



Amcor FY22 TCFD Report

A Letter from Michael Casamento

As the world changes, we know, at Amcor, we need to change with it and to consistently work to make it a better place for future generations. Our key stakeholders – notably investors, but also customers, their consumers, regulators, and our Amcor colleagues – are increasingly focused on sustainability and environmental issues.

As part of this evolution, climate change has steadily risen in importance on the list of topics most material to Amcor and our stakeholders. We continue to adjust our business strategy accordingly, because we know our commitment to responsible packaging is integral to our success as THE leading global packaging company.

Amcor's focus on making our operations and supply chain more efficient to reduce greenhouse gas emissions and designing innovative packaging with a lower lifecycle carbon footprint, combined with our broader ambition to develop a circular economy for packaging, are critical to our view of how we decarbonize our business.

As part of our work to consider the environmental impacts of our products and operations, we undertook a climate scenario analysis exercise this year to understand Amcor's relationship to climate change and how it might affect our business moving forward. Through this exercise, we explored our climate-related impacts and identified interventions to help us anticipate and mitigate potential risks and capture future opportunities.

In this report – our first written in alignment with the Task Force on Climate-Related Financial Disclosure (TCFD) framework – we share the results of our climate scenario analysis, along with information about our climate governance structure, risk management approach, and performance metrics. Through this work, we are able to make intelligent business decisions on both sustainability and climate risks, as well as other issues, to help drive Amcor forward and provide greater value for our stakeholders.

Our first TCFD report is yet another important step in our ongoing journey to integrate sustainability into our strategy and risk management framework. As Amcor's Chief Financial Officer, I know just how vital this issue is to Amcor's investors and other stakeholders. This is why at the boardroom level and throughout the organization, we are all highly involved and connected with Amcor's work on sustainability – it is business critical.

We look forward to sharing future updates with our investors, customers, and other stakeholders as climate-related issues evolve and develop – and while our strategy for addressing them grows in tandem.

We continue to work to enhance our disclosures and encourage our stakeholders to provide feedback by emailing amcor.sustainability@amcor.com.



Climate Governance

Amcor's Board and its committees oversee the execution of Amcor's environmental, social, and governance strategies and initiatives as an integrated part of their oversight of the company's overall strategy and risk management.

The assessment and management of Amcor's global sustainability strategy - including climate-related issues - is centrally coordinated by our Vice President of Sustainability, who reports to our Chief Commercial Officer. This work is supported by the Sustainability Leadership Council (SLC), comprised of global and Business Group sustainability leaders and other leaders from safety, procurement, communications, and commercial functions. The SLC coordinates sustainability activities across the company and ensures the sharing of information, ideas, and feedback. It is led by experts with deep knowledge of sustainability topics including greenhouse gas (GHG) emissions and climate change.

Members of the SLC act as key drivers of sustainability within their businesses. They support the ongoing collection of environmental data, tracking of progress toward GHG emission reduction targets, identification of climate-related risks and opportunities specific to their region, and localized alignment with other leaders within the Business Group on interventions to limit the impacts of climate change. The SLC formally meets once a month to review and coordinate a range of initiatives, including Amcor's commitment to set science-based targets and the review of our climate scenario analysis results. Members of the SLC were also directly involved in the interviews and workshops conducted as part of Amcor's climate scenario analysis exercise completed in June 2022.

Each Business Group's strategy and results are reviewed quarterly by Amcor's Global Management Team (GMT). These business reviews include assessment of performance toward targets for GHG emission reduction, portfolio recyclability, and use of recycled content, among other factors that offer opportunities to reduce Amcor's carbon footprint. At the same time, GMT members provide feedback on plans to close any performance gaps and advise on strategic planning activities. In the context

of climate governance, this includes providing feedback on proposed strategies for assessing and managing climate-related risks and opportunities within individual Business Groups, as well as at the global level.

Relevant sustainability updates, including those related to climate strategy and performance toward GHG emission reduction goals, are separately shared with the full board of directors at every board meeting by the Chief Executive Officer, Chief Commercial Officer, and Vice President of Sustainability. During these updates, board members review Amcor's progress toward our goals and advise on strategic sustainability-related issues put forth by the SLC, including those regarding Amcor's climate strategy. Topics covered during board meetings in FY22 included long-term GHG emission reduction goals, Amcor's commitment to set science-based targets and to achieve net zero emissions by 2050, public disclosure of our climate change mitigation and adaptation strategies, the risks and opportunities identified during our climate scenario analysis process, and potential strategic responses for each major risk and opportunity identified. The board of directors will continue playing a critical role in advising on our climate strategy as we look to set more ambitious climate-related goals and continue integrating the strategic responses identified during our climate scenario analysis into concrete plans of action.

Climate-related issues are just one component of Amcor's comprehensive global sustainability strategy. While this TCFD Report focuses closely on our approach to identifying and managing climate-related risks and opportunities, our annual Sustainability Report provides a broader overview of our sustainability efforts. We suggest reading Amcor's FY22 Sustainability Report, which will be released in November 2022, in parallel to this FY22 TCFD Report for a fuller representation of sustainability at Amcor.

Impact Identification

Amcor has identified climate change as a highly material topic that presents potential risks and opportunities for our business in the short, medium, and long term.

To further our understanding of how climate change could impact our business, Amcor partnered with BSR — a global nonprofit that works with its network of over 300 member companies to build a just and sustainable world — to explore the strategic implications for Amcor under three potential climate scenarios for 2050.

The climate scenario analysis process completed in FY22 involved the following steps:

- 1. Scenario development:** Amcor selected three climate scenarios developed by the Network for Greening the Financial System (NGFS): Current Policies, Net Zero 2050, and Delayed Transition. These climate scenarios provide the base narratives for Amcor's climate scenario analysis. We worked with BSR to extend each of the narratives by adding content about how a range of business-relevant topics might plausibly play out in each of these scenarios.
- 2. Identification of climate-related risks and opportunities:** BSR conducted five group interviews involving 14 Amcor participants from diverse functions. Participants analyzed potential business impacts of the three scenarios and identified a set of associated climate-related risks and opportunities for Amcor.
- 3. Assessment of strategic implications:** BSR conducted a cross-functional workshop with internal Amcor leaders to validate the risk and opportunity assessment, identify ideas to enhance Amcor's resilience, and refine its strategy around hotspots common across the three scenarios.
- 4. Action planning:** Amcor's TCFD reporting team held a follow-up session to the workshop to identify the next steps for the most important potential strategic interventions to improve Amcor's strategic resilience.

Common Assumptions

The three NGFS Scenarios have a 2050 horizon year and are differentiated by three key design choices related to long-term policy, short-term policy, and technology availability.

Individual Assumptions

	Current Policies	Net Zero 2050	Delayed Transition
Scenario	Emissions have steadily grown over the past three decades, reaching 2°C of warming by 2050. As a result, physical climate impacts have also increased steadily, both in severity and frequency. The world is on a trajectory to see at least 3.3°C of warming by 2100 and there is now no part of the globe where climate risks do not exist. Despite this, investment in low-carbon energy remains slow, investments in energy efficiency have been limited, and additions of coal and oil have been continuous.	The transition to a net zero economy by 2050 required drastic and coordinated global action, particularly in the 2020s. While the cost of this action in the 2020s was high as many industries shuttered and the location and types of jobs changed, the ongoing climate impacts already being felt in the 2020s – and only expected to increase – made clear the cost of inaction.	A decade of inaction in the 2020s drove mounting public pressure for climate action. What followed was a set of hasty and reactionary policies in the 2030s that sought to rapidly halt GHG emissions and make up for lost time. The disorderly approach came at high social and economic costs but ultimately led to a halving of emissions by 2040 and peak warming of 1.8°C by 2050.
Impact of transition and physical risks	<ul style="list-style-type: none"> ●●● High physical risks ●○○ Low transition risks 	<ul style="list-style-type: none"> ●○○ Low to medium physical risks ●○○ Low to medium transition risks 	<ul style="list-style-type: none"> ●○○ Low to medium physical risks ●●● Medium to high transition risks
Temperature assumptions	3°C+ policy ambition	1.5°C policy ambition	1.8°C policy ambition
Policy reaction	No policy reaction	Immediate and smooth policy reaction	Delayed policy reaction
Technology	Slow technology change	Fast technology change	Slow to fast technology change
Carbon dioxide removal	Low use of CO ₂ removal	Medium use of CO ₂ removal	Low use of CO ₂ removal
Regional policy reaction	Low regional policy variation	Medium regional policy variation	High regional policy variation

Key

Low impact

Medium impact

High impact

Climate-Related Impacts

As a result of the scenario analysis process, we identified six areas of our strategy that may incur climate-related risks and opportunities across all three scenarios assessed. Three of the areas are **transition impacts**, meaning they are linked to the policy, legal, technology, and market changes that come with the transition to a lower-carbon economy. The other three areas are related to the acute and chronic **physical impacts** of climate change. The impacts were assessed in line with our strategic risk evaluation criteria, which consider likelihood occurrence and severity of potential financial, reputational, corporate governance, environmental, and safety impacts.

Impact	Summary	Time Horizon	Potential Impact to Amcor	Strategic Response	
TRANSITION IMPACTS	Reputation	Negative perception from use of fossil fuels and fossil-based materials in manufacturing process may lead to reputational damage	0-11+ years	<p>Reduced revenue from decreased demand for products</p> <p>Reduced revenue from negative impacts on workforce management and planning (e.g. employee recruitment and retention)</p>	<p>Current/ongoing actions:</p> <ul style="list-style-type: none"> Committed in January 2022 to set ambitious science-based targets aligned with a 1.5°C future and to achieve net zero emissions by 2050 Initiated the process of developing targets to submit to the Science-Based Targets initiative for approval, while working closely with operations, sustainability, and procurement leaders around the business to develop roadmaps to ensure we achieve these goals Quarterly tracking of GHG emissions and progress against targets, with results reviewed by Amcor's global management team <p>Identified for further consideration during climate scenario analysis process:</p> <ul style="list-style-type: none"> Evaluate capital budgeting criteria to consider climate impact along with payback period and return on investment to facilitate the integration of capital equipment with lower carbon footprint Develop a clear and cohesive strategy addressing volatile organic compound emissions Explore alternative components for emission-heavy aspects of the production process (e.g. water-based vs solvent-based chemicals) and collaborate with suppliers of these components to develop or source new approaches where none currently exist Promote broader communication about Amcor's commitment to science-based targets and net zero emissions and ensure leaders are briefed on Amcor's goals and strategy related to carbon footprint and fossil fuel reduction Add GHG emissions reduction expectations to supplier contracts and business reviews
	Business strategy and innovation	If regulations requiring a rapid transition to lower-carbon technology are enacted, Amcor may experience a lack of capital and/or inefficient or misaligned capital investments needed to respond effectively and appropriately	6-11+ years	Reduced capital availability	<p>Current/ongoing actions:</p> <ul style="list-style-type: none"> Monitoring of evolving regulations and disclosure frameworks that could impact access to capital or our perceived worthiness for investment Collaboration with investors to understand their expectations around climate goals and to help build trust and debunk myths about plastic packaging Commitment to set science-based targets and achieve Net Zero by 2050, building on our long-term GHG reduction goals and demonstrating continued progress in the transition to a low-carbon future Diversification of our packaging portfolio across materials and formats

	Impact	Summary	Time Horizon	Potential Impact to Amcor	Strategic Response
TRANSITION IMPACTS					<p>Identified for further consideration during climate scenario analysis process:</p> <ul style="list-style-type: none"> - Develop science-based targets and submit for approval to Science Based Targets initiative, demonstrating progress beyond initial 2022 commitment - Identify opportunities to replace carbon-intensive equipment with lower-carbon alternatives and invest in them in the near-term while capital remains available - Evaluate capital budgeting criteria to consider climate impact and the longer-term nature of some climate-related investments to facilitate the integration of capital equipment with lower carbon footprint
	Business strategy and innovation	As the world becomes more localized in adapting to the impacts of climate change, Amcor may be challenged to meet the varying needs of global operations and struggle to deliver a consistent global strategy	6-11+ years	<p>Reduced revenue from decreased production capacity (e.g. delayed planning approvals, supply chain interruptions)</p>	<p>Current/ongoing actions:</p> <ul style="list-style-type: none"> - Internal sustainability management structure designed to facilitate regional implementation of a global sustainability strategy, allowing for flexibility while maintaining alignment with company-wide goals - Sustainability leaders across Business Groups meet monthly to share updates and discuss opportunities and challenges - Sustainability Steering Committee meets twice monthly to consider strategic issues and decisions - Updates on sustainability strategy given to board of directors at every meeting <p>Identified for further consideration during climate scenario analysis process:</p> <ul style="list-style-type: none"> - Integrate climate considerations into Amcor's three-year strategy process, including reviewing Amcor's operational and supply chain footprint and contingency plan in the face of climate impacts and disruptions - Assess how variations between local, state, and federal policies may impact Amcor's financial situation and operational capabilities, and ensure any current and potential regulatory variations and shifts are included within business continuity plan
	Business strategy and innovation	Amcor can continue expanding our lower-carbon product offerings, with strong and early action that may help maintain a leadership position and drive broader demand and investment in this space	0-10 years	<p>Increased revenue through demand for lower-emission products</p> <p>Better competitive position to reflect shifting consumer preferences</p>	<p>Current/ongoing actions:</p> <ul style="list-style-type: none"> - Demonstration of ongoing progress toward the development of lower-carbon packaging options across a range of formats and materials - Close collaboration with key customers to develop roadmaps that drive sustainability-focused innovation - Investment of approximately \$100 million USD annually in research & development - Participation in global and regional collaborations focused on aligning the value chain around lower-carbon design standards <p>Identified for further consideration during climate scenario analysis process:</p> <ul style="list-style-type: none"> - Partner with peers and other stakeholders to increase consumer awareness and education around climate impacts and GHG footprint of certain materials

	Impact	Summary	Time Horizon	Potential Impact to Amcor	Strategic Response
TRANSITION IMPACTS					<ul style="list-style-type: none"> - Increase collaboration focused on promoting low-carbon packaging innovations - Engage in advocacy efforts to change mindsets toward new product offerings and influence rules and regulations to ensure decarbonization, sustainable sourcing of raw materials, and production of more sustainable products - Build demand for more sustainable premium products with a consistent customer base by creating or joining strategic partnerships that create a platform for shared costs and supplier innovation incentives - Develop a supplier engagement program that assesses suppliers and rewards innovation based on performance in key areas material to Amcor's targets to reduce Scope 3 emissions
	Government regulation	Increased policy and regulation around emissions reduction and oversight may require more time to monitor, comply with, and report on, and may raise the risk of non-compliance	0-10 years	<p>Increased operating costs tied to higher compliance costs</p> <p>Increased costs resulting from fines associated with non-compliance</p>	<p>Current/ongoing actions:</p> <ul style="list-style-type: none"> - Tracking of local and regional policy developments related to emissions reduction - Regular collaboration between financial, legal, and sustainability reporting teams (and consultants as necessary) at regional and global levels to ensure Amcor is meeting or prepared to meet mandatory legal disclosures <p>Identified for further consideration during scenario analysis process:</p> <ul style="list-style-type: none"> - Designate responsibility for conducting comprehensive regulatory risk assessment; monitoring, understanding, and engaging in anticipated changes to regulations and compliance assessment; and maintaining central tracking system for emerging legislation - Increase focus on developing robust, assurable data management practices in response to anticipated increase in attention to sustainability and GHG reporting - Assess how variations between local, state, and federal policies may impact Amcor's financial situation and operational capabilities, and ensure any current and potential regulatory variations and shifts are included in business continuity plans
	Government regulation	Regulations limiting emissions, mandating or banning certain types of energy, or raising the price of GHG emissions may lead to rapid transition that could require costly upgrades to or retirement and replacement of capital equipment and other infrastructure/assets	6-11+ years	<p>Abrupt and unexpected shifts in energy costs</p> <p>Increased capital costs to replace existing infrastructure</p> <p>Write-offs, asset impairment, and early retirement of existing assets due to policy changes</p>	<p>Current/ongoing actions:</p> <ul style="list-style-type: none"> - Tracking of local and regional policy developments related to GHG emissions - Tracking of GHG emissions at the site, Business Group, and global level on a quarterly basis, assessing progress towards our EnviroAction GHG emission reduction targets - Development of Business Group-level plans for achieving short- and medium-term emission reduction goals presented to leadership team, with progress updates included in quarterly business reviews

	Impact	Summary	Time Horizon	Potential Impact to Amcor	Strategic Response
TRANSITION IMPACTS					<p>Identified for further consideration during climate scenario analysis process:</p> <ul style="list-style-type: none"> - Designate responsibility for conducting comprehensive regulatory risk assessment; monitoring, understanding, and engaging in anticipated changes to regulations and compliance expectations; and maintaining central tracking system for emerging legislation - Develop plan and targets to source more renewable energy - Identify opportunities to replace existing equipment with more energy-efficient alternatives - Evaluate capital budgeting criteria to consider climate impact along with payback period and return on investment to facilitate the integration of capital equipment with lower carbon footprint
	Government regulation	Regional policy variations and changing political agendas may create a costly and complex compliance and reporting burden across global operations, and may raise the risk of non-compliance	0-10 years	<p>Increased operating costs tied to higher compliance costs</p> <p>Increased costs resulting from fines associated with non-compliance</p>	<p>Current/ongoing actions:</p> <ul style="list-style-type: none"> - Tracking of local and regional policy developments related to climate change, GHG emissions, and the use of fossil fuel-based raw materials - Engagement with industry organizations to monitor emerging policies and assess their potential impacts for Amcor and the packaging industry - Regular collaboration between financial, legal, and sustainability reporting teams (and consultants as necessary) at regional and global levels to ensure Amcor is meeting or prepared to meet mandatory disclosure regulations <p>Identified for further consideration during climate scenario analysis process:</p> <ul style="list-style-type: none"> - Designate responsibility for conducting comprehensive regulatory risk assessment; monitoring, understanding, and engaging in anticipated changes to regulations and compliance expectations; and maintaining central tracking system for emerging legislation - Increase focus on developing robust, assurable data management practices in response to anticipated increase in attention to sustainability and GHG reporting - Assess how variations between local, state, and federal policies may impact Amcor's financial situation and operational capabilities, and ensure any current and potential regulatory variations and shifts are included within business continuity plan

	Impact	Summary	Time Horizon	Potential Impact to Amcor	Strategic Response
PHYSICAL IMPACTS	Physical impacts to assets	Increased frequency and intensity of acute weather-related impacts may affect operational continuity and make operating our sites more challenging and expensive	0-11+ years	<p>Increased capital costs from damage to facilities</p> <p>Reduced revenue from decreased production capacity/output due to downtime in damaged facilities</p> <p>Write-offs and early retirement of existing assets from damage to property and assets in “high-risk” locations</p>	<p>Current/ongoing actions:</p> <ul style="list-style-type: none"> Participation of operations and Environmental Health & Safety (EHS) teams in climate scenario analysis process to consider implications of physical climate-related impacts to Amcor’s operational footprint Implementation of EHS Global Standard for Emergency Preparation and Response at all sites to ensure procedures and resources are in place to effectively respond to emergency situations <p>Identified for further consideration during climate scenario analysis process:</p> <ul style="list-style-type: none"> Review and update business continuity plans to include section on acute physical climate change impacts (floods, drought, heat waves, severe storms, fires, etc.) identified during climate scenario analysis process Ensure all Business Groups develop a plan to address and mitigate acute physical risks identified during climate scenario analysis process
	Physical impacts to assets	Long-term changes in climate patterns may lead to chronic physical impacts with varying impacts on Amcor facilities around the globe, possibly leading to the eventual closure or relocation of affected sites/assets	6-11+ years	<p>Increased insurance premiums and potential for reduced availability of insurance on assets in “high-risk” locations</p> <p>Increased capital costs to invest in mitigation equipment (e.g. cooling infrastructure, dehumidifiers, flood barriers, fire shelters)</p> <p>Increased operating costs (e.g. for cooling in response to rising temperatures, for water in response to severe drought)</p> <p>Stranded assets in areas where it is no longer possible to do business (e.g. due to sea level rise or severe ongoing drought)</p>	<p>Current/ongoing actions:</p> <ul style="list-style-type: none"> Participation of operations and EHS teams in the climate scenario analysis process to consider implications of chronic climate-related impacts to Amcor’s operational footprint Monitoring and adjustment of operations strategies as climate projections evolve and actual impacts become clearer <p>Identified for further consideration during climate scenario analysis process:</p> <ul style="list-style-type: none"> Review and update business continuity plans to include section on chronic climate change impacts (global warming, sea level rise, changes in precipitation patterns) identified during scenario analysis process Analyze and assess opportunities to consolidate Amcor’s footprint by taking stock of common equipment, reviewing product outputs and business operations across Amcor’s global footprint, and consolidating into lower-risk locations where possible and appropriate Review processes for addressing exposure of assets to extreme heat over prolonged periods Assess the potential lack of continuous energy supply and the impact this may have on manufacturing products to standards and specifications Assess the locations of Amcor sites against climate projection maps (coastal flooding, heat stress, precipitation changes) to understand which sites are more likely to be affected by long-term changes in climate

	Impact	Summary	Time Horizon	Potential Impact to Amcor	Strategic Response
PHYSICAL IMPACTS	Supply chain	The increased frequency of acute extreme weather events may cause disruptions to the supply chain leading to procurement challenges and production delays	0-10 years	<p>Increased material costs</p> <p>Reduced revenue from decreased production capacity due to supply chain interruptions</p>	<p>Current/ongoing actions:</p> <ul style="list-style-type: none"> - Close collaboration between Amcor procurement and supply chain teams and suppliers as potential extreme weather events arise - Ongoing evaluation of raw material safety stock levels - Development of redundancies in supplier network <p>Identified for further consideration during climate scenario analysis process:</p> <ul style="list-style-type: none"> - Review and update business continuity plans to include section on impacts of climate change on supply chain - Assess the locations of key suppliers against climate projection maps (coastal flooding, heat stress, precipitation changes) to understand which materials and regions are more likely to be affected by short- to medium-term changes in climate
	Supply chain	A chronic lack of access to key resources could disrupt or reshape the supply chain and potentially force the relocation of key suppliers, leading to procurement challenges, production delays, and potential impacts to the ability of affected Amcor sites to maintain stable or financially viable operations	6-11+ years	<p>Increased material costs</p> <p>Reduced revenue from decreased production capacity due to supply chain interruptions</p> <p>Reduced demand for products due to higher product prices and less reliable delivery</p>	<p>Current/ongoing actions:</p> <ul style="list-style-type: none"> - Participation of procurement and supply chain teams in climate scenario analysis process to consider implications of chronic climate-related impacts to Amcor's supply chains - Monitoring and adjustment of procurement strategies as climate projections evolve and actual impacts become more clear <p>Identified for further consideration during climate scenario analysis process:</p> <ul style="list-style-type: none"> - Review and update business continuity plans to include section on impacts of climate change on supply chain - Assess the locations of key suppliers against climate projection maps (coastal flooding, heat stress, precipitation changes) to understand which materials and regions are more likely to be affected by long-term changes in climate
	Workforce	Facilities in areas exposed to higher frequencies of extreme weather events may experience hampered workplace efficiency, potential issues with worker safety, and higher turnover	0-11+ years	Increased overhead costs due to more idle time and higher workforce costs	<p>Current/ongoing actions:</p> <ul style="list-style-type: none"> - Adjustment of shifts and schedules to reduce worker exposure to high-heat work environments at Amcor facilities currently impacted by extreme heat and other extreme weather events - Implementation of interventions in areas where workers may be exposed to high heat, such as using forklifts with air conditioning, installing water mist spraying systems to cool working environments, avoiding outdoor work during certain times of the day, adding extra ventilation or mobile coolers, and providing access to shade and water - Education of workers on the physical symptoms of heat stroke and guidance on actions to prevent it <p>Identified for further consideration during climate scenario analysis process:</p> <ul style="list-style-type: none"> - Review processes for addressing worker exposure to extreme heat over prolonged periods - Expand practice of adjusting shifts and schedules during extreme heat and other extreme weather events to all impacted or vulnerable operations

Strategic Resilience

Following the analysis of Amcor's potential risks and opportunities under different climate futures, and the review of this climate scenario analysis by our leadership team and board of directors, it is our assessment that Amcor is well-positioned to respond to the actual and potential climate impacts identified.

We have already implemented a range of mitigation and adaptation strategies to address our most significant potential climate-related impacts. Many of our existing sustainability and business strategies are already structured to help build resilience and capitalize on opportunities. For example, our product rebrand in 2022 placed emphasis on our range of more sustainable packaging offerings and highlighted our expertise across materials, helping hedge against negative perceptions about the use of fossil fuel-based plastic in our packaging. At the same time, externally certified tools like our ASSET life cycle assessment program help reduce misinformation and emphasize the sustainability benefits of the packaging we produce – which frequently include a lower carbon footprint than similar products made with alternative materials.

From another perspective, we anticipate our broad global footprint will allow us the flexibility to shift operations and supply chains as needed over time in response to changing climate patterns, with minimal business interruption. Building awareness of the long-term physical impacts of climate change into our risk management and business continuity planning processes means we can proactively monitor and adjust operations as needed over time to minimize the likelihood of physical damage and stranded assets.

While the previous pages show concrete actions we have already taken to mitigate the most significant impacts identified during our climate scenario analysis, we realize many opportunities still exist. Over the next year, our Sustainability team – with guidance from Amcor's leadership team and board of directors – will continue collaborating with leaders across the business to explore and implement additional interventions to enhance our strategic resilience.

Risk Management

Amcor's enterprise risk management framework incorporates the principles of effective risk management as set out in the International Risk Management Standard ISO31000. Amcor's board of directors has formally endorsed the importance of considering environmental, safety, reputation, and corporate governance risks, as well as financial risks, in our enterprise risk management framework.

Amcor's board of directors and senior executives have responsibility for driving and supporting risk management across the organization. Each Business Group then has responsibility for implementing this framework and adapting it, as appropriate, to its own circumstances. While risks are owned and managed by co-workers at all levels of the organization, the existence of an executive-level Risk Champion in each Business Group helps ensure a consistent approach to risk management.

Amcor's assurance function, which includes the Internal Audit team, plays a key role in reviewing the effectiveness of our compliance and control systems, including risk management. Findings from reviews are communicated in formal reports to the board of directors and Audit and Compliance Committee.

As with other business and strategic risks, those climate risks identified through Amcor's first climate scenario analysis exercise will be formally assessed within our enterprise risk management framework. Those found to be materially significant will be incorporated into Amcor's corporate risk register and individual Business Group risk registers, where relevant, and managed in accordance with our broader risk management practices.

Metrics and Targets

Operations Metrics

Since 2008, Amcor has tracked and reported on the environmental impacts of our operations, including those directly or tangentially related to climate change. Our EnviroAction program aims to reduce impacts related to our GHG emissions, waste production, and water use. It establishes a set of long-term goals focused on significantly improving how we manage energy, water, and waste across our locations by 2030. We furthered our GHG emission reduction ambitions in January 2022, when we committed to setting science-based targets and achieving net zero emissions by 2050. We are currently preparing our science-based targets and aim to submit them to the Science Based Targets initiative or approval in FY23.

Amcor splits our EnviroAction goals into milestones, dubbed “EnviroAction periods,” every three to five years to create a more tangible pathway to 2030. Our current EnviroAction period extends from 2020 to 2025.



Each Business Group is responsible for contributing to a portion of the EnviroAction goals. Sustainability leaders then work with individual sites within their Business Groups to develop and implement plans to achieve them.

Metrics for each site’s performance toward EnviroAction goals are tracked in a global database. Site champions enter energy, waste, water and emissions, etc. data from meters and invoices on a monthly or quarterly basis, which helps sustainability leaders monitor progress, celebrate successes, and devote additional resources where needed. Quarterly progress updates are shared with the board of directors and Amcor’s Global Management Team, and results are reviewed monthly with Business Group senior leaders.

Year-over-year progress toward our EnviroAction goals is reported annually in our Sustainability Report. Externally assured data on Amcor’s FY22 Scope 1, 2, and 3 GHG emissions, waste, and water impacts will be available in our FY22 Sustainability Report, slated to be released in November 2022.

Innovation Metrics

Amcor strives to design our packaging to have the smallest possible environmental footprint. Our sustainability, research & development, and product design experts have mastered a range of strategies to reduce the carbon footprint of our packaging while improving product protection and circularity. These include sourcing raw materials with lower carbon footprints, using fewer raw materials through product lightweighting and downgauging, assessing the environmental trade-offs of different design choices, and designing packaging that can be recycled or reused.

In 2018, we made a pledge to design all our packaging to be recyclable or reusable and to significantly increase the use of recycled content by 2025. We later set an additional goal to achieve 10% use of recycled content across our packaging portfolio by 2025.

We disclose data about our product portfolio and progress toward our sustainability goals annually through the New Plastics Economy Global Commitment and the World Wildlife Fund (WWF) ReSource: Plastic reporting platforms, as well as in our annual Sustainability Report. Amcor’s FY22 Sustainability Report, will include metrics related to sales of recyclable and reusable packaging, use of recycled content, purchase of biobased materials, and completion of ASSET life cycle assessments.



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This report may contain statements that are “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, may be forward-looking statements, including statements related to Amcor’s climate and other sustainability-related strategies, plans, developments, targets, goals, and expectations. Amcor cautions that forward-looking statements are based on the current expectations of the management of Amcor and are qualified by the inherent risks and uncertainties surrounding future expectations generally.

Actual results could differ materially from those currently anticipated due to a number of risks and uncertainties. None of Amcor or any of its respective directors, executive officers, or advisors provide any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements will actually occur. Factors that can cause results to differ, as well as additional factors that can affect forward-looking statements, are discussed in Amcor’s filings with the U.S. Securities and Exchange Commission (the “SEC”), including without limitation, those described under Item 1A, “Risk Factors,” of Amcor’s annual report on Form 10-K and quarterly reports on Form 10-Q. You can obtain copies of Amcor’s filings with the SEC for free at the SEC’s website (www.sec.gov).

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