

26th March 2012

our ref: APC Annual Report 2012

Mr Stan Moore
Chief Executive Officer
Australian Packaging Covenant Secretariat
Post Office Box 346
GORDON NSW 2072

Dear Mr Moore,

Wesfarmers Limited – Australian Packaging Covenant Annual Report 2012

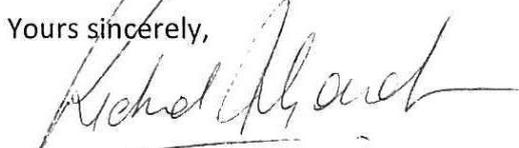
Please find attached a copy of the Australian Packaging Covenant (APC) Annual Report for Wesfarmers Limited. Given the transition from the previous National Packaging Covenant, this report covers an 18 month period from July 2010 to December 31, 2011 and is presented on behalf of the six Wesfarmers' businesses whose operations fall within the ambit of the APC's provisions.

This Annual Report has been prepared to report on both the requirements of the Covenant Council as circulated to signatories and also on the specific actions that Wesfarmers set out in our 2010-2014 APC Action Plan, which was approved by the APC in 2011. I have forwarded the copy of our report and associated case studies for your information and the on-line entry of the Annual Report detail will be completed early in the week of 26th March, before the submission deadline.

Wesfarmers and its businesses are continually seeking to improve our environmental performance as a sustainable business and our commitment to the APC is an important part of our approach in our retail businesses. We remain committed to continually improving our performance in reducing packaging's cost and environmental impacts by implementing the actions in our APC Action Plan and I look forward to reporting on our progress in future years.

Should you wish to discuss any aspect of this Annual Report please contact Cameron Schuster, our Sustainability Manager, by telephone on 08 9327 4423 or by e mail at cschuster@wesfarmers.com.au.

Yours sincerely,



Richard Goyder
Managing Director

Executive Summary

Wesfarmers Limited (“Wesfarmers”) is an Australian listed public company with operations in the retail, resources, insurance, chemicals and fertilisers, energy and industrial and safety products sectors of the economy. Most of our operations are based in Australia, with some businesses operating in New Zealand and the United Kingdom, and product sourcing operations in Asia and elsewhere.

This is our first report under the provisions of the Australian Packaging Covenant (“APC”), having previously been a reporter under the National Packaging Covenant (NPC). It is based on our APC Action Plan that was accepted by the APC Council in 2011 for the period to 2014. Because of the transition from the NPC to the APC this report covers an 18 month period to December 31, 2011.

Our Annual Report under the APC consists of the on-line report submitted to the APC Council (and available at www.packagingcovenant.org.au) and the reports attached provide some illustrative case studies from our businesses in regard to their many initiatives to reduce the use of packaging, as well as a summary of our performance against the Key Performance Indicators (KPIs) contained in our APC Action Plan. Once the APC Council has reviewed our report it will also be available at www.wesfarmers.com.au/sustainability.

Wesfarmers is committed to the actions outlined under the auspices of the Covenant in our Action Plan and looks forward to the opportunity to report to the Australian public on our progress in future years.

Should any reader require further information in regards to any issue reported in this Annual Report, you may email us at info@wesfarmers.com.au and your question will be answered.

Richard Goyder

Managing Director, Wesfarmers Limited

ABN 28 008 984 049

Packaging Case Studies

Coles

Coles with funding assistance from the APC has launched a trial to take back soft plastic packaging and bags. This plastic will be recycled into outdoor furniture to be donated to schools. The bins are provided at the front of 114 supermarkets across metropolitan Melbourne.

Like single use carrier bags, soft plastic material such as packaging films or plastics wrap is not currently accepted in kerbside recycling services and is destined for landfill. Coles understands that flexible plastics packaging is growing in popularity as it follows the Sustainable Packaging Guidelines (SPG) strategy to minimise materials usage.

In the first five months of the trial, Coles collected over 1,200 cubic meters of soft plastics and bags from our customers in 114 supermarkets. Of this, about one third of the material collected was food packaging. We have also received an overwhelming response from schools and will be donating the recycled benches to schools from May 2012.



Coles is the first retailer and brand owner in the world to introduce an innovative Retail Ready Meat tray that is made from 80 per cent corn starch (a renewable resource). The Plantic Eco Plastic™ tray has been assessed against the 12 SPG and has ranked highly on the below measures:

- Maximise water and energy efficiency
- Minimise materials (source reduction)
- Use renewable materials
- Minimise risks associated with potentially toxic and hazardous materials
- Use materials from responsible suppliers.



The 2009 Life Cycle Assessment for Plantic® biodegradable packaging system indicates that when compared to conventional polymers used in similar tray applications, Plantic uses less than half the total energy. Based on the annual volume of material used by Coles for Retail Ready meat trays, the savings in energy and greenhouse gases can be summarised as follows:

- Energy Saved : 8 million Kwh, the equivalent of powering 1,200 average Australian homes each year
- Greenhouse Gases saved: 1,000MT of CO₂, the equivalent of running 600 cars each year

Coles was the only retailer to win an award at the 2011 Australian Packaging Awards; Coles won a Bronze for this tray in the Sustainability category.

Target

Through an assessment of Target branded packaging, we determined it would not be practical to individually review over 15,000 product SKU's. Target focused on key product categories prioritised by their packaging impact in terms of material type and sales volume.

We identified opportunities in Footwear to remove cardboard and foam inserts, support sticks and tissue stuffing across the various types of footwear. Overall by eliminating this type of unnecessary packaging, we have been able to achieve savings of over 200 tonnes since the review first commenced in 2009. This equates to over thirty 40ft containers.

As part of our reporting for 2011 Wesfarmers Sustainability Report, we specifically measured savings over the last 12 months, which equated to over 63 tonnes.



In December 2011, Target introduced Australia's first certified biodegradable and compostable non woven reusable shopping bag. The bag can be used like a traditional reusable bag and when you have finished using it, will break down in compost in around 45 days under the right conditions.

The biodegradable and compostable reusable bag is another part of Target's alternative shopping bag suite, put in place following Target's step in 2009 to remove all plastic shopping bags from its stores nationally.

In the past two years since we made the decision to remove plastic shopping bags from our stores. We have stopped over 200 million plastic bags from going to landfill.

Target customers can choose not to use a bag, to bring their own, or if they wish to purchase one, they can now choose the new reusable biodegradable bag which can be reused over and over again in addition to our everyday biodegradable bags that have been available since 2009.



Kmart

Kmart has made a range of packaging improvements to reduce the impact of this material. Some of these improvements include:

- Sending the majority of our footwear to stores in a large box with a protective plastic liner to eliminate the need for individual shoe boxes. In addition, Kmart has removed the stuffing from the footwear range and estimate this has resulted in a reduction of 174 tonnes of packaging material.
- Moving reusable shopping bags to a 100 per cent recycled content alternative. More than 33 tonnes of recycled plastic will now be used to make these bags, rather than using virgin materials, with the bags retailing for the same price as the previous bag. The business also ranges paper bags in selected states as a low-cost alternative for customers to purchase.
- The Kmart-branded 1.7 litre kettle has been redesigned so the base of the kettle now sits inside the kettle when it is packaged. This has resulted in a 25 per cent reduction in the amount of packaging used for this product.



Kmart has also launched a CSR application which is available to team members and the general public. This application allows users to:

- Watch videos showing how cardboard, commingled recyclables and garment hangers in our Kmart business as well as waste from our KTAS business are recycled.
- Explore examples of where we have reduced the amount of packaging we use.
- Learn about other areas of our business including our people, safety, greenhouse gases, community support and ethical sourcing.



Whilst this does not directly relate to the APC, we feel that increasing the awareness of our work on packaging and how waste is recycled, particularly to our team members; will help to improve our performance in these areas.

Bunnings



As part of new Logistics efficiencies introduced, we are now working on extending a trial for the reverse logistics of removing waste timber pallets from a number of stores in NSW .

The extended trial at 17 stores leverages unutilised load capacity of delivery trucks through a daily pick up and removes all sizes of plain and unbranded pallets from sites. These pallets are then returned to the transport hub for reuse and distribution of products back to stores.

The benefits of regular removal of unbranded pallets from these stores have been:

- The pallets are returned to service rather than recycled at a greater cost.
- Reduce congestion caused by the build-up of pallets or the large footprint of bulk recycling bins in the stock receiving areas.
- Reduce the risk of safety incidents due to clearer work areas.
- Cleaner and tidier store.

The results of the original four week trial at eight stores led to 495 pallets being recovered for reuse and a cost savings of \$3,800 compared to recycling or disposal, avoiding 1.3 tonnes of CO2 emissions compared to landfill disposal.

Officeworks

In line with Officeworks 'Taking Care' focus to look after our environment, Officeworks ceased providing single-use plastic shopping bags in December 2008 and have continued to expand the range of reusable bags available for sale. Proceeds from the sale of these bags go to the Australian Wildlife Conservancy (AWC) to assist it to establish sanctuaries for the conservation of threatened wildlife and ecosystems.

Leading from successful trials of reusable carry bags, we have recently developed a new range of environmentally preferable reusable paper and biodegradable or compostable plastic bags for our customers that will be rolled out to all stores nationally.



This range includes a reusable bag made from 100 per cent recycled material (PET bottles) that folds into a handy pocket sized pouch and a 100 per cent biodegradable and compostable bag made of natural materials such as tapioca and corn starch with print made using non-toxic soy based inks.

Wesfarmers Industrial and Safety (WIS)

A new waste management process has been implemented at Blackwoods' Smithfield Distribution Centre which has improved recycling and reduced costs and manual handling risk. Two balers for cardboard and soft plastics were introduced to improve recycling, which also decreased waste disposal costs. Manual handling risk has been reduced by replacing 44 gallon drums with plastics recycling stands and small general waste bins. Since the change in the process, waste to landfill volumes have significantly decreased.

Balers for cardboard and soft plastic have also been implemented at Blackwoods' Distribution Centre in Perth and has been trialled at Brisbane and Melbourne Distribution Centres, with all achieving reductions in waste to landfill.



Part A – Wesfarmers progress in reaching goals and targets of the Covenant

Q1. Does your company have documented policies and procedures for evaluating and procuring packaging using the SPG's or equivalent?

A majority of the Wesfarmers group (based on house brand packaging usage) has processes or procedures for evaluating packaging using the sustainable packaging guidelines.

*Q2. 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?*

Most Wesfarmers divisions are laying the foundations to report on this metric in the coming year.

The types of packaging will vary across the different retail sectors. In the non-food retailers, 'packaging type' will be assessed based on materials or on the category of products where similar packaging formats exist across the range.

With thousands of groceries lines in varying formats, 'packaging type' will be treated as different packaging formats. Of the 3,000+ Coles Brands SKU's, 860 pack formats have been assessed against the SPG. These assessments are captured on a Coles developed web database. A further 100 pack formats will be assessed in 2012.

The Wesfarmers group will develop training module for all divisions to adopt.

Q3. Of the *new* types of packaging introduced during the reporting period, what percentage has been reviewed using the Sustainable Packaging Guidelines (SPG) by the *end* of the reporting period?

Most Wesfarmers divisions are laying the foundations to report on this metric next year.

60 new packaging formats have been introduced at Coles, all of which have undergone a review by our SPG trained packaging experts.

**Q4a. Describe (other?) outcomes achieved using the SPG in regard to:
Avoiding or minimising the use of materials and other resources**

Coles is currently trialling a range of new initiatives to reduce secondary packaging. Our Coles Mineral Water and Coles Soda Water have been packaged and delivered to stores in self-supporting reusable tray and pallets.

Both Kmart and Target have made significant improvements to eliminate packaging used in footwear by sending the majority of the footwear range to stores in a large box with a protective plastic liner to eliminate the need for individual shoe boxes.

Kmart has removed 174 tonnes of packaging material while Target has eliminated 63 tonnes of packing over a 12 month period.

**Q4b. Describe (other?) outcomes achieved using the SPG in regard to:
Optimising recyclability and recycled content**

Bunnings undertook a review of packaging and captured data around recycled content used in top 20 direct sourced packaged products and identified existing cardboard packaging predominantly has very high recycled content ranging from 70 per cent to 100 per cent recycled content.

Target has developed consumer messaging guidelines for packaging design and supplier developed packaging.

Target also changed from PVC to Polypropylene packaging in Men's Underwear, Sleepwear and Business Shirt, Target Essentials multi-pack underwear ranges.

Kmart is introducing a new pet litter product which is manufactured from recycled phone books.

Kmart is moving reusable shopping bags to a 100 per cent recycled content alternative. More than 33 tonnes of recycled plastic will now be used to make these bags, rather than using virgin materials, with the bags retailing for the same price as the previous bag. The business also ranges paper bags in selected states as a low-cost alternative for customers to purchase.

*Q4c. Describe (other?) outcomes achieved using the SPG in regard to:
Reducing litter impacts*

WIS has developed recycling KPIs included in the contract for the national waste and recycling contract to improve diversion.

Target has seen continued improvements in bag reductions and usage by customers with our bag strategy reduction rate currently at 78 per cent and our red reusable bag sales continue to grow.

Q5. Do you have on-site recovery systems for used packaging?

Yes at all facilities/sites.

Q6. Describe what types of packaging materials are collected and recycled on-site?

All Wesfarmers retail sites have access to paper, cardboard and plastic film recovery systems.

Wesfarmers retailers selling garments on hangers have recovery systems for hangers.

Selected Coles, Kmart, Target and Bunnings sites have recovery facilities for commingled waste.

Coles offers customers the opportunity to return their single use bags for recycling in all supermarkets. Coles has in selected stores in NSW and Victoria the recovery system for expanded polystyrene (EPS) boxes. As of October 2011, Coles launched a trial at 114 Melbourne stores to take back soft plastics packaging and bags.

All Target and Target Country stores and sites have processes to collect cardboard, plastic, white paper, and selected sites with comingled waste collections and hangers for recycling. At some of our multi-purpose storage facilities, we also collect metal and glass for recycling.

All Kmart sites have facilities to recycle cardboard and plastic film. Almost 22,000 tonnes of this material was collected for recycling during the 2010/11 financial year. In addition, all Kmart stores return used garment hangers for reuse or recycling with over 2,200 tonnes recycled each year.

In WA, metropolitan Bunnings stores offers a consumer plastic plant pot service to recycle used pots. A trial has also commenced in NSW metropolitan Bunnings stores to collect single use wooden pallets and backload them to a cross docking facility for reuse.

Q7. Actual: Describe what progress (since the beginning of the reporting period), if any, has been made in collecting and recycling materials on-site.

All Wesfarmers retailers understand the importance of the waste hierarchy and continue to focus on waste avoidance ahead of reuse and recycle initiatives.

Each division will focus on their individual waste streams and work with recyclers to develop innovative solution.

As of October 2011, Coles launched a trial at 114 Melbourne stores to take back soft plastics packaging and bags.

The year also saw the development and roll-out of our recycling collection units to all Officeworks stores in Australia. These units were specifically designed for Officeworks as an extension to the existing Cartridges for Planet Ark (C4PA) collection model facilitating the collection of used ink and toner cartridges, as well as in support of the introduction of the mobile muster program. Customers can recycle mobile phones and ink toners, inclusive of original packaging free of charge through these collections at every store.

The current recycling rate are:

Coles 58 per cent

Kmart almost 80 per cent

Target 73 per cent

Officeworks 62 per cent

Bunnings 63 per cent

WIS 18 per cent (as reported)

Q8. Does your company have a formal policy of buying packaging made from recycled products?

Over the next twelve months, Wesfarmers divisions will each develop a packaging purchasing policy.

Currently, each of Wesfarmers division has its own process to encourage the purchase of packaging made from recycled products.

Target has a process to buy packaging made from recycled products which applies to Target house branded packaging designed by the Target packaging team. The policy does not apply to packaging when cost prohibitive.

Coles has specified a preference for recyclable packaging in the expression of interest documents for some Coles Brand products. Coles will be standardising documents and templates to ensure communication is consistent to suppliers.

Bunnings preferences packaging with recycled content. This is communicated with direct sourcing suppliers. As part of the SPG review on the top 20 direct sourced products in cardboard cartons, we identified that cardboard packaging has a high recycled content of 70-100 per cent.

Officeworks has no formal policy to buy recycled packaging however preference recycled content packaging. In a recent project, a verification system was developed to determine environmental attributes of products we sell. We have completed an assessment and data capture of all products known to be made from recycled content. This information will support our customer's choice to buy environmentally preferable plastic and paper products made from verifiable recycled content.

WIS does not have a formal policy, however, WIS does have a detailed process to promote sustainable products to customers, and products with sustainable packaging may be included in the sustainable product range, subject to meeting established criterion.

Q9. Is this policy actively used?

See response to Question 8.

Q10. For audit purposes, what evidence would demonstrate that the policy is actively used? Give examples

See response to Question 8.

Q11. 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.

Q12. Briefly describe how your company collaborates with other companies or organisations to improve packaging designs and/or recycling.

Each Wesfarmers division has their own processes to collaborate with others. Packaging is discussed amongst the group in the quarterly Wesfarmers Sustainability Forums where ideas and projects are shared.

Coles works closely with the major packaging companies to improve resource efficiencies on Coles Brands packaging and reduce its impacts on the environment. An example of this is the trial of an EPS replacement that can be placed straight into the recycling compactor or baler. This improves the transport efficiencies and ensures more packaging is recycled.

Target has identified packaging reduction initiatives and liaises with buying teams, overseas agents and suppliers to assess opportunities and impacts to floor ready presentation standards and cost of doing business. Working groups involving suppliers assess existing packaging in-store, at warehouses and distribution centres, review and identify issues, develop and recommend alternatives to reduce or remove excess packaging and trial new initiatives and opportunities.

Bunnings' supplier sustainability roundtable program engages with a selection of major suppliers about our sustainability drivers and gauges their current level of activity around packaging, carbon reduction, eco-efficiency, and ethical sourcing matters.

Q13. Briefly describe what progress, if any, has been made to improve packaging designs and/or recycling.

Bunnings have created an intranet based packaging feedback page for all team members to identify and report inefficient packed products. As a result of feedback received through this process we held a sustainability roundtable with one of our major garden tool suppliers.

As a result of this, the supplier has conducted a packaging rationalisation assessment on key product ranges. Some significant improvements in material reduction, reduced transport packaging and labour savings when unpacking products have been realised.

Target initiated a forum with members from all areas of the packaging supply chain and focused on the APC KPI's and requirements for signatories to implement SPG's. We developed a strategy to reduce the use of excessive packaging within Target. This involved engaging stakeholders, prioritising key product categories and assessing our internal processes to ensure we could implement change across the business. We then commenced development of category or product specific guidelines to remove excess packaging. Communicated guidelines to buying teams and suppliers.

Q14. Since the beginning of the reporting period, has your company had any other outcomes related to product stewardship?

Yes.

Q15. Briefly describe any other results (not described in previous questions) you have achieved in reducing your packaging impact? (Quantify your answer if possible).

Wesfarmers has prepared a number of case studies in the front of this report.

Q16. Briefly describe what measures, if any, have been implemented to reduce litter.

In addition to the soft plastics trial, Coles has trialled a new recycling station at our Taylors Hill Stores. The recycling station has now been included into the specification of new stores.

Kmart have commenced a project to review disposal information on all packaging to ensure it is correct. We anticipate this to be completed for our next annual report.

Target has developed guidelines for use on Target branded packaging to include consumer messaging on responsible packaging disposal.

The other Wesfarmers retailers have minimal packaging that is highly represented in the litter stream.

Q17. Please provide details of any special circumstances or additional information that will help us interpret this report (you may include links to your website showing any case studies or relevant information).

Please visit the Wesfarmers Sustainability webpage to access our Annual Sustainability Report.

<http://www.wesfarmers.com.au/sustainability>

PART B – Your annual performance (Our performance against the KPIs of Wesfarmers APC 2010-2014)

Available at www.packagingcovenant.org.au or www.wesfarmers.com.au/sustainability

	TARGETS	BASELINE	CURRENT ACHIEVEMENT
<p>KPI 1: Percentage of signatories with documented policies and procedures for evaluating and procuring packaging using the SPG's or equivalent.</p>	<p>Regular meetings held in all participating Wesfarmers businesses and reported on in our annual reports.</p>	<p>Coles – A packaging working group with members working across the business has been to develop to deliver the goals of the APC.</p> <p>Target- An APC Working Group has been formed to coordinate the implementation of the SPG and develop strategies to adhere to the APC goals for key product categories</p> <p>Bunnings – A Sustainability Reference Group (SRG) is in existence to monitor and report packaging improvements. Delegates within the SRG are responsible for packaging action plans and work with direct imports and local suppliers. Existing environmental packaging specifications for Bunnings direct imports will be updated to reflect the SPG. Packaging guidance tools already in existence will be refreshed with training provided to relevant team members. Building on Bunnings' previous packaging review conducted in 2009, we will conduct an assessment against the SPG for the generic use of cardboard packaging. This generic model will have broad application against all product types that use cardboard packaging.</p> <p>Officeworks – completed detailed review of packaging across operations and is now implementing the outcomes.</p> <p>All- will implement and report on the SPG within their own specific circumstances through the Wesfarmers Annual Report</p>	<p>Coles - The packaging working group represented by the Energy and Sustainability team and the Packaging team continues to work on initiatives to deliver the goals of the APC.</p> <p>Target - APC working group continues to review key product categories to identify opportunities to remove excess packaging. Good progress has been made across all Footwear areas and Underwear Departments and we are currently finalising guidelines for our Outerwear Apparel categories.</p> <p>Bunnings - Sustainability Reference Group will continue.</p> <p>Officeworks - In a recent project, a verification system was developed to determine environmental attributes of products we sell. We have completed an assessment and data capture of all products known to be made from recycled content. This information will support our customer's choice to buy environmentally preferable plastic and paper products made from verifiable recycled content.</p>

<p>Processes implemented to ensure the packaging of all new products are reviewed.</p>	<p>Coles – previously adopted the ECOPP under the NPC.</p> <p>Target - Sustainable Packaging Standards will be developed drawing from newly created Footwear Packaging Standards to incorporate relevant SPG strategies into Target branded Packaging. Packaging Standards will be customized per product category focussing on primary, secondary & tertiary packaging as required.</p> <p>Officeworks – taking findings from the packaging review referred to above and now implementing them using sustainable packaging guidelines for support.</p> <p>All –training in the principles of SPG will be occurring in each business in accord with their business needs, the existing knowledge base and the level of training in relevant subjects already completed.</p>	<p>Coles - During the Coles Brands product development process, the packaging and products are reviewed across the whole development process. At the initial product submission, the packaging department reviews the packaging under the SPG. Packaging is further refined during the trial process prior to final approval at the Design and Brand panel where final product, packaging, design materials are all considered by a senior management team.</p> <p>Target – We have formalised and developed standards and guidelines for major categories and product types in the following product categories -</p> <ul style="list-style-type: none"> • Footwear • Ladies Bras and Delicate garments • Apparel merchandise delivered in cartons • Apparel merchandise delivered hanging. <p>Our Packaging Design Team also develop Design Style-guides for new designs and specific product packaging formats, these include apparel, homewares, electrical, toys, socks and hosiery, nursery, toiletries, Christmas/events, footwear and men’s, women’s, kids, sportswear.</p>
<p>Ongoing reviews completed for own brand products, either separately or in suitable groupings, with</p>	<p>All – No assessments against the SPG have been completed prior to the APC. Class or sector assessments are likely to play a significant role in the assessment of existing packaging. In addition all businesses, as part of their internal cost review processes are focused on the cost of packaging in long distance transport, and in some businesses buying teams are being involved in these processes to reduce packaging and costs, which of course also addresses the SPG requirements.</p>	<p>Under the current reporting period, Coles has assessed 860 Coles Brands pack formats that represent 1832 SKU’s against the SPG. The assessments are all captured on a Coles developed database and are traffic light assessed (Green, Amber, Red) against the SPG. Coles aims to assess 100 additional pack formats to add to the database. Most Wesfarmers divisions are laying the foundations and ensuring key developers of products are trained to understand the SPG.</p>

	achievements and progress reported in each annual report.		<p>Through this training, we hope to deliver better packaging with less impact on the environment. During the year, Kmart has made a number of significant improvements, including:</p> <ul style="list-style-type: none"> • Kmart has changed the way the Kmart-branded kettle is packed to reduce packaging by 25 per cent. • Kmart has removed the stuffing from footwear, resulting in a reduction of 174 tonnes of packaging material.
	Training to be provided all relevant team members	<p>Target – maintains 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. 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. 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.</p> <p>Coles – Our Packaging Manager has provided a series of sessions to educate our developers and food technologist on different types of packaging.</p> <p>Officeworks – following the packaging review that was done our procurement teams will be provided with training on packaging issues and the SPG.</p>	<p>Target - Formalised processes and store procedures for team members to identify and report excess packaging issues. Information is collated by Target Stores Activity Planning Department and forwarded to relevant buying areas for follow up with Suppliers for action and resolution. We continue our review meetings as required. To support our internal processes we have developed guidelines for our Packaging Designers to use when creating new designs and pack formats.</p> <p>Coles - Following the initial training to all product developers and product technologists, we have provided a series of training videos through our intranet to educate new staff on packaging and provide refreshers for existing team members.</p> <p>Officeworks – Key stakeholder within Officeworks to be provided with SPG training in the coming year.</p>
	Sufficient updates within each business to	All –Appropriate communications processes will be maintained and enhanced in each business to ensure the business’s packaging outcomes and the APC and SPG objectives are understood and actioned	Time has been allocated in each of the quarterly Wesfarmers Sustainability forums to collaborate of packaging related issues. At the 2011 Wesfarmers Annual General Meeting,

	update team members of APC activities		our Chairman, Bob Every, acknowledged the retailer's focus to minimise the impacts of packaging on the environment. Kmart provides updates to team members on an ongoing basis through our internal team member magazine as well as including information in our annual CSR report.
KPI 3: Percentage signatories applying on-site recovery systems for used packaging.	Increase recycling of packaging materials where innovative solutions and new markets are established.	<p>Coles – 59% of all waste recycled in 2009/10</p> <p>Bunnings - 61% of all waste in 2009/10 was recycled. Eliminated single use plastic bags from its stores several years ago.</p> <p>Officeworks – all sites have cardboard and white paper recycling; 67% of total solid waste is recycled. Officeworks eliminated single use plastic bags from operations in December 2008.</p> <p>Target – 17,201 tonnes of waste recycled through store initiatives in 2009/10; this represents 73.9% of all Target waste recycled in that year.</p> <p>Kmart - 82% of all waste recycled in 2009/10</p>	<p>Coles – Supermarkets, conveniences and liquor sites are currently recycling 58 per cent of all waste generated at stores.</p> <p>Bunnings - We continue to work towards our 85 per cent waste diversion target with YTD December diversion rate of 63 per cent.</p> <p>Officeworks - The current recycling rate is approximately 62 per cent and a recent review of service contracts has identified opportunities to further increase recycling with the introduction of a Co-mingled recycling service at all locations and the focus on awareness and benchmark reporting across stores to drive performance.</p> <p>Target - In 2010/11 we collected 21,557 tonnes of waste from stores for recycling</p> <p>Kmart - We have continued the waste and recycling program, with almost 80 per cent of all waste diverted for recycling.</p>
	Offer recycling to all sites where transport does not negate recycling benefits	<p>Coles – Cardboard - 100% sites Plastic 100% supermarket & 40% liquor</p> <p>Kmart, Bunnings, Target, –100% at all sites have plastics and cardboard collection and recycling services.</p>	All Wesfarmers retail sites have access to paper, cardboard and plastic film recovery systems. Wesfarmers retailers selling garments on hangers have recovery systems for hangers. Selected Coles, Kmart, Target and Bunnings sites have recovery facilities for commingled waste. Coles offers customers with opportunity to return their single use bags for recycling in all supermarkets. Coles has in selected stores in

			<p>NSW and Victoria the recovery system for expanded polystyrene (EPS) boxes. As of October 2011, Coles launched a trial at 114 Melbourne stores to take back soft plastics packaging and bags.</p> <p>Target is currently investigating opportunities for a trial to also collect expanded polystyrene (EPS) packing and packaging at one of our multi-purpose storage facilities in QLD. We use this type of packing in delivery of fragile decorator ranges.</p> <p>All Kmart stores recycle damaged goods and out dated IT assets; whilst our Kmart Tyre & Auto Service business recycles used tyres, batteries and other work shop materials.</p> <p>In WA, metropolitan Bunnings stores offered a consumer plastic plant pot service to recycle used pots. A trial has also commenced in NSW metropolitan Bunnings stores to collect single use wooden pallets and backload them to a cross docking facility for reuse.</p>
	Correct information on all products reviewed against the SPG.	All – no review undertaken.	<p>Coles has reviewed 860 SKU's against the SPG. We are currently further reviewing our range to identify opportunities for further improvement.</p>
KPI 4: Signatories implement formal policy of buying packaging made from recycled	All products reviewed Policies to be introduced within individual businesses as	All – no current consistent policies across the Group Each business will review their position on recyclable packaging as part of implementation of the SPG.	<p>Each group has developed or reviewed the opportunity to implement a policy to preference packaging made from recycled products.</p> <p>The group will collaborate on a general packaging purchasing policy for recycled products in the coming year.</p>

products.	appropriate.		
	Report on the percentage of recovered packaging reprocessed in Australia to the extent our businesses are able to influence this aspect of recycling, given the final destination of recyclables is to a large extent market driven.	All –no current consistent policies in place.	Wesfarmers’ focus is to increase recycling of all waste streams where there are better environment outcome and the cost does not outweigh the financial benefits. The percentage of materials recycled in Australia is heavily influenced by the market prices for the different commodities or the recycling companies.
KPI 6: Percentage signatories with formal processes to work collaboratively on packaging design and / or recycling.	Regular meetings established through Sustainability Forum	Some discussions on APC and packaging at Forums already	Time has been allocated in each of the quarterly Wesfarmers Sustainability forums to collaborate between the businesses on packaging related issues. There is also discussion and exchange of information between the businesses outside these Forums.
KPI 7: Percentage signatories showing other	Stimulate innovative solutions	Coles – Returnable Plastic Crates, Milk trolleys, Returnable bread trays. Bunnings - biodegradeable plastic plant pots and recycled content PP	Coles - Currently trialling a range of new initiatives to reduce secondary packaging. Our Coles Mineral Water and Coles Soda Water have been packaged and delivered to stores in self-supporting

<p>Product Stewardship outcomes.</p>		<p>pots used in greenlife products.</p> <p>Officeworks –the packaging review showed options to remove packaging from own brand products.</p> <p>Target – our plastic bag strategy continues to be supported by Team members and customers with over 76% of customers (90% in South Australia) choosing not to take a bag at all or bring their own bag.</p>	<p>reusable tray and pallets.</p> <p>Target - Ongoing - Our shopping bag strategy continues to be supported by team members and customers with improvements over the last 12-18 months increasing our reduction rate to over 78 per cent of customers (90 per cent in South Australia, positive reductions seen in ACT & NT) choosing not to take a bag at all or bring their own bag. We also continue to offer customers alternatives with the introduction of the biodegradable reusable shopping bag, the first to market within Australia.</p>
<p>KPI 8: Reductions in packaging items in the litter stream.</p>	<p>Correct information on products reviewed against the SPG.</p>	<p>Nothing has been assessed under SPG prior to 2010</p>	<p>Coles 860 existing and new pack formats have been assessed since 2010.</p>
	<p>Once developed, our businesses will progressively adopt the standard as the packaging artwork is update</p>	<p>No current industry standards exist</p>	<p>In 2011, Coles had discussions with the APC and proposed a standardised Recycling Labelling Guidelines. Coles has been working with AFGC to develop an industry standard for packaging recycling information.</p>