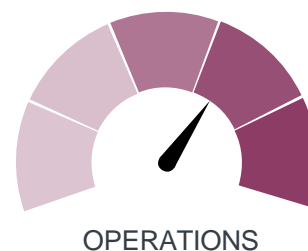
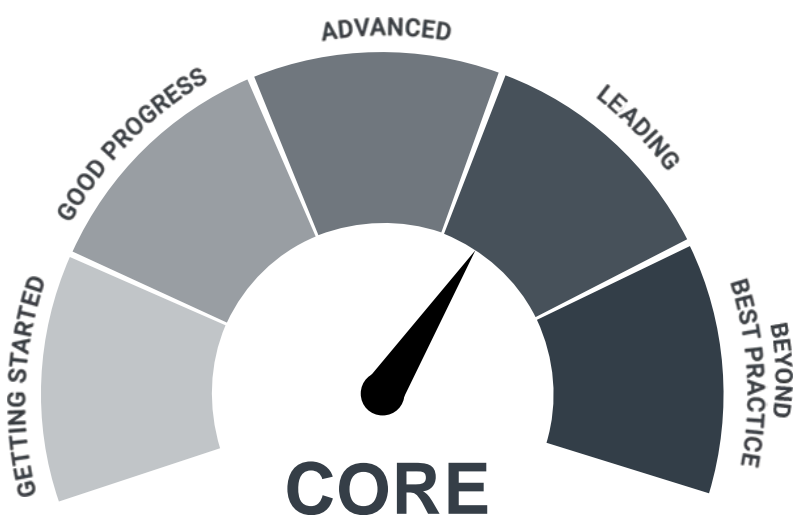


Coles Supermarkets

Coles Supermarkets Australia Pty Ltd

Website
www.coles.com.auPrimary Industry Sector
Food and beveragePackaging Supply Chain Position
Retailer (point-of-sale)ABN
45 004 189 708

DASHBOARD



SUMMARY

For the 2021 APCO Annual Report, *Coles Supermarkets Australia Pty Ltd* has achieved Level 4 (Leading) for the core criteria. All seven core criteria were answered and six out of six recommended criteria were answered. In addition, *Coles Supermarkets Australia Pty Ltd* has either achieved or put in place ten out of ten relevant packaging sustainability targets, and is publicly reporting progress against six of these targets.

INDICATORS

This Annual Report shows the organisation's performance against the APCO Packaging Sustainability Framework.

CORE: All core criteria.

RECOMMENDED: All answered recommended criteria.

TOTAL: Sum of all core and answered recommended criteria.

LEADERSHIP: All criteria that defines leadership on packaging sustainability.

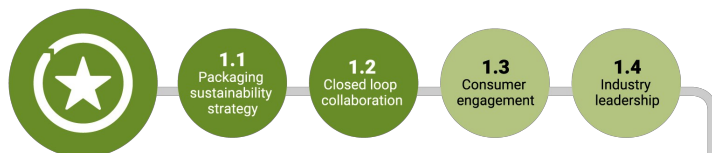
OUTCOMES: All criteria that lead to direct improvement in packaging sustainability.

OPERATIONS: All criteria related to business operations for improving packaging sustainability.

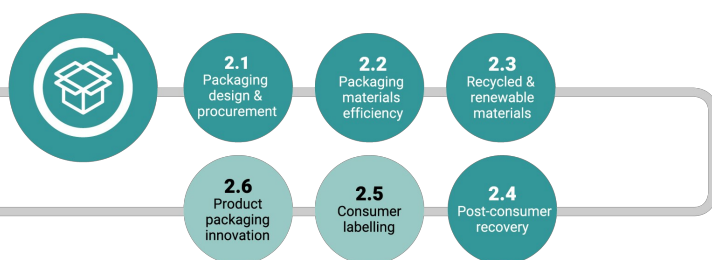
REPORTING FRAMEWORK

OVERVIEW

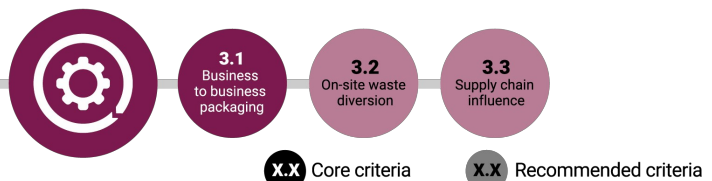
1. LEADERSHIP



2. OUTCOMES



3. OPERATIONS



X.X Core criteria

X.X Recommended criteria

LEVEL DESCRIPTION

LEVEL 0

NOT YET STARTED

The organisation does not have a plan and has not started investigating options for action under the relevant criteria.

LEVEL 1

GETTING STARTED

The organisation is developing a plan or is investigating options for action under that criteria (e.g. agreeing on goals and targets).

LEVEL 2

GOOD PROGRESS

There are documented procedures in place (e.g. to implement the Sustainable Packaging Guidelines) or some progress has been achieved, data tracking shows up to 20% of products have achieved the desired outcome.

LEVEL 3

ADVANCED

The organisation has specific, measurable targets in place, or data tracking shows that >20% of products have achieved the desired outcome.

LEVEL 4

LEADING

The organisation has more rigorous procedures in place, or an ambitious target has been met e.g. >50% of products have achieved the desired outcome.

LEVEL 5

BEYOND BEST PRACTICE

The organisation has more rigorous procedures in place, or an ambitious target has been met e.g. 100% of products have achieved the desired outcome.

ABOUT THE APCO FRAMEWORK

The APCO Packaging Sustainability Framework (the Framework) aims to provide a consistent and transparent framework for assessing and tracking packaging sustainability across organisations. The Framework consists of thirteen independent criteria that belong to three separate categories. These categories are (i) Leadership, (ii) Packaging Outcomes and (iii) Operations. The diagram above shows the different criteria included within each of these three categories.

There are two types of criteria within the Framework:

- **Core criteria** are mandatory and must be answered by all Members when completing the Annual Reporting Tool.
- **Recommended criteria** are not mandatory, but Members are encouraged to complete as many recommended criteria as possible.

Each criteria is divided into five levels of performance ranging from 'getting started' to 'beyond best practice'. The diagram above illustrates the key differences between performance levels. Please see www.packagingcovenant.org.au for more information.

ABOUT APCO

APCO is a co-regulatory, not for profit organisation that partners with government and industry to reduce the harmful impact of packaging on the Australian environment. APCO promotes sustainable design and recycling initiatives, waste to landfill reduction activities and circular economy projects. APCO Annual Reports are a key Membership obligation, providing Member organisations with a transparent method to track their packaging sustainability performance. Annual reporting also supplies APCO with valuable data and information to identify industry trends and advancements.

FREE FORM QUESTIONS

Describe initiatives, processes or practices that you have implemented during your chosen reporting period that have improved packaging sustainability.

We are making great progress on our journey to drive generational sustainability, supported by our dedicated team members, loyal customers and committed suppliers. Coles is working collaboratively with partners to better understand packaging recyclability and develop comprehensive action plans to drive sustainable packaging outcomes. Initiatives include: Rolling out the ARL on over 2000 Own Brand products (as at June 2020); Embedding the ARL into the product development process to drive an increase in products that carry the ARL; Reviewing packaging in PREP early in the development process to drive transition to more recyclable formats and reduce problematic packaging where possible; Driving increased recycled content (e.g. fresh produce bags made with 30% recycled content, Better Bags made with 80% recycled content, Coles spring water bottles made with 100% recycled content); Offering soft plastic recycling in all Coles supermarkets and through Coles Online in conjunction with REDcycle, helping to divert soft plastics from landfill. Since the REDcycle program began in 2011, Coles has diverted more than 1 billion pieces of flexible plastic from landfill across Australia (as at June 2020); Buying back products made from recycled soft plastics, including our in-store seating benches; Beginning to convert in-store coloured PET fruit liners to paper to ensure they can be recycled; Supporting CDS in QLD, NSW and NT by providing collection points in our supermarkets and car parks; Providing sustainable packaging training to team members and suppliers. In July 2018, Coles stopped providing lightweight, single-use plastic shopping bags across all stores, resulting in the removal of 1.7 billion plastic bags from Coles supermarkets.

Describe any opportunities or constraints that affected performance within your chosen reporting period.

We are committed to improving the recyclability of Own Brand packaging while also acknowledging that packaging, including plastic packaging, plays a key role in protecting products during transport, extending product life, keeping food safe and reducing food waste as it travels through our supply chain to stores. As part of our strategy and to help drive continuous improvement, we conducted a packaging review to identify opportunities to improve packaging data collection, assessment of its recyclability, and reporting. A project was subsequently initiated to drive improved packaging data with our suppliers to provide insight to APCO and Coles on packaging recyclability, highlighting new opportunities to work together to collectively achieve the National Packaging Targets. Based on our work to date and engagement with suppliers, below are opportunities for further collaboration across the packaging value chain: Availability of detailed packaging specifications; Recording of packaging data to enable accurate reporting; Changes to what is classified as recyclable in Australia; Solutions for packaging that is not currently recyclable, however fit for purpose to meet shelf life and customer expectations. Along with providing sustainable packaging training to suppliers, we have invested capital into global best practice systems with IT providers Oracle to fast-track an upgrade to our Own Brand Product Management System to include more detailed packaging information. The upgrade was implemented in February 2021 and will allow us to capture Own Brand packaging data with more accuracy and detail for reporting against the National Packaging Targets. We look forward to continuing to work closely with APCO on these joint ambitions.

TARGETS

Do you have specific targets to review new products against the SPGs or equivalent?

Yes - As part of Coles Own Brand Product Development Process, packaging specifications are requested for review, and a PREP evaluation is completed. This process also includes incorporation of the ARL (where possible).

Do you have specific targets to review existing products against the SPGs or equivalent?

Yes - Coles Own Brand packaging is reviewed as part of artwork changes. Coles also engages suppliers to gather detailed packaging information to better understand current packaging recyclability and develop action plans.

TARGETS

Do you have specific targets to reduce (optimise) the quantity of material used in packaging?

Yes - The Coles Own Brand Sustainable Packaging Policy includes reduction of packaging where possible. Coles has developed projects to review and consolidate meat, bakery and fresh produce packaging where possible.

Do you have specific targets to improve recoverability of packaging (e.g. reuse, recycling, recoverability)?

Yes - Coles is working to improve the recyclability of all Own Brand packaging and striving to roll-out the ARL on Own Brand products sold in Coles supermarkets to help our customers know how and where to recycle different packaging components.

Do you have specific targets to use sustainable (e.g. renewable and recyclable) materials in packaging?

Yes - Coles is working to improve the recyclability of all Own Brand packaging and striving to roll-out the ARL on Own Brand products sold in Coles supermarkets to help our customers know how and where to recycle different packaging components.

Do you have specific targets to include on-pack labelling for disposal or recovery?

Yes - Coles is striving to roll out the ARL on Coles Own Brand products sold in Coles supermarkets wherever possible and appropriate. This is embedded in the New Product Development process.

Do you have specific targets to reduce on-site waste sent to landfill?

We've been working towards diverting 90% of our supermarket waste from landfill by 2022. We are developing new targets which will consider industry achievements to date together with planned industry goals and programs.

Do you have specific targets to improve packaging sustainability through procurement processes?

Coles has aligned to the National Packaging Targets. Suppliers provide packaging details for new and revised products. Following this, a PREP report is completed. This process includes incorporation of the ARL on pack (where possible).

Do you have specific targets to engage in closed loop collaboration(s) with stakeholders?

Coles provides soft plastic recycling in its supermarkets & is engaging in closed loop collaborations, e.g. partnering with recycling organisations RED Group & Replas to pioneer & install a concrete slab carpark made partly out of recycled soft plastics.

TARGETS

Do you have specific targets to reduce (optimise) business-to-business packaging?

We are working to simplify single-use transport packaging to corrugated cardboard and clear PE films. We have also entered a 10-year partnership with CHEP Australia to expand the use of reusable plastic crates within the Coles supply chain.

COMMITMENTS

The Action Plan detailed below, is a public commitment to advancing packaging sustainability outcomes as a Member of APCO. Members are encouraged to have a comprehensive internal plan with the steps they will take to fulfill their commitments.

Criteria 1.1 PACKAGING SUSTAINABILITY STRATEGY (core)

5. Beyond best practice

Your organisation is committed to: Publicly reporting progress towards packaging sustainability.

Criteria 1.2 CLOSED-LOOP COLLABORATION (core)

5. Beyond best practice

Your organisation is committed to: Introducing a documented process to continually identify new opportunities for collaboration or to improve existing initiatives.

Criteria 1.3 CONSUMER ENGAGEMENT (recommended)

5. Beyond best practice

Your organisation is committed to engaging consumers about packaging sustainability by: (1) Including packaging information on your website or other publications. (2) Applying on-pack claims or labels. (3) Applying labels that encourage active consumer engagement. (4) Designing packaging to reduce the impacts of consumption. (5) Running a marketing campaign.

Criteria 1.4 INDUSTRY LEADERSHIP (recommended)

5. Beyond best practice

Your organisation is committed to: (1) Investigating collaborative or industry leadership actions to improve packaging sustainability. (2) Being involved in a program or initiative to improve packaging sustainability through collaboration and leadership. (3) Being involved in multiple programs or initiatives to improve packaging sustainability through collaboration and industry leadership. (4) Having at least one leadership initiative externally recognised through an award or other formal process. (5) Actively engaging with peers and/or the community to promote packaging sustainability, and sharing sustainability knowledge for non-commercial purposes.

COMMITMENTS

Criteria 2.1 PACKAGING DESIGN & PROCUREMENT (core)

4. Leading

Your organisation is committed to: Reviewing at least 80% of packaging with reference to the Sustainable Packaging Guidelines (SPG) or equivalent.

Criteria 2.2 PACKAGING MATERIALS EFFICIENCY (core)

4. Leading

Your organisation is committed to: Reducing packaging weight or optimising packaging material efficiency in more than 50% of products.

Criteria 2.3 RECYCLED & RENEWABLE MATERIALS (core)

3. Advanced

Your organisation is committed to: Incorporating or optimising recycled and/or renewable content in more than 20% of products.

Criteria 2.4 POST-CONSUMER RECOVERY (core)

4. Leading

Your organisation is committed to: Having more than 50% of primary packaging be recoverable through existing post-consumer recovery systems and achieving the highest potential environmental value.

Criteria 2.5 CONSUMER LABELLING (recommended)

4. Leading

Your organisation is committed to: Labelling more than 50% of products with disposal or recovery information.

Criteria 2.6 PRODUCT-PACKAGING INNOVATION (recommended)

2. Good progress

Your organisation is committed to: Evaluating and optimising up to 20% of product-packaging systems using Life Cycle Assessment (LCA) or similar.



COMMITMENTS

Criteria 3.1 BUSINESS-TO-BUSINESS PACKAGING (core)

2. Good progress

Your organisation is committed to: Reducing consumption of single use business-to-business (B2B) packaging by up to 20% or optimising up to 20% of B2B packaging for efficiency and reuse.

Criteria 3.2 ON-SITE WASTE DIVERSION (recommended)

4. Leading

Your organisation is committed to: Investigating opportunities to divert more than 50% of solid waste generated at facilities (factories, warehouses, offices, retail stores etc.) from landfill.

Criteria 3.3 SUPPLY CHAIN INFLUENCE (recommended)

5. Beyond best practice

Your organisation is committed to engaging its supply chain about packaging sustainability by: (1) Communicating goals and guidelines. (2) Providing support to suppliers to improve their understanding of goals and strategies. (3) Collaborating with key suppliers to share knowledge. (4) Having processes to evaluate risks and opportunities for influence. (5) Having business processes to monitor supplier compliance.

SIGN OFF

Greg Davis

Chief Executive, Commercial & Express

Monday, 31 May 2021

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