



Signatory Name: Laucke Flour Mills Pty Ltd

The question numbers in this report refer to the numbers in the report template. Not all questions are displayed in this report.

Status: Complete

The content in this APC Annual Report is hereby endorsed by the Chief Executive Officer, or equivalent officer of the organisation.

Yes

5. Industry sector (please select 1 only):

- Brand Owner / Wholesaler / Retailer
- Packaging Manufacturer
- Waste Management
- Other - Commercial Organisation
- Community Group
- Industry Association
- Government
- Raw Material Supplier
- Other:

6. Industry type (please select 1 only):

- Food & Beverage
- Pharmaceutical / Personal Care / Medical
- Hardware
- Homewares
- Communications / Electronics
- Clothing / Footwear / Fashion
- Chemicals / Agriculture
- Fuel
- Large Retailer
- Tobacco
- Shipping Company
- Airline
- Other:

7. Please indicate your organisation's reporting period:

- Financial Year: 1 July 2014 – 30 June 2015
- Calendar Year: 1 January 2015 – 31 December 2015

8. Was your action plan extended or updated to cover the APC transitional year (01/07/2015 -30/06/2016)?

- Yes
- No

Goal 1: Design

KPI 1: % of signatories with documented policies and procedures for evaluating and procuring packaging using the SPGs or equivalent.

9. Does your company have documented policies and procedures for evaluating and procuring packaging using the SPGs or equivalent?

Yes No

Provide details of policies and procedures

The requirement to review new packaging materials against the Sustainable Packaging Guidelines (SPG) has been incorporated into the Laucke New Raw Materials Checklist.

All existing packaging is being reviewed against the SPG according to the timetable and procedures set out in the Laucke APC Action Plan.

10. Of the types of packaging **existing at the beginning of the reporting period**, what percentage had been reviewed using the Sustainable Packaging Guidelines (SPG) by the end of the reporting period?

%

11. Have any new types of packaging been introduced during the reporting period?

Yes No

12. If yes, of the **new types of packaging introduced during the reporting period**, what percentage have been reviewed using the Sustainable Packaging Guidelines (SPG) by the end of the reporting

%

13. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 1

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	<p>Action: Establish and maintain a Packaging Review Team</p> <p>Target: Establish a role with specific APC responsibility</p>	<p>Status: In place / Ongoing</p> <p>A packaging team has been established. Packaging issues are considered at our monthly Product Development meetings.</p> <p>Our GM is actively involved in and leads APC related activities. Due to expansion and reorganisation within the business, the composition of the team has changed over the year - although the GM has remained involved throughout. During the following period a Production Support Officer role has been created and filled. This role is intended to include taking on day to day responsibility for APC matters.</p>

2.	<p>Action: Incorporate the SPG into relevant Laucke procedures</p> <p>Target: Review each year and update procedures as required</p>	<p>Status: Complete</p> <p>As a manufacturer of high quality flour products, Laucke has detailed procedures covering all aspects of the business.</p> <p>For review of existing packaging formats, the approach is set out in our APC Action Plan. Given there are only 4 packaging formats to review, we are treating this as a standalone activity.</p> <p>In relation to review of new packaging formats, we have determined that our “new raw material checklist”, embedded within the “Packaging – Design, Text, Art” procedure is the appropriate place to incorporate the requirements of the SPG. Therefore we have modified our “new raw material checklist” to create a link to the SPG and added a reference within the overarching procedure.</p>
3.	<p>Action: Perform SPG reviews of existing packaging formats as set out in the packaging review timetable in the Laucke APC Action Plan</p> <p>Target: Review SOS and Calico packaging formats during year to 30 June 2015</p>	<p>Status: In progress</p> <p>According to the packaging review timetable set out on page 12 of the Action Plan, we were due to undertake the SOS review in the y/e 30 June 2014 and Calico bags in the y/e 30 June 2015. These reviews have taken place and we are in the process of preparing our APC / SPG documentation. This will be completed during the coming period.</p>
4.	<p>Action: Perform SPG reviews of new packaging formats as and when they are adopted</p>	<p>Status: In progress</p> <p>No new packaging formats have been introduced during the current reporting period. During the previous period a new product was introduced - a 500g gluten free bread mix. The product has a new packaging format - a vertical form fill paper poly-bag. This is a physically strong format which was chosen to reflect the multiple handling of the product between production and sale.</p> <p>A review of the packaging was undertaken. APC / SPG documentation has been commenced and is being finalised during the current period.</p> <p>During the current period planning commenced for a review of paper sacks and woven polypropylene bags. The review is being undertaken and documented during the following period. One specific change we are looking at is the removal of all plastic within the valve bag filling structure (paper sacks). This change would potentially make the packaging fully recyclable.</p>
5.	<p>Action: Consider new packaging formats within Trade range</p> <p>Target: Review commenced in 2014, completed in 2015</p>	<p>Outcome: In progress</p> <p>There has been a gradual industry wide shift from 25 kg bags to 12.5kg bags. There are health and safety benefits associated with this move, but at the same time it results in an increase in packaging.</p> <p>Final planning and and execution of this change, which will impact 60 separate trade related products, has taken place during the current period. A review has taken place and APC / SPG documentation has been commenced. This will be completed in the following period - following submission of this Annual Report.</p>

6.	Action: Consider potential improvements to packaging arising from SPG reviews and from general consideration of opportunities to improve sustainability outcomes in relation to packaging.	<p>Outcome: See KPI 6</p> <p>We have made various improvements to packaging - these are set out in more detail against KPI 6.</p>
7.	Action: Root and branch review of packaging due for 2016	<p>Action: Initial planning complete, review scheduled for following period</p> <p>After a period of heavy investment in new milling capacity and capability, growth within the business has significantly increased year-on-year. The current packing systems are being reviewed and options to invest in additional employee training and enhance productivity are being considered. Changes to packing work centres are expected to enable further simplification of packaging formats currently utilized across the business whilst helping to deliver improved packaging recyclability and other sustainability-related improvements.</p> <p>Outcomes will be reported in future annual reports.</p>

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

Goal 2: Recycling

KPI 3: % signatories applying on-site recovery systems for used packaging.

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

- Yes at all facilities/ sites
- Yes at some, but not all facilities/ sites
- No

16. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 3

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	<p>Action: Monitor existing recovery systems</p> <p>Target: Review annually</p>	<p>Status: Completed for 2015</p> <p>Laucke has two operational sites. One in SA and one in Victoria.</p> <p>The SA site has full recycling systems. This includes a plastics stream and a cardboard / paper stream. The bins are emptied on an as-needs basis. Estimated amounts of recycling generated for the year are as follows:</p> <ul style="list-style-type: none"> • Paper and cardboard - 2015: 26 tonnes (2014: 16 tonnes) • Plastics -2015 10.4 tonnes (2014: 10 tonnes) <p>Following extensive investigation and negotiation, the Victorian site now has on-site paper and cardboard recycling. This was introduced during 2014 and has continued throughout the current reporting period. In addition, as part of the introduction of Safe Quality Foods (SQF) certification, an Organic waste stream has been introduced. Estimated amounts of recycling for the year are as follows:</p> <ul style="list-style-type: none"> • Organic waste - 2015: 57.9 tonnes • Paper and cardboard - 2015: 36.2 tonnes <p>In total, following the introduction of the new recycling systems, we are recycling a little over 35% of our total waste.</p> <p>We have monitored these recycling systems and there have been no major issues noted during the year.</p>
2.	<p>Action: Identify and investigate opportunities for improvement to recycling systems and implement where commercially viable</p> <p>Target: Identify option for recycling within Victorian plant</p>	<p>Status: Ongoing</p> <p>Following the successful introduction of Organic waste, and Paper and Cardboard recycling at our Bridgewater site, we are continuing to explore ways to increase the overall % of recycled vs landfill waste.</p> <p>The biggest single opportunity would be to reduce plastic waste going to landfill at our Bridgewater site. This includes shrink wrap and one-tonne woven poly bags. Further information is provided at KPI 6.</p>

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

KPI 4: Signatories implement formal policy of buying products made from recycled packaging.

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

- Yes No

Provide details of policies and procedures (including names of policies/ procedures)

Laucke has established a "Buy Recycled" policy which includes the following wording:

Laucke will seek opportunities to:

- i. Minimise purchases – in order to reduce costs and environmental impacts
- ii. Re-use products and materials rather than disposing of them
- iii. Purchase products and materials with as much recycled content as possible
- iv. Encourage contractors and suppliers to specify the quantity of recycled materials within the products and/or materials being supplied to Laucke

Laucke has taken appropriate steps to implement this policy. This includes dissemination of the policy to staff, and provision of support and guidance to allow staff to put the policy in to practice. The Laucke "Supplier Questionnaire" has recently been upgraded to ensure suppliers declare the recycled content of all supplied raw materials.

19. Is this policy actively used?

- Yes No

20. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 4

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Action: Implement appropriate policies covering Buy Recycled, GMO and other sustainability / environmental activities.	<p>Status - in place and ongoing</p> <p>We have established specific policies covering:</p> <ul style="list-style-type: none"> • Pure food • Buy recycled • Sourcing of raw food materials • Avoidance of GMO food <p>During the year we have developed plans for the introduction of "clean labelling" (which involves use of purely natural ingredients and the elimination of artificial ingredients and chemicals). The roll out of clean labelling is planned towards the end of the following period or at the beginning of the period after. Outcomes will be reported in future Annual Reports.</p> <p>We have made progress with our sustainability / environmental policy and this is scheduled for introduction either late in the following period or early in the period after. Outcomes will be reported in future Annual Reports.</p>

2.	<p>Actions: Annually report purchases that/ include recycled content</p> <p>Target: Set a long term target for 40% of paper inputs to packaging to be recycled</p>	<p>Status: Achieved and ongoing</p> <p>During the current year we have undertaken a review of all secondary and tertiary packaging to determine what options there are to increase recycled inputs. Our secondary packaging carton stock contains 85% recycled material. We have calculated that as a result we have met our target for the paper component of our packaging to include at least 40% recycled paper.</p> <p>One specific opportunity we have identified is our paper/poly flexible packaging. We initially explored incorporation of recycled inputs, however our investigations here have led us in a different direction. We have explored options for reduction of paper inputs from 80 to 70 GSM. This has been implemented in the following period. Further information will be provided in our 2017 Annual Report (KPI 6).</p> <p>We have been unable to pursue use of recycled paper in the primary packaging as it is not certified as food grade. In any event, our investigations have shown that replacing virgin paper with recycled paper would probably weaken the packaging and lead us back to a higher GSM. This is therefore no longer being pursued.</p> <p>We have looked at opportunities to increase recycled inputs into office purchases and to reduce use of virgin or non-renewable materials. Our approach includes making purchases which can be re-used rather than requiring replacement. As examples we use crockery rather than paper cups, We also use heated hand dryers rather than paper towels.</p>
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21. Describe any constraints or opportunities that affected performance under this KPI

Goal 3: Product Stewardship

KPI 6: % signatories with formal processes to work collaboratively on packaging design and / or recycling.

22. Does your company have formal processes in place for collaborating with other companies or organisations on improved packaging designs and/or recycling which aims to reduce or eliminate waste?

- Yes No

Provide details of policies and procedures (including names of policies/ procedures)

Our formal product stewardship processes are set out in our APC Action Plan. The following specific actions are included:

- Identify a list of third parties (e.g. customers and packaging suppliers) to work to improve design and recycling of packaging
- Develop a register of product stewardship issues of potential interest to Laucke and its stakeholders
- Maintain a dialogue with identified third parties to identify actions that can be taken together

23. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 6

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Action: Formalise product stewardship actions set out in our APC Action Plan into Laucke processes	<p>Status: In progress</p> <p>Our approach to product stewardship is set out in our APC Action Plan. We are in the process of incorporating this directly into our formal procedures - through the introduction of our Environmental and Sustainability policy - which is scheduled for completion during the following period.</p>
2.	Action: take steps to improve packaging based on outcomes of SPG packaging reviews	<p>Outcome: Achieved and ongoing</p> <p>The following packaging improvements has been introduced during the current period:</p> <ul style="list-style-type: none"> • An in line print and apply labelling system has been introduced on our main production line, which the majority of our trade products are packed on. This coincided with our move to generic packaging. • We have reduced trade packaging SKU's from approximately 30 to under 10.

3.	<p>Action: Take steps to re-use poly bags - target 0% to landfill</p>	<p>Status: In progress</p> <p>Much of our blended work in progress is contained in one tonne woven poly bags. Whilst we have successfully introduced paper and cardboard recycling at our Bridgewater site, we remain without plastics recycling. The poly bags therefore continue to be sent to landfill. In order to reduce landfill, we have previously set up an arrangement with a company in Sunbury which sells the bags for further use. This arrangement continues to operate. We estimate that as a result of this arrangement, approximately 5,000 bags are diverted from landfill waste each year. In addition, bags are sold direct to local farmers.</p> <p>We have set a target of re-selling or recycling 100% of our poly bags. Metrics:</p> <ul style="list-style-type: none"> - Bags purchased - 10,000 - Bags re-sold - 50% - Recycling - 0% <p>We continue to explore ways to significantly improve the outcome here. During the current period we have looked at possibilities to introduce additional PP recycling - which would allow recycling of our poly woven and plastic bags. Unfortunately this remains out of reach for us due to the distances that recyclers would need to travel to pick up the waste. For the following period we are concentrating instead on the possibility of a capital project to introduce a new silo - which would eliminate the need for polypropylene bulker bags. This is a longer term project - we anticipate planning will be undertaken in the following period followed by implementation during 2017. We will provide updates in future annual reports.</p>
4.	<p>Action / Target: Work with trade customers to reduce packaging; Target of >5% of product delivered without packaging.</p>	<p>Status: Achieved and ongoing</p> <p>Laucke continues to work with major customers to blow flour straight from the truck into custom built bulk containers - thus entirely eliminating packaging. Our target is to have at least 5% of our product delivered via this method. Our figure for the year to June 2015 was 11% (2014: 5.5%).</p>
5.	<p>Action / Target: Reduce transport footprint through back loading of trucks</p> <p>Target 100% of packaging to be obtained through back-loading.</p>	<p>Status: In place and target achieved</p> <p>We have arrangements to have Laucke owned trucks back-loaded with packaging and specialty ingredients required for use within our business, thus increasing efficiency and reducing the costs associated with transport.</p> <p>Our target is for 100% of packaging to be obtained through back-loading, and 0% freighted in by other means.</p> <p>Trade packaging is sourced from a Melbourne based supplier. Consumer packaging is sourced from Adelaide. SA is a net importer of product from Victoria, therefore all consumer packaging bound for Victoria is sent via back-loading. Through these arrangements we are successfully achieving our target.</p>

6.	Action / Target: Consider new packaging supplier to improve sustainability outcomes of packaging	<p>Outcome: In progress</p> <p>We continue to investigate alternative options to the use of virgin grade paper. Whilst the use of (a percentage of) recycled material is still a possibility, we are also planning to reduce the gsm on both our trade and retail lines. As stated earlier in the report (KPI 4) this is being rolled out across our 5kg lines during the following period with a reduction from 80 gsm to 70gsm. Further information will be provided in our 2017 Annual Report.</p>
7.	<p>Action: Explore recycling options for the Victoria plant</p> <p>Target: Aim to introduce recycling during the year to 30 June 2014</p>	<p>Outcome: Achieved</p> <p>As reported last year, after extensive investigation over a number of years, we have finally found a third party, Cleanaway, who is able to provide a recycling service for paper and cardboard at our Victoria manufacturing site. We have been able to achieve this at an overall modest reduction in waste costs for the site. This was reported in the previous period.</p> <p>We are continuing to explore the introduction of options to reduce or eliminate the need for shrink wrap and poly bags to be included in our landfill waste. We have provided details of our investigations against KPI 4. As stated there, we are considering a capital project to introduce a new silo which will eliminate the requirement for poly bags altogether. In addition we are continuing to explore options for our shrink wrap waste.</p>
8.	Action: Actively consider opportunities to switch to all paper packaging	<p>Outcome: Ongoing</p> <p>All packaged Trade product is contained in paper only packaging. However consumer and export products are handled multiple times and therefore require stronger packaging to prevent breakages and, in the case of product exported to tropical counties, to protect the product from humidity. Given that trade accounts for the majority of our outputs, the overall outcome is good, but we remain on the look out for ways to improve the sustainability of our consumer and export packaging.</p> <p>During the following period we are considering further possibilities including the incorporation of recycling information on our clean film 2.4kg packs.</p> <p>We are currently reviewing capital expenditure options to acquire new packing systems. Based on product stewardship and advocating increased recyclability for our packaging, it is likely that such a system will pack in either paper or plastic packaging exclusively, rather than a lamination of plastic and paper which has been determined to have reduced or no recyclability. This project is scheduled to be finalised and implemented during the 2017 reporting period.</p> <p>Progress and outcomes will be reported in future Annual Reports.</p>

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

KPI 7: % signatories showing other Product Stewardship outcomes.

25. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 7

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Action: Commission new building and plant	<p>Status: Largely complete</p> <p>Laucke has been undertaking a major project to improve milling operations. This project was in a construction phase during most of the previous reporting period and went through its initial commissioning in June 2014. The current period has seen considerable management time devoted to establishing the new mill and completing commissioning. As the year has progressed, the mill has been performing better and better. We are now left with a list of projects aimed at incrementally improving performance</p> <p>The building includes a number of innovative features. The building and machinery are all steel - which eliminates all possible contaminants. All machinery that produces vibration is mounted on rubber isolators, all floors are mounted on rubber isolation blocks, all external cladding is isolated from all internal sources of vibration. In addition there are numerous internal features which collectively represent a major advance in sophistication and reliability and brings with it the following sustainability advances:</p> <p>Care for our employees:</p> <ul style="list-style-type: none"> • A very quiet working environment • Significantly reduced vibration • Minimised temperature variability. <p>Care for the environment:</p> <ul style="list-style-type: none"> • Improvements in energy efficiency and energy management • Pre-filtering and cleaning of all air exhausted during mill operation, without use of chemicals • Plant outputs limited to warm, humid filtered air and food-grade products and usable by-products. <p>Care for the local community:</p> <ul style="list-style-type: none"> • Isolation of noise, vibration and harshness - resulting in a much reduced impact on the local community.
2.	Action: Introduce clean labelling	<p>Outcome: In progress</p> <p>As also reported against KPI 4. During the year we have developed plans for the introduction of "clean labelling" (to allow full and open disclosure of ingredients and to ensure that wherever possible, pure and natural ingredients are used). The roll out of clean labelling is planned towards the end of the following period or at the beginning of the period after. Outcomes will be reported in future Annual Reports.</p>

3.	Action: Pursue SQF certification	<p>Outcome: On track and ongoing</p> <p>SQF (Safe Quality Foods) is now in place in Victoria. The introduction has included the implementation of an organic waste recycling stream.</p> <p>Plans are in place to introduce this in South Australia - either in 2017 or later. Progress will be reported in future Annual Reports.</p>
4.	Action: Consider other sustainability related actions	<p>Outcome: In progress</p> <p>We remain interested in the possibility of solar power. This has been discussed during the current period and remains an option going forward.</p>

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

Yes No

If yes, please give examples of other product stewardship outcomes

See above.

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

KPI 8: Reductions in packaging items in the litter stream.

28. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 8

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Action: Research of available data and supplement this with own investigations to confirm the Laucke view that its packaging does not find its way into the litter stream	<p>Status: Completed</p> <p>Laucke products are pantry items. Unlike ready to eat products, pantry items are usually stored in the packaging until the product is fully consumed at which point the packaging is recycled or disposed of as household waste. Alternatively the product is decanted into a storage jar in the home environment - with the packaging disposed of as household waste.</p> <p>None of our products are designed as impulse purchases for out of home consumption.</p> <p>Accordingly, litter of primary packaging is is not an issue for Laucke</p>
2.	Action: Pursue on-site litter improvements as part of SQF certification	<p>Outcome: Achieved</p> <p>Laucke has implemented SQF (Safe Quality Foods) at our Victoria site. As part of this we have arranged with our waste providers to replace large open skips with smaller more widely distributed skips with lids. During the current period we have also introduced an organic waste stream.</p> <p>Both of these changes have reduced on-site litter contamination.</p>

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

Your Experiences

This section lets you share with us any achievements, good news stories and areas of difficulties in making progress against your plan and the Covenant goals and KPIs.

30. Key achievements or good news stories

There are a number of positive outcomes this year - set out against the relevant KPI's above. Perhaps the best achievement during the current period has been the successful introduction of plastics and organic recycling streams at our Victorian plant.

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