



SUSTAINABILITY UPDATE 2016



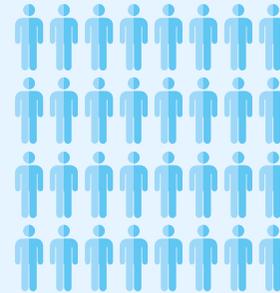
FOOD. PEOPLE. FUTURES.

TETRA PAK AT A GLANCE

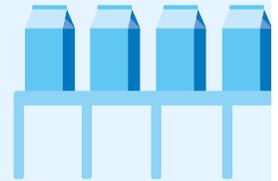
Countries where
our packages
are available
>170



Employees
worldwide
23,500



Tetra Pak packages
sold in 2015
184 billion



Litres of products
sold in Tetra Pak
packages in 2015
78.2 billion



Net sales in 2015
€11.9 billion



Market
companies
32

Sales offices
80



Technical
training centres
11



R&D centres
6

CEO REFLECTIONS

For Tetra Pak, sustainability goes hand in hand with our brand promise – PROTECTS WHAT'S GOOD™ – and the three pillars on which that promise stands: food, people and futures.

Protecting food

Protecting food is the core focus of our business. From the beginning, we have been driven by the vision of making food safe and available, everywhere. Realizing that ambition means helping to find sustainable ways to feed a fast-growing population – one of the most pressing development challenges facing the world today, and one that calls for a wide-ranging response.

We are working around the world to build capacity and strengthen value chains, including through our [Dairy Hub](#) initiative. This helps customers in developing countries access better-quality, locally produced milk while at the same time helping smallholder farmers become profitable dairy producers. It is a concept that has proved very successful; not only

improving the standard of living for thousands of smallholder farmers, but also improving nutrition and food safety more widely across local communities. With the support of the Tetra Laval Food for Development team, Dairy Hubs are running in Bangladesh, Nicaragua and Sri Lanka, with further projects under way in Senegal and Kenya.

The team also continues to support the practical implementation of [school feeding programmes](#). The first programme using Tetra Pak packages began in Mexico in 1962; now programmes using our packages span the globe. In 2015, new school feeding programmes started in the Philippines and Peru, increasing the number of children that regularly receive food or drink in Tetra Pak® packages to more than 70 million worldwide. Studies show that such schemes not only improve children's health, they also boost their capacity to learn and help stimulate the local economy, too.

Protecting people

Our second pillar, protecting people, focuses on our commitment to our



“The best way to make a lasting positive difference is through collaboration and partnership”

Dennis Jönsson, CEO & President

employees, the communities in which we work and society as a whole. More than 23,500 people work for Tetra Pak; they are the engine of our success.

I am pleased to report that the injury and illness rate among our employees and contractors remains very low; but we are keen to reduce it further. During the past year, we have continued to implement our global [occupational health and safety](#) management policy, including rolling out procedures covering Technical Service and Processing Systems work at our customers' sites.

Protecting people is also about retaining and nurturing talent. Around 85% of our employees took part in our latest [employee engagement](#) survey at the end of 2015, in line with the high-performance norm. We made further progress too in improving the diversity of our workforce, and ensuring that we provide a respectful, inclusive working environment for everyone.

Looking beyond our own organization, we continued to play an active role in the communities in which we operate, from providing apprenticeship schemes and supporting local supplier development, to health education and emergency relief.

Protecting futures

Our third pillar is about protecting futures, by developing products and services that will support the future business growth of our customers, and by acting and operating in ways that best protect the future of our planet. Once again, 2015 was an important year for us in this regard. The [Tetra Rex® Bio-based](#) package – our first ever package made entirely from plant-based materials – continued to generate enthusiasm among customers and consumers, and to win awards for both innovation and sustainability. Following its success in Europe, we recently launched the product in the US, to a very positive response.

We continue to maintain our [Forest Stewardship Council™](#) (FSC™) certification. All of the wood fibres used in our paperboard now come from FSC-certified and controlled sources, and 29% of the packages we sold in 2015 carried the FSC logo, up from 25% in 2014 and less than 6% just six years ago. Early in 2016, we reached the milestone



of 200 billion FSC-labelled packages produced since 2007.

We also continued our efforts to save energy and resources, further reducing impact along the value chain. Technological breakthroughs, including our next generation [Tetra Pak E3®](#) platform, plus continued improvements in the water and energy efficiency of our packaging and processing equipment, all played their part.

Throughout the year, [recycling](#) remained in sharp focus. We have introduced new reporting guidelines across the whole company to improve data collection and ensure that the information we receive is accurate and robust as we work towards our goal of doubling our recycling rate to 40% by 2020. As a result, our recycling rate for 2015 fell slightly to 23.6%, or 43 billion packs, compared with 25.7%, or 46 billion packs, in 2014. The underlying trend, however, remains positive.

At all times, we are guided by our long-term environmental objectives,

including our ambition to cap carbon emissions in 2020 at 2010 levels. Last year our emissions were 15% lower than they had been at the turn of the decade, while the number of packages we sold was 16% higher.

Following the 2015 Paris Climate Conference, we signed the Paris Pledge, committing to playing our part in helping to ensure that global warming remains below 2°C, as outlined in the Paris Agreement. We also joined the global business network [RE100](#), with a promise to procure 100% of our electricity from renewable sources by 2030, and we became a member of the Ellen MacArthur Foundation's [Circular Economy 100](#) (CE100), reflecting our commitment to maintaining a leadership position in recycling and the use of renewable materials. For the first time in 2015 we reported in to the CDP's forests programme, and raised our overall CDP disclosure score to 99B, compared with a CDP supply chain average of 60C.

These new agreements build on our existing commitments to the [UN Global Compact](#) and the [Sustainable Development Goals](#). We know that achieving our own goals requires



determination and a strong sense of obligation across the entire company, which is why we have a well-defined [corporate governance framework](#). But we also know that the best way to make a difference is not by acting on our own, but by working with other like-minded organizations.

On that note, please read on and explore the rest of this report, which gives greater insight into the progress we're making in all areas of our sustainability journey; our commitment to continuous improvement; and the achievements of our remarkable employees, on which our continued success depends.

FOOD.PEOPLE.FUTURES.

Our brand promise, PROTECTS WHAT'S GOOD™, plays out in three key areas: protecting food, protecting people and protecting futures. These are the pillars of our brand; and they are also the chapters of our sustainability story.

Our future success depends on our ability to provide safe, secure and sustainable nourishment to consumers, which means finding new ways to meet the evolving expectations of the market and the diverse needs of our customers. At the same time, we must strive to be socially responsible, providing opportunities for all our employees and supporting communities everywhere we operate. And we must address our environmental responsibilities, driving efficiency, cutting waste and lowering our environmental footprint.

A sustainable value chain

Our responsibilities extend beyond our own operations and our business with our customers; so our approach to sustainability encompasses the whole value chain. Our [2020 climate goal](#),

for example, extends from the sourcing of base materials to the end of life of used cartons. We have developed robust systems and methods to reliably collect data; and our results, audited and validated by independent external consultants, show steady progress towards our targets for 2020.

Suppliers

Since 2011, all our suppliers must sign and adhere to the terms set out in our Business Code of Conduct for Suppliers. We also assess suppliers against the high standards of performance defined by the [UN Global Compact](#). Every year, we evaluate our key suppliers' operations and environmental performance through audits and self-assessments.

Employees

We employ more than 23,500 people, and their engagement and dedication is essential to our success. We provide [learning and development](#) opportunities for all, strive to ensure that every project and activity we do is [injury-free](#) and undertake to [include and respect](#) every individual. To ensure we are meeting our responsibilities, we conduct an [employee engagement survey](#) every other year.

Customers

We work with customers across the globe to achieve our shared business and sustainability goals, including through [school feeding programmes](#), [Dairy Hub](#) initiatives and [community](#)

[engagement collaborations](#). We are constantly developing new products and processes to help customers reduce their environmental footprint, and we work with them to [manage and minimize impact](#) throughout the value chain.

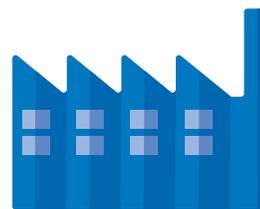
Consumers

Our food packaging and processing solutions make food safe and available for consumers everywhere. Many of our [product innovations](#) are made in response to demand for lower environmental impact and better recycling solutions. At the same time, we develop and promote campaigns on sustainability-related topics, such as [recycling and renewability](#), and the benefits of packaged milk.

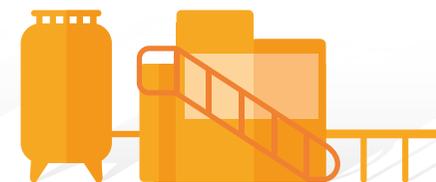
The value chain



Suppliers



Tetra Pak



Customers



End of life

GOVERNANCE

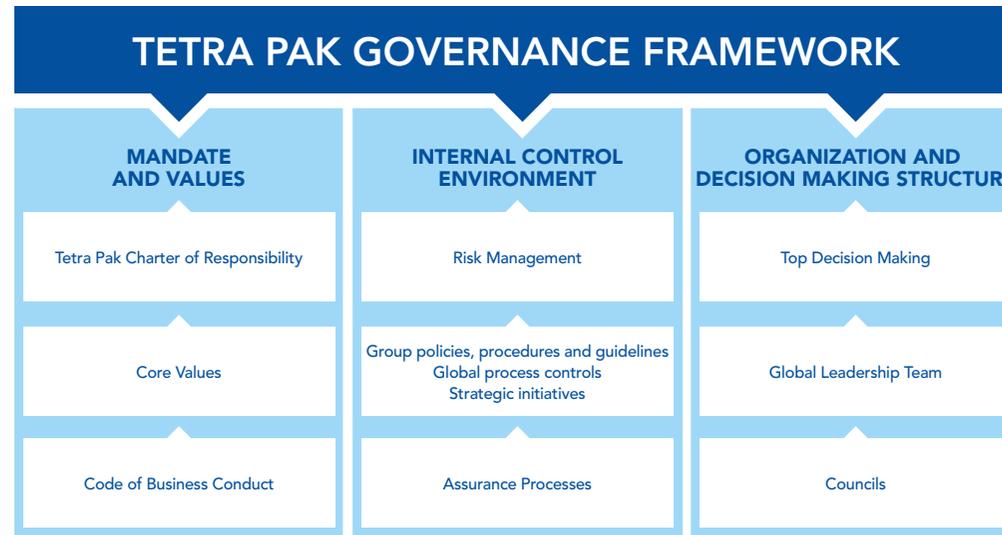
We believe that good corporate governance is fundamental to a successful, sustainable business. That's why we have a well-defined governance framework that guides everything we do.

The Tetra Pak Governance Framework is designed to help ensure that we deliver on our brand promise PROTECTS WHAT'S GOOD™, that we abide by relevant regulations and legislation, and that we behave ethically and responsibly. We believe that good governance is fundamental to building a sustainable business, and to creating long-term, shared value with our customers.

Mandate and values

This section of the Framework provides a structure for setting company objectives and strategies, and for how we go about achieving them. It also guides how we operate and act with colleagues internally and with our stakeholders across the value chain. At the highest level, it includes:

- **Charter of Responsibility:** Issued by the Tetra Laval Group Board, this outlines the roles and responsibilities of the Board and Tetra Pak. The CEO of Tetra Pak is ultimately responsible for the Governance Framework.
- **Core values:** These form and shape our corporate culture and guide our behaviour internally and externally, uniting people from different cultures, countries and backgrounds. Shared and lived core values are essential to good governance.



- **Code of Business Conduct:** This sets out requirements on working conditions, anti-discrimination, confidentiality, conflicts of interest, financial reporting, compliance with the law, anti-corruption, bribery, child exploitation and environmental issues in all parts of our operations.

Internal control environment

The Framework includes a comprehensive risk management methodology, with policies, procedures and global

processes for managing and responding to risks. Our state-of-the-art Governance Risk Compliance (GRC) system is a major step towards securing an effective and transparent internal control environment. The GRC creates a single platform for risk management, bringing mitigating policies, procedures and detailed controls together with assurance processes, assessments and reports.

Organization and decision making structure

Our Global Leadership Team (GLT) is responsible for implementing the Framework, supported by a Corporate Governance Office and a network of local governance and risk officers. In addition, the GLT has set up four councils to manage decision-making in the following areas: strategy; products and technology; transformation and capability; and corporate governance.

Every year, our CEO and the GLT submit a signed Management Declaration on our adherence to the Framework to the Tetra Laval Group Board. This is based on reports and self-assessments from heads of markets and operating units.

International frameworks

As signatories to the [UN Global Compact](#) since 2004, we are committed to the implementation, disclosure and promotion of its 10 principles on human rights, labour, the environment and anti-corruption, and submit an annual Communication on Progress. Defined corporate functions have a coordinating role for:

- Human rights: Human Resources/ Corporate Communications
- Labour: Human Resources
- Environment: Environment
- Anti-corruption: Corporate Governance

We also actively contribute to the UN's [Sustainable Development Goals](#).

Awareness, understanding and compliance

All employees, at all levels of the company, are responsible for complying with the Governance Framework in their everyday decisions and actions. Details of the Framework are available on our intranet, and a mandatory eLearning programme is in place.

Whistle-blowing

Anyone in Tetra Pak can anonymously report actual or suspected breaches of our Code of Conduct or any other unethical behaviour directly to either the Corporate Governance Officer or Head of Audit, without being penalized in any way. Every case of breach of our Code of Conduct is handled individually and investigated appropriately, depending on its severity. If the incident is criminal, we report it to the relevant authority.

Zero tolerance for corruption

Anti-corruption is an important part of our approach to corporate governance, and we take a zero tolerance approach to corruption, bribery and fraud. Corruption is unethical; it undermines the fairness of the market, distorts transaction costs, destroys an open, honest and decent society, and harms economic, social and political progress. Combating corruption is a vital part of building trust with customers, suppliers and other stakeholders, and fostering a responsible, transparent business culture.

Trust and transparency

To build trust and transparency with our customers and as part of our approach to responsible sourcing with suppliers,



we are members of [Sedex](#), the Supplier Ethical Data Exchange. Sedex is a not-for-profit membership organization dedicated to driving improvements in responsible and ethical business practices in supply chains.

STAKEHOLDERS AND REPORTING

Our approach to sustainability extends across our entire value chain. We work with stakeholders at both global and local level to develop solutions and create shared value. We also ensure transparency by reporting regularly on our responsible business practices and performance.

We actively engage with stakeholders at all levels to find new ways to reduce our impact and make our business more competitive and sustainable.

Stakeholders

As the leader in our industry, we play a key role in industry organizations and partnerships, facilitating awareness campaigns, conferences and seminars, establishing methodologies and standards, and developing public policy.

We work with non-government organizations (NGOs) and multi-stakeholder initiatives on a wide variety of issue-specific projects. Key partners and initiatives include the UN Global Compact, the Forest Stewardship



Council™ (FSC™), the World Wide Fund for Nature (WWF), the UN World Food Programme (WFP) and the Global Alliance for Improved Nutrition (GAIN), along with many more.

We have long-standing collaborations with governments, ministries and departments to support [school feeding programmes](#) around the world through our [Food for Development](#) function. We are also industry leaders in environment advocacy globally, particularly in areas such as packaging sustainability and recycling, resources

and waste, sustainable production and consumption, and dairy sustainability.

Reporting

We provide data and information on our sustainability performance and goals in an annual Sustainability Update. These updates form our Communication on Progress to the [UN Global Compact](#), showing how we are integrating its 10 principles on environmental performance, labour and human rights practices, and anti-corruption into our business strategy as well as our day-to-day operations.

External assurance

Our practices, processes and performance are verified externally through World Class Manufacturing, ISO 9001 and 14001, OHSAS 18001, and Forest Stewardship Council Chain of Custody and Quality Assurance Management certification. Our GHG emissions data has been audited by a third party since 2006.

We continuously work to improve our data collection and management on key environmental measures. We have introduced new software to support the reporting of environmental data from our sites and suppliers, and implemented global management of recycling information through our SAP Business Warehouse system, which both improves the quality of reporting and provides access to the latest local and global data across the company.

▶ See our [full list of partners](#)

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The UN has introduced a new set of goals aimed at ending poverty, protecting the planet and ensuring prosperity for all.

The 17 Sustainable Development Goals (SDGs) build on the Millennium Development Goals (MDGs), addressing a wider sustainability agenda and seeking to address the root causes of poverty and meet the universal need for development that works for everyone.

We are committed to supporting and working to achieve the SDGs, just as we did the MDGs. We are currently focusing on those goals that relate directly to our core business and our work to promote sustainability, and where we believe we can make a positive difference.

➤ Read more about the UN's Sustainable Development Goals

Goal	How we are contributing	Goal	How we are contributing	Goal	How we are contributing
 <p>2 NO HUNGER</p>	Our processing and packaging solutions enable food and drink to be distributed and stored without refrigeration or preservatives. School feeding programmes improve health and stimulate development. Our DEEPER IN THE PYRAMID offering is making healthy food accessible to all.	 <p>6 CLEAN WATER AND SANITATION</p>	We seek to minimize water usage in our operations and reduce the water consumption of the equipment we develop, sell and operate at our customers' sites. Our Environmental Benchmarking Services help customers to increase efficiency and reduce their own consumption.	 <p>7 RENEWABLE ENERGY</p>	We are investing in renewable energy and increasing the use of renewable electricity in our operations. We have joined RE100 and the Business Renewables Center, committing us to sourcing 100% of our electricity from renewable sources by 2030.
 <p>8 GOOD JOBS AND ECONOMIC GROWTH</p>	We employ a diverse workforce, and strive to keep all colleagues free from harm. Our Code of Business Conduct sets mandatory requirements on human rights and labour, environment and anti-corruption, complies with applicable legislation and encourages suppliers' own sustainability initiatives.	 <p>9 INNOVATION AND INFRASTRUCTURE</p>	We work to improve the environmental profile of our products and solutions, and to adopt sustainable practices throughout the value chain. Our equipment is designed to provide outstanding performance and to minimize energy and water use.	 <p>12 RESPONSIBLE CONSUMPTION</p>	We prefer to use materials from renewable sources, and are working towards a 100% renewable package. Our aseptic packaging helps to reduce food waste. We adopt responsible practices throughout our value chain and have been reporting on these since 1999.
 <p>13 CLIMATE ACTION</p>	We are working to minimize our climate impact across the value chain, setting a goal to cap this by 2020 at 2010 levels despite business growth. We develop products and solutions that help reduce climate impact.	 <p>15 LIFE ON LAND</p>	We work closely with our suppliers and other partners to ensure sound forest management practices. Our minimum requirements go beyond legislation, and we expect our suppliers to comply. We use credible certification systems to improve forest management.	 <p>17 PARTNERSHIPS FOR THE GOALS</p>	We actively engage with stakeholders across our entire value chain and at all levels in order to develop common solutions and create shared value.

➤ See our [full list](#) of partners

TAKING THE LEAD

As part of our ongoing work to minimize our climate impact and increase our use of renewable resources, we have signed up to a number of initiatives that demonstrate our commitment to sustainability.

We recently added our name to the [Paris Pledge for Action](#), set up following the Paris Agreement on climate change. The businesses, cities, civil society groups and others that have joined the Pledge are committed to working to ensure that the ambition set out in the Agreement – to limit global warming to 2°C or less – is met or exceeded.



In early 2016, we signed up to [RE100](#), a global network of leading companies set up by The Climate Group and CDP. In joining, we have committed to increase our use of renewable electricity from 22% today to 100% across all our global operations by 2030. As a member, we will benefit from expert guidance and the opportunity to share learning on renewable energy options in different markets around the world. We have also signed up to the [CE100](#), an innovative programme set up by the Ellen MacArthur Foundation to support the long-term development of a circular economy: one that is restorative and regenerative by design.



100%
of our electricity is
set to come from
renewable sources
by 2030

2015/ AT A GLANCE

VSTUDIO/SHUTTERSTOCK.COM



Tackling food insecurity

Reducing food loss and wastage at every stage of the supply chain is key to tackling food insecurity and meeting the challenge of feeding a growing population. In the Netherlands, we are working with the government to raise consumer awareness of “sell by” and “use by” dates and reduce the amount of safe food being wasted. [Read more](#)



Supporting communities

We work with partners around the world to provide solutions to local problems, including building capacity among smallholder plantations, supporting apprenticeship programmes and delivering support in the wake of disasters. [Read more](#)



Recycling matters

We are working to promote recycling around the world, educating consumers, building infrastructure and helping to create business opportunities for recyclers. [Read more](#)



Stronger value chains

Dairy Hubs are transforming the lives of local farmers in developing countries such as Sri Lanka, and building capacity all along the dairy value chain. [Read more](#)



Recognizing excellence

The engagement and commitment of our 23,500 employees is the engine of our success. Our latest Excellence Awards recognize and reward colleagues who are making an exceptional difference to our company and our customers. [Read more](#)



FSC milestone

As a major user of paperboard, we have a responsibility to ensure the world's forests are managed in a sustainable way. This year, 100% of our paperboard was FSC™-certified, and we also reached a significant milestone, delivering 200 billion FSC-labelled packages since 2007. [Read more](#)

FOOD

We are driven by our vision to make food safe and available, everywhere. Our innovative and market-leading food processing and packaging solutions are making that vision a reality worldwide, in the following areas:

Challenges >

Finding sustainable ways to feed a fast-growing population is one of the most pressing development challenges facing the world today.

Safety and quality >

We aim to keep our promise to PROTECT WHAT'S GOOD™ every day by working with our customers to ensure the safety and quality of their products.

Availability >

We believe that the most effective way to tackle global challenges relating to food and nutrition is to build sustainable food value chains.



➤ Read more about how we are [protecting food](#)

Challenges

FEEDING A BUSY WORLD

Finding sustainable ways to feed a fast-growing population is one of the most pressing development challenges facing the world today.

The world population is projected to grow from around 7 billion in 2012 to around 9.6 billion by 2050 – and with this will come an increase in demand for food. It is a major challenge to meet this demand at the same time as protecting and strengthening rural economies, reducing emissions and preventing further damage to fragile ecosystems.

There is no one solution that can create a sustainable food future. Closing the food gap requires a range of strategies, involving governments, businesses and a broad spectrum of other stakeholders. Tetra Pak, along with our partners in the food and drink industry has a significant part to play.

Playing our part

We have the opportunity to make an important contribution in helping to improve food security worldwide, including by:

- Making food production more efficient
- **Supporting farmers**
- Cutting **food loss and waste**



9.6bn

Estimated global population by 2050, according to UN figures

› Challenges › Case study

FOOD LOSSES AND WASTE

The UN Food and Agriculture Organization estimates that around a third of food produced for human consumption is lost or wasted. There is an urgent need to tackle this issue, to reduce hunger and mitigate the impact on the environment.

In developing countries, food loss and waste is often linked to lack of infrastructure and resources, while in developed countries the challenge lies in educating consumers to avoid throwing good food away. In the Netherlands, Tetra Pak is working with the Ministry of Economic Affairs to raise awareness of Te Gebruiken Tot (TGT) and Ten Minste Houdbaar (THT) labelling – the Dutch equivalent of “sell by” and “use by” dates. Our research showed that consumers found labels confusing, and were unsure when food was still safe to consume.

“We decided on a two-pronged approach,” explains Birgit Kamp, Communications Director North West Europe. “We organized a brainstorm session with industry stakeholders and

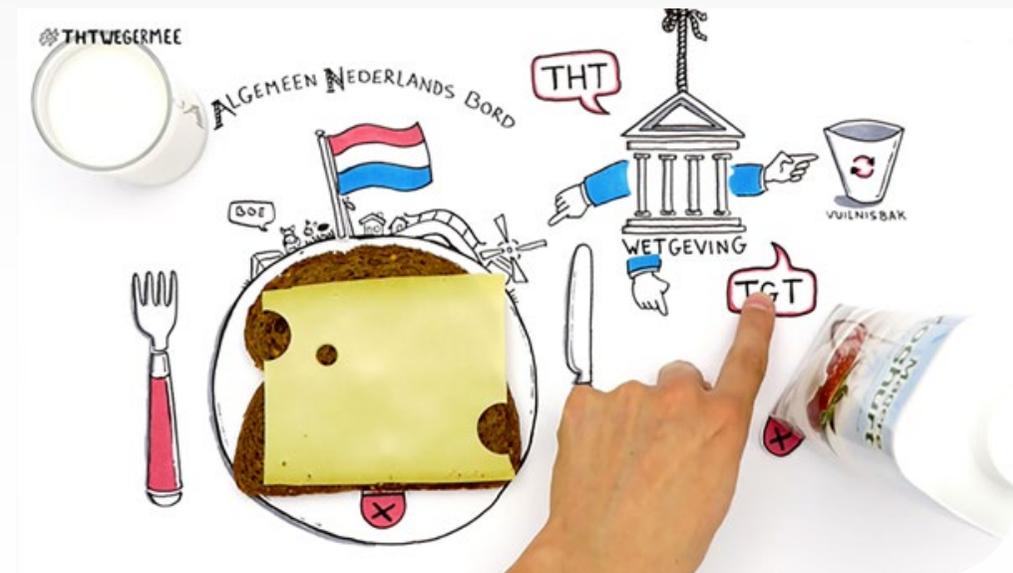
opinion-formers, at the same time as encouraging public debate by setting up a campaign through online channels and social media. We then invited the public to vote on different forms of wording to replace TGT/THT. In December 2015 we announced the winner: ‘Quality guaranteed until...’. We also wrote to the Ministry of Economic Affairs requesting support to make this change in labelling. Meanwhile, we continue to feed our social media channels to keep the campaign in people’s minds.”

Birgit believes the initiative has helped strengthen Tetra Pak’s position as a thought leader in the area – and open up new business opportunities. “The campaign has reinforced our position as a promoter of food safety and waste prevention,” she says.

› Read more about how we are working to meet [food challenges](#)



A brainstorm session engaged stakeholders and opinion-formers



The consumer campaign set out to explain clearly when food is still safe to eat

[Safety and quality](#)

FROM SOURCE TO SHELF

We aim to keep our promise to **PROTECT WHAT'S GOOD™** every day by working with our customers to ensure the safety and quality of their products.

Food safety means handling, preparing and storing food in such a way as to protect it against contamination and avoid food-borne illnesses. For our customers, that means being in full control of all production parameters, from the sourcing of raw materials right the way through to the retailer's shelf.

We use our experience and expertise to support them in this, including by developing innovative solutions such as [Tetra Recart®](#), the first package to make it possible to sterilize foods with particles inside a carton. We are also pioneers in the development of technologies such as [juice pasteurization](#) and ultra-high-temperature (UHT) treatment.



Ensuring quality

By food quality, we mean the taste, colour, texture and nutritional value that consumers rely on. Quality starts at the beginning, with the rigorous auditing of raw materials suppliers. All Tetra Pak processing and packaging equipment is designed to meet advanced hygiene standards, satisfy legal parameters and minimize waste, and all packaging materials are fully compliant with relevant food contact legislation. Plant automation and integration supports quality control where products pass through several steps in the plant, and provides valuable feedback to optimize operations.

Trust and traceability

Our Food Safety Policy helps us to maintain the highest standards of safety – and achieve full traceability – throughout the entire processing and packaging value chain, and ensure compliance with all relevant legislation and regulatory requirements. We back this commitment in a number of ways, including through automated solutions such as [Tetra PlantMaster™](#), a factory-wide control system that fully and seamlessly integrates intelligence from each unit of the dairy production line.

We also work directly with our customers to provide guidance and practical support. We carry out rigorous tests at every stage to ensure that products are fully protected during transportation and distribution, and support the training of operators to handle, store and display products correctly. We also work with our customers to promote food quality as a benefit to consumers, including through innovative packaging design and promotional activities.

[Read more about food safety and quality](#)

[▶ Availability](#)

DEVELOPING THE DAIRY VALUE CHAIN

The Dairy Hub concept goes to the heart of food safety and dairy development, by helping strengthen the dairy value chain in developing countries.

The goal of Dairy Hubs is to help our customers in developing countries access better-quality, locally produced milk. At the same time, it helps smallholder farmers become profitable dairy producers, raising income and improving nutrition in areas that need it most. Already active in Bangladesh and Nicaragua, our Food for Development team recently launched a new project with local partner Cargills in Jaffna district in northeast Sri Lanka.

Two years on from the initial set up, and the project is delivering significant results. For Cargills, it has provided a way of increasing volumes in a country where demand currently far exceeds supply, while farmers have seen a dramatic increase in returns. One farmer sums up the impact of the project on individuals and their families: "We are finally able to stand on our own two feet and provide for our children adequately without being in debt. The project has been a godsend to us."

[▶ Read more about our work to develop Dairy Hubs](#)



Tapping the potential

Nearly 1 billion people live on dairy farms, smallholdings or in landless households keeping one or a few animals. The milk and dairy industry therefore holds huge potential to create jobs and increase incomes for farmers, dairy processors, distributors, shopkeepers and other stakeholders.

Tetra Laval's international Dairy Expert Morgan Tinnberg with dairy farmers in Sri Lanka

› Availability › Case study

DIRECT TO THE CLASSROOM

School feeding programmes deliver nutrition direct to the classroom, improving children's health and boosting their capacity to learn, while also helping to stimulate economic development.

Tetra Pak has been supporting governments and dairy processors in developing school feeding programmes around the world since 1962. Programmes address hunger and malnourishment, at the same time as stimulating local demand for agricultural products. In 2015, food or drinks in Tetra Pak packages reached 70m children around the world as part of a school feeding programme, including via a [new programme in Peru](#) where 175,000 children are now receiving local milk fortified with cereal and DHA in Tetra Brik® Aseptic 200 Slim packages, processed and packed by our local customer. The [Food for Development](#) team is providing technical support, while Tetra Pak Peru is running an environmental education and recycling initiative in some of the schools as part of our ongoing commitment to raising awareness of sustainability issues.

70m
children received
food or drink in a
Tetra Pak package
via school feeding
programmes



› Read more about [school feeding programmes](#)



PEOPLE

We make social responsibility a priority when it comes to people. We seek to support communities wherever we operate and provide opportunities for our employees around the world. Our work focuses on the following areas:

Health and safety >

We strive to ensure that individuals are free from harm in every project and activity, and we believe that working as a team is the best way to achieve our aim of zero accidents and work-related illnesses.

Employee engagement >

Our success depends on our people performing at their best – and for this they need to feel motivated, connected and valued. By making sure our employees are engaged, we create a culture of personal responsibility, diversity and innovation.

Learning and development

By promoting a culture of learning and sharing knowledge and experience across the business, we enable our people to reach their full potential, while we continue to attract and retain the very best.

Diversity >

We undertake to include and respect every individual, regardless of age, gender, ethnicity, nationality or sexual orientation. A diverse workforce enhances our ability to understand the different cultures and languages of our customers and consumers.

Community engagement >

We strive to play a responsible and active role in the communities in which we operate around the world, getting involved at a local level through a wide range of initiatives.



▶ Read more about how we are [protecting people](#)

Health and safety

A GLOBAL APPROACH

We strive to ensure that individuals are free from harm in every project and activity, and we believe that working as a team is the best way to achieve our aim of zero accidents and work-related illnesses.

We continue to implement our global operational health and safety (OHS) management system based on OHSAS 18001, the international standard for OHS management systems. As part of the programme, we launched a set of standardized global procedures for Technical Service and Processing Systems operations at our customers' sites and a new Tetra Pak Group OHS Policy which is now being communicated to all employees with the message that we must all stay safe and healthy, every day and everywhere we work.

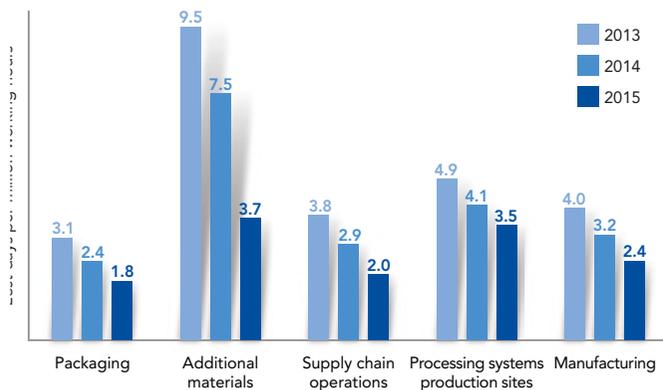
We also made good progress towards our challenging target of achieving OHSAS 18001 certification for all our manufacturing sites by 2017. So far 60% have been certified, up 22% from 2014. At the same time, we achieved a 25% reduction in the Lost Time Accident Rate (LTAR) across all our manufacturing sites.

During 2015 we launched global procedures for workplace transport (e.g. forklift trucks) and introduced lock out and tag out (LOTO), designed to eliminate the risk of safeguards being bypassed and prevent machinery and equipment being started accidentally. Individual factories are using self-assessment checklists to measure progress in rolling out these new global procedures.



60%
of our manufacturing sites worldwide have now achieved OHSAS 18001 certification

Lost time due to accidents



Read more about [health and safety](#)



Employee engagement

MOTIVATED, CONNECTED, VALUED

Our success depends on our people performing at their best – and for this they need to feel motivated, connected and valued. By making sure our employees are engaged, we create a culture of personal responsibility, diversity and innovation.

Our employee engagement survey is a key element in helping us to measure how connected and motivated our people are to perform at their best, and one of the ways

in which we can check how we are delivering against the promises we make to them.

The survey covers a wide range of areas, including diversity, leadership and sustainable engagement. The participation rate for our latest survey, at the end of 2015, was 85%, which compares favourably with the high-performance norm and demonstrates our employees' commitment and willingness to share their opinions with us.

23,500
 people work for Tetra Pak worldwide, and their engagement and dedication is essential to help us develop and maintain our competitive edge

The proportion of positive responses on sustainable engagement – 82% – also puts us on a par with companies performing at world-class level. We are delighted to have been able to maintain such a high score at a time of considerable organizational change.

» Read more about [employee engagement](#)

Employee engagement > Case study

RECOGNIZING EXCELLENCE

Recognizing good work is important to us, and one of the ways we do this is through our yearly Excellence Awards. The 2015 Excellence in Leadership Award went to Alesya Fedoseeva, HR Service Centre Director for Russia, Ukraine, Belarus and Central Asia.

The citation for the 2015 Excellence in Leadership Award highlighted three elements as key to Alesya's success: her commitment to encouraging professional growth within her team, her focus on individual development and the continuous feedback she provides on performance. And it is a significant success. Under Alesya's leadership the HR Service Centre for Russia, Ukraine, Belarus and Central Asia has achieved nearly 99% on-time ticket resolution, with internal stakeholders praising its outstanding contribution to supporting organizational changes critical to Tetra Pak's future.

Given the content of the citation, it is not surprising to hear that Alesya



Communication and empowerment are key to success for Alesya Fedoseeva

is quick to credit her team for their contribution: "I owe this to my team for their hard work, drive and dedication," she says. She makes a point of recruiting people who radiate enthusiasm. "For me it is important that the person I bring to the team shares the same values, philosophy and attitude as the rest of us."

Communication comes first

The first step towards great teamwork is to make communication a top priority. "You shouldn't be afraid to over-communicate, especially in times of significant change," she says. "I set clear expectations, make sure everyone understands our strategic goals – and knows how they can contribute to those goals through their everyday activities."

But while there can never be too much communication, there is such a thing as managing too closely. "To be motivated, people need to be given clear, challenging and interesting tasks," says Alesya. "They should be aware of the direction the company is taking and their role in achieving that – then they should be empowered to make their own decisions."

That extends to making decisions about their own personal and professional development. "In terms of motivation it is also for the employee to understand how he or she can develop," says Alesya, "and to be proactive in seeking out those opportunities. There are so many

global projects, for example, that people can participate in and where they can acquire new skills.

Team spirit and trust

"Team spirit is also vital for motivation. The bond between us is strong – we enjoy each other's company and we enjoy working together. I'm always with my team through all their hardships and challenges. They rely on me and I rely on them, so trust between us is very high. We have a common agenda and we share the same goals."

The team also makes a point of celebrating its successes together – something Alesya sees as absolutely critical to excellent performance. "Individuals need recognition," she says. "When we completed the business transformation project that we'd been running for a couple of years, it was a major celebration. It's so important that people feel valued for the contribution they make."

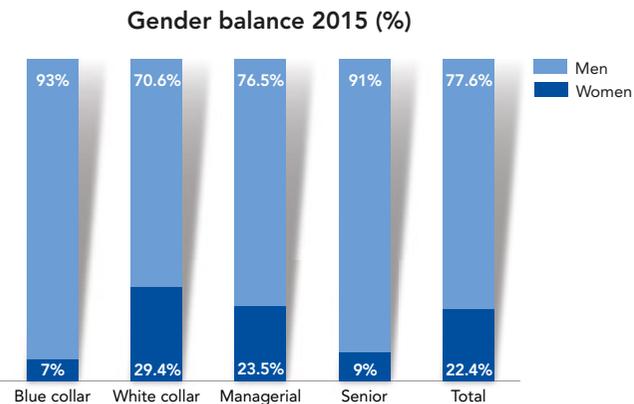
➤ Diversity

GETTING THE BALANCE RIGHT

We undertake to include and respect every individual, regardless of age, gender, ethnicity, nationality or sexual orientation. A diverse workforce enhances our ability to understand the different cultures and languages of our customers and consumers.

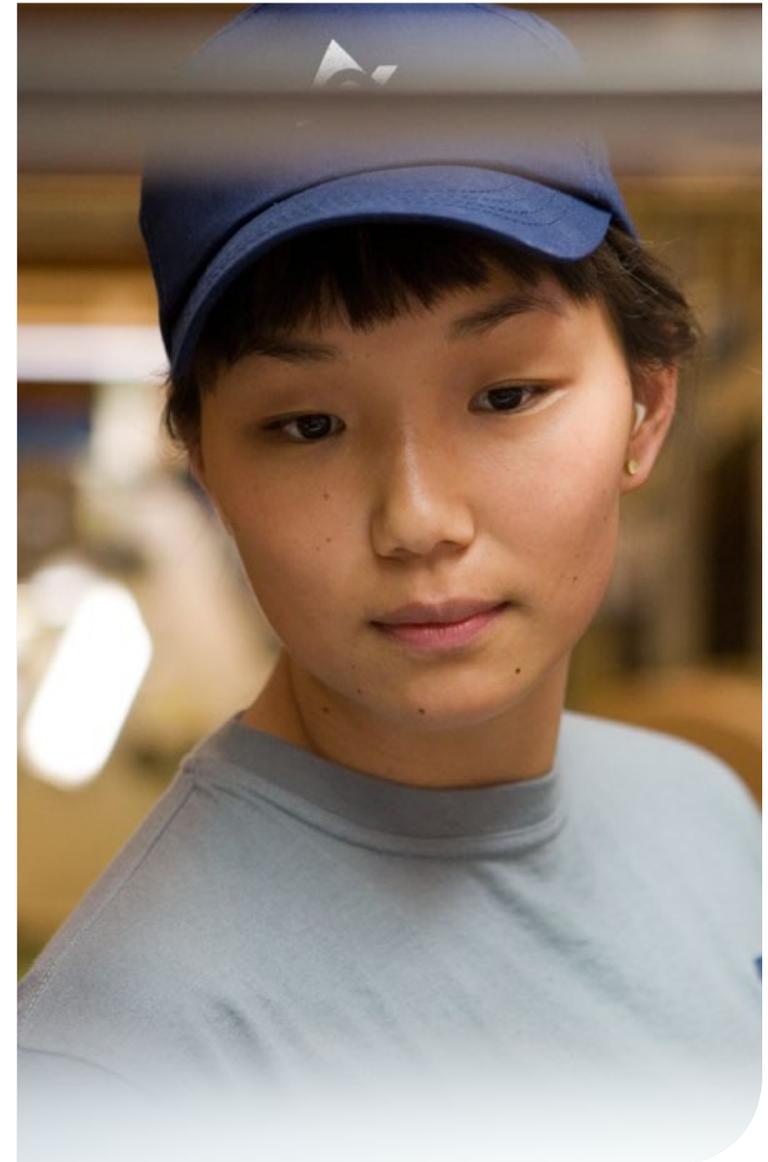
Our products are sold in more than 170 countries and our employee base is similarly international, giving us a cultural and national diversity that contributes to our success. More than one-third (34.7%) of our top management comes from non-European backgrounds.

Diversity can also be defined in terms of age distribution: looking at our entire company, Tetra Pak has a balanced and stable age mix across our different businesses and markets.



Like many manufacturing companies, though, we face the challenge of improving the gender balance within our organization. At the end of 2015, 22% of our total workforce and 23.5% of our managers were women, while the proportion of women in senior management roles rose from 6.5% in 2013 to 9% in 2015, mirroring the proportion of women in the workforce as a whole.

We are increasing our focus on hiring women and providing developmental opportunities aimed at increasing gender diversity. Key management processes, such as succession planning, our Leadership Acceleration Programme and our mentoring programmes provide these opportunities for women and also for employees from outside Europe. We believe our core values, along with our Code of Business Conduct training, promote an inclusive and positive company culture, and contribute to the lack of reported incidents of discrimination.



Community engagement

A POSITIVE CONTRIBUTION

We strive to play a responsible and active role in the communities in which we operate around the world, getting involved at a local level through a wide range of initiatives.

Our community engagement work is often based on longstanding connections, such as our partnership with the World Wildlife Fund. With them, we are supporting smallholders in plantations around the world, boosting capacity and helping them develop the competences they need to manage forests effectively. In China, for example, we are supporting the establishment of the China Sustainable Paper Alliance and the roll-out of a Sustainable Paper Campaign later in 2016. In Indonesia, we are working with local NGOs to raise awareness of sustainable sourcing, including through the revamped [Eyes on the Forest](#) website.

We also maintain strong links with a number of charities. Over the past few years, we have donated €250,000 to Hand-in-Hand, an international non-profit organization that aims to reduce poverty through social mobilization and business training, and a further €150,000 to support a poverty reduction project run by Caritas in Kenya. We are also partners to Mentor, a leading international NGO fighting drug use and substance abuse throughout the world, as well as supporting FoodBank in Australia.



Local initiatives to raise awareness of environmental issues and promote sustainable livelihoods form an important part of our engagement with communities

» Read more about our [work with communities](#)

FUTURES

We strive to play an active role in shaping a better future, supporting the long-term success of our customers' businesses and driving environmental excellence across our whole value chain. Our work to protect futures covers the following areas:

Customer focus

Our goal is to create and share value for and with our customers through our products and services. We believe that true value is generated through active collaboration and real partnership working.

Environmental innovation >

We're constantly striving to develop new products and processes that meet our rigorous quality and safety standards but with a lower environmental footprint. Innovation is the key to addressing new and emerging customer needs, staying competitive and doing business in a sustainable way.

Responsible sourcing >

Responsible sourcing means taking into account social, environmental and ethical considerations, as well as cost, quality and delivery time. Our goal is to minimize negative impacts and make a positive contribution to the businesses, people and communities that make up our supply chain.

Managing our impact >

We are working to minimize our environmental impact across the entire value chain, from sourcing to production to the use and disposal of our products, working in partnership with our suppliers and customers.

Recycling >

We believe that our responsibility does not end when we sell our packages. By supporting recycling, we can give used beverage cartons a new life, protect natural resources and reduce climate impact.



▶ Read more about how we are [protecting futures](#)

Environmental innovation

AND THE WINNER IS...

Throughout 2015, Tetra Rex® Bio-based continued to win plaudits for innovation, and for its contribution to the development of truly sustainable packaging.

International Forum: Packaging

The IF design awards were established in 1953, and are recognized worldwide as setting a standard for design excellence. Tetra Rex Bio-based won the 2015 Packaging award, following on from the success of Tetra Evero® Aseptic the previous year.

World Beverage Innovation: Best Carton

The World Beverage Innovation Awards are regarded as among the most credible and influential in the industry. Tetra Rex Bio-based was awarded the prize for Best Carton or Pouch.

Packaging Industry Awards: Packaging Sustainability

"At a time when we are using raw materials at a rate far beyond what the Earth can produce, it becomes important to reduce the use of these materials," said the judges. "To create a large-volume product such as a drinking carton in a fully renewable material has a clear effect on the environment and creates resonance that goes beyond the packaging industry."



Ethical Corporation: Sustainable Innovation

Tetra Rex Bio-based outshone its rivals in this highly competitive category. In the citation, Ethical Corporation announced: "This award went to the company that most clearly demonstrated incorporation of sustainability into commercial objectives. The winner showed that they have created a definitive new product that has been incorporated into operations across the company."



Packaging Europe: Sustainability

This is our second Packaging Europe Sustainability Award in the "Bio-Based" category. The judges spoke of our commitment as a market leader and household brand in investing to put a package on the market that is 100% derived from renewable feedstocks.

Oscar dell'Imballaggio: Special Environment Prize

The so-called Oscars of Packaging aim to bring awareness and recognition to remarkable innovations in packaging. This is the second consecutive year that Tetra Pak has received an award, confirming our reputation as a company at the forefront of sustainability.

Green Star Packaging Award: Sustainability

The judges' favourite from the start, Tetra Rex Bio-based took first place in the "Environmentally friendly product" category.

Pro2Pac Excellence: Gold Award

The Pro2Pac awards were set up to discover the most exciting products, services and business solutions in the food and drink packaging industry. Entries are assessed by an independent panel of experts, who are looking for all-round excellence in the field of packaging.

DuPont Awards for Packaging: Silver Award

Judges at the 28th DuPont Awards for Packaging Innovation commented: "With effective on-pack communication, this package offers dairy and beverage brands a competitive advantage as consumers increasingly demand sustainably produced products. With it, Tetra Pak has shown a true commitment to sustainable packaging solutions that will inspire others to believe stretch targets on environmental performance are achievable."

➤ [Read more about our work to develop sustainable products](#)

➤ Environmental innovation > Case study

TETRA TOP®: THE SUSTAINABLE CHOICE

US customer JUST® water chose the new Tetra Top® carton bottle with bio-based plastic for the launch of its 100% pure spring water.

The new Tetra Top® carton bottle is comprised of 82% materials from renewable sources: the latest in a long line of environmentally responsible packaging innovations. The cap and top of the carton are made of high-density polyethylene bioplastic (HDPE) derived from sugar cane. This, along with the Forest Stewardship Council™ (FSC™)-certified paperboard used for the main sleeve of the carton, has significantly increased the proportion of materials from renewable sources from 53%. The package is also recyclable where facilities are available.

The use of materials from renewable sources – resources that can be replenished over time like wood fibre from trees or bio-based plastic from sugarcane – plays an important role in reducing resource scarcity and mitigating climate change. The environmental profile of carton bottles



The new package reflects JUST® water's values of responsibility and transparency

was a crucial factor for our customer JUST® water in choosing first Tetra Top and now the new bio-based version of the package for its sustainably sourced 100% spring water.

Focus on sustainability

The Tetra Top Bio-based carton bottle reflects JUST water's values of responsibility and transparency, while delivering a great environmental profile. "This bottle innovation significantly reduces the product's carbon footprint, which aligns with our business ethos,"

says Grace Jeon, CEO of JUST. "We found a true partner in Tetra Pak."

Not only does the package itself break new ground, the product – 100% spring water sourced from upstate New York – represents a new category that offers significant opportunities for the future. As Product Manager Helena Kron-Benteke notes, now that Tetra Pak has broken into the US market with Tetra Top, "We are hoping to pave the way for carton bottle with other customers and other categories, such as dairy."

The reaction to date has been very positive: at the end of 2015, JUST water was named a favourite new beverage of the year by the readers of *Beverage Industry* magazine.

"Consumers choose JUST water because they appreciate its brand values and want this to be reflected in the whole user experience," says Charles Brand, Executive Vice-President Product Management and Commercial Operations.

"We are pleased to have come up with a package that is aligned with this focus without compromising convenience and functionality. Packages made from materials that come from renewable sources are not only good for the environment but also offer our customers a competitive advantage as consumers increasingly look to make more environmentally friendly choices."

➤ Read more about our work to develop [sustainable products](#)

➤ [Responsible sourcing](#) > [Case study](#)

MILESTONE FOR FSC™-LABELLED PACKAGES

Tetra Pak reached a significant milestone in early 2016, with the total number of FSC™-labelled packages delivered passing the 200 billion mark.

The first Tetra Pak package to be labelled as made from [Forest Stewardship Council™](#) (FSC™)-certified paperboard – meaning that it comes from FSC-certified and controlled sources and is traceable back to its origins – was delivered in 2007.

This was a first for the industry, and we have continued to break new ground ever since, as well as working to find renewable alternatives to the other materials that make up our packages. On average, more than 70% of a Tetra Pak carton package is made up of materials from renewable sources. In 2014, we achieved FSC Chain of Custody certification for all our sites, so we can supply FSC-labelled packages anywhere.

The FSC logo enables consumers to make a conscious choice when it comes to choosing packages. Increasingly, consumers are looking to companies to make a public commitment to protecting the environment – and to communicate that in a transparent way.



200 billion
FSC™-labelled packs
delivered by Tetra Pak
since 2007

Growing demand

The number of FSC-labelled packages delivered has grown exponentially since we produced the first such package in 2007. By 2009, the annual total had climbed to 1.5 billion, reaching 18 billion in 2011 and 54 billion by 2015. By spring 2016, we had delivered a total of 200 billion FSC-labelled packages for our customers worldwide since production began.

➤ [Read more about responsible sourcing](#)

➤ **Managing our impact**

MAKING EFFICIENCY A PRIORITY

Our biggest single climate impact results from energy consumption in our own operations and elsewhere in the value chain, so improving energy efficiency is a top priority for us.

Electricity consumption in our factories has remained almost flat since 2005, while our business has grown over 30% during the same period. Audits of our own factories carried out by external energy experts have identified additional opportunities to reduce energy use by 10-12%. We are currently implementing these recommendations and sharing best practice across all our sites. By the end of 2015 we had implemented around 63% of identified savings and were on track to reach 91% by the end of 2017.

At the same time, the 2015 climate efficiency result for Supply Chain Operations Packaging Material showed an improvement of 21% compared with the 2010 baseline. Our work to increase efficiency covers use of all resources, as well as energy, and includes our customers' operations.

So, for example, when we learned that our customer Ultrajaya was facing stoppages at its factory in West Java, Indonesia, due to a low water supply, we set out to identify ways of reducing the amount of water being consumed by their filling machines. Our proposed solution – which involved reusing



50% of the water from the machines' compressors – has increased efficiency by reducing stoppages, and significantly cut water consumption.

➤ **Read more about how we are [managing our impact](#)**

Clearer calculations

We have recently launched a new version of our [Carton CO₂ calculator](#), which shows the CO₂e footprint of our cartons under European conditions up to the moment when the packaging material leaves our factories. The calculator now includes more cartons and caps, including those made from bio-based materials, and reflects our latest data on performance and emissions.

➤ Recycling

BUILDING STRONGER INFRASTRUCTURE

We are working to develop and strengthen infrastructure, making it easier for consumers to recycle and creating new opportunities for recycling companies.

Brazil: putting recycling on the map



Tetra Pak Brazil celebrated eight years since the launch of its [Recycling Route](#) by partnering with Waze, the world's biggest community-based traffic and navigation app, to make it even easier for people to dispose of their discarded packages in a responsible way while they are on the move. So far the app has been downloaded by 2,500 people in São Paulo and Rio de Janeiro.

Brazil: taking care of the future

Two projects are increasing capacity among waste-picker co-operatives to develop their business. "Taking care of the Future" provides leadership and technical training, and is now in its third year, while "Cooperativa em Ação" focuses on boosting productivity and encouraging co-operatives to adopt a more business-like approach.



Tetra Pak is working to build capacity among waste-picker co-operatives in Brazil

Panama: spreading the word

Tetra Pak has supported the creation of three new mobile recycling stations in Panama City and is working with the Municipality on an awareness campaign, including mapping stations online at rutadelreciclado.com. Plans are under way to expand the scheme and to further develop sorting centres.

Colombia: investing in business

Tetra Pak is supporting seven recycling plants in Colombia which, between them, have capacity to deal with 90% of the packages sold in the country. In total, we have invested more than 1.2m Colombian pesos in supporting seven companies to build businesses based on recycled materials. ProPlanet, which operates the plant in La Estrella, turns discarded packages into items of furniture, including for schools in poor areas of the country. So far the company has succeeded in creating nearly 30 new jobs and is also working to raise awareness of recycling in local schools.

➤ Recycling

RAISING AWARENESS OF RECYCLING

We are working to raise awareness of recycling and encourage more consumers to dispose of their packaging in a responsible way.

Malaysia: educating the next generation

For the past 10 years, Tetra Pak Malaysia has worked with local government and businesses to run a recycling competition for school children. To date, an estimated 900,000kg of recyclable waste has been collected, and all schools in the Shah Alam area, just west of the capital Kuala Lumpur, now have collection facilities on site.

Korea: promoting carton collection and recycling in Sejong

Tetra Pak Korea is working with Sejong City government and Sejong YMCA to educate pre-school children about recycling and run a scheme where consumers can swap used recyclable cartons for recycled toilet paper. Between April 2014 and April 2016, around 172 tonnes of used cartons were collected.

Croatia: a creative approach

Eko Paket (part of the international Eco Schools Programme on environmental awareness) has been running in Croatia for three years. 2015 saw the number of participating institutions double, with 5,000 children from 70 schools directly involved in the project. Activities included a recycled art competition, workshops and demonstrations showing how used cartons are turned back into pulp.



Czech Republic: towns lead the way

Six towns in the Czech Republic have been chosen to host the campaign "Where do beverage cartons belong?" The campaign uses local events and festivals to increase awareness of carton recycling and local facilities and collection services.

Portugal: "Yellow is fun"

Tetra Pak and dairy producer Agros are working with Lipor (the organization that manages urban waste in the Oporto region of Portugal) on the "Yellow is fun" initiative. For each 10kg of Agros milk cartons recovered from the region's yellow recycling containers, Tetra Pak and Agros will donate €10 to a fund to construct a children's playground in Póvoa de Varzim.

Hungary: "Flatten your carton"

The Hungarian Association of Beverage Carton Producers – of which Tetra Pak is a leading member – has invited school children to make and upload short videos showing creative ways to flatten a beverage carton. Tetra Pak offered prizes and also encouraged celebrities and bands to submit videos, which have been compiled on Facebook. The resulting short film has had over 12,000 views.

China: new eco-park in Shanghai

A new eco-park next to Shanghai's Disneyland Resort is showcasing the creative possibilities of recycling, featuring benches and waste bins as well as a series of sculptures of the traditional Swedish Dala Horse, all made from some 4.38m recycled Tetra Pak cartons. The partnership between Tetra Pak and the park's managers, Shanghai Shendi Group, includes public education campaigns and developing souvenirs made from recycled materials.

➤ Recycling > Case study

CARETON – A LASTING PARTNERSHIP

Through its CAREton Project, Tetra Pak Malaysia is working to promote products made from recycled materials – and help build better lives for local people.

The CAREton Project was launched in 2012, with the aim of building on Tetra Pak Malaysia's existing work to promote recycling in partnership with our customer Nestlé. While the initial campaign focused on the environmental benefits, CAREton shows how recycling can help local communities, too.

The project works by teaming up with community organizations and transforming used cartons into new products that directly support their work. In its first year, CAREton provided 10,000 exercise books and 100 pieces of school furniture made from recycled cartons to an educational organization supporting poor children in Malaysia's cities. In 2013, it delivered 460 sections of recycled polyAl roofing material, enough for 10 new houses, to EPIC Homes, a social enterprise that



In helping local people, CAREton is also creating a market for recycled products

provides rural housing for indigenous Orang Asli people. A further 20 new homes were completed in 2014.

An opportunity to help

In 2015, the focus shifted to the east of the country, which had been badly affected by floods. The campaign set a target of collecting 8.5m cartons and recycling them into 1,150 roofing tiles, enough for 25 new homes. "The east coast floods were devastating, displacing over 100,000 people," says

Terryz Tan, Environment Director for Tetra Pak Malaysia, Singapore, Philippines and Indonesia. "While many evacuees have since returned, they remained homeless. We saw an opportunity to help them."

Each roofing tile, measuring around 2.7m by 1.2m, requires 7,247 recycled drink packs to make. The drink packs are recycled by KPT Recycle, Malaysia's largest carton recycling facility and one of our recycling partners. In fact, the

Positive impact

Tetra Pak Malaysia first introduced carton recycling in 2005. At the time, recycling rates were negligible: the latest figures show a rate of 28.4%. "Our achievements to date must be attributed to our recycling partners, KPT Recycle; our collection partners who make it easy for consumers to drop off their used cartons; and of course consumers themselves who collect, rinse and drop off their used cartons," says Environment Director Terryz Tan. "We are committed to keeping the momentum up. We can still do better!"

campaign exceeded its target, and gathered enough material to build 50 new homes in the Kelantan region.

At the same time, CAREton has continued to expand its collection network. New partner Hilton Petaling Jaya hotel boosts the network to more than 20 commercial partners and over 470 collection points nationwide.

Measuring and reporting

SETTING TARGETS, MONITORING PROGRESS

We set clear targets and work hard to monitor progress against them, ensuring transparency about our impact in all areas.

Since 1999, we have reported on our environmental data according to the following principles:

- All data presented covers a full calendar year, January to December.
- We report on our greenhouse gas (GHG) emissions according to the [GHG Protocol](#) principles.
- For selected data we also present an eco-efficiency indicator reflecting the environmental impact in relation to a certain parameter.
- In some cases, we have corrected previous years' data when sites have reported corrections to historic data.

Reporting on GHG emissions

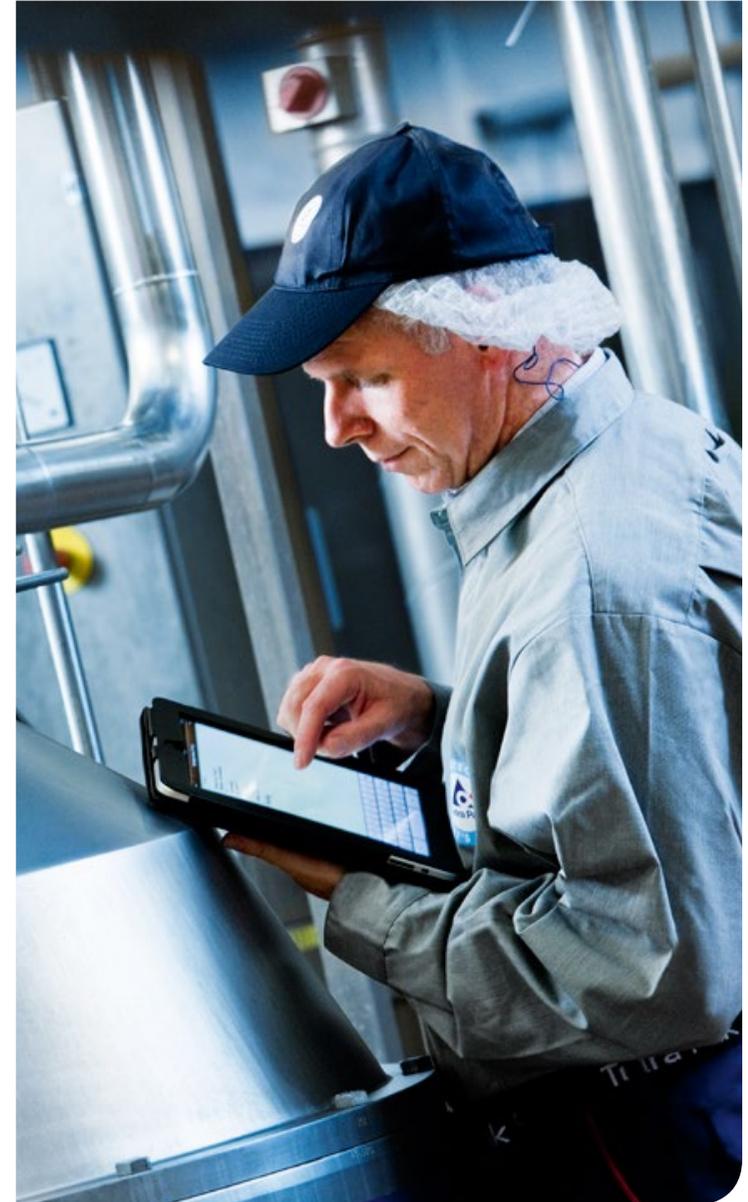
Since 1998, we have been collecting data from the different parts of our organization annually, and consolidating the information in a central database. Up to 2010, we measured only the emissions from our own operations. Then in 2011 we established our new climate strategy, committing us to reducing emissions across the entire value chain. In 2013, we began verifying our emissions data through external auditors. The [GHG Protocol](#) requires us to report on emissions in three areas:

- **Scope 1:** Direct emissions from our own operations, including fuel consumption and the use of solvents and refrigerants.
- **Scope 2:** Indirect emissions related to purchased electricity, heat, steam or cooling.
- **Scope 3:** Indirect emissions in our value chain from sources not owned or controlled by us.

Our Scope 2 total for 2015 was calculated using the "market based" methodology. This means that we have used supplier-specific emission rates where available, in line with the GHG Protocol Scope 2 Quality Criteria, and that our results reflect the use of renewable electricity at our sites. Under Scope 3, we account and report emissions across our value chain, showing the total climate impact from the sourcing, production, use and disposal of our products.

Our CDP score

We disclose our climate performance data and progress towards our target through the [CDP](#). In 2015, we improved our CDP disclosure score from 97 to 99, compared with a CDP Supply Chain average of 60, and our performance – based on progress against our own targets – was rated B compared with an average C. We also reported into the CDP's forests programme for the first time, and were recognized as a sector leader – one of just nine from a total of 180 companies.



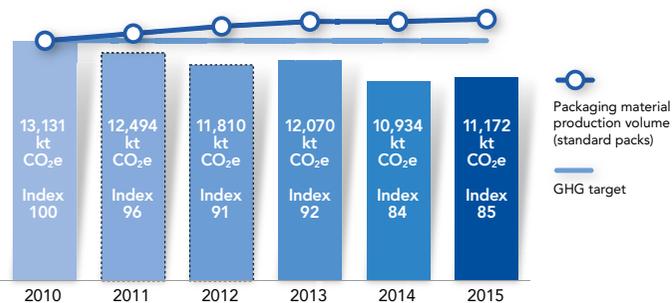
Measuring and reporting

OUR 2015 RESULTS

Greenhouse gas emissions

Our 2020 climate goal is to cap greenhouse gas (GHG) emissions at 2010 levels while continuing to grow our business. In 2015 we made significant progress against this target, achieving a 15% reduction against the 2010 baseline, at the same time as achieving a 16% increase in the number of packages sold.

GHG emissions across value chain*



*Target 100
2010, 2013 and 2014 data verified by third party (Ecofys)
2011 and 2012 data not verified by third party

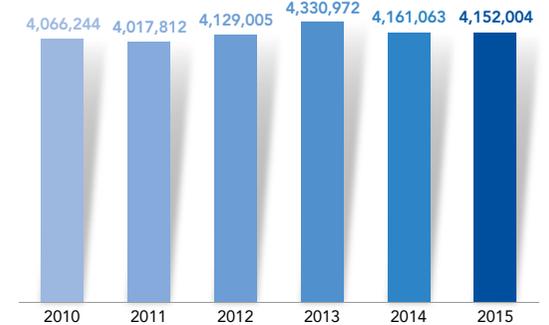
Energy (input)

The energy use reported includes purchased electricity, the use of fossil fuels such as natural gas and district heating (hot water/steam). Electricity is the main source of power for our operations. Fuels are used both for heating and for process-specific purposes such as drying printing inks.

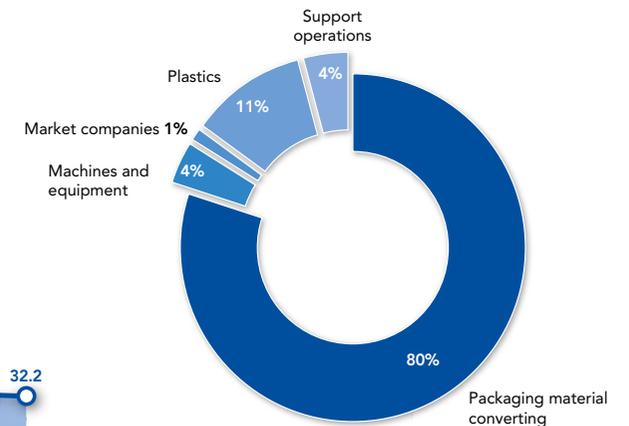
The chart (top right) depicts total energy use across our operations around the world. Energy use has remained relatively stable, despite increases in production. Our converting factories consume 80% of the total energy used across our operations.

We monitor the energy efficiency of our packaging material operations by measuring the energy used to produce a million standard packages. As shown in the chart below, this indicator has remained stable in recent years, with no major fluctuations.

Energy use (GJ)

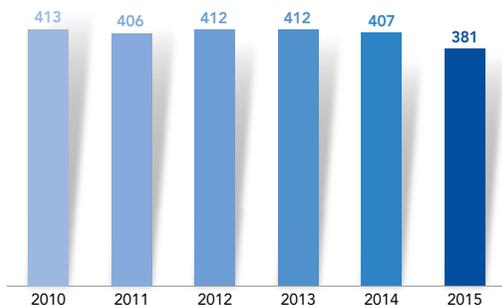


Energy use by function 2015 (%)



Tetra Pak operations

GHG emissions (scope 1+2) total ktonnes



Energy efficiency, packaging material production (GJ/million standard packages)

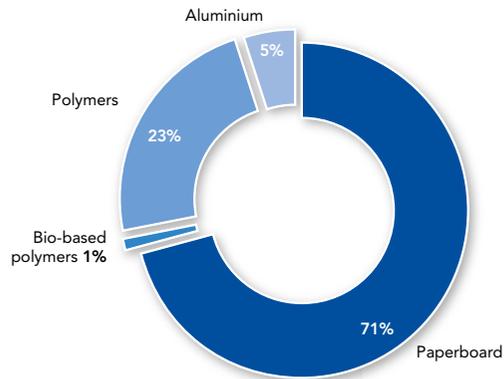


➤ Measuring and reporting

Raw materials

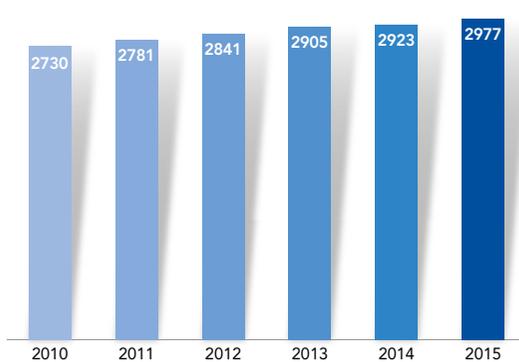
The data presented in this section covers the raw materials used to produce our carton packages, including laminates, closures, straws, strips and film.

Raw material use per main base material 2015



The chart shows the relative proportions of each type of raw material that goes into our packages.

Raw material use for packaging material production (1000 tonnes)



The increase in total raw material use is mainly attributed to increased production levels.

Waste

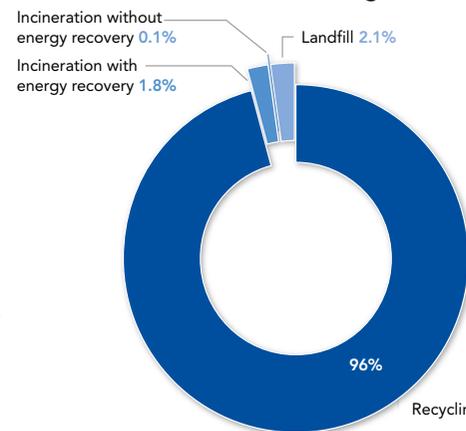
Material waste is measured as the difference between raw material consumed and the packaging material produced. The material waste rate is the factory weighted average waste percentage. The figure below shows the steady reduction of packaging material waste over the years.

Packaging material waste (%)



Waste handling covers the handling of all solid waste produced in operations, including production waste and any other types of waste from sites. The chart shows the proportion of waste that is recycled, incinerated either with or without energy recovery, and sent to landfill.

Waste handling

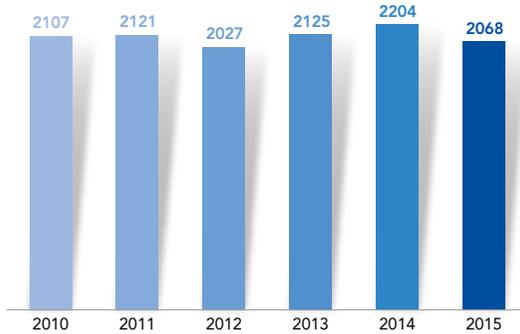


➤ Measuring and reporting

Water

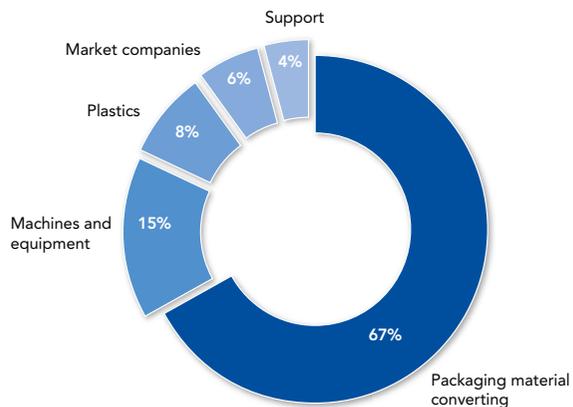
The table depicts **total water consumption** across the Tetra Pak sites. The amount of water we use is modest; nevertheless, we seek to minimize usage as far as possible.

Water use (1000m³)



Our converting factories account for the largest percentage of **water use**, followed by those operations that assemble machines and equipment.

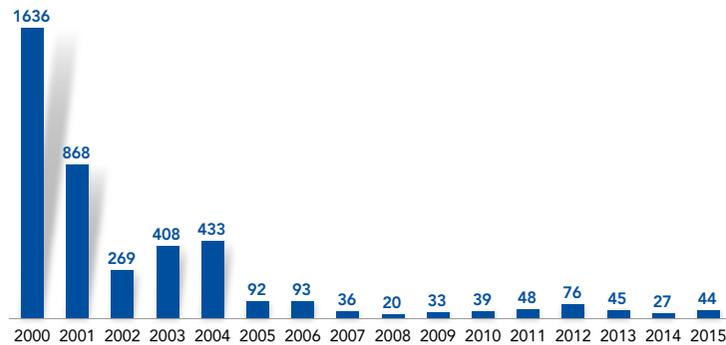
Water use by function 2015 (%)



Ozone depleting substances

Emissions from ozone depleting substances result from CFC/HCFC leakages when refilling the equipment in our production lines. Emissions also result from accidental releases, including the release of halon when refilling fire extinguishers. Our policy is to replace CFC, halon and all other substances with high ozone depleting potential with alternatives that have a lower environmental impact. Since implementing this policy, our emissions from ozone depleting substances have dropped to marginal levels.

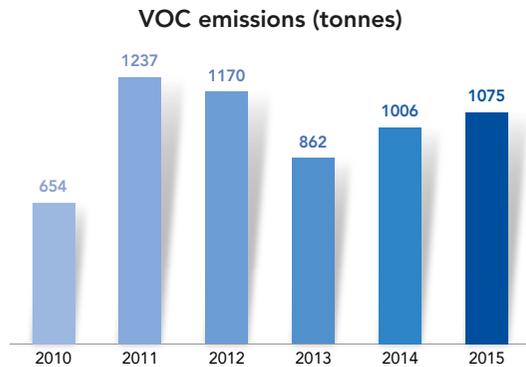
Ozone depleting substances (kg of CFC-11 equivalents)



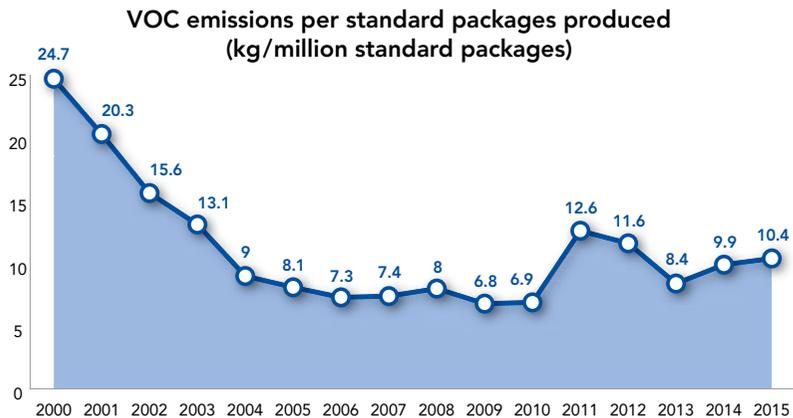
➤ Measuring and reporting

Volatile organic compounds (VOCs)

VOC emissions arise mainly from solvents used in printing inks and, to some extent, from printing plate production. The data below represents total VOC emissions to air, after abatement equipment.



The graph below shows our VOC emissions per million standard packages produced.



Compliance and certification

With regard to environmental compliance, Tetra Pak goes well beyond legal requirements by applying international environmental standards to ensure that environmental issues and impacts are managed in a systematic way. At the end of 2015, 92% of our factories were certified according to the ISO 14001 standard, with certification in progress for the remaining 8%.

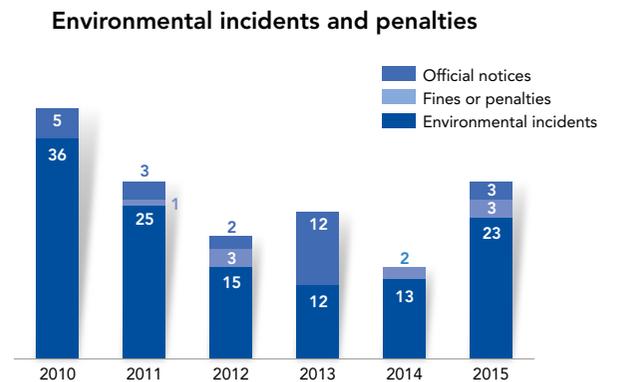


Environmental incidents and compliance with environmental legislation

An environmental incident is defined as the release or threatened release of a chemical, physical or biological agent that may cause harm to the external environment.

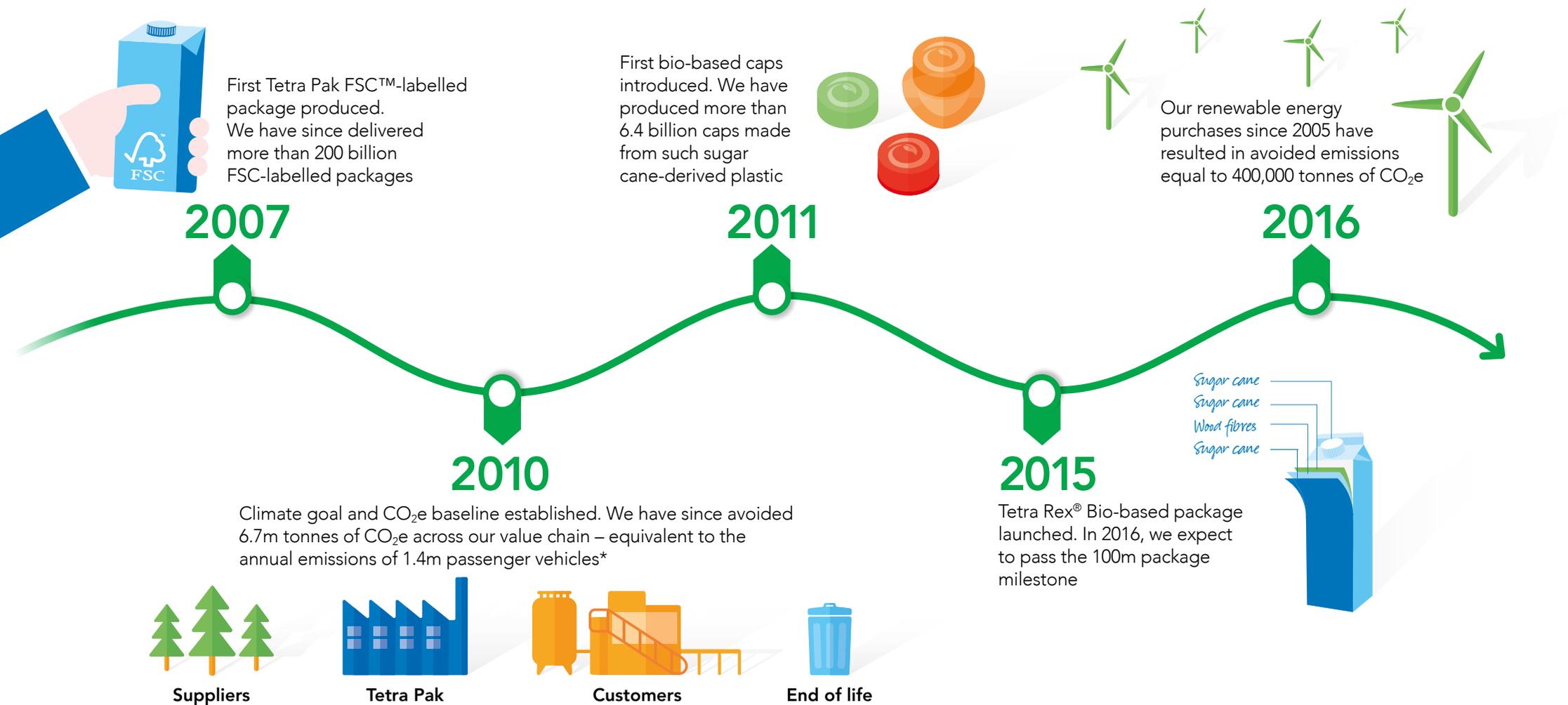
Compliance reporting refers to incidents where sites have been subject to official notices of deficiency or non-compliance (e.g. notice of violation, improvement notice, prohibition notice) in regards to environmental legislation. Fines are reported separately.

The chart depicts the total numbers of environmental incidents, fines or penalties, as well as official notices delivered to our operations around the world.



OUR FUTURES JOURNEY

We're constantly striving to develop innovative new products and processes that meet our rigorous quality and safety standards but with a lower environmental footprint. Here's a snapshot of some major milestones over the last decade



*www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

[tetrapak.com/sustainability](https://www.tetrapak.com/sustainability)