

KELLOGG'S

"The commitment to creating better days for people and the planet is part of our company's DNA," says Alicia Doherty, Senior Manager of Corporate Affairs at the Kellogg Company, Australia and New Zealand.

Founder W.K. Kellogg championed the triple bottom line almost a century before it became the go-to measure of social, environmental and financial corporate responsibility, from the mid-1990s.

Today Kellogg's remains a global leader in cereals and snack foods, marketed in more than 180 countries.

"Our commercial edge is inextricably linked to our founder's four pillars of pledging to better days, nourish with our foods, feed people in need and nurture our planet.

"Kellogg's introduced recycled material to its cereal boxes in 1906 and to this day we are committed to carefully balancing safety, freshness, taste and sustainability," says Doherty.

Global alignment, local action

Kellogg's recently expanded global sustainability commitments align with Australia's 2025 National Packaging Targets, which include the use of 100% reusable, recyclable or compostable packaging by 2025.

"We feel we are already in a strong position to deliver this 2025 goal. All of our timber-based packaging is either recycled or certified as sustainably sourced and the majority of Kellogg's packaging is recycle-ready in Australia and New Zealand" says Doherty.

Meeting the other 2025 Targets, such as increased recycling of plastics and addressing problematic and unnecessary packaging are also being actioned.

"It's important to remember the vital role packaging plays in the food industry.

"When it comes to packaging we're always asking, 'What is the impact on food quality, sustainability and waste?'. The way our foods are packaged ensures their safety, freshness and taste. We need to balance this with the impact of our packaging on the environment."

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"We have a few outliers for which we're proactively working on solutions, and we are confident that we will meet our commitments," she says.

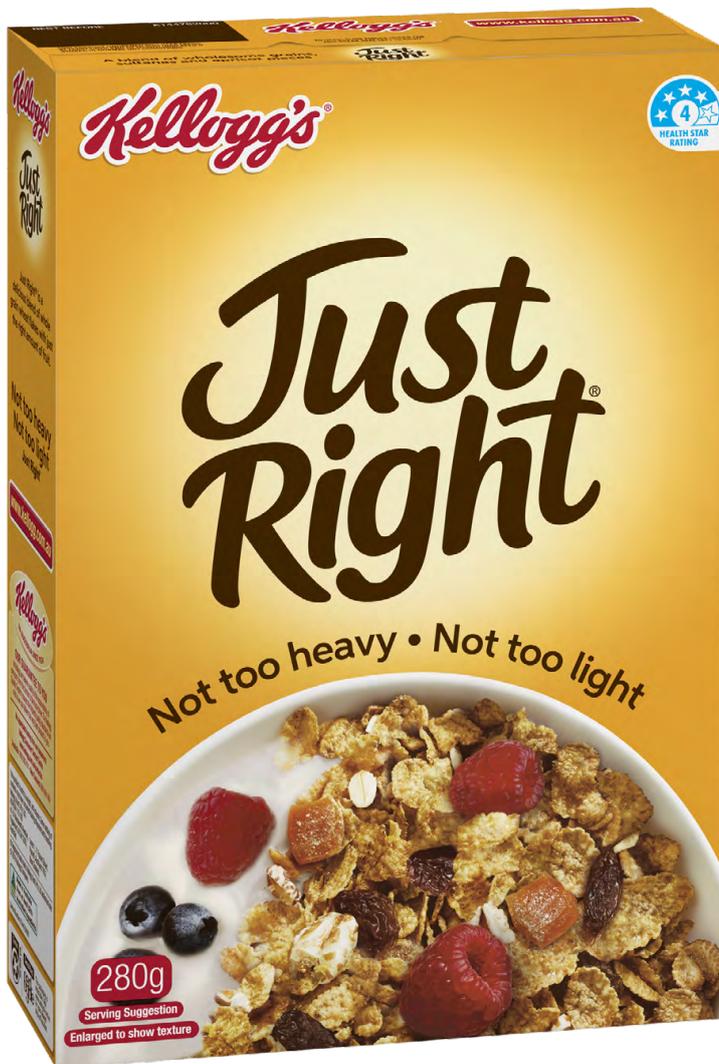
Packaging of single serve cereal bowls and tubs – for airlines and some convenience stores – as well as Pringles are now being reviewed.

"Plastic can be a real challenge as can multicomponent packs, such as those for Pringles. Plastic, for example, controls breathability levels so the product doesn't sweat, is stable on shelves, crisp when open and tastes great, so there's less food waste.

"We are also continuously reviewing our soft plastics usage and working to optimise this material to reduce the amount of material used"

Doherty says Kellogg's is always trying to find new ways of doing things.

"We're not looking to make big, overnight changes. Our approach is really focused around a model of continuous improvement that we know we can commit to and sustain in the long run, rather than large scale innovations."



"We all have a responsibility for managing the environmental impacts of packaging and APCO sets out a strong, strategic framework for achieving sustainability targets."

Scaling the sustainability pyramid

Every Kellogg's team sees sustainability as a strategic and commercial priority.

"Sustainability is fully integrated across all

Kellogg's brands and into every stage of the supply chain, from design to distribution, retail to recovery. And we actively work with all our stakeholders to make this happen," Doherty says.

"We have waste, water and energy targets that are monitored at daily meetings and digitally displayed in real time. We continue adding value to foods and the planet with resource efficient packaging, measured by improved performance for recycled content, recyclability and food to packaging ratios.

"In addition to our consumer packaging we've also gone plastic free in our offices and plants globally. We've swapped from plastic plates, bowls and cutlery to 100% biodegradable cups & bowls and stainless-steel cutlery.

"I would say we are definitely operating at the top level of the sustainability pyramid in driving to reduce our impact and help nurture our planet"

Collaboration is key

Collaborative business models are the way forward, says Doherty, who endorses APCO membership as "100 per cent huge value."

"Some issues are so large no one company can address them alone," she says.

"We all have a responsibility for managing the environmental impacts of packaging and APCO sets out a strong, strategic framework for achieving sustainability targets.

"Kellogg's also values opportunities to collaborate with other APCO members, sharing knowledge, exploring different solutions and supporting efforts to meet regulatory requirements, all of which can help improve systems across Australia.

"It's a two-way process, too. While our membership enables us to contribute to the bigger sustainability picture, smaller enterprises who have the advantage of being able to innovate faster come in with new thinking and new packaging. They don't need to change what already exists so we can learn from them, while they can access resources and research that otherwise might not be readily available or affordable."

Regardless of the size of the enterprise, Doherty says it is essential to be part of the conversation.

"It can be hard to keep on top of everything,

there is so much happening, especially at industry and government levels. APCO membership means we're part of these conversations and tapping into a treasure chest of insights and advice."

Reporting, participation and recognition

Far from being just a box ticking exercise, Doherty says submitting action plans and annual reports as an APCO member helps keep Kellogg's accountable and makes it easier to track progress.

"We now look back and see how far we've come since joining APCO in 2010 and we also use this information to report to global counterparts," she says.

Kellogg's has also participated in a range of APCO working groups, such as soft plastics, to explore solutions and opportunities for the problematic packaging material in 2018 and the Design working group in 2019.

Recognised by APCO as a high performer in 2013 and 2016, Kellogg's was also a finalist in the Food and Beverage category in 2017.

"Peer recognition is a real boost for our hard working, internal teams. They do all the heavy lifting when it comes to quality improvements, which is not a quick or easy process. APCO awards are a great source of pride to them and they can share this pride with everyone they meet.

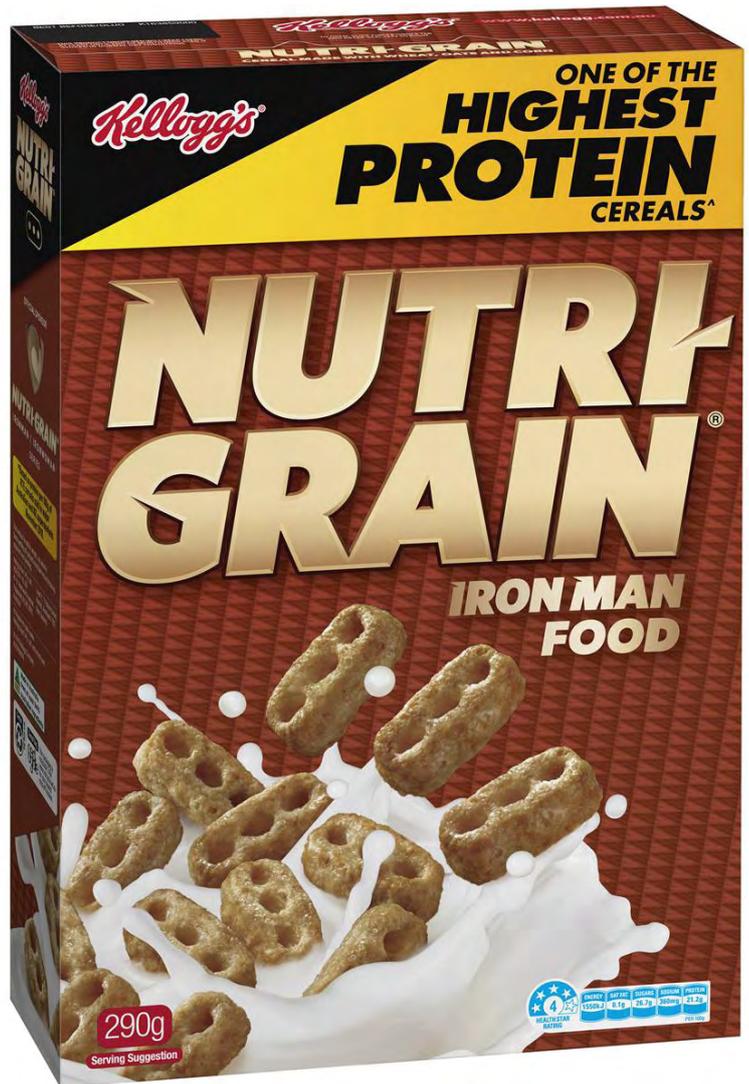
"We're also finding that one of the most commonly asked questions by potential new employees is 'What is Kellogg's commitment to the sustainability?' Young people, especially, want to be part of something they themselves value."

Consumer choice

In addition to environmentally savvy staff, the rise of the environmentally savvy consumer is another important driver.

"Motivating consumers to participate in recycling can start with a cereal box. We have the privilege of being on so many Australian breakfast tables, and that box is a communication tool," says Doherty.

Between July and December in 2018 Kellogg's customers returned 7.7 tonnes of soft plastic packaging through the REDcycle program - up 24 per cent from the previous period - an improvement which was supported



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by the addition of the Australasian Recycling Label to packaging.

"We already had clear visibility of where we were positioned in relation to package recycling, so including the ARL and helping people to easily identify how to recycle the various components of our packaging made absolute sense. The provision of a consistent logo for recycling is invaluable for both companies and consumers."

For more information about joining the APCO community visit www.packagingcovenant.org.au