



SUSTAINABILITY REPORT 2012



## Contents

Message from the CEO & MD .....	8
Our approach to reporting.....	10
Greenhouse gas emissions.....	10
Reporting scope .....	10
Significant changes during the reporting period .....	10
Restatements .....	11
Where to find our other reports.....	11
Previous reports.....	11
Questions and feedback .....	11
Our sustainability framework .....	12
Our Belief Statement .....	12
We value .....	12
Our Sustainability Framework .....	13
Environment.....	13
Community.....	13
Workplace .....	13
Marketplace .....	14
Economy.....	14
Implementing our approach .....	14
Materiality assessment .....	16
Integration of sustainability and risk management .....	16
Emerging material issues .....	16
Risk Management .....	17
Stakeholder engagement.....	18
Engagement methods.....	18
Approaches to stakeholder engagement.....	18
Responsible packaging.....	19
The role of packaging.....	19
Packaging innovation reduces impacts throughout the supply chain .....	20
Who we are and what we do.....	21
Awards and recognition.....	22
How we are doing .....	26
Environment.....	26

Marketplace .....	26
Workplace .....	27
Marketplace .....	27
Community.....	28
Our Environment .....	29
Implementing environmental management systems and improving our performance .....	29
Our approach .....	29
How we are doing .....	29
Regularly setting and working towards our EnviroAction targets .....	30
Our approach .....	30
EnviroAction targets .....	31
Greenhouse gas (GHG) emissions.....	31
Waste to landfill .....	31
Water consumption .....	31
How we are doing .....	32
Greenhouse Gas Emissions .....	32
Waste from our operations .....	34
Water consumption .....	37
Other impacts .....	38
Working across value chain to reduce environmental impacts of our products.....	39
Our approach .....	39
How we are doing .....	39
Suppliers.....	39
Customers .....	39
Raw materials and waste associated with our products .....	39
The recycled content and recyclability of our products .....	40
Our Community.....	41
Community engagement .....	41
Our approach .....	41
How we are doing .....	42
Botany (New South Wales) .....	42
Fairfield (Victoria) .....	42
Petrie (Queensland) .....	42
Supporting our local communities.....	42

Our approach .....	42
How we are doing .....	43
Global programs.....	43
Local programs.....	43
North America.....	44
South & Central America .....	44
Europe.....	44
Asia.....	44
Utilising our packaging expertise .....	45
Our approach .....	45
How we are doing .....	45
CASE STUDY: ColaLife AidPod .....	46
Our workplace.....	47
Our Workforce .....	47
Maintaining a safe workplace .....	47
Our approach .....	47
Fire Protection .....	50
Fines and prosecutions .....	50
Health and wellbeing programs.....	50
Engaging and developing our co-workers.....	51
Our approach .....	51
How we are doing .....	52
Co-worker engagement .....	52
Talent management and development .....	52
Management of organisational change.....	54
Diversity and equal opportunity .....	54
Our approach .....	54
How we are doing .....	54
Discrimination .....	55
Our approach to other labour practices .....	55
Mutual respect.....	55
Forced and child labour .....	55
Compensation .....	55
Benefits .....	55

Security practices .....	56
Indigenous rights.....	56
Freedom of association.....	56
Freedom from harassment .....	56
Compliance with labour practices .....	56
CASE STUDY: ‘SafetyNet’ safety information system.....	57
Our Marketplace .....	58
Offering responsible packaging and supporting our customers’ sustainability objectives .....	58
Our approach .....	58
Incorporating sustainability in product development .....	58
How we are doing .....	59
Customer satisfaction .....	60
Product safety .....	61
Quality management metrics .....	63
Non-compliance .....	63
Promoting the role and benefits of responsible packaging.....	63
Our approach .....	63
How we are doing .....	64
Global forums.....	64
Regional activities .....	66
Responsible and ethical sourcing / procurement.....	67
Our approach .....	67
Supplier Ethical Data Exchange.....	67
How we are doing .....	67
Responding to customer requests for information .....	67
Strengthening our supply chain .....	68
Fibre sourcing.....	68
Other topics of stakeholder interest.....	68
Post-consumer recycled PET.....	68
Bioplastics .....	69
Extended producer responsibility for packaging .....	69
CASE STUDY: Vache Bleue EasyPack for grated cheese.....	69
Our Economy .....	71
Governance and business continuity .....	71

Board structure and processes .....	71
Ethical standards and Code of Conduct .....	71
Reward for performance.....	72
Fraud and misconduct .....	72
Reporting potential misconduct .....	73
Disclosure and communication processes.....	73
Business Continuity.....	73
How we are doing .....	74
Public policy development and lobbying .....	74
Compliance: fines, sanctions, settlements and assistance .....	75
Sustainable business growth .....	75
Our approach .....	75
How we are doing .....	75
Financial performance .....	75
Direct economic impacts .....	76
Managing climate change risks and opportunities.....	76
Our approach .....	76
How we are doing .....	77
Enterprise Risk Management.....	77
Risks due to climate change.....	77
Opportunities due to climate change .....	78
Global forums.....	78
Carbon Taxes and Emission Trading Schemes .....	78
Our Approach to reporting .....	80
Greenhouse gas emissions.....	80
Reporting scope .....	81
Significant changes during the reporting period .....	81
Restatements .....	81
Where to find our other reports.....	81
Previous reports.....	81
Questions and feedback .....	82
Independent Assurance statement .....	83
Assurance Standard and Objectives .....	83
Assurance Type, Level, Scope and Limitations .....	83

Assurance Methodology .....	84
Our Independence .....	85
Our Competency .....	85
Findings and Conclusions .....	85
Adherence to AA1000 Principles .....	85
Reliability of Performance Information .....	86
The Way Forward .....	86
Mapping to the GRI – GRI 3.1 Content Index.....	88
STANDARD DISCLOSURES PART I: Profile Disclosures.....	88
STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs).....	92
STANDARD DISCLOSURES PART III .....	96
Economic.....	96
Environmental.....	97
Social: Labor Practices and Decent Work .....	100
Social: Human Rights.....	101
Social: Society .....	103
Social: Product Responsibility .....	104



## Message from the CEO & MD

Amcor has a vital role to play in creating a sustainable future. As a global leader in the packaging industry, with over 300 sites in more than 40 countries, Amcor provides innovative packaging solutions to many of the world's leading consumer brands.

Social Responsibility is one of Amcor's Core Values. It is at the heart of who we are and what we are focused on as an organisation. Our operating model is underpinned by a culture of Outperformance – striving to be better tomorrow than we are today, in everything we do.

In applying this mindset to our approach to sustainability, we develop and implement action plans that respond to the interests of our stakeholders: our customers and shareholders, our co-workers and the communities in which we operate.

Our ongoing focus on our workplace safety led to further improvement in performance this financial year and I was very pleased to see that more than 50% of Amcor's 300 sites around the world achieved our goal of No Injuries. We are proud of this performance, but we will continue to emphasise the critical importance of safety at all of our sites, for co-workers and visitors to Amcor. This year, we also conducted a global, Group-wide co-worker engagement survey, and launched the Amcor Leadership Framework, which outlines the co-worker competencies that will support Amcor's future.

In order to drive continuous improvement in environmental performance across Amcor's operations we introduced a program we call "EnviroAction". This program sets improvement targets in a number of key areas and by the end of the first five-year target period from FY2005/06 to FY2010/11 we had reduced our waste to landfill intensity by 59% and our water consumption intensity by 46%, whilst our greenhouse gas emissions intensity decreased by 4.5% from the baseline.

The financial year ending 30 June 2012, (FY2011/12) marked the first year of a further five-year EnviroAction target period and we began monitoring our performance against these targets as part of our regular business review processes. During this 12-month period, our greenhouse gas emissions intensity decreased by nearly 7%. Our waste to landfill intensity remained basically the same, largely due to increased waste from our closing paper mill in Botany, offset by reductions elsewhere around the group. We anticipate that our waste to landfill intensity will decrease as a result of the ongoing implementation of our action plans and as the new, world class paper mill at Botany comes online. For our Australasia businesses absolute water consumption decreased by 1.5%, however due to lower levels of activity our intensity increased by 5.6%.

Interest in responsible packaging amongst Amcor's customers continued to grow and we completed 30% more life cycle assessments for our customers than last year. We also continued to participate in customer sustainability councils and industry forums. Work continued on the development of sustainability standards for our suppliers and a Supplier Code of Conduct was developed. Implementation of the standards and Code commenced through our procurement systems and processes.

In FY2011/12, Amcor achieved record profit after tax up 11.3%. Synergy benefits were realised from earlier acquisitions and the defensiveness of market segments such as food, beverages and pharmaceuticals demonstrated Amcor's resilience in subdued economic conditions, particularly in



developed markets. Many of the emerging markets, where we see future opportunities, showed substantial growth.

In the coming year, we will work toward further disciplined growth. We will make the most of opportunities to serve our customers, both in developed and emerging markets – further developing what we believe are outstanding value propositions to meet their changing needs. We will consider acquisition opportunities, where they make sense and where they can deliver additional value for our stakeholders.

Amcor has the business portfolio to remain successful and adaptable in the face of ongoing economic volatility and changing regulatory requirements. We remain resolutely committed to our Values, and to ensuring that our business continues to perform. Our sustainability objectives for the coming year are core to this commitment.

We recognise that implementing our approach to sustainability requires our ongoing attention. Please join me in sincerely thanking our co-workers for their dedicated efforts, and their Outperformance, in the area of sustainability for another year.

I invite you to provide your feedback regarding our approach to sustainability and the summary of our performance for the FY2011/12 provided in this report.

Ken MacKenzie

**Managing Director and Chief Executive Officer**

## **Our approach to reporting**

Amcor reports in accordance with the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines (2006) and AccountAbility's AA1000 Assurance Standard (2008).

This approach provides information in a format that allows for benchmarking against various international standards and our corporate peers.

In accordance with GRI Guidelines, our reporting covers all entities that generate significant sustainability impacts (actual and potential) and all entities over which we exercise control or significant influence with regard to financial and operating policies and practices. Our reporting covers topics and indicators that reflect Amcor's material economic, environmental and social impacts or issues that would substantively influence the assessment or decisions of our stakeholders.

In this report, 'Amcor' refers to Amcor Limited (ABN 62 000 017 372) and its subsidiaries. The statistics in this report represent the 12-month period to 30 June 2012 and are for sites wholly-owned by Amcor during that period. All financial figures in the report are in Australian dollars, unless otherwise indicated.

The information and data in both the Summary Report and the online report has been assured in accordance with the AA100 Assurance Standard (2008) by Net Balance Management Group Pty Ltd

## **Greenhouse gas emissions**

Scope 1 and 2 greenhouse gas emissions are calculated based on the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition).

Scope 1 emission factors for fuel combustion are sourced from the World Resources Institute (2008) GHG Protocol Tool for Stationary Combustion, Version 4.0. Other scope 1 emission factors are estimated assuming complete chemical reaction.

Scope 2 emission factors for most countries are sourced from the International Energy Agency CO2 Emissions from Fuel Combustion (2010 Edition). For Australia, scope 2 emission factors are sourced from the National Greenhouse Accounts Factors 2011 at a state level, and for the USA scope 2 emission factors are sourced from the EPA e-GRID 2010 tool at a regional grid level.

Material categories for scope 3 greenhouse gas emissions reporting are determined using the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Our Scope 3 emissions are estimated using information from our suppliers, consultants and conversion factors sourced from publicly available databases contained within our lifecycle analysis software.

## **Reporting scope**

There are no significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.

## **Significant changes during the reporting period**

During FY2011/12 Amcor completed several acquisitions, detailed on page 79 of our 2012 Annual Report.

The only material acquisition that has been considered in the preparation of this report is that of the Aperio Group, a leading flexible packaging manufacturer in the Asia Pacific, with 13 sites across Australia, New Zealand and Thailand. The environmental and workplace safety data from those sites was not included in this report, but employee numbers were.

Our Glass Tubing business was sold to Nipro Corporation in July 2011. Data from this business has been excluded from this report. This included one site in each of Belgium, France and Canada and another six sites in the USA.

None of these changes have had a material impact on our sustainability performance.

Further information about minor divestments and acquisitions can be found in Note X of Amcor's 2012 Annual Report.

## **Restatements**

The water consumption baseline for FY2010/11 has been restated.

## **Where to find our other reports**

Amcor publishes an Annual Report containing financial information and an Annual review of operations every October. These are available for download from [www.amcor.com](http://www.amcor.com).

## **Previous reports**

The Amcor Sustainability report is published annually and was last released in October 2011. This year's report and all preceding reports are available for download at

[http://www.amcor.com/sustainability/s\\_reports/about\\_sus\\_sustainabilityreport.html](http://www.amcor.com/sustainability/s_reports/about_sus_sustainabilityreport.html).

While every effort has been made to ensure the accuracy of the information, anyone seeking to rely on information in this report or seeking to draw detailed conclusions from the data should contact the Company for verification and assistance.

## **Questions and feedback**

Questions and feedback about this report should be directed to Amcor via the '[Contact us](#)' enquiry [form](#).

## Our sustainability framework

Our approach to sustainability is driven by Being Amcor. Being Amcor has three elements that define our approach to business:

### Our Belief Statement

We believe in responsible packaging.  
We Passionately + Relentlessly apply art + science  
to enhance the products people  
use in everyday life —  
today + tomorrow.

#### WHY we believe in what we do

Our belief statement is what we stand for and what we aspire to – it states what we believe in at Amcor. And what we believe in is responsible packaging. Responsible packaging contributes to a better world for today and tomorrow.

#### We value



Safety



Integrity



Teamwork



Social  
Responsibility



Innovation

#### HOW we behave in managing our business

Our values are the foundation of who we are and how we behave. They outline the characteristics that our customers and other stakeholders can expect from us. They help to explain how we do the things we do.

## The Amcor Way - WHAT we focus on in building operational excellence



The Amcor Way outlines five business competencies to drive performance at Amcor: Safety; Customer and Market Focus; Talent; Capital Discipline and Low Cost.

All of our sustainability initiatives are focused to support and contribute to the deliverables of The Amcor Way – from Safety through to Low Cost.

Sustainability management is most effective when it is integrated with business processes and organisational management systems.

Aligning our approach to sustainability with The Amcor Way will help position Amcor to realise opportunities for sustainable business growth and to outperform our stakeholders' expectations.

### Our Sustainability Framework

Being sustainable is not just about living our core values. We are accountable to a broad range of stakeholders, and to gain their support and confidence we must be responsive to their interests. Our stakeholders are those who have a direct relationship to, or are impacted by, our business. They include investors and suppliers of capital, co-workers, customers and suppliers, industry bodies, governments, and the communities in which we operate.

We address these interests via specific plans and actions across five areas. These areas are:

#### Environment

- Implementing environmental management systems and continuously improving environmental performance at Amcor sites.
- Regularly setting and working towards our EnviroAction targets.
- Working with suppliers and customers to reduce environmental impacts throughout our supply chains and the lifecycle of our products.

#### Community

- Conducting open and constructive dialogue with our communities.
- Supporting local community projects.
- Utilising our packaging expertise to address social and environmental needs.

#### Workplace

- Maintaining a safe workplace - 'No Injuries'.
- Engaging and developing our co-workers.
- Maintaining a diverse workforce and providing equal opportunity.

## Marketplace

- Utilising our life cycle assessment capabilities to offer customers responsible packaging; and supporting our customers' sustainability objectives.
- Promoting the role and benefits of responsible packaging.
- Ensuring responsible and ethical sourcing/procurement.

## Economy

- Positioning Amcor to realise opportunities for sustainable business growth.
- Demonstrating good governance, sensible risk taking and business continuity management.
- Managing climate change related challenges and opportunities.

These areas are broadly consistent with international frameworks and benchmarks such as the Global Reporting Initiative, the Dow Jones Sustainability Index and the ISO 26000 Guidance on Social Responsibility. As such, our approach to sustainability can be benchmarked against our corporate peers.

## Implementing our approach

Amcor's Group Sustainability team coordinates the development and implementation of our Group-wide approach to sustainability in collaboration with our Sustainability Leadership Council (SLC). The SLC consists of the Sustainability Leaders from each of Amcor's Business Groups around the world. The Sustainability Leaders develop and implement sustainability action plans appropriate for their region or market, that are in alignment with the Group-wide approach and with their own business strategies, plans and objectives.

Integrating our approach to sustainability with business processes and routine management systems is critical to implementation. We are continually improving the process for identifying sustainability challenges and opportunities via our Enterprise Risk Management program and during the FY2011/12 year, we incorporated EnviroAction performance reporting into our Quarterly Business Review process.

Importantly, Amcor's Sustainability Leaders work with our Research and Development, Procurement, Operations and Sales and Marketing functions to ensure that our approach to sustainability contributes to the innovation and customer value propositions that drive our business growth opportunities.

During the 2011/12 year, Amcor's approach to sustainability was recognised at the Ethical Investor Sustainability Awards. Amcor received the Environment Award and was commended for "using the principles of environmental sustainability to reposition its product in customers' and suppliers' minds".

Amcor was also recognised in a report released by the Association of Chartered Certified Accountants (Australia) as the best amongst the ASX50 companies for overall integration of material non-financial concerns into company vision and strategy, management process and systems, risk management frameworks, approach to performance tracking and public reporting.

Amcor continues to be included on global and regional sustainability indices, for example, the Dow Jones Sustainability Asia Pacific Index, the Carbon Disclosure Leadership Index, Materials Sector,

Australia and New Zealand region and, the FTSE4Good Index. Amcor also supports many industry and government initiatives on packaging, as described in the Our Marketplace section of this report.



## Materiality assessment

Each year, Amcor's Group Sustainability team conducts a materiality assessment. This involves a review of Amcor stakeholders who have either a direct relationship with Amcor or are impacted by our business, followed by the identification of those issues important to them.

As in previous years, the stakeholders identified for this year's report were:

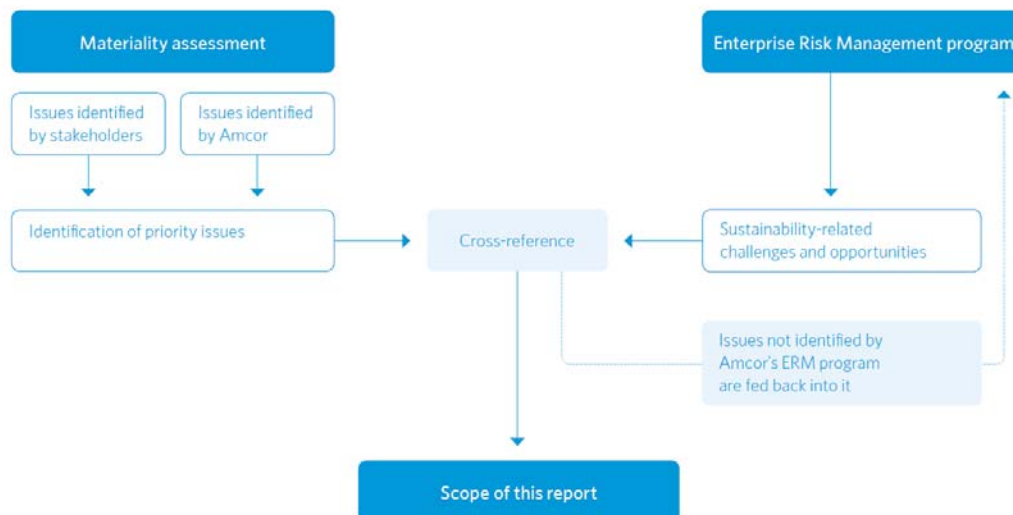
- Investors and suppliers of capital
- Government
- Customers, Suppliers and Industry bodies
- Co-workers
- Community

Since these stakeholders have been previously identified, their interests are reflected in Amcor's approach to sustainability and the specific plans and actions across the five key areas of stakeholder interest: Economy, Marketplace, Workplace, Community and Environment.

This year, we improved the rigour of our materiality assessment by incorporating two new steps in the process. First, we compared the issues identified as material by our stakeholders with those material to Amcor to determine the priority issues. Then, we cross-referenced the priority issues against the sustainability-related risks identified by Amcor's Enterprise Risk Management (ERM) program.

## Integration of sustainability and risk management

In most cases, the priority issues identified through the materiality assessment were also identified by Amcor's ERM program. Any issues which had not been identified by the ERM program were fed back into it for future consideration by Amcor businesses, thereby enhancing the rigour of our approach to sustainability and its integration with the ERM program (refer to the diagram below).



## Emerging material issues

Many of the many material issues identified this year have been identified in previous years and are therefore already considered within our approach to sustainability. However, during the FY2011/12

year some new issues emerged and some previously identified issues were determined to be more material. For example:

- The life cycle impact of packaging continues to be a highly material issue, with increasing interest from our customers.
- Several governments in introduced new extended producer responsibility legislation for packaging in the markets Amcor serves.
- The Australian Government prepared for the introduction of its Clean Energy Legislative Package.
- Supply chain issues, including the sustainability of raw materials, and the environmental and human rights performance of suppliers, increased in importance to Amcor and other stakeholders.
- Food/product safety was identified as a material issue due to an increased awareness amongst our customers, particularly in Asia.
- The continuity of supply to key customer sites was identified as a material issue for the first time.

A list of the highly material issues for each stakeholder group can be found in the stakeholder engagement section.

## **Risk Management**

As a publicly listed company on the Australian Securities Exchange (ASX), Amcor must comply with Corporate Governance Council Principles and Recommendations released by the ASX Corporate Governance Council. These principles include: Principle 4 ‘Safeguard integrity in financial reporting’ and Principle 7 ‘Recognise and manage risk’.

Amcor’s Board and senior executives have responsibility for driving and supporting risk management across the Group. Each business group then has responsibility for implementing this approach and adapting it, as appropriate, to its own circumstances. Having an executive level Risk Champion in each business group helps ensure a consistent approach to risk management.

Amcor’s Enterprise Risk Management (ERM) program incorporates the principles of effective risk management, as set out in the Global Risk Management Standard ISO31000. Our Risk Management Framework Summary describes Amcor’s ERM program and risk management objectives. This document is available at [www.amcor.com/policies](http://www.amcor.com/policies)

ERM seeks to apply risk management across an entire organisation, and it does this so that all material risks can be identified, assessed and treated. In support of this approach the Amcor Board sets the risk appetite of the organisation to take account of safety, environment, reputation, and corporate governance risks, in addition to financial risks .

Amcor’s assurance function, which includes the internal audit team, plays a key role in reviewing the effectiveness of Amcor’s compliance and control systems, including risk management. Findings from reviews are communicated in formal reports to the Board and the Audit and Compliance Committee, and then appropriate action is taken to support the maintenance of a strong control environment.

During the 2011/12 year, we reviewed the maturity of the risk framework, which led to an expansion of the risk management program to cover more levels of our business. Whereas previously we focused on strategic risk, we have now incorporated a consistent global approach to operational and project risk.

In terms of operational risk, we expanded the depth of our risk management process in this area, including strengthening our business continuity process and aligning the risk management and hazard management processes. This resulted in changes to our existing Risk Management Statement, the development of Risk Management, Business Continuity and Crisis Management policies and supporting procedures and plans.

To assess and manage risks associated with major projects, we began standardising our approach, developing templates for project risk management of major projects, to be adopted across our global operations.

This year we also focused on building further resilience into the organization by improving our approach to crisis management and business continuity. Our approach is described in the Marketplace section of this report.

With the considerable changes being implemented to our risk management framework and our increasing level of maturity in this area, we postponed our annual external party risk management assessment. Once we have completed the changes to the framework, we plan to have a maturity assessment completed by an external party and then move to a triennial assessment schedule.

## **Stakeholder engagement**

Our stakeholders are those who have a direct relationship to, or are impacted by, our business. They include investors and suppliers of capital, co-workers, customers and suppliers, industry bodies, governments, the media and the communities in which we operate.

### **Engagement methods**

Our approach to stakeholder engagement is aligned with the principles of the AA1000 Stakeholder Engagement Standard (AA1000SES). Our stakeholders provide a diverse range of perspectives and we maintain various formal management systems to engage with, listen to and learn from them. We take their feedback seriously, and when appropriate and relevant to our business, incorporate it into our thinking and planning. To prioritise our stakeholders and their concerns, we look at both the relevance of the stakeholders' relationship to our business and the importance of the particular issue being raised.

During the year, we had many discussions as part of ongoing business activities, and generated ongoing discussion through web tools and formal surveys. The online enquiries form on our website lists 'Sustainability' as a specific topic selection, enabling stakeholders to share issues, concerns and comments directly with members of our Corporate Sustainability team.

### **Approaches to stakeholder engagement**

We engage with our stakeholders as part of our regular business activities. Separate stakeholder engagement specifically to inform the report preparation process was not undertaken during the reporting period.

## **Responsible packaging**

Our approach to sustainability begins with our belief statement, which says: "We believe in responsible packaging".

### **The role of packaging**

Packaging plays an important role in society. It is a fundamental component of supply chains, providing benefits such as product protection, consumer information, safe and convenient handling and product marketing. It makes a valuable contribution to sustainability by protecting the product, preventing product spoilage or breakage, preserving the resources invested in the product and ensuring it reaches the end user fit for its intended purpose.

We work continuously with our customers and suppliers, collaborating on supply chain assessments and utilising our proprietary life cycle analysis software, ASSET, to identify the most sustainable packaging solutions. Life cycle assessment provides the data required to make informed decisions about responsible packaging, accounting for the sustainability impacts of different packaging options throughout the value chain and across the entire product life cycle.

## Packaging sustainability

### A total life cycle approach



## Packaging innovation reduces impacts throughout the supply chain

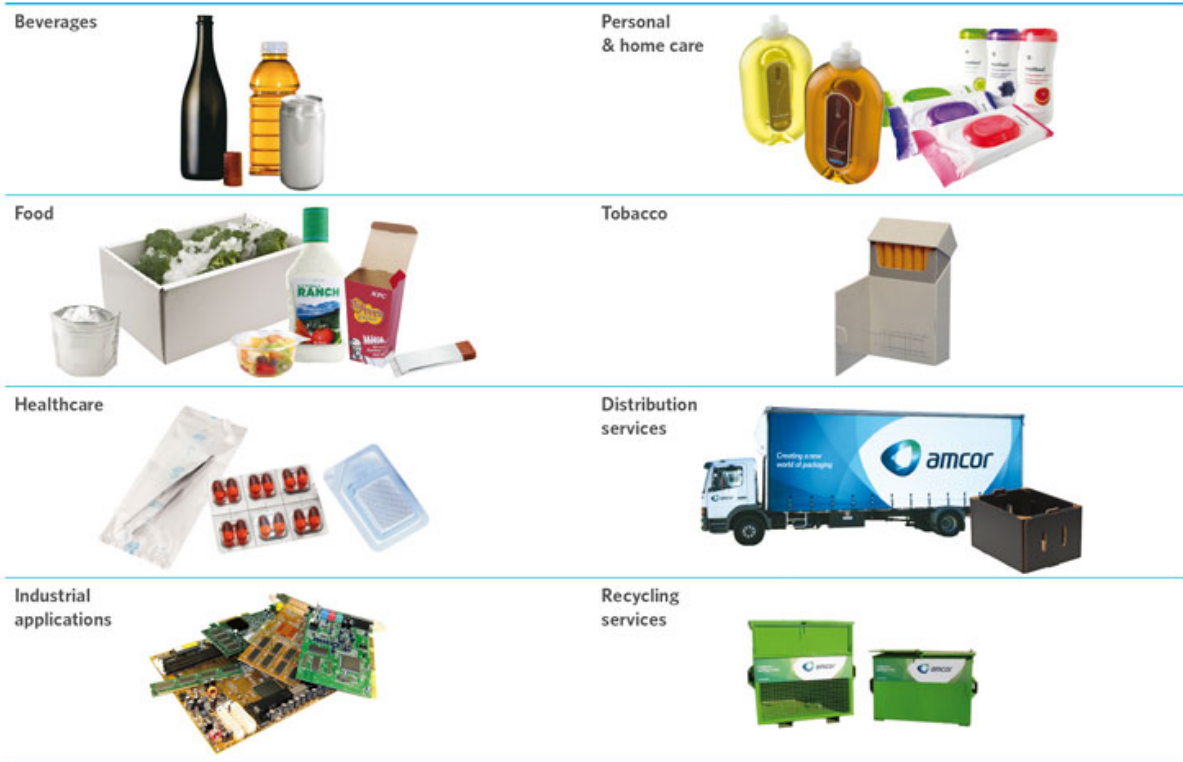
Amcor's packaging innovations demonstrate how responsible packaging contributes to reducing impacts throughout the entire supply chain. These include:

- reducing the packaging footprint by down-gauging, using lower carbon footprint raw material inputs, increasing recycled material content, substituting packaging formats and reducing pack size and overall weight;

- increasing filling/packing line efficiency by designing packaging for faster sealing/ closure and more energy-efficient sterilisation methods;
- improving transport and distribution efficiency by designing packaging to maximise utilisation of available load space;
- improving transport and distribution efficiency by light-weighting rigid plastic containers whilst maintaining top-load strength to allow for substitution of secondary packaging (e.g. corrugated boxes for corrugated trays and shrink film);
- reducing the requirement for refrigeration in distribution and at the point of sale through aseptic or retort packaging that creates shelf-stable products;
- increasing the shelf life of consumer goods, for example, through the use of modified atmosphere packaging, particularly for fresh produce;
- extending product life and maintaining freshness of consumer goods in the home with re-closable packaging; and
- reducing energy consumption during food preparation and cooking, using microwavable packaging.

## Who we are and what we do

Amcor is a global packaging manufacturer offering a broad range of plastic, fibre, metal and glass packaging and packaging-related services, including:



Amcor's customers include many of the world's largest food, beverage and pharmaceutical manufacturers.



We are the largest producer of flexible packaging in the world. Our flexible packaging is used to package products ranging from medical devices and pharmaceuticals through to grocery items and personal and home care products.

We are the world's largest manufacturer of PET bottles, used by beverage manufacturers in the Americas to package their products. We also supply glass wine bottles to Australian and New Zealand wineries.

Some of the world's largest manufacturers of personal care and home care products such as shampoo, cleaners and lotions are amongst our customers, using our flexible packaging and PET bottles to package their products.

We make paper and cardboard packaging in multiple countries, and supply folding cartons and boxes to consumer goods companies and tobacco manufacturers around the world. Our fibre packaging is also used by fruit and vegetable growers as well as dairy, meat and fish suppliers all along the supply chain.

We supply packaging and films for a variety of industrial applications in the electronics, automotive, energy and other manufacturing industries.

Our recycling business in Australia works with both large and small customers to provide appropriate recycling solutions for their waste materials.

Our distribution business sources a wide range of packaging products, equipment and industrial supplies to meet the needs of our customers.

Amcor employs approximately 33,000 (excluding contractors) co-workers at more than 300 sites in 42 countries and has annual sales of approximately A\$12 billion.

Headquartered in Melbourne, Australia, Amcor is a publicly-listed company, listed as ordinary shares (AMC) on the Australian Securities Exchange (ASX), as Eurobonds on the Singapore Stock Exchange (SGX) and as Swiss bonds on the SIX Swiss Exchange.

Amcor's operational structure consists of the following Business Groups: Flexibles Europe & Americas; Flexibles Asia Pacific; Rigid Plastics; Tobacco Packaging; Australasia and Packaging Distribution.

## **Awards and recognition**

Environment Award, Australian Sustainability Awards

During the 2011/12 year, Amcor was recognised at the Ethical Investor Sustainability Awards. The judges commended Amcor for "using the principles of environmental sustainability to reposition its product in customers' and suppliers' minds".

Amcor was also recognised in a report released by the Association of Chartered Certified Accountants (Australia) for our overall integration of material non-financial concerns into company vision and strategy, management systems and risk management framework. The report Amcor was



also ranked Amcor the best amongst the ASX50 companies for demonstrating the interdependencies between environmental and social matters, and financial performance.

Amcor continues to be listed on global and regional market indices, including the Dow Jones Sustainability Asia Pacific Index; the Carbon Disclosure Leadership Index, Materials Sector, Australia and New Zealand region; and, the FTSE4Good index.

#### Scandinavian Packaging Association's Scanstar Award

Amcor's E-Close® flexible packaging product was awarded a Scanstar Award by the Scandinavian Packaging Association. The E-Close® cheese packaging combines pressure sensitive adhesives with laser micro perforation technology to enhance convenience and food safety.

#### UK AfOR/Vincotte 'home compostable' scheme

Amcor Flexibles is the first company to have products certified under the UK AfOR/Vincotte 'home compostable' scheme. The products met test requirements for biodegradation, disintegration, exotoxicity and material characteristics.

#### UK Packaging Awards

Amcor's FreshView netted apple bag, used in Sainsbury's "Taste the difference" range was awarded 'Flexible Pack of the Year' for fresh produce innovation.

#### Flexible Packaging Association Awards

Amcor's Pocket Shots Stand-Up Pouch single portion alcoholic beverages received a Gold Award for Technical Innovation and Silver Award for Sustainability and Environmental Achievement. The package is easy to open, unbreakable, takes up less space when empty and significantly reduces packaging weight in comparison to traditional beverage packages.

#### Alufoil Trophies

Amcor's Canny package was recognised for Overall Excellence in Product Preservation. The product is fully recyclable, is 30% lighter than traditional ring-pull aluminium bowls, is nestable to save space during transportation and storage and the product's inside coating is BPA-free.

Amcor Formpack Dessiflex™ Plus also received the Product Preservation Award. The design provides extra protection for moisture-sensitive pharmaceuticals, extending shelf life of the product and increases its stability.

#### DuPont Awards

Amcor's Formpack Dessiflex™ Plus received a Silver Award for Excellence in Innovation. The design provides extra protection for moisture-sensitive pharmaceuticals, extending shelf life of the product and increases its stability.

#### Carbon Trust ASSET certification

Amcor's ASSET™ (Advanced Sustainability Stewardship Evaluation Tool) received Certification from Carbon Trust Association UK, confirming that ASSET™ meets the requirements of key international standards including the GHG Protocol Product Life Cycle Accounting and Reporting Standard and the PAS 2050 standard.

#### J&J Sustainability Award

Amcor Flexibles was recognised by their global customer, J&J, for sustainability performance in energy, water and waste reduction, workforce/injury/illness reduction, workforce wellness and community/human rights investment.

#### Advanced Work Safety Unit, Chengjiang town government

Amcor Flexibles Jiangyin, China was recognized by the town government for their safety performance. The site was also recognized as a Safeness Enterprise by Wuxi City government.

#### Achievement Award, Workplace Conditions Assessment, Intertek

Amcor Flexibles Jiangyin, China received an Intertek Achievement Award for performance in the areas of labour, wages and hours, health and safety, management systems and environment.

#### National Model Enterprise of Harmonious Labor Relationship

Amcor Flexibles Beijing, China received the National Commercial and Industrial Association award for labour practices.

#### Best Innovative packaging solution provider, Ranbaxy Laboratories

Amcor's Formpack Dessiflex™ Plus, also awarded an Alufoil Trophy and DuPont Award this year, was recognised by Ranbaxy Laboratories for use with their new anti-malaria drug, Synriam.

#### PepsiCo India Foods Best Laminate Vendor 2011

Amcor Flexibles, India, was recognized for their commitment to service and quality, continuous improvement, investment strategy to support PepsiCo growth, affordable innovation and cost leadership.

#### Baxter Healthcare Supplier Of The Year 2011

Amcor was recognised with a Silver Award from Baxter Healthcare.

#### Unilever Supplier Awards

Amcor Flexibles Thailand was recognised as Best Quality Supplier to Unilever Thailand in 2012. They also received the Unilever Supplier Kaizen Excellence Awards 2011.

#### Continuous Energy Improvement Participant, PPL Electric Utilities

Amcor Rigid Plastics, Allentown, USA was recognised for participating in the local electric utilities' 12 month program. The site reduced their energy use by over 4,500,000 kWhs during the period, saving over US\$340,000.

#### Government Environmental Certificate, Argentina

Amcor Rigid Plastics' Ushuaia Plant in Argentina was recognized for their positive impact on the local area's environment and economy. The site works in partnership with local government and the community.

#### 2011 Best of the Best Award, Logistics & Manual Handling Awards, Australia

Amcor and its engineering supplier, Robotic Automation, were recognised with three Mercury Awards and the 2011 Best of the Best Award at the 6th Annual Logistics & Manual Handling awards. The team was nominated for the design and implementation of three new technologies that have improved efficiency at the Botany Cartons site in Australia.

#### 10-Year Sustainability Award, New South Wales Government

Amcor Australasia was recognised for outstanding leadership and commitment to sustainability in New South Wales, Australia. The Green Globe Sustainability Award highlights Amcor's efforts over the past ten years to reduce energy and water consumption and minimise waste production.

## How we are doing

Our areas of focus	Challenges/opportunities	What we said we would do	FY2011/12 How we are doing	FY2012/13 Objectives
--------------------	--------------------------	--------------------------	----------------------------	----------------------

### Environment

Implementing environmental management systems and continuously improving environmental performance at Amcor sites.	Identifying improvement opportunities. Conducting due diligence of potential acquisitions. Communicating environmental standards and requirements.	To be developed.	High levels of accreditation and compliance to Amcor's Environmental Policy and environmental regulations.	Build on existing capability and maintain high levels of environmental compliance.
Regularly setting and working towards our EnviroAction targets.  Working with suppliers and customers to reduce environmental impacts throughout our supply chains and the life cycle of our products.	Improving operational and environmental efficiency, reducing costs.  Developing strategic partnerships with customers and suppliers to source lower impact raw materials and develop lower life cycle impact products.	Enhance internal reporting and communication of our EnviroAction performance.  Establish corporate sustainability standards for suppliers and commence the process of integration with corporate procurement plans and programs.	EnviroAction reporting incorporated into our regular business review processes. 6.8% decrease in GHG emissions intensity. 1.0% increase in waste to landfill intensity. 5.6% increase in water consumption intensity in our Amcor Australasia business.  Work continued on the development of Amcor-wide sustainability standards for suppliers, implementation commenced in our Flexibles Europe & Americas business. Developed Amcor Supplier Code of Conduct and commenced implementation.	Progress towards EnviroAction targets in our product innovation processes and manufacturing operations.  Expand implementation of our Supplier Code of Conduct. Further product innovations that reduce impacts across the supply chain.
<b>Marketplace</b>				
Conducting open and constructive dialogue with our communities.	Responding to local community interests and concerns, and maintaining our social licence to operate.	To be developed.	Defined standards for community engagement in Amcor's OSH&E toolkit.	Implement community engagement standards across Amcor sites.
Supporting local community projects.	Building our reputation amongst the communities in which we operate.	To be developed.	Participation in community engagement projects by all Amcor businesses.	Continue support for local community support projects. Improve our ability to measure and report contributions and impact.

Utilising our packaging expertise to benefit the wider community.	Realising opportunities to deepen customer relationships and enhance Amcor's reputation.	Review partnerships to ensure better alignment with our packaging capabilities and core business.	Flexible packaging designed and donated to the ColaLife initiative. 25,000 boxes and packaging for 140,000 jars of pasta sauce were donated to Foodbank.	To be developed.
<b>Workplace</b>				
Maintaining a safe workplace and achieving No Injuries.	Enhancing our safety mindset and culture.	LTIFR and RCFR improvement. Roll out of the OHS&E toolkit. Develop and launch new Fire Protection Standards and Risk Engineering Guidelines.	LTIFR improved by 12.5%. RCFR improved by 22.5%. OSH&E toolkit rolled out across Group. Fire Protection Standards and Risk Engineering Guidelines developed.	Continue to improve our safety performance. Implement the OSH&E Toolkit, Fire Protection Standards and Risk Engineering Guidelines at all sites.
Engaging and developing our co-workers.	Providing attractive employment opportunities in a competitive employment market.	Roll out internal responsible packaging and sustainability communications. Conduct a global engagement survey.	Group-wide global co-worker engagement survey results indicated 'best-in-class' performance. August 2011 edition of <i>Accent</i> devoted to sustainability and social responsibility.	Continue tracking action plans and communications with co-workers. Implement the Amcor Leadership Framework. Increase internal communication of Amcor's sustainability goals and progress.
Maintaining a diverse workforce and providing equal opportunity.	Recruiting from a diverse talent pool and leveraging the value of diversity. Adapting to different business styles in new markets.	Develop the global diversity strategy and review current business group diversity activities.	Reported 'Talent through Diversity' indicators to the Board and Human Resources Committee.	Continue to monitor and report our diversity indicators. Continue sharing best practice diversity initiatives amongst Business Groups
<b>Marketplace</b>				
Utilising our life cycle assessment capabilities to offer customers responsible packaging; and supporting our customers' sustainability objectives.	Meeting customer and consumer expectations to optimise packaging and minimise total life cycle impact. Maintaining market differentiation.	To be developed.	855 life cycle assessments completed, 30% more than last year. ASSET cradle-to-gate greenhouse gas calculation tool certified by Carbon Trust as conforming to the GHG Protocol product standard and PAS 2050:2008 standard for cradle-to-gate carbon footprinting.	Continued integration of LCA in the product development innovation process and throughout our product life cycles.
Promoting the role and benefits of responsible packaging.	Driving recognition of packaging as a part of the solution to food waste and stimulating demand for innovative responsible packaging.	Develop and launch a sustainability communications toolkit for Amcor's co-workers	Sustainability communications toolkit developed and distribution mechanisms established.	Further distribute the sustainability communications toolkit. Further integrate sustainability into

		to use when communicating to external audiences.		external communications.
Ensuring responsible and ethical procurement.	Responding to increasing expectations of corporate responsibility or regulatory changes.	To be developed.	47% of sites completed Sedex Self-Assessment Questionnaire, 78% at time of printing. Third party audits of ethical performance conducted at 16 Amcor sites. Supplier Code of Conduct developed.	All sites to complete the Sedex Self-Assessment Questionnaire. Expand implementation of our Supplier Code of Conduct.
<b>Community</b>				
Positioning Amcor to realise opportunities for sustainable business growth.	Managing in an uncertain macroeconomic environment. Deploying Amcor's approach to sustainability.	To be developed.	Excellent financial results delivered. Amcor included on DJSI Asia Pacific, FTSE4Good Indexes.	To be developed.
Demonstrating best practice governance, business continuity planning and measured risk taking.	Ensuring a robust and tested business continuity program and no supply chain interruptions. Delivering a cost-effective risk management culture, protecting and maintaining physical assets for optimal use and longevity.	Develop and launch best practice Business Continuity Management and Crisis Communications toolkits.	Continued to improve our Business Management and Business Continuity management processes.	Continuous improvement.
Managing climate change related challenges and opportunities.	Changing consumer preference towards less greenhouse gas intensive products. Managing carbon price pass through, identifying lower carbon footprint solutions.	To be developed.	Continuing to improve management of climate change challenges and opportunities within our Enterprise Risk Management process. Participated in the Carbon Disclosure Project.	Continue to work with stakeholders and participate in industry forums.

## **Our Environment**

### **Implementing environmental management systems and improving our performance**

#### **Our approach**

There is a general expectation by our stakeholders that, as a large, multinational company, Amcor will continuously improve and report on the environmental performance of our operations and will meet or exceed the environmental regulatory requirements of the regions in which we operate.

Our commitment to environmental sustainability is embodied in the Amcor Code of Conduct and Ethics Policy, which states: 'Amcor is committed to managing its operations in an environmentally responsible manner.' Our Group-wide Environmental Policy reinforces this commitment and includes specific environmental management requirements. These policies outline a range of precautionary principles that guide our operational planning and management.

Amcor maintains environmental management systems appropriate for each site's operations and for the country in which the site is located.

Multiple groups across Amcor play critical roles in driving strategy, operational and product improvements and policy initiatives related to environmental responsibility. Our Occupational Health, Safety and Environment (OHS&E) function has primary responsibility for environmental management systems and environmental compliance at our manufacturing and warehousing sites. All sites are required to have an environmental management system in place and to comply with the Amcor standards for: environmental discharges, community impact, and cooling tower management.

Amcor sites without ISO14001 certification are required to conduct self-audits annually. Regional OHS&E coordinators also conduct site audits, the frequency of which is determined by the risk associated with each site.

The Amcor Board of Directors is responsible for the regular monitoring of environmental exposures and compliance with environmental regulations. To enable it to meet its responsibilities of oversight, the Board has established an internal reporting process. Environmental performance is reported from each site up through OHS&E management to the Board on a regular basis and is included in the annual OHS&E Board report.

Our OHS&E team also participates in due diligence tasks as part of our merger and acquisition activities and is heavily involved in the integration of acquired sites.

#### **How we are doing**

To date, 118 Amcor sites (approximately 40% of all Amcor manufacturing sites) have achieved ISO 14001 accreditation for their Environmental Management Systems (EMS), representing our key sites in Europe, Australia, Asia and South America, and some sites in other regions. The percentage of sites that are certified changes each year due to the acquisition and divestment of sites.



Many of our other sites have environmental management systems accredited to other environmental standards. The remainder are either working towards an independently certified EMS or have processes and systems in place to ensure compliance with local regulations and to identify environmental improvement opportunities. These sites are regularly inspected by national, state and local environmental regulatory agencies.

This year, we developed and released an audit protocol for use during internal audits of site's environmental management systems, with the aim of standardising our audits across all sites.

We monitor and undertake remediation activities on sites that have been contaminated by past practices to enable ongoing use of the land for industrial purposes. Many of these practices related to operations before Amcor's ownership. Active monitoring and/or remediation is underway at two sites in Australia, ten legacy sites and one currently operating site in North America and two legacy sites and three currently operating sites in Europe. Legacy sites include those previously owned by Amcor and sites that have been closed.

In FY2011/12, reported non-compliance with environmental laws or regulations resulted in one Amcor site in North America incurring a fine totalling USD11,250 and one Amcor site in Europe incurring a fine totalling €750. Further information about compliance with significant environmental regulations is contained in the Director's report within Amcor's 2012 Annual Report.

There were no significant spills that resulted in non-compliance with environmental laws during FY2011/12.

During FY2011/12 we settled three of the seven US EPA Superfunds liabilities in which we had been named as a potentially responsible party.

CERCLA is the US federal government's program to clean up the nation's uncontrolled hazardous waste sites. CERCLA imposes joint and several liability on each potentially responsible party ('PRP'), that actually contributed hazardous waste to a site. Customarily, PRPs will work with the EPA to agree on and implement a plan for site investigation and remediation. Liability was realised for these sites through acquisition and relates to historical activities prior to Amcor's ownership. We continue to meet our obligations by way of payment of financial assessments.

Selected information on this page pertaining to the number of ISO14001 accredited sites, significant spills, the development of an internal audit protocol, and the settlement of US EPA superfund liabilities, has been assured by Net Balance.

## **Regularly setting and working towards our EnviroAction targets**

### **Our approach**

Amcor's global EnviroAction program is designed to drive continuous improvement in environmental performance throughout Amcor's operations. The EnviroAction program sets short and long term reduction targets for greenhouse gas emissions, municipal water use and waste to landfill. In FY2010/11, at the end of the first five-year EnviroAction period, we had reduced our waste to landfill intensity by 59% and our water consumption intensity by 46% whilst our greenhouse gas emissions intensity decreased by 4.5% from the baseline.

During the 2010/11 year, Amcor established EnviroAction targets for the 2011/12 to 2015/16 period. For these targets, we adopted a financial intensity measure, replacing the previous production-based intensity indicator. We chose gross profit as the denominator for this indicator because it is centrally consolidated and can therefore be used as a common indicator across Amcor businesses. In addition, gross profit is externally audited as part of our statutory accounts.

The advantage of using gross profit instead of other commonly used financial measures such as Profit Before Interest and Tax is that gross profit is more likely to correlate with production volumes and variations in sales revenue are likely to be offset by corresponding changes in the cost of goods (raw material inputs). As a result, gross profit provides the best indicator of the environmental intensity of our production processes i.e. how efficiently, in environmental terms, Amcor converts raw materials into packaging products.

The FY2010/11 EnviroAction baselines for Amcor are:

5,400 tonnes GHG emissions (CO<sub>2</sub>-e) per \$ million gross profit;

38 tonnes waste to landfill per \$ million gross profit; and

21.1 megalitres of water consumption per \$ million gross profit (Amcor Australasia only).

## **EnviroAction targets**

### **Greenhouse gas (GHG) emissions**

10% reduction in GHG emissions intensity from 2010/11 by 2015/16; and,

60% reduction in GHG emissions intensity from 2005/06 by 2030.

### **Waste to landfill**

50% reduction in waste to landfill intensity from 2010/11 by 2015/16; and

Zero waste to landfill is the long-term objective.

### **Water consumption**

25% reduction in water consumption intensity from 2010/11 by 2015/16 (Amcor Australasia only); and other regions are implementing water management plans.

To measure our progress against the targets, data on our greenhouse gas emissions, waste to landfill and municipal water use is continuously consolidated in a central database and our progress is reported to the Global Management Team annually. Key activities are included in monthly management reports compiled by each Amcor business.

Our global Sustainability Leadership Council is responsible for coordinating improvements in operational efficiency at our manufacturing sites, resource efficiency throughout our value chains and product stewardship. This is done in close collaboration with Operations, Research and Development and Sales and Marketing teams.

Our Group Internal Audit function includes the auditing of data entered into the central database when they visit sites as part of their annual audit schedule (refer to the Governance section for more

about our Internal Audit function). The assurance of this report includes assurance of our reporting of our global, consolidated greenhouse gas emissions , energy usage, waste and water use.

## How we are doing

### Greenhouse Gas Emissions

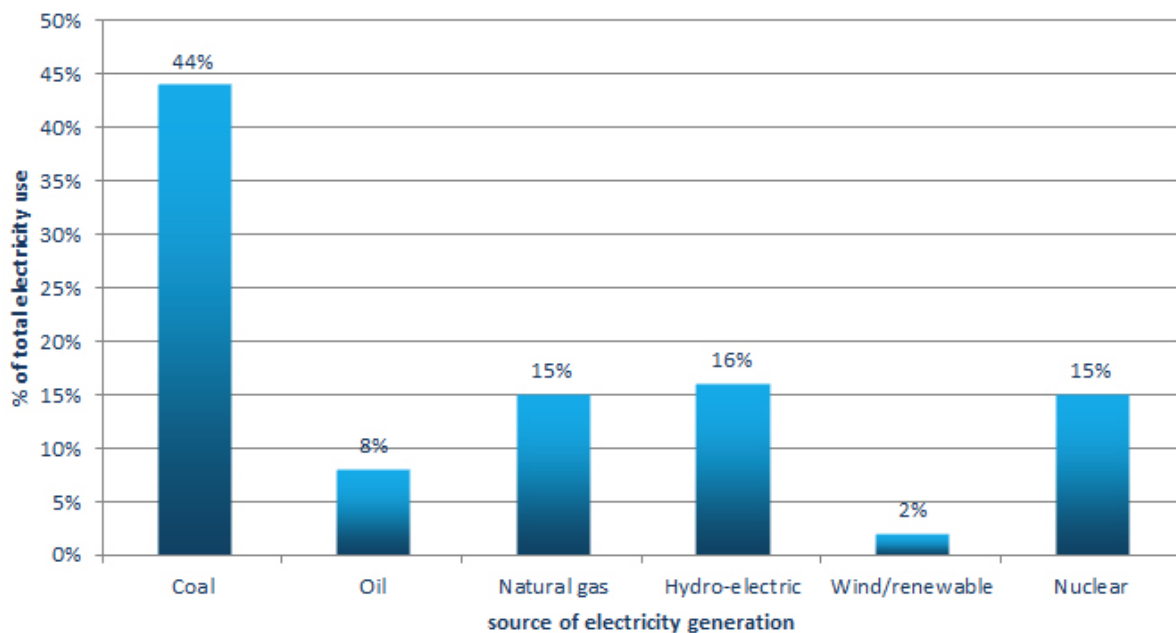
The majority of Amcor’s GHG emissions are indirect (scope 3) emissions, attributable to the production of raw materials and are therefore impacted by manufacturing volumes, product mix and recycling/recovery rates. Emissions attributable to the transport of raw materials and waste disposal make a minor contribution to our scope 3 GHG emissions but are included in our reporting. Other scope 3 emissions, such as those associated with packaging end-of-life are difficult to estimate due to the range of possible end-of-life scenarios (e.g. recycling, land fill and incineration with or without energy recovery), which depend on the type of packaging and the region or market in which they are sold. As such these emissions are not included in our reporting

Energy for on-site production of heat is the major source of our direct GHG emissions (scope 1) and we have significant indirect GHG emissions attributable to purchased electricity (scope 2). A variety of sources meet these energy needs based on local fuel availability and electricity generation infrastructure.

---

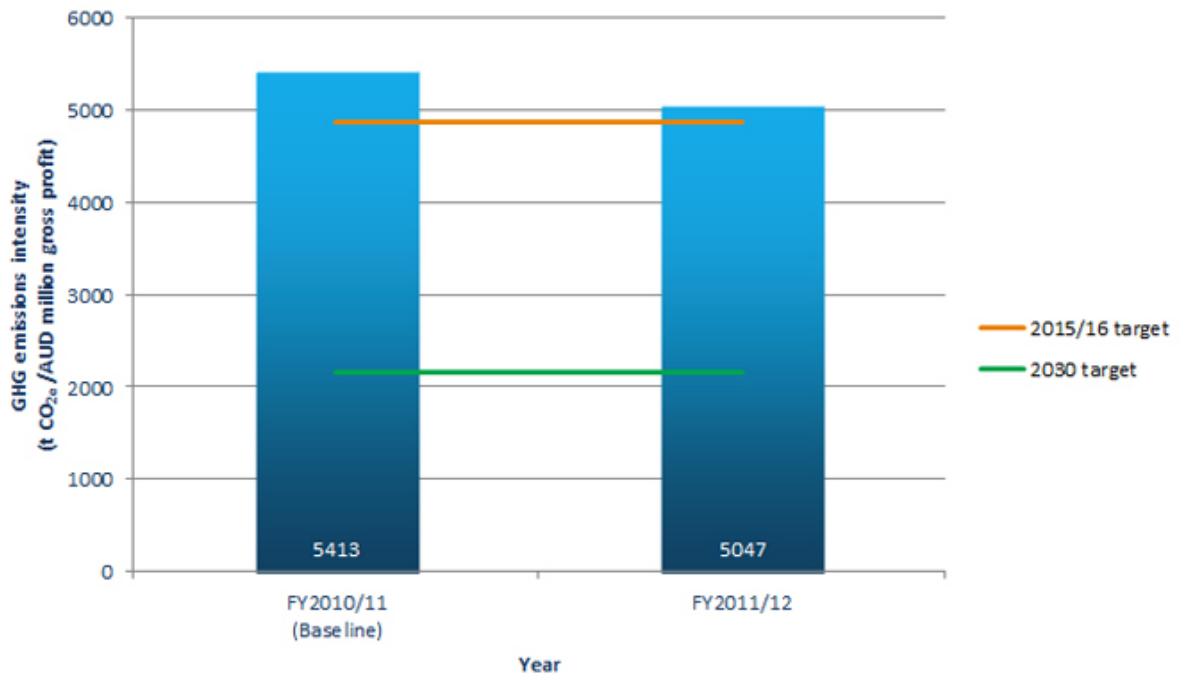
### Electricity sources

Total electricity use: 3101 GWh



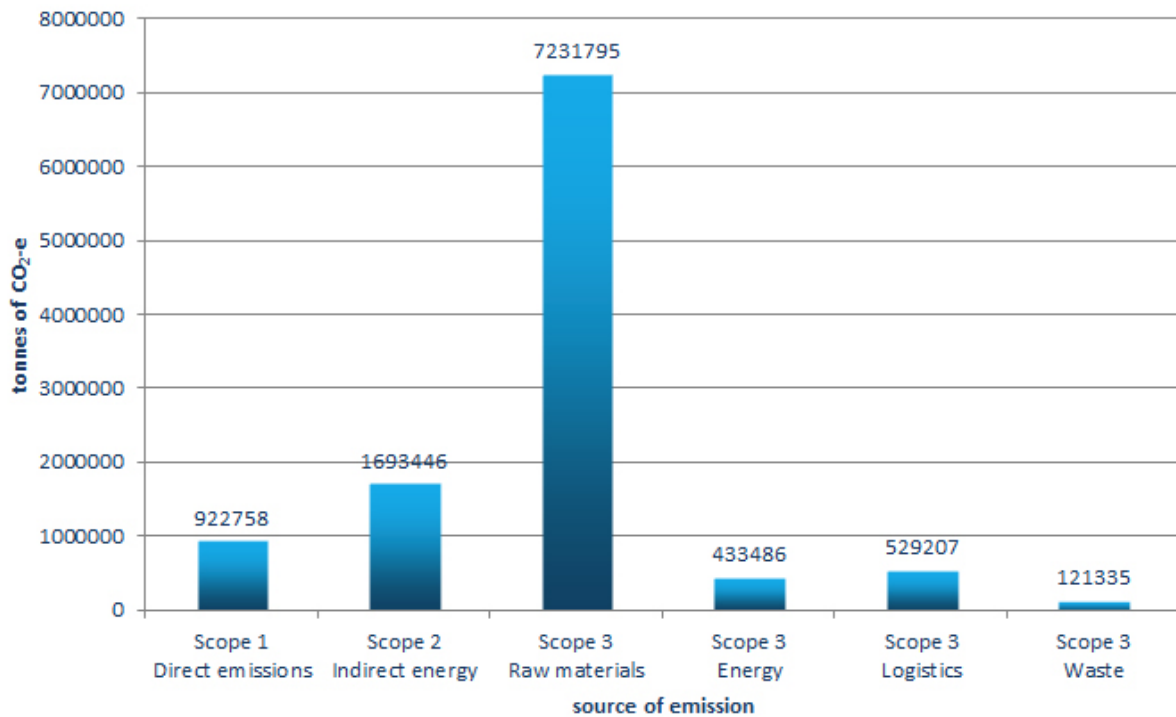
Total (scope 1, 2 and 3) absolute GHG emissions in FY2011/12 were 10.9 million tonnes, with scope 1 + 2 representing 24% of total emissions. This does not include sites acquired from Aperio in May 2012, however initial estimates indicate that the new sites represent an increase in total CO2 emissions of only around 2%. This will be incorporated in to the Amcor data in FY2012/13, including baseline recalculation in accordance with the GHG Protocol.

## Greenhouse gas emissions performance

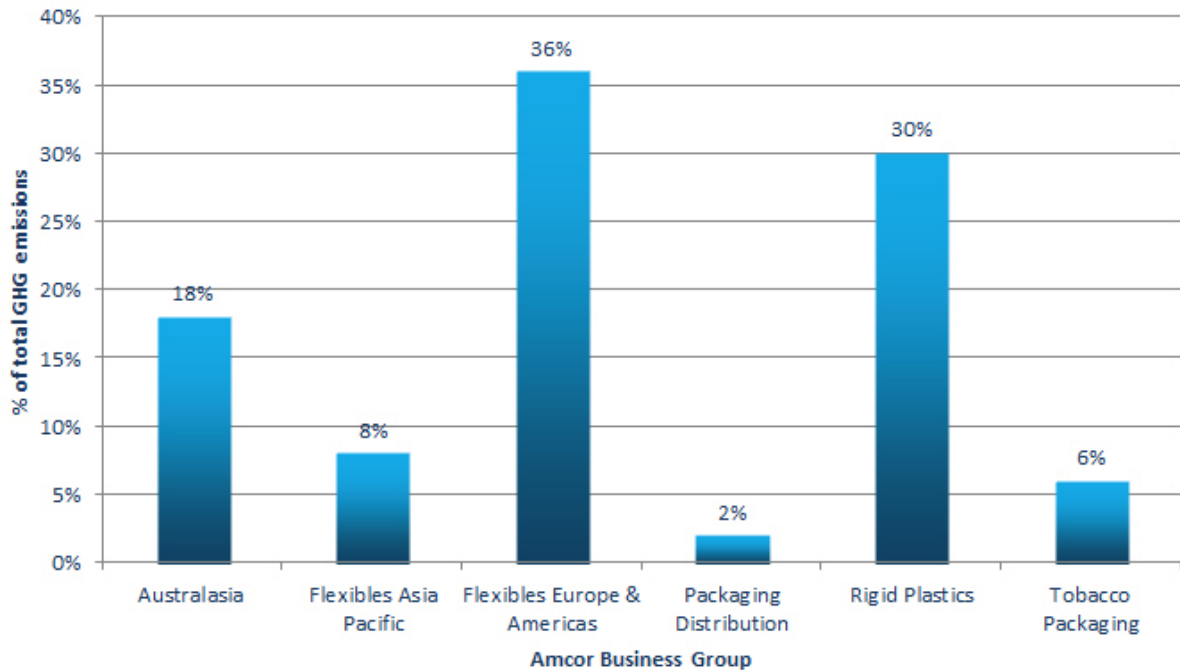


Compared with our FY2010/11 baseline, our GHG intensity has decreased by 6.8%. This is the result of both a decrease in absolute emissions, and increase in gross profit.

## GHG emissions by source



## GHG emissions by Amcor Business Group



### Emissions reduction projects

Each Amcor business group has a GHG emissions reduction target to support the global Amcor target. To achieve these targets, the business groups have developed plans and targets for their sites, where appropriate. For example, within our Tobacco Packaging business, each site will conduct an energy use self-assessment. Based on the self-assessments, detailed energy audits will then be conducted at sites with the greatest potential for reduction.

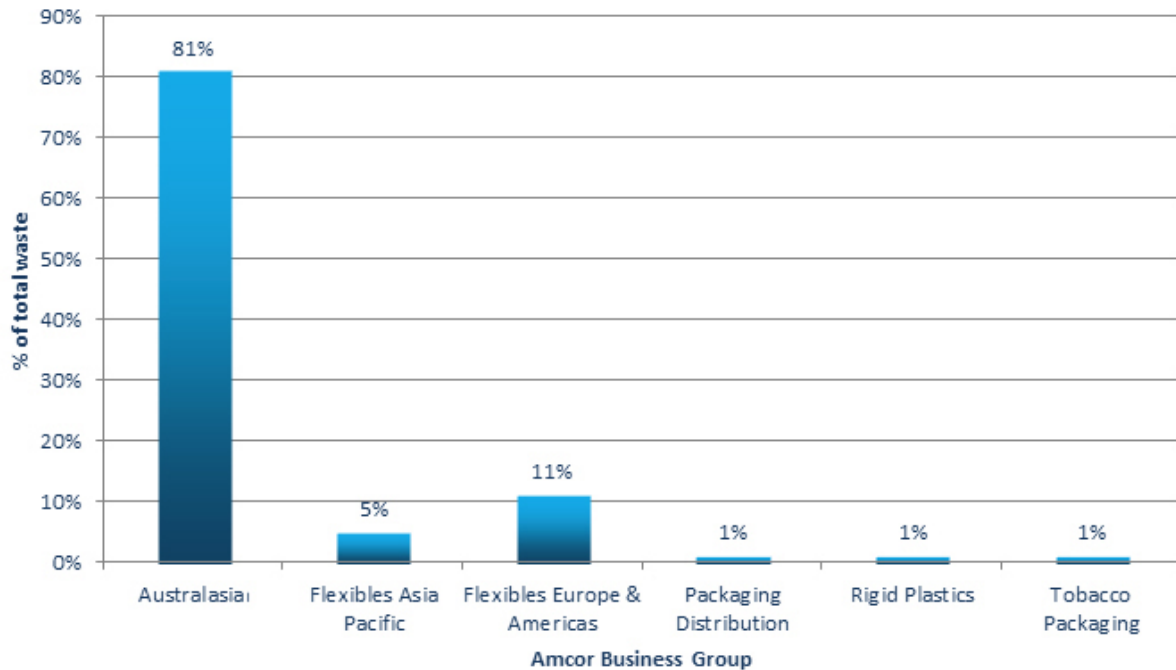
This is driving many energy efficiency projects, examples of which include:

Our Tobacco Packaging site in Izmir, Turkey implemented a project to optimise the temperature of the driers used to dry ink. They determined that optimising the temperature of the driers reduced the energy required for that production process without impacting printing quality. This change is now being rolled out across other sites.

### Waste from our operations

Waste produced by Amcor sites goes to a variety of destinations. Where possible, it is recycled either internally or by external parties. Waste that cannot be recycled is sent to landfill or incineration, often with energy recovery, depending on local waste management infrastructure. Waste classified as hazardous is sent to approved hazardous waste treatment facilities.

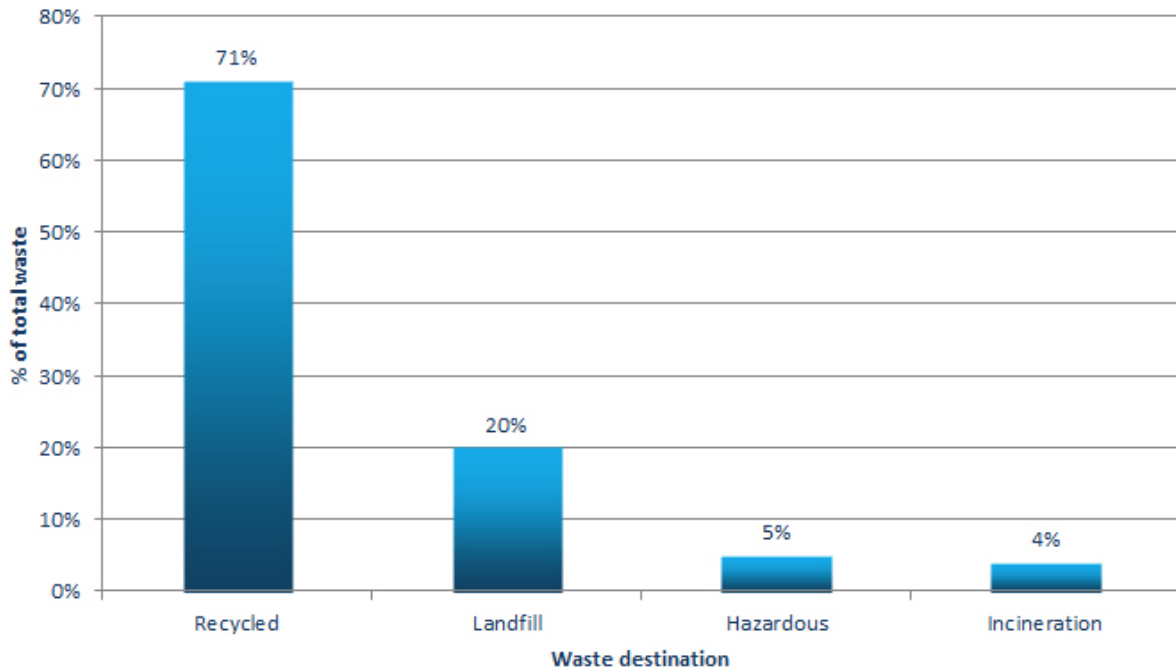
## Waste by Amcor Business Group



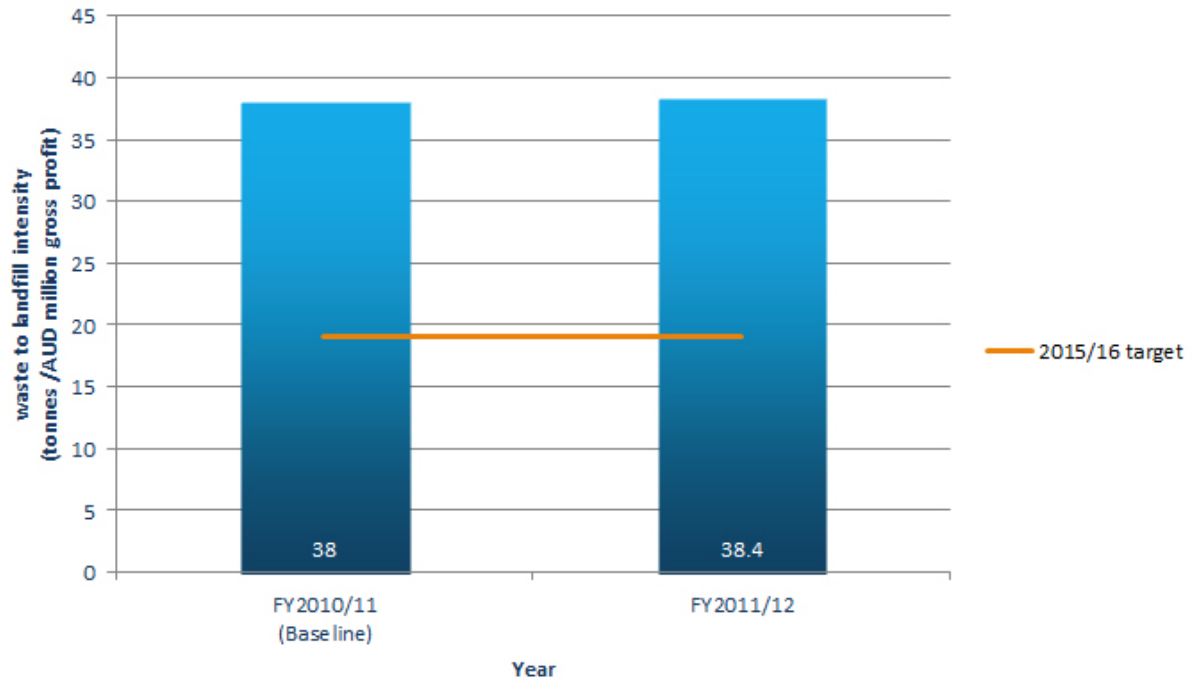
The majority of Amcor's waste to landfill is produced by our Australian paper mills. This is due to contaminants in the recycled paper feedstock. Absolute waste to landfill FY2011/12 was 83 thousand tonnes, up by 7.8% from 77 thousand tonnes last year. This was primarily due to an increase in waste from the Botany, Australia paper mill. Compared with our FY2010/11 baseline, waste to landfill intensity increased by 1.0%. We expect that waste to landfill will decrease in FY2012/13 as the new paper mill in Botany comes online.

## Waste by destination

Total waste: 411 kilotonnes



## Waste to landfill performance



## Helping customers reduce waste

We often work with our customers to optimise their manufacturing processes, which can result in reduced waste. For example, in Indonesia, our Flexible packaging business has a Technical Service team, who assist customers in setting up their packaging machines to run our packaging materials in order to reduce rejection, waste and to increase machine running speed.



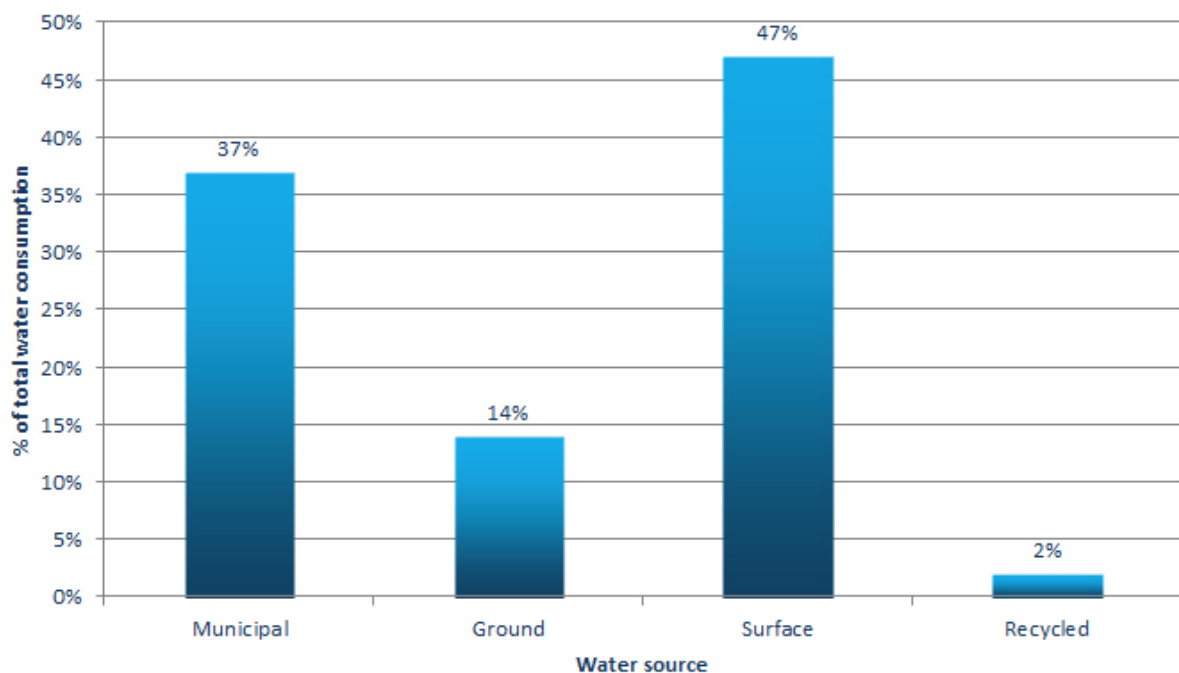
## Water consumption

Water conservation is a critical issue for sites in the water-stressed areas of Australia, parts of the southern USA, Mexico and some areas of South America.

The majority of Amcor's municipal water is consumed by our Rigid Plastics business in the Americas, where it is mainly used for evaporative cooling, and by our Paper and Board Business Unit in Australia - paper manufacturing processes are inherently water intensive. Alternative water sources, such as recycled water supplied by the local water authority, ground water and river water, are used for cooling at the three Paper and Board mills and at other manufacturing sites.

### Water consumption by source

Total water consumption: 15544 megalitres



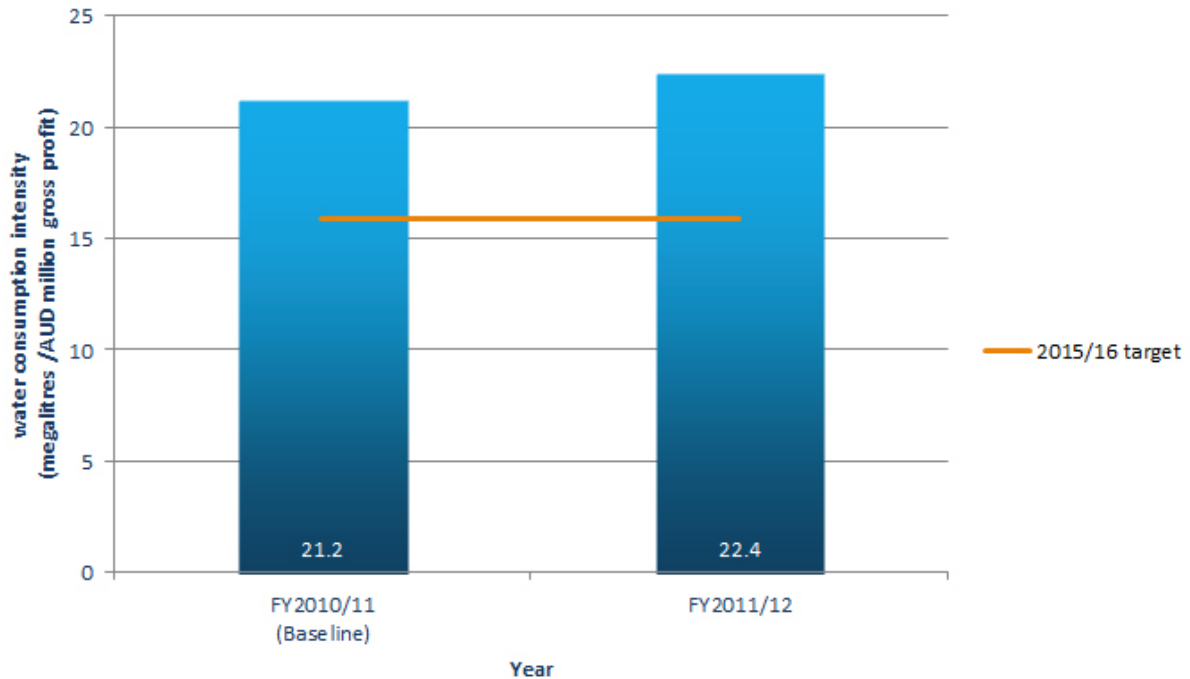
During FY2011/12, we conducted an assessment of all our manufacturing sites using the World Business Council for Sustainable Development Global Water Tool. Of the 34 sites in regions identified as water stressed or water scarce, 11 are covered by the Amcor Australasia water consumptions target. Further investigation is being conducted to determine if local water consumption targets should be set at the remaining sites. Pie chart from data below: Amcor Ltd. Water Consumption by Source, Total Water Consumption was 15,544 mega litres

Supply of recycled water to our Petrie (near Brisbane), Australia mill significantly decreased in FY11/12. In response to extremely high rainfall in the region, the local water authority scaled back production of recycled water, substituting it with municipal water from local catchments. Accordingly, we revised our FY2010/11 water consumption intensity baseline to include all water sources, so as not to skew our water consumption intensity performance.

Amcor Australasia's restated FY2010/11 water consumption is 21.2 megalitres per AUD million gross profit, corresponding to absolute water consumption of 5,325 megalitres. Compared with this baseline, Amcor Australasia's absolute water consumption decreased by 1.5% to 5,246 megalitres

water, however water consumption intensity increased by 5.6% due to a slight decrease in Amcor Australasia’s gross profit. Performance is shown in the graph below.

### Water consumption performance



Water management plans have been implemented at 89% of sites not covered by the Amcor Australasia reduction target. No water target has been set for our Rigid Plastics business as the majority of sites are not in regions identified as water stressed or scarce. However water consumption in Amcor Rigid Plastics intensity continues to decrease.

### Other impacts

The most significant non-GHG air emissions from our operations are volatile organic compounds (VOCs) from the evaporation of solvents during printing processes. In FY2011/12, the total fugitive VOC emissions were estimated at 22080 tonnes. Ozone-depleting substances are not used at a material level within Amcor.

Selected information on this page pertaining to the EnviroAction baselines and targets, Greenhouse gas emissions data including total fuel use and energy sources, waste by Amcor business group, waste consumption by source, water consumption by source and water consumption performance data has been assured by Net Balance.

## **Working across value chain to reduce environmental impacts of our products**

### **Our approach**

Reducing the environmental impacts of our value chains requires consideration of the total life cycle impact of packaging. We work closely with our customers to identify and develop lower impact packaging solutions and we routinely consider the environmental impact of the purchase and delivery of high-risk goods, such as hazardous substances, as part of environmental management of our operations.

### **How we are doing**

#### **Suppliers**

During FY2011/12 year we developed an Amcor-wide Supplier Code of Conduct. Implementation of the Code commenced within Amcor's Flexibles Europe and Americas business and will continue in Amcor's other businesses in accordance with procurement plans.

#### **Customers**

Read more about our total life cycle approach to packaging sustainability and how we work with our customers to offer responsible packaging in the ['Our marketplace'](#) section of this report.

#### **Raw materials and waste associated with our products**

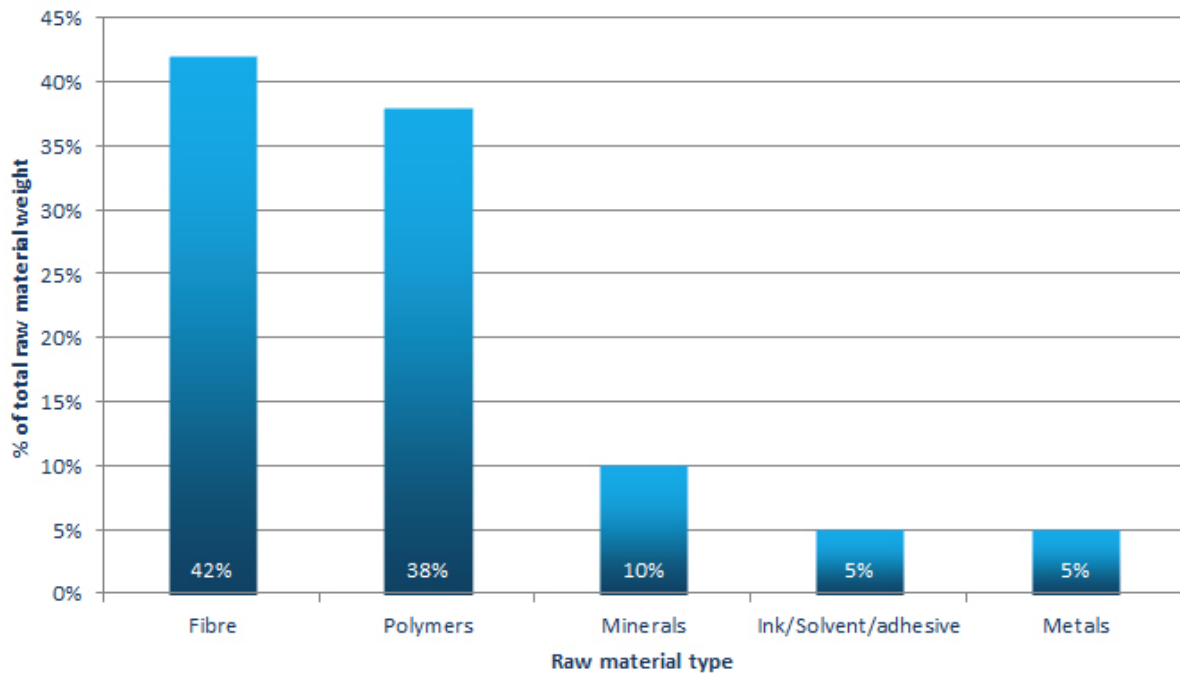
We work closely with our customers to influence how our packaging products are disposed of at the end of their life. We undertake life cycle assessments and recommend recyclable or recoverable (e.g. suitable for energy recovery or composting) materials where appropriate, and add suggested disposal messages and logos on our packaging products, in conjunction with customer requirements and applicable regulations and standards.

A large percentage of Amcor's products are recyclable in many regions of the world. However, local infrastructure varies, which makes it difficult to quantify actual global recycling rates for different packaging solutions, especially as some packaged products are exported.

Amcor used a total of 3.4 million tonnes of raw materials in FY2011/12, mostly fibre and polymers. The average recycled content of the materials varies, with Amcor's products ranging from zero to 100% recycled. More information about the recycled content of the materials we manufacture and their recyclability can be found in the table below.

## Raw materials

Total raw materials used: 3.4 million tonnes



We also discuss our fibre purchasing in the “[Our Marketplace](#)” section of this report.

## The recycled content and recyclability of our products

Material	Main products	Region of production	Recycled content	Recyclable?
Fibre	Corrugated boxes	Australasia, North America	0–100	yes
	Cartons / cartonboard	Australasia, Europe, North America	0–100%	yes
	Sacks	Australia	0%	yes
PET	Containers	North America, Latin America	0–100%	yes
HDPE	Containers	North America	0–25%	yes
Polymers	Flexible films	Australasia, Europe	<1%	no
	Closures	Australia	0%	no
Compostable polymers	Flexible films	Europe	<1%	compostable
Glass	Bottles	Australia	33%	yes
Aluminium	Beverage cans	Australasia	66%	yes
	Closures	Australia	0%	yes
Steel	Closures	Australia	15%	yes

Selected information on this page pertaining to the development of an Amcor-wide supplier code of conduct has been assured by Net Balance.

## **Our Community**

As an employer, neighbour, customer and supplier in 42 countries, Amcor strives to have a positive impact in the communities in which we operate. Investing our packaging expertise and capabilities, time, talent or funds in our local communities allows Amcor co-workers to live the Company's core value of Social Responsibility.

We focus on:

- conducting open and constructive dialogue in our communities;
- supporting local community projects that create mutually-beneficial outcomes;
- utilising our packaging expertise to benefit the wider community.

## **Community engagement**

### **Our approach**

We aim to be responsive to our stakeholders, responding to enquiries or feedback from our local communities regarding the ownership or use of sites and the resultant impacts on communities, including concerns about odours, noise and employee behaviour or our transport operations, requests for support from local community groups and enquiries about employment opportunities. Most of these enquiries/complaints are submitted via our website, via telephone or sometimes via regulatory bodies. Our response to these community enquiries is made directly, either face to face or by telephone or email or in other appropriate forums.

This approach is formalised in our Environment Policy, which states that we will 'communicate openly with co-workers and the community about our performance'.

At many of our larger sites, stakeholder engagement is a requirement of their ISO 14001 certified environmental management systems. Many sites also include stakeholder communications as part of crisis response within their business continuity plans.

We have established multiple opportunities for engagement and dialogue with the communities in which we operate. We receive communications from the general community via telephone and our website, and we engage with local regulatory bodies. We also host community engagement activities at many of our sites.

Communication opportunities are also available via our website, at the open days held by some of our sites and through the community partnerships we have around the world. Members of the community are also able to use our Whistleblower Service to notify us of any concerns they may have. We also broadcast communications via media channels.

Community complaints are recorded and responded to by management at the appropriate Amcor site. Concerns about noise, odours and other disturbances are investigated and responded to by the appropriate site or departmental function.

## How we are doing

During FY2011/12 many local community engagement activities were conducted at Amcor sites around the world. For example, our Flexibles site in Lodz, Poland hosted 27 local university students for a tour of the printing process. Company presentations were organised and the students were given the opportunity to ask the site's production managers and leaders about packaging production. Employees and their families at Amcor Reflex in Lodz were invited to a Family Day together with children in need from a local orphanage.

Our Australian paper mills have developed long-term relationships with their local communities and regulators and have regular community consultation meetings.

In celebration of its 100th anniversary, Amcor Flexibles Singen (Germany) hosted a special day for co-workers and their families on Sunday 29th April 2012. Around 8000 guests attended and were given the opportunity to tour some of the production areas.

In FY2011/12 the sites conducted the following engagement activities:

### Botany (New South Wales)

The construction of the B9 paper mill dominated the consultations with the local community around the Botany site. The website <http://www.amcor.com/botany>, details those communications.

### Fairfield (Victoria)

Four Neighbourhood Consultative Committee meetings were held during FY2011/12. The main concerns raised were the mill's odour, noise, and the mill closure process. Four community newsletters were also distributed to local residents during the year.

In response to complaints about odours, a number of changes were made to the waste treatment process at the Fairfield site and operational procedures. This has further reduced the number of complaints.

In response to noise concerns, extensive testing and engineering works were carried out on the Heidelberg Road building. There have been no further community complaints from this noise source since.

### Petrie (Queensland)

Our Petrie site had ongoing interactions with various local organisations, including wildlife protection groups and other community groups.

## Supporting our local communities

### Our approach

Supporting our local communities allows Amcor co-workers to live the Company's core value of Social Responsibility. We encourage Amcor co-workers to determine the best way for Amcor to contribute to the community in which they live and work. Community requests for support, (e.g. from sporting clubs and special interest groups) are managed at the local site level within each Amcor business group. This support usually takes the form of volunteerism, financial support, contributions of packaging products (often donated in partnership with our customers), and other contributions to meet specific community needs.

Amcor also provides global, centrally-managed programs, including our Earthwatch partnership. This partnership provides co-workers with the opportunity to participate in scientific field-based research.

Amcor's eTree Initiative is designed to encourage Amcor shareholders to receive Company communications electronically instead of using paper. For every shareholder choosing this option a donation is made to Landcare Australia to support reforestation projects across Australia and New Zealand.

## **How we are doing**

Our approach to community investment means that only a small number of our community partnerships and programs are reported on a consolidated basis. For the FY2011/12 year, our centrally reported investment in community partnerships and support (in monetary value) was approximately \$404,000 and we continue to explore ways to improve how we measure and quantify the impact of our community programs throughout our geographically diverse operations.

The examples below, and those detailed in the case study in this section, demonstrate the types of community activities and investments undertaken during FY2011/12.

## **Global programs**

### ***Earthwatch***

During FY2011/12, 15 Amcor co-workers participated in Earthwatch fellowships at locations in China, Costa Rica and Britain . During our 11-year history, over 100 co-workers have participated in 47 scientific expeditions around the world.

Five Amcor co-workers participated in Earthwatch's 'Scientist for a Day' program. Working at North Stradbroke Island, one of the world's largest sand islands in Queensland Australia, they helped Earthwatch research scientists monitor the impact of plastic waste on marine turtles. The six species of marine turtles that occur off the Queensland coast are all listed as endangered or vulnerable to extinction by IUCN Red List. Urgent measures are required to address the problems of marine pollution, particularly since the impact of human rubbish has spread far beyond our immediate shores. Data collected will assist ground breaking research on the impact of the ingestion of marine debris on turtles found in Australian waters and have global ramifications for the manufacturing and materials science of plastics.

## **Local programs**

### ***Workplace Giving Program***

Since 2007, the Amcor Workplace Giving Program in Australia has enabled Amcor co-workers to make a pre-tax donation to our partner charities and make a difference to the lives of less-fortunate people and communities.

In FY2011/12, more than \$35,000 was donated by Australian co-workers and matched by the Company to total more than \$70,000.

Our partner charities were World Vision, Australian Red Cross, Earthwatch, and the Australian Cancer Council.

## North America

During FY2011/12 our co-workers in North America donated over 1000 hours of their time participating in many organised fund-raising events for various causes.

For example, co-workers at the plant in Chino, California, organised a Bake Sale, Chili Cook-off and raffles for the Relay for Life Cancer Walk.

Co-workers also participated in the walk. Co-workers at the site in Franklin, Indiana donated over 20,000 items to their local food pantry, which distributes the food to the needy. They also raised money to buy presents for under-privileged children at Christmas.

At our Ann Arbor, Michigan site, over USD29,000 was raised to 'adopt a family' in need at Christmas.

## South & Central America

Our Rigid Plastic plants in Central and South America invest in their local communities by donating time and money to causes such as children's charities, hospitals, orphanages and environmental programs such as beach clean ups. For example, co-workers from our Jundiai site in Brazil organized a Christmas event for 200 under-privileged children. The group of co-workers volunteered to assemble "Christmas Kits" for the children containing toys, chocolate, clothing and footwear donated by Amcor co-workers and their friends. The group also organised a small party for the children with rides, clowns and toys .

## Europe

Our Tobacco Packaging site in Poland sponsors Polish artists, opening up the Amcor facility as an art gallery to promote the artists' work and make it available for viewing by the community. In 2011, the plant sponsored four different artists, whose work included print, photography, drawings, and paintings. Some of the artists sponsored are early in their careers and others are well established with works appearing in museums.

As part of their sponsorship, the site prints a catalog of each artist's work and hosts a gallery opening where the public and potential collectors can meet the artist.

At the St Petersburg site in Russia, co-workers contributed to the city's Charity for Orphans program by raising funds to purchase toiletries for the Vsevolozhsk Children's Home, where 110 orphans aged 4-months to 4-years-old live. Co-workers also raised money to send chocolates and sweets to five local children's homes at Christmas.

## Asia

AFAP Volunteer Day is a regional social responsibility program across Amcor Flexibles Asia Pacific sites in seven countries. This year our co-workers participated in a range of local activities. Australian and New Zealand co-workers donated clothing, household items and clothes and collected donations for local charities. Indian co-workers donated blood and visited a local shelter home for prosy patients to give blankets and medicine. Indonesian co-workers helped to repair a local mosque, built toilets and garbage tanks and donated educational toys and rice supplies to local schools. Chinese co-workers repaired to homes of local elderly residents, donated blood, visited elders and families in need of assistance. Singapore co-workers participated in a craft day, making 35



beautiful bowls for auction, with all proceeds supporting co-workers affected by flooding in Thailand.

When devastating floods hit Thailand, Amcor's Flexibles Asia Pacific business also organized a "Flood of Care" campaign, allowing Amcor co-workers globally to help the people and communities impacted by the flood.

The funds primarily assisted the 64 AFAP co-workers affected by the flood, as well as other local flood victims. The funds went toward necessary items such as food, drinking water, hygiene supplies, survival supplies, sand bags, as well as post-crisis recovery assistance. In collaboration with The Rotary Club of Bangrak, Amcor co-workers visited severely flood affected arts and crafts villagers in Bang Pra Hun, Ayutthaya. AFAP donated 80 medical first-aid kits and 30 sewing machines to families in the region. In addition to funds contributed by AFAP co-workers, Amcor Limited donated \$25,000 to the relief effort. The winner of Amcor's CEO Outperformance Award, Nestle KAM Thailand team, also donated their \$5000 charity prize to the "A Flood of Care" campaign.

## Utilising our packaging expertise

### Our approach

Due to the scale, scope and geographic spread of the markets Amcor serve, Amcor has the opportunity to contribute its packaging expertise and products to initiatives that address social needs. These range from advocating the role of packaging in reducing food waste to collaborating with our customers and supply chain partners to address specific health concerns.

### How we are doing

During the 2011/12 year, Amcor contributed its packaging expertise and packaging products to the wider community in various ways, including:

- Amcor Australasia's corrugated business continued its relationship with Foodbank Australia, providing boxes for fresh produce being donated to people in need. 25,000 boxes were donated to enable Foodbank to collect, transport and store potatoes, carrots, onions and noodles for the winter period. 5000 specially-designed Christmas hamper cartons were also donated to deliver food to Victorian families in need. Amcor's Australasian business also worked with customers and suppliers to help supply more than 140,000 jars of Leggo's Pasta Sauce to welfare agencies throughout Australia. Amcor donated multiple packaging formats, including fibre packaging, metal closures and flexible shrink wrap.
- Amcor's flexible packaging site in Ledbury, UK supplied Amcor P-Plus perforated peelable film to seal the *ColaLife AidPod*, an innovative way of delivering anti-diarrhoea kits to remote communities in the developing world – read more about this initiative in the case study.

## CASE STUDY: ColaLife AidPod

The ColaLife AidPod is an innovative way of delivering anti-diarrhoea kits to remote communities in the developing world. Diarrhoea is a major killer and cause of stunted growth of children in the developing world, but timely use of simple medicines can significantly reduce its debilitating and often fatal effects.

The AidPod is a wedge-shaped container that fits between the necks of the bottles in a crate of Coca-Cola. It contains simple anti-diarrhoea products such as oral rehydration salts and zinc supplements; it even contains a bar of soap to help with hand washing.

The ColaLife team is working in developing countries to bring Coca-Cola, its bottlers and others together to open up Coca-

Cola's distribution channels to carry products that address social needs such as the anti-diarrhoea AidPod. Coca-Cola can be bought just about anywhere in the world, so leveraging this exceptional supply chain allows delivery of AidPods to even the world's most remote regions.

Amcor supplies P-Plus® perforated peelable film to seal the pack closed. The pack can withstand extreme conditions during distribution, including rapid temperature changes, rough transport and altitude changes, reducing the risk of packs bursting, while maintaining a hygienically sealed pack. Amcor developed the specification with the ColaLife organisation and supplied material for the launch within six months of the first request for help.

Amcor's flexible packaging site in Ledbury, UK, agreed to supply the first order of this material free of charge. Peter Ettridge, Amcor Flexibles Sustainability Manager, said "This project shows how Amcor can rapidly adapt its technology to meet social needs, delivering tangible sustainability benefits".



Photo by Simon Berry

## Our workplace

We are committed to providing a safe, rewarding and motivating environment to support co-workers in reaching their potential. To achieve this, we focus on:

- maintaining a safe workplace;
- engaging and developing our co-workers,
- maintaining a diverse workforce and providing equal opportunity.

## Our Workforce

Amcor Business Group	No. co-workers*	Contractors	Regions
Amcor Flexibles Europe & Americas	12316	279	Europe and the Americas
Amcor Flexibles Asia Pacific	5109	674	Asia
Amcor Rigid Plastics	6,295	0	The Americas
Amcor Tobacco Packaging	2913	357	Europe, Asia and Americas
Amcor Australasia	4101	513	Australia and New Zealand
Amcor Packaging Distribution	1914	172	The Americas
Amcor Corporate and others	338	0	Global
Total	32986	1995	

Our workforce by Amcor Business Group and geographic region.

\* excludes contractors

## Maintaining a safe workplace

### Our approach

Amcor's Code of Conduct and Ethics Policy states: 'Amcor cares about the safety of its people and recognises that injuries result in needless suffering to individuals and their families.' Our ultimate goal is No Injuries.

Amcor's Global Occupational Health, Safety and Environment (OHS&E) Steering Committee supports business leaders in the ongoing development of Amcor's health and safety programs. The Steering Committee consists of the OHS&E leaders from within each business group and Amcor's corporate functions. It meets approximately every two months to: develop OHS&E strategy and programs; facilitate knowledge sharing; ensure the consistent application of policies, standards and procedures, and to ensure compliance with standards.

The committee oversees the implementation of Amcor's five year strategic plan for workplace safety and environmental management. All Amcor sites have annual action plans in place and provide on-the-job safety training to support this strategy. Amcor provides education, and on-the-job safety training appropriate for each country in which we operate and for the activities in which our co-workers are engaged.

We have a set of mandatory global standards for safety, environmental management and security that each of our sites must comply with. Internal audits of each site are conducted at least annually and third party audits are conducted at least every 3 years to measure compliance against these standards and/or internationally recognised standards such as OHSAS18001. Amcor's businesses are required to report regularly to Amcor's Board on compliance with these standards and with local legislation.

Amcor's sites choose to be certified to international safety standards such as AS4801 or OSHAS 18001 depending upon local legal requirements, customer requests, or inherent risks present on site. Amcor's safety policy statement outlines our corporate level objectives and commitments. Site-level procedures and plans provide details of how sites should meet the minimum compliance requirements outlined in the Standards.

Our five year strategic plan for workplace safety and environmental management requires that the following objectives are met:

1. Build internal commitment to safety and environmental management, and demonstrate leadership across all levels of the organisation;
2. Establish and maintain a best practice governance framework;
3. Build a performance culture of line ownership, co-worker involvement and systems integration; and
4. Ensure co-workers are trained and engaged in identifying and eliminating workplace risks.

All Amcor sites have annual action plans in place to support these objectives.

Amcor provides education and on-the-job training appropriate for each country in which we operate and for the activities in which our co-workers are engaged. Training aimed at changing Amcor's safety culture may be developed and delivered at a business group or business unit level. For example, Amcor's Fibre Packaging business unit in Australia, conducted Hands and Feet safety training across all their sites during FY2011/12. Site-specific safety training and programs is undertaken at the initiative of site management.

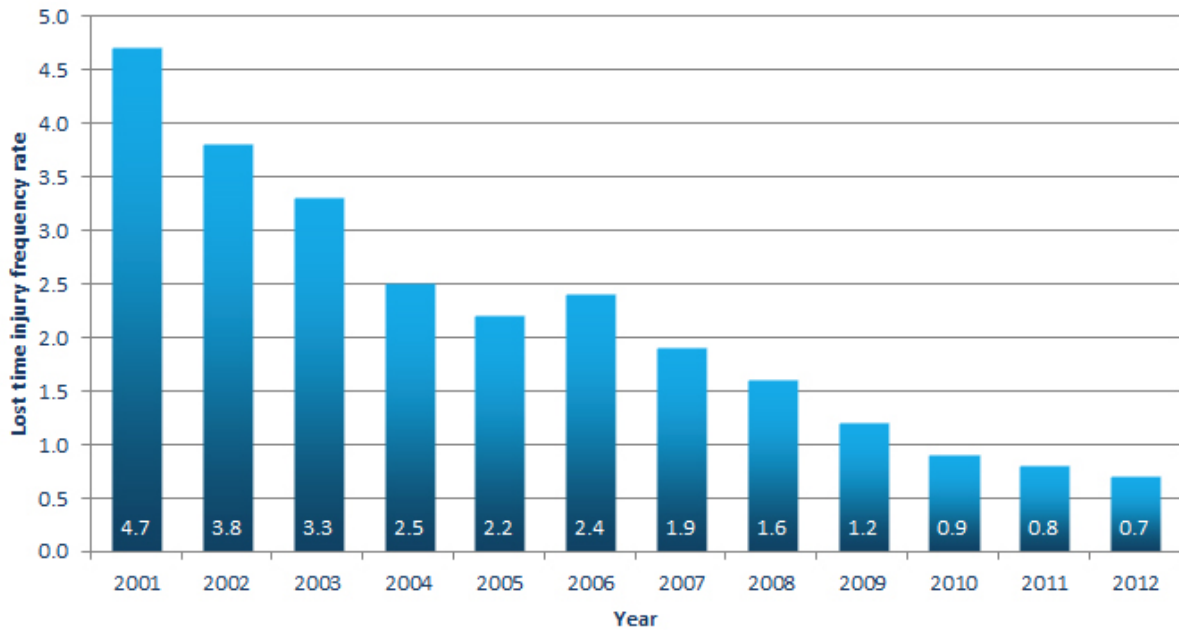
This year, we made significant progress in improving the safety of our workplace and reducing injuries.

Amcor's safety performance is measured using two criteria – Lost Time Injury Frequency Rate (LTIFR) and Recordable Case Frequency Rate (RCFR). The Lost Time Injuries severity rate is also measured.

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 FY2011/12, the LTIFR was 0.7, corresponding to 56 cases across our global business. This represents a 12.5% improvement, compared to the previous year's result of 0.8.

---

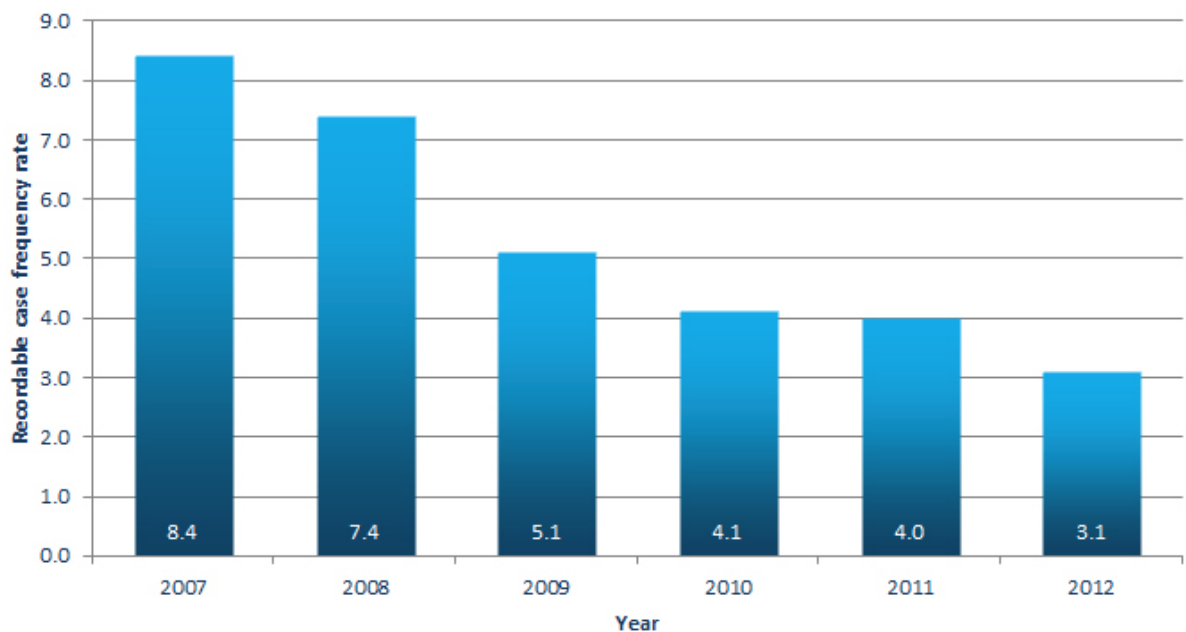
## Lost Time Injury Frequency Rate



Amcor's RCFR is measured by calculating the combined total of medical treatment cases and injuries resulting in at least one full work day per million hours worked. In FY2011/12, the RCFR was 3.1, corresponding to 243 cases across our global business. This represents an improvement of 22.5% when compared to the previous year's result of 4.12.

---

## Recordable Case Frequency Rate



In addition to these safety lagging indicators, the following metrics are reported to the Board (but are not reported publicly):

- Severity rate of injuries
- Number of behavioural audits
- Number of first aid treatments
- Number of near miss learnings

All metrics include both Amcor co-workers and contractors.

Achieving a reduction in recordable cases frequency from the previous year is a key performance indicator for Amcor's CEO and Senior Executives, against which a percentage of their short term incentive remuneration is based. Details can be found in the Remuneration report section of Amcor's Annual Report.

Some of our sites have achieved impressive safety performance, for example, the Amcor site in Chakan, India achieved no recordable case incidents for more than 1000 days and 1 million hours worked.

Similarly, our Rigid Plastics operations in Mexico, consisting of 12 sites in July 2011, has achieved 32 months without a single recordable incident, despite dismantling and re-plying equipment from seven of those sites over the past year.

Our site in Ushuaia, Argentina enjoyed 7 years without a lost time incident and 4 years without a recordable case as at the end of FY2011/12. The site received OHSAS 18001 certification for their occupational health and safety management system in December 2011.

### **Fire Protection**

To establish global standards across Amcor, we developed Fire Protection Standards and Risk Engineering Guidelines during FY2011/12. These will be released during FY2012/13 and will set the minimum standards for each of Amcor's operational sites.

### **Fines and prosecutions**

Amcor did not have any material fines or prosecutions for workplace safety violations in FY2011/12.

### **Health and wellbeing programs**

All Amcor co-workers travelling for business purposes have access to the Amcor TravelSafe program, which offers pre-travel advice, travel tracking and incident response.

Over the reporting period, 20,320 unique international trips were tracked by the TravelSafe program. The program tracks the risk rating of each trip, based on the countries visited. This enables the active management of personal risk to Amcor co-workers travelling on business.

Amcor offers Employee Assistance Programs (EAP) to approximately 70% of our co-workers. An Employee Assistance Programs is a work-based intervention program designed to enhance the emotional, mental and general psychological wellbeing of all employees and includes services for immediate family members. Similar programs are offered to other co-workers on a country-by-country basis, sometimes as part of medical insurance services.

The aim is to provide preventive and proactive interventions for the early detection, identification and/or resolution of both work and personal problems that may adversely affect performance and wellbeing. These problems and issues may include, but are not limited to, relationships, health, trauma, substance abuse, gambling and other addictions, financial problems, depression, anxiety disorders, psychiatric disorders, communication problems, legal and coping with change.

Selected information on this page pertaining to Lost Time Injury Frequency Rate and Recordable Case Frequency Rate, Amcor's Global Occupational Health, Safety and Environment (OHS&E) Steering Committee mandate, statements related to material fines and health and wellbeing programs has been assured by Net Balance.

## Engaging and developing our co-workers

### Our approach

We recognise that our co-workers are our most valuable asset and the foundation of our success. We want to work with the best people, who are engaged and passionate about our business and our customers.

We build capability through 'on the job learning' and by deploying training and development tools across the organisation. Our online talent management system includes co-worker performance scorecards, development plans and role-specific training requirements. Year end performance assessments involve co-workers and their supervisors discussing goals for the year and performance against those goals.

Training and development is managed in various ways across the Amcor Group:

- Company-wide cultural change programs or training that all co-workers require, such as induction training, are developed within the Group HR function but managed locally within each business group
- Business Group soft skills and/or cultural change programs are managed within the Corporate-function of the Business Group
- Business Unit-wide programs are managed within the Corporate-function of the business unit
- Site-based technical skills and site-specific training such as site safety programs are managed within the management team at Amcor sites. On-the-job learning also takes place at this level.

Amcor also seeks to engage all co-workers so that they are highly committed to their roles and collectively produce outstanding business results. We believe that engaged co-workers are highly productive, more customer-focused, safer and likely to stay longer with the organisation.

Our global co-worker engagement surveys, first conducted in 2007, enable us to monitor co-worker engagement and formulate action plans in response to the specific feedback we receive. Our 'Values Gateway' tool and 360 degree feedback survey ensures leaders obtain feedback on their behaviours against the Amcor Values.

## How we are doing

### Co-worker engagement

In March 2012, we conducted an Amcor-wide engagement survey, the first global engagement survey since the acquisition of Alcan Packaging, which saw a 40% increase in the total number of Amcor co-workers. The survey was conducted in 22 languages and there were over 26,000 responses, equivalent to 79% of all Amcor co-workers. The results showed that our overall Employee Engagement compared well with general benchmark data available, with both our Performance Excellence Index (feedback on performance standards within the company) and efficient work practices score at “best-in-class” level for manufacturing organisations, as determined by external benchmarks.

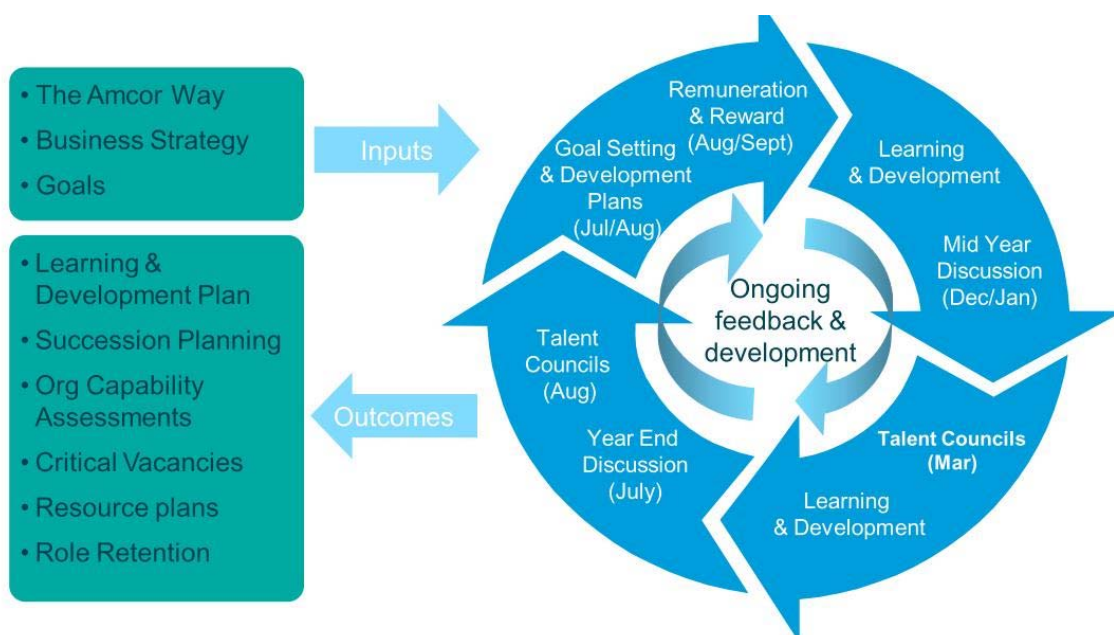
The employee engagement score is not publicly disclosed, but is used within each Amcor business group to monitor continuous improvement progress and as a benchmarking method.

In August 2011 we devoted an entire edition of our internal newsletter, *Accent*, to Social Responsibility and our approach to sustainability, explaining how they are integral to our operating model, Being Amcor.

### Talent management and development

Our focus is on developing a culture of outperformance. Performance objectives are aligned with business objectives and cascaded to align both team and individual performance. This approach enables co-workers to ensure their goals are aligned with the organization’s Business Strategy.

Performance Management is an annual cycle underpinned by routine feedback and development opportunities. Development opportunities are discussed and evaluated routinely. The objective for development goals is to ensure the organisation has a sufficient pipeline of talent to support Amcor’s growth strategy.



Talent Management at Amcor encompasses:



- Bi-annual objective performance and potential assessment.
- Short and long term development activities focused on career progression.
- Succession depth for critical roles and creating a pipeline of leaders within Amcor

Most executive, managerial and professional co-workers undertake mid year and year end performance reviews , using our standard global online Talent Management System (TMS). Local performance management systems are used at sites for other co-workers, where enterprise bargaining agreements allow.

The year end performance assessment process involves co-workers and their supervisors discussing goals for the year and performance against those goals. These annual discussions include the setting of development plans for co-workers. For professional co-workers, Amcor uses an on-line Talent Management System to record and track these activities.

Year end performance assessments are required to be completed by mid-August. 4792 Amcor co-workers participated in the performance assessment process during FY2010/11 within our Talent Management System, with 91.4% completing it. This represents approximately 10% of our total workforce, with the majority being professional co-workers. 1277 (27%) of the co-workers who completed performance assessments were women.

<i>Employee Category</i>	<i>Coverage in %</i>
Executive/Top management	100
Middle/General management	<100, varies by Amcor business
First line management/Supervisor	<100, varies by Amcor business
Specialist groups	<100, varies by Amcor business
Other employees	Depends on jurisdiction or collective agreement. Cannot estimate percentage

*The percentage of co-workers in each co-worker category who are covered by our standard performance assessment process*

‘Talent Council’ is a succession and development planning process undertaken annually by senior leaders across the organization. Individual performance assessments are used as inputs into this formal process for identifying and assessing talent and ensuring succession depth.

During the performance review process, development needs for each co-worker are identified. Appropriate training and development is then determined. This could be in the form of external training, on-the-job training, further education or mentoring.

Amcor has an effective online training delivery mechanism within our Learning Management System, that is available for the delivery and tracking of the online training courses offered. This electronic learning management system, now offers 280 online courses. Amcor co-workers completed 5535 course modules using the system during FY2011/12.

In April 2012, Amcor also introduced the new Amcor Leadership Framework. This Framework outlines the skills and competencies required by co-workers at all levels to ensure that Amcor

achieves success in all its objectives. This framework is the foundation of leadership development at Amcor. It underpins the entire co-worker life cycle from recruitment onwards and is being implemented across the global Amcor organisation, with its first use being in the performance management process.

### **Management of organisational change**

After a series of acquisitions and with continuing organisational change happening as our growth strategies are implemented, how we manage change is critical to our success. Amcor acquired four companies in FY2011/12, with the largest being the \$238 million acquisition of the Aperio Group.

A sophisticated communications and business planning approach is used for acquisitions of businesses with multiple sites and large numbers of employees that will be integrated into an existing Amcor business. The approach involves all functional areas of both the Amcor Business into which the acquired business will be integrated and of the company being acquired (where possible). For smaller acquisitions or where the business model will remain largely unchanged the team managing the acquisition determines the appropriate change management approach.

Selected information on this page pertaining to Year end performance assessments, Amcor's online learning management system has been [assured by Net Balance](#).

## **Diversity and equal opportunity**

### **Our approach**

Amcor's focus is on recruiting, retaining and developing local talent to manage its businesses around the world, and on selecting from this broad talent pool for its global leadership roles.

The Board of Directors approved Amcor's 'Talent through Diversity' policy in April 2011 and established the following indicators for tracking gender diversity within Amcor:

- The number of women employed at Amcor as a proportion of the total workforce; and
- The proportion of women employed at leadership level (defined as middle management including plant level leadership and above).

These are reported annually to the Board and the Human Resources Committee, and for the first time this year, will be included in the Amcor Annual Report.

### **How we are doing**

As of June 30th 2012:

- There were more than 33,000 Amcor co-workers from 55 different nationalities working in 42 countries and speaking 22 different languages.
- There was one female Director on the Board (12.5% of total Directors);
- 21% of co-workers were women; and
- 24% of our leadership positions were held by women.

Diversity is also discussed in the 2012 Amcor Annual Report.

We do not collect and consolidate global data on age group, minority group membership, and other

indicators of diversity, largely due to differing local anti-discrimination laws that prevent us from doing so.

### **Discrimination**

Our Code of Conduct and Ethics policy includes: 'Amcor recognises the dignity of each co-worker and the right to a workplace free of harassment, abuse or corporal punishment. Decisions on hiring, salary, benefits, advancement, termination or retirement are based solely on the co-worker's ability to do the job. There is no discrimination based on race, creed, disability, gender, marital or maternity status, religious or political beliefs, age or sexual orientation.'

Co-workers can report instances of discrimination via Amcor's Whistleblower Service (further described in the 'Governance' section of this report), which can be accessed anonymously by telephone in 33 countries, or by email and postal mail. They can also report to the Human Resources function at their site or Business Unit.

During FY 2011/12, no material discrimination claims were identified through internal or third party use of our Whistleblower Service, and no material discrimination claims were escalated beyond the Amcor business group level.

Selected information on this page pertaining to Amcor's approach to diversity and equal opportunity, diversity performance data, and the statement on material discrimination claims has been [assured by Net Balance](#).

### **Our approach to other labour practices**

In 2006, Amcor set minimum global labour standards. Amcor believes that it is not only required to abide by the national laws of each country in which it operates, but that it must also conduct its business in accordance with internationally accepted practices and procedures.

Our Company Code of Conduct and Ethics Policy establishes a minimum set of standards of compliance for all co-workers and includes the following:

#### **Mutual respect**

'Amcor is committed to a working environment where there is mutual trust and respect and where everyone feels responsible for the performance and reputation of the Group.'

#### **Forced and child labour**

'Amcor recognises the rights of every child to be protected from economic exploitation and respects the laws of each country in which it operates in regard to minimum hiring age for co-workers. Amcor also complies with existing employment regulations regarding forced labour.'

#### **Compensation**

'Amcor complies with minimum wage legislation in the countries in which it operates.'

#### **Benefits**

Amcor's Code of Conduct and Ethics Policy states: 'Amcor aims to provide each employee with all benefits that are legally required.'

Details of our Retirement Benefit Assets and Obligations can be found in Note 24 of our 2012 Annual Report (page 102).

## Security practices

The utilisation of security personnel is not material for Amcor.

## Indigenous rights

In locations where this is a material issue, our corporate code of conduct and ethics policy guides decisions about indigenous rights.

## Freedom of association

All Amcor employees are free to participate in collective bargaining and associate with political and similar associations in a private capacity.

## Freedom from harassment

'Amcor has created a work culture that affords its co-workers the opportunity to work without fear of intimidation, reprisal or harassment, and Amcor will continue to take action to ensure that such a culture is maintained within the Group.'

Co-workers can report instances of harassment and bullying via Amcor's Whistleblower Service (further described in the 'Our Governance Framework' section of this report), which can be accessed anonymously by telephone in 34 countries, or by email and postal mail.

## Compliance with labour practices

During FY2011/12 we worked to have all our manufacturing sites complete a self assessment questionnaire (SAQ) as part of our membership of the Supplier Ethical Data Exchange (SEDEX).

SEDEX is a global not-for-profit membership organisation that enables the sharing of ethical performance information between companies and their suppliers. SEDEX provides an online platform for reporting labour standards, health and safety, business integrity and environmental performance information. The questionnaire includes questions about labour conditions and human rights, including questions about:

- Child and young employees
- Freely chosen employment
- Freedom of association and collective bargaining
- Wages
- Working hours
- Non-discrimination
- Regular employment
- Use of small holders
- Discipline and grievance
- Use of home workers

Our Group Internal Audit function includes the auditing of responses to the SEDEX SAQ when they visit sites as part of their annual audit schedule (refer to the Governance section for more about our Internal Audit function). We also support numerous audits from our customers against the SEDEX SAQ responses. More information about our participation in SEDEX and responsible procurement is provided under 'Responsible and ethical sourcing/procurement' in the Marketplace section.

Selected information on this page pertaining to forced and child labour, Compliance with labour practices and membership of the Supplier Ethical Data Exchange has been assured by Net Balance.

### **CASE STUDY: 'SafetyNet' safety information system**

At our Flexible packaging site in Ledbury, UK, a new interactive information system called 'SafetyNet' was developed to improve the availability and communication of safety information across the site. All site briefings, notices and general co-worker information are housed on SafetyNet and are easily accessible to all Ledbury co-workers. The system also allows users to review archived information and to easily track the safety and training improvements of the site.

"SafetyNet is the result of our passion for 'finding better ways' and a hunger to continuously improve," said Guy Woolley, AF Ledbury General Plant Manager.

The Ledbury site has an outstanding Safety Record – no lost time injury for over four years, and it has had no recordable case injury since June 2008. The Ledbury team is sharing its expertise with other Amcor sites, supporting them to improve their safety performance .

In recognition of the site's outstanding safety record and the effectiveness of SafetyNet, the site was awarded a Gold 2010/11 President's Safety Award and the 2011 Amcor global CEO Outperformance Award for Safety.



## **Our Marketplace**

As a global leader in the packaging industry, Amcor has the product development capability and technical know-how to drive sustainability throughout the supply chain and the packaging life cycle.

We focus on:

- Offering responsible packaging and supporting our customers' sustainability objectives;
- promoting the role and benefits of responsible packaging; and
- ensuring responsible and ethical sourcing/procurement.

## **Offering responsible packaging and supporting our customers' sustainability objectives**

### **Our approach**

Our approach to responsible packaging starts with Amcor's Belief Statement "We believe in responsible packaging...". We work closely with our customers, conducting life cycle assessments to ensure they have the data required to make informed decisions about packaging sustainability. These assessments are typically undertaken during our product development process or at the request of customers.

Life Cycle Assessment (LCA) takes into account the sustainability impacts of different packaging options throughout the value chain and across the product life cycle. Amcor utilises its proprietary LCA software, the Advanced Sustainability Stewardship Evaluation Tool (ASSET) and other software tools, such as the Packaging Impact Quick Evaluation Tool (PIQET), when required by customers.

Responsible packaging and packaging sustainability continue to be important topics within the consumer goods industry. Our global network of Sustainability Leaders, representing each Amcor business, has responsibility for implementing our approach to packaging sustainability and responsible packaging. Amcor's sustainability expertise and life cycle assessment capabilities are integral to our approach and to the value proposition that we offer our customers and the market in general.

We also work with our customers to help them achieve their sustainability objectives. These objectives typically cover both environmental and social considerations and there is increasing emphasis on ethical sourcing. Customer sustainability objectives often also include specific packaging sustainability targets.

Amcor completed assessments of the life cycle impacts of all of our major product categories in FY 2006/07. The 3000 life cycle assessments now contained within our ASSET database provide information about the majority of our packaging solutions. In addition to this, our Flexibles Europe & Americas business, our largest business, has analysed all of its existing product categories in order to establish baselines for internal purposes, customer information and reporting purposes

### **Incorporating sustainability in product development**

Responsibility for the product development process resides with the Research & Development functions within each Amcor business. Amcor's Sustainability Leaders support these functions by providing their sustainability expertise and ASSET is available to any Amcor co-worker, where

appropriate for their role, and is supported by formal training in its use. We currently have 189 active users of ASSET.

Within several Amcor businesses, ASSET has been formally integrated into the product development stage-gate review process meaning that sustainability is routinely considered as part of product development. The integration of sustainability into product development is determined at business unit or site-level, depending on the packaging being manufactured, the local regulatory requirements and customer-specific requirements.

The sustainability assessment within the product development process is frequently conducted in collaboration with our customers in order to cover the full product life cycle as Amcor customers must ultimately make decisions about potential trade-offs. This approach is aligned with the Global Protocol on Packaging Sustainability, which was released by the Consumer Goods Forum in 2011.

In Australia, the requirements of the Australian Packaging Covenant (APC) led Amcor to develop a star rating system for inclusion on the bottom of customer quotes. New and existing products are assessed against the APC sustainable packaging guidelines and for new products, these guidelines are formally considered early in the stage-gate review process to ensure that only the best concepts proceed to the design stage. A comparison of the impacts of the original and final designs is used in APC reporting.

Our Sustainability Leaders also participate in many customer sustainability initiatives, such as sustainability boards and councils. These provide valuable input to Amcor's sustainability strategy, ensuring it supports our customer's sustainability objectives. It also promotes the sharing of best practices up and down the supply chain.

## How we are doing

During the 2011/12 year, interest in packaging sustainability from customers within the food, beverage and tobacco markets remained strong and we saw increasing interest from customers in other industries.

We also saw increasing interest in emerging markets such as Asia, with our businesses in Thailand, Indonesia and India helping customers improve the sustainability outcomes of their packaging.

During the 2011/12 year Amcor completed 855 life cycle assessments using ASSET, 30% more than last year. The number of packaging life cycle assessments in the ASSET database is now over 3000, making it a valuable resource for Amcor and our customers.

In 2012, the Carbon Trust certified that the cradle-to-gate greenhouse gas calculation tool in ASSET conforms to the requirements of the GHG Protocol product standard and the PAS2050:2008 standard and the PAS 2050 standard for cradle-to-gate carbon footprinting.

We continued to work with key customers on their sustainability objectives, for example we continued in our role as a leading member of the P&G Supplier Sustainability Board, which includes around 30 invited suppliers. The Board supports P&G's systematic effort to improve the environmental sustainability of their supply chain. In 2010 P&G had over 500 suppliers complete their Supplier Environmental Sustainability Scorecard (available on [www.pgsupplier.com](http://www.pgsupplier.com)). Seventeen



of those suppliers achieved the highest score with Amcor being amongst them. This was publicly recognized by P&G in a press release issued in April 2012.

Working together with the Nespresso business of Nestle, we supported the Aluminium Stewardship Initiative, which aims at establishing a chain of custody scheme for aluminium with an improved sustainability performance. We participated in the Unilever Partner-to-Win supplier event where new product concepts, with a focus on innovation and sustainability benefits, were discussed.

Amcor was the only external supplier at the PepsiCo-internal Sustainability show, held in Theale, UK, during March 2012, demonstrating our credibility and reputation in sustainability.

Amcor attended the 7th Annual Walmart Sustainability Expo and completed sustainability score cards or surveys for Pfizer, GSK and Smith & Nephew.

Read a case study of how Amcor helped a leading Belgian cheese brand improve the sustainability of their packaging.

### Customer satisfaction

Amcor uses the Voice of the Customer (VOC) market research surveying process to determine:

- our customers' opinions of our current performance, including in the area of sustainability;
- the key areas in which to improve our performance; and
- a list of recommendations and an action plan to improve customer satisfaction.

Our VOC customer satisfaction measurement system has reached a level of maturity that requires less frequent surveying, with most of our business groups moving to biennial or triennial customer surveys.

During FY2011/12, our Packaging Distribution business undertook a VOC survey. They surveyed 392 customers, by both telephone and email. Only those customers who had declined in sales from the previous year were interviewed.

Our Rigid Plastics Business also surveyed 73 customers and our Tobacco Packaging business surveyed global and regional accounts representing approximately 90% of their sales.

In total, customers representing approximately 21% of Amcor's FY2010/11 revenue were surveyed.

Based on the results of VOC surveys, action plans are formulated to address customer feedback and requests. For example, our Rigid Plastics business in South America is working to accelerate innovation and speed to market as well as responsiveness to customers. Our Flexibles Asia Pacific business develops formal strategic relationship plans to address the needs of specific customers. Within our Tobacco Packaging business, the VOC feedback was collected and compiled into specific action plans for regions, account teams or global attention. A steering committee was assigned, and monthly meetings were held throughout the year to track and follow up on actions and improvement opportunities.

The metric applied across each business from the VOC program is the 'Net Promoter Score' (NPS), which is also supplemented by qualitative measurements such as customer feedback and direct quotations. Net promoter score is calculated as the percentage of customers that are promoters



minus the percentage of customers that are detractors, based on how likely is it that they would recommend the company to a friend or colleague. Targets are not set for NPS, but are used to monitor ongoing improvement and for benchmarking purposes against similar companies. The results of each program are shared widely within each business, but not externally.

In addition to the VOC survey, the following mechanisms are provided for customers to provide feedback:

- Discussions with customer-facing Amcor co-workers, notes from which are then recorded in our company-wide harmonised customer relationship management database.
- Free 7 day/24 hour feedback via the functionality provided at [www.amcor.com/contact\\_us/](http://www.amcor.com/contact_us/).
- Free 7 day/24 hour confidential telephone feedback via our Whistleblower service (refer to the Governance section for more information).

Feedback is also integrated into products/services development and, where appropriate, is relayed to risk, compliance and/or communication departments within Amcor.

An example of how we respond to customer feedback is illustrated by the release of a new closure for beverage containers by Amcor's Bericap North America joint venture. In response to consumer feedback that hot fill beverage containers were hard to open, Bericap released a new one-piece closure that has reduced consumer complaints and provides the added benefit of tamper evidence protection.

### **Product safety**

Having food-safe packaging that does not cause the packaged product to be a danger to the health of the consumer is very important to Amcor and our customers, as well as being a regulatory requirement in many of the countries where we do business.

Each Business within the Company has product safety processes and systems appropriate for their packaging type, the level of risk, the regulatory environment(s) in which their sites operate and the requirements of their customers.

The responsibility for product safety typically resides within the Quality function or R&D function within each Amcor business .

Examples of how product safety is managed within different business groups within Amcor are given below.

Within the Asian region, strong food safety regulations do not exist, so our sites follow EU food safety regulations. Our Flexibles Asia Pacific business group aims to achieve more than just regulatory compliance in this area, instead using product quality as a competitive differentiator in the marketplace.

A Product Safety policy and a policy statement describe the approach used by the business group. Quality Management Systems are used at their sites to ensure Good Manufacturing Practice (GMP) and include:

- Assessment and approval of raw materials and management of suppliers
- Assessment of packaging product physical structures

- Control of manufacturing processes, ensuring they reliably deliver products that meet specifications
- The Business Group has a dedicated organisation to manage product safety.

Sites conduct a self-audit twice a year and the business group product safety team audits each site annually. Each site is ranked by level of expertise, with all sites required to achieve a minimum level of compliance.

Within our Rigid Plastics business, Quality Management Systems have been in place to ensure hygiene and contamination avoidance for many years. This includes Hazard Analysis and Critical Control Points (HACCP) certification for all operating sites and an audit schedule that includes Quality Systems Evaluation and Good Manufacturing Practice standards. Having these quality management systems in place has long been a competitive differentiator for Amcor in the food, beverage and pharmaceutical markets.

In 2010, the Rigid Plastics business began the process of standardising the Quality Management Systems at their sites to achieve third party certification to the FSSC22000/PAS 223 standards, which are recognised by the Global Food Safety Initiative (GFSI), managed by the Consumer Goods Forum. This will standardise the approach to product quality and auditing across all the sites to include:

- FSSC22000/PAS 223 certification
- HACCP certification
- Unannounced GMP audits

By the end of FY2011/12, five successful FSSC22000/PAS 223 audits had been completed in North America. All North American sites are currently expected to be certified by the end of FY2012/13. First priority for certification has been assigned to sites which service customers who require compliance with the FSSC22000/PAS 223 standard.

Having certification to this common, internationally recognised standard will not only reinforce the differentiation from our competitors that we have enjoyed, but will also reduce audit demands from individual customers, who will accept the third party certification as a proxy for their own auditing.

Within our Flexibles Europe & Americas business, product safety is used as one of the key differentiators with our global customer base.

Their Product Safety Policy defines the responsibilities for product safety across the business. Product Safety is managed centrally within the R&D function. Support is given to the sites by a central team who will provide guidance documents, templates for compliance statements, advice on training, maintenance of central supplier documentation, assistance with customer issues, and feedback on legislation changes proposed and then implemented. The team maintains a state of the art testing laboratory in Germany for all analysis required, and proactively analyses samples from sites on a yearly basis to ensure full compliance, and further drive products to a higher standard.

The operational sites carry out self audits at least once a year, with the central team conducting an internal audit on each site at least once every three years. They also incorporate product safety into their existing Quality Management System i.e. that used for ISO 9001 or ISO 13485 compliance.

Sites also have an accredited hygiene certification relevant to their location and business e.g. BRC, AIB, EN15593, ISO22000.

All packaging intended to come into contact with food is required to comply with all relevant legislation e.g. EU, FDA etc. In the absence of specific legislation, the principles of the “Framework Regulation” EC 1935/2004 apply. For products that are intended for Medical and Pharmaceutical applications, sites follow local cGMP regulations to ensure product safety

The Flexibles Europe & Americas business is a member of a number of trade associations and other bodies that actively participate in committees that influence regulatory legislation in the area of food contact. Updates to legislation are communicated to sites along with guidance and interpretation

### **Quality management metrics**

At the day-to-day operational level, all sites use a ‘Delivery In Full On Time In Specification’ (DIFOTIS) key performance indicator. The ‘In Specification’ component is a measure of product quality, with all products manufactured being required to meet pre-defined technical specifications, determined during product development and by customer specification. The DIFOTIS metric is reported in monthly management reports produced by the Presidents of each Amcor Business for the Global Management Team (which includes the CEO).

### **Non-compliance**

During FY2011/12 we had only one case of product quality non-compliance that resulted in an insurance claim.

Selected information on this page pertaining to completed Life Cycle Assessments (LCA) using Amcor’s ASSET tool and Amcor’s work with P&G’s supplier environmental sustainability scorecard key customers has been [assured by Net Balance](#).

## **Promoting the role and benefits of responsible packaging**

### **Our approach**

As a global leader in the packaging industry, Amcor has a leading role to play in contributing to a responsible packaging industry and advocating packaging sustainability.

This includes:

- collaborating on the development of processes, standards and tools for a consistent approach to sustainability across the packaged product life cycle and throughout our value chains;
- promoting the role and benefits of responsible packaging;
- presenting at conferences and seminars around the world on packaging and sustainability;
- contributing to government policy formulation on topics such as recycling, waste reduction and processes, guidelines and metrics that impact the manufacture, use and disposal of packaging; and
- participation in industry forums and groups.

The Food and Agriculture Organisation of the United Nations reported in May 2011 that roughly one third of the food produced in the world for human consumption each year is lost or wasted. We believe that packaging can play an important role in conserving the resources used to produce the food, and also reducing food waste, by protecting food and other packaged products until they are fully consumed. Through our leadership activities in packaging sustainability, we actively promote the message that choosing packaging that minimises waste throughout the supply chain is a key part of using 'Responsible Packaging'.

## How we are doing

### Global forums

Amcor is a member of many industry bodies and often holds leadership positions within these forums.

Organisation	Membership status or contributions	Reach
Sustainable Packaging Coalition (SPC)	Member-Led Working Group on Consumer Outreach & Education	US, Europe; expanding in Asia
Global Packaging Project (GPP) of the Consumer Goods Forum	Active participation	Global
Life Cycle Initiative of the United Nations Environment Program and the Society of Environmental Toxicology and Chemistry	Member	Global
AIM-Progress	Member	Global
European Aluminium Foil Association/Flexible Packaging Europe Sustainability Working groups	Member of WG, advisers to EAFA/fpe studies and communications Co-Chair of sustainability committee	Europe
Aluminum Stewardship Initiative (formerly Responsible Aluminium Initiative )	Founding member and active participation	Global
European Bioplastics Association	Active participation	Europe
Industry Council for Packaging and Environment (Incpen)	Membership	Europe
National Association for PET Container Resources (NAPCOR)	Member	USA
Association of Postconsumer Plastics Recyclers	Affiliate member and a representative on the technical committee	USA
ABIPET (Brazilian organization promoting PET recycling)	Membership	Brazil
ABRE Brazilian Packaging Association	Membership	Brazil
American Institute of Bakeries (AIB)	Membership	USA
American Society of Quality	Membership	USA
Auckland Chamber of Commerce	Membership	NZ
Australian Flexographic Tech Assoc (AFTA)	Membership	Australia
Australian Food and Grocery Council	Membership	Australia
Campden BRI	Membership	UK
Closure & Container Manufacturer's Association	Membership	North America

ECMA Tobacco Forum: Tobacco forum within European Carton Makers Assoc.	Membership	Europe
European Flexographic Industry Association (EFIA)	Membership	Europe
European Committee for Standardization (CEN), International Standardization Organization (ISO)	Member of different working groups	Europe
Flexible Packaging Association (FPA)	Membership	USA
International Society of Beverage Technologists (Bevtech)	Membership	Global
IoPP	Benefactors	USA
Leatherhead Food Research Association	Membership	UK
Australian Packaging Covenant (APC)	Signatory	Australia
New Zealand Packaging Accord	Membership	NZ
Packaging Council of Australia,	an Amcor representative currently sits on the board of management	Australia
Smithers PIRA	Membership	Global
European Carton Makers Association	Membership	Europe
Society of Plastics Engineers	Membership	Global
Sterile Barrier Association (SBA)	Membership	Europe
Sterilization Packaging Manufacturers Council (SPMC)	Membership	USA
The Packaging and Films Association	Member	UK
U.S. EPA Energy Star and SmartWay Transport Partnership	Partner	USA
University of Toledo PET Industrial Consortium	Member	USA
Global Food Safety Initiative (GFSI)	Participant & Packaging Working Group Member	Global
Australian Council of Recycling	Member of National Executive Board Member	Australia
Association of Portugal Industries (Apigraf)	Member	Portugal
Swiss association of flexible packaging	Board member	Switzerland
Flexible Packaging Manufacturer's Association Turkey	Member	Turkey
Foundation Environmental Protection and Packaging Waste Recovery and Recycling	Founding member and member of executive committee	Turkey
The environmental register of packaging PYR Ltd	Member	Finland
German Aluminium Association	Member	Germany
ABEC – Brazilian Association of Certified Industries in Good Practices of Fabrication	Member	Brazil
CNE – Centro Nacional de Embalagem (Portugal Packaging Centre)	Partner	Portugal
APIP - Associação Portuguesa da Indústria de Plásticos (Portugal plastic industry association)	Member	Portugal
Compromiso Empresarial Para El Reciclaje (CEMPRE )	Member	Columbia

For example, Amcor participates with the United Nations Environment Program ([UNEP](#)) and the Society for Environmental Toxicology and Chemistry ([SETAC](#)) on their global Life Cycle Initiative. The purpose of the [Life Cycle Initiative](#) is to enable users around the world to put life cycle thinking into effective practice.

In FY2011/12 we developed a sustainability communications toolkit for Amcor co-workers to use when communicating with external audiences. We identified mechanisms for distributing it internally and will increase its distribution in FY12/13.

Amcor has also been a member of the Sustainability Packaging Coalition's (SPC) Executive Committee. The SPC is a global industry working group with more than 200 members. Amcor also chairs the Sustainability Committees of the Packaging and Films Association (PAFA) and the Flexible Packaging Europe (fpe)/European Aluminium Foil Association (EAFA).

During the 2011/12 year, Amcor's Sustainability Leaders also presented at many conferences and forums around the world. For example, we presented a paper on "Implementing sustainability in the packaging value chain" at the Life Cycle Management Conference in Berlin in August 2011. At the Sustainable Packaging Forum in Dallas, Texas in September 2011 we presented on our approach to the Global Packaging Project and participated in a related panel discussion. We also spoke at the PET Market Congress for Central America, the Caribbean, and Andean Regions (CAPET)

### **Regional activities**

In Europe, Amcor works with organisations such as WRAP (Waste and Resources Action Programme), a not-for-profit company supported by UK government funding, to find ways to reduce waste in the food supply chain.

In Australia, we actively contribute to The Australian Packaging Covenant, which focuses on improved packaging design, away-from-home recycling, litter reduction and increased engagement across the supply chain through product stewardship. We worked with many of our customers, helping them prepare their reports for the Covenant, which were due in March 2012.

In Thailand, our Flexibles business conducted a packaging contest for university students with objectives that included raising awareness of responsible packaging and offering a pathway for future career opportunities for the contest participants.

Eighty one ideas were submitted during the contest, with five packaging designs being considered for patent applications and another 10-20 designs selected for further product development projects.

All three team members of the winning team have been hired into Technical Service and Product Development positions. Internship Programs are being established for further engagement with the young talent who participated in the contest.

## Responsible and ethical sourcing / procurement

### Our approach

We take a 'whole-of-value-chain' approach to packaging sustainability, participating in responsible sourcing initiatives with our customers and driving sustainability management in our value chains.

We support customers' requests for information about our sustainability performance and collaborate with them on sustainability and responsible sourcing initiatives such as Sedex.

### Supplier Ethical Data Exchange

Amcor is an 'AB' member of the Supplier Ethical Data Exchange (Sedex). Sedex is a not-for-profit membership organisation that enables the sharing of ethical performance information between companies and their suppliers. Our AB membership gives Amcor customers access to our ethical performance information and allows us to make this request of our suppliers. More than 400 global brands, 17,000 suppliers and more than 21,000 sites in 160 countries currently participate in Sedex.

Sedex provides an online platform for reporting labour standards, health and safety, business integrity and environmental performance information. It also facilitates standardisation and continuous improvement in the reporting of this information. We respond to customer requests regarding our ethical performance and can access similar information about our suppliers.

You can read more about how we are working with our suppliers to reduce the environmental impacts in our supply chains in the 'Our environment' section of this report.

Amcor is also a member of AIM-PROGRESS, a forum of consumer goods manufacturers and suppliers that promotes responsible sourcing practices and sustainable production systems.

### How we are doing

#### Responding to customer requests for information

We continue to see increased demand for sustainability information about our operations from customers. To support this, we have registered all of our manufacturing sites in the Sedex database and during the 2011/12 year, twenty one customers requested access to Sedex information relating to Amcor sites.

We also facilitated third-party audits of the ethical performance at 16 of our sites, a considerable increase from the six audits completed last year.

We aimed for all manufacturing sites to have completed the Sedex Self Assessment Questionnaire (SAQ) by the end of FY2011/12. At this time, 46% of sites had completed the SAQ and the percentage of sites completing the SAQ had increased to 78% at the time of printing this report.

During FY2011/12, Amcor participated in the AIM-PROGRESS Mutual Recognition and Systems work streams. Via these work streams Amcor is helping to promote participation in Sedex and contributing to the streamlining of Sedex requirements and other responsible sourcing expectations.

Supporting the increase in the number of audits requested by our customers and other supplier assessment organisations requires a significant investment of resources at our sites. We continue to work on completing Sedex questionnaires for all manufacturing sites, with the intent that the

information gathered during this process will be given recognition by other third party assessment schemes, reducing demands for independent audits of our sites. In addition to this, Amcor's Internal Audit function includes the auditing of Sedex self-assessments when they visit an Amcor site during scheduled audits.

As discussed in the Responsible packaging section of 'Our Marketplace', we actively participated in many customer-initiated sustainability programs and events around the world during the FY2011/12 year. We also participated in the Carbon Disclosure Project (CDP) Supply Chain Initiative.

### **Strengthening our supply chain**

During FY2011/12 Amcor developed a Supplier Code of Conduct. The Code is aligned with the Amcor Code of Conduct and Ethics Policy and was submitted to the AIM-Progress mutual recognition working group as input to the development of a guidance document for companies intending to establish a supplier code.

Implementation of the Amcor Supplier Code of Conduct is coordinated by Amcor's procurement function – it commenced with Amcor's Flexibles Europe and Americas business and will continue in Amcor's other businesses in accordance with procurement plans.

### **Fibre sourcing**

We purchase virgin fibre, wood chips, carton board and finished paper products for our carton board and corrugated cardboard and flexible packaging products. These raw materials are supplied by many different suppliers across the world. During FY2011/12, we purchased 877,867 tonnes of fibre-based raw materials. The extent of chain of custody certification varies across the Amcor Business Groups.

Selected information on this page pertaining to Fibre sourcing, Amcor's Supplier Code of Conduct, and Sedex self-assessment Questionnaire completion data has been assured by Net Balance.

## **Other topics of stakeholder interest**

This year, our stakeholders expressed interest in the topics of the use of post-consumer recycled PET and HDPE in the manufacture of containers, in the use of bioplastics in packaging manufacture and the impacts of extended producer responsibility for packaging legislation that has been implemented in several countries. These topics are discussed below.

### **Post-consumer recycled PET**

Obtaining a reliable supply of post-consumer recycled (PCR) PET and High Density PE at a suitable quality to use as raw materials for containers is an industry issue. Supply is limited due to several factors, including not enough plastic being collected, limited facilities to make bottle-to-bottle quality PCR and competition for other uses, such as making polyester fibre.

We work with our customers, the waste and recycling industry, and other container manufacturers to address the supply issue. For example, we are members of both the National Association for PET Container Resources and the Association of Postconsumer Plastics Recyclers in the USA.

The biggest impact we can have is to create demand for recycled PET and HDPE by offering containers made from it to our customers. The number of bottles we offer with 100% PCR content



has increased considerably over the last 4-5 years. We now offer 24 100% PCR PET bottles and 5 made from 25-60% PCR HDPE.

HDPE packaging is also often used for personal care products. Our customers in this market require virgin material as the direct product contact surface, so any PCR HDPE content must co-exist with a virgin HDPE layer.

## **Bioplastics**

We are seeing increasing interest from customers in packaging manufactured from bio-plastics. Our Rigid Plastics Business conducted trials and are currently producing bottles with 10-15% bio plastic content. This could be increased to 30% but is limited by availability of the bio-plastic resin and the higher price this commands over petroleum-based PET. We conducted trials of bio-HDPE, but there is currently limited demand for bottles made from this material due to its higher cost .

Bioplastics, i.e. plastics that are made from renewable feedstock and/or that are compostable have also been a topic of research and development for many years in our Flexibles Business.

Depending on specifications of the customer as well as local market conditions, a full range of packaging solutions from bioplastics is available. This ranges from low barrier packaging for produce and bakery to high barrier packaging for coffee, which are all produced today. We are also constantly looking for new materials in this space as well as new feedstock options (e.g. for second and third generation bioplastics), which could provide break-through innovations and sustainability benefits in the longer term future. Another focus are developments that can offer solutions that are home-compostable and solutions that can help to mitigate littering issues in some emerging markets

## **Extended producer responsibility for packaging**

There has been an increased focus by governments on legislation to extend the producer's responsibility to recover used packaging. This includes the California Redemption Value container legislation, the Brazil National Solid Waste Policy bill and the Extended Producer responsibility for packaging in several Canadian provinces.

This legislation is often very complex and the impacts change over time. Amcor participates in the appropriate industry groups to advocate for the packaging industry. For example we hold a board position on the Plastics Recycling Corporation of California, which provides support to the recycling industry as well as advocacy for the PET container industry. At this stage, we cannot estimate the impact these laws will have on our business.

Selected information on this page pertaining to Post-consumer recycled PET material used in certain products has been assured by Net Balance.

## **CASE STUDY: Vache Bleue EasyPack for grated cheese**

Vache Bleue, a leading Belgian cheese brand, is utilising Amcor's patented EasyPack solution to bring their grated cheese product range to the market. EasyPack offers the convenience of an air-tight flap for easy opening and recloseability, enabling the consumer to easily store the product after opening. This feature reduces product spoilage, thereby reducing the waste of resources invested in the production of the cheese.

In addition to this, Amcor worked with Vache Bleue to reduce the carbon footprint of the packaging. Substituting the previous three- layer laminate with an optimised two-layer laminate has led to a 15% reduction in the carbon footprint of the Vache Bleue packaging.



## **Our Economy**

As a global leader in the packaging industry, Amcor has the product development capability and technical know-how to drive sustainability throughout the supply chain and the packaging life cycle. We focus on:

- Offering responsible packaging and supporting our customers' sustainability objectives;
- promoting the role and benefits of responsible packaging; and
- ensuring responsible and ethical sourcing/procurement.

## **Governance and business continuity**

Corporate governance is integral to the way we do business. It shapes our relationships with all our stakeholders, including shareholders, co-workers, customers, suppliers and the communities in which we operate. It provides the framework and control systems that help us to adhere to the highest ethical standards. Our approach to governance is to foster an organisation that supports individual and professional integrity and responsible behaviour in all facets of our business.

## **Board structure and processes**

We aspire to the highest standards of behaviour from all Amcor's co-workers. This can only be achieved through responsible leadership, accountability and a governance structure that is well communicated throughout the organisation.

Amcor's Board of Directors is responsible for the oversight of the corporate governance of the Company. The Board's focus is to enhance the interests of shareholders and other key stakeholders by providing oversight of the economic, environmental and social performance of the Group.

As of 30 June 2012, the Board consisted of one Executive Director (Ken MacKenzie, Managing Director and Chief Executive Officer) and seven independent, Non-Executive Directors. Our Chairman, Mr Chris Roberts, is an independent, non-executive member of the Board. The Board is 12.5% female, with one female Non-Executive Director. We do not collect data on the minority group membership or age of our Directors.

Board members are selected due to their extensive knowledge of the Company's industries or extensive experience in financial reporting and risk management at large companies. Well-established Executive, Audit and Compliance, Human Resources and Nomination Board Committees also ensure that Board responsibilities are upheld and executed to the highest level.

To ensure full disclosure and transparency, all Directors are required to report any potential conflicts of interest with those of the Company. An annual independence declaration from each independent Director helps facilitate this process.

As an Australian publicly-listed company, Amcor adheres to the ASX Listing Rules and the Corporations Act 2001 and operates under the guidance of the ASX Corporate Governance Principles and Recommendations (2nd Edition, with 2010 amendments).

## **Ethical standards and Code of Conduct**

All Amcor's Directors, managers and co-workers are expected to fulfil their functions with the utmost integrity, and with a focus on enhancing the reputation and performance of the Company.

Amcor aims to abide by the national laws in each country in which it operates and conduct its business in accordance with internationally accepted practices and procedures.

Our Code of Conduct and Ethics Policy sets out the core principles that all workers producing or providing products or services for Amcor, whether or not they are co-workers of Amcor, are expected to observe. The Policy stipulates Amcor's regard for the OECD Guidelines for Multinational Enterprises. The Code of Conduct and Ethics Policy was updated in January 2011, in response to changes in legislation on bribery and facilitation payments in the United Kingdom and renewed global focus on these issues.

The Code is promoted throughout the organisation and ongoing training is provided at all levels of the Company. It also forms a part of the induction program for new co-workers, where they are asked to sign a declaration confirming their commitment to the Code. Third parties, such as suppliers and contractors, are also expected to follow the principles of the Code when working with Amcor.

The Board reviews the Code of Conduct and Ethics Policy regularly and processes are in place to communicate these policies throughout the business. Our Code of Conduct and Ethics Policy can be viewed online at [www.amcor.com/policies](http://www.amcor.com/policies)

### **Reward for performance**

The remuneration of Amcor's senior managers is aligned to our core values of: Safety, Integrity, Teamwork, Social Responsibility and Innovation. We believe that linking management remuneration to Company values reinforces the importance of the Code of Conduct and Ethics Policy and promotes the development of a sound ethical culture.

As described in the Remuneration Report, contained within Amcor's Annual Report, Senior executives receive variable or 'at risk' remuneration that is dependent upon their performance as measured through Amcor's performance management process. This process includes an assessment of the executive's emphasis on Amcor's core values as well as their achievement of performance objectives.

### **Fraud and misconduct**

Amcor has a strict policy prohibiting fraud and corruption, as operating honestly is essential to the interests of all its stakeholders, whether they be shareholders, co-workers or customers.

Our Fraud Policy outlines our approach to assessing fraud risks and reporting, investigating and responding to suspected incidents of fraud and corruption.

The Policy is included in the employee induction program and is available on our Intranet and promoted through other internal communication channels.

Fraud risks are monitored by Amcor Management and Group Internal Audit, which conducts all fraud investigations. Any detected fraud is reported to senior Amcor management and to the Board Audit and Compliance Committee by Amcor's Group Internal Audit function.

During FY 2011/12, the Group Internal Audit team conducted audits of 34 Amcor sites and another 77 reviews of Amcor processes, projects, systems and controls. These reviews impacted Business Groups and Amcor sites and many considered fraud and corruption-related risks and controls.

The control posture of senior management at each site, with regard to Amcor values, including integrity, was also frequently assessed and reported by Group Internal Audit to the Board Audit and Compliance Committee during the year.

We are not aware of any instances of reported or suspected fraud that are material to the Amcor Group or individual Business Groups during the financial year.

### **Reporting potential misconduct**

Amcor co-workers have the opportunity to report any potential misconduct, such as illegal activity, a Code of Conduct breach, fraudulent or corrupt practices, harassment or discrimination, misleading or deceptive conduct, unethical behaviour, and health, safety or environmental hazards, through their nominated supervisor or via the Amcor Whistleblower Service.

The Amcor Whistleblower Service enables the reporting of any potential misconduct to an independent third party for investigation. Importantly, co-workers who report suspected inappropriate conduct under the Whistleblower Service are given immunity. The Board Audit and Compliance Committee and the HR Committee are briefed on the issues raised and the corresponding action taken. Sixty three Whistleblower reports were recorded during FY 2011/12, most of which were related to employee grievances.

External parties such as suppliers, consumers, contractors and customers can also report potential misconduct or make a complaint via a Third Party Complaints email and free post facility available on Amcor's website. These communications are delivered to the same forensic team that operates the Whistleblower Service.

### **Disclosure and communication processes**

Shareholders are a key stakeholder, and our Disclosure Policy ensures that they are provided with appropriate and timely information about the Company. This includes identifying matters that may have a material effect on the price of the Company's securities, notifying the ASX, posting relevant information on the Company's website and issuing media releases.

Details of other forms of shareholder communication are set out in the Shareholder Communication Policy, which is available on the Company's website.

The Annual General Meeting is the key platform for shareholders to communicate directly with the Amcor Board and raise issues or questions to the meeting. These generally pertain to the Company's financial and environmental performance and strategy direction. All members of the Board attend this meeting and shareholders are encouraged to play an active role as the owners of the Company.

Shareholders and employees may also communicate with the Board in writing, care of the Company Secretary, Amcor Ltd, 109 Burwood Road, Hawthorn, Victoria, Australia 3122. They can also raise concerns about misconduct via our Whistleblower service (refer above).

### **Business Continuity**

Business Continuity Amcor's business groups Presidents are responsible for the development, maintenance and regular review of Business Continuity Plans for strategically important sites and services, as identified in our enterprise-wide Business Impact Analysis process. Our Group Internal

Audit function audits the coverage and application of the Business Continuity policy as part of their annual audit program.

At the day-to-day operational level, all sites use a Deliveries 'In Full On Time In' Specification (DIFOTIS) as a key performance indicator and this is reported in monthly management reports produced by Presidents of each Amcor Business.

A description of our governance processes can be found in our 2012 Annual Report.

### **How we are doing**

During the 2011/12 year we strengthened our Business Continuity system, developing a consistent global approach as well as a global Business Continuity policy. The policy aims to minimise the impact and duration of disruption to strategically important sites and critical business functions and aligns our management practice with the ISO22301 standard - Societal security, business continuity management systems.

### **Public policy development and lobbying**

We participate in public policy development and lobbying on issues material to our business. This is conducted largely indirectly through our participation in industry organisations around the world. These organisations are listed in the Our Marketplace section of this report.

In Australia, we met three times during FY2011/12 with Martin Ferguson, Federal Minister for Resources, Energy and Tourism to raise our concern about the dramatic rises in electricity network charges that have impacted our business recently. We consider these increases to be unreasonable and not reflective of actual cost increases. These discussions will be ongoing.

Also in Australia, we made a submission to the Australian Government's Productivity Commission in response to their Packaging Impacts Consultation Regulation Impact Statement. Industry organisations, of which we are members, including the Australian Beverage Council and the Australian Food and Grocery Council also made submissions. Our submission included support for option 2b, an enhanced industry product stewardship scheme, as presented in the impact statement. We consider this option is most likely to deliver the required results at less cost than the other options.

We successfully lobbied the Victorian State Government in Australia to remove the Victorian Energy Efficiency Target (VEET) scheme charges for large energy users like Amcor. The scheme is designed to make energy efficiency improvements more affordable, contribute to the reduction of greenhouse gases, and encourage investment, employment and innovation in industries that supply energy efficiency goods and services. While Amcor agrees with the intent of the scheme its design unfairly penalises large energy users like Amcor who have already implemented energy efficiency measures and are unable to take advantage of the benefits of the scheme, yet must pay a disproportionate amount of the scheme charges, which are based on consumption.

As discussed in last year's sustainability report, we made submissions to the Australian Federal Department of Health and Ageing and the House of Representatives Standing Committee on Health and Ageing inquiry on the proposed Plain Tobacco Packaging Bill. Our submissions are available online on the Department of Health and Ageing and the Australian Government's House of Representatives websites. This legislation will be fully implemented by 1 December 2012.

### **Compliance: fines, sanctions, settlements and assistance**

Amcor received no material fines or non-monetary sanctions for non-compliance with laws or regulations during FY2011/12. Some minor fines are described in the 'Environment' section. The Company benefits from tax concessions and grants in certain countries but these do not have a material impact on its tax payments.

## **Sustainable business growth**

### **Our approach**

The financial profits we derive are only part of the overall economic contribution we make to society. Our contribution includes the value that flows from the broader contributions of our operations, such as payments to our co-workers and suppliers, the value we offer our customers and disbursements to governments, including taxes and royalties.

### **How we are doing**

#### **Financial performance**

We have continued to deliver excellent financial performance, with profit after tax and before significant items for the year ending 30 June 2012 being \$634.9 million, up 11.3% over last year. The result for FY2011/12 represented a record underlying profit, record returns and a record dividend for the company.

Our results for FY2011/12 can be found in the 2012 Annual Report, available online at [www.amcor.com/annualreport2012](http://www.amcor.com/annualreport2012) or in printed form by request.

## Direct economic impacts

Component	Comment	FY 2011/12 AUD (million)
<b>A. Direct economic value generated</b>		<b>12367.2</b>
a) Revenues	Net sales plus revenues from financial investments and sales of assets	12367.2
<b>B. Economic value distributed</b>		
b) Operating costs, including payments to suppliers, non-strategic investments, royalties and facilitation payments		<b>8,562.1</b>
c) Employee wages and benefits: total monetary outflows for employees (current payments, not future commitments)		2,451.0
d) Payments to providers of capital, including dividends and interest		644.2
e) Government taxes		129.6 Australasia 37.0 Europe 69.4 North America (7.2) Latin America 22.4 Asia 8.0
f) Voluntary community investments		0.4
<b>C. Economic value retained (A–B)</b>		<b>11787.3</b>
		579.9

## Managing climate change risks and opportunities

### Our approach

Climate change has the potential to have a substantial impact on economic systems and the industries they support. We recognise that climate change is a challenge for the packaging industry which will impact our suppliers, our customers and our own operations in many ways.

Amcor has been working for a number of years to reduce the greenhouse gas emissions associated with our supply chains, raw material inputs, manufacturing operations and products around the world. We identify and manage risks and opportunities arising from climate change and a low-carbon economy through our Enterprise Risk Management process.

Amcor holds different positions in a number of non-governmental and industry associations and groups that promote a science- and life-cycle based approach for addressing climate change and packaging sustainability. Our active and often leading participation in these organisations is raising awareness around the role of packaging and the opportunities for improvement across the value chain. Climate change is an integral and essential element of all these sustainability initiatives.



Amcor has assessed the likely climate change-related physical, market and regulatory risks and has introduced programs to mitigate or adapt to these changes, including: reporting on our global greenhouse gas (GHG) emissions, waste and water use to the executive team and Amcor’s stakeholders; development of global targets and action plans to reduce Amcor’s emissions, waste and water; a program to minimise the GHG emissions associated with our raw materials; inclusion of climate change-related risks and opportunities in Amcor’s enterprise risk management system; active engagement in policy debate on climate change; and incorporation of carbon due diligence into the environmental due diligence processes when major acquisitions are under consideration.

Amcor provides incentives for the management of climate change issues. Business group environmental target performance and the development and delivery of action plans to achieve targets are built in to Key Performance Indicators (KPIs) for Business Group Sustainability Leaders and other co-workers responsible for environmental performance. Satisfactory achievement of KPIs as reported through the Performance Management process triggers both the pay review and the Staff Incentive Plan (SIP) or Management Incentive Plan (MIP) processes, depending on the level of the individual person. Any co-worker or management member who has KPIs relating to environmental performance and fulfils those for the performance period is entitled to benefit from these incentives. Amcor Senior Leaders need to demonstrate that they “Actively promote environmental responsibility and sustainable business outcomes” to meet the gateway criteria for the MIP.

Achievements by individuals or teams in a variety of areas, including energy reduction projects and ideas, is recognised in internal newsletters and through various internal award programs.

## How we are doing

### Enterprise Risk Management

We have identified the following specific challenges and opportunities arising from climate change and are managing them within our Enterprise Risk Management system.

### Risks due to climate change

<b>Air pollution limits</b>	The use of solvents in the manufacture of some packaging products creates Volatile Organic Compounds (VOC). Decreased air pollution limits may require increased capital investment to allow us to meet any new regulatory requirements in terms of VOC emissions from our operations.
<b>Carbon taxes</b>	Failure to anticipate and adequately prepare for regulatory changes resulting from climate change, the widespread introduction of carbon taxes or radical reductions in emission trading scheme limits/ permits may result in increased operational costs.
<b>Changes in weather</b>	Changes in precipitation extremes, droughts and temperature extremes as well as increased severe weather events may cause property damage & business interruption due to flooding, storm surge, wild fires, hurricanes and cyclones. This may result in increased capital costs.
<b>Changes in consumer behaviour</b>	Changing consumer perceptions of packaging sustainability may lead to substitution of packaging products, for example; Aluminium to advanced plastics. Also, consumers may move away from products packaged in flexible packaging to those that use mono-material rigid packaging. Although flexible packaging is generally one of the best options when the whole life cycle

	environmental impacts are considered, it is perceived as one of the biggest environmental problems by consumers and customers as it is usually not recyclable. Even in the few regions where appropriate recovery infrastructure (mainly energy recovery) exist (Nordic countries, Germany, Switzerland, Benelux), consumers and customers often prefer recyclable packaging due to its positive image. This require us to adapt our manufacturing capabilities, with subsequent financial impacts.
<b>Iron ore in glass</b>	Increased levels of iron ore in glass as a raw material results in higher than expected CO <sub>2</sub> emissions when manufacturing glass packaging. This is primarily due to aging supplier machinery allowing higher levels of iron ore into supply chain. We may need to invest in capital equipment to counteract this.

### Opportunities due to climate change

<b>Carbon taxes</b>	Amcor is subject to regulation in many jurisdictions around the world, for example; The Energy Efficiency Opportunities (EEO) Act and The National Greenhouse and Energy Reporting (NGER) Act. As we work to reduce our emissions we will realise economic benefits due to reduced operational costs.
<b>Emission reporting obligations</b>	As we improve our reporting and analysis of energy consumption and greenhouse gas emissions for regulatory reporting requirements we will realise operational efficiency benefits that may reduce operational costs.
<b>Carbon taxes</b>	There is an opportunity to develop new markets and segments through light weight and low carbon packaging substitution, resulting in new products/business services.
<b>Change in precipitation extremes and droughts</b>	There is an opportunity to use Amcor's extensive expertise in high barrier films to improve the efficiency and light weighting of solar panels, resulting in greater demand for those products and wider social benefits
<b>Build reputation</b>	There is an opportunity to create value and enhance our corporate reputation through thought leadership in sustainable packaging, creating new areas of competitive advantage and potential increased demand for our products/services.

### Global forums

Amcor is active in several workstreams of the Consumer Goods Forum – Global Packaging Project. We are also represented on the Steering Committee for the Greenhouse Gas Protocol of the World Resources Institute/World Business Council for Sustainable Development. We indirectly participate in climate change public policy development through our membership in various industry associations around the world. These are listed in the Marketplace section of this report.

### Carbon Taxes and Emission Trading Schemes

We are impacted by carbon tax and emissions trading schemes around the world, including the Australian Government's Clean Energy Legislative package, the European Union's Emissions Trading Scheme, the 'Climate Change Agreements' program in the UK, the 'Covenants' program in Belgium and the official environmental programs in Switzerland (addressing the reduction of both CO<sub>2</sub> -e emissions and energy consumption). Amcor also pays carbon taxes in any countries where they are applicable.

## *Australia*

In Australia, Amcor is subject to the reporting requirements of both the Energy Efficiency Opportunities (EEO) Act 2006 and the National Greenhouse and Energy Reporting (NGER) Act 2007. The EEO Act requires the Australian business to assess its energy usage, including energy-saving opportunities, and to report publicly on the results and actions taken. Amcor complied with its reporting obligations under the EEO Act during the reporting period.

The NGER Act requires our Australian business to report annual greenhouse gas emissions and energy use. Systems and processes for the collection and calculation of data required have been updated to comply with the Clean Energy Regulator's audit requirements. Amcor submitted its 2010/11 report to the Greenhouse and Energy Data Officer in October 2011, who reported that there were no material errors or omissions. Amcor will submit its 2012 report by 31 October 2012.

The Australian Government's Clean Energy Legislative Package came into effect on July 1st, 2012. It impacts our Australian operations, which contribute approximately 20% of our sales revenue. Amcor Australasia generates approximately one million tonnes of scope 1 and 2 emissions as classified under the carbon pricing scheme. The majority of these emissions arise from two paper mills, a cartonboard mill, and our glass container operations. While Amcor will receive some assistance from the Australian government on scope 1 and 2 emissions, the impact of scope 3 emissions is dependent on how we manage our exposure against rising input costs in the supply chain. We have modelled the scope 3 pass through from our supply chain, including incorporating information on which of our suppliers will receive Government assistance and at what level. The model has been applied to an Amcor product level, providing information about the impact of carbon pricing on different packaging formats.

Our Australian business qualifies for Emissions Intensive Trade Exposed (EITE) assistance from the Australian Government under the Jobs and Competitiveness Program. Some of our business units have been also been granted EITE assistance for the increase in the Mandatory Renewable Energy Target (MRET), which has increased from 2% in 2010 to 20% by 2020. Our Paper and Cartonboard businesses will receive 94.5% free permits under the EITE Assistance Scheme. Assistance for our Glass business will be 66%. During FY2011/12 we received \$2.3 million in government assistance for renewable energy charges.

Changes to assistance under the Jobs and Competitiveness Program mean that EITE businesses will receive carbon permits based on the industry average emissions, multiplied by the assistance factor. In this situation, Amcor is likely to be a net seller of permits.

We have already realised direct economic benefits as a result of our emission-reduction efforts. During FY2011/12, we sold energy saving certificates in Australia for a value of approximately \$300,000. This arose from energy efficiency projects implemented at our Botany paper mill. We also received two grants under the Australian Clean Energy Futures package, totalling \$70,000.

## *Europe*

Amcor currently participates in the European Union's Emissions Trading Scheme. During the calendar year 2011, we were allocated 17531 allowances and had verified emissions of 7259 metric tonnes of CO<sub>2</sub>e from the facilities we own and operate in the EU.

We also participate in the 'Climate Change Agreements' program in the UK, the 'Covenants' program in Belgium and the official environmental programs in Switzerland. Amcor also pays carbon taxes in

any countries where they are applicable. We co-chair the joint Sustainability Committee of Flexible Packaging Europe and the European Aluminium Foil Association.

### **North America**

We belong to various industry groups that work with policymakers on recycling issues and the environmental and social effects of packaging. For example, we hold a position on the Executive Committee of the National Association for PET Container Resources (NAPCOR). We are also represented on the Executive Committee of the Sustainable Packaging Coalition and are active in several projects.

Our Dunkirk, New York site received a \$67389 rebate from the US National Grid incentive when they invested \$136,880 to upgrade the lighting on their site.

Selected information on this page pertaining to realised direct economic benefits as a result of our emission-reduction efforts, Amcor's participation in the European Union's Emissions Trading Scheme, and the Dunkirk, New York site's rebate from the US National Grid incentive has been assured by Net Balance.

## **Our Approach to reporting**

Amcor reports in accordance with the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines (2006) and AccountAbility's AA1000 Assurance Standard (2008).

This approach provides information in a format that allows for benchmarking against various international standards and our corporate peers.

In accordance with GRI Guidelines, our reporting covers all entities that generate significant sustainability impacts (actual and potential) and all entities over which we exercise control or significant influence with regard to financial and operating policies and practices. Our reporting covers topics and indicators that reflect Amcor's material economic, environmental and social impacts or issues that would substantively influence the assessment or decisions of our stakeholders.

In this report, 'Amcor' refers to Amcor Limited (ABN 62 000 017 372) and its subsidiaries. The statistics in this report represent the 12-month period to 30 June 2012 and are for sites wholly-owned by Amcor during that period. All financial figures in the report are in Australian dollars, unless otherwise indicated.

The information and data in both the Summary Report and the online report has been assured in accordance with the AA100 Assurance Standard (2008) by Net Balance Management Group Pty Ltd

## **Greenhouse gas emissions**

Scope 1 and 2 greenhouse gas emissions are calculated based on the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition).

Scope 1 emission factors for fuel combustion are sourced from the World Resources Institute (2008) GHG Protocol Tool for Stationary Combustion, Version 4.0. Other scope 1 emission factors are estimated assuming complete chemical reaction.

Scope 2 emission factors for most countries are sourced from the International Energy Agency CO2 Emissions from Fuel Combustion (2010 Edition). For Australia, scope 2 emission factors are sourced from the National Greenhouse Accounts Factors 2011 at a state level, and for the USA scope 2 emission factors are sourced from the EPA e-GRID 2010 tool at a regional grid level.

Material categories for scope 3 greenhouse gas emissions reporting are determined using the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Our Scope 3 emissions are estimated using information from our suppliers, consultants and conversion factors sourced from publicly available databases contained within our lifecycle analysis software.

## **Reporting scope**

There are no significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.

## **Significant changes during the reporting period**

During FY2011/12 Amcor completed several acquisitions, detailed on page 79 of our 2012 Annual Report.

The only material acquisition that has been considered in the preparation of this report is that of the Aperio Group, a leading flexible packaging manufacturer in the Asia Pacific, with 13 sites across Australia, New Zealand and Thailand. The environmental and workplace safety data from those sites was not included in this report, but employee numbers were.

Our Glass Tubing business was sold to Nipro Corporation in July 2011. Data from this business has been excluded from this report. This included one site in each of Belgium, France and Canada and another six sites in the USA.

None of these changes have had a material impact on our sustainability performance.

Further information about minor divestments and acquisitions can be found in Amcor's 2012 Annual Report.

## **Restatements**

The water consumption baseline for FY2010/11 has been restated.

## **Where to find our other reports**

Amcor publishes an Annual Report containing financial information and an Annual review of operations every October. These are available for download from [www.amcor.com](http://www.amcor.com).

## **Previous reports**

The Amcor Sustainability report is published annually and was last released in October 2011. This year's report and all preceding reports are available for download.

While every effort has been made to ensure the accuracy of the information, anyone seeking to rely on information in this report or seeking to draw detailed conclusions from the data should contact the Company for verification and assistance.

## Questions and feedback

Questions and feedback about this report should be directed to Amcor via the 'Contact us' enquiry form on our website at: [http://www.amcor.com/contact\\_us/enquiry/contact\\_enquiry\\_form.html](http://www.amcor.com/contact_us/enquiry/contact_enquiry_form.html)

## Independent Assurance statement



Net Balance Management Group Pty Ltd  
Level 4, 460 Bourke Street  
Melbourne VIC 3000 Australia  
T +61 3 8641 6400  
F +61 3 9600 1295  
E [info@netbalance.com](mailto:info@netbalance.com)  
W [netbalance.com](http://netbalance.com)

### To the Board and Management of Amcor Limited:

Amcor Limited (Amcor) commissioned Net Balance Management Group Pty Ltd (Net Balance) to provide independent assurance over the content of the 2012 Group Sustainability Report (the Report). The Report presents Amcor's sustainability performance over the period 1 July 2011 to 30 June 2012. Amcor was responsible for the preparation of the Report and this statement presents our opinion as independent assurance providers. Net Balance's responsibility in performing its assurance activities is to the Board and Management of Amcor in accordance with the terms of reference agreed with them. Other stakeholders should perform their own due diligence before taking any action as a result of this statement.

### Assurance Standard and Objectives

The assurance engagement was undertaken in accordance with AccountAbility's AA1000 (2008) Assurance Standard (AA1000AS). This standard allows for the evaluation of an organisation's management, performance and reporting on sustainability issues.

This was undertaken by evaluating the organisation's adherence to the AA1000 AccountAbility Principles (2008) of:

**Inclusivity:** How does the organisation include stakeholders in developing and achieving an accountable and strategic response to corporate responsibility and sustainability?

**Materiality:** How does the organisation include in its reporting the material (most important) information required by its stakeholders to make informed judgements, decisions and actions?

**Responsiveness:** How does the organisation respond to stakeholder concerns, policies and relevant standards and adequately communicate these in its reporting.

Assurance of the accuracy and quality of selected sustainability performance information was guided by the Australian Standard on Assurance Engagements ASAE3000 Assurance Engagements other than Audits or Review of Historical Financial Information (ASAE3000) issued by the Australian Auditing and Assurance Standards Board.

### Assurance Type, Level, Scope and Limitations

Net Balance provided Type 2 moderate level of assurance in accordance with the AA1000AS. The review of adherence to the Principles was undertaken using the criteria outlined in the AA1000 Assurance Principles Standard (2008), while assessment of the accuracy and quality of selected sustainability performance information was guided by the ASAE3000. A third-party level check of the Report against the Global Reporting Initiative (GRI) G3.1 Guidelines was also provided. The topics

covered by this assurance engagement and the criteria used during the process included the following:

**Table 1: Sustainability Performance information selected for assurance**

Performance Area	Assessment Criteria	Report and Website Reference
Governance: Labour Practices, Fines and Penalties.	GRI Indicators: HR6, HR7, SO8.	Our Economy and Workplace Sections, GRI Table and <a href="http://amcor.com/sustainability">amcor.com/sustainability</a>
Economic: Climate Change Impacts.	GRI Indicators: EC2, EN5, EN6, EN7, EN18.	Our Environment and Economy Sections, GRI Table and <a href="http://amcor.com/sustainability">amcor.com/sustainability</a>
Environment: Recycled inputs, Energy & Greenhouse Gas Emissions, Water, Waste, and Compliance.	GRI Indicators: EN2, EN3, EN4, EN8, EN16, EN17, EN22, EN23, EN28.	Our Environment Section, GRI Table and <a href="http://amcor.com/sustainability">amcor.com/sustainability</a>
Workplace Performance: Safety, Attraction and Retention, Diversity and Equal Opportunity.	GRI Indicators: LA7, LA8, LA10, LA12, LA13, HR4.	Our Workplace Section, GRI Table and <a href="http://amcor.com/sustainability">amcor.com/sustainability</a>
Society: Social Licence to Operate.	GRI Indicator: SO1. AA1000 Principles of Inclusivity and Responsiveness.	Our Community Section, GRI Table and <a href="http://amcor.com/sustainability">amcor.com/sustainability</a>
Product Responsibility: Responsible Packaging, Ethical Procurement.	GRI Indicator: EN26. AA1000 Principles of Inclusivity and Responsiveness.	Our Marketplace and Environment Sections, GRI Table and <a href="http://amcor.com/sustainability">amcor.com/sustainability</a>

The assurance scope excluded the following:

- The scope of work did not involve assurance of financial data, other than that relating to environmental, social or broader economic performance where applicable.
- The head office was visited as part of this assurance engagement with any non-head office data being reviewed remotely.
- Net Balance has adopted an approach of visiting one division each year other than the head office so that all Amcor divisions are covered over time. This year, Net Balance visited Amcor Australasia following our visit of Amcor Flexibles Europe & Americas head office in Zurich last year.

## Assurance Methodology

The assurance engagement was undertaken in September 2012, and involved:



- Interviews with Amcor Group managers responsible for oversight of the sustainability strategy, environmental performance, occupational health and safety, internal audit and compliance. Interviews were also held with Amcor Australian managers responsible for environment, community and climate change management.
- A review of the Amcor's Materiality determination process.
- Interviews with key personnel responsible for collating and writing various parts of the Report to substantiate the reliability of selected claims
- A review of Report content for any significant omissions and anomalies, particularly in relation to claims as well as trends in data.
- Testing of selected data points and statements relating to the subject matter outlined in Table 1.
- A Global Reporting Initiative (GRI) G3.1 application level assessment.

## Our Independence

Net Balance was not responsible for preparing any part of the Report. During the period, separate Net Balance team members were engaged by Freehills on behalf of Amcor Australasia to provide an expert opinion on air and stormwater issues and to undertake a stormwater audit. This work was not within the scope of the Group level engagement and as such it was not reviewed during the assurance engagement. Net Balance confirms that we are not aware of any other issue that could impair our objectivity in relation to this assurance engagement, in accordance with our Independence Policy, a copy of which is available at <http://www.netbalance.com/services/assurance>.

## Our Competency

The Amcor assurance engagement was carried out by an experienced team of professionals led by a Lead Sustainability Assurance Practitioner (Lead CSAP), accredited by AccountAbility in the UK. The project included personnel with expertise in environmental, social and economic performance measurement across a range of industry sectors. Net Balance is a global leader in the use of AccountAbility's AA1000AS, having undertaken over 150 assurance engagements in Australia in the past six years. **The project team also – THIS TEXT APPEARS ON THE WEBSITE, I THINK IT IS AN ERROR/TYPO**

## Findings and Conclusions

### Adherence to AA1000 Principles

#### *Inclusivity:*

Amcor was found to have approaches in place to engage with key internal and external stakeholders on the Group's material issues. This year's engagement focused on the testing of Amcor's Australasian operations approach to inclusivity. Senior management personnel in Melbourne were interviewed on topics included carbon pricing, energy management, environmental compliance and community engagement. Amcor was found to have appropriate processes in place which facilitate engagement with key stakeholder groups.

#### *Materiality:*

Net Balance reviewed Amcor's Group materiality assessment process and found the process to include detailed peer reviews, benchmarking and inputs from Amcor's various engagements with

stakeholders. The issues identified through this process were found to reflect key issues that are currently being managed across the Group. This year's engagement focused on the testing of Amcor's Australasian operation's management of material issues. Amcor Australasia was found to have strategies and systems in place to assist the business manage areas including carbon pricing, energy management, environmental compliance and community engagement.

### ***Responsiveness:***

Net Balance tested the responsiveness of Amcor to the management of the selected material issues through a series of interviews with management, the review of performance management systems and supporting documentation. During the reporting period, Amcor was found to have commenced reporting on performing against their environmental targets to the Executive team. This approach ensures that each area of the business is focuses on delivering on the Group's environmental improvement goals. Externally, Amcor is also represented at various industry interest groups globally and plays an advocacy role in the area of responsible packaging, waste reduction and innovation technologies from a customer-centric perspective.

### **Reliability of Performance Information**

Based on the scope of the assurance process, the following was observed with regard to performance information:

- The findings of the assurance engagement provide confidence in the systems and processes used for managing and reporting sustainability performance information included in the scope of this assurance engagement.
- The level of accuracy of sustainability performance information was found to be acceptable.
- Data trails selected were identifiable and traceable, and the personnel responsible were able to reliably demonstrate the origin and interpretation of data.
- The GRI application level check found that the reporting was classified as B+ in accordance with the GRI 3.1.
- Based on our assurance procedures, nothing has come to our attention that causes us to conclude that the selected sustainability performance information has not been prepared, in all material respects, in accordance with the criteria as presented in Table 1.

### **The Way Forward**

Overall, it is Net Balance's opinion that nothing came to our attention to indicate that the Report was not a fair representation of Amcor's environmental, social and economic performance during the reporting period.

To ensure Amcor continues to improve Net Balance has provided a number of recommendations. These recommendations relate to the consolidation of sustainability data management systems across the Group to improve data management, the enhancement of the material issues determination process to reflect a value chain based approach, and further engagement with suppliers and customers on sustainability issues and responsible packaging innovations. Further detail on these recommendations has been provided in a report to Amcor's Board and Management.

On behalf of the assurance team  
28 September 2012  
Melbourne, Australia



Terence Jeyaretnam  
Terence Jeyaretnam, FIEAust  
Director, Net Balance & Lead CSAP (AccountAbility UK)



## Mapping to the GRI – GRI 3.1 Content Index

Application Level: B+ | Third-party-checked | Assured by [Net Balance](#)

Profile Disclosure	Description	Reported	Cross reference/direct answer
--------------------	-------------	----------	-------------------------------

### STANDARD DISCLOSURES PART I: Profile Disclosures

#### 1. Strategy and Analysis

1.1	Statement from the most senior decision-maker of the organization.	Fully	Message from the CEO & MD
1.2	Description of key impacts, risks, and opportunities.	Fully	Materiality assessment

#### 2. Organizational Profile

2.1	Name of the organization.	Fully	<a href="#">Our approach</a> to reporting
2.2	Primary brands, products, and/or services.	Fully	<a href="#">Who we are and what we do</a>
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	<a href="#">Who we are and what we do</a>
2.4	Location of organization's headquarters.	Fully	<a href="#">Who we are and what we do</a>
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	<a href="#">Who we are and what we do</a>
2.6	Nature of ownership and legal form.	Fully	<a href="#">Our approach to</a> reporting
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	<a href="#">Who we are and what we do</a>
2.8	Scale of the reporting organization.	Fully	<a href="#">Who we are and what we do</a> & via website: <a href="#">Amcorg at a glance</a>
2.9	Significant changes during the reporting period regarding size, structure, or	Partially	

Profile Disclosure	Description	Reported	Cross reference/direct answer
	ownership.		<a href="#">Our approach to reporting</a>
2.10	Awards received in the reporting period.	Fully	<a href="#">Awards and recognition</a>

### 3. Report Parameters

3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	July 1st 2011 to June 30th 2012
3.2	Date of most recent previous report (if any).	Fully	October 2011
3.3	Reporting cycle (annual, biennial, etc.)	Fully	Annual
3.4	Contact point for questions regarding the report or its contents.	Fully	Via website <a href="#">enquiry form</a>
3.5	Process for defining report content.	Partially	<a href="#">Materiality assessment &amp; Risk Management</a>
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	Fully	<a href="#">Our approach to reporting</a>
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	The report covers Amcor's global operations. Joint-ventures are not covered in this report.
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	The report covers Amcor's global operations. Joint-ventures are not covered in this report.
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Partially	<a href="#">Our approach to reporting</a>
3.10	Explanation of the effect of any re-statements of information provided in	Fully	The water consumption baseline for FY2010/11 has been restated.

Profile Disclosure	Description	Reported	Cross reference/direct answer
	earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).		
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	<a href="#">Our approach to reporting</a>
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	This table
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	Our report has been assured in accordance with the AA100 Assurance Standard (2008) by Net Balance Management Group Pty Ltd. Refer to the <a href="#">Independent Assurance statement</a>

#### 4. Governance, Commitments, and Engagement

4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	Via website: <a href="#">Amcor Annual Report 2012</a> Section: Directors' Report Sub-section: Corporate governance statement Page: 43
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Via website: <a href="#">Amcor Annual Report 2012</a> Section: The Board of Directors and Company Secretary Page: 18-20
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	Via website: <a href="#">Amcor Annual Report 2012</a> Section: The Board of Directors and Company Secretary Pages: 18 - 20
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	<a href="#">Stakeholder engagement</a>
	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including	Fully	Via website: <a href="#">Amcor Annual Report 2012</a> Section: The Board of Directors and Company Secretary Page: 18 - 20

Profile Disclosure	Description	Reported	Cross reference/direct answer
	social and environmental performance).		
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	Via website: <a href="#">Amcor Annual Report 2012</a> Section: Directors' Report Sub-section: Remuneration report Page: 36
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Fully	Via website: <a href="#">Amcor Annual Report 2012</a> Section: Directors' Report Sub-section: Corporate Governance Statement Page: 43
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	<a href="#">Our sustainability framework</a> & via website: <a href="#">Corporate Code of Conduct and Ethics Policy</a>
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	<a href="#">Amcor Annual Report 2012</a> Section: Directors' Report Sub-section: Statutory Matters, Corporate Governance Statement -pages: 22, 43
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	<a href="#">Amcor Annual Report 2012</a> Section: Directors' Report Sub-section: Remuneration Report Page: 36
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	<a href="#">Implementing environmental management systems and improving our performance</a>
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	Our approach to sustainability is aligned with ISO:26000. We have regard to the OECD Guidelines for Multinational Enterprises, as described in our Corporate Code of Conduct and Ethics policy. Amcor supports many industry and government initiatives on packaging, as described in : <a href="#">Promoting the role and benefits of</a>

Profile Disclosure	Description	Reported	Cross reference/direct answer
			<a href="#">responsible packaging</a>
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Fully	<a href="#">Promoting the role and benefits of responsible packaging</a>
4.14	List of stakeholder groups engaged by the organization.	Fully	<a href="#">Stakeholder engagement</a>
4.15	Basis for identification and selection of stakeholders with whom to engage.	Partially	<a href="#">Stakeholder engagement</a>
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	<a href="#">Stakeholder engagement</a>
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	<a href="#">Stakeholder engagement</a>

---

## STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)

### *DMA EC Disclosure on Management Approach EC*

Aspects	Economic performance	Fully	<a href="#">Our Economy</a> & via website: <a href="#">Product Leadership and Innovation Policy</a>
	Market presence	Fully	<a href="#">Our Economy</a>
	Indirect economic impacts	Fully	<a href="#">Our Economy</a>

### *DMA EN Disclosure on Management Approach EN*

Aspects	Materials	Fully	The life cycle assessments we perform are based on the ISO 14040 standard, which includes assessing the impact of raw materials. These assessments are
---------	-----------	-------	--



Profile Disclosure	Description	Reported	Cross reference/direct answer
			performed during our product development process or as standalone projects. Many of our sites are compliant to ISO 14001 or equivalent, which includes consideration of the environmental impact of raw materials. Fibre and Polymers make up over 80% of our raw materials. Over 85% of our fibre products are made from recycled materials. One of the main users of polymers is our Flexibles Europe & Americas Business Unit, which commenced sustainability assessments of suppliers in 2010-11. More in: <a href="#">Offering responsible packaging and supporting our customers' sustainability objectives</a>
	Energy	Fully	Our greenhouse gas emissions are closely aligned to the our energy use. By managing greenhouse gas emissions to achieve our EnviroAction targets we manage our energy use.
	Water	Fully	<a href="#">EnviroAction targets</a> & via website: <a href="#">Environment Policy</a>
	Biodiversity	Not	Not material
	Emissions, effluents and waste	Fully	<a href="#">EnviroAction targets</a> , <a href="#">Implementing environmental management systems and improving our performance</a> & via website: <a href="#">Environment Policy</a>
	Products and services	Fully	<a href="#">EnviroAction targets</a> & via website: <a href="#">Environment Policy</a>
	Compliance	Fully	<a href="#">Implementing environmental management systems and improving our performance</a> & via website: <a href="#">Environment Policy</a>
	Transport	Partially	The majority of our transport is undertaken by third party contractors.
	Overall	Fully	<a href="#">Our Environment</a> & via website: <a href="#">Environment Policy</a>

Profile Disclosure	Description	Reported	Cross reference/direct answer
<b><i>DMA LA</i></b>	<b><i>Disclosure on Management Approach LA</i></b>		
Aspects	Employment	Fully	<a href="#">Our workplace</a>
	Labor/management relations	Fully	<a href="#">Our workplace</a>
	Occupational health and safety	Fully	<a href="#">Maintaining a safe workplace</a>
	Training and education	Fully	<a href="#">Engaging and developing our co-workers</a>
	Diversity and equal opportunity	Fully	<a href="#">Diversity and equal opportunity</a>
<b><i>DMA HR</i></b>	<b><i>Disclosure on Management Approach HR</i></b>		
Aspects	Investment and procurement practices	Fully	<a href="#">Working across value chain to reduce environmental impacts of our products</a>
	Non-discrimination	Fully	<a href="#">Diversity and equal opportunity</a>
	Freedom of association and collective bargaining	Fully	All Amcor employees are free to participate in collective bargaining and associate with political and similar associations in a private capacity.
	Child labor	Fully	<a href="#">Diversity and equal opportunity</a>
	Forced and compulsory labor	Fully	<a href="#">Diversity and equal opportunity</a>
	Security practices	Not	As a manufacturer of packaging, security practices are not a material issue for Amcor
	Indigenous rights	Fully	In locations where this is a material issue our corporate code of conduct and ethics policy guides decisions about indigenous rights.
<b><i>DMA SO</i></b>	<b><i>Disclosure on Management Approach SO</i></b>		
Aspects	Community	Fully	<a href="#">Our Community</a>
	Corruption	Fully	Via website: <a href="#">Corporate Code of Conduct and Ethics Policy</a> & <a href="#">Fraud Policy</a>
	Public policy	Fully	<a href="#">Governance and business continuity</a>

Profile Disclosure	Description	Reported	Cross reference/direct answer
	Anti-competitive behavior	Fully	Via website: <a href="#">Corporate Code of Conduct and Ethics Policy</a>
	Compliance	Fully	<a href="#">Governance and business continuity</a>

***DMA PR***      ***Disclosure on Management Approach PR***

Aspects	Description	Reported	Cross reference/direct answer
	Customer health and safety	Fully	The health and safety impacts of our products are managed through our use of life cycle assessments and through ISO 14001 compliant or equivalent management systems. Many of our products are used to package food, pharmaceuticals and medical products that require compliance to regulations governing end user health and safety. More in <a href="#">Promoting the role and benefits of responsible packaging</a>
	Product and service labelling	Fully	This aspect is not material. Product labelling is generally determined by Amcor's customers and we do not have significant control over this matter.
	Marketing communications	Partially	Amcor generally sells to other businesses, not end users of our products, with whom we typically have long term relationships. Marketing communications are not a material aspect of our business operations.
	Customer privacy	Partially	Amcor maintains a central global customer database, which is managed by a third party offering best practice in this area. Smaller customer databases exist within some business units. The data is predominantly information about other businesses and their employees' contact details. We typically do not keep personal data such as banking information or home addresses.
	Compliance	Partially	This matter is not material to Amcor as there are very few laws and regulations governing the provision and use of

Profile Disclosure	Description	Reported	Cross reference/direct answer
--------------------	-------------	----------	-------------------------------

packaging products.

Performance Indicators

## STANDARD DISCLOSURES PART III

### Economic

#### *Economic performance*

EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	<a href="#">Sustainable business growth</a>
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Fully	
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	Via website: <a href="#">Note 24 of our 2012 Annual Report</a>
EC4	Significant financial assistance received from government.	Fully	<a href="#">Managing climate change risks and opportunities</a>

#### *Market presence*

EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Not	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Not	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Not	

#### *Indirect economic impacts*

EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through	Not	
-----	---	-----	--

Profile Disclosure	Description	Reported	Cross reference/direct answer
--------------------	-------------	----------	-------------------------------

commercial, in-kind, or pro bono engagement.

EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Not	
-----	--	-----	--

## Environmental

### Materials

EN1	Materials used by weight or volume.	Fully	<a href="#">Working across value chain to reduce environmental impacts of our products</a>
EN2	Percentage of materials used that are recycled input materials.	Fully	<a href="#">Working across value chain to reduce environmental impacts of our products</a>

### Energy

EN3	Direct energy consumption by primary energy source.	Fully	<a href="#">EnviroAction targets</a>
EN4	Indirect energy consumption by primary source.	Fully	<a href="#">EnviroAction targets</a>
EN5	Energy saved due to conservation and efficiency improvements.	Fully	<a href="#">EnviroAction targets</a>
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	<a href="#">Promoting the role and benefits of responsible packaging</a>
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Partially	<a href="#">EnviroAction targets</a>

### Water

EN8	Total water withdrawal by source.	Fully	<a href="#">EnviroAction targets</a>
EN9	Water sources significantly affected by withdrawal of water.	Not	
EN10	Percentage and total volume of water recycled and reused.	Not	

Profile Disclosure	Description	Reported	Cross reference/direct answer
--------------------	-------------	----------	-------------------------------

### *Biodiversity*

EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not	Not material for Amcor
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not	Not material for Amcor
EN13	Habitats protected or restored.	Not	Not material for Amcor
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Not	Not material for Amcor
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not	Not material for Amcor

### *Emissions, effluents and waste*

EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	<a href="#">EnviroAction targets</a>
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	<a href="#">EnviroAction targets</a>
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	<a href="#">EnviroAction targets</a>
EN19	Emissions of ozone-depleting substances by weight.	Fully	<a href="#">EnviroAction targets</a>
EN20	NOx, SOx, and other significant air emissions by type and weight.	Partially	Amcor does not emit a significant amount of NOx or SOx and thus does not collect data on this matter
EN21	Total water discharge by quality and destination.	Not	
EN22	Total weight of waste by type and disposal method.	Fully	<a href="#">EnviroAction targets</a>

Profile Disclosure	Description	Reported	Cross reference/direct answer
EN23	Total number and volume of significant spills.	Fully	<a href="#">EnviroAction targets</a>
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not	Not material for Amcor

---

### *Products and services*

EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Partially	<a href="#">Promoting the role and benefits of responsible packaging</a>
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Partially	<a href="#">Working across value chain to reduce environmental impacts of our products</a>

---

### *Compliance*

EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	<a href="#">Implementing environmental management systems and improving our performance</a>
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Not	

---

### *Overall*

EN30	Total environmental protection expenditures and investments by type.	Not	
------	--	-----	--

Profile Disclosure	Description	Reported	Cross reference/direct answer
--------------------	-------------	----------	-------------------------------

## Social: Labor Practices and Decent Work

### *Employment*

LA1	Total workforce by employment type, employment contract, and region.	Fully	<a href="#">Our workplace</a>
LA2	Total number and rate of employee turnover by age group, gender, and region.	Not	-
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Not	

### *Labor/management relations*

LA4	Percentage of employees covered by collective bargaining agreements.	Not	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Not	

### *Occupational health and safety*

LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Not	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Fully	<a href="#">Maintaining a safe workplace</a>
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Partially	<a href="#">Maintaining a safe workplace</a>
LA9	Health and safety topics covered in formal agreements with trade unions.	Not	



Profile Disclosure	Description	Reported	Cross reference/direct answer
--------------------	-------------	----------	-------------------------------

### *Training and development*

LA10	Average hours of training per year per employee by employee category.	Partially	<a href="#">Engaging and developing our co-workers</a>
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Not	
LA12	Percentage of employees receiving regular performance and career development reviews.	Fully	Engaging and developing our co-workers

### *Diversity and equal opportunity*

LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	<a href="#">Diversity and equal opportunity</a> & <a href="#">Governance and business continuity</a>  Amcor currently tracks only gender diversity. Responses to requests for information about membership of minority groups and other diversity indicators is not mandatory in some countries we operate in and is illegal in other countries so data collection is not possible.
LA14	Ratio of basic salary of men to women by employee category.	Not	

### **Social: Human Rights**

#### *Investment and procurement practices*

HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Not	
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Not	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to	Not	

Profile Disclosure	Description	Reported	Cross reference/direct answer
	operations, including the percentage of employees trained.		
<i>Non-discrimination</i>			
HR4	Total number of incidents of discrimination and actions taken.	Fully	<a href="#">Diversity and equal opportunity</a>
<i>Freedom of association and collective bargaining</i>			
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Not	
<i>Child labor</i>			
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Fully	<a href="#">Forced and child labour</a>
<i>Forced and compulsory labor</i>			
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Fully	<a href="#">Forced and child labour</a>
<i>Security practices</i>			
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Not	Not material for Amcor
<i>Indigenous rights</i>			
HR9	Total number of incidents of violations involving rights of indigenous people and	Not	Not material for Amcor

Profile Disclosure	Description	Reported	Cross reference/direct answer
	actions taken.		

---

## Social: Society

### Community

SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Partially	<a href="#">Community engagement</a>
-----	---	-----------	--------------------------------------

### Corruption

SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	<a href="#">Governance and business continuity</a>
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Not	
SO4	Actions taken in response to incidents of corruption.	Not	

---

### Public policy

SO5	Public policy positions and participation in public policy development and lobbying.	Fully	<a href="#">Managing climate change risks and opportunities</a>
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Not	

---

### Anti-competitive behaviour

SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	<a href="#">Governance and business continuity</a>
-----	---	-------	--

---

### Compliance

SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	<a href="#">Governance and business continuity</a>
-----	--	-------	--

Profile Disclosure	Description	Reported	Cross reference/direct answer
--------------------	-------------	----------	-------------------------------

## Social: Product Responsibility

### *Customer health and safety*

PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	<a href="#">Offering responsible packaging and supporting our customers' sustainability objectives</a>
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Fully	<a href="#">Offering responsible packaging and supporting our customers' sustainability objectives</a>

### *Product and service labelling*

PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Not	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	Not	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	<a href="#">Customer satisfaction</a>

### *Marketing communications*

PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Not	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Not	

Profile Disclosure	Description	Reported	Cross reference/direct answer
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Not	

---

*Compliance*

PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Not	
-----	---	-----	--