

# 2019

## Sustainability Review



# Welcome from Amcor's CEO Ron Delia

Every day, food, medicine, and other vital consumer products reach people around the world in Amcor packaging. Our contribution to more sustainable packaging is a source of great pride for everyone who works at Amcor.

This annual Sustainability Review describes Amcor accomplishments in developing more sustainable packaging, our collaborations to keep waste out of the environment, and our commitment to improving the environmental performance of our operations. It also describes our growing ambitions.

We have made good progress against our commitment to design all our packaging to be recyclable or reusable by 2025, to significantly increase our use of recycled materials, and to help drive greater recycling of packaging around the world.

During the 2019 financial year, we established a sustainability center of excellence in Europe, introduced several new products with more sustainable properties, and used more recycled content in products across our portfolio.

Through the acquisition of Bemis, we took a significant step forward by bringing together the two research and development leaders in our industry, which extends our capabilities and reach globally.

**Our pledge**  
to develop all  
our packaging to  
be recyclable or  
reusable by 2025

Amcor's global  
team is inspired  
by winning for  
the environment

We believe in responsible packaging. Much of our award-winning portfolio is already technically recyclable or reusable. We continue designing packaging that uses less material in the first place. And we will do even more.

This is an exciting time in our sustainability journey and we are uniquely positioned to deliver on our ambitious commitments to better protect the environment while delighting our customers and growing our business.

We appreciate your interest in what Amcor is doing and will continue to regularly report on our progress.



Ron Delia  
Chief Executive Officer  
November 2019



# Sustainability at Amcor

Our packaging protects and preserves food, beverages, pharmaceutical, medical, and home- and personal-care products all around the world. We are committed to achieving better end-of-use outcomes for our packaging so that it is kept out of the environment.



## There will always be a role for packaging

Amcor's innovative packaging is differentiating global brands and attracting consumer attention, helping our customers to grow and reaching new markets. Our packaging carries household brand names into kitchens, bathrooms and laundries around the world, and helps people return to health with safely packaged pharmaceutical and healthcare products.

At a time when 30% of food is wasted annually<sup>1</sup>, worldwide, our packaging is extending shelf life better than ever before. As global population increases, it is protecting food and the resources that goes into its production, and helping prevent the environmental consequences of food decomposition; which generates 8% of global greenhouse gas emissions<sup>2</sup>.



## Requirements of packaging are increasing

Amcor's packaging experts are using their unique global expertise to help our customers satisfy to changing consumer needs. Innovations like child-resistant and senior-friendly packaging, resealable features designed for portion control, and rigid containers with improved ergonomic designs are attracting consumers and helping brands grow.

Consumers, global companies, retailers, and others – including everyone Amcor – want an end to post-consumer waste. This is inspiring our work to innovate and collaborate to better protect the environment.

*Most consumers surveyed across a range of studies report a willingness to pay more for “eco-friendly” packaging made from more sustainable materials.*

66% of global consumers  
are willing to pay more  
for sustainable goods<sup>3</sup>

<sup>1</sup>EPA.gov – “Reducing Wasted Food: How Packaging Can Help”; Association for the Dutch Plastic Packaging Industry. Referenced by Goldman Sachs Equity Research.

<sup>2</sup>The Plastics Paradox – 17 July 2019; U.N. Food and Agriculture Organization (2018).

<sup>3</sup>Nielsen Global Sustainability Report (2015).



## Responsible packaging is the answer

Amcor is designing even more of our packaging to be recyclable, reusable or compostable, made from recycled materials, and lighter-weight. While we lead the industry in ambition and range of packaging, this alone won't solve the global waste issue. Keeping waste out of the environment requires the right design, efficient collection and waste management, and active consumer participation.

Many regions require more recycling capacity, composting facilities, and equipment to support returnable systems. And even in countries with suitable infrastructure, greater numbers of people need to actively and appropriately dispose of waste.

*Consumers increasingly care about reducing greenhouse gas emissions and tackling climate change. Compared with other substrates, plastic is often the most responsible choice for packaging.*

		Greenhouse gas emissions (Kg-CO <sub>2</sub> equivalent) '000	Recycling rate (%)
Flexible packaging		5	0
PET bottle		7	30
Composite carton		6	10
Aluminum can		27	66
Glass bottle		26	33

Source: PTIS Global "A Holistic View of the role of Packaging in a Sustainable World" (2018)



## Amcor is uniquely positioned to lead the way

Amcor's scale, global reach, and research and development (R&D) capabilities means our innovations can effect genuine change that benefits the environment. We spend more on R&D than any of our competitors and have more than 800 R&D experts innovating new materials, formats and technologies.

We are regularly recognized by customers and third parties for our work and have won more than 30 awards in the past three years for innovation and increasingly responsible packaging.

Our experts collaborate with industry, governments and NGOs to improve collection, recycling, and recovery of packaging. Governments, brands and retailers are essential to catalyzing consumer action while local governments build local waste infrastructure and improve communications to help people recycle more. We are increasing support for partnerships focused on waste management and accelerating our external engagement and advocacy activities.



# Our Commitment

We want the environment to be better off because of Amcor's leadership and products. At the end of FY19, Amcor committed to invest an additional US\$50 million in to further advance our sustainability agenda and accelerate progress toward our responsible packaging goals. The investments will fund a range of initiatives including R&D infrastructure, manufacturing equipment, extensions to our current partnership network, and investments in open innovation.

## Our 2025 Pledge and Global Commitment

In January 2018, Amcor became the first packaging company to commit to develop all our packaging to be recyclable or reusable by 2025. We also pledged to significantly increase our use of recycled materials and drive more recycling of packaging around the world.

In October 2018, we furthered this commitment by becoming one of the first signatories of the Ellen MacArthur Foundation's New Plastic Economy Global Commitment. This initiative unites over 400 businesses, governments, NGOs, universities, and other organizations globally behind a vision to address the issue of plastic packaging pollution.

With the Global Commitment, we and many of our customers set goals closely aligned with our 2025 pledge. We are proud to be among leading companies working on innovative solutions to achieve better outcomes for the environment.

### Goal 1: Develop all our packaging to be recyclable or reusable by 2025

In FY19, we assessed the recyclability of Amcor's product portfolio. We calculated that approximately 97% of our rigid packaging is recyclable in practice and at scale today. We also determined most of our flexible packaging is technically recyclable today while not yet "in practice and at scale" because collection and recycling is still being developed by local governments. We are actively supporting solutions that will improve recycling options for flexible packaging and recycling systems for flexible plastics are still being developed. Sales have also doubled over the past two years for our reusable and refillable PET containers.

### Goal 2: Significantly increase Amcor's use of recycled materials in our packaging by 2025

We have committed to achieving 10% use of post-consumer recycled (PCR) materials across Amcor's global product portfolio by 2025. In FY19, approximately 5.6% of the polyethylene terephthalate (PET) resins used were PCR materials. This, combined with our use of PCR polyethylene (PE), brought our total PCR resin use to 56,051 tonnes. We additionally achieved over 10% PCR resin use in our Mexico, Ecuador, and Colombia operations.

### Goal 3: Work with others to drive consistently greater recycling of packaging worldwide

Amcor continues to partner with global organizations like Ellen MacArthur Foundation, Ocean Conservancy, and Earthwatch Institute and regional initiatives to increase the collection and recycling of plastic packaging after use and to reduce plastics in the environment.



# 2019 at a Glance

## Products

**1,016** life cycle assessments using ASSET™

**17,000**

tonnes of plastic since FY17 by lightweighting and downgauging projects

Commercialized package with 57% bio-based resin

97% of our rigid packaging is already recyclable in practice and at scale



**56,051**  
tonnes of post-consumer recycled material

Two new lines of recyclable film packaging



## Operations

Decreased GHG emissions intensity

**32.6%**  
from 2006 baseline



EcoVadis Gold rating, performing in top 95<sup>th</sup> percentile of manufacturers of plastic products



**231,753**  
tonnes of waste recycled



**83** Amcor sites in Zero Waste-to-Disposal program

**100%**

of sites have water management plans in place



## Capabilities



Founding signatory to Global Commitment, now totaling over **400** organizations

Core partner in the Ellen MacArthur Foundation's New Plastics Economy initiative



**14,905**

pieces of litter collected from Peruvian coastline and analyzed by 16 Earthwatch Fellows

**18,000 kg**

of rubbish collected from 68 sites during the International Coastal Cleanup



Additional **\$50M** to accelerate our global sustainability program



# Our Products

From more responsible raw materials to reduced carbon footprint to improved end of life outcomes, Amcor innovates to achieve a better past, present, and future for all our products. Find out more at [www.amcor.com/sustainability-report/products](http://www.amcor.com/sustainability-report/products).

Method 100% PCR Detergent Bottle



Lofbergs Bio-PE Coffee Pack



Paperly Thermoformable Packaging



Naked Winery PET Wine Bottle



Genesis



AmLite Ultra Recyclable



NaturePlus Compostable Film



Refillable PET Bottle



EcoTwist Refillable Bottle



# Responsible Packaging: Past

We use raw materials that best protect products, minimize the environmental impacts, and reduce reliance on virgin resources.



*Definition: Materials that served their purpose (have been used by the consumer) and have subsequently been recycled to produce a new product.*

PCR materials generally have a lower carbon footprint than virgin materials. Increasing their use contributes to development of recycling infrastructure by signaling a rising demand. Recyclers can then more confidently invest to increase capacity.

Plastics can be recycled multiple times. Often, recycled plastics are mixed with virgin plastics to maintain performance and quality.

We are committed to increasing our use of PCR across our global operations.



*Definition: Materials derived from renewable sources such as corn, sugar cane, or trees.*

Bio-based materials are produced from renewable resources such as plants. In FY19, Amcor used more than 400,000 tonnes of these materials – approximately 16% of our total. We believe this category will continue to grow as our customers seek alternatives to conventional fossil fuel-based resins.

Packages made from bio-based resins often have lower carbon footprints compared to those made from traditional resins. They are proven to be viable alternatives to traditional resins in certain segments. Switching from conventional to “drop-in” bio-based resins such as PET or PE doesn’t impact a package’s recyclability, as conventional and bio-based resins behave the same way in the recycling process.



*Definition: Materials sourced from socially and environmentally responsible suppliers, as confirmed by certification schemes.*

We use independent, third-party certification for issues like fair labor, forest management, environmental controls, mining activities, and agricultural management to make sure Amcor and our customers use responsibly sourced materials. This includes the Forest Stewardship Council (FSC), Bonsucro, International Sustainability & Carbon Certificate (ISCC), and Aluminium Stewardship Initiative (ASI).





# Responsible Packaging: Present

We consider the full product life cycle during our product development process and are committed to making the most efficient packaging possible.



*Definition: Packaging which has a lower life cycle carbon footprint than alternatives.*

Amcor's packaging experts have mastered a range of strategies to reduce the carbon footprint of our packaging while improving product protection. These include using more PCR content, sourcing raw materials with lower carbon footprints, using fewer raw materials through lightweighting and downgauging, and designing packaging that can be recycled or reused. Since FY17, we have eliminated over 17,000 tonnes of plastic through more than 35 downgauging projects in our flexible packaging business and we are developing several lighter-weight containers in our rigid packaging business.

We also help customers switch to more efficient formats – for example, from glass or metal packages to lighter, more efficient plastic packaging.

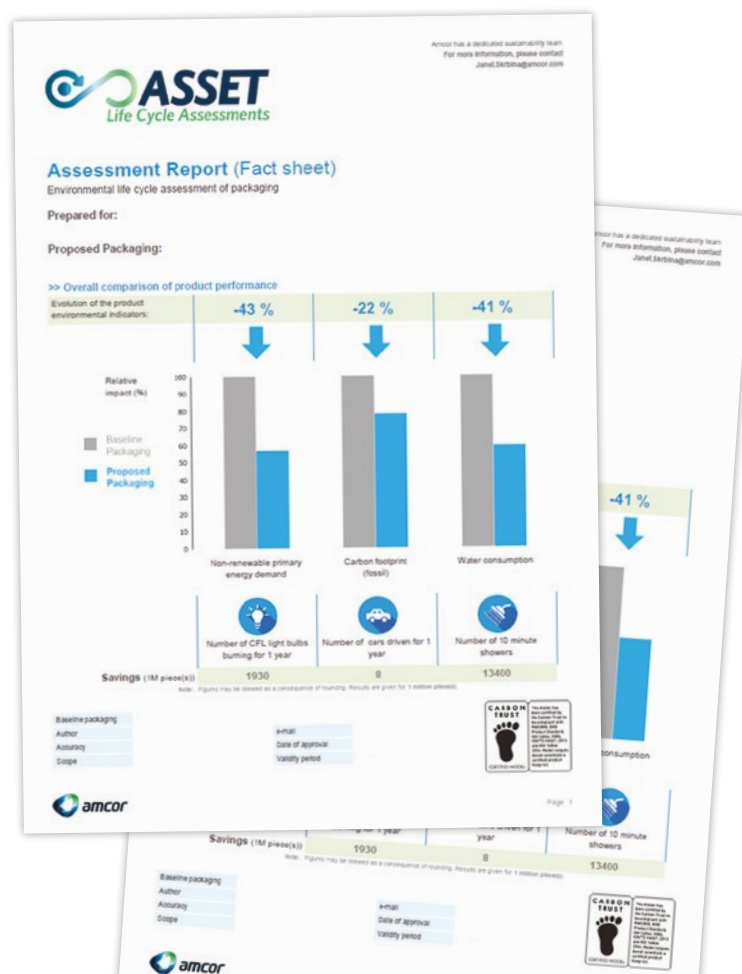
A recent report from Goldman Sachs explained that, on average, 4.1 tonnes of alternative materials are required to replace one tonne of plastic in consumer applications. When choosing packaging formats, it has to be taken into consideration that a move from PET to glass or cans can generate anywhere from two to four times the GHG emissions.<sup>1</sup>

Considering all environmental impacts, plastic often has a lower carbon footprint than cartons, cans, or glass bottles.

## ENABLING FACT-BASED DECISION-MAKING WITH ASSET™

Amcor's proprietary life cycle assessment software, the Advanced Sustainability Stewardship Evaluation Tool (or ASSET™), generates data and insights to inform decisions about packaging. It is externally certified by the Carbon Trust<sup>2</sup> and is our compass for environmentally focused product design.

In FY19, we conducted more than 1,000 ASSET™ assessments and now have 8,155 total assessments in our database.



<sup>1</sup> Source: Goldman Sachs. Extracted from "The Plastics Paradox" report. July 2019.

<sup>2</sup> The ASSET™ tool and database are regularly audited by the Carbon Trust for compliance with: The PAS2050:2011 specification for the assessment of the life cycle greenhouse gas emissions of goods and services; The Greenhouse Gas Protocol (Product Life Cycle Accounting and Reporting Standard 2011); ISO standards 14044:2006 for Life Cycle Assessments and ISO 14046:2014 for Water Footprinting; ISO/TR 14067:2013 for Carbon Footprinting; The Product Carbon Footprint Protocol; and The Footprint Expert™ Guide version 4.1. ASSET™ was most recently audited and certified in October 2018.

# Responsible Packaging: Future

We maximise the environmental performance of our products by designing for more responsible and sustainable end-of-use outcomes.



*Definition: Packaging that meets accepted design standards for recyclability.<sup>1</sup>*

While most of our packaging already meets criteria to be technically recyclable, we continue innovating new materials and designs so all our packaging can be recycled in practice and at scale by 2025.

In designing for recyclability, the choice of material, additives, and format all impact whether a package makes it successfully through the recycling process.

Amcor experts work with our customers to identify feasible, high-performance solutions.

For formats such as flexible packaging where no standard criteria for recyclability yet exists, we work with national recycling systems and industry groups to develop general guidance to inform design until more specific criteria is developed.



*Definition: Packaging that biodegrades in a commercially managed or home composting system according to relevant industry standards.*

Compostable packaging uses materials that biodegrade in a given time frame under defined controlled conditions. To claim a package is compostable, it must be certified to meet specific testing standards.

This packaging type is best suited for applications where packaging is composted along with food or other organic material, such as produce bags or coffee capsules. This helps reduce total waste going to landfill by enabling more food waste to be composted.

Most compostable materials won't biodegrade in the natural environment and need to be collected and transported to industrial facilities. Because this infrastructure is not widely available, compostable packaging frequently ends up in trash or recycling streams. We carefully assess compostable packaging options and help our customers identify solutions that perform best from an environmental perspective.



*Definition: Packaging that is refilled or used again for its original purpose.*

Reusability is an emerging frontier for innovation in responsible packaging.

Amcor has several solutions in this space, including refillable PET bottles and flexible refill packages. We are evaluating how and where the use of these solutions can be expanded in existing and new business models.

Reuse models are not a one-size-fits-all solution and Amcor experts advise our customers on the options that will work best for their products, taking into account the product type, distribution channel, local culture, demographics, and infrastructure in their target markets.

<sup>1</sup> Recycling claims are general guidance and do not mean the packaging can currently be recycled everywhere in the world. Its ability to be recycled by consumers will depend on the specificities of the recycling programs that consumers have access to in each market/geography. As such, it doesn't constitute a recyclability claim according to ISO14021, the FTC Green Guides, or any other local standard.

# Our Capabilities

We are sharing our expertise in responsible packaging, contributing to public policy and collaborating with like-minded partners to better protect the environment.

## Partnerships

We collaborate with industry partners, governments, and non-governmental organizations to improve collection, recycling, and recovery of plastic packaging and develop new approaches to advance a circular economy and better protect the environment.

Amcor has global partnerships with the Ellen MacArthur Foundation New Plastics Economy initiative and the Ocean Conservancy Trash Free Seas Alliance. We also have a research partnership with the Earthwatch Institute and regional initiatives focused on efficient and effective recycling.

## Ellen MacArthur Foundation – New Plastics Economy initiative (NPEC)

### Establishing a vision for a global circular economy for plastics.

Amcor is the core packaging partner to NPEC, which is focused on creating a plastics system that works. We are an active member of the Advisory Board and collaborative NPEC projects, including leading Project Barrier, which is developing a global design for recyclability standard for high-barrier flexible packaging.

In October 2018, NPEC launched the Global Commitment to reduce waste and pollution from plastic packaging. Amcor was one of the founding signatories. By June 2019, over 400 organizations representing more than 20% of global plastic packaging production had joined as signatories.

## Ocean Conservancy – Trash Free Seas Alliance (TFSA)

### Addressing the growing problem of plastic marine debris.

The TFSA is working to reduce plastic waste entering oceans by 50% by 2025. Amcor has been a member since 2015 and are on the Steering Committee.

Through this partnership, we collaborate with leaders in industry, conservation, and academia, and contribute technical and financial support to research, develop, propose, and incubate solutions to address marine debris.

Beyond the TFSA, Amcor is also an Ocean Conservancy “Rivers and Streams” partner for the International Coastal Cleanup (ICC) – the world’s largest single-day cleanup effort on behalf of our oceans. In September 2018, over 1,800 Amcor people rallied together across thousands of miles of shores and waterways, collecting over 18,000 kg of rubbish in 62 locations around the world.

## Earthwatch Institute

### Promoting understanding of environmental issues among Amcor co-workers and contributing to important scientific research related to the issue of marine debris.

For 18 years, Amcor has partnered with the Earthwatch Institute, a non-profit environmental organization which connects our colleagues with top scientists to participate in annual research expeditions. Since 2015, our expeditions have focused on marine debris.

In October 2018, 16 Amcor co-workers traveled to Peru to conduct research under the direction of two Commonwealth Scientific and Industrial Research Organisation research scientists.

The goal was to document the build-up of waste on land and how it subsequently enters oceans.

Amcor research team members visited coastal, river, and inland sites to conduct debris surveys, surveying along 257 km of coastline and collecting 14,905 pieces of litter. The team then analyzed the debris and their research is helping scientists identify key points where steps can be taken to stop debris before it gets to the ocean.

## Regional Partnerships

Identifying and implementing viable, practical, and economical solutions to increase collection and recycling rates for all our packaging products around the world.

### CEFLEX (A Circular Economy for Flexible Packaging)



A collaborative effort of the European flexible packaging value chain, focused on increasing the number of European countries where flexible packaging can be recycled and facilitating the development of collection, sorting, and reprocessing infrastructure for post-consumer flexible packaging across Europe.

### MRFF (Materials Recovery for the Future)



A collaborative research project working to increase and enhance curbside collection, sorting, and recycling infrastructure for flexible packaging in the U.S.

### The Recycling Partnership



A U.S. based non-profit aimed at improving recycling by investing in curbside recycling infrastructure and providing technical and financial assistance to increase recycling access, build local government support, improve regional coordination, and conduct education and outreach.

### REDCycle and Soft Plastics Recycling



Organizations in Australia and New Zealand focused in helping consumers responsibly dispose of flexible plastics via in-store recycling collection points.

### Chilean Plastics Pact



A network of national implementation initiatives aligned around the common vision of the Global Commitment's circular economy goals, and a set of ambitious targets tailored to the local context.

## Thought Leadership

Amcor experts actively inform the debate when it comes to taking global action to protect the environment. As well as leading sessions at various industry events, Amcor shares our unique packaging insights in a number of creative ways.

### Consumer Goods Forum

At the CGF Global Summit 2019, we brought together a sustainability leader from MARS, an expert in extended producer responsibility, and a circular economy leader to discuss solutions for tackling packaging pollution and to the takeaway: the value chain has the tools to act now to stop plastic pollution – if we work together. Amcor will once again take part in the CGF Annual Summit in June 2020.

### Expert Webinars

Our experts host webinars for customers, suppliers and others. In 2019, our sustainability webinar helped brands to devise their packaging strategies. Attended by more than 800 people, the session challenged packaging myths, covered sustainability-focused regulations and legislation, described sustainability attributes of packaging, and explored how brands can share progress with consumers.

### Design for Recycled Content Guide

Amcor experts helped develop the 'Design for Recycled Content Guide', published by the Sustainable Packaging Coalition in 2019. The Guide helps companies identify how to increase their use of recycled content in packaging.

### The Big Ideas Podcast

Amcor's podcast series brings together experts in sustainability and packaging, and thought leaders from consumer brands, NGOs, and educational institutions. Downloaded more than 6,000 times, they are available at [www.amcor.com/bigideas](http://www.amcor.com/bigideas).





## Awards and Recognition

Amcor's commitment to environmental stewardship and product responsibility have helped us achieve widespread recognition as a sustainability leader and cemented our role as the leading global packaging company. Some of the FY19 achievements of which we are proudest include:



### Packaging Europe Sustainability Award

In October 2018, Amcor was announced as one of the winners of Packaging Europe's prestigious awards for sustainable packaging innovation. Amcor Rigid Plastics and the The Liquiform Group were named as the winner of the "Machinery" category for Amcor's groundbreaking LiquiForm® technology. This technology uses the packaged product instead of compressed air to simultaneously form and fill containers. Combining forming and filling into one step eliminates costs, reduces materials, and creates significant energy savings during production, handling, transport, and warehousing.



### CDP "Best Performance Across Programs"

This award recognizes the company that has responded to CDP's climate change, water security, and forests questionnaires in 2018 and achieved the best scores across the three programs. As the winner in the Australia and New Zealand region for the second consecutive year, Amcor received a "B" for climate change, a "C" for water security, and a "B-" for forests (timber). We were also included in CDP's Climate Disclosure Leadership Index for Australia.



### Unilever Green Partner

Amcor India was awarded a certificate recognizing us as a Unilever Green Partner for successfully implementing electronic invoicing across all units in India. Amcor is among the first suppliers to implement e-invoicing for Unilever Pan-India. This is a major step toward sustainability in daily operations at both Unilever and Amcor by helping reduce paper and printing while also reducing carbon footprints and administrative costs.



### Dow Awards for Packaging Innovation

Collaborations with the makers of Nature's Promise® hand soap and the confectionary brand Mentos® resulted in Amcor winning two honors in the Dow Awards for Packaging Innovation, announced in September 2018. Amcor's LiquiForm® technology applied to the Nature's Promise® hand soap bottle was a Diamond Finalist, impressing judges by reducing supply chain costs, improving packaging consistency and lowering the carbon effects associated with filling and packaging. Amcor also received a Silver Award honor for Amcor's easy-opening, flexible PushPop® pouch for Mentos®.

Amcor is also proud to be included in the FTSE4Good Responsible Investment Index, the Ethibel Excellence Investment Register, the Dow Jones Sustainability Index (DJSI) for Asia Pacific and Australia, and the MSCI Global Sustainability Index Series, in which we maintain an AA rating.

# Our Operations

We are improving not only the design and sustainability of our products and services, but also reducing the impact of our operations on the environment and society.

## EnviroAction

EnviroAction is Amcor's internal program to reduce the environmental impacts of our operations. We have targets to reduce GHG emissions intensity, waste-to-disposal and water use.

Our long term goal is 60% by 2030

### GHG Emissions Intensity

# 6%

reduction target in tonnes CO<sub>2</sub>e/production units from FY17 to FY19

We monitor GHG emissions to better understand reduce emissions by lowering energy consumption, improving product design, optimizing transport, selecting less carbon-intensive materials, and incorporating climate change strategy into business decisions. In FY19, our absolute GHG emissions were 8,661,993 tonnes of CO<sub>2</sub>e. This is a decrease of 8.6% from the FY16 baseline.



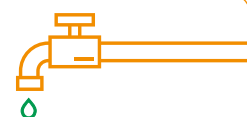
Our long term goal is zero waste-to-disposal

### Waste-to-Disposal

# 10%

reduction target in tonnes from FY17 to FY19

We minimize manufacturing waste through source reduction, reuse and recycling, and responsibly disposing of hazardous waste. In FY19, our total waste production was 291,591 tonnes, of which 79.5% was recycled. We have seen a 23.4% reduction of waste-to-disposal from our FY16 baseline levels, surpassing our 10% goal.



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

### Water Management

# 100%

of our sites have a water management plan in place

We minimize water use, manage water discharge quality, and protect local water sources. In FY19, Amcor's absolute water use was 4,032,314 kiloliters, representing an 8.7% decrease from FY16 baseline levels. As part of our EnviroAction goals, all Amcor sites must have a Water Management Plan in place and update it annually. In FY19, we achieved 100% compliance.

## Responsible Procurement

**We reduce supply chain risk by tracking and managing the environmental and social impacts of our upstream suppliers.**

Amcor has several mechanisms in place to engage suppliers in responsible procurement:

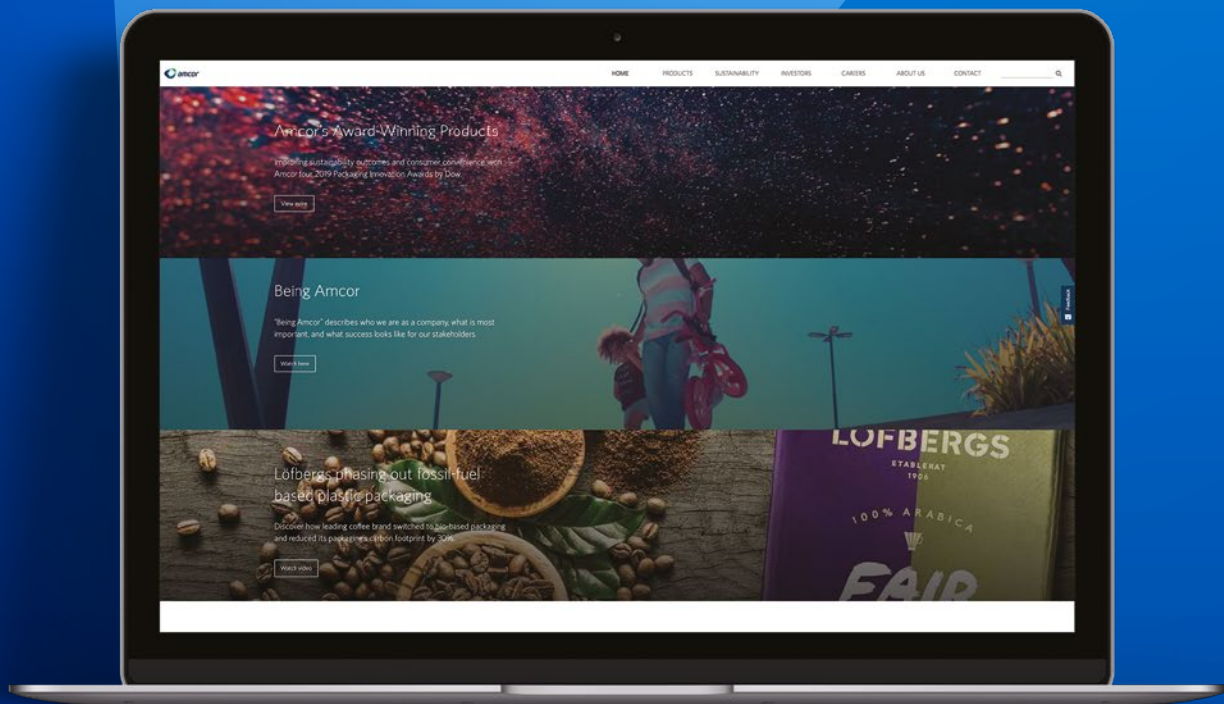
- All suppliers are required to comply with our Supplier Code of Conduct, which includes principles for business integrity, labor standards, occupational health, and environmental management and improvement.
- We use the EcoVadis global supply chain sustainability rating platform to evaluate the performance of our strategic and critical suppliers on four themes: environment, labor practices and human rights, fair business practices, and procurement sustainability.

## Other ways we disclose our impacts

**EnviroAction is just one way we track and report our operational footprint.**

We also disclose information about our environmental and social impacts in accordance with several other frameworks. Find out more here [www.amcor.com/sustainability-report/operations](http://www.amcor.com/sustainability-report/operations).





Visit **[www.amcor.com](http://www.amcor.com)** for more information  
on our global sustainability program

