



Sustainability Report.

FYE 2019





CONTENTS.

About this report	03	Supply chain	23
Our sustainability approach	04	Operations	27
A snapshot of Ecoware	07	People	30
Materiality assessment	08	Summary - 2019 sustainability goals	33
United Nations Sustainable Development Goals	10	Giving back	35
Last year's goals and progress report	11	Industry partners	36
Zero waste	12	GRI disclosures statement	37
Products	19	Appendix	38



About this report

This is Ecoware's second annual sustainability report: a blueprint for the sustainable development of the company. In this report, we lay down a pathway to progress, highlighting where we have been successful and where we can improve in our goal to be the best sustainable food and beverage packaging company in the world.

2018 was our inaugural report, and this year we wanted to do even better – like we always say, sustainability is a journey of constant improvement, not a destination. For this report we use the Global Reporting Initiative (GRI) to help us to report on the most important aspects of our business and provide a framework for communicating our development. These will be indicated as “GRI-referenced claims”. We will continue to use the GRI for future sustainability reports – a warrant of fitness for our own business. This report also includes our very first materiality assessment, which has allowed us to formulate new and meaningful goals based on stakeholder insight and prioritisation of material topics.

Once a niche concept, sustainability is now mainstream, as people care about doing the right thing for the planet. But sustainability is complex, and in its transition to becoming mainstream it has provoked confusion, misinformation and greenwashing among the public and general media. In publishing this report, we hope to clarify, reassure and enlighten through the transparency of our business. By highlighting our progress against goals, we hope to not only augment your trust but inspire sustainable development within your company.

*If you would like to give feedback or talk to someone about this report, please contact our Marketing Manager at kristy@ecoware.co.nz



Our sustainability approach

Written by Grant Robinson, GM

At Ecoware, we are on a mission to accelerate New Zealand toward a circular economy. Reducing reliance on non-renewable fossil fuels for the production of common consumable goods is an obligation, not an option, as the planet buckles under the weight of plastic waste. It is this obligation that drives the team at Ecoware every day to provide an innovative range of food and beverage packaging solutions made from plants and designed to be commercially composted at the end. As it stands, composting remains the only proven, practical solution to divert organic waste (including food and compostable packaging) from landfill. In a nutshell, we are working towards a circular economy and an effective way to move our country and people towards “zero waste”. From plants to products and back to plants again.

Our vision is to make a sustainable and positive future for all New Zealanders, and we do this by balancing long term economic, environmental and social factors into our business strategy.

First up, we focus on our people. We ensure that our team is paid fairly for the skills, attitude and resources that they contribute to work but beyond that, we provide a full employee experience program, which consists of a growing number of employee and employer-led initiatives. The People Program at Ecoware

rests on a foundational commitment to creating an employee-first inclusive culture. We offer our team a health and wellness program, a professional and personal development program, a role-specific job clarity process and training to ensure we are making the work people do fit for purpose, and ultimately aligns to their skills and passion.

Secondly, our customer program concerning product delivery and service is evolving as we grow. The nature of a growing business is such that no week or year is ever the same for our customers or us. The changing business model we deploy to ensure our customers receive a tailored service is where our current focus centres. It involves regular review and change and recognising where we have outgrown our systems, procedures and processes, and continually reviewing how we can support the needs of our customer base versus what the business wants to deliver to customers.

Our products and services are also evolving too, as technology and innovation enables us to provide more economical solutions to combat less sustainable plastic solutions. Innovation, such as our heat-resistant clear food containers, has naturally led to new markets opening up, allowing us to support a new group of customers in a market we have not competed in before.

Previously, it may have been that either the product performance was not as good or economic realities meant we were not price-competitive. These factors are changing with improvements in technology, enabling us to remove more plastic from food environments than ever before.

Economically, our business remains viable over the long term as new environmental legislation and consumer sentiment changes to increase the demand for products like ours. However, risks persist in terms of global economic and geopolitical uncertainty that impacts any Kiwi company competing on the international stage.

That said, Ecoware has outperformed its budgeted targets for the most recent reporting period and several fiscal periods prior, but continues to be mindful of the ever-shifting business dynamics that exist both externally and internally to any enterprise.

We are proud of our contribution to reducing the reliance on non-renewable resources through the production of 750 tonnes of renewable and plant-based products and our growing export business (now in 5 countries) means the trade flow is positively impacting New Zealand in real terms including employment, tax share and contribution to innovation in a value-led

economy like ours.

Long term, the company is ambitious to become a leading brand recognised for its global contribution to positive change, while remaining quintessentially Kiwi. Importantly, we continue to advocate for recognised standards and certification of the environmental benefits of plant-based products to ensure the integrity of the industry. This will ultimately reduce greenhouse gases in the manufacturing of packaging and reduce the harm oil-based plastics cause the soil, air and waterways.

As mentioned at the beginning, our mission is to accelerate New Zealand towards a circular economy. It may be that we also in time take on the world with the same mission, but we also believe that sustainability is a journey, and so it is that this little New Zealand business is striving to be better not necessarily perfect. If that means we put our communities first and leave the rest of the world for a little longer, so be it. We hope that through our efforts, the inspiration is contagious, and our global friends will pick up a pebble to move this mountain with us.

Thanks - Ngā mihi,

Grant Robinson
General Manager





Packaging m from plan



MISSION.

It's simple. We work with nature, not against it, in our journey towards a more sustainable way of life and business.

VISION.

We make doing good, good for business. Every day we work to inspire businesses to incorporate sustainability into their operations, supply chain and bottom line. Changing an industry for the better - pioneering compostable packaging in New Zealand.

Snapshot of Ecoware

Total employees



Full time: 11



Part time: 2



Contractors: 6

Ecoware in the world



- NZ (head office)
- Australia
- UK
- Hong Kong
- Vanuatu
- Fiji
- Rarotonga
- Tahiti
- Peru

Core products: 128



bags



trays



cold cups



cutlery



food boxes



lids



bowls



hot cups



Amount of packaging made from plants instead of plastic last year:

750,000kgs

Ecoware Production Facilities



China

Taiwan

Customers using Ecoware packaging in NZ:

2000+



Types of customers



Cafes & Eateries



Food Trucks



Stadiums



Grocery Stores



Airlines



Ferries

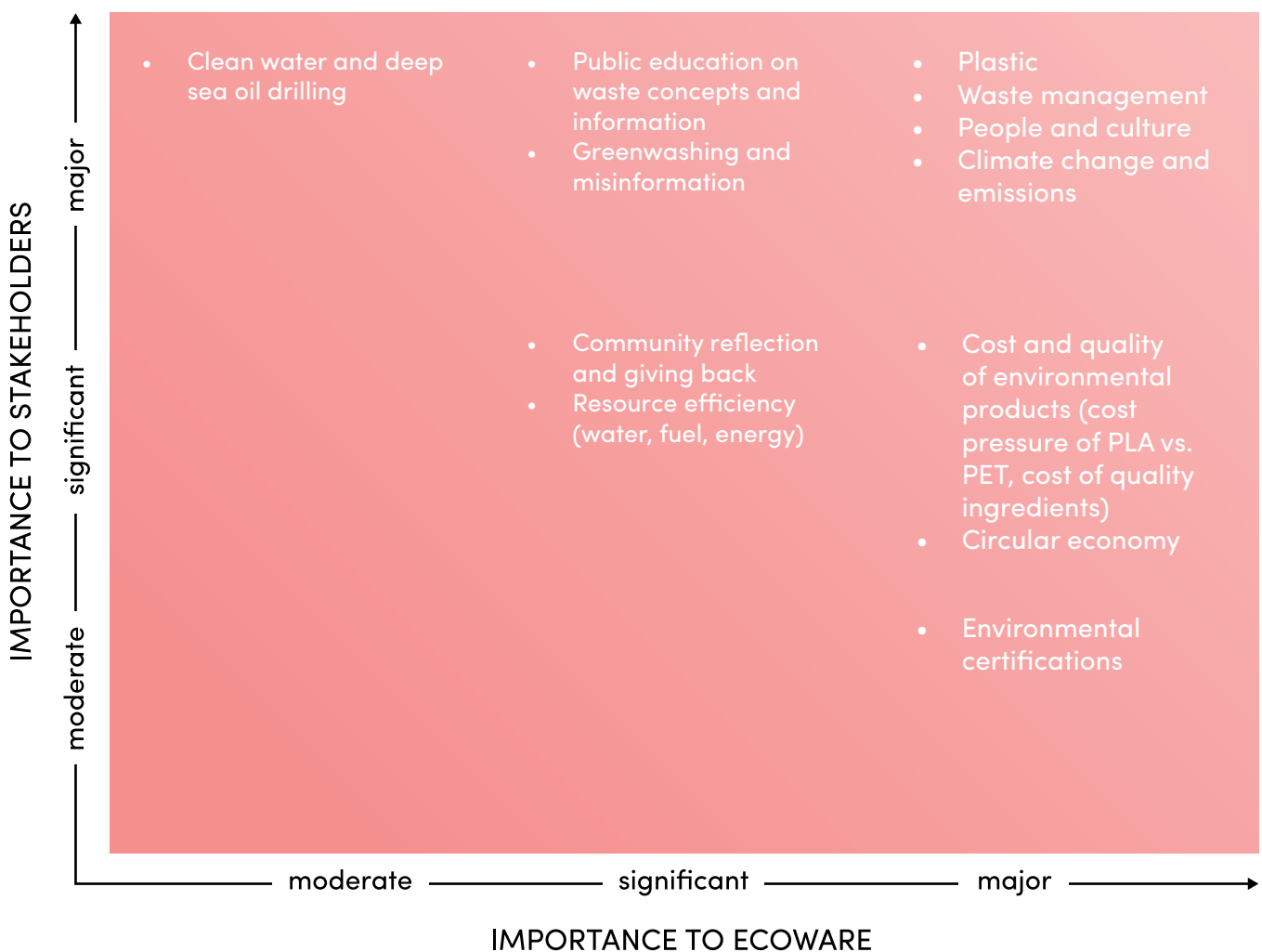
A privately owned, New Zealand limited liability company, Eightysix Trading Ltd, trading as Ecoware.

Materiality Assessment

As part of our effort to be the best sustainable packaging company there is, we conducted a materiality assessment to help us identify the most important issues across our stakeholder groups, covering economic, environmental and/or social aspects. Understanding the unique issues for our stakeholders and being able to compare them to our own, as well as how they impact Ecoware, helped guide our efforts and formulate more meaningful sustainability goals for the year to come. From now on, we plan to conduct

materiality assessments every three to five years. The issues identified in our assessment are represented on the matrix below, their position relative to the degree of stakeholder importance and importance to and impact on Ecoware. The results represent the material topics that Ecoware needs to address and prioritise. The topics should not be viewed in isolation as many are interconnected, and often changes in one can have an impact on another.*

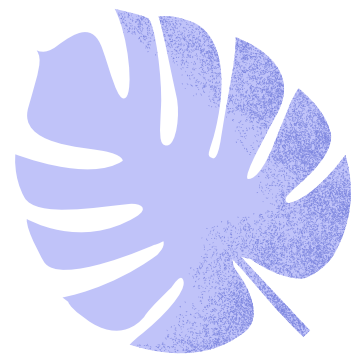
Ecoware Materiality Chart



*Refer to Appendix A



United Nations Sustainable Development Goals



After prioritising materiality topics of Ecoware and our stakeholders, we can align them with corresponding UN Sustainability Goals. Sustainable development cannot operate in isolation - it requires a collective commitment to shared goals so that we are doing our part to help build a better future for everyone. Below are the SDGs that we can directly help towards positively impacting.



Last year's goals and progress report

Last year's report was our inaugural. Those goals have provided a benchmark for us to work with moving forward, and have allowed us to refine our sustainable development goals with more relevance, detail and precision. But first, this is what we said we would do vs. what we achieved.

Progress Report on 2018 Sustainability Goals:

1. Zero Waste	2. Products	3. Supply Chain	4. Operations	5. People
<p>1.1) Increase our advocacy for developing the availability of commercial compost facilities in New Zealand.</p> <p>●●○</p>	<p>2.1) Become Forest Stewardship Council (FSC) Chain of Custody certified for at least 50% of our paper SKUs in 2018.</p> <p>●●●</p>	<p>3.1) Develop a formalised scorecard that includes sustainability criteria for supplier evaluations.</p> <p>●●●</p>	<p>4.1) Reduce our carbon emission intensity despite predicted growth with Enviro-Mark Solutions carboNZero certification.</p> <p>●●●</p>	<p>5.1) 100% of Ecoware staff will participate in volunteering at least twice this year.</p> <p>●●○</p>
<p>1.2) Increase consumer knowledge and understanding of compostable packaging and its correct disposal.</p> <p>●●○</p>				<p>5.2) Offer five Lunch & Learns to provide opportunities for employees to develop existing skills as well as learn new skills outside their role. The aim is to continue to upskill and motivate our employees.</p> <p>●●○</p>
<p>1.3) Educate and upskill our customers on sustainability and waste concepts.</p> <p>●●○</p>				

- Achieved
- Made progress
- Not achieved



ZERO WASTE.

We all need to make an effort to reduce our waste and the amount of plastic we consume. Some go as far as achieving close to zero waste, fitting a year's worth of rubbish into a tiny glass jar. This is a fantastic feat and real commitment – but this is not readily achievable for most people. For this report, “zero waste” is best interpreted as maximising diversion of waste from landfill. More specifically, maximising the diversion of organic waste from landfill. **Organic waste** includes food scraps and compostable packaging.



Compostable packaging can encourage diversion of organic waste from landfill

Why does composting organic waste matter?

New Zealanders dispose of \$872 million worth of food waste each year, 122,500 tonnes – the equivalent of 213 jumbo jets. Why is this an issue? Because the majority of it will likely end up in a landfill. When food and other organic waste is condemned to landfill, methane could be produced as the food rots anaerobically. In older landfills, that methane could escape into the atmosphere, acting as one of the top contributors to global warming. It is more than 20 times more potent than carbon dioxide.

That aside, nature has designed our fruit, veggies and all living things (organic matter) to break down eventually and return to the earth. Decomposing organic matter like food scraps offers vital nutrients for our soils to continue producing the fruit, veggies and living things we need to survive. In short, soil health is essential in producing our food, and composting is a natural solution which ensures organic waste breaks down the way nature designed it to (aerobically) to protect our soil.

There needs to be a shift in the way we see food waste. Food waste needs to be regarded as a resource rather than garbage. We need to change the meaning of waste if we want to move to a sustainable circular economy.

“Compostable packaging and compostable food service ware made from renewable resources, when used to divert associated food waste from landfill to industrial composting, contributes enormously to restoring and maintaining soil health, critical to environmental sustainability.”

– Rick Poynter, NatureWorks NZ Representative

Compostable packaging and the challenges we face

Compostable packaging is a step towards a circular economy – the answer to a sustainable future. The circular economy is a global ambition aiming to be restorative and regenerative by design by:

- Ensuring efficient use of resources and fostering system effectiveness
- Preserving and enhancing natural capital by reducing the use of raw materials and encouraging re-use for material input
- Making waste a crucial component to the input of the manufacturing process

Compostable packaging is a reasonably young industry. 10 years ago, there was virtually no packaging composted commercially in New Zealand, and plant-based plastic (PLA) was commercialized at least 40 years after PET and other conventional oil-based plastics. During that time, the manufacture of these traditional plastics proliferated and accorded the development of its recycling. But today, the compostable packaging industry is in rapid growth as it aims to provide alternatives to conventional plastic and facilitate the diversion of organic waste from landfill. However, it has its own set of challenges to growth.

Commercial composters accepting packaging waste

Currently, 12 commercial community compost facilities openly promote their capacity to accept compostable packaging waste. These facilities are concentrated in the North Island, meaning that the commercial composting of packaging is limited in the South Island.

Consumer knowledge

General fluency of waste concepts and know-how about what can and cannot go in different waste streams is limited. It is inevitable that someone will put a toxic oil-based coffee cup or plastic bottle in the wrong bin, and end up in

a commercial compost facility. There is a high risk of contamination for a facility accepting compostable packaging. As with any business, commercial compost facilities endeavour to earn a profit and do so by selling premium-grade compost/fertilizer. Contamination of their compost reduces its value, so the risk is too high for many. Ecoware believes education is the key, and are working with industry bodies to address this issue using the strategies mentioned in this report to educate.

Labelling of packaging

In many of our blogs, we caution about the misleading claims found on a lot of packaging. Terms like “biodegradable” have the potential to mislead consumers into thinking that a product is better for the environment. Greenwashing hurts consumer understanding but there is also no existing standard of identification in New Zealand for compostable products. Here lies an opportunity to create specific identification and logos clearly defining who can use a logo of compostability, and the process surrounding that permission. This would not only give consumers confidence, but commercial compost facilities can be confident in a lowered risk of contamination. We talk more about a national logo in this report.

Bioplastic innovation

Of the nearly 100 commercial compost facilities in New Zealand, nine* can accept and process PLA Bioplastic. Many of these remaining facilities cannot process PLA for operational reasons, including the persistent high temperature required to handle PLA (65°C) and the shredding practices needed for dense PLA like coffee cup lids. There is an opportunity here for the bioplastics industry to develop innovations and create greater ease of processing. Our Ingeo™ bioplastic is at the forefront of innovation, and we are continually working to improve its ease of processing.

* At the time this report was published



Based on the impacts and challenges mentioned, our efforts last year were two-pronged. Our goals focused on increasing advocacy for commercial composting, and educating and informing customers and consumers as a means for developing support for commercial composting and diversion of waste from landfill.

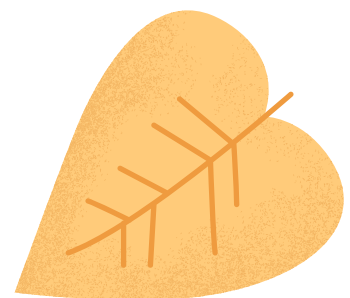
1. Increasing advocacy for developing the availability of commercial compost facilities in New Zealand

We said we would roll out an improved Ecoware collection service with new signage, information and marketing plans in collaboration with our partners. We achieved this:

October 2018: We launched our bamboo EcoBin for use in cafes and fast-casual dining. A range of certified compostable bin liners was developed in concurrence, allowing customers to collect organic waste separately, and work towards a circular economy. Over 50 bins have been purchased and we've received only positive feedback from the public and customers. Reclaim was our official collection partner for this initiative, helping our customers to close the loop in regions where commercial composting was accessible.

September 2018: We rolled out our Ecoware Collection Point to drive consumer-level action in our community. A dedicated 240L green bin was left outside Ecoware's head office for people to drop off their packaging. The waste was commercially composted along with organic waste from Ecoware HQ. We ran this as a trial and due to its success, it will be a regular initiative during high season.

Our Directors continued to participate in the advisory group to The Packaging Forum's Coffee Cup Working Group, developing a national composting logo to mitigate identification issues. As it stands, consumers find it challenging to discern certified compostable packaging from traditional and/or recyclable packaging. The advisory group take a passive role in this process.



2. Increase consumer knowledge & understanding of compostable packaging & its correct disposal

Product stewardship is important to us, and we feel it's our responsibility to ensure our customers' customers know about compostable packaging and the role it plays in a circular economy. In last year's report, we said we would implement eight front-of-house initiatives for foodservice operators to educate consumers to build awareness and educate. We achieved this:

1. NZ Coffee Festival 2019 – compost machine activation
2. Sip Kitchen – implemented education posters + EcoBin set-up
3. Major Sprout – implemented education posters + EcoBin set-up
4. Fisher & Paykel Healthcare Suppliers Day – education stand for Fisher & Paykel Healthcare staff
5. New World Deli Counter education poster – Birkenhead
6. New World Deli Counter education poster – Browns Bay
7. New World Deli Counter education poster – Metro (Auckland CBD)
8. Pak'nSave Mount Albert education poster
9. Pak'nSave Royal Oak education poster

Compost Vending Machine

Education efforts also extended to the NZ Coffee Festival where we took our custom-made "Compost Vending Machine", which allows coffee lovers to "compost" their coffee cup.

This activation was somewhat outside the box and gave us an interactive opportunity to educate coffee drinkers about compostable packaging, plastic waste and diversion of organic waste from landfill. We made the connection between compostable coffee cups and zero-waste, and a TV screen attached to the machine showed the real process of commercially composting packaging.

Step 1. Throw compostable coffee cup in the machine

Step 2. Pull down the lever

Step 3. Out spits a bag of compost to take home to the garden! Bag is also compostable.

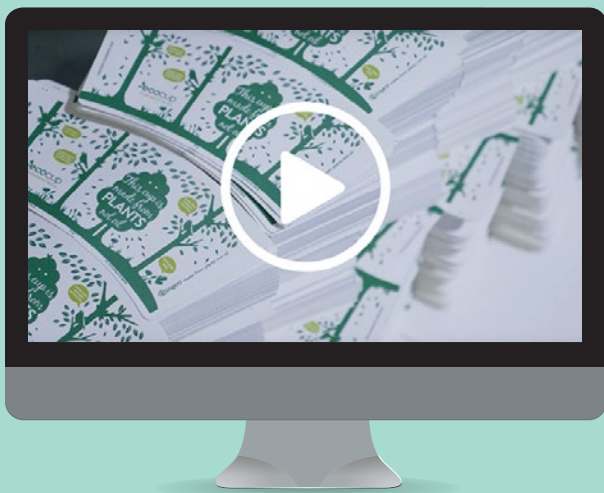


3. Educate and upskill our customers on sustainability and waste concepts

Ecoware customers are considered more like partners. We work as if we are an extension of their team, sharing a journey to improve sustainability. Last year we aimed to educate our customers on waste concepts and the commercial composting industry just as much as we teach our staff.

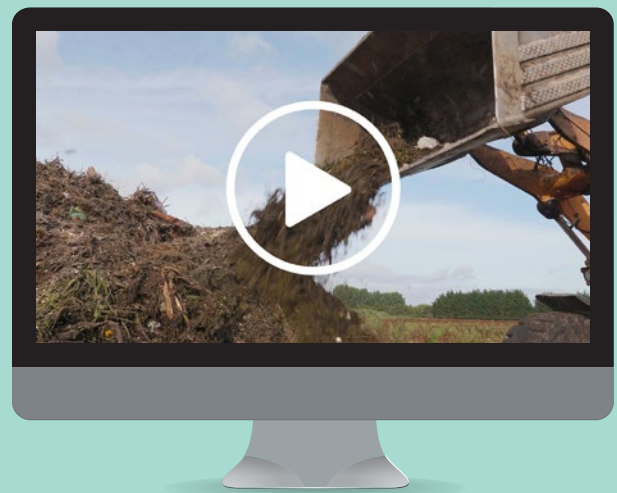
We planned to publish a Communications Handbook with recommendations and advice on how best to communicate the sustainability benefits of Ecoware product to their customers. We achieved this but also offered staff training events to customers who required it.

We published 12 educational blogs that were communicated through emails and social media. Two videos showing never-seen-before footage of the production and composting process were produced to build education and awareness.



EcoCup Production video:
8,400+ views as of June 2019

[Watch here](#)



Commercial Composting video:
32,000+ views as of June 2019

[Watch here](#)

ZERO WASTE

2019 Sustainability Goals

- **Work with Government and Council to develop waste minimisation in New Zealand, specifically composting and diversion of organic waste from landfill.**

- **Work directly/indirectly with commercial composting facilities to develop the availability of commercial compost facilities that accept compostable packaging in NZ.**

This year we will continue to work directly with our customers and compost facilities who are driving the development of commercial composting in their region.

- **Educate and upskill our customers to increase knowledge and understanding of compostable packaging.**

It's vital that we continue to educate and inspire our customers as an extension of our team. Our customers can be just as much an advocate for composting as a circular economy as Ecoware is. Also, the technology is rapidly developing in our industry with innovations on the rise - we will work to ensure our customers remain on the pulse of new development.

- **Educate at consumer level to increase knowledge and understanding of compostable packaging and its role in a circular economy.**

A circular economy requires active participation from Councils, businesses and individuals. Closing the loop with compostable packaging will only work with buy-in from everyone, and we aim to teach consumers about the important role they can play in this sustainable solution.

- **Work to accelerate a national composting logo for NZ.**

We will continue to be involved in the development of a national composting logo to maintain the integrity of our industry.

- **Increase the number of Ecoware customers implementing organic waste bins and organic waste collection.**

- **Increase the number of sites accessible to consumers to return their used compostable packaging.**

The more opportunities to dispose of food and used compostable packaging, the more we can divert from landfill.

- **Encourage home composting at consumer level to build awareness and understanding around the value of food waste for soil health.**

Although most of our products are certified for commercial composting, some are able to be composted domestically. We want to encourage home composting as a means of diverting organic waste from landfill and inspiring consumer-led action.

- **Grass root education - we'll develop a digitised education for children around waste concepts.**

Leaving a legacy of zero-waste in our country means teaching our young and giving them the tools they need to continue working towards a sustainable circular economy.



PRODUCTS.

Ecoware products are a step towards a circular economy; packaging produced by nature, designed to be commercially composted after use. Our products are made from rapidly renewable and responsibly sourced plant material like bamboo, paper and corn.

Great importance is placed on material integrity, which is of particular importance as our industry experiences rapid growth.





Our products are plastic alternatives



Made from plants, not oil

The majority of Ecoware products are made entirely from plant material.



Paper from managed plantations

We prefer to use paper from responsibly managed plantations.



Non-toxic inks

Our inks are either soy or water-based and are non-toxic.



Made from renewable resources

Most of our raw materials are produced by nature - we prioritise renewable resources.



Commercially compostable

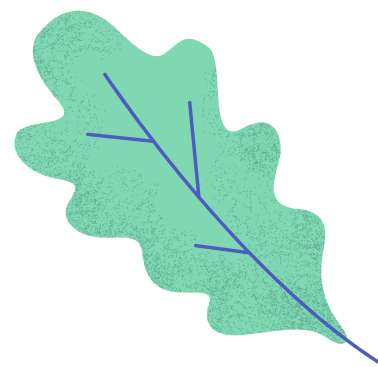
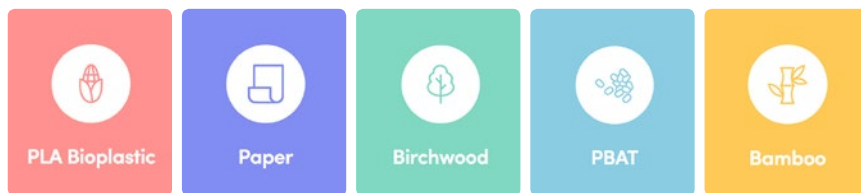
Ecoware products have been certified or trialled for commercial and/or home composting.



Sustainable

Our products provide a sustainable alternative to traditional plastic food packaging.

Our raw materials



Bioplastic (PLA)

Our bioplastic is a natural polyester derived from 100% renewable plant material - maize, or field corn. We prefer to use the world's most reputable brand, **Ingeo™**. It looks, feels and performs like traditional plastic, but is low-emission and plant-based, providing an exceptional, sustainable product. Ingeo's footprint is small, at full capacity Ingeo represents:

- < 0.2 % of the 2007 US corn production
- < 1/20th of one percent of global corn production

During production, Ingeo emits up to 80% less CO2 than the comparable manufacture of traditional plastic like PS and PET*. It is this product that has completely revolutionised takeaway food and beverage packaging. All NatureWorks Ingeo™ product is certified to ISCC and a proportion of it to ISCC Plus. By 2021, all Ingeo™ will be 100% ISCC Plus.

- 1 kg of PLA requires 2 kgs of maize
- 1,000 8oz Ecoware hot cups = 1.68kgs of maize
- 1,000 12oz Ecoware hot cups = 2.13kg maize

The manufacturing process uses a small portion of the kernel while animal feed is co-produced as an additional product stream. This is to minimise as much waste as possible. PLA is routinely composted around the world in commercial facilities and holds international composting certificates - ASTM D6400, EN 13432 and AS 4736. Ingeo™ is used to manufacture hot paper cups, clear cold cups and lids, deli containers and lids, bioplastic straws and bioplastic cutlery.

*Life Cycle Inventory and Impact Assessment data for 2014 Ingeo™ Polylactide Production. Industrial Biotechnology, June 2015.

Paper/wood

Paper and wood are great plastic alternatives that make for durable and sustainable packaging. But it's essential that this material is sourced responsibly, to avoid negative environmental impacts. One of the best ways to prove responsible sourcing is to achieve third-party accreditation. Given that 52% of Ecoware packaging comes from trees, the most valuable certification we could have is from The Forest Stewardship Council (FSC).

FSC is a nonprofit on a mission to "promote environmentally appropriate, socially beneficial and economically viable management of the world's forests". In becoming FSC certified, you show that you comply with the highest social and environmental standards on the market for forestry management. Last year, a sustainability goal was to become (FSC) Chain of Custody certified for at least 50% of our paper SKUs. We achieved this. This year, we want to get another paper range FSC Certified - our kraft tableware. Over the coming years, we will work to certify all paper and wood product to FSC.

Breakdown of paper/wood product categories:

Product	Material	FSC
Napkins	Recycled	FSC Certified
Paper cups, bowls & straws	Virgin	FSC Certified
Kraft board and bags	Virgin	An area of focus
Wood product	Virgin	An area of focus
Noodle Boxes	Not certified	An area of focus

Bamboo

One of the world’s fastest growing plants, bamboo fibre is an ideal raw material for packaging. The strength in the molecular structure provides a heavy duty and robust product, which makes our bamboo food packaging suitable for both hot and cold foods, and is oven and freezer friendly.

Our bamboo supplier’s source of bamboo is a by-product from existing agriculture. The waste material is a pulp substance that we mould into food packaging using advanced production equipment.

Bamboo is certified for commercial composting to ASTM D6400.

PBAT

The only raw material that is not made from renewable plant material. PBAT (Polybutylene Adipate Terephthalate) is a polymer used in our compostable bin liners and checkout bags ONLY. While our ethos is to provide food packaging made from plants, a certain amount of PBAT is required to strengthen these products. This is because PLA bioplastic is a young innovation still in development stages in this product category, and is not yet suitable as a solo component for compostable bags. We are positive that one day the innovation will develop and we can eliminate PBAT. We have ensured the PBAT we use is certified to international commercial and home composting standards.



Recyclable (PS) EcoCup Lids – progress report

Last year we set ourselves a goal to phase out the recyclable EcoCup lids from our business entirely by 2020. You can read our plan to phase out recyclable lids [here](#). The first step was to remove them from retail online, and now we’ll spend the remaining 12 months of our deadline focusing on the last part of our phase-out strategy with our customers. By the next FY, we will have run dry of our stock and can consider it mission completed.

PRODUCTS

2019 sustainability goals

- **Attain FSC Certification for our Kraft paper products.**
 FSC certification is the world’s most stringent forestry management scheme. It involves complying to a list of core requirements within the entire supply chain, from forest to retail shelf. It takes time to gain this accreditation, and therefore our goal for this year is to make significant progress on attaining FSC Certification within our Kraft paper products.
- **LONG TERM: Achieve Forest Stewardship Council (FSC) Certified for 100% of our paper, wood and bamboo product by 2022.**

A man in a blue suit is shown from the waist up, holding a black coffee cup with the 'ecocup' logo in his right hand and a newspaper in his left. The background is dark and out of focus.

SUPPLY CHAIN.

Ecoware's supply chain is the cumulative network of people, entities, activities and resources involved in moving the raw materials of plants into finished goods, from our original suppliers to our end users.



New suppliers

In FYE 2019, we gained three new suppliers of paper product, and all three of them were screened for specific credentials as part of our Supplier Standards Scorecard.

Credentials checked before on-boarding:

ISO 14001:2015 Environmental Management Standard

Where the company's management, employees and stakeholders are measuring and improving their environmental impact. The standard sets out the criteria for an environmental management system. 1/3 new suppliers hold certificates for ISO 14001:2015.

ISO 9001:2005 – Quality Management Standard

Where the company continually improves systems, processes and procedures to ensure a quality product is produced, while meeting statutory and regulatory requirements. 3/3 suppliers hold ISO 9001:2005 certificates.

Forest Stewardship Council® (FSC®)

FSC is the highest level of forestry management certification. It's a non-profit organisation that tracks the entire supply chain of certified wood and paper product to ensure it has been responsibly sourced. 3/3 new suppliers hold valid FSC certificates.

Composting Certificates

Just 1/3 new suppliers had formal certificates for commercial composting. However, due to the material nature of the paper product and the way it is manufactured, we feel the paper products are generally suitable for commercial composting. WasteMINZ summarises the compostability of paper-only products well:

“Generally, it is only compostable plastic packaging and products that require certification (including paper-based coffee cups or takeaway containers that have a PLA lining).

For paper only packaging and products, the Australasian Bioplastics Association notes:

Paper, being wood-fibre based, is accepted as a natural material and presents no environmental hazard. However, additives and coatings may affect the rate of disintegration and biodegradation or toxicity in the final compost, as can residue from the paper manufacturing process, colorants and printing inks. For this reason, some have applied to have their paper and other natural fibre based products verified to meet the requirements of one of the Australian standards as they believe that having that certification will be a marketing advantage. There is no regulatory or legal obligation to have a product, so certified, but if you are challenged to prove claims of compostability or biodegradability, having the certification may be of assistance.*

*WasteMINZ, Compostable Packaging. Retrieved from (<https://www.wasteminz.org.nz/projects/compostable-packaging/?accordion=standardsforpaperpackagingandproducts>)

Waste management in supply chain

Waste management is highlighted as a top material issue for our stakeholders, so we will increase our commitment to reducing waste in the supply chain. We're pleased to report that most of our suppliers are already onboard with our requests to use waste products wherever possible to minimise waste, and are prepared to work on a long term strategy to improve in this area.

As an example, our PLA EcoCup lids and EcoBowl lids are made from offcuts, which were originally disposed of. Repurposing something which would have otherwise been wasted has also allowed us a price discount to our customers. We encourage suppliers to:

- 1) reduce offcuts, or if not possible,
- 2) reuse offcuts, or if not possible
- 3) dispose of in the most environmental way possible.

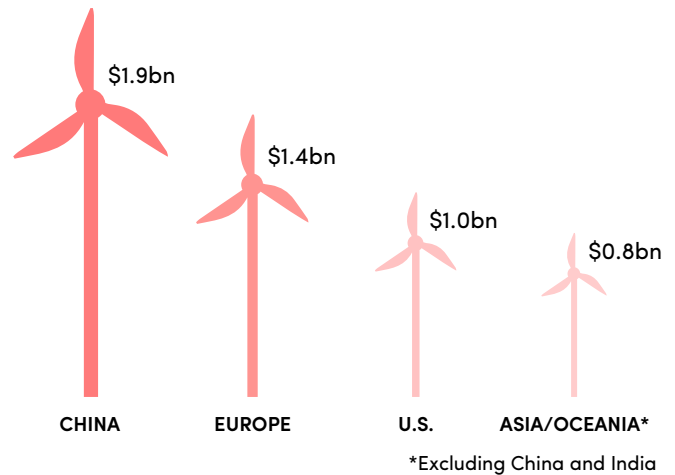
New Innovation – Compostable Shipping Sleeves!

A major thorn in our side has always been the plastic sleeves in our shipping cartons, which ensure our products are safe for use in food service environments. They were initially able to be recycled in NZ's soft plastic recycling scheme until the entire recycling system broke recently. We are excited to announce that we have been working with our manufacturers to develop an industry first to combat this plastic problem, and will be trialling certified compostable shipping sleeves for the first time! Beginning with our 6oz coffee cups, we will determine whether the innovation can withstand high temperatures and bumps and knocks within our shipping process while maintaining food hygiene regulations. If successful, we plan to roll it out across our generic range of coffee cups, with hopes to one day remove all traditional plastic sleeves.



Renewable energy

As part of our mission to accelerate a circular economy, we encourage divestment from non-renewable energy. We dream of producing compostable packaging solely via renewable energy, which is becoming a steadfast reality and developing with our manufacturing facilities in Asia. Our factories are onboard with transitioning to renewable energy, and some are already partially powered with renewable energy. As an example, one Ecovare manufacturing facility is 20% solar powered. For now, we note this as an area to improve and a long term goal and feel reassured by China's energy transformations. Currently, China sits as the highest spender on renewable energy R&D.

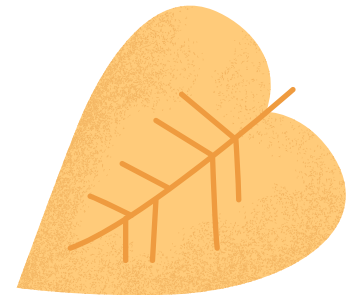


Countries/regions with the most governmental renewable energy R&D spending in 2016.*

* Frankfurt School - UNEP Collaborating Centre for Climate & Sustainable Energy Finance.

Local vs international suppliers

Currently, Ecovare does not source locally as you may have noticed on page 7. Ultimately, we want to provide jobs for New Zealanders; however, we cannot do this unless we source and manufacture overseas as it affords us cost competitiveness. With cost effectiveness, we can grow our impact and our business, including the number of staff we employ in New Zealand.



SUPPLY CHAIN

2019 sustainability goals

- Review and update Ecovare's supplier checklist**
 This year we will update our supplier checklist to ensure it remains current, relevant and stringent. As we grow during the year, we may need to include new credentials and focus on certain areas to strengthen transparency. We will formally add ISO 9001 standards, as we know people and culture is incredibly important to our stakeholders, and we aim to incorporate and value every person within our supply chain.
- Roll out initial compostable shipping sleeve trial**
 An innovation we have been waiting a long time for, yet part of our business strategy is to walk before we run. On conclusion of a successful trial with some of our coffee cups, we will implement the new compostable shipping sleeve slowly across the generic coffee cup range FYE 2020.
- Mandatory inclusion of sustainability criteria in all commercial RFPs**

OPERATIONS.

Operational efficiency is integral to sustainability. Care for the natural environment and natural resources is the fabric of our culture and is quite simply, an essential consideration in all our daily business decisions and general day-to-day at Ecovare. We ensure that we not only sell more eco-friendly products but operate as an eco-conscious business too.





carboNZero



Climate change and emissions have been highlighted as a top material issue for our stakeholders, and it is an important and uncompromising aspect of our business too. We are proud to be New Zealand's first and only carboNZero certified packaging company, and last year we celebrated five years of being carboNZero! We monitor and manage our company's operations by implementing an emission reduction plan each year. Auditing happens annually, and our carbon emissions are offset by investment in native forest regeneration projects.

We partner with Enviro-Mark Solutions to help us measure and offset our company's emissions. Our initial audit was for the period of 01/04/2013 to 31/03/2014, where we offset 35tCO₂e. Since then, we have used that as a base and made it our goal to reduce our emissions intensity despite yearly revenue growth. Last year we offset 136.34 tonnes of CO₂e (carbon dioxide equivalent). This is the equivalent to:



24 return economy flights from Auckland to London



Running the gas BBQ for **36,543** hours



The embodied emissions from **580,171** large cappuccinos

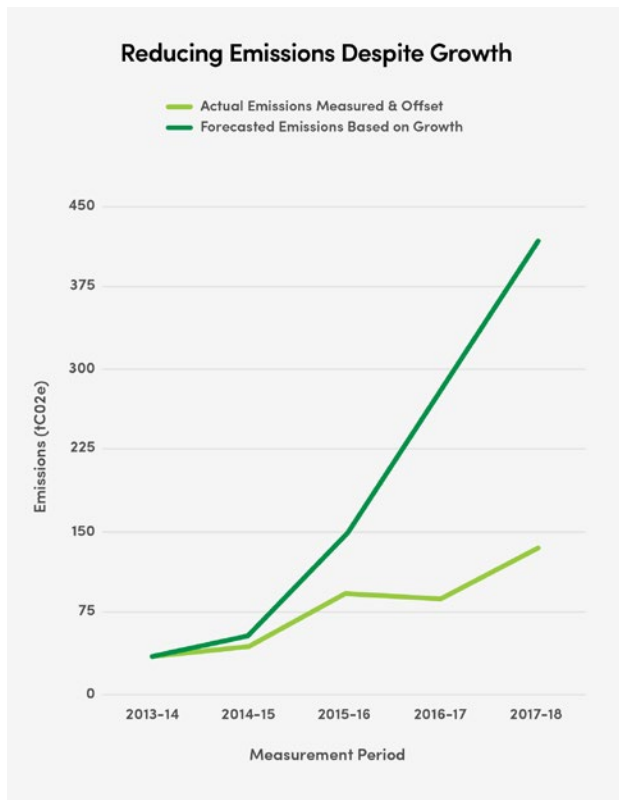


Driving from Auckland to Wellington in a medium sized petrol engine car **991.82** times



The embodied emissions from production of **1,704,250** bananas

These emissions are high, but we reduced our emissions intensity by 45% since our last reporting period. How? Based on the growth we're experiencing our emissions were forecasted to be 422.22 tonnes of CO₂e based on a recorded base year five years ago. The graph below demonstrates the emissions reduction we have achieved over the last five years:

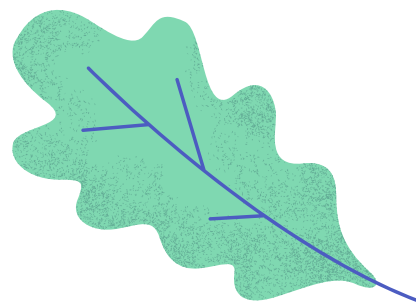


the truck is full. Our emissions reduction strategy has helped us to plan our logistics with greater care to minimise emissions during shipping. We also try our best to reduce kilometres and overall deliveries by having the required conversations with our customers first. In essence, we've made our supply chain more efficient.

We invest in New Zealand native forest restoration projects via carbon credit schemes, include the Hinewai Reserve in the Banks Peninsula, Rangitoto Station in King Country, and more recently Pigeon Bush in the Wairarapa. The benefits of investing in restoration projects are reflected in the success of the Hinewai Reserve. Thirty years ago the area was a gorse bush. With the help of the scheme we participated in, the Hinewai Reserve is now 1,200 hectares of mature and regenerating native forest with abundant wildlife and 18km of walking tracks for the public. See the incredible transformation for yourself – <https://www.youtube.com/watch?v=u1FtUmfxT8c>

Five years of carboNZero certification is something we're pretty chuffed about and will continue to be a yearly sustainability goal. This year, our emission reduction plan involves beginning the transition to an electric fleet, implementing better video conferencing technology in our head office to reduce domestic air travel and vehicle use.

Our most effective improvements have been with freight/shipping, whereby both international and national freight has become highly strategic in ensuring full consignments. When a truck moves from A to B, the best thing we can do is ensure



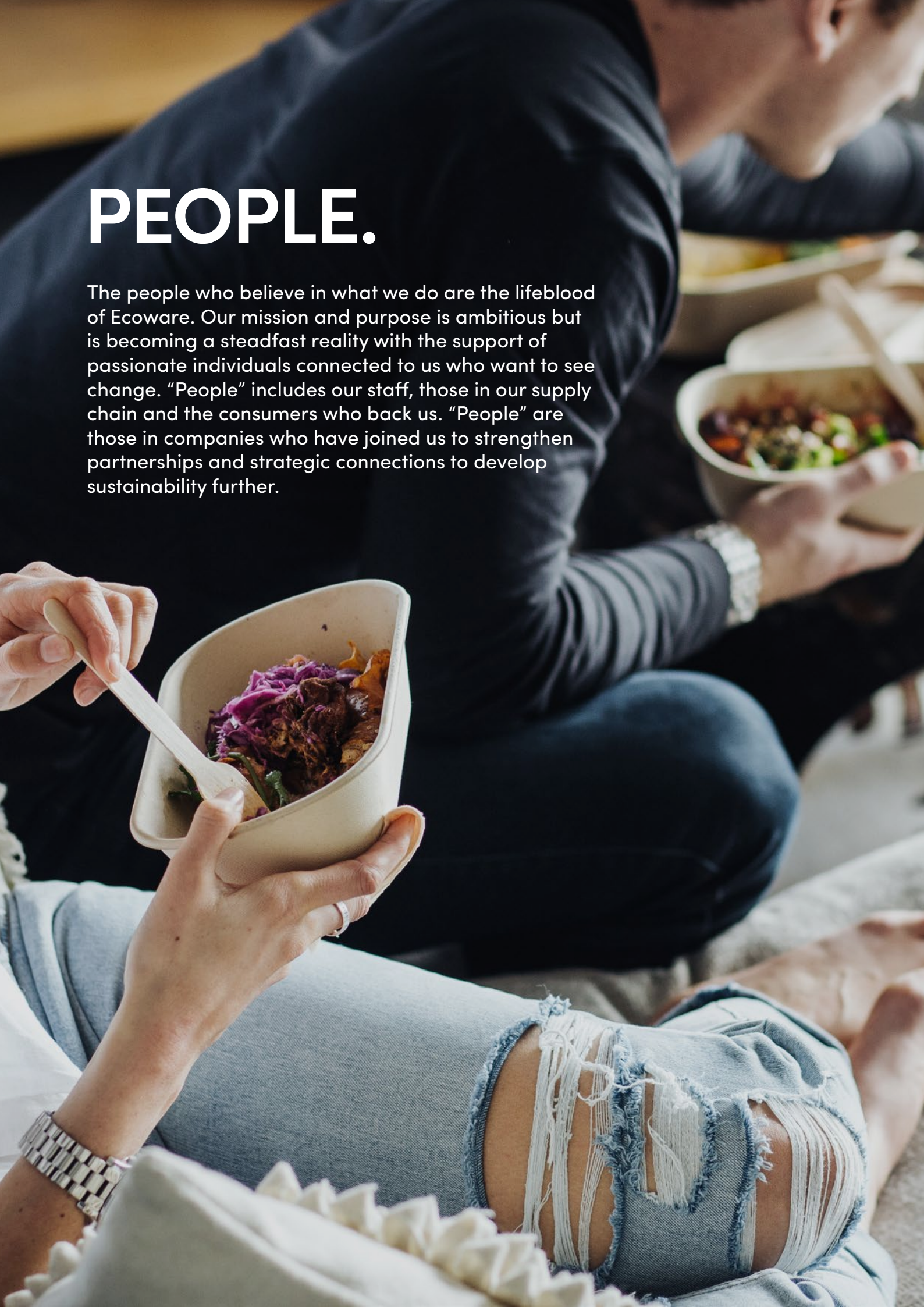
OPERATIONS

2019 sustainability goals

- **Reduce our carbon emission intensity despite predicted growth with carboNZero certification.** An uncompromising aspect of our business, we want to always improve in this area.

PEOPLE.

The people who believe in what we do are the lifeblood of Ecoware. Our mission and purpose is ambitious but is becoming a steadfast reality with the support of passionate individuals connected to us who want to see change. "People" includes our staff, those in our supply chain and the consumers who back us. "People" are those in companies who have joined us to strengthen partnerships and strategic connections to develop sustainability further.

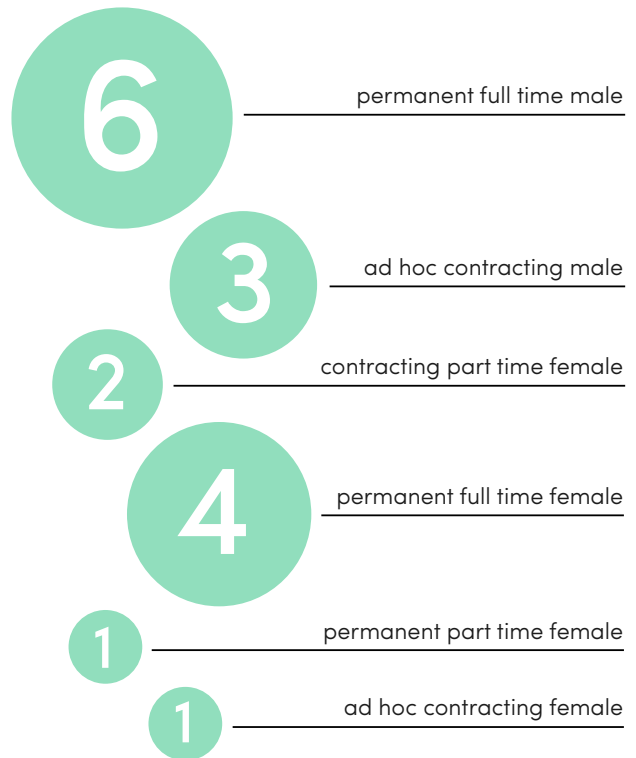
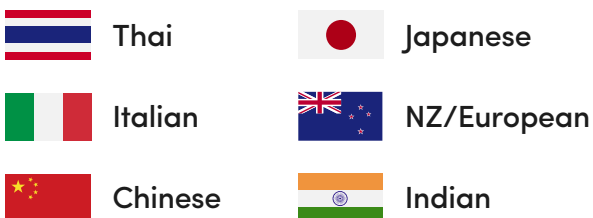


Our team

We are incredibly proud of the team we have built - a diverse, multicultural group, who work on the foundations of friendship and mutual respect. We are made up of individuals who are motivated, passionate and talented, and this has created a positive culture leading the way forward with our industry.

- **Customer Journey Team** (5 people)
Customer service & order fulfillment, account planning, sales execution
- **Product Journey Team** (2 people)
Purchasing, supplier negotiation, quality control, new product, R&D
- **Marketing & Community Engagement Team** (2 people)
Marketing, events, design, brand, reporting, community, digital/social metrics
- **Foundation Team** (4 people)
Financial, HR, legal, systems and risk compliance, operations, supply chain/logistics including 3PL management

Cultural backgrounds



Ecoware's new GM

Our founders, James and Alex, launched their first packaging business at the ripe age of 22. They've done well this far, but decided that to take Ecoware to the next level they needed to bring in someone with different work experience. At the end of the financial year, Grant Robinson joined us after 10 years experience at Westpac NZ, leaving behind his role as National Manager - Professional Services. We're proud to have someone of his calibre join our mission.



People Strategy at Ecoware

Our strategy is to become an example of a “best place to work” through the ongoing development of our people and by having a “culture first” framework to key and senior management decisions. This also extends to a written People Policy, which we are in the process of building out properly.

We currently focus on our people by providing:

- A safe and inclusive place to work
- A positive environment with opportunities to grow within the organisation in roles and responsibility
- On the job training and role clarity, creating expectation and achievement
- Regular people performance reviews
- Regularly assessment of employment conditions against market norms
- Encourage and support flexible working practices
- Employee benefits beyond remuneration
- Health and well-being initiatives
- Connect our people to our community through job shadow days, community volunteer days and open door events such as community business networking
- A working style/framework that promotes cross-team collaboration, transparency and opportunity.

The team itself has a good mix of genders, cultures and backgrounds. This creates a diverse workplace and enables open minds to understand others and become better global citizens.

We are currently working on creating and embedding some team values. Currently, there are unspoken values, but given the size of our team now, we want to identify these and write them down collectively. It will also assist new team members when they come in - what the values are here at Ecoware and what is expected.

Team training/upskilling

100% of our staff, excluding the Founders/ Directors, receive performance reviews. As we have been a relatively small team, our staff have not been offered formal career development or upskilling opportunities. Instead, our previous sustainability report set a goal to offer five employee lead Lunch & Learns to provide opportunities



PEOPLE

2019 sustainability goals

- **Offer career development opportunities to every Ecoware staff member, including a personal career development plan.**

We have identified this as an area to improve on and, with our new general manager, we have the capacity to follow through and ensure this new sustainability goal is achieved: this year, career development opportunities will be offered to every staff member, which could include formal or casual upskilling, workshops or training courses. We’re proud of our team, and boast about our renowned modern-day culture and working style, but equally, we want to develop our team to bring out the best of their skills and attributes to maximise employee satisfaction. Put simply, we want to invest more into our amazing staff.



SUMMARY.

2019 sustainability goals

ZERO WASTE

Advocate for composting as part of a circular economy to maximise the diversion of organic waste from landfill.

- Work directly/indirectly with commercial composting facilities to develop the availability of commercial compost facilities that accept compostable packaging in NZ
- Encourage home composting at consumer level to grow awareness and understanding around the value of food waste
- Educate and upskill our customers to increase knowledge and understanding of compostable packaging and its role in a circular economy
- Educate at consumer level to increase knowledge and understanding of compostable packaging and its role in a circular economy
- Work to accelerate a national composting logo for NZ
- Increase the number of Ecoware customers implementing organic waste bins and organic waste collection
- Grass root education - create a digitised education for children around waste concepts

PRODUCTS

Maintain the material integrity of our products among growth and work to constantly improve the environmental impact of our existing product range.

- LONG TERM: Achieve Forest Stewardship Council (FSC) Certified for 100% of our paper, wood and bamboo product by 2022
- Attain FSC Certification for our Kraft paper products.





SUPPLY CHAIN

Maintaining transparency and integrity within the supply chain despite high growth and rapid technological development.

- Review and update Ecoware's supplier checklist
- Roll out initial compostable shipping sleeve trial
- Mandatory inclusion of sustainability criteria in all commercial RFPs
- Reduce waste in Ecoware's supply chain



OPERATIONS

- Reduce our carbon emission intensity despite predicted growth with carboNZero certification

PEOPLE

- Offer career development opportunities to every Ecoware staff member, including a personal career development plan



8 FOOD JOBS AND ECONOMIC GROWTH



9 INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION



13 CLIMATE ACTION



15 LIFE ON LAND



13 CLIMATE ACTION



8 FOOD JOBS AND ECONOMIC GROWTH





GIVING BACK.

As a Kiwi owned and operated business, we are proud to give back to our community. Every month we make product donations to worthy causes and events, some regularly, but most donations are given ad hoc as part of our monthly donations budget. Some of the causes include OKE - a charity that builds productive veggie gardens in South Auckland Primary Schools, E.A.T Taupo who provides meals and hot drinks for homeless in the area every week, countless primary school fairs working towards zero waste, and Surf Life Saving NZ.

The team at Ecoware also enjoy volunteering our time for community projects. In our last report we challenged 100% of Ecoware staff to participate in volunteering at least twice over the last year. This was partially achieved. 100% of staff volunteered at least once, with 4 out of 11

staff volunteering two or more times during the year. Our giving back included tree planting at Tawharanui, speaking events for nonprofits and Primary Schools, and working bees at a local organic garden. Volunteering has become a part of Ecoware's culture, and is a great tool for team bonding and wellbeing.

We are pleased to note that this year, as part of our giving back ethos, we are developing an Ecoware Schools Program. A free, comprehensive electronic teachers' guide for children aged 6-10 will be offered to education providers on waste concepts, composting and its relation to a circular economy - in children's language. Without giving away too much, we're excited to be launching this program this year.



INDUSTRY PARTNERS.

To ensure we remain at the forefront of our industry, we partner with national and international leaders in sustainable business practice.

Memberships



Member since 2015



Member since 2015



Member since 2016



Member since 2015



Member since 2011

External Initiatives (voluntary)



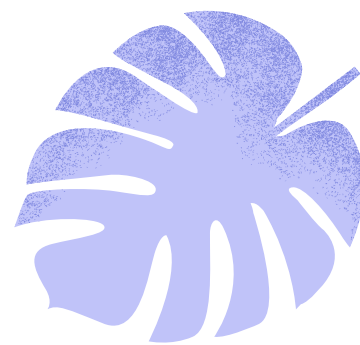
Certified since 2014



The mark of responsible forestry
FSC® C142978

Certified since 2018

GRI CONTENT INDEX.



GRI referenced claims

Section	GRI Disclosure	Page
Cover Page	Disclosure 102-50 - Reporting period	1
About this report	Disclosure 102-51 - Date of most recent report	3
	Disclosure 102-52 - Reporting cycle	3
	Disclosure 102-53 - Contact person for questions	3
Our sustainability approach	Disclosure 102-14 - statement from senior decision maker	4
	Disclosure 102-15 - key impacts, risks and opportunities	4-5
	Disclosure 102-2 - activities, brands, products and services	4-5
A snapshot of Ecoware	Disclosure 102-1 - name of the organisation	7
	Disclosure 102-3 - HO location	7
	Disclosure 102-2 - Activities, brands, products, and services	7
	Disclosure 102-4 - location of operations	7
	Disclosure 102-5 - legal form	7
	Disclosure 102-6 - markets served	7
Materiality Assessment	Disclosure 102-47 - List of material topics	8
	Disclosure 102-46 - Report boundaries	9
Products	Disclosure 301-1 - materials used by weight or volume	21
Supply Chain	Disclosure 308- 1 New suppliers that were screened using environmental criteria	24,25
	Disclosure 102-9 -supply chain description	23
	Disclosure 204-1 Proportion of spending on local suppliers	26
People	Disclosure 102-8 - information on employees and other workers.	31
	Disclosure 102-16 - People strategy	32
	Disclosure 404-1= Average hours of training per year per employee	32
	Disclosure 404-3 = Percentage of employees receiving regular performance and career development reviews	32
Industry Partners	Disclosure 102-13 - Membership of associations	36
	Disclosure 102-12 - External initiatives	36
Appendix	Disclosure 102-40 - List of stakeholder groups	38

Appendix A.

Stakeholders	How we collected information	Notes
Employees	Survey	Survey emailed to all employees
Customers	Survey	Survey went to a sample of each customer group. 19/50 responded
Suppliers	Email communication	
Workers who are not employees	Did not engage	
Consumers and local communities	Social listening, Colmar Brunton Better Futures Report 2018	
Industry Groups	Phone call	Contacted Sustainable Business Network and EnviroMark Solutions
NGOs (Environmental groups e.g. Greenpeace)	Social listening, website information and campaigns	
Competitors	Did not engage	
Waste Collectors	Phone call	
Commercial Compost Facilities	Phone call and face-to-face visits	