

Wesfarmers Limited

Australian Packaging Covenant Action Plan 2014-2016



Introduction

From its origins 100 years ago as a Western Australian farmers' cooperative, Wesfarmers has grown into one of Australia's largest listed companies.

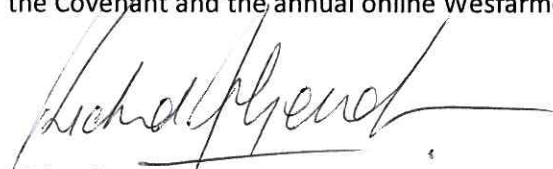
The scale and scope of our company means our footprint extends into nearly every local community and economy in Australia and New Zealand. This means we have a significant responsibility, both to our customers and the communities in which we operate, to operate our businesses in a sustainable manner.

This year, we have launched our 10 Community and Environmental Impact principles, one of which is: *we will strive to reduce our waste to landfill and water use where possible.*

As well as our direct waste to landfill, we are conscious of the waste that is created elsewhere in the value chain as a result of our businesses. This includes upstream at our suppliers and downstream by our customers when using products purchased from our businesses. Each of the company's retail businesses, Coles, Bunnings, Officeworks, Kmart, Target and Blackwoods, aims to develop and implement innovative solutions that reduce the environmental impact of packaging used, while ensuring that packaging continues to protect product integrity.

This Australian Packaging Covenant Action Plan provides our approach to packaging across our businesses, which meets the Covenant's goals and allows each business to develop its own actions that align with its commercial requirements and customer and community footprints.

I am pleased to present this Action Plan to the Australian Packaging Covenant Council, for the period 2014 to 2016, with our commitment to keep the Covenant Council and our many stakeholders aware of our progress in achieving sustainable packaging. This will be done through annual reporting under the Covenant and the annual online Wesfarmers Sustainability Report.



Richard Goyder

Managing Director

November 2014

Wesfarmers commitment to the Australian Packaging Covenant

Wesfarmers, through its retail businesses, has been involved with all predecessors of the Australian Packaging Covenant (APC) since 2000. The Coles Group participated in the development of the National Packaging Covenant (NPC) in 1999 and was the first major retailer to sign the NPC Mark I in 2000, then Mark II in 2006. Bunnings has also been involved in its own right for many years. In 2008 Wesfarmers became a signatory to the NPC to represent all of its retailing brands and in 2010 we registered for the Australian Packaging Covenant.

Company summary

From its origins in 1914 as a Western Australian farmer's cooperative, Wesfarmers has grown into one of Australia's largest listed companies and employers. Our broad portfolio of diversified businesses includes retail operations covering supermarkets, home improvement, general merchandise and specialty department stores, fuel and liquor outlets, and office supplies. Wesfarmers' industrial operations include coal mining, chemicals and fertilisers, gas processing and distribution, energy generation, and industrial and safety product distribution. Our operations are largely in Australia, with some significant activities in New Zealand, but importantly from the APC perspective we source considerable volumes of packaging from those two countries as well as through imports (generally containing or supporting purchased products) from many countries, principally China and Bangladesh.

Our operating revenue is in excess of AUD\$59 billion. We employ approximately 207,000 people and many more people in many countries indirectly benefit from the business we transact.

Wesfarmers' diversified structure, in terms of the range of its businesses and the group's geographical spread across Australia and New Zealand, means the company is responsible for managing a wide range of environmental issues. Because of this diversity, we require business units to develop policies and procedures that are relevant to their particular circumstances while ensuring these policies and actions are line with our principle to reduce our waste to landfill and water use where possible and our commitment to the Australian Packaging Covenant.

Position in the packaging supply chain

The following Wesfarmers' Divisions and retail businesses are actively participating in the Australian Packaging Covenant through this Action Plan:

- Coles (*retailer of consumer products*)
- Bunnings (*retailer of consumer products*)
- Target (*retailer of consumer products*)
- Kmart (*retailer of consumer products*)
- Officeworks (*retailer of consumer products*)
- Wesfarmers Industrial and Safety (*retailer of consumer products and industrial and safety consumables*)

All our businesses are significant retailers of their own variously branded products which are included in this Action Plan. They also retail products made by other manufacturers and suppliers that are also signatories to the APC.

Wesfarmers Brands

Within our retail businesses we operate using many different brands, which also change from time to time. We have not attempted to list them all here but will be able to discuss the range of brands with the APC Secretariat should this be required. Our objective is to meet and exceed the requirements of the APC for all packaging. Many packaging issues (e.g. reducing cardboard packaging in transport) are common across most brands and most products.

Packaging materials and formats

Wesfarmers, through its businesses, uses, manages and retails many diverse ranges of packaging that cover almost the entire scope of packaging types and activities considered by the Covenant. Given this situation it is not feasible or useful to list all the packaging materials and formats here. Queries regarding specific packaging formats can be directed to “Covenant Contact(s)” identified on page 9. The commentary in the “Schedule for Packaging Reviews” section on page 10 also provides some general detail about the types of packaging used by our businesses.

The predominant packaging used across our businesses are cardboard and paper (both as a protection for products and also to enable easy handling of small items) and plastics. More specific packaging materials are used by Coles for food.

Covenant contact

For further information regarding this APC Action Plan, our resulting APC annual reports or any other APC matters, please contact:

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For divisional specific matters, please contact:

Divisions	Contact	Position	Email
Coles	Majella Clarke	Community and Sustainability Manager	Majella.clarke@coles.com.au
Bunnings	Mark Gomm	Risk/ Sustainability Manager	mgomm@bunnings.com.au
Target	Laura Tome	Sustainability Adviser	Laura.Tome@target.com.au
Kmart	Joel Leske	Sustainability Adviser	Joel.Leske@kmart.com.au
Officeworks	Lok-Man Shu	Sustainability Manager	LSHU@officeworks.com.au
Wesfarmers Industrial & Safety	Patrick Heagney	Sustainability Project Analyst	Patrick.Heagney@wisau.com.au

Schedule for packaging reviews

As part of its commitment to the APC requirements Wesfarmers will ensure that it addresses all of the APC objectives across its retail businesses during the term of this Action Plan. The nature of our businesses means that at various times in the business cycle they will have different priorities in their packaging reviews and in pursuit of the goal of sustainable packaging, which means that at any one time each requirement of the APC may be being actioned by different businesses across the Group. This action plan is for 2 years and it will be reviewed after that time.

Internally as the businesses are conducting their own specific assessments, Wesfarmers, through our twice yearly Sustainability Forum and associated mechanisms, will share knowledge, experiences and outcomes regularly to ensure our best practice examples are able to be implemented as appropriate across the Group.

Coles

Coles is one of Australia's largest retailers, providing fresh food, groceries, general merchandise, liquor, fuel and financial services to more than 19.8 million customers on average per week through its national store network and online channels.

Coles has control over packaging for its private label products. Even though these are own branded products, Coles does not actually manufacture any products. This can lead to significant challenges when considering Coles' approach to packaging.

Operational capabilities at manufacturers are the single biggest influence (and often limitation) on the type of packaging used for Coles' own label products.

Coles does consider the packaging of any new product, which is now discussed in its new structured development process at both the kick off stage and product review stage. The environmental impact of the packaging format and material is a minuted discussion point.

The development of products and packaging is the responsibility of the Coles Brand Developers and Technologists, all of whom have been educated through internal workshops on the APC's Sustainable Packaging Guidelines

Coles is also developing a Sustainable Packaging Policy for packaging used for Coles Brand products. This is to be more customer-focused and will heavily support the use of recyclable packaging and packaging containing recycled content.

Bunnings

Bunnings is the leading retailer of home improvement and outdoor living products in Australia and New Zealand and a major supplier to project builders, commercial tradespeople and the housing industry.

Sales revenue during the year was \$8.5 billion. At year-end Bunnings employed more than 36,700 team members and operated a network of 223 warehouses, 64 smaller format stores, 33 trade centres and three frame and truss centres.

Last financial year Bunnings achieved a waste diversion rate of 66 per cent by volume resulting in a five per cent increase over five years, via various recycling and packaging initiatives. Bunnings continues to work towards its goal of 85 per cent waste diversion.

Bunnings' focus on reducing packaging waste over the last four years also included a review of more than 60 of its suppliers to identify new opportunities for improvements in product packaging and freight efficiencies. Bunnings also developed an intranet based packaging feedback tool for its stores, used by team members to identify opportunities to improve packaging and packaging efficiency.

In 2012 Bunnings issued a "Shipping Platform Standards" to its international suppliers to guide increasing efficiencies in tertiary packaging and in 2013 the company included references to the APC in its supplier Trading Terms, emphasising a collaborative approach to maximise opportunities and share best practice in relation to sustainable packaging design. In its Trading Terms, Bunnings expects suppliers of pre-packaged products to develop action plans in accordance with APC standards, to ensure product packaging design is optimised for efficiency whilst minimising environmental impact and the use of non-recyclable materials where possible.

Target

Target is a department retailer, appealing to a broad section of the Australian community with more than 300 Target and Target Country Stores. Our core product ranges include ladies wear, menswear, children's wear and nursery, accessories and footwear, homewares, electrical, toys, beauty and other general merchandise.

Through an assessment of Target branded packaging material used it was decided that it would not be practical to individually review all product SKUs. Therefore to effectively adhere to the principles of the Sustainable Packaging Guidelines (SPG) and the broader APC, Target will focus on reviewing key product categories prioritized by their packaging impact in terms of packaging material type and sales volume. Central to this approach will be the development of specific Sustainable Packaging Standards for each of our key product categories. These will be closely aligned to those strategies within the SPG that are most applicable to Target branded products. The aim of these standards will be to help buying teams work with suppliers to reduce existing excess packaging and in addition provide a checklist for team members to ensure compliance in stores.

Kmart

Kmart is one of Australia's largest retailers, with over 190 stores throughout Australia and New Zealand, product sourcing offices in Hong Kong, China, Bangladesh and India, and more than 31,000 team members. Kmart carries a range of general merchandise and apparel products and is focused on ensuring families come first for the lowest prices on everyday items.

Kmart understands the value of packaging reductions both for the environment and to lower costs. The business is committed to reviewing the amount of packaging used and working with suppliers to drive reductions where possible.

Kmart has undertaken packaging reviews across five categories so far, with a range of opportunities identified. One of the main learnings from undertaking these reviews is that it is not always possible for suppliers to change packaging given they manufacture products for retailers other than Kmart as well. However, the business has found that by talking to suppliers more about packaging, suppliers start talking to Kmart more, resulting in other opportunities being identified and developed.

The focus for the coming year is for Kmart to develop better tools for the sourcing teams to use when liaising with suppliers and factories. These tools include introducing guides outlining good, better and best alternatives to help guide packaging conversations.

Officeworks

Officeworks is Australia's leading retailer and supplier of office products and solutions for home, business and education.

As a responsible retailer, Officeworks understands it has a duty to responsibly source its products and minimise the environmental impacts of its operation. This is how Officeworks can make a positive difference to its communities, the environment and all team members.

Officeworks is committed to becoming smarter in the way it uses resources. Its approach to packaging is an important component of this. This means, where possible, Officeworks will:

- Reduce its impact on the environment through smarter use of packaging in private label products, and
- Prioritise the use of packaging material which is recycled and/or recyclable.

Over the last 4 years Officeworks has made considerable progress in this area. Most recently it established Sustainable Packaging Requirements for key packaging categories. Officeworks also developed a 'Responsible Forest Products Purchasing Policy', which formalises its commitment to sourcing products with recycled content.

In 2013, Officeworks introduced pen stands across 137 stores. The pen stand significantly eliminated the use of blister packs and reduced the size of the secondary packaging. Each pen resulted in an average reduction of 74% cardboard and 100% reduction in plastic packaging. Whilst there are still some blister packs available, Officeworks has seen a posture shift in consumer sentiment to the package free pen stand.

As detailed within its Action Plan, Officeworks is committed to integrating the principles of sustainable packaging into its everyday policies and procedures in order to ensure best environmental outcomes.

Wesfarmers Industrial and Safety

Wesfarmers Industrial and Safety (WIS) provides engineering products and industrial consumables, safety, packaging, materials handling and lifting products and services to industry and government.

WIS intends to develop a systematic approach to assessing new packaging against the APC guidelines during the 2015/16 financial years and to establish a process to evaluate packaging of existing products. Packaging in the WIS supply chain primarily consists of plastics and cardboard.

1.

Coles

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
1. Design - optimise packaging to achieve resource efficiency and reduce environmental impact					
KPI 1 – Proportion of signatories in the supply chain implementing the SPG for design or procurement of packaging. Target: 70% of Covenant signatories with documented policies and procedures for evaluating and procuring packaging using the SPG or equivalent Target: 70% of Covenant signatories assessing 100% of new packaging and 50% of existing packaging against the guidelines	Coles: We are looking to introduce a new and improved Coles Plus specification system for Coles Brand products to help capture packaging data more accurately and run specific reports. The Coles Plus system will be updated during the first half of 2015. This will allow us to capture relevant and more detailed data about the packaging we use. From there all new products will be entered into the new system, while existing products may take some time to be updated.	Adam Robinson, Coles Brand Packaging Technologist	We currently estimate the number of products reviewed each year based upon the number of artworks touched, estimated to be 1835. All Coles Brand Developers and Technologists have attended workshops on the SPG.	The new system will allow us to more accurately track the improvements we make to packaging.	Subject to funding.

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
2. Recycling - the efficient collection and recycling of packaging					
KPI 3 – Proportion of signatories with on-site recovery systems for recycling used packaging	Coles: All Coles stores have a bin for the recycling of shopping bags for customers to return these.	Jan Fitzgerald, Sustainability Program Manager, Store Development	Bins currently have a sticker promoting the program and there is information on Coles website.	Increase active education in stores to increase volume by 50% in FY15	FY15
	Approximately 500 stores have the capacity to also accept 'soft plastic' packaging from customers for recycling. Action is to increase education for customers, to increase volume of recycling.	Adam Robinson, Coles Brand Packaging Technologist	Awareness of recycling is raised via ad-hoc internal communications and via Coles Community Chest which is a comprehensive guide for stores to community and sustainability programs at Coles.	Provide an easy reference sheet for team members to increase recycling and diversion	FY15
KPI 4 – Proportion of signatories with a policy to buy products made from recycled packaging. All APC signatories will have a formal, documented policy of buying recycled products or materials	All Coles stores have recycling systems established for cardboard and clear plastic shrink wrap. Action is to increase education of team members in FY15 to increase the volume recycled of cardboard	Jan Fitzgerald, Sustainability Program Manager, Store Development		We are introducing a policy to use recycled materials in certain categories, such as for packaged cream, milk and water.	FY15

and plastic

All our DC's have cardboard and plastic recycling bailers and processes. We have recycling collections daily. We have dedicated cardboard and plastic bins in the DC's all placed at strategic locations. Pickers and fork lift drivers will drop off the respective waste types in the bins provided. Action is to continue education at DCs to ensure team members continue to recycle.

DC managers

All new starters and refresher training includes sections on waste and what is required. Our management teams have weekly inspection walks as part of their accountabilities. Waste and recycling is an integrated part of their checks. We also have dedicated cleaning teams who regularly patrol the pick aisles collecting cardboard and plastic and ensuring this is taken to the appropriate recycling skip bin.

Continue training all new starters and refresher training of all staff.

Ongoing

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
3. Product Stewardship - demonstrated commitment to product stewardship					
KPI 6 – Proportion of signatories that have formal processes for working with others to improve design and recycling of packaging Target: 70% of Covenant signatories implementing formal policies and procedures in working with others to improve design, procurement and recovery of packaging KPI 7 – Proportion of signatories demonstrating other product stewardship outcomes	Putting process in place to integrate packaging impact into new process for development of artwork for Coles Brand.	Who will be responsible for this action? Adam Robinson, Coles Brand Packaging Technologist	What is the current state of affairs? Packaging has not been a consideration early in the design process.	What will your action achieve? Packaging impact is being built into the new STEPS process, i.e. Coles artwork development process.	When will your target(s) be reached? FY15
	A new sustainable packaging strategy is currently being scoped and will be implemented as policy across Coles Brand products. In the meantime we are conducting various ad-hoc projects to improve our packaging sustainability.		54% of fresh produce crates/cartons being issued to stores are RPCs.	Increase the number of RPCs used to 60% by end of FY15 and 65% by end FY16	FY15 and FY16
	Increase the use of returnable produce crates (RPCs) for deliveries of product to stores.	Coles Brand Team	95 skus transitioned into FSC/PEFC accredited in the last 6-12 months. All Coles Brand water bottles moved into	80 new skus on plan to transition into FSC/PEFC. Use of recycled plastic being investigated for carbonated soft drinks,	FY15

recycled plastic early 2014. vinegar and cream

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
<i>3. Product Stewardship - demonstrated commitment to product stewardship</i>					
KPI 8 – Reduction in the number of packaging items in litter	Coles: Adopt the new AFGC recycling labelling system for Coles Brand packaging artwork.	Adam Robinson, Coles Brand Packaging Technologist	Very simple recycling information on pack – only using the Mobius logo.	Agreement to adopt the new AFGC recycling system.	FY15, subject to the AFGC finalising the system.
	We currently have established recycling stations in many of our newer stores that include opportunities to recycle commingled materials, and soft plastic packaging. Increase the education to customers, to assist in litter reduction.	Jan Fitzgerald, Sustainability Program Manager, Store Development	Currently no education except a sign on the bin.	Provide some targeted education material to customers where these stations are located.	FY15
	Increase education and promotion of the use of reusable bags instead of single-use shopping bags, to decrease number of plastic bags in litter.		Bags are offered for sale in prominent position at front of most Coles stores.	More communication to customers about considering using reusable bags instead of plastic bags.	FY15

Target

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
1. Design - optimise packaging to achieve resource efficiency and reduce environmental impact					
KPI 1 – Proportion of signatories in the supply chain implementing the SPG for design or procurement of packaging.	Working Group will be formed to coordinate the implementation of the SPG and develop strategies to adhere to the APC goals for key product categories.	Tech Design & Compliance Apparel & Packaging Department	N/A	Group formalised and regular meetings held.	FY15
Target: 70% of Covenant signatories with documented policies and procedures for evaluating and procuring packaging using the SPG or equivalent	Target will implement and report on the SPG through the Wesfarmers Annual Report to APC.	Sustainability team	N/A	Processes implemented to ensure the packaging of all new products are reviewed.	Progress reported annually
Target: 70% of Covenant signatories assessing 100% of new packaging and 50% of existing packaging against the guidelines	Sustainable Packaging Standards will be developed drawing from the existing footwear packaging standards to incorporate relevant SPG strategies into Target branded packaging. Packaging Standards will be	Tech Design & Compliance Apparel & Packaging Department	N/A	Ongoing reviews completed for own brand products, either separately or in suitable groupings with achievements and progress reported in each annual report	Ongoing

customised per product category focusing on primary, secondary & tertiary packaging as required.

Continue to maintain an “excessive packaging register” that highlights instances of inefficient packaging and conveys information to relevant buyers in order to take up necessary action with suppliers.

Tech Design & Compliance Apparel & Packaging Department

N/A

Ongoing

Ongoing

Through cross functional work groups Buying Teams and suppliers will gain an understanding of our APC commitments and how they apply to our specific packaging needs through the development of standards.

Tech Design & Compliance Apparel & Packaging Department

N/A

Continue to review and update as appropriate

Ongoing

Appropriate communication processes will be maintained and

Sustainability team

N/A

Review current communications, ensure best practice

Review in FY15

enhanced to ensure
Targets packaging
outcomes and the APC
and SPG objectives are
understood and are
actioned

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
2. Recycling - the efficient collection and recycling of packaging					
KPI 3 – Proportion of signatories with on-site recovery systems for recycling used packaging	All Target stores and sites have processes to collect cardboard, plastic, white paper, and selected sites with comingled waste collections and hangers for recycling.	Procurement/Store Development	21,000 tonnes of waste recycled through store initiatives in 2012/2013; this represents 75% of all Target waste recycled in that year.	Increase recycling of packaging materials where innovative solutions and new markets are established	Ongoing progress to be reported annually
KPI 4 – Proportion of signatories with a policy to buy products made from recycled packaging. All APC signatories will have a formal, documented policy of buying recycled products or	At some of its multi-purpose storage facilities, Target also collects metal and glass for recycling. Selected Target metropolitan sites have comingled collection services and Target is looking to increase the number of stores where this service will be available.		100% at all sites have plastics and cardboard collection and recycling services	We estimate that of Target's vendors who destroy product, this will divert 16% of our current waste to a recycling stream.	FY15

materials	Target also recycles IT, fixtures and fittings and also recycling of some product waste from soiled and damaged merchandise	TIC Group & RLO Manager, Supply Chain	Trials are being set up in our central returns centre (TIC Group)		
	Target will continue these recycling processes and seek new opportunities to transfer waste to recycling streams. As an example of this, we are looking at ways to increase recycling of returned E-Waste	TIC Group & RLO Manager, Supply Chain		New opportunities to transfer waste to recycling streams	Ongoing

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
3. Product Stewardship - demonstrated commitment to product stewardship					
KPI 6 – Proportion of signatories that have formal processes for working with others to improve design and recycling of packaging Target: 70% of Covenant signatories	As outlined in KPI 1 – Target will build on its existing sustainable packaging standards and develop a workgroup to implement.	Tech Design & Compliance Apparel & Packaging Department	Currently no workgroup, but initial waste audits have been undertaken to identify opportunities before forming group to address	Group formalised and regular meetings held. Processes implemented to ensure the packaging of all new products are reviewed.	Ongoing

implementing formal policies and procedures in working with others to improve design, procurement and recovery of packaging KPI 7 – Proportion of signatories demonstrating other product stewardship outcomes	Target is a liable party under The National Television and Computer Recycling Scheme, which is a co-regulatory Scheme.	Sustainability Dept./ Supply Chain Management	Managed by co-regulator - DHL	Reduce the impact that products have on the environment, throughout their life cycle and to reduce the substances contained in these product from going into landfill sites.	Ongoing
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Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
<i>3. Product Stewardship - demonstrated commitment to product stewardship</i>					
KPI 8 – Reduction in the number of packaging items in litter	Further investigate types and quantities of materials currently being disposed of to landfill and which could be diverted to recycling	Sustainability Dept/Waste Auditor	Conduct waste assessment in select stores and sites	Determine the material & composition of our C&I waste stream	FY15

Bunnings

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
1. Design - optimise packaging to achieve resource efficiency and reduce environmental impact					
KPI 1 – Proportion of signatories in the supply chain implementing the SPG for design or procurement of packaging. Target: 70% of Covenant signatories with documented policies and procedures for evaluating and procuring packaging using the SPG or equivalent Target: 70% of Covenant signatories assessing 100% of new packaging and 50% of existing packaging against the guidelines	<p>Bunnings will apply the results of the previous Distribution Centre packaging efficiency study to identify opportunities across other similar packaged product types, targeting product ranges such as garden tools, outdoor furniture and barbecues.</p> <p>A review of pack quantity sizes for Distribution Centre products is being undertaken on high volume lines to ensure pack quantities are optimised to store sales volumes.</p>	<p>Global Sourcing / Risk Team</p>	<p>Four key products from Bunnings' exclusive suppliers were selected for improvements to their secondary and tertiary packaging. The selected products are typical of a large portion of Bunnings' garden furniture and trolley range. SPG Matrix yet to be developed.</p>	<p>Establish a packaging assessment review team represented by Global sourcing/supply chain and Sustainability teams. Complete packaging walkthrough in store, with assessment team to:</p> <ul style="list-style-type: none"> • Review effectiveness of first round of packaging improvements and • Identify next list of priority product for improvement. 	<p>By end March 2015</p>
	<p>An enhanced Packaging Guide will be developed for Bunnings' direct sourced product</p>	<p>Risk Team/ Merchants</p>	<p>This will be a new format.</p>	<p>This will result in one consolidated and enhanced single guide on packaging efficiency for Bunnings suppliers.</p>	<p>2015/ 16</p>

suppliers and will incorporate all existing packaging specifications in one document. It will become an annex to Bunnings' Supplier Trading Terms. The Packaging Guide will also be promoted amongst key Australian based suppliers as part of Bunnings' survey of their current efforts in packaging improvements.

Greater engagement with key stakeholders.

A presentation on the APC, developing a Packaging Guide, its background and intended use, and examples of previous Bunnings' packaging efficiency from consultant's report (i.e. Net Balance) will be delivered to key merchandising roles and product development roles.

Risk Team

This is a new initiative

2014/15

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
2. Recycling - the efficient collection and recycling of packaging					
KPI 3 – Proportion of signatories with on-site recovery systems for recycling used packaging	Bunnings will conduct a waste audit with its service provider to help further improve its stores' behaviours around recycling.	Risk Team / Waste service provider	Current diversion rate of 66% All Bunnings sites are supported by recycling services for plastics and cardboard collection, as well as other primary and tertiary packaging. At Bunnings' remote regional sites, this is achieved through a back loading service to recover cardboard and plastic bales back to a distribution centre for recycling.	Lift diversion rate to 70%	2015
KPI 4 – Proportion of signatories with a policy to buy products made from recycled packaging. All APC signatories will have a formal, documented policy of buying recycled products or materials	In the planned enhanced Packaging Guide, Bunnings will stipulate its preference for recycled content in packaging.	Risk Team / Global Sourcing	Bunnings' product packaging/artwork style guide prescribes the relevant recycling information to be used on packaging to suppliers. It stipulates to suppliers the requirement for product packaging to show the appropriate symbols for recycling	Base line confirmed.	2015/2016

			and proper disposal of packaging where possible.		
	Bunnings will evaluate the current level of recycled content packaging used in its direct sourced range to confirm the baseline.	Risk Team / Global Sourcing	No formal policy exists.	Increased proportion of product packaging in Bunnings' range manufactured from recycled content.	2015/2016

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
3. Product Stewardship - demonstrated commitment to product stewardship					
KPI 6 – Proportion of signatories that have formal processes for working with others to improve design and recycling of packaging	An enhanced Packaging Guide will be developed for Bunnings' direct sourced product suppliers and will incorporate all existing packaging specifications in one document. It will become an annex to Bunnings' Supplier Trading Terms.	Global Sourcing / Risk Team	SPG Matrix yet to be developed.	Enhanced single guide on packaging efficiency for Bunnings suppliers.	2015/16
Target: 70% of Covenant signatories implementing formal policies and procedures in working with others to improve design, procurement and recovery of packaging	Monitor state of APC membership of Bunnings suppliers and	Risk Team	22 of Bunnings suppliers have so far been confirmed to be signatories to the APC.	Increased APC membership amongst Bunnings suppliers.	2014/15

KPI 7 – Proportion of signatories demonstrating other product stewardship outcomes	<p>action plan synergies. Create an additional product compliance role to support PR team with development and implementation of various product stewardship programs and to help Merchandising implement packaging improvement opportunities including packaging covenant actions.</p>	<p>Risk Team</p>	<p>22 of Bunnings suppliers have so far been confirmed to be signatories to the APC.</p>	<p>Bunnings will continue to engage and support outcomes where appropriate.</p>	<p>2014/15</p>
	<p>In its Trading Terms, Bunnings expects suppliers of pre-packaged 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. Bunnings will measure key supplier's uptake in membership to the</p>				

APC					
Further investigate the ability to extend plastic plant pot recycling in other states	Risk Team	Plastic plant pot recycling in WA. Bunnings eliminated single use plastic bags from its stores in 2008, instead reusing instead secondary product packaging (cardboard boxes) as an alternative to plastic bags for its customers.	Extend programs to other states	2015/16	

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
3. Product Stewardship - demonstrated commitment to product stewardship					
KPI 8 – Reduction in the number of packaging items in litter	Litter is a non-issue for us from a packaging sense as we have strong housekeeping protocols around our sites, and our product types tend not be unwrapped and dumped in public areas. We will conduct an external perimeter litter audit of carparks and surrounds at two stores to assess the types, volume and sources of litter.	Global Sourcing	Bunnings' product packaging/artwork style supplier guides for directly sourced product stipulates to suppliers the requirement for product packaging to show the appropriate symbols for recycling and proper disposal of packaging.	1. Identify litter trends in relation to Bunnings activity, packaged products or external sources. 2. Determine follow-up actions and communicate to relevant areas of the business.	2014

Officeworks

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
1. Design - optimise packaging to achieve resource efficiency and reduce environmental impact					
KPI 1 – Proportion of signatories in the supply chain implementing the SPG for design or procurement of packaging.	<p>We will establish Packaging Requirements ‘Briefing Guides’ for private label packaging categories below:</p> <ul style="list-style-type: none"> ▪ Furniture ▪ Technology ▪ Pack-post-send ▪ Art and craft ▪ Paper and notepads ▪ Safety ▪ Impulse ▪ Pens and glue sticks ▪ Fashion stationary ▪ Filing 	Sustainability Team	Furniture and paper and notepads guides prepared	Preparation of all guides	All guidelines to be developed by end 2014.
Target: 70% of Covenant signatories with documented policies and procedures for evaluating and procuring packaging using the SPG or equivalent	<p>The guides will incorporate the requirements of the SPG.</p> <p>Training will be provided to key team members responsible for the sourcing of private label products.</p>	Sustainability Team	70%	100% of team members	Ongoing
Target: 70% of Covenant signatories assessing 100% of new packaging and 50% of existing packaging against the guidelines					

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
2. Recycling - the efficient collection and recycling of packaging					
KPI 3 – Proportion of signatories with on-site recovery systems for recycling used packaging	Maintain on-site recovery systems to recycle key packaging materials, including soft plastics, cardboard and paper.	Sustainability Team	3041 tonnes recycled or 60% of total waste stream	Average 70% diversion rate for all Stores.	Mid 2015
	Maintain existing policy, 'Responsible Forest Products Purchasing Policy'.		N/A	Policy maintained. 95% by weight of packaging materials to be made of recyclable materials by our customers or store	Ongoing
KPI 4 – Proportion of signatories with a policy to buy products made from recycled packaging. All APC signatories will have a formal, documented policy of buying recycled products or materials	Establish target for purchase of private label products made from recycled materials.				

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
3. Product Stewardship - demonstrated commitment to product stewardship					
KPI 6 – Proportion of signatories that have formal processes for working with others to improve design and recycling of packaging	Continue packaging working group consisting of team members from different departments, with the purpose of identifying ways to integrate packaging requirements within the business.	Sustainability Team to lead	BringITback Mobilemuster Cartridges 4 Planet Ark	Quarterly Meetings	N/A
Target: 70% of Covenant signatories implementing formal policies and procedures in working with others to improve design, procurement and recovery of packaging	Include packaging requirements within Supplier Terms and Conditions.	Sustainability Team		Expand product stewardship participation as required.	
KPI 7 – Proportion of signatories demonstrating other product stewardship outcomes	Review current product stewardship programs. Add programs for products being sold in store, and which cannot be recycled through existing kerbside collections. Continue to liaise with Government on the development of	Sustainability Team		Improve recycling by 10% across our stores Work with waste contractors to improve overall recycling by 10% across our Stores.	

product stewardship programs

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
<i>3. Product Stewardship - demonstrated commitment to product stewardship</i>					
KPI 8 – Reduction in the number of packaging items in litter	Not applicable to Officeworks. Our products are not designed for external consumption and rarely enters the litter stream.	NA	NA	NA	NA

Kmart

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
1. Design - optimise packaging to achieve resource efficiency and reduce environmental impact					
KPI 1 – Proportion of signatories in the supply chain implementing the SPG for design or procurement of packaging. Target: 70% of Covenant signatories with documented policies and procedures for evaluating and procuring packaging using the SPG or equivalent Target: 70% of Covenant signatories assessing 100% of new packaging and 50% of existing packaging against the guidelines	Kmart: We will continue to review a range of opportunities with suppliers and factories	Environment Advisor	19 categories have been reviewed against the SPG so far.	Developing tools such as buying guides, introducing them throughout the business	This is an ongoing process. Kmart plans to have the tools in place for all sourcing teams by the end of this reporting period. 2015/2016
	Kmart plans to review packaging with the aim of minimising the amount of packaging used, as well as introducing tools to assist the Kmart sourcing team when speaking with factories about packaging. These tools will outline different alternatives to standard packaging formats and give the sourcing team the information they need to speak to suppliers and factories about packaging.	Sourcing team, Buying team, Factories	n/a new project	New tools developed	

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
2. Recycling - the efficient collection and recycling of packaging					
KPI 3 – Proportion of signatories with on-site recovery systems for recycling used packaging	Kmart: All Kmart sites have facilities to recycle used cardboard, paper, plastic film, used fluorescent light bulbs, garment hangers, damaged goods, IT assets and printer cartridges. Each year, the business diverts around 80 per cent of all waste generated from landfill.	Environment Advisor, Procurement team, Kmart stores	Each year, around 80 per cent of all waste generated is diverted for recycling	Maintain current recycling levels whilst continuing to explore new opportunities	This is an ongoing process
KPI 4 – Proportion of signatories with a policy to buy products made from recycled packaging. All APC signatories will have a formal, documented policy of buying recycled products or materials	Kmart plans to continue these recycling services throughout the reporting period and continues to explore new ways to divert more waste from landfill. Kmart does not have a formal 'buy recycled' policy. Over the coming year, Kmart will explore ways to		The business believes that the vast majority of cardboard used in packaging is already from recycled sources.	Introduce a 'buy recycled' policy/ statement into sourcing contracts	By the end of this reporting period By the end of this reporting period

include this into
supplier contracts
where possible

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
3. Product Stewardship - demonstrated commitment to product stewardship					
KPI 6 – Proportion of signatories that have formal processes for working with others to improve design and recycling of packaging	Kmart: As part of KPI 1, Kmart will introduce guides to assist sourcing teams to identify packaging improvements in conjunction with suppliers and factories.	Environment Advisor Sourcing team Buying team	N/A	Introduce packaging guides	By the end of this reporting period
Target: 70% of Covenant signatories implementing formal policies and procedures in working with others to improve design, procurement and recovery of packaging	Designing guides for designers to use that include correct disposal plans for packaging	Environmental advisor Marketing	n/a – new project	Progressively look packaging over the next three years	Within 3 years
KPI 7 – Proportion of signatories demonstrating other product stewardship outcomes					

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
3. Product Stewardship - demonstrated commitment to product stewardship					
KPI 8 – Reduction in the number of packaging items in litter	Kmart plans to review packaging formats and introduce consistent recycling information across the product range.	Environment Advisor Marketing	Most Kmart products are designed to be used in the home (rather than away-from-home) and are therefore not extensively littered.	Ensure all Kmart products have accurate disposal/recycling information	Given the number of Kmart products, this KPI is ongoing.

Wesfarmers Industrial and Safety (WIS)

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
1. Design - optimise packaging to achieve resource efficiency and reduce environmental impact					
KPI 1 – Proportion of signatories in the supply chain implementing the SPG for design or procurement of packaging. Target: 70% of Covenant signatories with documented policies and procedures for evaluating and procuring packaging using the SPG or equivalent Target: 70% of Covenant signatories assessing 100% of new packaging and 50% of existing packaging against the guidelines	<p>WIS has implemented the sustainable product and packaging guidelines that 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 and to be distributed to all relevant teams.</p> <p>WIS has conducted a supplier survey to identify further opportunities to improve packaging</p>	<p>Sourcing Team Quality Sustainability</p> <p>TBC</p> <p>Sustainability analyst</p>	<p>Ongoing reviews completed for own brand products, with achievements and progress reported in each annual report.</p> <p>Sufficient updates within each business to update team members of APC activities</p> <p>TBC</p> <p>98.6% of 'own brand' sourced products have completed the packaging review self-assessment.</p>	<p>Make the packaging review part of every supplier review agenda / meeting.</p> <p>Regular meetings held in all participating WIS and reported on in our annual reports.</p> <p>Roll out to all relevant teams</p> <p>TBD after supplier survey review completed.</p>	<p>2014/16</p> <p>2016</p> <p>2016</p>

design. We want to review the supplier survey and see where we can take it

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
2. Recycling - the efficient collection and recycling of packaging					
KPI 3 – Proportion of signatories with on-site recovery systems for recycling used packaging	All WIS sites (with the exception of some region centres i.e. Mt Isa) are supported by recycling services for cardboard and plastic.	Sustainability team	Current diversion rate of 28%	Target diversion rate of 50%	2015/16
KPI 4 – Proportion of signatories with a policy to buy products made from recycled packaging. All APC signatories will have a formal, documented policy of buying recycled products or materials	All WIS sites undergo a waste audit at least once per year (and up to twice per year for large sites) with its waste service provider to help further improve its stores' behaviours around recycling.	Sustainability team	Current diversion rate of 28%	Target diversion rate of 50%	2015/16

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
3. Product Stewardship - demonstrated commitment to product stewardship					
<p>KPI 6 – Proportion of signatories that have formal processes for working with others to improve design and recycling of packaging</p> <p>Target: 70% of Covenant signatories implementing formal policies and procedures in working with others to improve design, procurement and recovery of packaging</p> <p>KPI 7 – Proportion of signatories demonstrating other product stewardship outcomes</p>	<p>A packaging review template is used to assess Global Sourcing suppliers and some domestic suppliers</p>	<p>Sourcing Team Quality Sustainability</p>	<p>Not KPIs associated with supplier facing employees</p>	<p>KPIs need to sit with supplier facing employees i.e. Sourcing Make the packaging review part of every supplier review agenda/meeting.</p> <p>Progress on packaging is reported each year to Wesfarmers Corporate for consolidation and public reporting.</p>	<p>2014/16</p>

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
<i>3. Product Stewardship - demonstrated commitment to product stewardship</i>					
KPI 8 – Reduction in the number of packaging items in litter	Our products are sold to commercial and industrial customers and rarely enters the litter stream.	Sourcing Team Quality Sustainability	WIS' brand guidelines for directly sourced product stipulates to suppliers the requirement for product packaging to show the appropriate symbols for recycling and proper disposal of packaging.	N/A	N/A