



Signatory Name: Asaleo Care Australia 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 2015 – 30 June 2016
- Calendar Year: 1 January 2016 – 31 December 2016

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

SPG Checklist Procedure (2014); SPG Checklist (2014)

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?

75 %

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

50 %

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.	Review of all SKUs to develop logical groups of products and / or materials to enable a more efficient process to review all products to review all products against the SPGs within five years.	Maintained Checklist process introduced in the previous reporting period. Provided training to new employees, as required. We reduced the packaging of our Sorbent branded toilet tissue by 10% as a result of a redesign activity.

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

As reported previously, large scale and significant business activity (such as tenders and new manufacturing equipment purchases) generate more efficacious sustainable packaging outcomes than the checklist. For example, our recent packaging tender was based on strategic sourcing principles and was sensitive to the SPG ideas.

We developed a life-cycle scenario model for some of our products produced in New Zealand as part of our Environmental Product Declaration (EPD) project. (Note: This project is reported in detail in the Goal: Product Stewardship / KPI7 section.) The scenario model enables us to calculate the environmental impact due to changes to the packaging material and weight, as well as to identify hot spots within our products' life cycle.

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.	Annual review of current recovery systems for packaging materials identifying improvements and annual improvement targets.	<p>2016 performance was reviewed by senior management and new annual improvement targets were set for each manufacturing site.</p> <p>One of our administration offices decided to take action on waste to landfill and shared their story with all employees via the company intranet.</p> <ul style="list-style-type: none"> • All the office employees had personal rubbish bins removed and replaced with a small desk cube bin. Staff were encouraged to sort their rubbish each day into the recycling bin, secure shredding bin, food scraps bins, soft plastics bin and lastly general waste. These bin options are now all conveniently placed in the lunch room and the cleaners were instructed to no longer empty desk bins. • The employees quickly adjusted to this new routine and many have since reported their recycling at home has also improved due to the focus at work. • It is estimated we have achieved a 90%+ reduction in waste going to landfill from this office.
2.	Reduction in WTL / increasing recycling	<p>In 2016, there was a slight increase in solid waste recycling rate (58.5%) compared the prior year (57%).</p> <p>2,177 tonnes (+8% vs 2015) was recycled across our operations in 2016. The two main materials recycled were cardboard/paper (61%) and Plastic (17%).</p>

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

The difficulties we reported last year surrounding the NZ and Australian market for recycled materials have continued to impact our efforts to increase our recycling rate.

The types of packaging materials we collected for recycling include:

- Paper/cardboard
- Plastic
- Co-mingle
- Non-woven
- Diapers
- Steel
- e-waste

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)

As reported in previous years, Asaleo Care uses the SPG Checklist (2014) to drive consideration of packaging with higher recycled contents. In the checklist, both Procurement and Technical departments are required to show that a solution that uses a higher % of recycled materials has been considered. In addition, we continue to drive compliance to the Company's legacy Global Supplier Standards which indicate our preference for recycled content.

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.	The Sourcing Policy will be reviewed annually to ensure that it aligns with our recycling commitments under the APC. Describe the progress in implementing a Buy Recycled policy or equivalent.	<p>The current procurement policy states: "Where possible and to ensure alignment with our packaging covenant commitments in both Australia and NZ, recycled materials or a proportion of recycle content is to be used for packaging requirements where appropriate."</p> <p>As such, our process is to 'Buy Recycled' when there is an opportunity to purchase packaging with a higher recycled content at no financial or performance detriment. For example, we successfully transitioned our coreboard to a higher % recycled content.</p>

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

Since last year, we have more than doubled the number of products we market to customers and consumers that contain recycled fibre (36 products v 17 in 2015). In other words, we are making it easier for others to "Buy Recycled" washroom, front-of-house, back-of-house, health care and other tissue-based products. The recycled content in these products range from 25 - 90% as follows:

- 14 products with 80-90% recycled content
- 11 " " 50-70% " "
- 11 " " 25-40% " "

As reported last year we formalised a 'Responsible Forestry and Fibre Sourcing Policy' <https://www.asaleocare.com/sustainability/responsible-forestry-and-fibre-sourcing-policy/> which we believe assists Asaleo Care to manage its environmental aspects and impacts more effectively than a 'Buy Recycled' policy.

While packaging, recycled input and waste-to-landfill are still important, our Materiality Assessment has clearly identified Responsible Forestry and our management of resources such as energy, water and emissions to air to be more pertinent for our organisation.

Other limitations include:

1. High cost of alternative materials is a significant barrier to the uptake of "alternative" materials in our operations.
2. Product safety requirements limit our use of some material which are in contact with our products. For example, film with a recycled content is not considered appropriate for personal hygiene products.

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)

As reported previously, our capital approval process for new equipment purchases incorporates an environmental review and an assessment of the equipment operation. Supplier review meetings are held with technical, marketing and operation teams to progress packaging opportunities.

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.	All suppliers will be reviewed quarterly to ensure compliance with KPI 4 (Buy Recycled)	A key supplier has been targeted for more frequent review meetings (fortnightly). Options reviewed also include down-gauging of packaging materials.

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

Asaleo Care's Sustainability Manager is a member AFGC's Sustainable Practises Committee and explored recycling and waste diversion opportunities with industry peers, researchers and suppliers. We continue to seek downgauging opportunities, and we are finding that we are now becoming limited by OHS / Logistics limitations.

Our Deeko BioPak range resulted in a number of beneficial environmental outcomes. Sales of the range in 2016 offset 96 tonnes of CO₂-e emissions which is the equivalent of removing 38 cars from the road during the same period.

We worked with our packaging suppliers to assess the life-cycle impact of a number of our products and published the results in our 2016 EPDs. This project is reported in detail in the Goal: Product Stewardship / KPI7 section. The results show that packaging is not an environmental hot-spot within our supply chain. In fact, the contribution of packaging to the environmental impact over the product's total life cycle is less than 5% across 4 key indicators (Note: data is indicative of the products featured in the published EPDs):

- Global warming, fossil
- Acidification (leading to issues such as acid rain etc)
- Eutrophication (leading to algae blooms etc)
- Photochemical ozone (leading to smog etc)

As part of our Responsible Sourcing Program, we screen key suppliers for their environmental and waste management policies, targets and procedures. In 2016, 88 active suppliers participated in the program, and together they represented 50% of the Company's total procurement spend. This is a selection of the relevant questions we ask our suppliers:

- Do you have a written policy on environmental management?
 - If yes, what does the policy cover?
- Do you have targets to reduce your energy usage?
- Do you use renewable energy (e.g. wind power, solar energy, hydropower etc.) on site, in transport or other operations?
- Do you have a written policy on waste management?
- Do you have a written procedure on how to store, discharge and dispose of waste?
- Are your site's waste storage containers in good condition and appropriate for the waste that is collected in them?
- Do you have targets for reducing the level of waste produced from your site?

Further information about the Responsible Sourcing Program is available in the Sustainability section of the downloadable 2016 Asaleo Care Annual Report at <http://www.asaleocare.com/investor-relations/companyreports/>

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.	None specified	N/A

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

As reported last year, we undertook a sustainability materiality assessment and identified our key environmental issues, which are:

- Responsible forestry
- Resource scarcity-including the impact of climate change

Some of our 2016 Annual Report highlights:

- Responsible Forestry:
 - We offered 225 chain of custody certified products (up 25% vs. 2015).
 - 71% of relevant suppliers were screened against our Responsible Forestry criteria (up 5% vs. 2015).
- Resource Scarcity-including the impact of climate change:
 - More than 13% of Asaleo Care's total energy consumption came from the direct use of geothermal steam, a renewable energy source.

Further information about our performance in these areas are available in the Sustainability section of the downloadable 2016 Asaleo Care Annual Report at <http://www.asaleocare.com/investor-relations/companyreports/>

In 2016, we published two Environmental Product Declarations (EPDs) for our Toilet and Folded Hand Towel products, and developed an LCA tool to help us identify "hotspots" within our value chain and to design more sustainable products. The key finding was that as much as 78% of the energy embodied in the product's life cycle is from renewable energy sources such as biofuel, geothermal steam, hydro and wind energy.

More information about our EPD project can be found on our website: <https://www.asaleocare.com/sustainability/environmental-product-declarations/>

We also produced a video that explains the purpose of our EPD. You can access the video here: <https://youtu.be/jpfzfST49uU>

Note: An EPD is a standardised and verified way of quantifying the environmental impacts of a product based on a consistent set of rules known as a PCR (Product Category Rules).

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

Nil.

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.	All products will have logos and text to promote the responsible disposal of packaging (space permitting)	No changes since last reporting period. We continued to apply responsible disposal information to all new SKU's as part of our standard checklist process.

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

As reported previously, some of our brands (Sorbent, Handee, Purex) are consumed in the home and therefore have a low risk of impacting the litter stream.

Littering can be an environmental aspect of manufacturing. Therefore all our Australian and New Zealand manufacturing sites are certified to ISO14001 Environmental Management System and maintain appropriate measures to address the risk and impact of littering on the immediate environment. For example, steel mesh was installed on a number of storm water pits at our Box Hill site in 2016 to mitigate against the risk of litter entering that system.

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

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