



GOOD

FOR US ALL

SUSTAINABILITY REVIEW

2017

TABLE OF CONTENTS

| | |
|------|---|
| 2 | MESSAGE FROM AMCOR'S CEO |
| 5 | ONE PAGE INFOGRAPHIC SUMMARY |
| 6 | PRODUCT PROFILES |
| 9 | MATERIALITY ASSESSMENT |
| | |
| 14 | OUR PRODUCTS INNOVATION AND COLLABORATION |
| 15 | Natural capital valuation project |
| 16 | Innovation and product design |
| 21 | Sustainable materials management |
| 22 | Product quality and safety |
| 23 | Customer and supplier management and collaboration |
| | |
| 26 | OUR OPERATIONS CARE AND QUALITY |
| 26 | Ethics and integrity |
| 27 | Economic performance |
| 27 | Employee attraction and engagement |
| 30 | GHG emissions and climate change |
| 34 | Operational waste |
| 35 | Water |
| 37 | Air quality and pollution |
| 37 | Occupational health and safety |
| | |
| 44 | OUR CAPABILITIES EXPERTISE AND REACH |
| 45 | Arcor Sustainability Partners Program |
| 49 | Circular economy |
| 55 | Post-consumer waste |
| 62 | Public policy and education |

MESSAGE FROM AMCOR'S CEO



Ron Delia
Chief Executive Officer

The 35,000 people of Amcor share an aspiration to be the leading global packaging company. Achieving that means winning on behalf of everyone and everything that holds a stake in our company.

That includes making the environment better through our sustainability leadership. Sustainability creates business opportunities, and complements our commitments to safety, integrity, diversity, responsible sourcing and contributing to our communities.

Amcor's accomplishments in sustainability include continually raising efficiency at our 200 sites around the world by driving down our use of energy, water and other resources. We have environmental management systems at every Amcor location, and each site must meet ambitious criteria for environmental discharges, waste management and community impact.

We are reducing our carbon footprint and helping Amcor customers decrease their own through more sustainable packaging and more efficient operations.

Working with our customers and suppliers – as well as with recyclers, the Ellen MacArthur Foundation's (EMF) New Plastics Economy and other initiatives – we are helping to build a circular economy for plastic packaging. That results in increasingly more plastic packaging being recovered and recycled. We are also active in the Ocean Conservancy's Trash Free Seas Alliance, which is working to eliminate marine debris.

In partnership with the United Nations World Food Programme (WFP), we are developing packaging that aids in fighting hunger and improving nutrition by getting more food to people who need it most.

Over the past year, we made significant progress in sustainability, the environment, and our communities. We did that through expertise and innovation by Amcor employees and partners, applying our capabilities across the wide scope of our operations and those of our suppliers.



WITH GLOBAL SCALE, STRONG RELATIONSHIPS AND COLLABORATIVE APPROACH, AMCOR MAKES IMPROVEMENTS AND BREAKTHROUGHS THAT ARE RAISING THE ENVIRONMENTAL PROFILE OF OUR ENTIRE INDUSTRY.

Key achievements this past year included:

- Earning multiple gold awards and high ratings for packaging innovation and sustainability excellence, including the DuPont Packaging Innovation Awards, the Flexible Packaging Association, EcoVadis, and the European Aluminum Foil Association.
- Reducing greenhouse-gas emissions and waste sent to disposal from Amcor locations – exceeding goals established under our internal EnviroAction program. EnviroAction targets for the next measurement cycle include further significant decreases in emissions, waste and water use.
- Maintaining a strong, company-wide focus on safety, with an emphasis on hand safety – helping to reduce hand injuries in our continuing operations by 44 percent, and recordable cases 14 percent from the prior year.
- In addition to our three global sustainability partnerships with EMF, WFP and the Trash Free Seas Alliance, Amcor is actively involved in the Aluminum Stewardship Initiative, the European Organisation for Packaging and the Environment, the Flexible Packaging Association, CEFLEX (Circular Economy for Flexible Packaging), Materials Recovery for the Future, The Recycling Partnership, and the SAVE FOOD initiative.
- Recognition by *Fortune*, as one of 50 leading companies in the magazine's annual Change the World report because of our work with the World Food Programme, particularly for redesigning packaging for a children's nutritional supplement. That project alone saved WFP nearly US\$3.2 million and reduced packaging waste by 275 tons.

Amcor's global reach enables us to leverage our sustainability leadership for even greater effect. We insist on ethical behavior, transparency, and sustainable practices from the companies that make up our supply chain. We require our suppliers to commit to Amcor's Supplier Code of Conduct, which defines clear principles for business integrity, labor standards, occupational health and safety, and environmental stewardship.

Amcor people enthusiastically embrace sustainability and are determined to remain leaders in collaborative industrial, governmental and institutional efforts to benefit all citizens.

We appreciate your interest in our approach to sustainability, and invite your comments and suggestions via Amcor.com.

Best regards,

A handwritten signature in black ink that reads "Ron Delia". The signature is written in a cursive, flowing style.

Ron Delia
Chief Executive Officer

SUMMARY

SUSTAINABILITY REVIEW FY17

OUR PRODUCTS

INNOVATION AND COLLABORATION TO ADVANCE SUSTAINABLE PACKAGING



3

DuPont Packaging Awards earned



457

ASSET™ life cycle assessments completed



93%

Spent with suppliers who have undergone EvoVadis assessment

OUR OPERATIONS

CARE AND QUALITY TO REDUCE THE IMPACT OF OPERATIONS 2017 compared with 2016



100%

Of manufacturing sites participate in SEDEX



44%

Fewer hand injuries after global hand safety campaign



14%

Reduction in recordable case frequency rates in continuing operations



7%

Decrease in waste-to-disposal



1%

Reduction in greenhouse-gas emissions intensity

OUR CAPABILITIES

EXPERTISE AND REACH TO ADDRESS GLOBAL CHALLENGES



64K

Additional children fed thanks to improved UN World Food Programme packaging



\$3.2M

Saved by UN World Food Programme thanks to Amcor guidance and support



17YRS

Participation with the Earthwatch Institute, focused on addressing marine debris



15

Travelled to Bali with Earthwatch Institute to study marine debris and contribute data for research



4

Pioneer projects participating in Ellen MacArthur Foundation projects

PRODUCT PROFILES

Amcor products protect fresh produce, snack foods, medicines, water, juices, and carbonated soft drinks, among many other essential goods we all use every day. Recent packaging product developments we're particularly proud of:



PET VITAMINWATER® BOTTLE

One of the most effective ways to improve the sustainability of a package is to reduce the amount of raw materials needed to protect the product inside. Amcor Rigid Plastics did this with its 20-ounce polyethylene-terephthalate (PET) bottle for Vitaminwater®, reducing the bottle's weight from 35.8 grams to 30.1, and its carbon footprint by 15 percent. For this achievement, Amcor received a silver DuPont Packaging award in the Responsible Packaging category. Two Amcor innovations enabled the improved performance: a base featuring PowerStrap™ technology, which strengthens structure and increases vacuum absorption, and ActiveHinge™

technology to further improve the rigidity of sidewalls. Together, they allow the bottle to maintain its shape with an improved look and feel, while using less plastic.

VENTO™

Vento™, our high-performance laminate for ground coffee and whole beans, improves environmental performance by reducing downtime of machines and processing steps, increasing resource efficiency and decreasing waste. No other low-pressure opening valve uses so little material. With Vento™ packaging, producers capture the flavour and aroma of freshly roasted coffee without hard valves, extra machinery, and additional processing steps. The Vento™ degassing system is integrated into the laminate, providing more packaging-design flexibility, running on all coffee-packing machines, and often increasing the speed of the packaging process. Vento™ reduces the carbon footprint of packages by 6 percent. For this innovation, Amcor was awarded gold DuPont Packaging Awards in the Technological Advancement and Responsible Packaging categories.





CANSEAL PRO AND PEELFIT™

Peelfit™, an innovative, proprietary metal can designed specifically for the dry-food market, addresses demands for greater convenience, lighter weight and enhanced product protection. Developed by Crown Holdings Inc., it uses Amcor's CanSeal Pro, a revolutionary flexible membrane that requires less metal while maintaining can performance and functionality.

The unique design of Peelfit™ offers a number of sustainability benefits. Eliminating the rigid steel ring typically required in double-seaming applications makes the container 16 percent lighter than cans using conventional foil-seam closures. Direct Heat Sealing (DHS) technology uses 32 percent less energy than existing foil-seam closures. Like all metal packaging, the can delivers 100 percent protection against oxygen, gas, light, moisture and other contaminants, while preserving nutritional value, flavor and aroma of the contents. Peelfit™ earned Crown Holdings and Amcor gold DuPont Packaging Awards in the Technological Advancement and Responsible Packaging categories.

SAFEMIX BLISTER SYSTEM (FORMERLY FRANGIBLE FORMPACK® BLISTER)

The SafeMix Blister System is a multi-chamber pharmaceutical blister package that enables moisture-sensitive active ingredients such as drugs, vaccines, and diagnostic reactants to be safely contained in the same package, prior to being mixed and dispensed. Amcor Flexibles developed this product in partnership with machine builder Rohrer-Leading Solutions. The unique frangible seal separates two compartments in the blister pack; one chamber can be filled with a dry powder incorporating the active ingredient, the other with a liquid.

When pressure is applied to the two compartments, the frangible seal opens the channel so that the two components mix together.

The construction of the blister pack also protects the product from exposure to light, heat and moisture. This means that medicines can be delivered to remote locations in a sterile, convenient single-use pack, eliminating the need for cool storage, glass containers, or complex laboratory environments. This package earned Amcor an Alufoil Trophy in the Technical Innovation category.





FORTIS™

Amcor Flexibles Americas received a gold award at the Flexible Packaging Association's Annual Achievement Awards for the development of Fortis™, Amcor's breather bags for medical sterilization packaging.

Fortis™ represents the innovative use of both packaging materials and design. Amcor produces the co-extruded (blown-film) bag material with multi-layer equipment that combines cost-effective thin layers of several resins to produce a highly engineered film. This film's strength, abuse and tear resistance protect medical instruments through gas

sterilization and distribution.

The bag film is engineered to be peelable, using Amcor's patented Core-Peel® technology, eliminating the need for a peelable header strip making aseptic removal of contents much easier and reducing the risk of contamination.

AMLITE

Last year, Amcor launched AmLite Ultra, a transparent, metal-free package that is the latest addition to Amcor's broader AmLite line. AmLite Ultra is comprised of metal-free films that are exceptional for high-barrier packaging; including Amcor's Ultra SiOx coating that gives the package an oxygen barrier comparable to that of aluminium.



AmLite products offer significant environmental benefit by reducing material use. According to Amcor's life cycle assessment tool, ASSET™, AmLite has a 40 percent smaller carbon footprint, some of which is due to its 21 percent lighter weight. AmLite Ultra can be used for a range of ambient dry-food products, as well as medical and personal-care products in a variety of package formats, including bags, stand-up and spouted pouches, flow packs and sachets.

Amcor has taken AmLite and AmLite Ultra to the next level, offering fully polyolefin-based materials that are recycling-ready – an important enabler for development of a circular economy. These materials are already recycled at large scales in several countries, including Germany. Whether polyolefin-based materials are recycled now or in the future, the carbon footprints of packages that use them will be even smaller.

MATERIALITY

ASSESSMENT AND STAKEHOLDER ENGAGEMENT

WHAT IS A MATERIALITY ASSESSMENT?

While we engage with our stakeholders in the normal course of business throughout the year, we use an annual materiality assessment to formally determine the environmental, social, and governance issues relevant to Amcor and must be addressed in our sustainability strategy and reporting.

[This is what the materiality assessment looks like:](#)

WHO ARE AMCOR'S STAKEHOLDERS?

Our stakeholders are those who have a direct relationship with, or are impacted by, our business. They include consumers, customers, co-workers, suppliers, our business groups, industry bodies, investors, governments, regulators, and the communities in which we operate. We also consider the natural environment a key stakeholder. YOU are one of our stakeholders!



STEP 1 IDENTIFY RELEVANT TOPICS

We consider the following sources to generate a list of issues to evaluate as potentially relevant for Amcor and our stakeholders:

- Public documents released by stakeholder organisations including industry groups and peer organisations
- Input from the sustainability leaders within each Amcor business group
- Social, environmental and economic aspects associated with Amcor's current business plans, strategy, risks and opportunities
- Interviews with representatives of the stakeholder groups who have a direct relationship to, or are impacted by, the economic, social and environmental impacts of our operations*

**Every third year only (this occurred in FY17)*

This process generates a list of issues that reflect our significant economic, environmental and social impacts as well as topics that would substantially influence the assessments and decisions of stakeholders. We then compare the list against the sustainability-related risks and opportunities identified by Amcor's Enterprise Risk Management (ERM) program. Any issues that had not been identified by the ERM program were included for future consideration by our businesses, thereby enhancing the rigour of our approach to sustainability and its integration with the ERM program.

The key topics and concerns raised by stakeholders are incorporated into our materiality assessment process. The relevant sections of this report share how we respond operationally to highly material issues.

STEP 2 PRIORITISE THE TOPICS

Each issue is scored according to potential risks, opportunities for impact, and the significance of the issue to our stakeholders based on stakeholder feedback, internal Amcor documents, peer benchmarking, and industry reports to create the materiality matrix.



STEP 3 VALIDATE

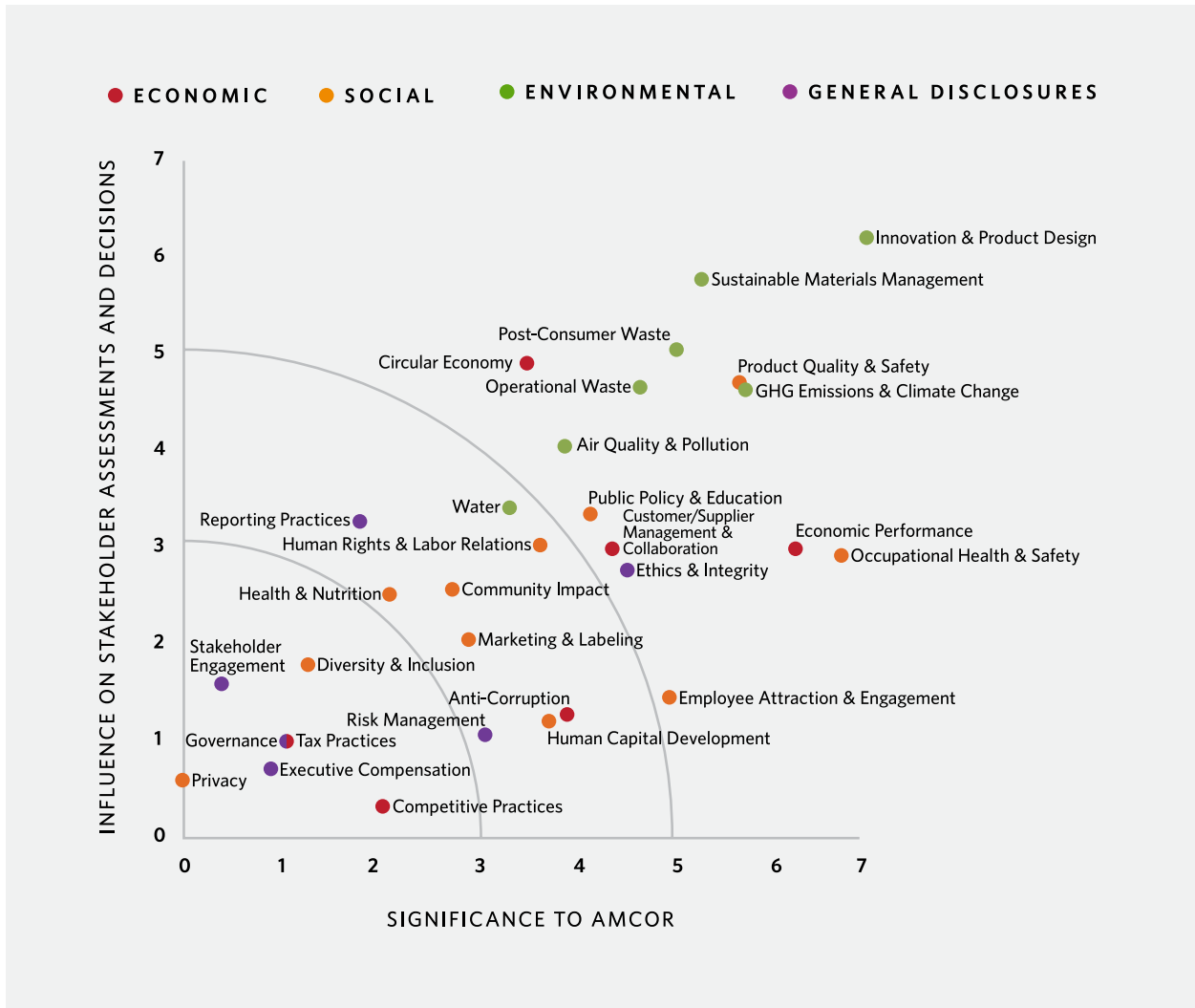
We validate the results and materiality matrix through discussions with key Amcor leaders.

The table on the following pages lists the issues determined to be highly material.

| Issue | Action | Boundary |
|----------------------------------|---|---|
| Innovation and Product Design | Investing in research and development within Amcor's operations to improve product design and life cycle impacts through considerations such as enhanced recyclability, lightweighting, and incorporating sustainable chemistry principles into material selection; innovating to improve Amcor's manufacturing and business processes | <ul style="list-style-type: none"> • Consumers • Customers • Communities • Amcor Business Groups • Raw Materials Suppliers |
| Sustainable Materials Management | Responsible sourcing practices that lead to minimized environmental impacts and create social value; using materials selected according to sustainable sourcing schemes; using materials that are bio-based, and/or contain post-consumer recycled content | <ul style="list-style-type: none"> • Consumers • Customers • Communities • Amcor Business Groups • Raw Materials Suppliers |
| Product Quality and Safety | Ensuring the safety and quality of Amcor's products throughout the value chain | <ul style="list-style-type: none"> • Consumers • Customers • Amcor Business Groups • Raw Material Suppliers • Amcor Co-Workers |
| GHG Emissions and Climate Change | Reducing greenhouse-gas (GHG) emissions across Amcor's value chain by lowering energy consumption, using renewable energy, optimizing transport, etc.; enabling GHG reductions through the selection of plastic packaging over glass and other materials and optimizing packaging; incorporating climate change strategy into relevant business decisions | <ul style="list-style-type: none"> • Consumers • Customers • Outbound Logistics • Communities • Amcor Business Groups • Inbound Logistics • Raw Material Suppliers • Indirect Suppliers |
| Post-Consumer Waste | Minimizing marine debris, landfill, and other post-consumer packaging and food waste; supporting the prevention of plastic pollution in the human food chain | <ul style="list-style-type: none"> • Consumers • Communities • Environment |
| Operational Waste | Minimizing manufacturing waste through source reduction, reuse and recycling; responsibly disposing of hazardous waste | <ul style="list-style-type: none"> • Amcor Business Groups • Communities • Environment |
| Occupational Health and Safety | Providing safe working conditions and access to resources to maintain and improve co-workers' physical and emotional well-being | <ul style="list-style-type: none"> • Amcor Business Groups • Amcor Co-Workers • Communities |

| Issue | Action | Boundary |
|--|--|--|
| Economic Performance | Contributing to the sustainable growth of Amcor and the communities where Amcor operates | <ul style="list-style-type: none"> • Amcor Business Groups • Amcor Co-Workers • Investors |
| Circular Economy | Developing product innovations and collaborating with industry partners and governments to improve recovery and recycling for plastic packaging | <ul style="list-style-type: none"> • Amcor Business Groups • Industry/Partners • Customers • Suppliers • Regulators • Consumers • Retailers |
| Air Quality and Pollution | Reducing toxic air pollutants (VOCs, nitrogen oxides, etc.) across Amcor's value chain and minimizing impact to air quality in local communities | <ul style="list-style-type: none"> • Communities • Amcor Business Groups • Raw Material Suppliers • Environment • Regulators |
| Public Policy and Education | Advocating for responsible packaging policy and regulations; educating consumers and legislators to improve understanding of the role and benefits of plastic packaging; monitoring tax policies for sugary beverages | <ul style="list-style-type: none"> • Consumers • Customers • Amcor Business Groups • Regulators • Suppliers • Industry/Partners |
| Customer/Supplier Management and Collaboration | Managing customer and supplier relationships to increase customer satisfaction and retention; seeking opportunities to collaborate with customers and suppliers to improve sustainability performance; leveraging Amcor's position and capabilities to drive sustainability throughout the value chain | <ul style="list-style-type: none"> • Customers • Suppliers • Amcor Business Groups • Amcor |
| Ethics and Integrity | Adhering to the highest standards of honesty and integrity and promoting a culture of ethical behavior at Amcor | <ul style="list-style-type: none"> • Amcor • Amcor Business Groups • Suppliers • Amcor Co-Workers • Suppliers • Customers |
| Employee Attraction and Engagement | Attracting high-caliber co-workers by communicating the positive impacts of Amcor's products and the value of packaging; elevating the emotional connection co-workers feel toward Amcor to increase involvement, productivity, and retention | <ul style="list-style-type: none"> • Customers • Amcor Business Groups • Amcor Co-Workers • Potential Employees |

AMCOR'S 2017 MATERIALITY MATRIX



OUR PRODUCTS

Innovation and Collaboration to advance the sustainability of packaging

Every day millions of people use Amcor products. Our packaging protects food, beverages, medicines, and other products people need. Continuously improving the environmental attributes of our packaging has a sizeable impact. We do this through innovative material selection, lightweighting and downgauging, designing for recycling and recovery, and collaborating with customers, suppliers, and recyclers.



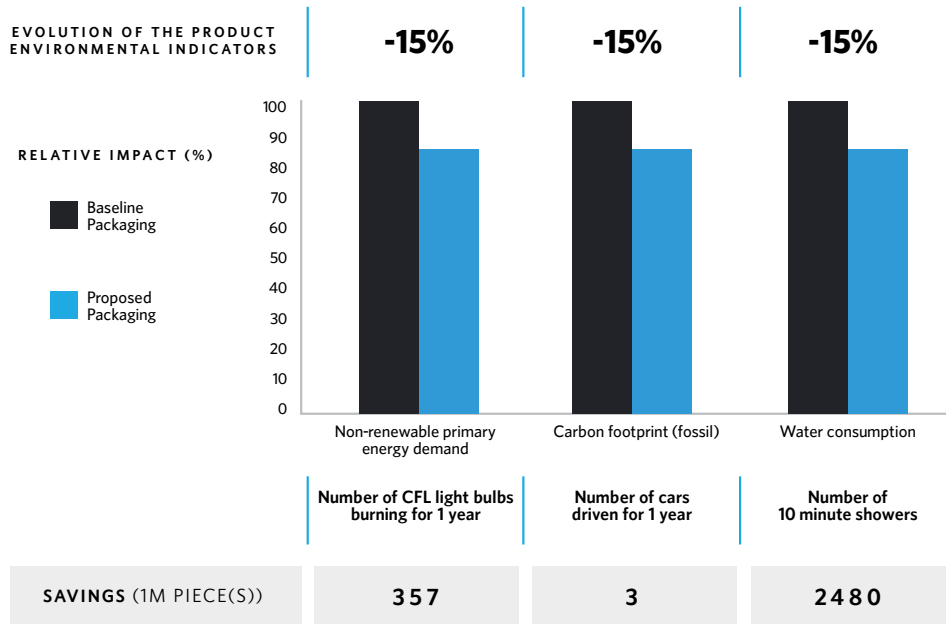
INNOVATION AND COLLABORATION

At Amcor, we consider the environmental impact of the entire life cycle of our products. Life Cycle Assessment (LCA) is a data-based technique used to assess the environmental impacts of all the stages of a product's life, from raw material extraction through materials processing, manufacture, distribution, use and disposal or recovery and recycling. We use our proprietary LCA software, the Advanced Sustainability Stewardship Evaluation Tool (ASSET™), to generate the life cycle data to allow our customers to compare different packaging options.

Lifecycle assessments reveal that generally the greatest environmental impact is associated with the product inside the packaging. Preventing loss or waste of the packaged product and the subsequent waste of the resources embodied in the product will have the largest environmental impact. If the product packaging fails, all the resources invested in producing the ingredients are wasted.

An ASSET™ evaluation of our 20-ounce rigid PET container for Vitaminwater®:

OVERALL COMPARISON OF PRODUCT PERFORMANCE



NATURAL CAPITAL VALUATION

The concept of natural capital valuation assigns monetary values to ecosystem services for which businesses may or may not currently pay, including clean air and water, biodiversity, and land use, as well as the costs from waste generation and pollution. The valuation process enables an enterprise to determine the real cost of its business as well as potential unforeseen risks. By obtaining a natural capital valuation of Amcor’s inputs and impacts, we are better able to understand risks to our business and communicate our impacts in new ways to stakeholders.

Amcor invited a team of six master’s degree students from the University of Michigan School of Natural Resources to conduct a natural capital valuation of Amcor.



[UM Erb Institute](#) students visit a material recovery facility (left to right): Malcolm Albin, Helen Lee, Nikole Vargas, Alexis Apostol, and Sean Pavlik. Not pictured: Julio Villasenor and Carl Spevacek

Given the availability and quality of data for Amcor's greenhouse-gas emissions (GHG), including scopes 1, 2, and 3, water use, and waste generation, as well as the fact that most of our industry's impacts occur in these areas, the natural capital valuation focused on these three indicators. According to this research study, Amcor's total natural capital valuation was \$64M USD based on FY15 data; the area of greatest impact was upstream GHG emissions. The largest source of downstream impact was through ocean waste.

The team's findings affirmed that Amcor's sustainability strategy addresses the right priorities. We will continue to lead efforts to downgauge and lightweight products and use more post-consumer recycled (PCR) resin, and continue to lead and contribute to collaborative initiatives focused on preventing marine debris and increasing recycling and recovery of post-consumer packaging.

INNOVATION AND PRODUCT DESIGN

Definition

Investing in research and development within Amcor's operations to improve product design and life cycle impacts through considerations such as enhanced recyclability, lightweighting, and incorporating sustainable chemistry principles into material selection; innovating to improve Amcor's manufacturing and business processes.

With many of our customers setting goals to improve the environmental attributes of their packaging, we are innovating and serving as experts in new technologies, materials, and life cycle impacts including lightweighting, post-consumer recycled content, extended shelf life, and recyclability. Working together, we help our customers advance toward their sustainability goals.

In our Flexibles Europe, Middle East, and Africa (AFEMEA) and Flexibles Americas (AFA) business groups, every product development project is evaluated for its environmental impact. A qualitative preliminary screening is performed on all product development projects, and results of this screening are captured in the AFEMEA and AFA innovation management system. If a project is determined to have environmental benefits, the research and development team conducts a quantitative (ASSET™) assessment. The results of an ASSET™ assessment often encourages a customer to choose a package design with a smaller footprint. Sustainability is a key value driver for AFEMEA's customers and plays an important part in the innovation roadmaps AFEMEA develops with its customers including plans to improve recyclability and reduce carbon footprint.

BRIAN CARVILL



A DAY IN THE LIFE OF BRIAN CARVILL LEADING INNOVATION AND PRODUCT DESIGN

Holding a BSc and MSc in Chemical Engineering from the University of Michigan, and a PhD in Chemical Engineering from Northwestern University, Brian has applied his expertise to gain more than 20 years of research and development experience in the plastics and packaging industry. Brian leads Amcor Rigid Plastics' Research and Development Centre as Vice President for Research and Development and Advanced Engineering.

In this role, he leads a dedicated innovation team to bring new capabilities to serve Amcor's customers in the Food, Beverage, Spirits, Personal Care, and Health Care Markets via rapid product development of rigid packaging, leveraging in-house industrial design, CAD/FEA simulation tools, pilot plant and analytical lab capabilities.

Brian is also the Executive Sponsor of the Sustainability Working Group, a team of ARP co-workers finding and implementing ways to reduce Amcor's environmental footprint. Current projects include increasing the amount of post-consumer recycled resin in Amcor packaging as well as the recovery of rigid plastic packaging collected through recycling.



TYPICALLY I WAKE UP AT 5AM AND GO FOR A MORNING RUN. TODAY I RAN 5 MILES FOR MY TRAINING TOWARD THE DETROIT HALF MARATHON IN OCTOBER.

It's a fun event because you get to run over the Ambassador Bridge into Canada and back through the tunnel under the Detroit River. I took up running while in my forties to improve my health, and my cholesterol levels have gone down and my energy level has gone up!

By 7AM I'm at the office reviewing emails, seeing if there is something urgent I need to address before my meetings begin at 8AM.

From 8AM to 12PM, I meet with my team to review our current innovation projects. We're putting in place a new prioritization dashboard to track our innovation projects and make sure we achieve our goals. We categorize projects based on levels of complexity and strategic importance, focusing on speed-to-market and project execution efficiency. An example of a highly complex project which has been commercialized is our PowerStrap™ technology, currently applied in the Vitaminwater® bottle. With this technology, we can increase the sidewall strength of the bottle while reducing the amount of resin needed. Many of our current innovation projects include sustainability attributes, such as lightweighting or incorporating post-consumer resin.



Brian participating in 2016's International Coastal Cleanup in Lake Erie Metropark, Michigan



Brian after completing the Boston Marathon in 3 hours, 37 minutes.

After lunch, I meet with a colleague from Human Resources to discuss talent. We reviewed our current needs and how we can continue to best serve our customers. Part of my role is setting up our team for future success, and focusing on human capital is essential.

Amcor is a member of the Corporate Executive Board's chemical and materials group, and I just began participating in the R&D calls to share best practices. My interest is in learning about creating a research and development strategy for Amcor. This call was an introduction to CEB's tools and resources, and also to assess my team's strengths and weaknesses. Next we'll work on a gap analysis and action plan.

I finished the day with a call with our VP of Procurement Strategy and Solutions regarding a tooling strategy for our Diversified Products business unit. We want to align our sourcing strategy not only with our customers' buying criteria (quality, service, speed-to-market), but also with our values. For example, we ask our suppliers to participate in an Ecovadis assessment. Based on the results, we are able to assess suppliers on social, environmental, and governance sustainability factors.



Brian, 5th from right, with other Sustainability Working Group members at a Material Recovery Facility in Michigan.

At home, I enjoyed dinner with my family – my wife and three children ages 17, 19, and 23.

Innovating for sustainability often includes trade-offs. For example, including barriers to extend product shelf life may render the package not recyclable. However, including barriers can often reduce the amount of resin needed. It's not as straightforward as consumers might assume, but we're taking care to improve product environmental impact when we can.



LIGHTWEIGHTING

One of the most impactful ways to improve a package's sustainability performance is by reducing the amount of raw materials needed to construct the package without affecting the package's ability to serve its intended purpose. Amcor continuously pushes the limits, using innovative designs and materials to achieve lightweighting and downgauging. You can read about one of our products, a PET bottle for Vitaminwater®, in our Product Profiles. Lightweighting this product eliminated the need for 229,271 kg of PET resin, avoiding 804,462 kg CO₂e. According to the EPA's Greenhouse Gas Equivalencies Calculator, this is the same amount of emissions as would be emitted from burning more than 1,800 barrels of oil.

Lightweighting is often the preference of our customers because it reduces costs while delivering sustainability benefits. However, for many products, we may have reached a point where further lightweighting could result in increased product loss or reduced shelf life. Another challenge from lightweighting rigid plastic containers is that extremely light bottles may be sorted into the paper recycling stream at U.S. Material Recovery Facilities (MRFs) due to their weight. These bottles contaminate the paper stream and do not get recovered. These aspects are considered when designing products from a life cycle and holistic viewpoint.

IMPROVING RECYCLABILITY

The choice of material, additives, and format all affect whether a package successfully makes it through the recycling process, avoiding being sent to landfill or incineration. According to the Ellen MacArthur Foundation report [Catalyzing Action](#), 50 percent of plastic packaging could be economically recycled with concerted efforts on design and after-use systems. Please read about our efforts to improve the recyclability of flexible packaging [here](#).



Rigid plastic bottles made from polyethylene terephthalate (PET), polyethylene (PE), or high density polyethylene (HDPE) are among the most easily recyclable containers, but labels or additives can impact their recyclability. For example, optical sorters at material recovery facilities are not able to identify PET bottles in full-wrap shrink labels. Polyvinyl chloride (PVC) labels are particularly problematic. Consumers should remove these labels before placing their bottle in a recycling cart. Otherwise, a perfectly good PET bottle could be sent to landfill despite having been placed in the recycling cart.

Many people may think “biodegradable” packaging is always a good thing. With the aim of protecting the quality of the recycling stream and reducing overall GHG emissions, Amcor discourages the use of biodegradable additives in plastic packaging. These additives are intended to either photo-degrade, oxo-degrade, or biologically degrade otherwise non-biodegradable plastics. We believe these degradable plastic additives do not reduce environmental impacts throughout our value chains, the life cycle of our products and the products of our customers.

These additives do not add value to Amcor products for the following reasons:

- Absence of sufficiently peer-reviewed data or data available based on international standards with performance criteria (e.g. ASTM Standards), to support claims that the current degradable additives degrade conventional plastics.
- Additives are designed to compromise the durability of plastic and additive manufacturers have not yet demonstrated an absence of adverse effects on recycling.
- Additives indirectly promote landfilling of plastic packaging which, in turn, contradicts our support for expanded recycling of plastic packaging.

- Biodegradation of petroleum-based plastics in landfills releases fossil-based greenhouse-gases into the atmosphere. At current levels of landfill methane recapture, the biodegradation of these plastics would create more greenhouse-gas emissions than would be captured through existing landfill methane recapture systems.

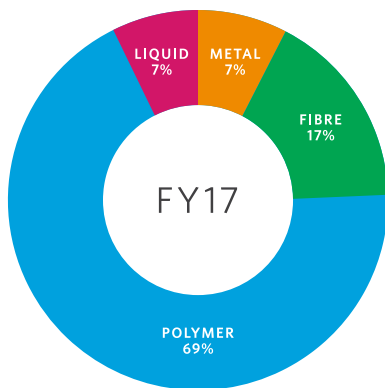
As a responsible packaging company and a global technology leader, Amcor vets all technology thoroughly before introducing it into our production processes. Amcor’s sustainability teams determine the life cycle impacts of materials and judge each material’s value with respect to its impact on the entire life cycle of the product, including end-of-life.

We will continue to research next-generation materials and make decisions on their use based on the materials’ net cost or benefit to the environment and packaging life cycle. Our position is in line with that of other groups including the Ellen MacArthur Foundation, [the Plastics Industry Association](#), [the National Association for PET Container Resources](#), [the Association of Plastics Recyclers](#), and Walmart’s [Sustainable Packaging Playbook](#).

SUSTAINABLE MATERIALS MANAGEMENT

Definition

Sustainable Materials Management focuses on responsible sourcing practices and using raw materials selected according to sustainable sourcing schemes, as well as using bio-based and/or post-consumer recycled content that leads to minimized environmental impacts and creates social value.



As a large global manufacturing organization, we manage, minimize, and report on our environmental impacts and increase the efficient use of raw materials and natural resources. Our Code of Conduct and Ethics policy states: “We reduce our environmental footprint by continually improving the efficiency of our natural resource consumption. We utilise risk management processes to control the environmental hazards inherent in our activities.” Our strategy for minimizing our environmental footprint is to choose materials based on both their ability to protect the product as well as their environmental footprint, using less materials through

lightweighting or downgauging, and using post-consumer recycled inputs when it is an option.

We used a total of 2,333,235 tonnes of raw materials in FY17

Seventeen percent were fibre materials (e.g. paper and cartonboard), which are from renewable sources. Approximately 3 percent of the polymers (2 percent of materials overall) were recycled input materials, the same proportions as FY16. This represents all materials purchased from external suppliers, with the information being sourced from procurement data. There also were internal transfers of partially manufactured goods between Amcor plants.

USING MORE POST-CONSUMER RECYCLED CONTENT

Using post-consumer recycled (PCR) content in packaging dramatically reduces the environmental footprint of the package. However, it is sometimes a hard choice for brand owners because virgin material is less expensive.

Some of our customers, including Method and PepsiCo, choose PCR content to reduce the environmental footprint of their products and to incentivize recycling. Please refer to our support of the U.S.-based [Recycling Partnership](#) to learn more about how Amcor is working to improve the quantity and quality of PCR content available. We are committed to increasing our use of PCR and working with our customers to identify opportunities to do so.

Consumers can increase the amount of recycled content in packaging by choosing packaging with recycled content over packaging without, and by expressing their preference for recycled materials to brand owners.

PRODUCT QUALITY AND SAFETY

Definition

Ensuring the safety and quality of Amcor's products throughout the value chain.

Packaging's core function is to protect products; packaging manufacturing should maximize the reliability, integrity, and functionality of the product protection function. Our Code of Conduct and Ethics policy states: "Amcor is committed to producing high quality products that are safe to use. We continuously improve our performance through finding safer ways to manufacture and distribute our products." Our goal is to provide the optimal product protection so products reach consumers in perfect condition.

We understand thoroughly the fundamental characteristics, regulations, and contact requirements of our raw materials, namely polyethylene terephthalate (PET), polyethylene (PE), and polypropylene (PP). We manage the handling system of the primary materials: receiving, moving, and distributing the materials until they are converted into the final product. We control the storage and delivery of the finished product until it reaches our customers, maintaining documentation and traceability to demonstrate materials have been handled, transformed, and delivered according to third-party auditing standards.



When developing a packaging solution, the customer will determine what assessments of the packaging are to be undertaken. In most countries, there are regulatory requirements for packaging in direct contact with food, beverages, pharmaceuticals and medical devices that has to be assessed for health and safety impacts.

Of our 149 manufacturing sites, not including those making tobacco packaging, 101 were certified by an independent third party according to internationally recognized management system standards such as the British Retail Consortium's standard, Good Manufacturing Process, HACCP, or ISO22000. This represents 68 percent of our manufacturing sites. Production in these certified sites represents 70.2 percent of total Amcor production.

CUSTOMER AND SUPPLIER MANAGEMENT AND COLLABORATION

Definition

Managing customer and supplier relationships to increase customer satisfaction and retention; seeking opportunities to collaborate with customers and suppliers to improve sustainability performance; leveraging Amcor's position and capabilities to drive sustainability throughout the value chain.

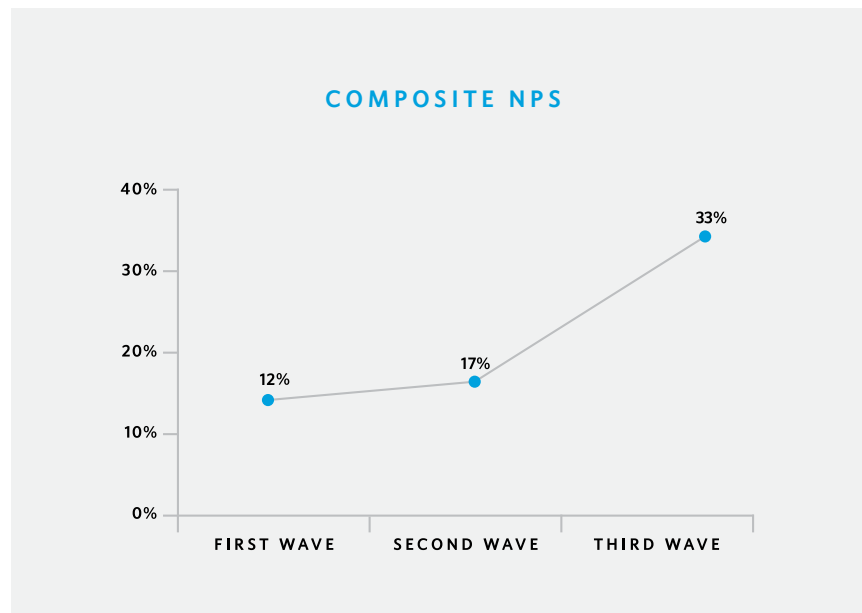
Amcor's customers include the world's biggest and best-known consumer brands. We value the opportunity to package their products, whether fresh produce, other foods and snacks, beverages, medicines, or medical supplies. When our customers

have ambitious sustainability programmes, we are ready to help them toward achieving their goals. We manage our customer relationships through our sales and commercial teams, with key account representatives as customers' Net Promoter Score first points of contact. Our sustainability team members provide support for understanding and achieving customer sustainability goals.

VOICE OF THE CUSTOMER

All Amcor business units engage with customers through a Voice of the Customer survey every two to three years. An independent, third-party consultancy interviews customer representatives posing the question, "How likely are you to recommend Amcor to others?" relating to different categories and criteria as well as probing for more qualitative feedback.

We take our customers' feedback to heart and use their input to develop action plans with rigorous deadlines. The progress we've made is reflected in our composite Net Promoter Score (NPS), which has steadily improved since we began measuring it in 2009. The first wave of scores was calculated using the scores from each business unit's first NPS result, the second wave from their second NPS result, and so on. Only results from business groups with at least three NPS measures were included.



RESPONSIBLE SOURCING

Our approach to supply chain management is designed to support our company values, to meet our customers' expectations and to be consistent with our precautionary approach to managing business risk. For instance, our Supplier Code



of Conduct includes principles for business integrity, labor standards, occupational health and safety, consumer health and safety, and environmental management.

In FY17 we spent \$6,962,056,851 USD with 26,542 direct suppliers for the materials and services used to manufacture our products. A significant portion of this spend goes to large, multi-national chemical companies in Europe or North America for the polymers we use to make our plastic packaging.

Critical and strategic suppliers are required to join assessments through the EcoVadis global supply chain Sustainability Rating platform or provide equivalent assessments of conformity. So far, approximately 79 percent of our critical and strategic suppliers have been assessed by EcoVadis, up from 70 percent last year.

Approximately 93 percent of Amcor expenditures with the most critical suppliers was with those who have undergone EcoVadis assessments during the past year, up from 85 percent last year.

OUR OPERATIONS

Care and Quality to reduce the impact of our operations

As a global company committed to improving outcomes for our co-workers, customers, investors and the communities in which we operate, we are continuously working to reduce the environmental impact of our operations. First and foremost, we strive for zero injuries and a safe working environment for all our co-workers and their workplace associates. Our EnviroAction program sets targets for reduced greenhouse-gas (GHG) emissions, waste-to-disposal, and water use. We engage our diverse workforce and work according to industry leading principles for business integrity, labor standards, health and safety, environmental management and ethical workplace behavior.



ETHICS AND INTEGRITY

Definition

Adhering to the highest standards of honesty and integrity and promoting a culture of ethical behavior at Amcor.

The Amcor Board of Directors is responsible for the corporate governance of our company. The Board provides strategic guidance for the company, and effective oversight of management. The Board guides and monitors the business and affairs of Amcor on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Board operates in accordance with the principles set out in its Charter, which is available in the Corporate Governance section of Amcor's website and summarized in our Corporate Governance Statement. Please see the Annual Report for more information about our Board of Directors.

Amcor recognises the importance of honesty, integrity and fairness, and we are committed to increasing shareholder value in conjunction with fulfilling our responsibilities as a good corporate citizen. All directors, managers and co-workers are required to act with the utmost integrity and objectivity, striving always to enhance the reputation and performance of the company.

Amcor believes that, in addition to abiding by the national laws in each country in which we operate, we must conduct business in accordance with internationally accepted practices and procedures. These core principles, which the Board and senior management of Amcor are committed to upholding, are reflected in Amcor's values and in our Corporate Code of Conduct and Ethics Policy. This is available in the Corporate Governance section of Amcor's website.

Every co-worker has a nominated supervisor to whom they may refer any issues arising from their employment. Alternatively, co-workers (as well as the general public) may [use the anonymous Whistleblower procedures](#) available [online](#) in 25 languages.

ECONOMIC PERFORMANCE

Definition

Contributing to the sustainable growth of Amcor and the communities where Amcor operates.

The more successful we are as a publicly-held corporation, the more impact we can have through our ambitious sustainability goals. Our FY17 results were strong, with profits up about 10 percent from the prior year. Cash flow was also strong. Read more about our financial performance in our Annual Report, available at [amcor.com](#).



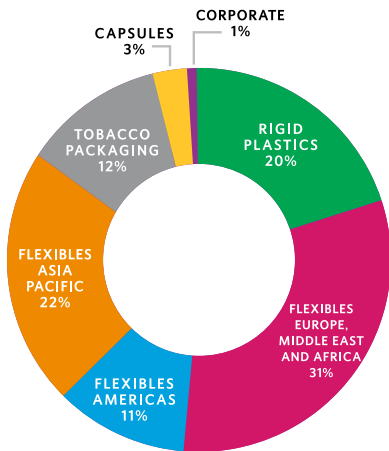
EMPLOYEE ATTRACTION AND ENGAGEMENT

Definition

Attracting high-caliber co-workers by communicating the positive impacts of Amcor's products and the value of packaging; elevating the emotional connection co-workers feel toward Amcor to increase involvement, productivity, and retention.

Engaged co-workers are highly productive, more customer-focused, safer, and likely to stay with the organisation longer. We prize our workforce of 35,211 co-workers in 43 countries and have implemented specific strategies to keep them engaged.

DISTRIBUTION OF AMCOR CO-WORKERS



Every two years, we conduct an engagement survey of all co-workers in multiple languages. Our most recent survey was conducted in early 2016 and 94 percent of co-workers responded. Survey results were detailed in our 2016 GRI Report.

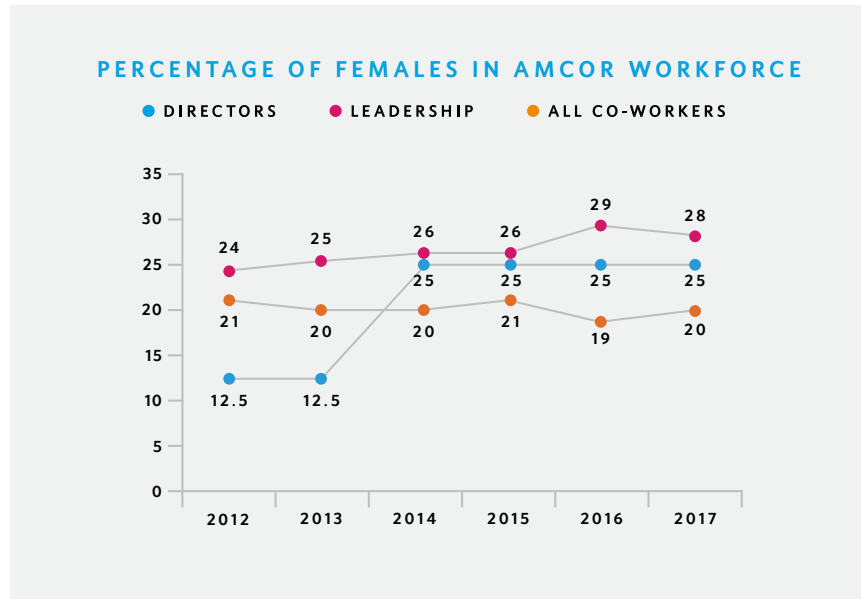
Leaders across Amcor are focused on attracting new talent and developing our co-workers to help grow the business through organic growth and acquisitions. Throughout FY17, we continued our efforts to attract top talent to Amcor through our Accelerated Career Development Program, which helps us to build a pipeline of future commercial and functional leaders. Our second cohort started in April 2017.

Amcor's talent acquisition team serves as a trusted group of advisors to senior leadership. With the team's thorough understanding of Amcor culture and each role's unique requirements, they provide hiring managers with strong candidate pools.

NUMBER OF WORKERS BY COUNTRY



Amcor's commitment to talent development is also seen its growth of women in leadership positions.



ENVIROACTION

We launched our EnviroAction targets in 2008 to drive reductions in greenhouse-gas emissions, waste-to-disposal, and water use. Our business groups cascade the enterprise goals to site level. At sites, our EnviroChampions enter into a database the details of electricity, gas, water, or waste removal costs. Progress against the EnviroAction goals is reported each year in our GRI report and at mid-year to the Global Management Team. Our EnviroAction goals were informed by the Kyoto Protocol and set to be in line with United Nations International Panel on Climate Change (UN-IPCC) long-term reduction targets.

GHG Emissions Intensity

TARGET ▼ 6%

Tonnes CO₂e/production units from FY17 to FY19

Our long term goal is **60% by 2030**

Waste-to-disposal

TARGET ▼ 10%

Tonnes from FY17 to FY19

Our long term goal is **Zero waste to disposal**

Water Management

100% OF OUR SITES

have a management plan in place

Our long term goal is to continue to **improve efficiency of water use**

New this year, we report our GHG intensity per unit of production rather than \$/M USD profit. This will eliminate fluctuation due to exchange rates and provide a more meaningful representation of our emissions intensity.

When Amcor acquires other businesses, we often find that their management of energy, water, and waste is not as rigorous as we require. By implementing our EnviroAction program and other management systems, we achieve significant improvements in the operational footprint of acquired sites.

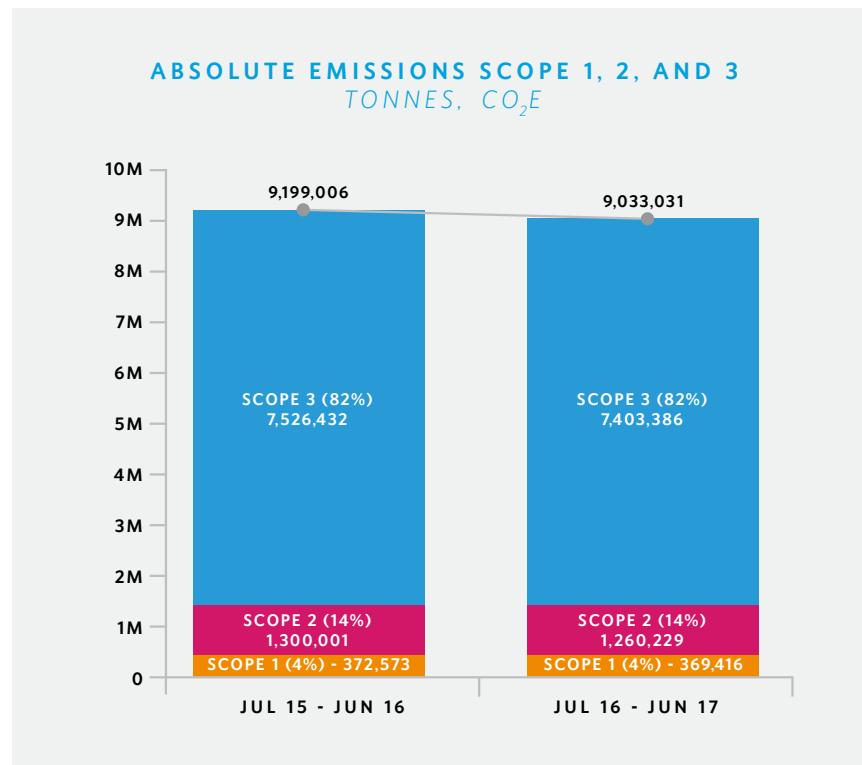
GHG EMISSIONS AND CLIMATE CHANGE

Definition

Reducing greenhouse-gas (GHG) emissions across Amcor’s value chain by lowering energy consumption, using renewable energy, optimizing transport, etc.; enabling GHG reductions through the selection of plastic packaging over glass and other materials and optimizing packaging; incorporating climate change strategy into relevant business decisions.

GHG Emissions: scopes 1, 2, and 3

Our absolute GHG emissions, the sums of scopes 1, 2, and 3, were 9,033,031 tonnes of CO₂e in FY17, representing a decrease of 1.8 percent from the baseline year, FY16.



Note

This data reflects market-based scope 2 emissions, which we use to calculate our EnviroAction targets. Using Location-based scope 2 data would reflect total emissions (scopes 1, 2, and 3) of 9,199,255.63 tonnes of CO₂e in FY16 and 9,033,301.45 tonnes of CO₂e in FY17.

Scope 1 and 2 Emissions

By comparing sites' portion of production to their portion of energy use, we identify the sites that require additional attention. In Flexibles Asia Pacific (AFAP), an energy campaign in FY17 focused on repairing leaks to compressed air systems. This reduced energy use and brought the sites in line with their proportion of production.

In Rigid Plastics (ARP), we've made significant investments in sites acquired from Encon and Sonoco. New injection and blow molding machinery is more efficient and reduces our energy use. We also completed lighting retrofits in many of these facilities, further reducing energy use.

ARP has a cross-functional energy team that works to share best practices across all plants in the United States. Cost is the main driver for reduction efforts, so focus is on the rate of energy use (peak load) rather than total energy use.

AFEMEA is using a sophisticated energy demand management system to further analyse and reduce energy consumption. This is supported by a dedicated energy procurement team who looks at low carbon options for energy purchase and energy optimization via solvent recovery units.

AFA has also begun using an energy demand management tool to identify opportunities for energy efficiency and energy reduction. Currently in use at four sites, AFA plans to roll the tool out at all sites during FY18.

Amcor uses an immaterial amount of renewable energy today. We are analyzing our options to use more renewable energy.

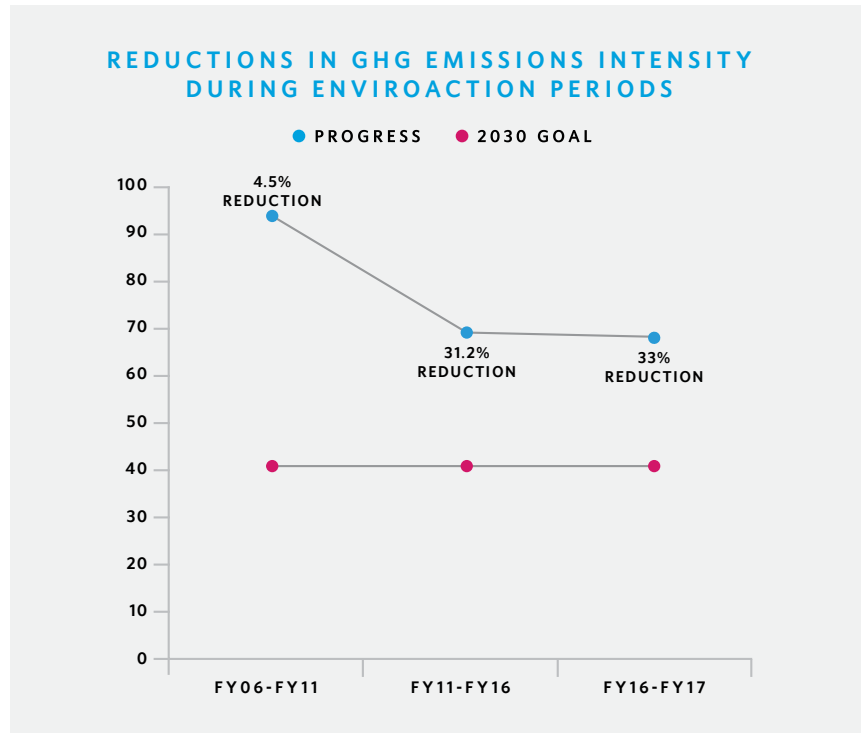
Greenhouse-gas emissions intensity reductions since 2006

When our first set of EnviroAction goals closed in FY11, we had reduced the intensity of our GHG emissions by 4.5 percent. This was calculated by dividing total emissions (scopes 1, 2, and 3) by production. For the second set of EnviroAction goals, which ended in FY16, we reduced GHG emissions intensity by 31.2 percent. During this



period, we calculated intensity of GHG emissions by dividing emissions by \$M gross profit. During the third set of EnviroAction goals, we have returned to using production data as the denominator in our intensity metric.

When we acquire new manufacturing sites, we request emissions, waste, and water data back to the current EnviroAction period's baseline (this year, FY16). For sites unable to provide reasonable documentation, we use 12 months of data after the acquisition to estimate back to the current period's baseline year. It is unreasonable, however, to estimate the environmental data back to our original EnviroAction baseline year, FY06, given changes such as production methods and technology. Therefore, we look to percentage decreases to indicate progress.



GHG intensity, scopes 1, 2, 3

In comparison to the previous five years, our emissions intensity is calculated by dividing emissions (scopes 1, 2, and 3) by total packaging produced. This 'Amcor product' figure is a normalised unit based on the various production units across our business, enabling us to combine square meters of flexible packaging with rigid plastic bottles and preforms as well as caps, closures, and tonnes of folding cartons.

We determined the portion of emissions for each business group based on FY16 profit and emissions data, and then calculated an emissions factor for each business group.

For ARP, we first used a regression model accounting for the various manufacturing methods and production volume to be able to add together the various types of rigid plastic containers and caps. With this information, we are able to determine a total “Amcor production unit.”

Amcor’s GHG emissions intensity decreased by 0.8 percent from FY16. We will continue working toward our long-term goal of a 60 percent reduction by 2030.

| Year | Total Emissions FY17 (Tonnes CO ₂ e) | Production (Amcor units) | Intensity (Total GHG emissions/Amcor units) | Reduction |
|------|--|-----------------------------|--|--------------------|
| FY16 | 9,199,006 | 242176 | 380 | |
| FY17 | 9,033,031 | 23975.6 | 377 | .08 percent |

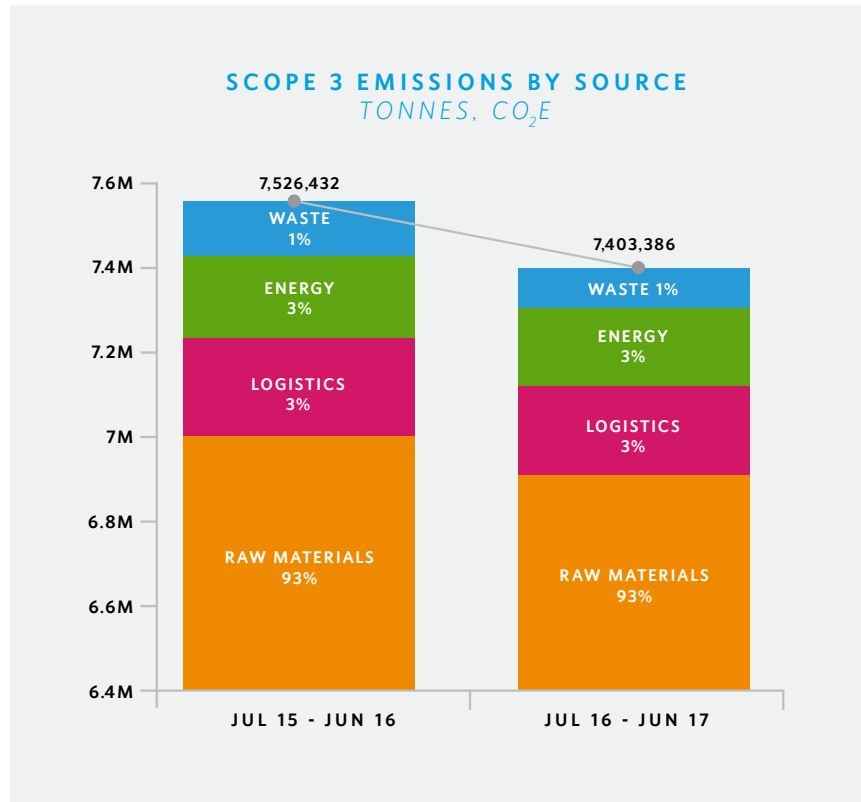
Scope 3 emissions

We are proud that we track and report our scope 3, or indirect, emissions, as well as include them in our GHG reduction goals. The largest source of scope 3 emissions for Amcor is from the raw materials we use to produce our packaging.

Lightweighting, or using less material to produce packaging for the same volume of packaged product, is the biggest lever to decrease our scope 3 emissions. Please see page 6 to read about the Vitaminwater® bottle, for which Amcor won a DuPont award. In Flexibles, any change from containers to flexible packaging or further downgauging flexible packaging with advanced barrier technologies leads to very significant scope 3 reductions for Amcor and our customers.

Moving from virgin resin to PCR resin or using lower carbon input materials also will decrease our scope 3 emissions. Our ARP business group has made infrastructure investments to be able to use greater amounts of PCR due to customer demand, particularly in Latin America.

Sources of scope 3 emissions



OPERATIONAL WASTE

Definition

Minimizing manufacturing waste through source reduction, reuse and recycling, and responsibly disposing of hazardous waste.

Our total waste in FY17 was 358,040 tonnes, 77 percent of which was recycled. Eight tonnes of waste was composted, mostly from cafeteria waste. This year waste-to-disposal decreased by 6.9 percent, putting Amcor well on track to achieve our EnviroAction goal of 10 percent reduction by FY19.

In past years, we reported “waste-to-landfill”; we now report “waste-to-disposal,” which includes waste-to-landfill as well as waste incinerated without energy

recovery. Our long-term goal is to send no waste to either landfill or incineration without energy recovery. This reflects our goal that all waste that cannot be avoided should lead to a benefit by either replacing virgin materials or fossil fuels.

We have begun a process for recognizing those sites which achieve zero waste-to-disposal, one of which is ARP’s Millville, New Jersey facility. This site previously sent more than nine U.S. tons of waste to the landfill each month, but began a “Smash Trash” team in FY12. The team focused on a strategy of “Refuse, Return, Reuse, Reduce, and Recycle” and implemented training for co-workers including a “dumpster dive”. As an added benefit, the site has reduced waste management costs because of this program.

AFEMEA, with 34 sites already at zero waste-to-disposal and work ongoing to move more sites to the same level, is a leading business group in this regard. This is made possible through a close collaboration between Amcor’s procurement, operational excellence, and sustainability teams.

In many regions in the world, particularly in Asia and Latin America, waste disposal is less expensive and more readily available than recycling, which poses particular challenges in finding less impactful disposal methods.

AFAP has seen incremental reductions in waste reduction in the areas of set-up and trim, leading to cost savings in materials.

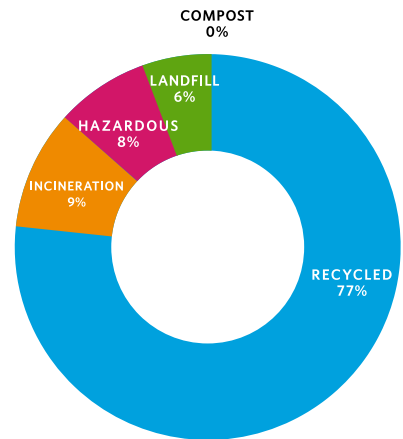
AFA has made significant progress and recently signed a contract with a waste management vendor including key performance indicators for reduction of waste-to-disposal.

WATER

Definition

Minimizing water use, increasing use of recycled water, managing water discharge quality, and protecting local water sources.

TOTAL WEIGHT OF WASTE BY DISPOSAL, FY17
TONNES

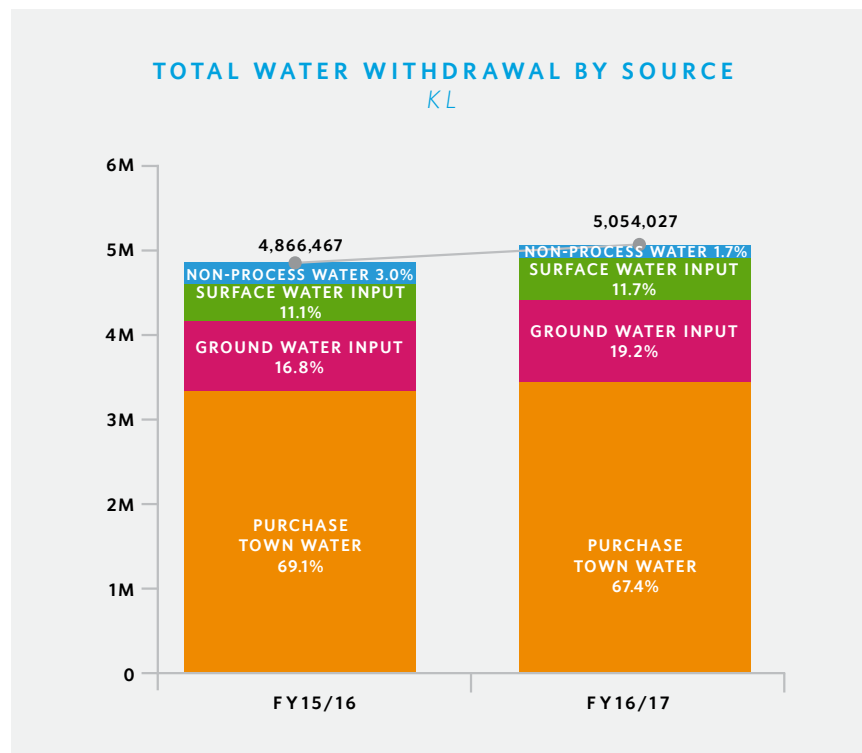


All Amcor sites have a Water Management Plan in place. In FY17 the water management plan was standardized across all of Amcor and references the Aqueduct water risk atlas, Operation Clean Sweep, and the International Coastal Cleanup initiative. This ensures that region specific actions can be taken and efforts are targeted at the relevant sites, since the impact of water use and consumption is local and regional.

In FY17 Amcor’s total water use was 4,463,548 KL, representing a 3.2 percent increase from FY16.

This year we shifted focus of “water use” to exclude the use of surface water that is returned intact to its original source. This helps focus our water efficiency efforts where they will have the most environmental benefit.

Where water is inexpensive or use is not regulated, there is opportunity to focus on better water management to reduce the impact of operations. Our manufacturing locations in China have seen drastic reductions in water usage this year simply by increasing awareness of usage and maintenance. For example, one site conducted an internal audit and identified and repaired several leaks as a result.



AIR QUALITY AND POLLUTION

Definition

Reducing potentially toxic air pollutants (such as volatile organic compounds (VOC)) across Amcor's value chain and minimizing impact to air quality in local communities.

Amcor's production processes result in the emission into the atmosphere of volatile organic compounds (VOC) contained in inks, adhesives, and solvents. These emissions can contribute to the formation of ozone in the lower atmosphere. Since last year, Amcor has been scrutinizing more closely our VOC emissions and the method in which they are tracked.

Because of regulatory changes in China, we installed several regenerative thermal oxidizers (RTO) units which will become operational in FY18. Once these units are online, untreated emissions by this business group will drop from 80 percent to 50 percent.

Many of the facilities, often built before Amcor ownership, were not planned to accommodate VOC abatement equipment. Such equipment was not required to meet legal compliance. This has required significant capital investment to remedy. For new facilities, Amcor will consider environmental impact including infrastructure required for VOC abatement.



OCCUPATIONAL HEALTH AND SAFETY

Definition

Providing safe working conditions and access to resources to maintain and improve co-workers' physical and emotional well-being.

Safety is our first value at Amcor, and always our top priority. To maintain a safe workplace, we are focused on:

1. Eliminating serious injuries and fatalities by managing critical risk areas;
2. Determining which operating sites may require specific attention to improve safety;

3. Strengthening processes and knowledge sharing about fire prevention; and
4. Adopting best practices across all business groups to achieve our goal of “No Injuries.”

Our global Safety Steering Committee monitors safety performance and actively addresses safety trends in our business. All Amcor manufacturing sites comply with global standards for safety, environmental management and security. Amcor manufacturing sites conduct internal audits annually and external audits every three years, at a minimum. With findings from our external audits, our professional safety leaders plan and carry out actions for continuous improvement.

All our business groups provide monthly reports to the company’s board of directors on safety performance and compliance with Amcor standards and local legislation.

This past year we launched Amcor’s first global safety campaign, a concerted worldwide effort to increase awareness and lower risks associated with hand safety. All company sites reviewed and updated their procedures, risk assessments, and training related to machinery guidelines. In that time, hand injuries were reduced from 80 percent to 50 percent of total injuries.

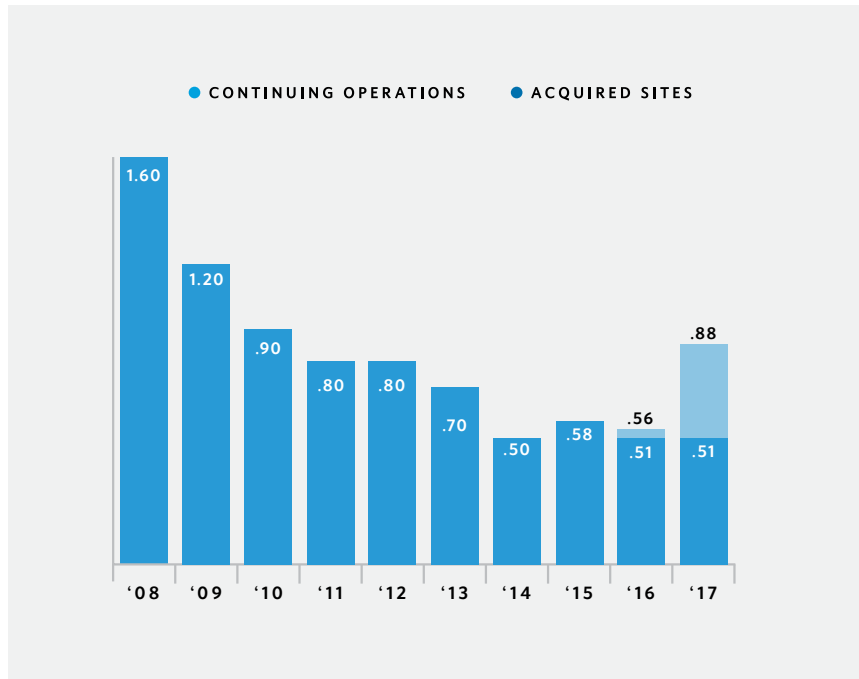
SAFETY PERFORMANCE

We monitor and track our performance using two industry-standard criteria: Lost-Time Injury Frequency Rate (LTIFR) and Recordable-Case Frequency Rate (RCFR). Amcor’s LTIFR is measured by calculating the number of injuries resulting in at least one full work day lost per million hours worked. In 2016/17, the LTIFR was 0.88, corresponding to 71 cases across our global business. For continuing operations (not including sites acquired less than 12 months prior to June 30, 2017), the LTIFR was 0.51, corresponding to 37 cases. This compares to 0.56 in 2015/16, corresponding to 41 cases.

Amcor’s RCFR is measured by calculating the number of medical-treatment cases and lost-time injuries per million hours worked. In 2016/17, the RCFR was 2.41, corresponding to 195 injuries across our global business. For continuing operations (not including sites acquired during 2016/17), the RCFR was 1.73, corresponding to 126 cases. This compares to an RCFR of 2.0, corresponding to 147 injuries, in 2015/16.

Lost-time injury frequency rate

Number of full work days lost per million hours worked

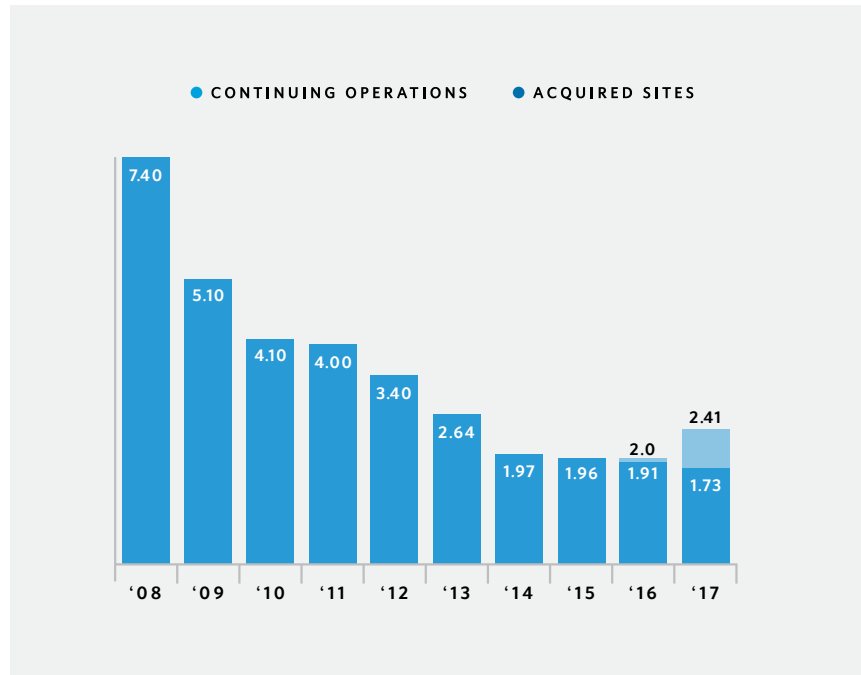


Note

Data for 2012 and earlier include the demerged Orora business; 2015 and onward include acquired businesses from the first day of ownership.

Recordable case frequency rate

Number of recordable cases per million hours worked – continuing Amcor operations and acquired sites:



In July 2017, just after the end of the fiscal year, we were deeply saddened when a contractor suffered a fatal accident while making a delivery at an Amcor production site. We provided prompt and compassionate support to everyone who was affected by the accident. Additionally, we completed a thorough internal investigation and worked with local authorities as they conducted their own. At the time of this report, we are continuing to collaborate with suppliers around the world. We will apply everything that we learn to mitigate the risk for accidents like this one in all of Amcor's operations.

JOAQUIN SAVID



Joaquin getting ready to board a flight to Santiago, Chile

A DAY IN THE LIFE OF JOAQUIN SAVID

AFA'S ENVIRONMENT, HEALTH, AND SAFETY DIRECTOR FOR SOUTH AMERICA

Joaquin Savid plays a crucial role in ensuring Amcor's plants are safe and healthy places to work. He has worked at Amcor for eight years and currently oversees safety at five plants in Argentina, Chile, Peru, Brazil and Colombia. Regular plant visits are crucial to his role because they give him direct insight into their working culture and operations. These visits also create opportunities for idea-sharing between sites. Here Joaquin describes a plant visit during a week-long trip to Santiago, Chile.

06:30

I get up, shower and have some coffee and fruit. While I'm eating breakfast I run over my emails on my phone to see whether any issues have been shared across the Flexibles group. I would say I'm a time optimist. I tend to say yes to everything and compress things a lot!

07:15

I take a taxi to the plant. I always try to have a conversation with the driver. That's something I enjoy as it tells me about the local culture and what's going on in the country. It's good to hear that from someone who actually lives there.

08:00

The traffic can be pretty intense in Santiago. Today it takes 45 minutes to get to the plant. I don't like to be the first person on-site. I want to give the plant team some time to organise their day. The only exception is if I need to talk to an outgoing or incoming shift.

08:30

I catch up with the site OHSE Manager and the safety team and then go to the plant to walk the floor. I focus on things like guarding, fire protection, recycling and waste management. I spend a lot of time doing this. It's how I get an idea of what the plant needs, how it works on a day-to-day basis and how people work together. Is there a strong team spirit? Is it like a family? Are there areas where it's struggling? What are the successes? These observations mean that when we create an action plan, it's oriented towards each plant's needs.



Joaquin (center) engaging the local teams on hand safety



WHILE I'M ON THE FLOOR I ENGAGE WITH THE MACHINE OPERATORS. IT'S IMPORTANT THAT THEY GET SAFETY MESSAGES FROM PEOPLE OUTSIDE THE LOCAL TEAM, SO THEY KNOW IT'S SOMETHING WE TAKE SERIOUSLY.

11:00

I have a meeting with the maintenance team. This is important because we rely on them to execute our actions and keep the machines in good working order. The other key thing is that I don't just speak to safety professionals. I work side by side with communications, engineering, HR and operations. It's not about me doing safety – it's about creating a holistic approach where everyone is working towards it. I also work closely with the Safety Director of the whole business group to make sure needs in our region are known.

13:00

I often forget all about lunch while walking the floor! It can be very intense so it demands all my attention. I stay on-site and eat in the cafeteria with my co-workers because that's also a way to read the plant – another chance to see how people interact.

14:00

In the afternoon I continue to walk the plant with my co-workers, and we do a CAPEX review, going over the key capital investments we need to make our plants safer. This is typically done with the Country General Manager, Operations Manager, Maintenance / Engineering Manager and OHSE Manager, plus any other functions (e.g. Extrusion head, Flexo head, etc.), depending on the type of investment to be done.

16:00

We often do a deeper dive into specific topics during the afternoon, on the shop floor and in meetings. We are also in the process of launching the Amcor Hand Safety Campaign in the region. There will be a focus on behaviours, awareness

and machinery safety, looking at things like the level of guarding and training. It's also about the culture – building an environment where people believe in the objective of No Injuries and continue to walk the safety journey.

17:00

Working with the operations manager and the area supervisor, I do an incident review on a piece of equipment. This always takes place at the site of the incident so I can verify that the relevant actions have been executed and judge their quality. Sometimes I can replicate ideas from other plants to help solve issues.

19:00

I am used to long days, with lots of walking around the plant, visiting every part of it. I feel very energised by it all. When I leave, I may have dinner with the team, which is fantastic and a great opportunity to unwind and get to know my co-workers better. Going out for dinner is another way to get to know the country and its culture.

21:00

I'm back at the hotel. First I catch up with my emails. When I am at a plant I try to focus only on being there and absorbing it all, and so all else is ignored. But when I leave I'm reminded that the world has continued to spin and other things need my attention!

22:00

I FaceTime with my wife and daughter to see how things are going back home. Our daughter is seven months old and growing fast, so I want to hear about anything new she has done while I've been away. I wish them a good night and then go back to my emails.

00:00

We lived in Argentina, my birthplace, until three and half years ago, so I tend to stick to my Argentinian times. It's around midnight when I go to bed. I'm looking forward to returning to the plant tomorrow to build on today's progress.



Joaquin with his wife Sonia, and daughter Manuela

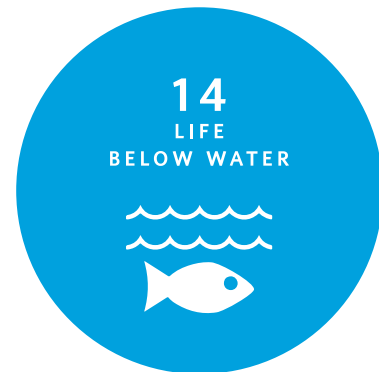
OUR CAPABILITIES

Expertise and Reach to address global challenges

We focus our resources on strategic, global partnerships with organisations that, like Amcor, concentrate on reducing the effects of packaging products on the environment and where packaging can play an important role in delivering humanitarian aid. Through partnerships with non-governmental institutions and other industry groups, many more stakeholders can benefit from our global reach and technical capabilities and expertise. Our three global partnerships are with the UN's World Food Programme, the Ellen MacArthur Foundation's New Plastics Economy initiative, and the Ocean Conservancy's Trash Free Seas Alliance. These partnerships are complemented by regional initiatives that focus on implementing effective and efficient recycling systems for our packaging.

EXPERTISE AND REACH

Sustainable Development Goals



Responsible packaging makes a valuable contribution to society by protecting the products consumers need, minimising product spoilage or breakage, preserving the resources invested in the product, and ensuring that the product reaches the consumer fit and safe for its intended purpose. As a leading global packaging company, we understand the positive effect we can have by sharing our expertise in responsible packaging solutions with partners. Our Sustainability Partners Program enables Amcor to use this expertise to address key issues relevant to three Sustainable Development Goals: Zero Hunger, Responsible Consumption and Production, and Life Below Water. Achieving the Global Goals will require engagement from the business community, and Amcor is proud to play a part.

AMCOR SUSTAINABILITY PARTNERS PROGRAM

Of the \$5 million USD committed over five years beginning in 2014, we have invested nearly \$3 million USD. We direct our resources toward organisations that, like Amcor, are enhancing packaging to deliver humanitarian aid to those most in need around the world, and reduce negative impact on the environment.



Our packaging expertise, global reach, and resources are being applied to sustainability partnerships with organizations that concentrate on:

1. Using Amcor’s packaging expertise so that food assistance reaches more people, safely and in good condition; and
2. Reducing the effects of packaging products on the environment.

DELIVERING SAFE, NUTRITIOUS FOOD ASSISTANCE: AMCOR AND THE WORLD FOOD PROGRAMME (WFP)

On January 1, 2016, the 17 Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development came into effect. Packaging is a key component to delivering safe and nutritious food assistance to remote areas and will be integral to achieving Goal 2: “Zero Hunger – to end hunger, achieve food security and improved nutrition and promote sustainable agriculture.”

Our partnership with the World Food Programme, the leading humanitarian organization addressing hunger worldwide, demonstrates what can be achieved when the private sector engages with international organizations.

Amcor’s three-year partnership with WFP began in July 2015. We provide WFP with specialist training and access to our labs, where we test and identify how to improve packaging. We also provide funding to WFP’s “Greatest Needs” fund, directed by WFP to address urgent areas of need. Amcor also supports a dedicated packaging specialist based at WFP headquarters who reviews packaging requirements and refines packaging specifications for high-volume products.

In FY17, our contributions included:

- Providing technical guidance and support to improve the packaging of a lipid nutrient supplement for children under the age of 5. Changes to packaging saved WFP \$3.2MM USD and reduced waste from failed packaging. This equates to 64,200 additional children receiving vital nutrition.
- Sending Amcor co-workers on a WFP field visit to Kenya, following supply routes to refugee camps to better understand the strains put on packaging and how it might be made more resilient.
- Supporting a visit by WFP staff to Amcor's R&D facilities to demonstrate our capabilities.

Over the next year, we will work with WFP to redesign packaging for high energy biscuits and vegetable oil, two of WFP's most common assistance products.

LAURIE GOETZ



A DAY IN THE LIFE OF LAURIE GOETZ AMCOR RIGID PLASTICS' DIRECTOR OF TECHNICAL SERVICES

Laurie has worked for Amcor for nine years and currently serves as Director of Technical Services for Amcor Rigid Plastics in Manchester, Michigan. She started as head of the Product Development team in Diversified Products.

Laurie's story

I've been in packaging for 24 years. In the 15 years before joining Amcor, I worked across sales, process engineering and product development. Nine years ago, the company I worked for moved to Pennsylvania. The Amcor opportunity came at just the right time, giving me the chance to move closer to home and work for a company with a wonderful reputation.

I'm involved in Amcor's sustainability partnership with the UN World Food Programme. It's something I'm incredibly proud of. In July, I joined a mission to Kenya with the WFP to follow the humanitarian aid supply chain.

We identified where improvements to packaging will help reduce waste and get more food supplies to people in urgent need. Amcor's partnership with WFP is the neatest thing I've seen in my career, and having an opportunity to contribute to society is really important to me. In Kenya, we were with people from WFP and Kemin Industries, a global food nutrition company.

I was really keen to be involved because I have 24 years of experience in the industry and previously in the military, where I served during the Gulf War. Back then, I saw how we were trying to get aid to the Kurds on the mountaintops between the Turkish and Iraqi borders and it left me thinking that there had to be a better way.

We quickly saw ways that WFP can be more efficient and prevent the loss of products due to packaging failures. Improving durability and practicality of rigid packaging for oil will be a key outcome of the trip. Working together with Kemin, we also identified an issue with nutrient degradation during transport and were able to advise the WFP that adding UV inhibitors to the packaging will better preserve food quality.



Laurie Goetz (left) and Immaculada Urpina, Social Responsibility Consultant in front of a mural located in a market in Nairobi



KENYA WAS A GO, GO, GO TRIP. WE STAYED IN A DIFFERENT PLACE EVERY NIGHT, INCLUDING A COMPOUND IN THE REFUGEE CAMP (AN EYE-OPENING EXPERIENCE AND A REALITY CHECK). AS A GROUP, WE SPENT THE WEEK TOGETHER AND THAT WAS PRICELESS: SHARING KNOWLEDGE AND LEARNING SO MANY NEW THINGS BY BEING THERE.



By following the supply chain, Laurie and the team realised that additional holes needed to be punched into the current packaging to access the oil product – a better solution could be designed.

Laurie's new role

In my new Technical Services role, I get to continue to work with the industries from Diversified Products (food, health care, spirits, wine, and household personal care) and also get to learn about the beverage industry. I'm looking forward to visiting customer sites to help improve efficiency and quality of fill lines and broadening my skill set even more.

I'm excited for the change because I love learning and finding better ways to do things. I'm someone who loves to fix things (which is both a strong point and a weakness because it's sometimes hard to take a break!)

Another thing I love about working for Amcor is that we're a company that really is sustainability-orientated. We don't pay lip service to the idea; the ethos is one we're all working towards, and it's close to my heart.

If I were to pass advice to people joining Amcor or moving up in their career, it would be to learn how to take control and identify what projects inspire you. Amcor is brilliant for giving you the freedom to follow your passions but you need to be able to manage your freedom. Young professionals should follow their passions.

For me, the most inspirational figures in my career were my parents. They gave me my foundation and a good sense of which rules to live by.

When it comes to relaxing, you'll find me out in my yard. I do my best to live a sustainable life and enjoy working with native plants, rain barrels and pods. I'm also a runner (my years in the Army got me hooked), but because I'm not a morning person, it'll be a nice three-or four-miler in the evening rather than an early-morning marathon!

DEFINING A PLASTICS ECONOMY IN WHICH PLASTICS NEVER BECOME WASTE: AMCOR AND THE NEW PLASTICS ECONOMY

Sustainable Development Goal 12, “Responsible Consumption and Production,” seeks to “substantially reduce waste generation through prevention, reduction, recycling and reuse.” In the case of plastic packaging, transforming the current linear economy to a circular one would certainly achieve this.

CIRCULAR ECONOMY

Definition

Collaborating with industry partners, governments, and non-governmental organizations to improve collection, recycling, and recovery of plastic packaging and develop product innovations and approaches that advance a circular economy and avoid leakage into the environment.

What is the circular economy?

We think the Ellen MacArthur Foundation says it best: “Looking beyond the current ‘take, make and dispose’ extractive industrial model, the circular economy is restorative and regenerative by design. Relying on system-wide innovation, it aims to redefine products and services to design waste out, while minimising negative impacts.” Amcor joined the Ellen MacArthur Foundation’s New Plastics Economy initiative as a Core Partner to contribute to the shift to the “new” plastics economy—one in which plastic molecules are available for repeated use.

Based on research performed in the latest New Plastics Economy report “Catalyzing Action,” only 14 percent of plastics packaging is being recovered for recycling, and 95 percent of its value is lost after a single use by consumers. In “Production, use, and fate of all plastics ever made,” a new study published in *Science Advances* in July 2017, leading scientists including Jenna Jambeck and Chris Wilcox found that 79 percent of all the plastics ever produced have now been discarded. This is the “old” plastics economy—one in which the clear majority of plastics are used once and then discarded.

To support the redesign and innovation needed, the Ellen MacArthur Foundation’s New Plastics Economy initiative (NPE) launched the Innovation Prizes in May 2017 to help find solutions to keep plastics in the economy and out of the environment.

Key questions to be answered are:

1. How can we get products to people without generating plastic waste?
2. How to make all plastic packaging recyclable?

Amcor helped shape the technical briefs for the Innovation Prizes. The awards will be judged by a broad range of senior executives from major businesses, widely recognized scientists, designers, and academics, including representatives from Amcor's Research and Development team.

Several "pioneer projects" with the direct involvement of Amcor are underway with the goals:

- To define what "recycle-ready" means for flexible plastic packaging and to develop design for recycling guidelines that are aligned with the complete value chain from raw materials producers to recyclers;
- To develop strategies for improving recycling in southeast Asia; and
- To evaluate chemical recycling options.

Read more here: newplasticseconomy.org

GERALD REBITZER



Gerald starting his work day early in his office at home.

A DAY IN THE LIFE OF GERALD REBITZER

DIRECTOR OF SUSTAINABILITY FOR AMCOR FLEXIBLES EMEA, FLEXIBLES AMERICAS, AND CAPSULES

Gerald Rebitzer, who has been with Amcor since 2003, leads our sustainability efforts for three business groups. While he and his team manage all aspects of sustainability from continuous improvement in our operations, ensuring high environmental and ethical standards in our supply chain and in our own plants, to identifying and developing more sustainable products for our customers cross-functionally with procurement, operations, R&D, HR, Marketing and Sales. The 'hottest' topic currently is circular economy for flexible packaging. To marry the life cycle benefits of flexible packaging with challenges related to collection, sorting, and recycling of these materials requires a lot of time. It is a key topic internally at Amcor and externally with our value chain partners and other stakeholders. Here, Gerald describes a typical work day in the office in Zurich.

05:00

I get up, get a coffee and get an early start at my desk at home. For me this is one of the best times to get things done without interruptions from calls or email. This is the best time to work on presentations, prepare for customer meetings or think about how we can collaborate with customers and recyclers to get more of our packaging materials back into the economy ready for another use. And it gives me the opportunity to enjoy breakfast later with my wife and daughter, which is good family time when I am not traveling.



Breakfast with my four-year old daughter

07:30

Breakfast with my family. This is usually also the time to discuss the schedule of today and the following days. My wife also works full-time and we always need to be sure we are well organized.

08:00

Today is also 'recycling day' at home. Every 2 weeks we put bags with recyclables in front of our door, which will then be picked up during the morning.



MOST OF OUR RECYCLABLES ARE PACKAGING FROM RIGID CONTAINERS TO FLEXIBLE PACKAGING AND COFFEE CAPSULES, BUT ALSO OTHER ITEMS SUCH AS NEWSPAPERS OR ELECTRONICS ARE PICKED UP. CIRCULAR ECONOMY STARTS AT HOME!

08:15

On her way to work my wife drops off our daughter at the day care, where she has a fun day with a lot of learning and play ahead of her. I use the opportunity of nice weather to cycle to work, where I can combine commuting with exercising, which is a great combination. Exercising, whether cycling or running, is one of my passions and I also need it to stay fit and productive, physically and mentally.

09:30

After about an hour of cycling and a shower at the office, a typical day of phone conferences and meetings starts. Most of the morning is busy with calls related to customer projects such packaging options to reduce food waste, materials with a lower carbon footprint, and innovations to enhance recyclability.



Two bags with recyclables which we put out every two weeks. This will subsequently be sorted into different fractions and fed into the recycling system.

11:30

Discussion with members of my team on tracking and following up on projects in our plants that lead to greenhouse-gas, waste and water reductions. We are currently focusing on developing an enhanced system to integrate environmental KPIs in the monthly reporting process for all the plants. The analysis of the newest data on post-consumer packaging recycling in different countries is also an important subject, and is the basis on which we can determine in what regions we need to focus our efforts.



Starting off the commute by bicycle, the best way to the office

13:30

After a quick lunch with my team, where we usually discuss sustainability topics, though not always directly related to work (I guess we are all a bit of sustainability nerds), the next phone conference starts. This time it is a call of the Steering Committee of CEFLEX (Circular Economy for Flexible Packaging) to elaborate on plans of how to reach the project goals of establishing widespread recycling of flexible packaging across Europe, with support from more than 40 companies from all parts of the value chain.



Zurich – Ann Arbor virtual meeting with Luca Zerbini, Michael Zacka, and David Clark.

14:30

Half an hour of unscheduled time at my desk, catching up on emails and updating my to-do list.

15:00

Internal meeting with Michael Zacka (Amcor's Chief Commercial Officer), David Clark (Amcor's VP Safety, Environment, and Sustainability), and Luca Zerbini (my boss and AFEMEA's VP Marketing, R&D, and Sustainability). Michael, Luca, and I are in Zurich and David joins by video conference from the Ann Arbor office in the US. Video conferencing is a great way to have a face-to-face meeting and very efficient for all, not to mention the avoided costs and greenhouse gas emissions from traveling. We are talking

about our internal innovation strategy on recycling-ready flexible packaging, and how to establish a robust analysis, reporting systems and KPIs aligned with international standards and agreements. We agree on developing and implementing a consistent process across the business groups by the end of December 2017.

16:00

Back at my desk, I grab a coffee and finish the preparation for a big customer meeting the following week. I send out the pre-read to our key account manager, who then consolidates the inputs from the cross-functional team and forwards all materials to the customer.

17:00

I pack up my laptop and other stuff and head down to the locker room to change into my bike gear to cycle home. Today I get in a good intensity workout, because I need to push quite hard to be at the day care in time to pick up my daughter. From there it is just a 10-minute walk back home.

18:30

Trying to forget about work and emails for a while, my wife, who has also just arrived from her office, and I prepare dinner and spend some quality time with our daughter by playing and reading a book.

19:15

Dinner at home.

20:15

After putting our daughter to bed my wife and I spend some time over a glass of red wine to talk about the day and our plans for the weekend. We are both quite tired, but the day is not over yet.

21:15

Call with Fabio Peyer from my team, who is based in Buffalo Grove near Chicago, focusing on sustainability in AFA. We talk about the next steps for our sustainable procurement program, specific customer projects and also about the progress of the Materials Recovery for the Future project.

22:00

I end the day back at my computer in my home office, catching up on email, booking upcoming travels and preparing meetings for the next day.

23:00

It is around 11 pm when I go to bed, quite exhausted from a good and full day.



KEEPING PLASTIC WASTE OUT OF OUR OCEANS: AMCOR AND THE TRASH FREE SEAS ALLIANCE

Plastic is often the material of choice for packaging because it is lightweight, durable, and inexpensive. When plastic packaging is mismanaged and littered into the natural environment, it can have many negative impacts. About 8 million tonnes of plastic waste end up in the ocean annually, where it can be ingested by marine animals with fatal consequences. Sustainable Development Goal 14, to “Conserve and sustainably use the oceans, seas and marine resources,” is another goal where Amcor can have a positive impact.

POST-CONSUMER WASTE

Definition

Minimizing marine debris, landfill, and other post-consumer packaging and food waste; supporting the prevention of plastic pollution in the human food chain.

Amcor has joined other packaging value chain members in many initiatives to prevent post-consumer waste from entering the environment.

Amcor entered the Ocean Conservancy’s Trash Free Seas Alliance (TFSA) in October 2015, joining Nestle Waters NA, Procter & Gamble, Walmart, and the World Wildlife Fund among other leaders from industry, conservation, and academics to create pragmatic, real-world solutions to the problem of marine debris.

In February 2017, TFSA released “The Second Wave”. The report outlines the challenges associated with financing effective waste management. By identifying options to attract new investments for it in developing Asia-Pacific economies, TFSA seeks to change the way municipal waste systems can be designed by attracting more public, entrepreneurial and private sector interest.



The focus on southeast Asia is deliberate because the top ten countries sending waste into the ocean are:

1. China
2. Indonesia
3. Philippines
4. Vietnam
5. Sri Lanka
6. Thailand
7. Egypt
8. Malaysia
9. Nigeria
10. Bangladesh

Most of the waste originates on land and the TFSA is determined to find solutions to capture this waste before it reaches the ocean.



Amcor Earthwatch Fellows collecting marine debris along a transect on Bali.

AMCOR AND THE EARTHWATCH INSTITUTE

Since 2001 Amcor has supported The Earthwatch Institute by sending co-workers on science-based expeditions, giving Amcor co-workers the opportunity to learn first-hand about the most serious environmental challenges facing our planet and to better understand how they, and the company, can play a role in securing a sustainable future for us all. Since 2015, Amcor Earthwatch expeditions have focused on the issue of marine debris.

In October 2016, a group of Amcor co-workers visited the Indonesian island of Bali to understand the impact debris is having on marine habitats. Alongside principal investigator

Dr. Steve Smith from Southern Cross University, the Amcor team conducted marine debris surveys at sites around the island, investigated the impact of tourism on the marine environment, and learned about Balinese cultural practices and local attitudes toward managing marine debris.

Over the course of 10 days, the 16 co-workers collected nearly 27,000 items. The data allowed the lead scientists to extrapolate that at any given time, 411 tonnes of marine debris litter Bali's beaches. Learn more about the expedition by visiting our [blog](#) and a [video](#) the team made.

Recycling infrastructure and the availability of data regarding recycling rates varies widely across the markets we serve; hence, a detailed picture of the recycling of

plastic packaging in general, least of all Amcor products specifically, is unlikely. According to NAPCOR, an industry association of which Amcor is a member, the PET bottle and container recycling rate in the U.S. was 30.1 percent in 2015. In regards to flexible packaging, we estimate that in most markets an insignificant portion is recycled. We aim to change this.

Flexible plastic packaging is very lightweight and resource efficient, easy to transport, and extends the shelf-life of many products and reduces waste of food and other packaged goods. For these reasons and others, it's one of the fastest growing packaging segments. Sometimes made of multiple layers of mixed-material plastic films and other materials such as aluminium foil or paper, it can be technically challenging to recycle. Contrary to what many consumers might think, flexible packaging, despite not being widely recycled in most regions of the world, usually has a lower environmental footprint than heavier, more rigid packaging materials even if the latter are being recycled. Due to its minimal material usage, it requires less energy to manufacture, transport, and results in less waste being sent to landfills.

Despite these overall benefits, flexible packaging must be more widely recycled to build a circular economy. The potential for higher recycling rates of flexible packaging is greater than people may expect. In Europe, for example, 70 percent or more of flexible packaging is based on polyolefin structures (polyethylene or polypropylene) which are relatively easy to mechanically recycle, if they are collected and sorted. Such a system has been functioning successfully in Germany for several years.

This package is to a large extent already designed to be recyclable, or “recycling-ready” and efficient ways of recovering these packages need to be implemented. Therefore, Amcor’s focus is to

1. Enable this package to be recycled via widespread collection and sorting systems; and to
2. Remove any remaining substances that might disturb the sorting and recycling process or devalue the produced recycled materials.

For the remaining material structures (approximately 30 percent in Europe) we are looking at innovations to also convert them to polyolefin structures or to look at alternative recycling technologies, including pyrolysis and other forms of chemical recycling.



Amcor Earthwatch Fellows sort and catalog marine debris items.

The need to collect this material is the foundation for recycling and recovery options, so we fully support the concept of “collection of all packaging” to make this material available for further use.



DEVELOPING RECYCLING INFRASTRUCTURE FOR FLEXIBLE PACKAGING: AMCOR AND CEFLEX, MATERIALS RECOVERY FOR THE FUTURE, AND REDCYCLE

To facilitate and develop widespread recycling and recovery options for flexible packaging, Amcor is actively engaged in regional initiatives in Europe, the U.S., Australia, and New Zealand.

CEFLEX

The mission of [CEFLEX \(A Circular Economy for Flexible Packaging\)](#), a collaborative effort of the complete value chain, is to advance system design solutions to create a circular economy for flexible packaging.

Specifically, CEFLEX has the following goals and deliverables:

- To facilitate that by 2020 flexible packaging will be recycled in an increasing number of European countries; and
- To facilitate the development of a collection, sorting, and reprocessing infrastructure for post-consumer flexible packaging across Europe by 2025.

This is an effort of more than 40 companies including raw material producers, packaging converters, brand owners, retailers, recyclers, and equipment manufacturers. Prominent project members, in addition to Amcor, include Dow and DuPont, Henkel, Siegwirk, Constantia Flexibles, Sealed Air, Nestle, PepsiCo, Proctor & Gamble, Unilever, Marks & Spencer, Suez, MTM Plastics, Bosch, Tomra, and others.

Amcor is proud to be a leading partner in this project, active in several working groups and as chair of the CEFLEX Steering Committee.

From this project, in conjunction with the Ellen MacArthur [New Plastics Economy](#) Barrier Pioneer Project and other initiatives, including the ones listed below, we expect a steep change in recycling of flexible packaging and share progress in upcoming reports.

REDCYCLE

Through Amcor's support of the [REDcycle](#) organisation in Australia and New Zealand, consumers can responsibly dispose of soft plastics. The public can collect flexible packaging such as bread bags, pasta and rice bags, plastic bags, frozen food bags, cereal box liners, and snack food bags and leave these items off at REDcycle drop-off locations in local retailers. The material is delivered to REDcycle for initial processing before being delivered to Replas, an Australian manufacturing company. [Replas](#) uses the flexible packaging to create construction material for recycled-plastic products including fitness equipment, sturdy outdoor furniture, signage and more. These products won't crack, splinter, or rot and will never need painting.



MATERIALS RECOVERY FACILITIES FOR THE FUTURE (MRFF)

The cross-industry effort, led by the American Chemistry Council, seeks to develop a mainstream recycling solution for flexible packaging adapted to the situation in the US. Started in 2015, the project focuses on finding and demonstrating technical solutions that enable flexible packaging waste to be added to single stream recycling systems across the US at scale and without impacting established recycling value streams. Many lab-scale and field tests at material recovery facilities conducted over the first two years of the projects have shown that this is technically possible, but requires investments in advanced optical sorting equipment. The optical sorters would allow the separation of flexible packaging from the paper stream using the distinct near-infrared signal of plastics. Also, the main aspects driving the business case for MRFs have been identified, and include current levels of contamination from films, access to end markets, and expected impact on established value stream (mixed paper, containers, old corrugated). As a next step, MRFF is moving to a demonstration pilot phase to test the technology in a real-world environment and attract investments in recycling outlets. In addition to Amcor, members include Dow Chemical, LyondellBasell, PepsiCo, Procter & Gamble, Nestlé Purina PetCare and Nestlé USA, Plum Organics, PrintPack, Sealed Air, SC Johnson, and Target as well as the Association for Postconsumer Plastic Recyclers, the Flexible Packaging Association SPI, The Plastics Industry Trade Association, and the Canadian Plastics Industry Association.

MOHD SAHNIZAN



Mohd putting on his helmet before his motorcycle ride to work

A DAY IN THE LIFE OF MOHD SAHNIZAN

ASSISTANT SUPERVISOR, ATP MALAYSIA

Mohd has been with Amcor since 2012 and works as an Assistant Supervisor for the Delivery Department with Amcor Tobacco Packaging, Subang, Malaysia. His hard work and attention to detail ensure finished goods arrive in excellent condition to our customers. Mohd was also privileged to join the Amcor Earthwatch expedition to Bali in October 2016, where he used his passion for environmental activism to assist in marine debris research. Here Mohd describes a typical day.

05:30

I wake up and exercise.

06:05

I eat breakfast and head to work on my motorcycle. The commute takes about 30 minutes.

07:00

I arrive to work and begin my first assignment: preparing a Delivery Order. Then I take a walk out to the warehouse to check the incoming containers to make sure everything is ready.

09:30

I join the rest of the staff for a meeting to discuss the day's work and also cover safety topics.



Mohd and other co-workers of ATP Subang during a social responsibility event, 2017



Mohd sharing lunch with friends in the ATP Subang cafeteria

12:00

I have lunch in our cafeteria with friends.

13:00

Now I can check the unloading of goods by my team.

15:00

If there is a social responsibility activity happening, I help out.



I enjoy time with my wife and children. My wife does a lot to support me in my work and volunteer commitments!

Before I leave, I head out once again to the warehouse to check on activities there. I also check on the storage room and record the amount of waste in our environmental data management system.

19:00

I spend my evening exercising and volunteering as Secretary at KOSPEN, a non-governmental organization for local health and environmental topics.



Mohd working with children on the beach in Bali, Indonesia



MY PARTICIPATION IN EARTHWATCH WAS AN EYE-OPENING EXPERIENCE FOR ME. I SAW HOW IMPORTANT IT IS TO EDUCATE THE YOUTH ON THE TOPIC OF MARINE DEBRIS AND ENVIRONMENTAL CONSERVATION. THEY WERE ESPECIALLY SURPRISED TO LEARN ABOUT THE IMPACT OF MICROPLASTICS ON MARINE LIFE.

PUBLIC POLICY AND EDUCATION

Definition

Advocating for responsible packaging policy and regulations; educating consumers and legislators to improve understanding of the role and benefits of plastic packaging; monitoring relevant tax policies.

Amcor advocates for responsible packaging policy and regulations through our membership of industry groups. For example, EUROPEN, a group of which we are a member, interacts with the European Union on the Circular Economy Package, which will succeed the EU Packaging and Packaging Waste Directive. This new regulation will most likely set higher recycling and recovery targets, including restrictions or banning of landfilling. Deadlines for EU Member States with the goal of continuously improving the environmental performance of packaging are being set and Member States will then have to implement measures to achieve the targets. According to EUROPEN, “EUROPEN supports legislation that is transparent, effective and in proportion to the impacts of packaging and packaging waste, which thus allows our members maximum scope to innovate, compete and operate in a resource efficient way. We are closely following developments at EU and national level and presenting the views of the packaging supply chain to relevant authorities and other stakeholders.”

Many of our co-workers are subject matter experts on sustainability issues including recycling, life cycle assessment, ethical supply chains, operational excellence, partnering for change and actively promote responsible packaging through presentations at conferences and industry events. Here are just a few events we participated in over the past year:

- **David Clark**, Amcor’s Vice President, Safety, Environment, and Sustainability, presented at the Sustainable Supply Chain Summit, the Responsible Business Forum, the World Ocean Summit, Ameripen, Net Impact, and led a workshop at Sustainable Brands.
- **Gerald Rebitzer**, Sustainability Director AFEMEA, AFA, and Capsules, presented at Interpack in May 2017 including at Amcor’s “Big Ideas” event and the DuPont Virtuous Circle presentation, the IPI Circular Economy event on life cycle assessment, on recycling at Plastics Europe’s recycling conference, and at the Sustainability in Packaging Europe conference.

- **Leonore Adams**, Amcor's Sustainability Manager, presented on the circular economy at PIA's ReFocus Summit and on employee engagement at the American Chemistry Council's Marine Debris Dialogue in June 2017.

LOOKING AHEAD

As a leading global packaging manufacturer, Amcor is committed to packaging that is good for business and better for the environment. Operational excellence and judicious use of resources are table-stakes for us. We look beyond our immediate area of accountability to issues including litter, marine debris, and food assistance for populations at risk.

Over the next year, we will continue to work toward our EnviroAction goals with a focus on water use, which rose this year. We will continue working with our global partners: the Ellen MacArthur Foundation's New Plastics Economy, the World Food Programme, and the Ocean Conservancy's Trash Free Seas Alliance, and will further participate in regional initiatives outlined in this report.

Together we can improve packaging solutions for food assistance by getting more nutritious food safely to those who need it most, helping to create a circular economy for plastic packaging by reducing waste and reducing environmental impact, and keep plastic waste out of our oceans.

We welcome your feedback on our sustainability strategy. Please share your thoughts with us at [amcor.com/contact-us](https://www.amcor.com/contact-us).