



Signatory Name: Wesfarmers Limited

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

Coles: Coles has a Responsible Sourcing strategy in place for evaluating and procuring packaging for all Coles Brand products. Coles has Coles brand guidelines in place to ensure that art work and packaging reflects the correct symbols for recycling and end of use guidelines for packaging.

Bunnings: Bunnings has a variety of policies and procedures for evaluating and procuring packaging equivalent to the SPG including: • Shipping Platform Standards • Packaging/artwork style guides for directly sourced product • Packaging evaluation guide for buyers • Intranet based packaging recycling guides, and packaging feedback tools for team members

Kmart: Kmart does not have any formal policies in line with the SPGs in relation to procuring packaging. Kmart is developing guidelines in line with the SPGs for suppliers and sourcing teams to make informed choices when reviewing packaging.

Target: Target's packaging standards and guidelines are documented and include references to the SPG. These guidelines are available to suppliers, defining Target's commitment to reducing its impact on the environment.

Officeworks: Officeworks has adopted parts of the SPG that are material to its business and uses its Packaging Recyclability Evaluation Portal (PREP) for evaluating and procuring packaging. Officeworks is in the process of establishing Packaging Requirements 'Briefing Guides' for private label packaging categories which is in line with the SPGs.

Wesfarmers Industrial and Safety (WIS): WIS does not have a documented policy and procedure for evaluating and procuring packaging using the SPGs. WIS does has a supplier on boarding pack which includes some elements of the SPG, to help suppliers with evaluating and procuring 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.	<p>COLES</p> <p>In 2016 Coles has developed a new Sustainable Packaging Policy and associated packaging materials analysis tool based on the SPGs.</p> <p>A Coles Brand Sustainable Packaging Project plan has been developed to implement the SPGs and includes the following steps:</p> <ol style="list-style-type: none"> 1. Establish working group for Sustainable Packaging. 2. Recycling industry validation of 'recyclable' materials. 3. Finalise packaging materials analysis tool. 4. Embed policy and materials selection into products approval process. 5. Embed packaging materials data and policy alignment into product specifications on Coles Fusion (supplier management system). 6. Develop new potential primary packaging labelling formats. 7. Roll out new labelling formats (<i>approval dependent</i>). 8. Promote film plastics recycling service through REDCycle at Coles supermarkets. 9. Expand film plastics recycling service (<i>approval and funding dependent</i>). 	<ol style="list-style-type: none"> 1. <i>Working Group established and active.</i> 2. <i>Achieved. This has been embedded into the Coles Fusion supplier and product management system for packaging specifications.</i> 3. <i>Finalised and embedded into Coles Fusion supplier and product management system.</i> 4. <i>Policy embedded. One example for 2016 is moving from a 43g Polypropylene bottle for Coles Fruit Cup Cordial to a 45g PET bottle, which is more widely recycled in kerbside services. Coles sells approximately 1.5m units per year of this product, across 2 flavours in national distribution.</i> 5. <i>Embedded into the new Coles Fusion supplier and product management system Going forward Coles Fusion will give us improved data on packaging formats, materials and volumes.</i> 6. <i>New labelling formats have been drafted. Coles intends to implement the system that the APCO makes available to members.</i> 7. <i>To be achieved in FY18.</i> 8. <i>Increased promotion to customers via social media, Coles Magazine and in-store.</i> 9. <i>A trial of Coles Online customer film plastics recycling has been established. In the trial, customers in the trial area will be able to give their plastic bags and film packaging to the driver who will return it to store for recycling through the REDCycle program. If the trial is successful, the initiative will be extended to all Coles Online fulfilment areas serviced by the program.</i>

<p>2.</p>	<p>BUNNINGS</p> <p>Target 1 - Bunnings will continue to identify and implement shipping packaging efficiencies at Distribution Centres to optimise product / pallet intensity and reduce the number of pallets used/shipped.</p> <p>Target 2 - Bunnings will continue to engage with the business and broader team to identify packaging efficiencies using the “team ideas” merchandise campaign. Key initiatives will be tracked for progress of implementation and result achieved.</p> <p>Target 3 - The existing “Buyers packaging guide” will be incorporated into supplier trading terms to communicate requirements throughout the supply chain.</p> <p>Target 4 - Bunnings will survey selected major packaged goods suppliers annually to evaluate packaging improvement implemented.</p>	<p>1. New shipping platform standards have been introduced supported by video and filmed in English, Cantonese and Mandarin to help further reduce the amount of waste coming through the supply chain.</p> <p>Bunnings achieved a 7% reduction in single use pallets. That’s 30,315 less pallets through increased transport efficiencies by maximising available space in domestic transport.</p> <p>2. A survey was conducted with selected stores' goods receivables teams to identify products with excess packaging. 32 products were identified as having opportunities for improvement. As an example, work is being conducted to address this with suppliers in the garden hand tool category; including removing foam packaging, reducing carton box heights, removing plastic bags, and removing hessian bags where they provide no safety or quality function.</p> <p>3. Packaging Guidelines for directly sourced product have been enhanced to incorporate further examples of packaging efficiencies for our manufacturers. These include:</p> <ul style="list-style-type: none"> • avoiding non-recyclable materials (e.g. polystyrene, polypropylene), • maximising units per carton intensity, • eliminating unnecessary packaging i.e. void space, layers, thickness, weight. <p>4. Surveyed a sample of top 100 suppliers and implemented further packaging efficiencies, including transitioning from non-recyclable plastic blister packaging to recyclable cardboard, reducing the overall size of the packaging, leading to increased carton/pallet intensity. Replacing polystyrene fillers and MDF crates with reusable and recyclable dunnage bags. By reducing the overall footprint of 5 of its products, one supplier will reduce its use of cardboard by approximately 20%, equating to approximately 22,250 carton boxes.</p>
<p>3.</p>	<p>KMART</p> <p>Kmart will integrate SPG principles into guidelines for suppliers, designers and sourcing teams for new and existing packaging</p>	<p>In 2016 Kmart completed the following actions to reduce existing packaging in line with the principles of the SPGs:</p> <ul style="list-style-type: none"> • Commenced implementation of a new approach to reduce cardboard packaging through the supply chain for all apparel items • Minimised shelf-ready packaging and trays, and replaced many packaging items with swing tags and stickers. <p>The feasibility of further integration of SPG principles into guidelines will be reviewed in 2017 in collaboration with Kmart’s Head of Quality for General Merchandise.</p>

4.	<p>TARGET</p> <p>Target 1 - Target's packaging working group to be reformed to coordinate the implementation of the SPG and develop strategies to adhere to the APC goals for key product categories.</p> <p>Target 2 – Process reviewed to ensure the packaging of all new products are reviewed and all packaging style guides/guidelines include current references to the SPG</p> <p>Target 3 – Re-develop 'excessive packaging register' that highlights instances of inefficient packaging and convey information to relevant buyers in order to take up the necessary action with suppliers</p>	<p>1. Following the department stores restructure, the working group and strategy is under review.</p> <p>2. References to the SPG are currently in SRP Guidelines (International Transit Packaging Standards) and the Footwear Quality Manual. The packaging department commenced updates to existing style guides and now include references to the SPG. These will be rolled out in 2017.</p> <p>3. A new Packaging Manager for Hardgoods has recently been appointed in our Asia Sourcing Office. Works will commence on packaging sustainability initiatives in the following months.</p> <p>The Apparel and Footwear teams in our Asia Sourcing Office will further review transit packaging methods during the first half of 2017; and evaluate and work with our vendors to reduce unnecessary packaging</p>
5.	<p>OFFICEWORKS</p> <p>Training on SPG guidelines (or equivalent) provided to key team members responsible for the sourcing of private label products. Incorporate the requirements of the SPG to the training.</p>	<p>Officeworks has adapted parts of the SPG that are more material to its business and utilises the Packaging Recyclability Evaluation Portal (PREP) for packaging assessment. This assessment is used on all private label product packaging.</p> <p>A Packaging Requirements 'Briefing Guides' is being developed for private label packaging categories.</p>
6.	<p>WESFARMERS INDUSTRIAL AND SAFETY</p> <p>WIS - Implement the sustainable product and packaging guidelines which are aligned with the Sustainable Packaging Guidelines.</p> <p>Conduct a supplier survey to identify further opportunities to improve packaging design. We want to review the supplier survey and see what improvements can be made.</p>	<p>WIS has implemented the sustainable product and packaging guidelines which were distributed to National Category Managers and Brand Managers, and are aligned with the Sustainable Packaging Guidelines.</p> <p>WIS also has 'Consolidating and Packaging Freight' guidelines to reduce freight costs and environmental impact which are distributed to all relevant teams.</p> <p>WIS has conducted a supplier survey to identify further opportunities to improve packaging design. WIS want to review the supplier survey and see what improvements can be made.</p>

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

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.	<p>COLES</p> <p>Target 1. Customers</p> <ol style="list-style-type: none"> 1. Maintain film plastics recycling services through REDCycle for at least 500 metropolitan stores. 2. Expand service to additional stores where possible. 3. Promote the film plastics recycling service to customers through product labelling and in-store signage. <p>Target 2 - Coles Operations</p> <ol style="list-style-type: none"> 1. Maintain commercial recycling services at all stores and DCs. 2. Investigate reverse logistic options for additional recyclable material consolidation at DCs. 3. Increase and maintain education of team members to increase the diversion of recyclable materials and decrease contamination. 4. Continue education for DC team members. 5. Continue education for store team members. 	<ol style="list-style-type: none"> 1. Customers <ol style="list-style-type: none"> 1. Service maintained and running very successfully. 2. Reverse logistics from stores to Coles' DCs is currently being investigated as a solution for regional stores. 3. New labelling formats have been drafted. Coles intends to implement the system that the APCO makes available to members. 2. Coles Operations <ol style="list-style-type: none"> 1. Maintained. 2. Reverse logistics from stores to Coles' DCs is currently being investigated as a solution for regional stores. 3. A working group has been established to specifically address issues at the Coles' Melbourne Store Support Centre for waste diversion and recycling contamination. 4. Continued. 5. Continued.
2.	<p>BUNNINGS</p> <p>Target 1. Bunnings will continue to optimise existing store level recycling of cardboard and plastics with an aim to further reduce landfill waste levels.</p> <p>Target 2: Conduct further industry outreach to test viability and build capacity to support wider range of plastic packaging recycling at stores (EPS, PP)</p>	<ol style="list-style-type: none"> 1. Rolled out training on waste efficiencies to store network resulting in a 25% reduction in waste to landfill from 144,000 m3 to 110,000 m3 which translated to a \$1.8 million decrease in waste costs on a store like for like basis. NSW metro store network moved to use a MERF facility for recycling general waste, resulting in a reduction of 30,000 m3 of waste to landfill. 2. Currently investigating feasibility of a pilot program with Victorian plastics supplier to offer a plastic pot recycling program at 6 of its Victorian stores.

3.	<p>KMART Action 1 – Review options for reducing polystyrene in general waste Action 2 – Maintain all onsite recycling systems for recycling used packaging</p>	<p>Action 1 - Kmart engaged a new waste contractor with the capability to recycle polystyrene in metro areas. We intend to trial this solution in our Melbourne and Sydney stores in 2017 and, if successful, expand to other locations over time.</p> <p>Action 2 – Kmart reused or recycled 47,000 tonnes of packaging and faulty or damaged goods in FY16.</p> <p>As part Kmart's Better Together sustainable development program, in 2016 we commissioned an independent review of our store waste and recycling data and systems with the aim of setting a long-term target to reduce waste-to-landfill. Along with the establishment of a target, the review identified a number of opportunities for improvement, including better separation and recycling of flexible plastic and cardboard, and the reduction or recycling of polystyrene packaging. In 2017, we will establish an action plan to address these opportunities.</p>
4.	<p>TARGET Target 1 – Review inclusion of more materials and stores in upcoming recycling waste tenders. Target 2 – Review economics of comingled collections in upcoming recycling and waste tenders</p>	<p>Action 1 - During 2015/2016 we collected 21,129 tonnes of materials for recycling from our sites. This also included IT equipment, fixtures & fittings, store cages and some product waste from soiled and damaged merchandise.</p> <p>Action 2 - In 2016 a review of the waste collections was completed and changes made to optimise the frequency of waste collections in our stores. The review of waste and recycling contracts did not proceed in FY16 following a business restructure and review of strategy. In 2017 the Department Stores procurement division will prepare both waste and recycling contracts to go to market. As part of this process, Target is seeking proposals from waste collection and recycling providers on solutions to reduce our waste stream and increase recycling. The procurement process involves the optimisation of the waste and recycling streams, including options such as comingled recycling and additional recycling streams such as polystyrene.</p>
5.	<p>OFFICEWORKS Maintain on-site recovery systems to recycle key packaging materials, including soft plastics, cardboard and paper.</p>	<p>All Stores are equipped with appropriate on-site recovery systems to recycle key packaging materials, including soft plastics, cardboard and paper, and bottles and cans.</p> <p>A recent tender resulted in the consolidation of waste and recycling service to a single service provider. The single service provider model has made it easier for our network of over 160 stores to recycle through consistent signage and a national education and awareness program.</p> <p>Landfill diversion key performance indicators have been established in the agreement to further drive innovation in partnership with the service provider.</p> <p>Officeworks will continue to monitor and improve resource recovery through our monthly store recycling reports.</p>
6.	<p>WESFARMERS INDUSTRIAL AND SAFETY All WIS sites are supported by recycling services for cardboard and plastic.</p>	<p>All WIS sites (with the exception of some regional centres) are supported by recycling services for cardboard and plastic.</p>

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

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)

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.	<p>COLES The Coles Brand Sustainable Packaging Policy includes an objective of increasing the recycled content. Actions to be undertaken include:</p> <ol style="list-style-type: none"> 1. Track recycled content of primary packaging through Coles Fusion product specifications. 2. Report recycled content in Coles Brand Primary packaging. 	<ol style="list-style-type: none"> 1. <i>This tracking ability has been embedded into the new Coles Fusion system. Specifications are all expected to be complete in late FY17.</i> 2. <i>To be completed in FY18.</i>
2.	<p>BUNNINGS</p> <ol style="list-style-type: none"> 1. The Bunnings packaging guide stipulates a preference, where feasible, for recycled content in packaging. Bunnings preference for use of recycled packaging material where feasible, will be communicated via the Packaging Guide incorporated in suppliers trading terms. 2. Bunnings will evaluate the current level of recycled content packaging used in selected direct sourced products to confirm the baseline and optimum levels of use. 3. Bunnings will evaluate, with view to increasing where feasible, the recycled content in the range of cardboard storage cartons, and floor protection product sold. 	<ol style="list-style-type: none"> 1. Packaging Guidelines for directly sourced product have been enhanced to incorporate further examples of packaging efficiencies and stipulating preference for use of more readily recyclable cardboard instead of polystyrene and blister packaging. 2. Planned for 2017 reporting period. 3. Planned for 2017 reporting period.
3.	<p>KMART Action 1 – Review commercial feasibility of recycled content in packaging and shopping bags</p>	<p>Kmart has commenced a review of options to replace single-use plastic bags in some states. This includes looking at options that may include some recycled content. The business expects to complete this review in 2017.</p>
4.	<p>TARGET Target 1 – Establish a packaging working group to discuss the development of a sustainable purchasing policy/procedure</p>	<p>There is no current working group in place however Target reference the SPG in the SRP Guidelines (International Transit Packaging Standards), the Footwear Quality Manual and style guides (commencing 2017). Known products containing recycled content include:</p> <ul style="list-style-type: none"> • PVC display bags for Target quilt cover sets replaced by fabric bags made from offcuts (excludes Target Essentials) • Hangers (TIC Group) • Recycled Film EarthAware air pouches (contains 95% pre-consumer recycled material) are used as a filler for online deliveries

5.	<p>OFFICEWORKS Maintain existing policy, 'Responsible Forest Products Purchasing Policy' that favours 100% recycled content or FSC certified products.</p> <p>Maintain internal targets for purchase of private label products made from recycled materials.</p>	<p>Our 'Responsible Forest Products Purchasing Policy' details preference towards 100% recycled content or FSC sources.</p> <p>We have established an internal target for sourcing private label office supplies forest products from either 100% recycled or FSC certified sources. Currently, more than 90% of private label paper products come from either 100% recycled sources or are FSC certified.</p> <p>Our online orders are packaged in cartons with 100% recycled content. Where the size of the order is too small, a Kraft bag is used to minimise excessive packaging.</p>
6.	<p>WESFARMERS INDUSTRIAL AND SAFETY All WIS sites undergo a waste audit at least once per year with their waste service producer to help further improve stores' behaviours around recycling.</p>	<p>All WIS sites have undergone a waste audit at least once in the last year and up to twice per year for large sites.</p>

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

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)

All divisions are members of the Wesfarmers sustainability forum which collaborates on packaging, waste and recycling initiatives across the different retail divisions.

Coles:

- Coles' Sustainable Packaging Policy is actively communicated with suppliers. Coles product technologists work with suppliers to ensure packaging design and specifications meet the requirements of the Policy.
- Coles has transitioned a significant number of fresh produce products to returnable reusable crates, significantly reducing single-use transport packaging in the fresh produce supply chain.
- Coles continues to explore returnable crate configurations and options for further fresh produce categories, and plans to increase penetration of crates into fresh produce by 30% over the next 4 years. In 2015 Coles trialled a returnable egg carton crate with a selected egg supplier.
- Coles is also active on several industry working groups, including the APC industry network and the Ministerial Roundtable on Plastic Shopping Bags.

Bunnings:

- Bunnings references the APC in its supplier trading terms, emphasising a collaborative approach to packaging improvements
- 6 of Bunnings top 15 suppliers of products in the fixings, garden and electrical categories, have identified and implemented packaging efficiencies, for example:
 - transition from 100% virgin polypropylene to fully recycled polypropylene
 - increasing units per carton / pallet intensity
 - improved tooling to enable light-weighting of polypropylene in their product containers.
 - replacing use of plastic blister packs with recyclable cardboard
 - converting secondary cardboard packaging into dual purpose transport / shelf ready display cartons

Officeworks:

- Officeworks has partnered with Planet Ark to develop the Australian Recycling Label to reduce confusion on packaging recyclability for consumers. It is hoped that through APC's support, this may be adopted as the industry standard for recyclability claims on packaging.
- Officeworks established a packaging working group consisting of team members from different departments, with the purpose of identifying ways to integrate packaging requirements within the business.
- Officeworks include packaging requirements within Supplier Terms and Conditions.

Kmart:

- Kmart Supply Chain and Sourcing teams are working with Asian-based suppliers and factories to optimise the use of cardboard cartons used for transporting finished goods. New processes and a Supplier Packaging Manual are being implemented. The current focus is apparel, but this will eventually be extended to the whole business.
- Kmart works with its suppliers and factories to trial more efficient packaging designs. Based on the results of trials, new approaches are then extended across the supplier base.

Target:

- Packaging standards and guidelines in line with the SPG are available to suppliers. Sustainable packaging and waste/recycling has been incorporated as a 'closed loop' program in Target's companywide reengineering program called 'Factory to Customer'. This forum has raised the profile and relevance of packaging selection and disposal with key stakeholders and places these activities in a companywide context.
- Target is also working with TIC Group on a hanger program, E-Waste solutions and metal recycling.

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.	<p>COLES</p> <p>Coles has established a produce crate cycling program which significantly reduces transport packaging in our fresh produce supply chain.</p> <ol style="list-style-type: none"> 1. Increase the use of returnable produce crates (RPCs) for deliveries of product to stores. 2. Explore expansion of system as appropriate to meat supply chain, based on Life Cycle Assessment. 	<ol style="list-style-type: none"> 1. <i>During the period, RPCs replaced EPS boxes in the broccoli supply chain. Coles worked with our suppliers to implement a recyclable film inlay solution to allow for ice to be packed around the product and reduce water leakage in transport.</i> 2. <i>On-going investigation.</i>
2.	<p>BUNNINGS</p> <p>Target 1 - In its trading terms, Bunnings expects suppliers of pre-packed products, to develop action plans in accordance with APC standards, to ensure product packaging design is optimised to minimise both environmental impact and the use of non-recyclable materials.</p> <p>Target 2 - Bunnings will continue to evaluate key supplier's uptake in membership to the APC and progress with action plans.</p> <p>Target 3 - Bunnings will investigate baseline data and opportunities to reduce or substitute the use of non-recyclable Expanded Poly Styrene (EPS) in product packaging.</p>	<ol style="list-style-type: none"> 1. According to Bunnings trading terms, all suppliers including non APC members are required to adopt sustainable packaging principles. 2. 39% of its top 100 suppliers are now APC members. 6 of these are recent signatories. 3. Planned for 2017 reporting period.
3.	<p>KMART</p> <p>Action 1 – Integrate SPG into supplier packaging guides</p> <p>Action 2 – Reduce cardboard packaging through carton optimisation</p>	<p>Action 1 – this action is still under review by Kmart's supply chain team. A 10-year roadmap is being developed to replace, reduce, reuse or recycle all forms of supply chain packaging. It's expected this roadmap will be completed in 2017.</p> <p>Action 2 – Kmart has continued to implement a new approach to eliminate the majority of cardboard packaging used for Apparel items. Roll-out will continue through 2017.</p>

5.	<p>OFFICEWORKS</p> <p>Target 1 - Maintain packaging working group consisting of team members from different departments, with the purpose of identifying ways to integrate packaging requirements within the business.</p> <p>Target 2 - Work with waste contractors to improve collection and recycling of packaging within Stores.</p> <p>Target 3 - Work with other users of the Australian Recycling Label.</p>	<p>1. Officeworks' packaging working group consist of team members from different departments, with the purpose of identifying ways to integrate packaging requirements within the business.</p> <p>2. An Apple application has been developed to find continuous improvement opportunities in packaging. The application allows store team members to take a photo of excessive packaging or opportunities for improvement and report back into the buying category. The program has been communicated to over 7000 team members. The closed loop approach has improved packaging outcomes and reduce unpacking hours.</p> <p>3. Officeworks has joined the APC Labelling working group to share its experience with the development of a label program.</p> <p>We also share experience with other Wesfarmers divisions on our focus areas and successes.</p>
6.	<p>WESFARMERS INDUSTRIAL AND SAFETY</p> <p>A packaging review template is used to assess Global Sourcing suppliers and some domestic suppliers.</p>	<p>Packaging review template to be reviewed post range rationalisation project.</p>

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

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.	<p>COLES</p> <p>Coles has the following product stewardship programs developed for implementation over the Action Plan period:</p> <ol style="list-style-type: none"> 1. Shopping bag reduction plan. 2. Sustainable Timber Pulp and Paper – Policy and processes to move to sustainable certified (FSC or PEFC) products. 3. Ethically Certified Tea, Coffee and Cocoa - UTZ/Fairtrade/Rainforest Alliance <p>Actions include:</p> <ol style="list-style-type: none"> 1. Establish working group. 2. Review and refresh shopping bag reduction plan 3. Implement shopping bag reduction plan. 4. Expand film plastics recycling service (<i>approval and funding dependent</i>). 	<ol style="list-style-type: none"> 1. Working Group established and active. 2. Underway. Online challenges in particular are under investigation, looking for appropriate solutions. 3. Planned for FY18. 4. On-going.

2.	<p>BUNNINGS Target 1 - Continue to investigate opportunities with manufactures and or National and State government bodies to support product stewardship programs, including "Paintback" and "Batteryback".</p> <p>Target 2- Bunnings will liaise with Government stakeholders to evaluate the opportunities to support reverse vending machines as part of state level Container Deposit Scheme pilot programs.</p> <p>Target 3- Explore sustainable coffee cup option for in-store cafes.</p>	<p>1. Post the completion of the State funded battery recycling program, self-funded "Batteryback" bins are in place at 10 of its stores in Victoria. Recorded a 28% increase in batteries collected, resulting in a total of 2.5 tonnes of batteries collected.</p> <p>2. Engaged with WA's municipal council association to explore the potential role of Bunnings in supporting a future container deposit scheme.</p> <p>3. Introduced recyclable, sustainably certified FSC coffee cups across all in-store cafes.</p>
3.	<p>KMART Target 1 – Develop a sustainable materials and sustainable factories strategy</p>	<p>Kmart is finalising the strategy, targets and an implementation roadmap for sustainable materials and factories. The business will commence implementation of the roadmap in 2017.</p>
4.	<p>OFFICEWORKS Target 1 - Review current product stewardship programs. Add programs for products being sold in store which cannot be recycled through existing kerbside collections.</p> <p>Target 2- Continue to liaise with Government on the development of product stewardship programs.</p>	<p>1. Officeworks continues to lead in driving product stewardship outcomes.</p> <p>We have increased the collection of printer cartridges for recycling by 58,000 to 947,349 cartridges. Over the past year we also collected 390,651 kilograms of computers and accessories through the 'BringITback' program and the equivalent of 41,364 mobile phones and batteries for recycling.</p> <p>Understanding that not everything is cost effective to recycle, Officeworks was the first Australian retailer to have partnered with Terracycle to range a product called the 'Zero Waste Box'. We have a range of zero waste boxes that enables our customers to recycle used products such as coffee pods, pens and markers, or office supplies product that were otherwise destined for landfill.</p> <p>2. Officeworks continues to be an active participant of the Battery Implementation Working Group with trials occurring in our Toowoomba store recently.</p>
5.	<p>KMART, TARGET, OFFICEWORKS Kmart, Target and Officeworks are liable parties under the National Television and Computer Recycling Scheme, which is a co-regulatory scheme.</p>	<p>This year, Target, Kmart and Officeworks funded the collection and recycling of more than 142 tonnes of unwanted televisions and computer waste, under the National Television and Computer Recycling Scheme Product Stewardship Agreement</p> <p>In addition, our businesses reused or recycled:</p> <ul style="list-style-type: none"> • IT equipment • Store fixtures and fittings • Pallets • De-commissioned black store cages • Faulty or damaged goods returned to store

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

Coles: Coles transports broccoli more sustainably <http://www.sustainability.wesfarmers.com.au/case-studies/environment/coles-transport-broccoli-sustainably/>
 Bunnings: Bunnings product stewardship initiatives see here: <http://www.sustainability.wesfarmers.com.au/case-studies/environment/bunnings-product-stewardship-initiatives/>
 Coles, Target and Kmart: Target, Coles and Kmart recycle clothes hangers see here: <http://www.sustainability.wesfarmers.com.au/case-studies/environment/hangers-rack-up-for-recycling/>
 Wesfarmers Industrial and Safety: NZ Safety Blackwoods put product stewardship front and centre see here: <http://www.sustainability.wesfarmers.com.au/case-studies/environment/nz-safety-blackwoods-put-product-stewardship-front-and-centre/>

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

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.	Coles. Actions include: <ol style="list-style-type: none"> 1. Establish working groups for Bag Reduction and Sustainable Packaging. 2. Review and refresh shopping bag reduction plan. 3. Develop new potential primary packaging labelling formats. 4. Roll out new labelling formats (<i>approval dependent</i>). 5. Promote film plastics recycling service at Coles supermarkets. 6. Expand film plastics recycling service (<i>approval and funding dependent</i>). 	<ol style="list-style-type: none"> 1. <i>Working groups have been established and are active.</i> 2. <i>Underway. Online challenges in particular are under investigation, looking for appropriate solutions.</i> 3. <i>New proposed labelling has been designed for discussion with the recycling industry and the APC.</i> 4. <i>Planned for FY18.</i> 5. <i>Increased promotion to customers via social media, Coles Magazine and in-store</i> 6. <i>Reverse logistics is being investigated by the Operations team to assess the viability of services regional stores through DC consolidation of material.</i>
2.	BUNNINGS Target 1 - Bunnings ceased the use of single use plastic shopping bags in 2008 as a response to the litter risk. Strong housekeeping protocols around its sites and product types tend not to be unwrapped and dumped in public areas. See action listed in KPI 7	Continued supply of free cardboard boxes to customers. Existing controls continue to be effective.
3.	KMART Target 1 – Develop a reduce, reuse, recycle strategy for plastic shopping bags	Kmart has commenced a review of options to replace single-use plastic bags in some states. It's expected this review will be completed in 2017.

4.	<p>TARGET Target 1 - Further investigate types and quantities of materials currently being disposed of to landfill and which could be diverted to recycling.</p> <p>Target 2 – Refresh Target/Alannah & Madeline reusable shopping bag offer and promotion program</p>	<p>Target 1 - During 2015/2016 we collected 21,129 tonnes of materials for recycling from our sites. This also included IT equipment, fixtures & fittings, store cages and some product waste from soiled and damaged merchandise.</p> <p>Target 2 - Target's current in-store bag offer includes:</p> <ul style="list-style-type: none"> • Alannah & Madeline 'Bag for Life' (Jute) \$4 • 3 x red A&M reusable bags - \$1 and \$2 <p>Bag profits are donated to the Alannah Madeline Foundation. The shopping bag offer will be reviewed in 2017.</p>
5.	<p>OFFICEWORKS Implementation of the Australian Recycling label on private label packaging to make it easier for consumers to recycled or dispose of packaging.</p> <p>Ongoing participation in Clean Up Australian Day.</p>	<p>As part of Officeworks' ongoing commitment to making a positive difference, members of the Officeworks merchandise team worked together for Business Clean Up Australia Day in 2016. The day was an opportunity for the Officeworks team to improve the health and appearance of the local environment. With more than 60 team members volunteering a total of 320 hours at both Karkarook and Braeside Park in Melbourne, Victoria, the team were able to collect the equivalent of 131 bags of rubbish across 350 hectares.</p> <p>Officeworks was proud to receive the award for the 'Most bags collected' per participant by the APC.</p>
6.	<p>WESFARMERS INDUSTRIAL AND SAFETY Our products are sold to commercial and industrial customers and rarely enters the litter stream.</p>	<p>WIS' brand guidelines for directly sourced product stipulate to suppliers the requirement for product packaging to show the appropriate symbols for recycling and proper disposal of packaging.</p>

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

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

Coles:

- SPG principles have been embedded into a new Coles product specification system to drive the new Coles Sustainable Packaging Policy.
- The Coles Broccoli supply chain has moved from expanded polystyrene (EPS) boxes to returnable Coles crates with a recyclable waterproof inner sheet to prevent ice leakage.

Kmart:

- Successfully piloted a new approach to reduce apparel supply chain packaging – replacing cardboard cartons with reusable bags. Approach will now be implemented by all of Kmart's apparel suppliers.
- Commercially feasible solution to recycle polystyrene has been identified and to be trialled in Melbourne and Sydney metro stores in 2017.

Target:

- All packaging of all new products is reviewed and references to the SPG are now in all Target Packaging Standards and Style Guides
- All silica gel packs used to avoid mould contamination in apparel, footwear and accessories have been replaced by recyclable micro packs

Officeworks:

- The implementation of an Apple application allows store team members to provide packaging feedback to the Officeworks buying teams.
- The continued roll out of the Australia Recycling Label makes it simpler for customers to recycle packaging.

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

Coles:

- Coles is keen to work with the APC in developing and implementing a national consistent recycling labelling scheme, as appropriate materials labelling for recycling is currently a challenge.

Kmart:

- A commercially feasible solution to recycle polystyrene packaging is not yet available in all metro and regional areas
- Capacity challenges has limited progress in reducing plastic packaging on general merchandise products

Target:

- The review and improvement of on-site recovery in upcoming recycling and waste tenders was placed on hold following a business restructure and review of strategy
- A commercial business decision was made to end the delivery method of hanging apparel lines on hanging racks, reducing freight costs and environmental impact. These lines are now delivered in a coffin cardboard box which may contribute to an increase in cardboard recycling numbers

Officeworks:

- There are continued challenges to resource packaging design due to the limited environmental impacts of packaging in the categories in which we retail. The focus has been on material issues such as the product sourcing or end of life considerations, both with higher life-cycle environmental impacts.
- There will be significant cost implications to change packaging artwork if the Australian Packaging Covenant Organisation develops a new packaging recycling label that differs from the current mainstream label.