



# Global Sustainable Packaging Milestones 2019

2019 Reporting Year

NURTURE OUR PLANET

## CONTENTS

<b>Overview</b> .....	2
<b>Approach</b> .....	3
Exclude.....	4
<i>Progress to date</i> .....	4
Reduce.....	5
<i>Progress to date</i> .....	5
REDESIGN.....	5
<i>Progress to date</i> .....	6
Specific Challenges.....	8



# OVERVIEW

The way our foods are packaged ensures their safety, freshness and great taste. We also consider the impact of our packaging on the environment. These dual considerations have influenced our company’s packaging since our founding in 1906 when our cereal boxes were introduced with recycled content. We’ve been responsibly sourcing our timber-based packaging and in 2018, we expanded our commitment to work toward **100% reusable, recyclable or compostable packaging by the end of 2025** as part of our [Better Days Commitments](#) and as signatories of the Ellen McArthur Foundation New Plastics Economy [Global Commitment](#).

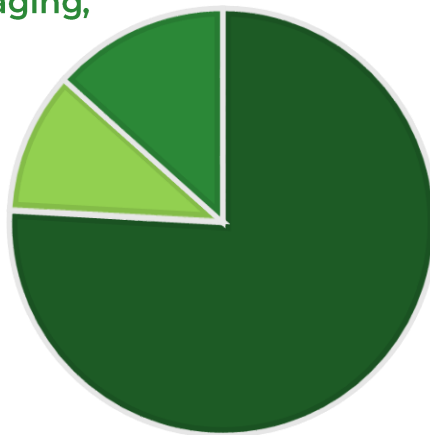
Where we are today<sup>1</sup>:

## KELLOGG GLOBAL PACKAGING BY TYPE

Multi-Material Packaging,  
77,202 MT

Plastic Packaging,  
62,488 MT

Timber-Based  
Packaging,  
439,394 MT



Kellogg has one of the smallest plastic packaging footprints among peer food companies

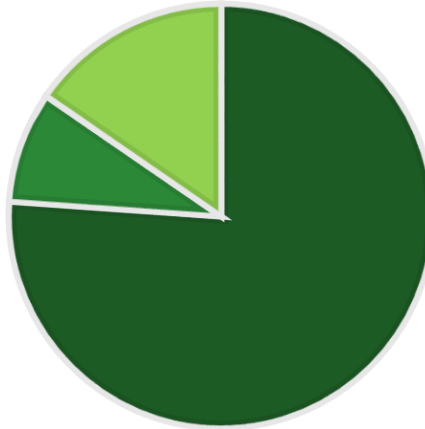
<sup>1</sup> 2019 Data. Primary data from KEU, KLA, KAMEA Pringles, Kellogg India RTEC, KANZ RTEC, and KNA SKUs representing 80% volume. Remaining data was extrapolated for accounting.

## PACKAGING RECYCLABILITY

Not Recyclable 15%

Recycle Ready (store drop off) 9%

Recyclable in Practice and at Scale 76%



76% of Kellogg Packaging is recyclable in practice and at scale

## APPROACH

To achieve our 2025 packaging goal, Kellogg Company's framework involves three approaches:

1. **EXCLUDE** certain plastic items and packaging materials;
2. **REDUCE** packaging usage across our portfolio, especially non-recyclable plastics; and,
3. **REDESIGN** packaging to recyclable or compostable.

Working across these approaches, we ENGAGE consumers, suppliers and others to support industry initiatives and to assess new packaging technologies, while helping to improve the infrastructure for collecting and recycling packaging.

The following details our framework and progress to date toward our sustainable packaging ambition across each of the three approaches.

## EXCLUDE

- All single-use foam and plastic serviceware, plastic straws and plastic bottles in all Kellogg facilities globally;
- Single use plastic cutlery from product packaging;
- Single use plastic straws in products;
- Plastic stirrers in products;
- Polystyrene in products; and
- Oxo-degradable plastics in products.

## PROGRESS TO DATE: EXCLUDE

- In 2018, we transitioned to compostable/paper foodservice products in all plants/offices globally, fully eliminating all remaining single-use foam and plastic serviceware, plastic straws and plastic bottles. In our U.S. operations in Illinois and Michigan alone, we diverted 2 million pieces of serviceware, 105,000 straws and 110,000 bottles from landfills every year.
- We're also removing the plastic spoons from our *Joybö!*<sup>TM</sup> granola smoothies. Once this is complete, no Kellogg food packaging will use plastic forks, knives, straws, stirrers, polystyrene or oxo-degradable plastic. We have introduced a process to ensure continued compliance through our packaging design.
- We're also eliminating unnecessary packaging where we can. In 2019, the [Pure Organic](#) team has made an important step towards supporting sustainability by eliminating inner cartons on their 24 bar packs. On an annual basis, this will save 140 tons of carton board and 130 tons of CO2 emissions.
- We are reducing and improving our packaging and working on how to collect and communicate our progress in future years.
- We are actively building sustainable packaging efforts into our product innovation plans to achieve our 2025 goal.
- We are a signatory to the Australian Packaging Covenant and complete annual Sustainable Packaging Guidelines reports for new and current items.

## REDUCE

- Decrease the total packaging by weight wherever possible.
- Identify opportunities to develop new business models beyond packaging (e.g. bulk models), use reusable packaging and eliminate excess packaging.
- Explore alternatives to plastics where possible, such as metal, glass and paper.
- Maintain our strong existing renewable packaging portfolio and identify new, renewable-based packaging formats.

### PROGRESS TO DATE: REDUCE

- Over the years, we've significantly reduced the amount of material in our cereal boxes and other packages. We've reduced flap sizes, eliminated excess air and introduced other innovations to make our packaging better for the environment.
- We've decreased the weight of our flexible packaging, aiming for a more than 10% reduction in the weight of our cereal liners.
- Our *MorningStar Farms*® brand of veggie foods reduced packaging weight by 38% by moving to re-sealable bags.
- Currently, we have some instances where we bulk ship cereal in reusable bins from the production facility to the final destination where it is packed into pouches or bag-in-box packages. This happens with our granolas and cereals in multiple regions. In 2019 alone, we've reduced packaging in South Africa, India, China, and Australia by over 80,000 pounds.
- In 2019, we've also improved our data collection systems, to better track our progress against our commitments, understand our gaps and continue to test new solutions and share the learnings around the globe.

## REDESIGN

- Convert packaging to materials that are widely recyclable and, in the interim, use packaging that can be returned to the store or sent back for recycling.

- Convert plastic inserts and their plastic overwrap to materials that are widely recyclable and, in the interim, use packaging that can be returned to the store or sent back for recycling.
- Identify long-term, closed-loop packaging that can be reused many times.

## PROGRESS TO DATE: REDESIGN

Today, 79% of our plastic packaging is recyclable through curbside, store or mail-in recycling options. However recycling rates for plastics are low across the board, particular for recycling that is what we can “recycle ready” that needs to be dropped off at the store. Only 16% of the plastic packaging is recycled in practice and at scale. So how do we fix this? There are three ways:

1. Finding new packaging technologies that are reusable or work within the existing recycling infrastructure.
  - We are evaluating our materials and working with suppliers to develop films to make packages more recyclable.
  - In Mexico, we are piloting a project to replace PET packaging with materials that can more easily be crushed into pellets and recycled.
  - In France, Kellogg has partnered with retailer Intermarché to develop Cereal Bars to enable consumers to easily use the right amount of Kellogg's cereal by purchasing in bulk with biodegradable Kellogg's bags to help them get the right amount for their needs. The 3 pilots were installed in June 2020 in the Ile de France region: Noisy le Grand, Combs la Ville and Longpont Sur Orge. Located in the heart of the cereal aisle, this Kellogg's exclusive presentation has been designed as a whole to revitalize the merchandising of the department, enhance the bulk offer and create a true attraction zone by bringing something new to the store. The concept will be rapidly deployed in some 15 stores of the Intermarché Group and 3 others in the specialized network Day by Day.
2. Change the infrastructure to enable broader recycling through curbside pick-up.
  - In North America, we became a member of [The Recycling Partnership](#) to support education and infrastructure projects related to curbside recycling. Leveraging these collaborative partnerships with retailers, suppliers and other companies supports our efforts to design packaging materials that work within both existing and future infrastructure.
  - In India, we are working to change multi-layer plastic (MLP) packaging to single-layer packaging and working with a waste management company to build a system to collect/dispose of MLP as fuel for cement kilns.
  - The *Pringles*® plant in Malaysia works with its waste collector to convert rejected cans into corrugated paper.

- We are working with the recycling industry to increase recyclability of the *Pringles*® can in its current format within certain markets and if this is not possible, we are exploring new packaging materials or formats that work with the existing recycling infrastructure.
3. Better inform people about what they can recycle and how.
- We are seeking to partner with governments, recyclers, retailers, people who enjoy our foods and others to increase the recycling rate for foods packaged in “recycle-ready” materials.
    - We are working on a communications plan to promote recycling through our brands and retailers.
    - In the U.K., *Pringles*® launched a partnership with TerraCycle to collect and recycle its cans. In the U.S., we added the How2Recycle label to most of our packages and we’re closing the gap on those few items that still don’t have it labelled. All packaging plans to have the How2Recycle label on pack by the end of 2021.
    - *Bear Naked*® launched store drop-off, recycle-ready packaging for their granolas and granola bites. The new packaging includes a “Store Drop-Off” logo with a link to <https://www.how2recycle.info/sdo> to help people find a nearby recycle drop-off location. All Bear Naked granolas and Bites varieties will adopt this packaging going forward.
    - In Australia, eligible packaging includes the Redcycle logo. In 2018, 7.7 tonnes of our packaging made it into Redcycle collection bins.

#### *Highlight: Plastic Inserts*

We are committed to 100% reusable, recyclable or compostable plastic inserts by the end of 2025. We know that consumers and customers love the fun we bring into the box in the form of promotional inserts. We are committed to doing so in a responsible way:

- First, we are committed to giving our consumers choice. With every promotional insert offered, we will give our shoppers the opportunity to “opt in” to receiving the insert. This might be through choice at shelf, where we will have boxes with and without the promotional inserts or through a redemption model.
- Less than 1.5% of our ready-to-eat cereals have promotional inserts at any given time.
- Second, we are working with our suppliers to ensure our inserts and the overwrap is 100% reusable, recyclable, or compostable. In regions that do not have the recycling infrastructure to support achieving this goal in the short term, like Europe, we will eliminate promotional inserts in our cereal boxes until our supplier partners can identify materials that meet this commitment.
- We are evaluating composting opportunities and developing a strategy that fits our product categories.

## SPECIFIC CHALLENGES

Most of the plastic materials we use at Kellogg (e.g. flexible films) are not in compliance with the EMF definition for recyclability today.

For example:

- All mono materials can be processed for recycling, but there is no infrastructure to support it. This includes high-density polyethylene (HDPE), blown film, plastic liners, low-density polyethylene (LDPE), shrink film, polypropylene (PP) closures and cups, and oriented polypropylene film (OPP). Multi-layer HDPE bottles with /Ethylene Vinyl Alcohol coatings ARE recyclable in current HDPE systems.
- Multilayer laminate films is the part of our packaging portfolio that is the most challenging to convert. We use these materials because their water barriers expand shelf-life and reduce food waste. They are also extremely lightweight and cost effective. Unfortunately, they are difficult to recycle from a technical perspective and, due to their weight, unlikely to have a significant recycling infrastructure solution. We are engaging a myriad of suppliers and technology companies to explore solutions that are able to maintain our food safety and shelf life requirements, and improve the sustainability of the packaging.
- Given our ambition for a circular economy for plastics, another challenge is our ability to convene efforts and drive collaboration between different aspects of the supply chain, all with different drivers. For example, as an industry, we need to ensure that actors from the fossil fuel industry through to the waste management and public sector are also part of these discussions to ensure we identify and execute technologies that can be delivered at scale. Within our immediate domain, a challenge can be to facilitate complex project management across cross-functional teams, engaging and developing business plans with suppliers who may or may not have technologies that support our commitments.

While we have significant efforts underway to address waste and plastics across our value chain, we cannot accomplish the ambitious 2025 goal alone. We will continue to collaborate with new and existing external partners, our customers and other innovators to identify packaging solutions that protect and enhance our foods while delivering on the quality and great taste that people expect from us.

These actions all contribute toward *Kellogg's Better Days*® global purpose platform to create better days for 3 billion people by the end of 2030. It also supports the United Nation's Sustainable Development Goal (SDG) #12 to ensure sustainable consumption and production patterns, which includes #12.5, to substantially reduce waste generation through prevention, reduction, recycling and reuse.



