



GRI Sustainability Report

2018



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Message from **Amcor's CEO Ron Delia**



Plastic packaging is vital for assuring the safety and performance of thousands of products. The packaging Amcor makes extends the shelf life of food, protects and preserves healthcare products, and adds convenience and functionality to a variety of other consumer staples.

We also know that the environmental profile of the packaging we design and make, and the efficiency of our operations, must constantly improve. This annual review of sustainability at Amcor describes our recent accomplishments and high ambitions; what we are doing well and where we can improve.

Amcor is the first global packaging company that has pledged to develop all our packaging to be recyclable or reusable by 2025, a promise we made earlier this year. We also committed to drive greater recycling of packaging, and then to significantly increase our use of recycled materials. That kind of leadership is obviously good for the environment, but also benefits our customers and the consumers they serve, our investors, and our company.

While there is much to do, we have already achieved a great deal. We are continuously investing in research and development for innovative packaging that uses more sustainable materials. Packaging that weighs less, so the products it contains can be delivered more efficiently. And packaging that can be recycled and reused – like much of our packaging today.

We also are constantly setting ambitious goals for the ecological performance of our manufacturing operations. Our global EnviroAction program is leading to significant reductions over time in greenhouse gas emissions, waste going to disposal, and the volume of water we use.

Amcor's global team is inspired by winning for the environment. We are doing that in close collaboration with customers, suppliers, leading nongovernmental organisations and others. Together, there is no limit to what we can accomplish.

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

A handwritten signature in black ink that reads "Ron Delia". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Ron Delia
Chief Executive Officer

Meet Amcor

Amcor is a global packaging company with close to 200 sites in more than 40 countries. We are a leader in developing and producing responsible packaging solutions for a variety of food, beverage, pharmaceutical, medical-device, home- and personal-care, and other products.

Amcor works with premier companies around the world to protect their products and the people who rely on them, differentiate brands, and improve supply chains. We do this through a broad range of flexible packaging, rigid containers, specialty cartons, closures and services.

Amcor's Flexibles business develops and supplies flexible packaging, closures and folding cartons. It has four business units: Amcor Flexibles Europe, Middle East and Africa (AFEMEA); Amcor Flexibles Americas (AFA); Amcor Flexibles Asia Pacific (AFAP); and Amcor Specialty Cartons (ASC).

Amcor's Rigid Plastics (ARP) business is one of the world's largest suppliers of polyethylene terephthalate (PET) packaging along with containers and closures using other plastic resins.

Amcor at a glance

Global sales USD

9.3 billion

Employees

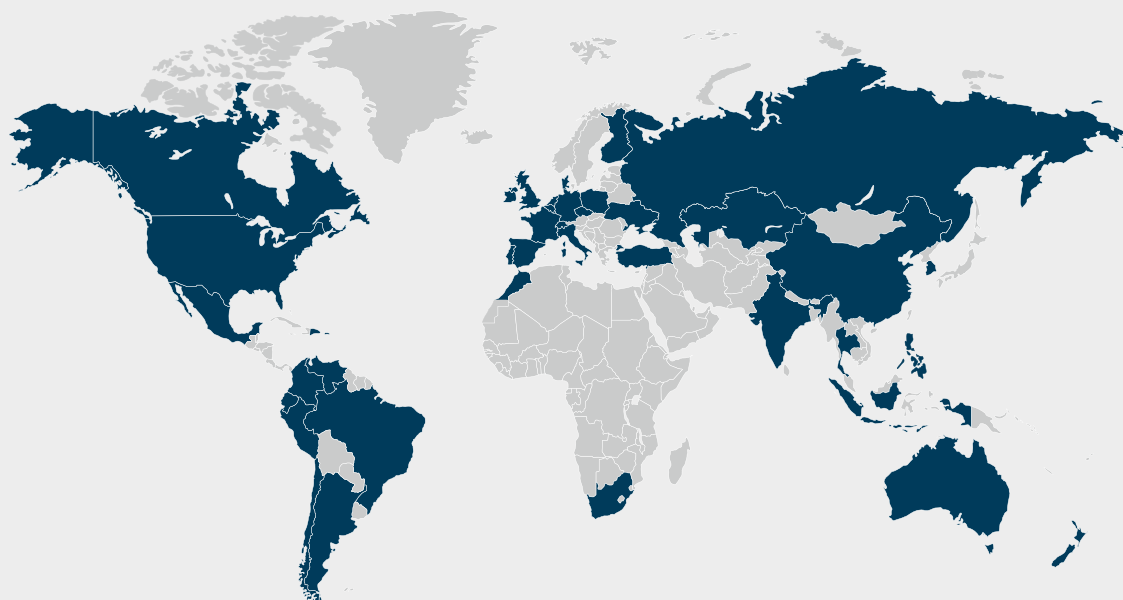
33,000+

Sites

~195

Countries

40+



Amcor Operations

48.1 billion

Rigid Plastic Containers
and Preforms

17.5 billion

Capsules and
Closures

65.1 billion

Folding
Cartons

13.1 billion

Sq. Meters of
Flexible Packaging

Being Amcor

The world and the marketplace regularly change. We want Amcor to always be current, clear, and consistent about who we are, what's important, and what success looks like.

'Being Amcor' helps us do that by summarising how we think about and make decisions for the company. It gives us predictability no matter what is happening around us, and is invaluable in engaging, aligning, and inspiring our team. Being Amcor was refreshed this past year, and now includes The Environment as a primary Amcor stakeholder.

Winning Aspiration

To be **THE** leading global packaging company

We are winning when:

Our **PEOPLE** are engaged and developing as part of a high-performing Amcor team

Our **CUSTOMERS** grow and prosper from Amcor's quality, service, and innovation

Our **INVESTORS** benefit from Amcor's consistent growth and superior returns

The **ENVIRONMENT** is better off because of Amcor's leadership and products

The Amcor Way

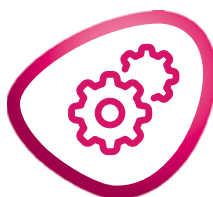
Capabilities deployed consistently across Amcor that enable our businesses to win.



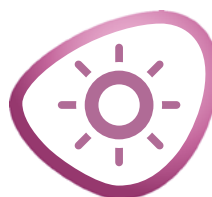
Talent



**Commercial
Excellence**



**Operational
Leadership**



Innovation



**Cash and
Capital Discipline**

Values

What guides our behaviour.



Safety



Integrity



Collaboration



Accountability



**Results and
Outperformance**

Sustainability at Amcor

Being the leading global packaging company means winning on behalf of all stakeholders, including the environment. Amcor is achieving this in ways that are better for business and for the world around us.

Sustainability and growth are complementary: we believe both are necessary to be competitive and meet customer needs now and in the future.

With the world's population increasing in size and prosperity, and people more aware of the full life cycle of the products and services they use, Amcor packaging is enabling delivery of fresh, nutritious food and safe products around the globe while also helping to reduce environmental effects.

Urgent global challenges are best addressed collaboratively. We continuously push ourselves and others to achieve more, and are committed to understanding challenges and advancing transformational change through partnerships across the value chain. Amcor works with colleagues, customers, suppliers, industry groups, investors, and non-governmental organisations to identify, assess, prioritise and manage sustainability-related opportunities using an enterprise risk-management framework.

Sustainability management approach

Our approach to better protecting the planet focuses on three key areas:

- **Products:** Advancing the sustainability of packaging
- **Operations:** Protecting the environment and reducing our impact on the world around us
- **Capabilities:** Leading and contributing to collaborations—internal and external—that address urgent environmental and humanitarian challenges

Amcor's global Sustainability Leadership Council (SLC) coordinates company-wide initiatives in these three areas. This is done in collaboration with our operations, research and development, sales and marketing, and procurement teams.

The SLC is led by Amcor's Vice President, Sustainability, who reports to the Senior Vice President of Operations, and ultimately to the Chief Commercial Officer and Chief Executive Officer. The SLC includes representatives from the sustainability teams at each of our Business Groups, as well as the Amcor Limited Group Environment Director, corporate communications representatives, and additional sustainability team members. This group meets once a month to drive internal initiatives, inform customer interactions and respond to their needs in relation to sustainability, monitor and take action to achieve our EnviroAction goals, and assess emerging and potential legislation.

The SLC reports to the Amcor Board once a year. It also provides Quarterly Business Reviews to Amcor's Global Management Team, creating opportunities to regularly assess progress toward goals and to course-correct if necessary. Across the company, several types of incentives are in place to encourage and reward innovation and outperformance around environmental responsibility and more sustainable business outcomes.

2018 at a Glance

PRODUCTS

Committed to



Developing all our packaging to be **recyclable or reusable by 2025**



Increasing use of **post-consumer recycled content**



Driving up **recycling rates worldwide**

- Completed 829 life cycle assessments using Amcor's ASSET™ tool
- Incorporated 48,147 tonnes of post-consumer recycled raw materials
- Introduced the first polyethylene pouch made with post-consumer recycled content
- Commercialised our groundbreaking LiquiForm™ technology

OPERATIONS



Received **'A-' grade** for Climate Change in the Climate Disclosure Leadership Index for Australia



Top 1% of suppliers in EcoVadis 'Manufacture of Plastic Products' category



Decreased absolute **GHG emissions 7.2%** from 2016

- Recycled 76% of production waste
- Achieved nearly 15% reduction in waste-to-disposal from 2016, surpassing 10% goal
- Recognised 82 Amcor sites in 'Zero Waste-to-Disposal' program
- Achieved 6.4% decrease in absolute water use from 2016

PARTNERSHIPS



162% growth in sustainability interactions with customers of AFA, AFEMEA, and Capsules Business Groups



11,000 kg of rubbish collected by over 1,500 Amcor volunteers through International Coastal Cleanup



7,000 pieces of waste analysed by 15 Amcor participants in Earthwatch 2018 expedition

- One of 50 global companies included in *Fortune* Magazine's 2017 'Change the World' list for our partnership with the World Food Programme
- Between FY16 and FY18, helped the World Food Programme to save over US\$5 million and feed an additional 99,200 children thanks to improved packaging

Amcor pledges to develop all packaging to be recyclable or reusable by 2025



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

The response to our ambitious commitment from colleagues, customers, suppliers, investors, partners, and environmental leaders has been overwhelmingly enthusiastic.

Amcor has always set and pursued ambitious goals—this defines our culture of results and outperformance. As the first global packaging company to make such a commitment, we are demonstrating the initiative and leadership that benefits our stakeholders and our business, while also better protecting the environment.

In making our pledge, Amcor joined other leading companies, most of which are Amcor customers, who have made the same commitment in collaboration with the Ellen MacArthur Foundation New Plastics Economy initiative. Since the January announcement, additional companies and customers have made similar commitments in pursuit of these shared goals.

Crucially, the 2025 Pledge doesn't stand alone at Amcor. It aligns with the environmental sustainability strategy we have in place, fitting within the Products-Operations-Capabilities framework described in detail in this Report.

We know there is much more to do as we pursue these ambitious goals. They are already influencing how we think about the future, Amcor's place in it, and what is required to get there. Some of the greatest challenges to recyclable and reusable packaging are ahead of us, and will be solved through leadership, innovation, collaboration, and determination.

By developing ways to do things even better, we are further differentiating Amcor and generating growth. Now, and along the way, we know it will help us provide the best possible value to our customers, co-workers, investors, and other stakeholders—including the environment.

Amcor's 2025 Pledge



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

Establishing clear baselines around our current product recyclability helps Amcor better understand where we need to focus innovation—and in some cases, achieve breakthroughs—to deliver on our 2025 Pledge.

In 2018, sustainability teams at each Business Group began mapping their product catalogues to create a baseline for product recyclability. We have learned that while much of Amcor's packaging is already designed to be recyclable or reusable, definitions of 'recyclable' and 'reusable' can vary significantly. In FY18 we worked closely with the Ellen MacArthur Foundation and other organisations around the globe to converge on a set of shared definitions to which we will align our progress:

- Recyclable Packaging: A package or packaging component is recyclable if its successful collection, sorting, and recycling is proven to work in practice and at scale.
- Reusable Packaging: Packaging which has been designed to accomplish, or proves its ability to accomplish, a minimum number of trips or rotations in a system for reuse.



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

As we pursue increased use of post-consumer recycled (PCR) content in our packaging, internal collaboration across Amcor departments and Business Groups will be crucial to addressing design, manufacturing, and procurement challenges. Externally, we face the concerns that pricing for food-grade PCR is typically higher than for virgin resins and that there is a general lack of high-quality food-grade PCR, especially for films. Regulatory barriers to the use of PCR in food-contact applications will also need to be addressed.

In our collaborative efforts to define 'recyclable' and 'reusable,' we have similarly converged on a common definition for 'post-consumer recycled' material: Material generated by households or by commercial, industrial, and institutional facilities in their role as end-users of the product which can no longer be used for its intended purpose.



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

Much work remains in developing the infrastructure needed to collect and recycle sufficient materials to reduce environmental contamination and eventually enable a steady supply of PCR inputs. We believe that by partnering with others and demonstrating that there is increasing demand for recycled materials, we can enable the systems and infrastructure for collecting, sorting, and recycling packaging.

Recycling in specific geographies depends on the local infrastructure, consumer participation, funding, regulations, and other factors that are not in the direct sphere of influence of those putting packaging on the market. Additionally, reasons for low recycling rates differ between more-developed and less-developed countries. To succeed in our goal, we must collaborate with relevant stakeholders to undertake and support actions to increase recycling rates where Amcor packages are sold. Our partnership strategy, described later in this Report, strongly supports this objective.

Our Products

Every day, millions of people around the world use Amcor products. Our packaging protects food, beverages, medicines, and many other essential goods. It minimises spoilage or breakage, preserves the resources our customers invest in their products, and gets products to consumers fit and safe for their intended purpose.

We regularly improve the environmental attributes of our packaging. Using data-driven design principles, innovative material selection, lightweighting and downgauging, and design for recycling and recovery, we collaborate with customers, suppliers, and recyclers to create better packaging for a better world.

Product Profiles

Click on each product to learn more about its sustainability benefits through our [2018 Sustainability Report microsite](#).

Key



Reduced carbon footprint



Designed to be recyclable/reusable



Post-consumer recycled content



Lightweight

PCR Mono-PE Pouch



NaturePlus Clear Film



PolyInert Laminates for Stick Packs



Refillable PET Bottle



Stelvin™ Inside Closures



Nature's Promise Hand Wash Bottle



Innovation and Product Design

Leveraging our research and development capabilities to improve product design, life cycle impacts, manufacturing processes, and business practices

Amcor is a valued partner to many of the world's leading consumer brands. Together, we collaborate to improve the sustainability profiles of their products. As an increasing number of our customers pursue goals to address their environmental footprint, we meet their needs for innovative packaging with improved formats, technologies, and materials.

Each of Amcor's Business Groups has an innovation function, and we are increasingly exchanging technology and advancements across our global businesses. Our research and development teams use sustainability assessments, including life cycle assessments, to inform product development.

Life cycle assessments reveal that the greatest environmental impact of products is often connected to the contents inside the packaging. Preventing loss or waste of products—and the waste of the resources used to make them—yields the largest overall environmental benefits. This is because the resources required to manufacture a product are often far higher than those required to produce its packaging. If a product's packaging fails, the resources invested in growing, processing, and transporting the contents inside are wasted. Preventing this waste is crucial in our innovation and design process.

Innovating for sustainability can also include trade-offs which must be carefully considered. For instance, certain barriers to extend product shelf-life or add functionality may render a package non-recyclable. However, including such barriers may also reduce the amount of resin needed to manufacture the packaging. Using utmost care and expertise, Amcor co-workers fully consider all these factors as we innovate to improve the environmental—and overall—performance of our packaging.

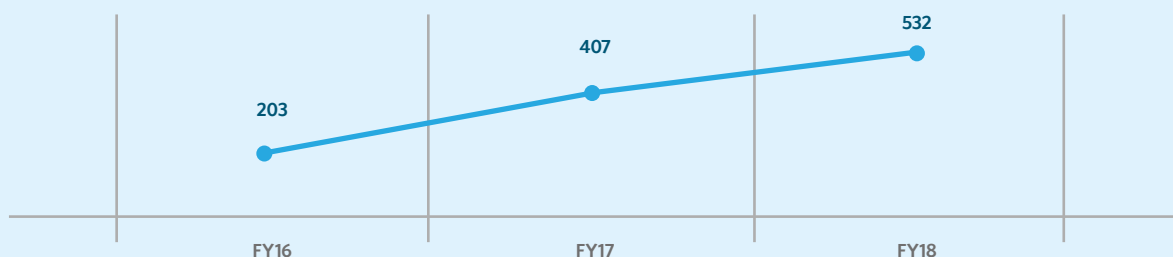


Growth through sustainability-driven innovation

Amcor's cross-functional approach to customer relationships involves co-workers from sales, marketing, research and development, and sustainability. This helps ensure that we deliver the best results for customers, society, and the environment.

Across our global business, our sustainability teams frequently provide support in understanding and achieving each customer's unique sustainability goals.

At our AFA, AFEMEA, and Capsules Business Groups, sustainability team members have tracked the number of customer interactions involving sustainability in which they have engaged over the past several years. These numbers, which have more than doubled since FY16, tell a story of sharply increasing customer interest in more sustainable products. They validate our focus on sustainability-driven innovation as a lever for growth.



ASSET™ Life Cycle Assessments

Life Cycle Assessment (LCA) is a data-based technique used to assess the environmental impacts of all stages of a product's life—from raw material extraction through materials processing, manufacture, distribution, use, and disposal or collection and recycling.

Amcor uses our proprietary LCA software, the Advanced Sustainability Stewardship Evaluation Tool (or ASSET™) to generate life cycle data and insights that allow different packaging options to be compared. ASSET™ is our 'compass' for environmentally focused product design. We use it in new packaging developments and to compare existing options to potential updates in support of the sustainability goals of our customers. These assessments are typically completed during our product development process in partnership with customers.

ASSET™ follows a three-step eco-design process:

1. Evaluate: Assess current specifications, anticipate risks and opportunities, and understand the packaging life cycle
2. Explore: Identify improvement options for new products, benchmark ideas for smarter solutions, and assess the impact of design options
3. Evolve: Redesign packaging to create the biggest benefit over its life cycle, retrieve fact-based information on product sustainability credentials, and help customers better satisfy their own customers' requests

In FY18, we conducted 829 assessments using ASSET™—our second highest number since the tool was created. We now have 7,139 total assessments in the database.



The ASSET™ tool and database are regularly audited by the Carbon Trust for compliance with: The PAS2050:2009 specification for the assessment of the life cycle greenhouse gas emissions of goods and services; The Greenhouse Gas Protocol (Product Life Cycle Accounting and Reporting Standard 2011); ISO standards 14044 (2006, Environmental Management, Life Cycle Assessment) and 14046 (2014, Environmental Management, Water Footprint); The Product Carbon Footprint Protocol; and The Footprint Expert™ Guide version 4.1. ASSET™ was most recently audited and certified in October 2016.

More Sustainable Material Inputs

Focusing on responsible
sourcing practices
and selecting raw
materials that minimise
environmental impact

Taking a life cycle approach means choosing materials based on both their ability to protect the product and their capacity to minimise environmental footprint.

Amcor's sustainability experts determine the life cycle impacts of the materials we use and judge each with respect to its impact on the entire life cycle, including packaging end-of-life. We incorporate the efficient use of raw materials whenever feasible through activities such as increasing use of post-consumer recycled (PCR) inputs and using fewer materials via lightweighting or downgauging. We also build environmental and social considerations into our approach to supply chain management.

Amcor used a total of 2,391,810 tonnes of raw materials in FY18, comprised primarily of polymers (69%), fibres (17%), metals (7%) and liquids (7%). Approximately 3% of the polymers we used were PCR materials, comprising 48,176 tonnes or around 2% of total materials. We also used 408,278 tonnes of renewable materials such as fibre.

Post-consumer recycled content

Plastic is often the material of choice for packaging because it is lightweight, durable, and cost-effective. PCR plastics are an increasingly viable and valuable input material for manufacturers of plastic products—including Amcor—who are working to reduce their environmental impacts.

Many of the raw materials we use are specified or provided by customers, especially in our Rigid Plastics and Specialty Cartons businesses. This limits our ability to choose PCR materials, though we consult closely with customers to encourage their use where physically and financially feasible. In FY18, we developed several new products containing PCR resins, such as the PCR Mono-PE Pouch and Nature's Promise Hand Wash Bottle featured in the [Product Profiles](#) section.

Several obstacles to the increased use of PCR still remain to be addressed. The supply of PCR plastics remains relatively low and of variable quality, though the technologies to improve both collection and quality are rapidly changing. Additionally, the current price premium for PCR inputs, as well as potential manufacturing infrastructure investments needed to accommodate them, frequently act as a barrier to the incorporation of PCR into plastic packaging. Despite these challenges, Amcor experts continue to collaborate with customers and suppliers on solutions for increasing the use of PCR in packaging.

Amcor's work with the Ellen MacArthur Foundation's New Plastics Economy initiative (further details in the [Our Capabilities](#) section) has also helped spur progress in the PCR plastics arena. In addition to Amcor's own pledge to increase the use of PCR content in our products by 2025, 15 other companies* have committed to increase its use in their product packaging. We expect a rapidly shifting landscape of PCR supply in the coming years as recycling systems improve and expand, thereby increasing the supply of PCR, and demand from our customers grows.

* As of the time of this Report. This number will likely grow in the future.

Lightweighting and downgauging

One of the most effective ways to improve a package's sustainability profile is to reduce the amount of raw materials used to construct it. Amcor pushes the limits with innovative designs and materials to achieve lightweighting and downgauging. Lightweighting is often chosen by our customers because it reduces costs and improves sustainability while maintaining performance.

While Amcor's lightweighting activities advance, limitations do remain. For some of our packaging, we may have reached a point where further lightweighting could result in increased product loss or reduced shelf-life. Another challenge specific to rigid plastic containers is that extremely light bottles may be accidentally sorted into the paper recycling stream by mechanical separation technologies in place at many material recovery facilities. These bottles can contaminate the paper stream and are not recovered for recycling. We consider these factors, among others, when working with our customers to design products from a life cycle perspective.

Biodegradable plastics

The area of biodegradable plastics continues to evolve, and Amcor experts maintain a close understanding of the emerging issues related to these materials.

While we do offer plastic products that are designed to biodegrade, such as those made with our NaturePlus compostable film made of polylactic acid (PLA), we are conscientious in our approach to the broader integration of biodegradable plastics. Our experts have found that these materials are well-suited to certain applications where they facilitate the composting of organic waste. We carefully evaluate biodegradable materials on a case-by-case basis with our customers to ensure high-quality products that meet their packaging performance needs and sustainability goals.

We also realise that, without consistent and broad-reaching consumer education on proper disposal, the perception that biodegradable plastic will decompose anywhere may lead to higher rates of environmental contamination with plastic waste. Though many of the biodegradable plastics available today will decompose in industrial compost settings—where the temperature, moisture content, and other environmental factors facilitate the process—they will not decompose in nature. Additionally, compostable plastics are often not accepted in composting facilities that focus on organic waste as input materials. Consumer confusion related to proper disposal of biodegradable plastic packaging may also lead to unintentional contamination of recycling and composting streams with the wrong types of plastics.

We continue to focus primarily on supporting the proper disposal of our recyclable products, while also developing collaborative strategies to eliminate consumer confusion around biodegradable plastics.

Amcor discourages the use of plastic additives that are intended to photo-degrade, oxo-degrade, or biologically degrade otherwise non-biodegradable plastics. Current research from organisations such as the Ellen MacArthur Foundation indicates that these additives do not reduce environmental impacts in the life cycle of our products or our customers' products, and may lead to unintended negative outcomes.

Responsible sourcing practices

Our approach to supply chain management supports Amcor's company values, strives for continuous improvement, and is consistent with our approach to managing business risk.

In FY18, Amcor spent US\$6.78 billion with more than 23,000 direct suppliers on the materials and services used to manufacture our products. A significant portion of this spend went to large, multi-national chemical companies in Europe or North America for the polymers used in our plastic packaging. While our global spend on IT and professional services is managed centrally, other procurement activities are managed within each of our Business Groups. The procurement function within each Business Group is responsible for the control and assessment of vendors who supply their business.

Amcor works with suppliers to maintain a supply chain that is responsible, ethical, and transparent. All Amcor suppliers are asked to comply with our [Supplier Code of Conduct](#), which includes principles for business integrity, labour standards, occupational health, and environmental management and improvement.

We also engage with EcoVadis, a global supply chain sustainability rating platform. We utilise the platform to evaluate our suppliers and understand their performance on four themes: environment, labour practices and human rights, fair business practices, and procurement sustainability. Based on suppliers' overall EcoVadis scores, our procurement teams determine next steps for corrective engagement, if necessary.

Critical and strategic suppliers are strongly encouraged to complete assessments through the EcoVadis platform or provide equivalent assessments of conformity. In FY18, approximately 57% of our critical and strategic suppliers were assessed by EcoVadis. This represents 89% of spend within those supplier categories, and nearly 53% of our total 2018 spend. We continue to expand the EcoVadis assessment process to additional suppliers on a risk basis, also targeting Amcor suppliers with less spend and from less critical categories.

In turn, Amcor shares results from EcoVadis assessments of our own facilities with our customers. In FY18, we were placed in the top 3% of companies rated by EcoVadis, and top 1% of suppliers in its 'Manufacture of Plastic Products' category. We also share outcomes from site audits based on Sedex's SMETA standards for social and ethical compliance. Amcor is a member of AIM-PROGRESS, a forum of consumer goods manufacturers and suppliers that promotes responsible sourcing practices and more sustainable production systems.

Amcor's suppliers are important partners in our 2025 commitment to increase the recyclability and PCR content of our products. For example, in May 2018, some of the world's largest plastics resin producers committed to goals from the American Chemistry Council's Plastics Division to ensure 100% of plastics packaging is recyclable or recoverable by 2030, and that the materials are fully reused, recycled, or recovered in practice by 2040.

Plastics promote a healthier lifestyle, modern conveniences and economic growth for a more sustainable world; however, significant progress is needed to better manage and recover plastics after their use. Amcor is a valued collaborator in the journey to bring sustainable packaging solutions to the forefront. The partnership with ExxonMobil and other companies across the full value chain is an important part of the solution to increase plastic recycling and recovery.

”

Cindy Shulman, Vice President – Plastics and Resins, ExxonMobil

Post-Consumer Waste

Minimising environmental contamination from post-consumer packaging by improving the recyclability of our products and contributing to a more robust recycling infrastructure

When packaging waste is mismanaged at the end of its life—either through littering or failure to recycle—valuable materials which could have been used to create new products are lost. This loss creates supply and price barriers to the increased use of PCR content. Littering also causes environmental contamination and harm to natural ecosystems, including marine environments.

Increasing the recyclability of products is a key part of building a successful recycling system. Amcor is committed to achieving recyclability or reusability of all our packaging by 2025. We are also determined to drive up global recovery and recycling so that all our packaging can be recycled, wherever it is used (read more about our partnerships to drive increased recycling in the [Our Capabilities](#) section).

In designing for recyclability, the choice of material, additives, and format all impact whether a package makes it successfully through the recycling process instead of being sent to a landfill or incinerator. We know that some Amcor packaging formats present challenges when it comes to recycling, and we are addressing this as part of our 2025 Pledge.

- Rigid plastic containers made from polyethylene terephthalate (PET), polyethylene (PE), or high-density polyethylene (HDPE) are among the most easily recyclable containers, but labels, closures, and additives can impact their recyclability. Full-wrap shrink labels have marketing appeal, but may be made of polyvinyl chloride (PVC)—which does not have a viable end market—and can confuse optical sorters at material recovery facilities. Aluminium caps on plastic bottles are difficult for recyclers to separate because the metal ring is left on the bottle once the lid is removed. And solid colorants in packaging reduce the end-market value of materials and may also confuse optical sorting technologies. Amcor experts support our customers by advising them of such concerns and collaborating to identify feasible, high-performance solutions.
- Historically, high-barrier flexible packaging hasn't been collected for recycling in most countries. It is frequently made of mixed materials, which makes it difficult to reprocess into valuable secondary material. Its lightweight, two-dimensional format also makes it behave like paper when running through mechanical sorting centres, meaning it ends up contaminating recycled paper streams when collected together with paper for recycling. Amcor experts are harmonising the materials in our flexible plastic products, learning from sustainability experts in leading sorting and recycling facilities, collaborating with like-minded companies, and engaging in regional partnerships to enable flexible packaging to be accepted for recycling across the globe.
- While many consumers may believe paper-based products are easily recyclable, few realise that folding cartons can contain outer layers that make them more difficult to recycle. Additional materials such as metallic layers or plastic laminates are often added to paperboard packaging to improve appearance, durability, and product protection, but these additions may be difficult to separate from the carton's paper component during recycling. Experts in our Specialty Carton business work with customers to address this issue and contribute to developments such as our breakthrough Sunshine technology, which we are exploring as a potential way to improve package recyclability.

Approaching circularity

Moving beyond the current take-make-dispose model for most packaging will require changes across the entire product life cycle. We realise progress toward this goal depends on understanding the current systems in place and collaborating to improve or develop them where needed. In alignment with our 2025 Pledge goals, Amcor is committed to supporting research and pursuing partnerships that contribute to increased recyclability, increased availability and usage of PCR content, and improved collection and recycling infrastructures worldwide.



“Toward Circularity” report

Most marine plastic originates where consumer economies developed faster than their ability to manage waste—and more than half comes from a few countries in Asia. In 2018, Amcor commissioned the report [“Toward Circularity of Post-Consumer Flexible Packaging in Asia”](#) to provide an up-to-date picture of collection and recycling in India, Indonesia, and the Philippines. The report is a snapshot based on the best information available in a rapidly changing area and shares insights into how Amcor can support increased rates of collection and recycling of flexible plastic packaging in the region.

Research results highlighted the need for a multi-stakeholder approach and local government participation in seeking a solution. They found that segregation-at-source is critical and should be supported by regulation, campaigns to change behaviours, and enforcement. The report also noted that recovery facilities are most effective when operations are subsidised by income generated from high-value recyclables, and when incentives exist for the retrieval and processing of flexible packaging waste. Most importantly, it emphasised that end uses for plastic packaging must be financially viable—that is, able to generate sufficient and consistent economic value to create markets for post-consumer packaging.

In commissioning this research, we sought frank conclusions and recommendations—some of which may not yet be widely accepted. We continue integrating these insights as we pursue more sustainable strategies across our global business.



The Virtuous Circle

Amcor is a proud partner in [The Virtuous Circle](#) project, which aims to improve life for schoolchildren in South Africa by ensuring they receive a nutritious meal to start their day.

The Virtuous Circle addresses both packaging and nutritional challenges by creating a collaborative supply chain that embraces the concept of circularity. Coordinated by DuPont, the project's partners work together towards three pillars: a feeding pillar, which aims to provide schoolchildren with a nutritious daily meal; a recycling pillar that takes the used packaging and upcycles it into school desks and other high-value materials; and an education pillar, which works to teach children and communities about the value of recycling.

Amcor's role has centred on the research and development of recyclable packaging capable of providing drinking water and a nutritious meal in one packet. Working in collaboration with project partners and applying our global packaging expertise, we designed an innovative, multilayer dual-compartment pouch which does just that.

The Virtuous Circle project demonstrates how a successful multi-stakeholder approach can have a truly significant impact, and proves that it is possible to get more value out of packaging while also ensuring that packaging has less of an impact on our natural systems. Since the pilot launched in October 2016, it has distributed more than 1 million food pouches to 27 primary schools, and more than 500 brand-new school desks have been made from the recycled food pouches.

Product Responsibility

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

Packaging's core function is to protect products so they reach consumers in perfect condition. Amcor designs all our packaging to maximise reliability, integrity, and functionality. Indeed, our commitment to product safety is often used as one of Amcor's key differentiators with our global customer base.

Product responsibility at Amcor is managed in a system that achieves high levels of quality, from raw materials to the finished product. We start with a thorough understanding of the fundamental characteristics, regulations, and contact requirements of our primary materials. Several Amcor business units in higher-risk regions also use internal laboratories to monitor our products and raw materials, helping to ensure compliance with international standards and detect any potential quality issues. We maintain documentation through delivery of our finished products to support traceability and demonstrate that materials have been handled, transformed, and delivered according to third-party auditing standards.

Each of Amcor's business units has product safety processes and systems in place that are appropriate for their packaging type, level of risk, the regulatory environment(s) in which they operate, and the requirements of their customers. Sites also incorporate product safety into their existing Quality Management Systems used for ISO 9001 or ISO 13485 compliance. Additionally, Amcor has dedicated product safety teams in place across the globe to provide guidance, training, and support to our sites.

Globally, 147 of our manufacturing sites have been certified by an independent third party per internationally recognised standards for food safety and/or quality management, such as the British Retail Consortium's standard, Goods Manufacturing Practices, HACCP, and ISO standards 9000 and 22000. Many sites hold certifications for multiple standards.

In most countries, regulatory requirements mandate that packaging that has direct contact with food, beverages, pharmaceuticals, and medical devices be assessed for health and safety impacts, while packaging products that are not for human consumption may not be subject to regulatory oversight. Due to the vast, varied, and highly customised nature of our product catalogue, Amcor does not formally report an overall percentage of significant product categories for which health and safety impacts are assessed for improvements. We do, however, have robust systems in place to ensure all our products and manufacturing processes are regularly assessed and updated as necessary to maintain excellence in quality and safety performance.

As our packaging is only one component of our customers' packaged products, they hold final responsibility to ensure compliance with product health and safety regulations. If they find our packaging to be a contributor in any non-compliance incidents, they may lodge a product liability claim. Across our global business, we had two incident reports from our customers during FY18 with respect to potential product liability claims. Investigation is ongoing. No product recalls occurred. In FY17 there were five incident reports, and in FY16 there were two.

Our Operations

As a global company committed to winning for our people, customers, investors, and the environment, we work continuously to achieve operational leadership in our industry. We engage our diverse workforce to perform according to industry-leading principles for environmental management, health and safety, labour standards, business integrity, and ethical workplace behaviour.

Environmental Management

Continuously improving and reporting on the environmental performance of our operations

Our [Code of Conduct and Ethics Policy](#) describes Amcor as 'committed to preventing and minimising adverse environmental impacts, including waste, emissions, and discharges from our operations. We aim to minimise the environmental footprint of our operations and products.'

Environmental performance and significant environmental matters are regularly reviewed within Amcor. Our company-wide [Environment Policy](#) reinforces our Code of Conduct and Ethics Policy and includes specific environmental management requirements, helping address the key risks our sites may impose on their local environment. Our [Sustainability Policy](#) details our approach to sustainability and the areas where we focus. These policies help guide our operational planning and management.

Amcor's Code of Conduct and Ethics Policy also states: 'We reduce our environmental footprint by continually improving the efficiency of our natural resource consumption. We utilise risk management processes to control the environmental hazards inherent in our activities.'

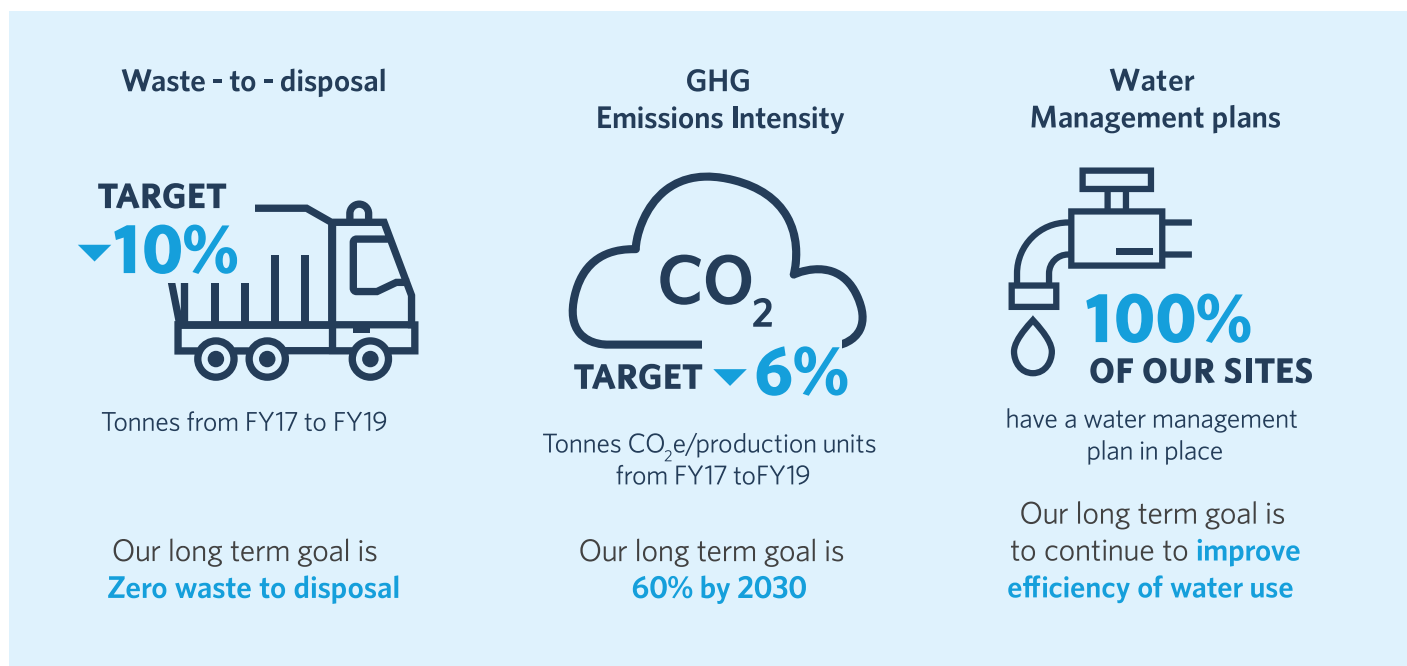
All Amcor sites have an environmental management system in place (e.g. ISO 14001 or equivalent), which must be appropriate for the risk associated with operations at each site and the local regulations associated with the site's geographic location. All sites are required to conduct self-audits against our internal standards annually and are audited every three years by Amcor's second-party auditors. Regional occupational health and safety coordinators also conduct site audits, the frequency of which is determined by the risk associated with each site.

Amcor's corporate occupational health and safety function oversees the implementation of our environmental standards at our manufacturing and warehousing sites, as well as for our offices. It also participates in due diligence tasks as part of our merger and acquisition activities and is involved in the integration of acquired sites. We have additionally established an internal reporting process where environmental performance is reported from each site up through the occupational health and safety function to the Board each year.

In FY18, Amcor remained materially compliant with all environmental laws and regulations across the 40+ countries in which we operate.

The Precautionary Principle, as defined in the 1992 United Nations Rio Declaration, states, 'Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.' This Principle has informed our approach to environmental management.





We launched our EnviroAction targets in 2008 to reduce the environmental impacts of our operations by driving reductions in greenhouse gas (GHG) emissions, waste and water use. These goals were informed by the Kyoto Protocol and set to be in line with United Nations International Panel on Climate Change's (UN-IPCC) long-term reduction targets.

Our Business Groups cascade these enterprise goals to the site level. Metrics for each site's performance toward EnviroAction targets are tracked in our global EnviroChart database. Site champions enter energy use, water use, and waste production data each time they receive a bill, or on a quarterly basis. Progress toward our goals is reported annually in our GRI Sustainability Report and quarterly to Amcor's Global Management Team. EnviroAction progress is also included in monthly management reports to senior leaders.

We create milestones every three to five years, dubbed 'EnviroAction periods', which establish a pathway to Amcor's longer-term 2030 targets. FY18 was the second year of our current EnviroAction period, which extends through FY19.

Because many of the opportunities for progress toward our EnviroAction goals exist at site level, we regularly seek new ways to help site champions identify and pursue them. In FY18, we created the *EnviroAction Toolkit*, which offers resources and case studies to help sites improve GHG, waste, and water performance. It also offers recognition tools to acknowledge progress toward goals.

Greenhouse Gas (GHG) Emissions

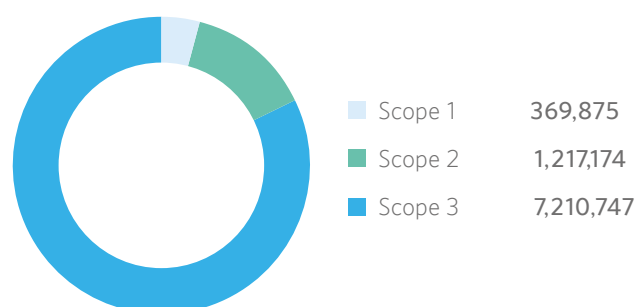
Reducing GHG emissions across Amcor's value chain by lowering energy consumption, improving product design, optimising transport, selecting less carbon-intensive materials, and incorporating climate change strategy into relevant business decisions

Amcor recognises that the emission of greenhouse gases contributes to climate change. We closely monitor both our absolute GHG emissions and our GHG emissions intensity to better understand and manage our overall GHG footprint.

Absolute emissions

Amcor's absolute GHG emissions represent the total sum of our Scopes 1, 2, and 3 emissions. In FY18, our absolute GHG emissions were 8,797,796 tonnes of CO₂e. This is a decrease of 7.2% from the baseline for this EnviroAction period.

FY18 Absolute GHG Emissions



Emissions intensity

Compared to Amcor's long-term 2006 baseline, we have achieved a 31.7% reduction in GHG intensity and are more than halfway to our goal of 60% by 2030.

Our GHG emissions intensity is calculated by dividing total emissions (Scope 1, 2, and 3) by total units produced. Because we produce different types of packaging across our business, we use a normalised 'Amcor product' figure so we can combine square metres of flexible packaging with rigid plastic bottles and preforms as well as capsules, closures, and folding cartons.

In 2016, we quantified this by determining the portion of emissions for each Business Group. We then calculated an emissions factor for each. For ARP, we used a regression model to account for the various manufacturing methods and production volumes to enable us to add the different types of rigid plastic containers and capsules. With this information, we determined a normalised 'Amcor product' to use in GHG intensity calculations.

Year	Total Emissions (Tonnes CO ₂ e) ¹	Production (Amcor units)	Intensity (Total GHG emissions/Amcor units)
FY16	9,479,783	25,480	372.1
FY17	9,268,555	24,910	372.1
FY18	8,797,796	23,804	369.6

Though absolute GHG emissions have fallen since our 2016 EnviroAction period baseline, our GHG intensity remains flat compared to 2016 due to reduced production volumes and changes in the product mix across our global business.

¹ This data reflects market-based Scope 2 emissions, which we use to calculate our EnviroAction results. Using location-based Scope 2 data would reflect total emissions (Scopes 1, 2, and 3) of 8,798,036 tonnes CO₂e in FY18, 9,268,825 tonnes CO₂e in FY17 and 9,480,033 tonnes CO₂e in FY16.

Scope 1 and 2 GHG emissions

In FY18, we consumed a total of 14,454,193 gigajoules (GJ) of energy, achieving a 5.8% reduction against our EnviroAction period baseline. Of our total consumption, 4,078,606 GJ were from non-renewable fuels, 161 GJ were from renewable energy sources, and 10,379,212 GJ were from electricity, heat, steam, and cooling.

Our Scope 1 (direct GHG) emissions in FY18 stemmed primarily from the use of natural gas (57.8%). Over 37% was from regenerative thermal oxidisers (RTO) and burners for solvents—a number which has steadily increased over the past three years as we have installed more of this equipment to reduce the environmental impacts of volatile organic compounds used in production. The remainder of our Scope 1 emissions are largely attributable to LP gas and diesel. Purchased non-renewable electricity is the major source of Amcor's Scope 2 (indirect GHG) emissions, comprising 96.4% of the 2018 total. Smaller quantities of Scope 2 emissions also stemmed from our purchase of heat, steam, and chilled water for cooling.

Each Amcor Business Group manages its energy use through operations and procurement teams, striving to be energy-efficient to decrease costs and contribute to EnviroAction goals. Activities contributing to reduction in Scope 1 and 2 emissions include energy projects such as compressor optimisation, insulation of thermal oil systems, lighting optimisation, optimisation of heaters and chillers, equipment upgrades, disconnecting equipment when not in operation, and switching vehicles used on-site—such as forklifts—to non-diesel fuel sources.

Scope 3 GHG emissions

We are proud to track and report our Scope 3 (other indirect GHG) emissions and include them in our GHG reduction goals. Amcor's largest source of Scope 3 emissions is from the raw materials we use to produce our packaging, which make up 93.6% of our Scope 3 footprint. Other sources that contribute to our Scope 3 emissions include logistics, energy, and waste. Since our EnviroAction baseline year, we have reduced our Scope 3 footprint by 6.8%, preventing the emission of 522,749 tonnes CO₂e.

Lightweighting, or using less material to produce packaging for the same volume of packaged product, is one of the biggest levers to drive reductions in our Scope 3 emissions. Material selection also plays a key role in impacting this metric; moving from virgin resin to post-consumer recycled resin and using lower-carbon input material leads to significant decreases in our Scope 3 emissions (read more about these efforts in the [Our Products](#) section).

Volatile Organic Compounds

Amcor's production processes result in the emission of volatile organic compounds (VOCs) contained in inks, adhesives, and solvents into the atmosphere. These emissions can contribute to the formation of ozone in the lower atmosphere and affect the environment and public health. In FY16, Amcor began more closely scrutinising VOC emissions and the method used to track them. We monitor our global solvent uses and management systems, and continue to invest in technologies to capture and destroy or reuse solvents. In FY18, Amcor production resulted in the release of 47,411 tonnes of untreated VOCs into the atmosphere, achieving a 1.7% reduction in VOC emissions compared to the previous year.

Further information about our GHG Emission Calculations may be accessed in the Appendix to this Report via our [Sustainability Report microsite](#).

Operational Waste

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

Amcor understands that the amounts and types of waste resulting from our operations, as well as the ways in which they are ultimately disposed, has a significant environmental impact. Our long-term goal is to send zero waste to landfills or incineration without energy recovery. This reflects our vision that all waste that cannot be avoided leads to a benefit by replacing either virgin materials or fossil fuels.

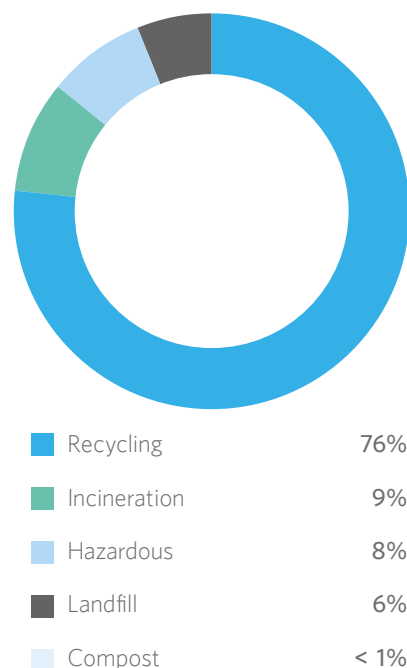
In FY18, our total waste production was 297,198 tonnes, of which 76% was recycled. We also composted nearly nine tonnes of waste.

We are excited to share that we achieved our waste goal for the current EnviroAction period during FY18, surpassing our 10% reduction goal to achieve nearly 15% in reduction of waste-to-disposal from baseline levels for this period. In the context of our longer-term EnviroAction goals, we have reduced the amount of waste sent to landfill by over 80% since 2006.

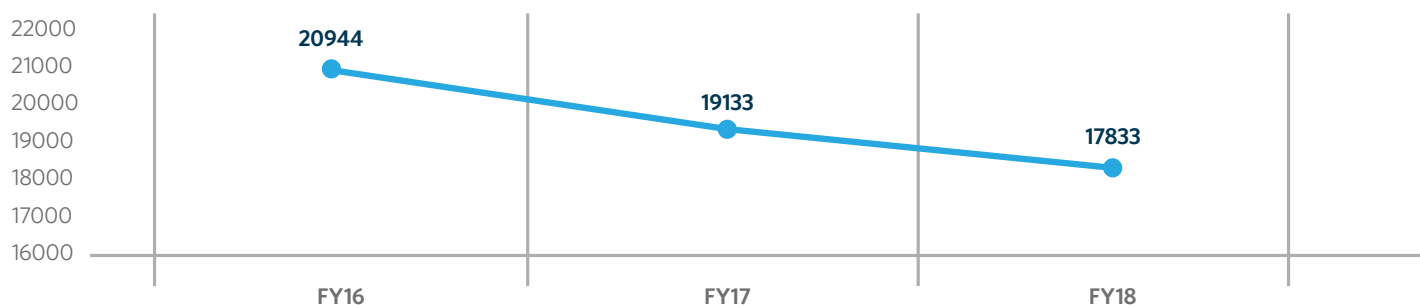
We have 82 sites internally 'certified' in our Zero Waste-to-Disposal program. To achieve this, sites demonstrate through EnviroChart data that waste-to-disposal volumes are equal to zero tonnes for the previous 12 months. Site data is reviewed to verify that reported volumes match amounts invoiced by waste vendors. Once certified, each site's performance is validated quarterly to ensure continued adherence to our zero waste-to-disposal goals.

Though we face challenges in many regions—and particularly in Asia and Latin America, where waste disposal is less expensive and recycling is not commonly available—we continue to apply creative thinking to reduce waste-to-disposal. This is made possible through collaboration between Amcor's procurement, operational excellence, and sustainability teams.

FY18 Total Weight of Waste by Disposal



Absolute Waste-to-Disposal
Tonnes



Water

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

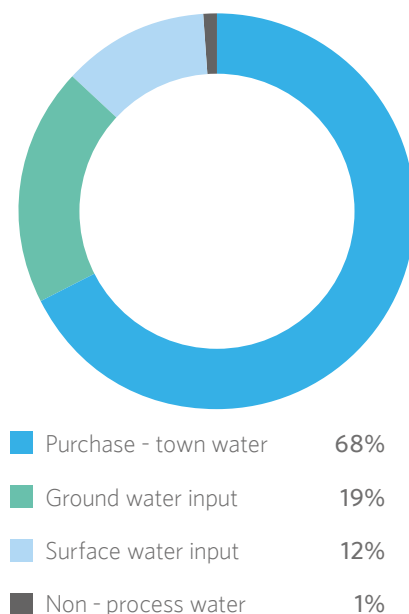
Water pollution and diminishing supplies are growing global concerns. Where water is inexpensive or use is unregulated, it can be easily overlooked as a way to reduce the impact of operations. Constantly reducing water use and managing it in our operations—especially in water-stressed regions—is part of our worldwide sustainability commitment.

All Amcor sites have had a Water Management Plan (WMP) in place since FY16. Last year, our WMPs were standardised globally and updated to reference the Aqueduct Water Risk Atlas, Operation Clean Sweep, and the International Coastal Cleanup initiative. During FY18, all sites transitioned to the updated format and confirmed whether they are located in water-stressed areas. We realise the impact of water use is local and regional, and this change helps identify region-specific opportunities so appropriate actions are taken at site level.

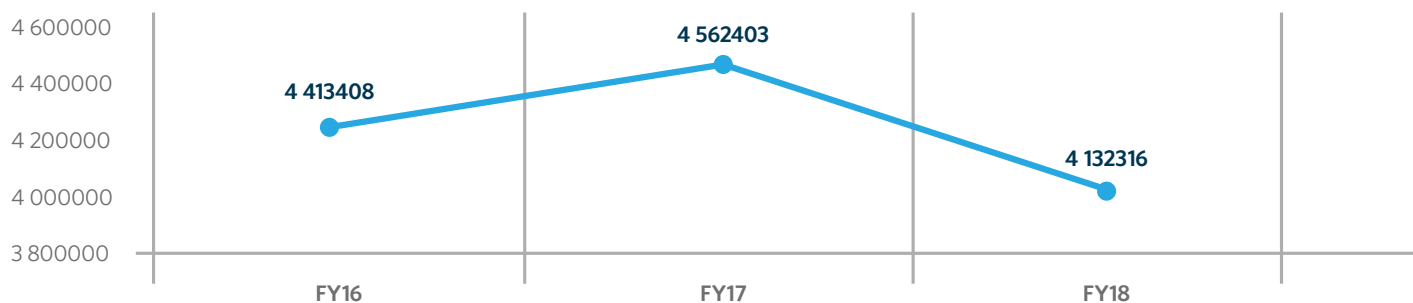
In 2018, Amcor's total water withdrawal was 4,694,570 kilolitres (kL). Our absolute water use* was 4,132,316 kL, representing a 6.4% decrease from baseline levels for the current EnviroAction period and a more than 9% decrease from FY17.

Our increased attention to site water management has helped Amcor facilities across the globe pinpoint opportunities to reduce usage by repairing leaks, conducting preventive maintenance, replacing old infrastructure, and increasing awareness. Amcor also has a strong track record of reducing water use when we acquire businesses.

FY18 Total Water Withdrawal by Source (KL)



Absolute Water Use
KL



* In calculating total water use, we exclude use of surface water returned intact to its original source. This helps focus our efforts where they will have the most environmental benefits.

Occupational Health and Safety

Championing workplace safety to achieve our ultimate goal of zero workplace injuries and drive responsible safety behaviour among our co-workers

Safety management

Protecting our co-workers is a priority. We take care of ourselves and others so everyone goes home safely at the end of every day. We continue to focus on:

1. Eliminating serious injuries by managing exposures
2. Identifying and helping under-performing sites achieve improved and sustainable safety performance
3. Strengthening processes and knowledge-sharing about fire prevention
4. Continually improving and increasing awareness of Amcor policies and standards, and building a robust governance framework to ensure this

All Amcor's manufacturing sites are subject to global standards for safety, environmental management, and security. Our Global Safety Steering Committee, comprised of the Safety Vice President and safety leaders from our Business Groups, is tasked with monitoring company-wide safety performance and actively addressing safety focus areas. Each Business Group reports monthly to the Board of Directors on safety performance and compliance with Amcor standards.

At the site level, leaders create local injury prevention plans and collect ideas for eliminating physical and behavioural safety risks.

All Amcor employees receive education on the [Amcor Occupational Health and Safety Policy](#) and can access the *Amcor Safety Toolkit*, a digital resource that identifies those critical risks that most often lead to serious injuries and fatalities. We also issue *The Safety Round-Up*, a bi-monthly digital newsletter that shares Amcor's safety achievements, learnings and updates, and useful tips for workplace safety.

Our co-workers can also participate in the Second-Party Auditors program, where they are trained to conduct site safety audits across the company. Second-party site audits are conducted at each site every three years, with findings addressed in action plans. Over 100 employees have participated in the program since 2012.

We additionally implemented several other initiatives in FY18 to advance our safety goals:

- Project Life Saver: Global initiative to prevent serious injuries and fatalities, introduce Amcor's Life Saving Rules, and update our Critical Risk Standards training and audits across all manufacturing sites
- Amcor Global Safety Week: Held in April 2018 to raise safety awareness and continue progress of our Global Hand Safety Campaign, which began in April 2016
- Co-worker engagement in safety via daily hand safety toolbox talks, communications, and events to keep safety fresh and top of mind

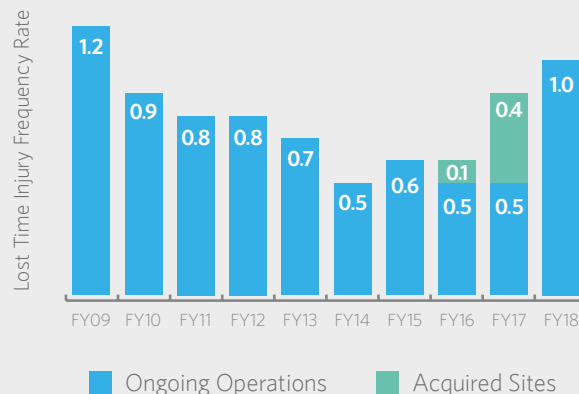
Safety performance

We are proud of our safety performance, which is measured against two industry standard criteria—Lost Time Injury Frequency Rate (LTIFR) and Recordable Case Frequency Rate (RCFR). These rates include Amcor employees, contractors, and site visitors. On both counts, we compare favourably with similar companies, but the only acceptable rate is no injuries—an accomplishment recorded by more than 60% of our locations last year.

Lost Time Injury Frequency Rate

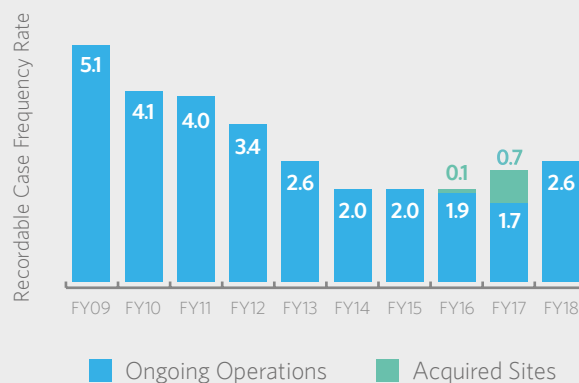
Amcor's LTIFR is measured by calculating the number of injuries resulting in at least one full work day lost per million hours worked. In FY18 our LTIFR was 1.05, corresponding to 82 cases across our global business.

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



Recordable Case Frequency Rate

Amcor's RCFR is measured by calculating the number of medical treatment cases and lost time injuries per million hours worked. In FY18, our RCFR was 2.65, corresponding to 207 injuries across our global business.



Contractor safety

Amcor also separately tracks safety incidents of contractors. This includes service providers like truck drivers and those who perform project work such as construction. We have a detailed company-wide standard mandating a common approach to contractor control, certification, and compliance. Among contractors, there were seven LTIs and 21 RCs in FY18, corresponding with an LTIFR of 1.08 and a RCFR of 2.26 globally.

In July 2017, we were deeply saddened when a contractor suffered a fatal accident while making a delivery at our site in Alzira, Spain. Following the incident, we completed a thorough internal investigation and worked with local authorities as they conducted their own.

Ethics and Integrity

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

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

We believe that, in addition to abiding by the national laws in each country in which we operate, we must also conduct business in accordance with internationally accepted practices and procedures. These core principles, which Amcor's Board of Directors and senior management are committed to upholding, are reflected in several of Amcor's key global policies:

Corporate Code of Conduct and Ethics Policy: This policy is written with regards to the OECD Guidelines for Multinational Enterprises. It includes a set of detailed standards related to business integrity, labour practices, health and safety, compliance, risk management, and escalation of issues. Covered topics include mutual respect, non-discrimination, freedom from harassment, freely chosen employment, protection of child rights, fair compensation and working hours, and freedom of association. All employees are required to read and acknowledge understanding of this policy as part of the new employee induction process. Additionally, our due diligence and integration processes in the acquisition of new business require this policy to be adopted by all parties and employees of acquired businesses.

Anti-Bribery and Corruption Policy: In 2014, the Amcor Board adopted a stand-alone Anti-Bribery and Corruption Policy, which clarifies Amcor's prohibition of bribery and corruption in all business dealings. To promote awareness and compliance with our anti-bribery and corruption measures, all co-workers with a senior role or those who could possibly encounter bribery and corruption issues (such as sales and procurement) are required to undertake online training and testing annually and face-to-face training at least every three years.

Whistleblower Policy: Every co-worker has a nominated supervisor to whom they may refer any issues arising from their employment. Alternatively, co-workers and third parties can raise grievances through our independent Whistleblower service, which is available in more than 20 languages and may be accessed anonymously online or via phone. All complaints received are referred to the relevant Whistleblower Committee (Human Resources or Audit and Compliance) for investigation in collaboration with the relevant Business Group or the internal audit function. Outcomes from each investigation are reported to the Board.

Additional topics concerning governance, ethics and integrity at Amcor are covered in our [Annual Report](#), as well as the [Corporate Governance](#) section of our website. Links to the exact locations of Global Reporting Initiative disclosures related to these topics can be found in the [GRI Content Index](#), available through the online version of this Report.

Our Capabilities

Amcor recognises the positive outcomes from supporting and developing talent internally, sharing our expertise in responsible packaging externally, contributing to public policy around important environmental topics, and collaborating with like-minded partners in pursuit of innovative solutions to some of the world's most pressing challenges.

Talent Attraction and Engagement

Attracting high-calibre co-workers and elevating the emotional connection they feel toward Amcor

Engaged co-workers behave more safely and productively, are more customer-focused, and are more likely to remain longer with our organisation. We value our workforce of over 33,000 employees, who work at more than 200 manufacturing, distribution, and office locations across 40 countries, and have implemented strategies to recruit, motivate, and develop our people.

We invest in training and education because we understand that as the capabilities of our people increase, so too do Amcor's. Training for office and salaried co-workers is managed at the Business Group level, while training for non-salaried co-workers is managed at the site level to reflect site-specific operational needs. Due to differences in practices and processes between Business Groups, consolidated training data is not tracked for Amcor as a whole.

Amcor also strives to achieve 'talent through diversity' and has a formal [Diversity Policy](#). Progress on gender diversity is reported annually to the Board and its Human Resources Committee, as well as publicly through Amcor's [Corporate Governance Statement](#). We additionally report on gender diversity through our publicly available [UK Gender Pay Narrative](#). In FY18, 25% of Amcor Directors, 29% of Amcor Leaders, and approximately 20% of all Amcor co-workers were female.

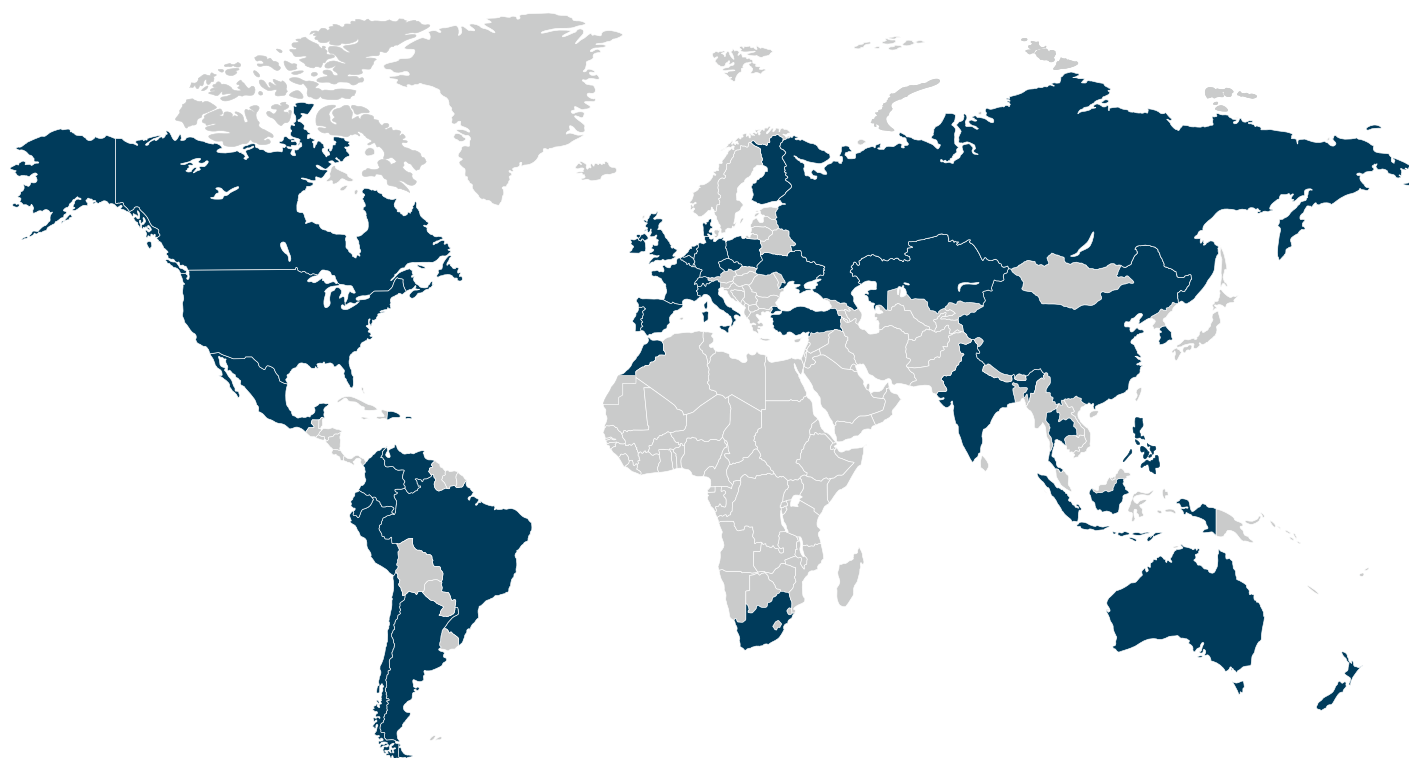
The majority of work across Amcor is performed by co-workers at manufacturing sites. Approximately 87% of co-workers are at sites that recognise collective bargaining by majority representation, and 52% are covered by such agreements.

Engagement of Amcor people around the world is one of our highest priorities. Every two years, we conduct a Global Engagement Survey in multiple languages. Our last survey was conducted in May 2018, with more than 90% of co-workers responding globally. We continue to use the results of these surveys to reveal internal strengths, identify opportunities for improvement, and hone our organisational priorities moving forward.

One key priority of our human resources function is talent recruitment. During FY18, we continued our efforts to attract top talent to Amcor through our Accelerated Career Development Program, the goal of which is to build a pipeline of future commercial leaders. Amcor recruiters have also noted an increase in candidates' interest in our commitment to sustainability, observing that conversations often include mention of our 2025 Pledge.



Amcor talent by the numbers



Business Group	Employees	Contractors	Total
Rigid Plastics	6,042	516	6,558
Flexibles Group	24,771	1,705	26,476
<i>Flexibles Europe, Middle East, and Africa</i>	10,446	414	10,861
<i>Flexibles Americas</i>	3,647	68	3,715
<i>Flexibles Asia Pacific</i>	6,274	642	6,916
<i>Specialty Cartons</i>	3,590	494	4,048
<i>Capsules</i>	814	86	900
Corporate	304	6	310
Total Amcor Group	31,117	2,227	33,344

Driving engagement through sustainability



Sustainability meets the Being Amcor award

In 2018, Amcor Flexibles Asia Pacific invited co-workers to submit entries for the Being Amcor award, which recognises teams and projects that demonstrate the values described in [Being Amcor](#). Eligible projects were required to have had a measurable, positive impact during FY18 on behalf of one or more of Amcor's key stakeholders.

This year's award was presented to a collaboration of Amcor teams across India for their work in the 'Amcor Pledge 2025 – India Initiative' project. The winning team sought ways to reduce the risks and impacts to Amcor's business from India's amended March 2018 Plastic Waste Management Rules and impending Multilayer Plastic Ban. At the same time, they wanted Amcor India to be among the first of our global business units to demonstrate tangible efforts in implementing the 2025 Pledge.

The team developed a waste segregation model to create a pathway to zero landfill waste for Amcor India sites, helping eliminate the landfilling of our pre-consumer production waste while also supporting improved end-of-life options for our post-consumer products. They studied the commercial viability of options including waste-to-energy for cement kilns, pyrolysis, repurposing for road construction, and upcycling into furniture and household products.

This work has provided insight into the regional landscape for waste diversion and identified the most feasible projects and partners for Amcor India to pursue. The team believes that successful execution of such projects in India can also support beneficial replication across the AFAP Business Group—particularly in Southeast Asia and China. Their research has helped Amcor India better understand the changes in Indian law and offer our customers more compliant and sustainable solutions.



ARP We Own It! campaign

In May 2018, Amcor Rigid Plastics kicked off an initiative to help educate its 6,500 co-workers about our commitment to sustainability and how they can support it. The *We Own It!* sustainability campaign invites each ARP co-worker to be a champion for positive impact and celebrate the passion we all bring to this topic.

Launched in conjunction with Earth Day 2018, *We Own It!* is helping colleagues take small steps every day toward a shared vision for the future. Across ARP's 66 locations, co-workers are engaged to make a positive impact and challenge themselves in understanding how they can:

1. Deliver good through our products
2. Drive change from the inside out
3. Do right by people

The program explores a range of sustainability topics through email blogs, internal newsletters, and lunch-and-learn sessions. It engages sustainability champions at each Amcor site to inspire peer-to-peer conversations and help co-workers carry the *We Own It!* message home and into the community. The campaign is one way that Amcor is bringing its 2025 Pledge to life and supports the three pillars of Amcor's sustainability program.

Partnerships

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

Amcor sustainability partners program

We recognise the positive effects we can have by sharing our expertise in responsible packaging solutions with partners. Amcor collaborates with global organisations to reduce the effects of packaging on the environment and to improve packaging so that humanitarian aid reaches more people safely and in good condition.

Through partnerships with non-governmental organisations and industry groups, many more stakeholders benefit from Amcor's global reach, technical capabilities, and packaging expertise.

Amcor has several global partnerships: the Ellen MacArthur Foundation's New Plastics Economy initiative, the United Nations' World Food Programme, and the Ocean Conservancy's Trash Free Seas Alliance. These are complemented by our ongoing research partnership with the Earthwatch Institute, and regional initiatives focused on implementing effective and efficient recycling.

On 1 January 2016, the 17 Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda for Sustainable Development came into effect. Each of Amcor's partnerships helps address at least one of the SDGs, with a specific focus on those that are most material to our impacts and capabilities:



Goal 2—Zero Hunger:

End hunger, achieve food security and improved nutrition, and promote sustainable agriculture



Goal 12—Responsible Consumption and Production:

Ensure sustainable consumption and production patterns



Goal 14—Life Below Water:

Conserve and sustainably use the oceans, seas, and marine resources for sustainable development

Ellen MacArthur Foundation

Amcor is a partner of the [Ellen MacArthur Foundation's New Plastics Economy](#) initiative (NPEC), and the only core partner that is a packaging manufacturing company. In this initiative to develop a circular economy for plastics, we contribute our global packaging and supply chain expertise to help rethink and redesign the future of plastics. Together, we aim to create a continuous use-reuse cycle that captures value, generates strong economics, and is better for the environment.

Amcor and the core partner companies participating in the NPEC initiative represent all steps in the value chain. In addition to [Amcor's own 2025 Pledge](#), many of these partners have also announced ambitious 2025 commitments to increase the recyclability or reusability of products and packaging, incorporate higher levels of post-consumer recycled plastics, and drive higher rates of recycling.

Amcor is an active member of the NPEC Advisory Board, by which we inform the focus and direction of the NPEC initiative. In FY18, Amcor colleagues continued their participation in collaborative projects, including:

- **Project Barrier:** *To develop a global design-for-recyclability standard for high-barrier flexible packaging that is aligned with the complete value chain, led by Amcor's Dr. Gerald Rebitzer*
- **Project SEA:** *To assess material flows in Southeast Asia, develop data collection formats, and build strategies for improving recycling in the region*
- **Project 42:** *To evaluate chemical recycling options, such as pyrolysis technology, and the economics behind them*

In May 2017, NPEC launched a US\$2 million Innovation Prize to identify further solutions to keep plastics in the economy and out of the environment. Materials and design challenges inspired designers, entrepreneurs, and scientists to develop new materials, redesign formats, and rethink delivery models to eliminate plastic packaging waste. FY18 saw the close of the Innovation Prize, with Amcor's Dr. Brian Carvill helping judge hundreds of innovative entries to select winners of the Circular Design Challenge in October 2017 and Luca Zerbini doing the same for the winners of the Circular Materials Challenge in January 2018.

Amcor also played an active role throughout FY18 in the development of a new NPEC initiative—set to launch in late 2018—which aims to mobilise a global-scale response from industry in enabling a circular economy for plastics. We consulted closely with the Ellen MacArthur Foundation and other industry actors to provide feedback and help define key terminology. We believe this will ensure a harmonised application of this new initiative across regions, industries, and value chains.



Working together to build a new plastics economy



Amcor interviewed the team behind the Ellen MacArthur Foundation's New Plastics Economy initiative to provide deeper insight into the challenges and opportunities presented by the transition to a new economy for plastics.

What are some of the biggest changes you have noticed recently within the global plastics landscape?

Awareness of the plastic pollution crisis has grown rapidly since the Ellen MacArthur Foundation launched its New Plastics Economy initiative in 2016. People around the world have been shocked by the impact of the throwaway culture of plastic packaging on the environment, and many are also beginning to understand the implications this has on the economy.

While there are a lot of actions aimed at treating the symptoms of plastic pollution (e.g. ocean and beach clean ups), there is a growing realisation that those activities alone—while necessary—will not solve the pollution crisis. The same is true for the increase of collection and recycling. Both are needed but we cannot simply recycle our way out of today's challenges. Addressing the causes of plastics waste and pollution will take a full system shift, where we completely rethink the way we design, produce, use, and reuse plastic. This insight has started to gain a lot of traction recently.

What are the New Plastics Economy's key goals and biggest obstacles?

The New Plastics Economy was created to work with businesses, governments, NGOs, academics, and other stakeholders to catalyse the move away from today's linear 'take-make-dispose' economy and redesign the global plastics system based on the principles of a circular economy.

By completely redesigning the system, as set out by the New Plastics Economy, we can ensure plastic no longer becomes waste and remains in the economy as a valuable material.

We provided a vision for a plastics system that works. A vision with a common direction for concerted action aimed at realising ambitious targets. It is supported by hundreds of organisations across the world and continues to grow.

While working on multiple fronts is challenging at times, it is also necessary to drive system-wide change. We need innovation, new business models, adequate policies, and other efforts given the scale of the challenge.

What is the role of cross-industry collaboration in achieving those goals?

Today's wasteful plastics economy is the result of decades of highly fragmented, uncoordinated, and incremental innovation, which has not been able to move the needle on economic value loss and negative environmental impacts.

To achieve the type of systemic shift needed to create a circular economy for plastics, and eliminate plastics waste and pollution, we need unprecedented levels of collaboration. That is why the New Plastics Economy has brought together everyone involved in the plastics system – plastic producers, packaging manufacturers, consumer goods companies, retailers, cities, and businesses involved in collection, sorting, and reprocessing.

United Nations World Food Programme

Amcor has a multi-year partnership with the United Nations' [World Food Programme](#) (WFP)—the largest humanitarian organisation fighting hunger worldwide.

With 20 million people on the brink of starvation globally, improved packaging is increasing the quantity of safe and nutritious food reaching people in poverty and crisis.

The partnership, which began in July 2015, has saved WFP over US\$5 million in packaging and transportation costs, and has enabled an additional 99,200 children to receive vital nutrition via its school feeding program. We have also helped WFP reduce packaging waste by over 430 tonnes and prevented approximately 962 tonnes of food from being wasted.

Our partnership funds a dedicated packaging specialist, who is based at WFP headquarters in Rome. The specialist reviews packaging requirements and refines specifications for high-volume products. We also provide WFP with specialist training and access to our laboratories, where we test and identify opportunities to improve packaging, as well as funding for WFP's 'Greatest Needs' fund to address urgent areas of need.

In late 2017, WFP's Food Safety and Quality team learned more about packaging innovation during a visit to our laboratories in Manchester, Michigan.

The partnership has already improved the lives of people in great need through our support of 18 country offices and three regional WFP bureaus in Asia and Africa. Today, Amcor people continue to improve the packaging of several WFP foods, including the most commonly distributed item—vegetable oil.





Improving delivery of vegetable oil in Africa

Vegetable oil is a staple of the WFP's food-aid distribution. Fortified with vitamins, the oil provides people in impoverished regions with vital nutrition and promotes growth in babies and children. Today, oil from WFP is packaged in HDPE jerrycans, bottles, or metal cans and is transported along challenging supply chains. The journey over bumpy roads and in extreme temperatures can cause the containers to fail and leak, sometimes leading to the loss of the precious oil inside.

In FY18, Dennis Kittel, an Amcor packaging engineer with nearly 30 years of experience, joined forces with WFP packaging expert Thibault Mirieu to identify solutions to prevent this loss.

Dennis and his team at Amcor's Manchester, Michigan research site kicked off the project in August 2017 by conducting initial lab analysis of new and failed oil containers sent by WFP. They aimed to identify and better understand potential causes of the failures, which they learned were related to material composition, manufacturing practices, and container handling during transport.

Dennis then travelled with Thibault to the WFP front line in Africa to follow up on this research and see the challenging supply route for vegetable oil first-hand. As they followed the containers from Lome, Togo to Niamey, Nigeria, the two conducted field tests and gathered additional data on handling methods and distribution practices.

They observed how containers of vegetable oil are received on ships and stored at the port and in WFP's portside warehouse, where all loading is done by hand. Here, they noticed cracks already developing in some containers even before enduring bumpy roads and extreme temperatures on the backs of trucks. They followed the containers as they were transported to a distribution centre over 1,000 kilometres away, where the cargo was divided and transferred to refugee camps. Again, they noted that the same labour-intensive methods for receiving and storing the goods contributed to foil-seal failures and other damage. This journey provided the team with valuable insight into how handling and distribution practices were impacting container failure.

To learn more about how the manufacturing process was affecting container performance, Dennis and Thibault followed the containers upstream to their source in Indonesia in January 2018. They visited bottle manufacturing and filler sites in North Sumatra and East Java with a goal of developing action plans to address manufacturing issues contributing to the failed containers. The team worked with experts at the sites to publish new container specifications, put materials and blending controls in place, issue uniform test procedures, and engage in new container design activities.

As a result of this important work, key changes have been made to the container specification details and material formulations. The first moulds completed for the improved container design will be integrated in FY19. As the new containers are filled and shipped, our team will continue collaborating with WFP, reviewing results to document how our collaboration has helped reduce packaging failures.



Ocean Conservancy

Amcor is tackling the growing problem of marine debris in partnership with leading sustainability organisation Ocean Conservancy and its Trash Free Seas Alliance (TFSA).

[Ocean Conservancy](#) is a non-profit organisation focused on marine health, and the TFSA is a collective of organisations aiming to reduce the amount of plastic waste entering oceans by 50% by 2025. Under this partnership, we collaborate with other leaders from industry, conservation, and academia to identify real-world solutions for increasing recapture and recycling of plastic packaging to prevent debris from reaching oceans.

TFSA efforts continue to focus on the Asia Pacific Economic Cooperation, where it has achieved Head of State and ministerial statements on the importance of waste management. It is developing support and funding for targeted recycling projects in the Asia-Pacific region, which has the highest global rates of plastic leakage into the marine environment. In this work, TFSA seeks to identify options for new investments in waste management infrastructure and attract more public, entrepreneurial, and private sector interest.

Amcor is on the TFSA Steering Committee and has committed technical and financial support to develop and propose solutions to governments and other organisations. We are also proud to sponsor Ocean Conservancy's annual International Coastal Cleanup event.



International Coastal Cleanup 2017

On 16 September 2017, Amcor people from around the world took part in Ocean Conservancy's International Coastal Cleanup (ICC), the world's largest volunteer effort on behalf of the ocean. In partnership with volunteer organisations around the world, the ICC mobilises volunteers to have an immediate impact on the health of our oceans.

Amcor marked our second year of involvement in the Cleanup with a record level of participation. Our 41 teams of around 1,000 Amcor volunteers joined more than 500,000 volunteers around the world as they removed millions of kilos of trash from shorelines, waterways, and directly from the water. One Amcor team even donned scuba gear to tackle the Cleanup from a different angle.

Together, Amcor teams collected over 11,000 kg of rubbish during this event. Our volunteers also collected some unique items including a sofa, a car tire, a vintage beer can, two messages in bottles, and a set of Audi car keys.



Earthwatch Institute

For 17 years, Amcor has partnered with the [Earthwatch Institute](#), a non-profit environmental organisation which connects colleagues with top scientists to participate in research expeditions. Since 2015, Amcor's expeditions have focused on the issue of marine debris.

Our annual Earthwatch expeditions provide selected co-workers the opportunity to learn first-hand how they—and Amcor—can address some of the most serious environmental challenges facing our planet. Co-workers who participate in expeditions bring back what they learn, applying it to their work for Amcor and sharing it with their colleagues and communities.

For our October 2017 expedition, 15 co-workers from production, procurement, sales, and HR travelled to Cape Town, South Africa to research the flow of mismanaged plastic waste and increase understanding of how to prevent marine debris from reaching the ocean.

On the 10-day expedition, our team conducted marine debris surveys at coastal areas near Cape Town, collecting samples from more than 100 sites over 300 kilometres. Their analysis of the 7,000-plus items collected is part of a CSIRO global study across the 20 countries thought to contribute the most plastic pollution to the world's oceans.

The preliminary results of the CSIRO research show that the plastic items and fragments found along the coastline often don't move far from the pollution source, and are sometimes even transported back to the source itself. Not only will the gathered data prove useful to CSIRO scientists, but it will also help provide guidance on how to reduce and stop the waste flows. It will also likely be used by governments to shape future policies and attitudes towards waste, recycling, and plastic pollution.



“These findings mean that the causes and effects of plastic pollution on a local level are much more connected than previously thought. This will make it much easier to convince local communities to take action to reduce leakage into the environment and increase recycling and recover of plastic packaging, especially as these measures will also directly benefit the community.”

Dr. Gerald Rebitzer, Amcor Sustainability Director, Earthwatch Fellow

“I now know that local recycling facilities and infrastructure have a massive impact on how we manage our waste and where it could end up. I understand now, more than ever, the importance of recycling properly and verifying that our local plant aligns with Amcor's sustainability commitment. I've identified gaps and I'm working to correct them by educating my co-workers and ensuring the recycling process is established, developed as needed, and being followed within my facility.”

Brooke Higgenbotham, Amcor Warehouse Supervisor, Earthwatch Fellow

Amcor co-workers get Hands-on learning about marine debris science, and they also get to see the social and economic factors that contribute to the issue. With this kind of comprehensive learning, we aim for them to become the engines of innovation and improvement in sustainability practices when they return home from their expedition. It's such an enriching experience. I can see the transformation in the co-workers from the time they arrive on the expedition to when they leave.”

Andrea Haas, Field Operations Manager, Earthwatch Institute

Regional partnerships

Recycling infrastructure varies widely across the markets Amcor serves. We engage in several regional partnerships to help identify and implement viable, practical, and economic solutions to increasing collection and recycling rates for all of Amcor's packaging products.

The Recycling Partnership

In 2014, Amcor joined the [Recycling Partnership](#), a U.S. based recycling nonprofit aimed at improving recycling by joining resources with public investments in community recycling programs. Through this partnership, Amcor and other members provide matching grants to U.S. cities to invest in kerbside recycling infrastructure. In addition, the program offers communities technical and financial assistance to increase access, build support from officials, improve regional coordination, and conduct education and outreach. Pilot cities include Richmond, VA, Columbia, SC, and Florence, AL. Since 2015, the Recycling Partnership has reached 583 communities and 29 million households, placed 407,000 recycling carts, diverted 57,500 tonnes of materials from landfills, and avoided 164,000 tonnes of CO₂e.

CEFLEX (A Circular Economy for Flexible Packaging)

[CEFLEX](#) is a collaborative effort of the flexible packaging value chain, led by a European consortium of more than 80 companies including raw material producers, packaging converters, brand owners, retailers, recyclers, and equipment manufacturers. Its aim is to make flexible packaging even more relevant to the circular economy by advancing system design solutions. CEFLEX's specific goals include: 1) To facilitate that flexible packaging will be recycled in an increasing number of European countries by 2020, and 2) To facilitate the development of a collection, sorting, and reprocessing infrastructure for post-consumer flexible packaging across Europe by 2025. Amcor is proud to be a leading partner in this project. We are active in several working groups, and as chair of the CEFLEX Steering Committee.

MRFF (Materials Recovery Facilities for the Future)

[MRFF](#) members share a simple vision in which flexible plastic packaging is recycled kerbside and the recovery community captures value from it. This collaborative research project focuses on finding and demonstrating technical solutions that enable flexible plastic packaging to be added to U.S. single-stream recycling systems, at scale and without impacting established recycling value streams. Several lab-scale and field tests at material recovery facilities have already shown that this is technically possible, but it requires investment in advanced optical sorting equipment to separate flexible plastics from the paper stream they frequently contaminate. Amcor sustainability experts visited U.S. materials recovery facilities to explore how they could contribute to this phase of the project, which also included efforts to find profitable recycling outlets for recovered materials to provide financial incentive for sorting. In 2018, MRFF announced a pilot partnership with a materials recovery facility in Berks County, PA to demonstrate the technical and economic feasibility of recycling household flexible plastics from municipal residential single-stream recycling programs.

REDCycle

Through Amcor's support of the [REDCycle](#) organisation in Australia and New Zealand, consumers can responsibly dispose of soft plastics such as bread bags, pasta and rice bags, plastic bags, frozen food bags, cereal box liners, and snack food bags. Consumers deposit these items at REDCycle drop-off locations in local retail stores, then REDCycle collects the material for initial processing before delivering it to an Australian manufacturing company that uses it to create construction material for recycled-plastic products including fitness equipment, outdoor furniture, and signage.



Public Policy and Perceptions

Advocating for responsible packaging policy and regulations and educating stakeholders to improve understanding of the role and benefits of plastic packaging

Public policy in support of recycling and recyclability will be critical to increasing global collection rates. Amcor advocates for responsible packaging policy and regulations through our membership of industry groups, which can be viewed in the [Appendix of this Report](#), as well as through our partnerships. We support legislation that is transparent and fair, and that allows for innovation and competition in a resource-efficient manner within the packaging industry.

We support many industry and government initiatives on packaging and proactively monitor the emerging policy landscape at regional, national, and global levels. We also respond to government consultation papers directly where appropriate and relevant, including as potential legislation arises around issues such as extended producer responsibility for packaging products and the restriction or ban of certain materials or product types.

Examples of activity by groups of which Amcor is a member include:

- EUROPEN interacting with the European Union on the Circular Economy Package, which will succeed the EU Packaging and Packaging Waste Directive. EUROPEN 'supports legislation that is transparent, effective and in proportion to the impacts of packaging and packaging waste, which thus allows our members maximum scope to innovate, compete and operate in a resource-efficient way. We are closely following developments at EU and national levels and presenting the views of the packaging supply chain to relevant authorities and other stakeholders.'
- Associations such as the National Association for PET Container Resources (NAPCOR), the Association of Plastic Recyclers (APR), and The Recycling Partnership working with policymakers on recycling issues. These groups advocate reducing the footprint of packaging in a manner that does not unfairly target packaging, while at the same time supporting the most efficient solution to addressing the impacts of the entire packaging and product system. They also closely follow the introduction and regulatory environment of new packaging materials, including biobased materials.
- Flexible Packaging Europe (FPE) and the European Aluminium Foil Association (EAFA) supporting the development of the Product Environmental Footprint program as part of the EU action for a single market for green products. The program aims to define harmonised rules on how to measure and report the environmental performance of products put onto the EU market.
- The Ellen MacArthur Foundation providing feedback to help shape the European Plastics Strategy and responding to proposed EU legislation concerning restrictions on single-use plastics and plastic packaging.

Per Amcor policy, no political contributions were paid in FY18, nor were there any requests for Board approval to make a political contribution.

Addressing public perceptions about plastic

In 2018, *National Geographic* dedicated an issue to plastics, the television series *Blue Planet 2* highlighted the impacts of environmental plastic waste, the G7 Plastics Charter focused on preventing marine debris, and legislative action to address single-use plastic products was advanced in many countries. While headlines around the world have drawn attention to the topic of plastics, the issue is not clear-cut.

Many misconceptions exist about plastics; these perceptions affect the entire value chain, including packaging converters. To help better inform global discussion, Amcor experts are sharing their deep experience across a number of forums.

Below, David Clark, Amcor's Vice President, Sustainability, discusses some of the most common or recurrent misconceptions about plastic and plastic packaging.



Myth: Plastic packaging is the same as single-use plastic.

Amcor's products provide primary protection for a broad range of products, from their place of manufacture through distribution, retail, and use. Far from being used for a few minutes and discarded, primary packaging often performs a vital role for weeks or even months, keeping products safe, fresh, and available when people want or need to use them.

Myth: Alternative materials to plastic are better for the environment.

Plastic is often the material of choice for packaging because it is low-cost, lightweight, and can protect products from water, oxygen, or other elements that can cause spoilage. Replacing plastic packaging with other materials, like glass and metals, would require more natural resources, result in a higher carbon footprint, and be more expensive for consumers.

Myth: Get rid of plastics and you solve the marine pollution problem.

Plastics make up a large portion of visible marine debris today because plastics and plastic packaging have such a large role in people's lives—and plastics float. Until a few years ago, glass bottles and metal bottle caps were among the top 10 items collected in the Ocean Conservancy's annual International Coastal Cleanup. When Amcor performed marine debris surveys with the Earthwatch Institute in Indonesia in 2016, those surveys found large amounts of paper, construction materials, clothing and even dirty diapers. Poorly managed waste flowed out to sea via stormwater drains and rivers. We need to solve the larger issues of poor waste management and low worldwide recycling rates to tackle the marine pollution problem. Amcor is active in addressing these problems through our partnerships with global sustainability organisations.

Myth: Companies should just stop producing packaging.

With the Earth's population set to reach 9 billion by 2050 and more people living in cities, packaging plays a critical role in reducing food waste, facilitating product transport, and ensuring that food, medicines, and other products are safe when and where people need them. Most packaging today is designed to minimise the use of packaging materials while optimising protection of the contents inside the package. Eliminating packaging would likely increase the total waste and carbon footprint from wasted food and the loss of other resources due to damage and spoilage.

Myth: Banning single-use plastics will solve the problem.

Most of the plastic packaging in our oceans comes from developing countries where a fast-growing middle class is using more packaged products, but governments have not kept up with providing basic waste management or recycling programs. Certainly, we should keep working to reduce all types of littering, but banning drinking straws and plastic bags may only raise awareness rather than have a real impact on reducing the 8 million tonnes of plastic entering the ocean each year.

Thought Leadership

Amcor engages with stakeholders on emerging industry trends to share expertise and collaborate around urgent global issues.

Conferences and speaking engagements

Many of Amcor's co-workers are industry-leading experts on sustainability topics including recycling, life cycle assessment, ethical supply chains, operational excellence, and partnering for change. Throughout FY18, our leaders engaged with community members, customers, industry associations, sustainability organisations, and governments through presentations at a variety of conferences and industry events such as:

- EU Plastics Europe's Innovation for a Circular and Resource-Efficient Europe, Belgium (September 2017)
- Michigan State University School of Packaging, USA (October 2017)
- Responsible Business Forum, Singapore (November 2017)
- World Ocean Summit, Mexico (March 2018)
- European Congress on Coffee Capsules, Germany (April 2018)
- EcoVadis Sustaina Conference, France (April 2018)
- Sustainable Packaging Coalition Impact Conference, USA (April 2018)
- Walmart Project Gigaton Milestone Meeting, USA (April 2018)
- G7 Workshop on Global Marine Plastics Solutions, Canada (June 2018)
- PEPP Polyolefin Conference, Germany (June 2018)
- The Economist Sustainability Summit, USA (June 2018)
- Global Pouch Forum, USA (June 2018)

“We discussed how to bring about better harmonisation of recyclability definitions, the power of on-pack labelling to educate consumers, and the challenges and opportunities ahead of every company that signs up for the 2025 Pledge.”

Fabio Peyer, Amcor Sustainability Manager



Plastics News photo by Michael A. Marcotte

Awards and recognition

Amcor's commitment to environmental stewardship and product responsibility have helped us achieve widespread recognition as a sustainability leader and cemented our role as the leading global packaging company. Some of the FY18 achievements of which we are proudest include:

The logo for Fortune Magazine, featuring the word "FORTUNE" in a bold, black, sans-serif font.

Fortune's 2017 Change the World List

In September 2017, *Fortune Magazine* recognised Amcor in its annual 'Change the World' list, which 'highlights the work of corporations making social benefit part of their core businesses.' The recognition was spurred by our work with the UN World Food Programme on improving the way aid and foodstuffs are delivered to the most remote parts of the world.

The logo for Baxter, featuring the word "Baxter" in a bold, blue, sans-serif font.

Baxter Sustainability Award

Baxter, one of the largest healthcare companies in the world, honoured Amcor with an award recognising our innovative and sustainable product offering and corporate initiatives like the 2025 Pledge. Since 2015, Amcor has worked with Baxter to transition away from pre-made bags for renal products to flow-wrapping machines, helping to reduce cost and complexity, improve the recyclability of the final products, and improve manufacturing safety by reducing the hands-on work required.



Innovation in Plastics Recycling Award

This award from the American Chemistry Council's Plastics Division recognises significant innovations in plastics recycling. Amcor's receipt of this award highlighted our support of end markets for recycled plastics and recognised our development of a mono-material plastic pouch that contains 20% post-consumer recycled plastic and can be recycled at drop-off locations across the U.S.



CDP 'Best Performance Across Program'

Amcor received recognition from the Carbon Disclosure Project for 'best performance' across our sustainability program among Australia and New Zealand companies, based on reported action to address GHG emissions and reduce impacts on forests and water. We were also included in the CDP's Climate Disclosure Leadership Index for Australia, and received an 'A-' grade.



'Leading Company' in Sustainability Reporting

Amcor was once again assessed by the Australian Council of Superannuation Investors as a 'leading' company for sustainability reporting and disclosure. This designation is awarded only to companies that disclose performance against a significant range of sustainability criteria and provide detailed information about risk management processes and outcomes.

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

About this Report

Amcor's Sustainability Report, released annually, has been prepared in accordance with the GRI Standards: Core option. It is the seventh year we have reported in accordance with GRI guidelines. We also publish a shorter Sustainability Review, which provides a summary of our sustainability approach and performance. All previous GRI Reports and Sustainability Reviews may be accessed at www.amcor.com/sustainability.

This Report covers all locations wholly-owned and majority-controlled by Amcor during the entire reporting period (FY18: 1 July 2017 to 30 June 2018), unless otherwise specified for certain indicators. This covers all five of our business groups: Amcor Rigid Plastics (ARP), Amcor Flexibles Europe, Middle East and Africa (AFEMEA), Amcor Flexibles Americas (AFA), Amcor Flexibles Asia Pacific (AFAP), and Amcor Specialty Cartons (ASC), as well as our Capsules business.

Restatements of information

Each year, we adjust our baseline year data for greenhouse gas emissions, waste-to-disposal, and water use to include acquired sites. If the acquired site is able to provide data back to the baseline year for energy use, waste generated, raw material consumption, and water usage, this data is added to our environmental database. If acquired sites do not have existing data when integration begins, we wait until we have 12 months of data before the sites are integrated into our reporting and use these 12 months of data to estimate historical data back to our baseline year. Should we divest a site, we would exclude those emissions from our baseline.

GRI Content Index

A full list of GRI disclosures and their locations is available in the [GRI Content Index](#).

Materiality

We value our stakeholders and employ a rigorous approach to regularly engaging with them to determine the environmental, social, and governance topics that are material to Amcor. The highly material topics identified during this process have been incorporated into the relevant sections of this Report. A summary of these topics, along with more detailed information about our materiality assessment process and its outcomes, may be accessed via our [2018 Sustainability Report microsite](#).

Assurance

Selected data has been assured by Ernst and Young; please see the final page of this report for the Assurance Statement.

Contact us

Please direct any queries regarding this Sustainability Report to Amcor's sustainability team at amcor.sustainability@amcor.com. We welcome your feedback.

Appendix

The following Appendix Exhibits may be accessed via the About This Report section of our 2018 Sustainability Report microsite. Please follow the links below to view or download the associated documents.

- [Exhibit 1: GRI Content Index](#)
- [Exhibit 2: Materiality Assessment and Stakeholder Engagement](#)
- [Exhibit 3: GHG Emission Calculations](#)
- [Exhibit 4: List of Memberships](#)
- [Exhibit 5: Statement of External Assurance](#)

