Signatory Name: Asaleo Care

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

If yes, what is the period of your extended or updated action plan?

| Start Date: | 01/07/2015 |
| End Date: | 30/06/2016 |

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

    35 %

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 wihin five years.	Maintained Checklist process introduced in the previous reporting period. Provided training to new employees, as required.

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.

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.	2014 performance was reviewed by senior management and new annual improvement targets were set for each manufacturing site.
2.	Reduction in WTL / increasing recycling	In 2015, there was a slight reduction in solid waste was recycling rate (57%) compared the prior year (60%).
		2,014 tonnes were recycled across our operations in 2015. The two main materials recycled were cardboard/paper (38%) and Plastic (29%).

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/napkin
Plastic
Co-mingle
non-woven
Pallets (both pallets & wooden)
Paper reel cores

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 last year, 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.	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." 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.
2.	Consider alternative packaging materials which may deliver more sustainable outcomes.	We have considered Bio-plastic and run extensive trials.

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

> We currently market 17 products under our brands made from recycled fibre, 3 from bagasse (sugar cane pulp), not including our Deeko BioPak range.
>
> As reported last year we formalised a 'Responsible Forestry and Fibre Sourcing Policy' which assists Asaleo Care to manage its environmental aspects and impacts more effectively than a 'Buy Recycled' policy. Our 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 downguaging opportunities, and we are finding that we are now becoming limited by OHS / Logistics limitations. However, in 2015 selected Libra packaging was further lightweighted thereby reducing material usage and energy footprints.

Similarly, we were able to the poly wrap sizes on some of our toilet products. This has reduced our total poly packaging usage by 15 tonnes per annum.

Our Deeko BioPak range resulted in a number of beneficial environmental outcomes. Sales of the range in 2015 offset 143 tonnes of CO_2-e emissions which is the equivalent of removing 57 cars from the road during the same period.

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	Some of our Annual Report highlights include: •Responsible Forestry: We offered 180 chain of custody certified products. 66% of relevant suppliers were screened against our Responsible Forestry criteria. •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. In 2015, we worked on producing two Environmental Product Declarations (EPDs) for our Toilet and Folded Hand Towel products, and developing an LCA tool to help us identify "hotspots" within our value chain and to design more sustainable products. These will be launched in 2016. 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).

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

In 2015, we identified the key sustainability issues that are most pertinent to our business through a materiality assessment. The assessment involved a review of Company policies, commitments and internal risk registers, management interviews and workshops and external stakeholder interviews. It also took into account peer benchmarking, a review of non-government organisations and industry publications and campaigns. As a result of that assessment, a number of social, environmental and economic issues relevant to the business were identified. Whilst these are not considered to pose a material risk to the Company, the key material sustainability issues identified are outlined below.
• Supply chain management-including human rights
• Responsible forestry
• Resource scarcity-including the impact of climate change
• Economic performance
• Community engagement and partnerships
• Workplace health and safety
 Further information about our performance in these areas are available in the Sustainbilty section of the downloadable 2015 Asaleo Care Annual Report at http://www.asaleocare.com/investor-relations/company-reports/

We also partnered with Sustainable Business Network in 2015 to support and educate on the principles of the circular economy. The output of this is a guide for builders and architects to consider how they can use the principles of a circular economy in the washroom. Refer page 15 of CEMO guide.

Our recent work with EPDs (environmental product declarations) have highlighted the environmental footprint "hotspot" within our domestic logistics operations and we have continued to look for opportunities to improve our logistics efficiency. For example, we:
  1. increased the number of toilet roll packs per shipper,
  2. introduced bulk cartons to some retailers for our personal care products, and
  3. reduced the secondary packaging on our tampon products to some of our retailers.

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.	All products will have logos and text to promite 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.

Our business-to-business brand offers consumption-reduction systems that help reduce litter such as napkins (for Quick Service Restaurants) and toilet paper (for Councils and public facilities), and this is where we have been focusing our efforts. For example, the Tork ® Xpressnap Drive Thru Dispenser delivers one, two or four napkins, neatly folded, ready for the bag or tray. Designed specifically for Quick Service Restaurants (QSR) the new Tork dispenser helps serve customers faster by quickly providing the right number of napkins without having to count or separate from a pile. The system was recently rolled out into a major QSR's drive thru facilities and the feedback is extremely positive: the system is delivering strong improvements in efficiency and a reduction in napkins dispensed.

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