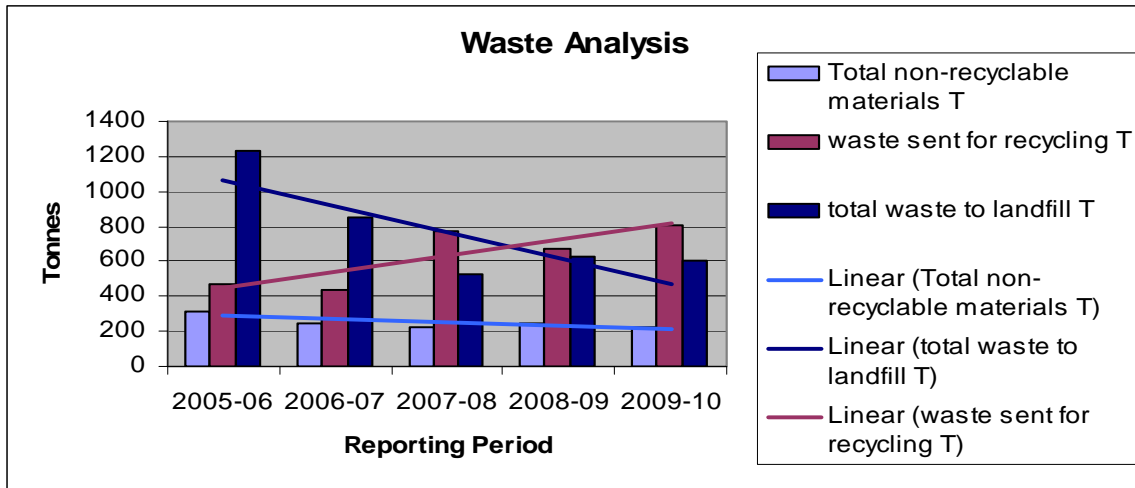
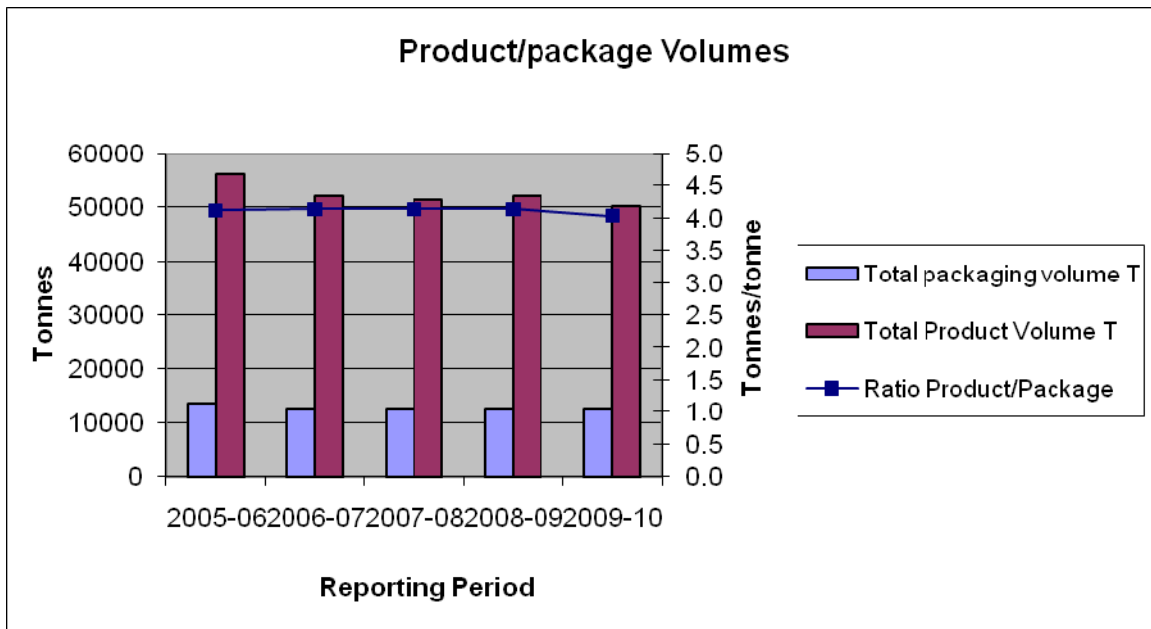


Figure 2.2 Packaging and product trends (tonnes) and product-packaging ratio





## 3.2 Baseline data for the Australian Packaging Covenant

Information on the baseline ('where we are now') is provided below.

### **KPI 1: Proportion of signatories in the supply chain implementing the Sustainable Packaging Guidelines for design or procurement of packaging**

The Product Change Approval (PCA) system, which was introduced several years ago, tracks variations to existing products as well as proposed new products. All new products generally utilise an existing material, which has been reviewed against criteria taken from the Environmental Code of Practice for Packaging (ECoPP). This method ensures any new materials are assessed using the same methodology and records are maintained of all reviews.

In 2010 we also worked with the Research and Technology group to formally integrate environmental considerations into our product innovation process for the development of new products. Detailed evaluation of the packaging formats is part of this process.

### **KPI 2: National recycling rate for packaging**

This KPI is not directly applicable to Kellogg, but we have taken action to support increased recycling by:

- purchasing cereal cartons with 80% to 100% recycled fibre and some snack cartons with 100% recycled fibre
- purchasing corrugated cases (shippers) for distribution with 100% recycled fibre, including a minimum 35% post consumer recycled content
- reducing the proportion of our consumer packaging that is non-recyclable through kerbside systems to less than 2%
- establishing recycling systems for on-site packaging waste, including corrugated shippers, plastic film and cardboard cores (see KPI 3).

### **KPI 3: Proportion of signatories with on-site recovery systems for recycling used packaging**

Existing on-site recovery systems are shown in Table 3.1.



**Table 3.1: Recovery systems in place for on-site packaging and other waste**

Material	Recovery system in place (Yes / no)			Type of recovery system
	Botany	French's Forest	Charmhaven	
Plastic film and bags	✓			Recycling
Timber pallets	✓	✓	✓	Reuse
Paper & Cardboard	✓	✓	✓	Recycling
Corrugated shippers	✓	✓	✓	Reuse or recycling
Intermediate Bulk Containers (IBC's)	✓	✓	✓	Reuse
Cardboard cores	✓			Recycling
Strapping				No system in place yet
Metal	✓	✓	✓	Recycling
Waste Oil	✓	✓	✓	Recycling
Organic materials	✓	✓	✓	Recovery for energy or fertiliser
Food Waste	✓	✓	✓	Recovery for poultry or stock feed
Small plastic containers				Manufacturer take-back and on-site recycling schemes being developed

Post-consumer packaging is not collected from manufacturing sites due to health and safety restrictions. There may be an opportunity to collect and recycle packaging from our office at Pagewood and this will be investigated.

**KPI 4: Proportion of signatories with a policy to buy products made from recycled packaging**

Kellogg has had a longstanding commitment, going back to our earliest days in 1906, to buy recycled content packaging (see KPI 2) but this is not included in any formal, written policy. Some packaging components cannot be manufactured from recycled material for hygiene reasons, e.g. plastic liner bags and snack food wrap.

Kellogg also purchases other recycled content products such as photocopy paper. Double-sided default settings on copying machines are used to minimise paper consumption.

**KPI 5: Additional tonnes of material reprocessed in primary and secondary markets as a result of Covenant-funded projects**

This is not directly applicable to Kellogg. As outlined under KPI 2, we are taking action to support increased recycling.



Kellogg is also contributing funds to the Australian Packaging Covenant on an annual basis to support recycling projects.

### **KPI 6: Proportion of signatories that have formal processes for working with others to improve packaging design and recycling**

As outlined for KPI 1, Kellogg's Product Change Approval (PCA) system includes a review of packaging against the Environmental Code of Practice for Packaging. This may include consultation with suppliers on whether there are any opportunities for improvement.

There are arrangements in place with some packaging suppliers to take-back and reuse or recycle packaging. For example:

- IBC's are washed and reused internally and others are returned to suppliers for reuse
- we participate in return-to-supplier schemes for sanitary refilling of 220 litre drums and 1000 litre and 220 litre plastic (HDPE) containers for boiler water and wastewater treatment materials
- cardboard and paper, including cardboard cores, are recovered for recycling
- spent toner cartridges are collected centrally at head office and recycled by Cartridge Rescue.

We also have contracts with recyclers to take back and recycle other materials, such as food waste which is reprocessed to poultry feed, and waste flexible plastic recovered for recycling into secondary products. Refer to KPI 3.

### **KPI 7: Proportion of signatories demonstrating other product stewardship outcomes for packaging**

Kellogg works with other companies in the supply chain to reduce the environmental impacts of packaging. For example, as a member of the Australian Food and Grocery Council (AFGC) we support a range of projects, including research on the environmental impacts of shelf ready packaging and recycling labels. Kellogg is represented on the AFGC's Sustainability Practices Committee and on the Policy Reference Group of the Australian Sustainable Business Group (ASBG).

### **KPI 8: Reduction in the number of packaging items in litter**

Packaging of Kellogg's Ready-to-Eat cereals is unlikely to enter the litter stream because the product is generally consumed at home.

The National Litter Index (NLI) has reported that approximately 17% of branded litter items are snack food and confectionary packaging<sup>2</sup>. The 2007-2008 survey reported that 14 items or 0.8% of items in the snacks wrappers and packets litter category, and 0.12% of all branded litter, are a Kellogg's brand.

Kellogg uses the 'Tidyman' logo on snack food packaging, accompanied by the text: 'Avoid littering – please dispose of wrapper thoughtfully'.

<sup>2</sup> <http://www.kab.org.au/litter-research/what-we-do/branded-litter-study/>



## 4. Action Plan 2011-2015

### 4.1 Covenant Management

Covenant Management Actions	Responsibility	Timing	Target	Evidence
1. Form a strategic multi-discipline steering team to form and review the APC Action Plan and lead its implementation across the organisation.	ES Systems Engineer ANZ	June 2011	APC team established with agreed Terms Of Reference.	Notice of formation; quarterly meeting calendar; correspondence and Action Logs
2. Review and refine data collection and develop a regular packaging usage report.	KANZ Procurement Manager Packing	September 2011	Document outcomes. Align with Corporate ES 2015 Goals	Regular packaging usage reports to the business.
3. Promote packaging objectives and achievements more broadly across the Kellogg business in collaboration with global teams.	Senior Manager Corporate Communications & Regulatory Affairs	July 2011	Annual updates	Steering team action logs and communications.
4. Include Covenant commitments in Kellogg Environmental Sustainability Management System	ES Systems Engineer ANZ	March 2012	Documented in Environmental Management System (EMS)	Include APC requirements under Management Review and Regulatory Elements Template.
5. Establish a central filing system for SPG reviews and other Covenant documents	ES Systems Engineer ANZ	April 2011	Folder in common Drive for Packaging records other than Product Change Approval (PCA). PCA workflow will be stored in the PCA database.	Records of reviews and APC documents stored.



## 4.1 Design – Optimise packaging to achieve resource efficiency and reduce environmental impact without compromising product quality and safety

### 4.1.1 Design - KPI 1

***Covenant KPI: Proportion of signatories in the supply chain implementing the SPG for design or procurement of packaging***

***Covenant targets:***

- ***70% of Covenant signatories with documented policies and procedures for evaluating and procuring packaging using the SPG or equivalent by 2015***
- ***70% of signatories assessing 100% of new packaging and 50% of existing packaging against the guidelines by 2015***

Kellogg will support the achievement of this KPI by:

- Reviewing all of its existing packaging against the Sustainable Packaging Guidelines
- Amending its product development and procurement processes to ensure that the Sustainable Packaging Guidelines are used to evaluate the sustainability impacts of all new packaging.

Kellogg's existing packaging will be reviewed in the following groups:

- Ready-to-eat-cereal (RTEC)
- Nutritious Snacks
- Inter Company Transfers
- Promotional packaging.

A timetable for the review is included in the plan below.



KPI 1 – Actions	Responsibility	Timing	Baseline data 2011	Target	Evidence
1. Assess the present situation of the Product Change Approval (PCA) process in reviewing packaging and packaging waste for new products in line with the ECoPP principles	Shared Services Manager	September 2011	ECoPP integrated within PCA process and applied to packaging change projects.	N/A	Documented outcomes of assessment process; minutes of APC meetings
2. Develop a process to incorporate the principles of Sustainable Packaging Guidelines (SPG) and build into the PCA process	Shared Services Manager	December 2011	As above	Documented procedure	Documented outcomes of assessment process; minutes of APC meetings
3. Develop a process to incorporate the SPG into the procurement process for existing and new packaging materials	ANZ Procurement Manager - Packaging	September 2011	Refer Baseline and Benchmark data in Sections 3.1 and 3.2 for KPI 1.	Documented procedure for the review of all new packaging against the SPG approved by management	Documented outcomes of assessment process; minutes of APC meetings
4. Evaluate packaging of current RTEC products under the SPG requirements	ES Systems Engineer ANZ	Dec 2012	Refer Baseline Data KPI 1 Sections 3.1 and 3.2.	Packaging register for RTEC products	Documented outcomes of assessment process; minutes of APC meetings
5. Evaluate packaging of current Snacks product range under the SPG	ES Systems Engineer ANZ	Dec 2012	Refer Baseline Data KPI 1 Sections 3.1 and 3.2.	Packaging register for Snacks products	Documented outcomes of assessment process; minutes of APC meetings
6. Evaluate current packaging of Intra and Inter - Company Transfers under the SPG	ANZ Logistics & Procurement Manager	September 2011	Refer Baseline Data KPI 1 Sections 3.1 and 3.2.	Packaging register for products	Documented outcomes of assessment process; minutes of APC meetings
7. Evaluate the promotional materials selection process under the SPG	Director of Sales	September 2011	Refer Baseline Data KPI 1 Sections 3.1 and 3.2.	Packaging register for promotions displays	Documented outcomes of assessment process; minutes of APC meetings



## 4.2 Recycling – The efficient collection and recycling of packaging

### 4.2.1 Recycling – KPI 2

#### ***Covenant KPI 2: National recycling rate***

#### ***Covenant target: 70% recycling rate for used packaging materials by 2015***

Individual signatories are not required to report against this KPI. However, Kellogg will support the achievement of national recycling rates by:

- Making an annual financial contribution to the APC for projects that support increased collection, sorting and reprocessing of packaging
- Continuing to collect on-site packaging waste, including clean flexible plastic materials, for recycling and expanding the range of materials collected (see Baseline section 3)
- Continuing to use a high percentage of recycled fibre in its cereal and snacks cartons (see KPI 4)
- Continuing to provide consumer instruction on thoughtful disposal of used packaging, e.g. recyclability messages and the “Mobius loop”.
- Providing information on our website on the nature of our packaging and the most appropriate disposal methods.



#### 4.2.2 Recycling – KPI 3

**Covenant KPI 3: Proportion of signatories with on-site recovery systems for recycling used packaging**

**Covenant target: 70% recycling rate for used packaging materials by 2015**

Kellogg's will support the achievement of this KPI by:

- Undertaking a review of packaging waste management at all manufacturing sites
- Investigating opportunities for further improvement.

KPI 3 - Actions	Responsibility	Timing	Baseline Data	Target	Evidence
1. Botany - Review and document the present on-site recycling schemes	ES Systems Engineer ANZ	September 2011	Refer Table 3.1 and benchmark data in section 3.2	Minimise landfill waste	Document the review process and minutes of meetings.
2. Charmhaven - Review and document the present on-site recycling schemes	ES Systems Engineer ANZ	September 2011	Refer Table 3.1	Minimise landfill waste	Document the review process and minutes of meetings.
3. French's Forest – Review and document the present on-site recycling schemes	ES Systems Engineer ANZ	September 2011	Refer Table 3.1	Minimise landfill waste	Document the review process and minutes of meetings.
4. All Sites to continue to record and report on waste collection and disposal by mass consistent with the Kellogg Company Environmental Metrics reporting requirements	ES Systems Engineer ANZ	Current	Refer to Section 3.2 KPI 7 Baseline Data and Table 3.1.	Kellogg's 2015 reduction targets	Monthly reporting of waste across the categories at all sites; Waste contractor invoices and contracts;
5. Ensure formal arrangements are in place at manufacturing sites to return redundant or waste packaging materials to recycling or to supplier	ANZ Procurement Manager Packaging	2012	Refer Table 3.1	Minimise landfill waste	Document the review process and minutes of meetings.
6. 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	ES Systems Engineer ANZ	Current and ongoing to 2015	Refer to Table 3.1 and Section 3.2 KPI 7.	10% on 2009 base by 2015	Monthly reporting and documentation of process of review.



### 4.2.3 Recycling – KPI 4

**Covenant KPI 4: Proportion of signatories with a policy to buy products made from recycled packaging**

**Covenant target: 70% recycling rate for used packaging materials by 2015**

Kellogg's will support the achievement of this KPI by:

- Formalising our commitment since inception to purchase packaging for our products with recycled content, that is recyclable wherever feasible, and sufficient to maintain quality and safety of our products
- Investigating other opportunities to buy products from recycled packaging.

KPI 4 - Actions	Responsibility	Timing	Baseline Data	Target	Evidence
1. Review the present policy position on sustainable procurement of raw materials and packaging materials including recycled content and recyclability while ensuring food safety and quality standards are met.	Logistics and Procurement Manager ANZ	2011	2009 Code of Ethics issued to all suppliers and requires supplier CEO sign-off	Establish present position	Document the review process and minutes of meetings.
2. 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.	Logistics and Procurement Manager ANZ	2012	2009 Code of Ethics issued to all Suppliers and required supplier CEO sign-off	Written procedure	Document the review process and minutes of meetings.
3. Continue to purchase packaging materials with recycled content and recyclability, while ensuring food safety and quality standards are met.	ANZ Procurement Manager Packaging	Current	Reviewed continually in line with technological development	N/A	Present products are packaged in recycled and recyclable carton board and corrugated



#### 4.2.4 Recycling – KPI 5

***Covenant KPI 5: Additional tonnes of material reprocessed in primary and secondary markets as a result of Covenant-funded projects***  
***Covenant target: 70% recycling rate for used packaging materials by 2015***

Individual signatories are not required to report against this KPI as it applies to the Covenant as a whole and signatories that have received Covenant funding.

However, Kellogg is supporting the achievement of the KPI by making an annual financial contribution to the APC to support projects.



### 4.3 Product Stewardship – a demonstrated commitment to product stewardship by the supply chain and other signatories

#### 4.3.1 Product Stewardship – KPI 6

**Covenant KPI 6: Proportion of signatories that have formal processes for working with others to improve packaging design and recycling**

**Covenant target: 70% of Covenant signatories are implementing formal policies and procedures in working with others to improve design, procurement and recovery of packaging by 2015.**

Kellogg will support the achievement of this KPI by:

- Continuing to engage its major suppliers and partnering to improve the design and recycling of its packaging materials - this engagement includes requirements to initiate and report on improvements to packaging protection and reusability and transportation optimisation
- Working with others to understand and improve the carbon footprint of our products from farm to factory.

KPI 6 - Actions	Responsibility	Timing	Baseline Data	Target	Evidence
1. Integrate the SPG into formal design and procurement processes (see KPI 1 Item 3)	Shared Services Manager	September 2011	Refer Baseline Data KPI 1 Sections 3.1 and 3.2.	Documented procedure	Record of meeting and correspondence; APC Steering team minutes and actions
2. Hold regular meetings with packaging suppliers and packaging raw material producers to identify opportunities reducing environmental impacts	ANZ Procurement Manager Packaging	Current	Part of existing Supplier Development Program (SDP)	Continue present SDP and expand to need	Record of meeting and correspondence; APC Steering Team minutes and actions
3. Investigate options accessible to expand reuse or recycling of on-site waste in collaboration with suppliers and recyclers (see KPI 3 Action 6)	ES Systems Engineer ANZ	Current and ongoing to 2015	Refer Table 3.1 for present position and opportunities.	10% reduction on 2009	ES Reporting



#### 4.3.2 Product Stewardship – KPI 7

##### ***Covenant KPI 7: Proportion of signatories demonstrating other product stewardship outcomes for packaging***

Kellogg will support the achievement of this KPI by:

- Engaging with packaging raw materials suppliers to understand the development of sustainable alternatives to packaging in design, procurement and disposal
- Reporting on packaging improvements in its annual reports.

Kellogg is also committed to product stewardship in its food manufacturing facilities and supply chains, and some key initiatives are included here for completeness.

<b>KPI 7 - Actions</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Baseline Data</b>	<b>Target</b>	<b>Evidence</b>
1. Undertake research on recycling opportunities for post consumer HDPE liner material in consultation with recyclers and industry associations	ES Systems Engineer ANZ	2014	Not currently recyclable	Report outcomes and commercial feasibility	Report
2. Provide examples of packaging changes that have been achieved consistent with the principles of the Sustainable Packaging Guidelines	ES Systems Engineer ANZ	Annual	NA	Include in APC Annual Reports	SPG evaluations
3. Energy and Greenhouse Gases – continue environmental sustainability (ES) program for reducing usage/output per unit production year-in-year-out	ES Systems Engineer ANZ	Annual to 2015	Refer baseline data KPI 7 Sections 3.1 and 3.2.	10% reduction on 2005 base	Annual targets and KPI's and monthly reporting



KPI 7 - Actions	Responsibility	Timing	Baseline Data	Target	Evidence	
4. Water - continue ES program for reducing usage per unit production year-in-year-out	ES Systems Engineer ANZ		Annual to 2015	Refer Baseline Data KPI 1 Sections 3.1 and 3.2.	10% reduction on 2005 base	Annual targets and KPI's and monthly reporting
5. Waste - continue ES program for reducing waste and waste to landfill per unit production year-in-year-out	ES Systems Engineer ANZ		Annual to 2015	Refer Baseline Data KPI 1 Sections 3.1 and 3.2.	10% reduction on 2009 base	Annual targets and KPI's and monthly reporting
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)	ANZ Logistics and Procurement Manager		Annual	The baselines are being developed as learnings continue.	Continuing participation in Sustainable Agriculture Initiative and other programs.	Record of meetings and correspondence; APC Steering Team minutes and actions



### 4.3.3 Product Stewardship – KPI 8

#### ***Covenant KPI 8: Reduction of packaging in litter***

#### ***Covenant target: Continuous reduction in the number of packaging items in litter***

Kellogg will support the achievement of this KPI by:

- Reviewing the impacts of its packaging in litter and identifying any opportunities for improvement
- Encouraging consumers to dispose of packaging correctly, i.e. in a waste, litter or recycling bin
- Investigating opportunities to support general litter reduction programs.

<b>KPI 8 - Actions</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Baseline Data</b>	<b>Target</b>	<b>Evidence</b>
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.	Marketing Manager	Annual	Current information. Refer to baseline data for KPI 8 in Section 3.2.	To be developed	Information provided on RTEC and Snacks packaging.
2. Providing information on our website on the nature of our packaging and the most appropriate disposal methods.	Senior Manager Corporate Communications & Regulatory Affairs	2012	Present website information.	Annual update of website ES information	Minutes of meetings and actions taken.
3. Consider opportunities to participate in community volunteering for litter reduction	ES Systems Engineer ANZ	2012	Kellogg participation internationally in volunteering programs	Participate in one program in 2012	Assessment of available opportunities and communications to staff.