

Appendix 2

Sustainability performance addendum

This is the Sustainability Performance Addendum to Ontex's 2017 Integrated Report and a supplement to the sustainability section of our website. In it you'll find an overview of our sustainability performance over the past three years.

Important to note when interpreting the data: In 2016, Ontex acquired two production sites in Mexico. In 2017, two Brazilian production sites were acquired and a new plant was launched in Ethiopia. The change in scope needs to be taken into account when doing trend analyses on the data.



Materials

Goal(s):

By end 2018, all cotton used in tampons to come from more organic resources.

By end 2017, 100% of our fiber came from certified or controlled sources.

	Unit	2015	2016	2017	Comment
Reduction in materials used compared with 2014					
Baby diapers	%		(4)	(5)	For the majority of product groups we see a good decrease in material use. The change in core specifications reduces the amount of fluff while improving performance in the baby diaper group. The reduction of raw materials in the incontinence product groups is due to a shift in the mix of products and sizes. The increase in raw materials for the external femcare group is due to consumer preferences, i.e. increased sales of fluff towels, and increased sales of fluff towels and ultratowels with wings which use more raw materials.
Baby pants	%		0	0	
External feminine care	%		3	6	
Light incontinence	%		(1)	(3)	
Heavy incontinence	%		(4)	(7)	
Renewable raw materials					
Share renewable product raw materials	%	51	50	48	A major trend is to make hygiene products thinner. Therefore, we replaced part of the (renewable) fluff by (non-renewable) SAP. By using SAP we reduced the absolute amount of materials used.
Share renewable packaging raw materials	%	81	80	80	
Recycled content	ton	0	0	0	In order to ensure the safety of our products, we opted not to use recycled materials.
Organic cotton	%		99	100	All cotton used in tampons is organic cotton.
Wood sourcing					
<i>Certified sources (FSC/PEFC)</i>	%		43	35	All our fiber comes from certified or controlled sources. The difference in proportion is due to enlarging the reporting scope from 52% of our sites to 100%.
<i>Controlled sources</i>	%		57	65	

Appendix 2 - continued



Emissions

Goal(s):

By end 2030, we have carbon neutral operations (Scope 1-2).

	Unit	2015	2016	2017	Comment
Direct scope 1-2 GHG emissions		42,145	64,288	68,957 (β)	Scope 1 and 2 carbon emissions are calculated based on the Greenhouse Gas Protocol definition. The carbon emissions reported in this table for the year 2017 do not include: <ul style="list-style-type: none"> • The transport of goods via owned trucks. • The energy consumption of the plants in Brazil.
GHG emissions intensity ratio	gCO ₂ /EUR	24.9	32.3	32.0 (β)	In absolute values, we increased our carbon footprint. The main reason is the acquisition of new sites since 2016. The emission intensity ratio slightly dropped compared with last year. We foresee a further decrease in the course of 2018 as a result of continued investment in green electricity. (β) Subject to PwC Limited assurance (Refer to page 147).



Energy

Goal(s):

By end 2020, all our manufacturing sites are powered by 100% renewable energy.
Reduce the electricity consumption by 10% by end 2020 compared with 2015.

	Unit	2015	2016	2017	Comment
Electricity					Note that the scope for energy consumption does not include the two plants in Brazil.
Electricity consumption	MWh	231.456	331.377	354.107 (β)	In addition, the plants in Mexico and Brazil are excluded from the scope of the electricity intensity ratio.
Share renewable electricity	%	48	54	60 (β)	
Electricity intensity ratio					Electricity makes up 89% of our total energy consumption and is mainly used to power our production lines. The overall electricity consumption increased by 7% in 2017, partly due to the start up of our new Ethiopian plant.
Baby diapers	kwh/1000 FG	12.24	12.12	12.13 (β)	Many successful measures to improve electricity efficiency were implemented in 2017. These electricity savings were overbalanced by factors such as further automation, which led to a slight overall increase in electricity consumption per product in several product categories.
Baby pants	kwh/1000 FG	18.03	19.93	19.54 (β)	
Internal feminine care	kwh/1000 FG	5.90	6.03	6.16 (β)	
External feminine care	kwh/1000 FG	5.70	5.75	5.82 (β)	
Heavy incontinence	kwh/1000 FG	42.13	42.14	43.41 (β)	
Light incontinence	kwh/1000 FG	23.29	24.01	25.39 (β)	
Car fuels (diesel/gazoline)	MWh	9,445	9,651	10.831 (β)	
Fuel oil	MWh	8,855	2,693	3.537 (β)	
LPG	MWh	506	1,125	1.416 (β)	
Natural gas	MWh	19,808	23,443	27.610 (β)	
Wood pellets	MWh		576	925 (β)	



Waste

Goal(s):

By end 2020, we aim to have zero production waste to landfill

	Unit	2015	2016	2017	Comment
Non-hazardous					
Sent to recycling	ton	19,886.05	23,759.31	24,135.76	86% of our waste is sent to recycling or incineration with energy recovery. 13% of our waste is sent to landfill. This is a slight increase compared with last year, despite our goal of zero landfill by 2020. The main reason is the increased production in countries with a poorer recycling infrastructure. Different programs have been launched to set ourselves on the road to reach the target.
Sent to incineration for energy generation/recovery	ton	2,004.63	2,307.65	1,768.52	
Sent to incineration without energy generation/recovery	ton	11.06	205.54	464.53	
Sent to landfill/storage	ton	2,291.56	3,505.66	5,022.26	
Hazardous					
Sent to recycling	ton	2,467.37	2,469.67	500.81	Hazardous waste makes up a small amount of our waste, i.e. 3% of our total waste volume. The waste data cover all production sites, except our Ethiopian plant.
Sent to incineration for energy generation/recovery	ton	309.87	226.74	25.67	
Sent to incineration without energy generation/recovery	ton	0.17	11.92	24.42	
Sent to landfill/storage	ton	1.06	8.04	398.40	



Water

	Unit	2015	2016	2017	Comment
Ground water	m ³			38,361.00	Although water has not been flagged as a material for Ontex, we started measuring our water consumption in 2017.
Surface water	m ³			24,161.00	
Urban water	m ³			115,175.50	
Rainwater	m ³			247.00	
Deep well	m ³			20,242.00	



Health and safety

Goal(s):

By end 2020, our accident frequency rate is lower than 6.5.
By end 2020, 50% of our production sites are OHSAS 18001 certified.

	Unit	2015	2016	2017	Comment
Worker representation in formal joint management – worker health and safety committees in our plants	%		82	95	The frequency and severity rate are calculated by comparing the total lost workdays to the total number of hours scheduled to be worked by the employees. The lost days count begins the day after the accident. The figures do not include one sales office.
Accident frequency rate	ratio	19.89	21.41	14.39	
Severity rate	ratio	0.51	0.44	0.17	The reporting was optimized in 2017 to now also include our non-production sites. The reduction in the accident frequency rate can be attributed to a change in reporting scope and several internal campaigns and actions taken to reach the target. Four production sites have already reached the 2020 target of a frequency rate below 6.5.
Fatalities	nr	0	0	0	
OHSAS certified plants	%	0	8	15	

In 2017, our plant and sales office in Italy were OHSAS certified. In order to reach our target of having 50% of our main production sites OHSAS certified, five more sites are commencing the OHSAS certification in 2018.



Environmental systems

Goal(s):

By end 2020, all main production sites have the ISO14001 and 50001 certificate.

	Unit	2015	2016	2017	Comment
ISO14001	%		56	69	We are on track to reach our goal to have all our main production sites ISO 14001 and 50001 certified by end 2020.
ISO50001	%		38	62	



Sustainable products

	Unit	2015	2016	2017	Comment
Products with one or more eco- or health label	% of turnover			60	Eco and health labels, such as SWAN and Asthma & Allergy, often are a prerequisite for our Nordic customers. 60% of our turnover from the Nordic countries come from products with one or more eco- or health label.
Products with a forestry label (FSC or PEFC)	% of turnover	22	32	36	36% of our products sold have an FSC or PEFC label.



Training and education

	Unit	2015	2016	2017	Comment
Average hours of training per employee (FTE)	hours		26	19	The scope of the reporting changed from only plant data in 2016 to data for the entire Group. Main training focuses in 2017 were health and safety, code of ethics, Ontex values and English classes.
Employees receiving regular performance and career development reviews	%			85	All employees have the opportunity to have a performance evaluation talk. For the white collar employees, an online performance review tool was set up in 2017. 85% of all white collar employees had a performance review.



Local community involvement

Goal(s):

By end 2020, all plants have selected a local community project.

	Unit	2015	2016	2017	Comment
Investment in local communities	€		168,146.16	139,744.94	In 2018, the framework for an Ontex Foundation will be developed to develop a solid structure for community involvement.



Supplier accountability system

Goal(s):

By end 2017, all direct spend suppliers signed the Code of Conduct.

	Unit	2015	2016	2017	Comment
Supplier code of conduct signed	%		59	93	93% of our raw material and packaging suppliers signed the supplier Code of Conduct. In 2018 we'll continue setting up a solid supplier social accountability system by introducing BSCI, a social audit scheme aimed at our suppliers in high-risk countries.