



We care

Sustainability Report 2015



Ontex is an international consumer goods company, offering smart hygiene solutions for all generations.

As one of the world's leading international hygiene solutions providers, we are proud to make a difference to people from every generation. Using our expertise in Baby Care, Feminine Care and Adult Incontinence Care solutions, we work with leading retailers to help them launch or develop their own brands. We also supply our own brands to them as well as to hospitals, nursing homes, pharmacies and home delivery.

Our people are the heart of our company and it is through their commitment and ingenuity that we have grown from a family firm into an international organization with manufacturing plants and offices around the world.

While we expand geographically, we are also making the transition to a more commercial culture, with customers and consumers at its center.



Now it's time to grow awareness and commitment to sustainability at all levels at Ontex.

Charles Bouaziz
Chief Executive Officer



About this report

This Sustainability Report focuses on the social, environmental and economic sustainability aspects that are important to Ontex. It covers Ontex Group NV, including sales offices worldwide and 15 production sites in 12 countries. This is the second Sustainability Report published by Ontex. It shows our performance in key areas of sustainability over the past year and is drawn up in accordance with the core option of the Global Reporting Initiative (GRI) G4 guidelines. Our aim is for this Sustainability Report to be a transparent communication to all of our stakeholders. Data within this Report cover fiscal years 2013 to 2015. We intend to publish an update every year.



The more we talk about sustainability, the more it will get embedded in the organization. In order to help push sustainability throughout our organization, all Ontex managers received five-year sustainability performance objectives. In this way, we have already ensured top management support for our sustainability ambitions.

Annick De Poorter
Group R&D, Quality and Sustainability Director



This Sustainability Report is drawn up in accordance with the Global Reporting Initiative (GRI) G4 guidelines, Core option.

GRI index page 33

Contents

Overview

Key figures and sustainability highlights 2015	3
Our sustainability journey continues	4
Group at a glance	5
Our Vision 2020	7
How we create shared value	8

Sustainability at Ontex

People are at the heart of our company	9
Business excellence in our operations	14
Business excellence along our value chain	18
Reliable partner for our stakeholders	24

Additional Information

Process for defining report content	30
Our materiality matrix	31
GRI content index	32
Request for feedback and contact details	35

Key figures and sustainability highlights 2015



5,500

employees (average)



2015

published first
Sustainability Report



15

production
facilities in
12 countries



People at heart

80%

of our workforce based in **Europe**

86%

of our employees have **permanent**
employment contracts

60%

between 30 and 50 years old

32%

of our workforce are female

Caring4You makes the lives
of our employees easier

85%

of our employees are **engaged**,
understand and believe in our company
goals and are willing to go beyond what
is required to help Ontex succeed



Strong in operational excellence

60%

of our plants + Ontex HQ certified
to ISO 14001 **environmental**
management system

40%

of our plants + Ontex HQ certified to
ISO 50001 **energy** management system

+85%

of our plants + Ontex HQ certified to
ISO 9001 **quality** management system

100%

of our pulp originates
from sustainable resources

72,600 tons/CO₂

2015 carbon emissions

25% reduction

in the weight of premium Ontex baby
diapers over 15 years



Meeting customer and consumer needs

Our goals:

Deliver innovative,
smart hygiene solutions

Create innovative service
solutions to let people live
at home as long as possible

Offer good value-for-money
products that meet customer
and consumer needs

Our sustainability journey continues

Sustainability Q&A with our CEO, Charles Bouaziz, and COO, Thierry Navarre

Last year, Ontex issued our first Sustainability Report. It introduced our sustainability strategy, and covered the most relevant issues that influence the sustainability of our business and our goal to be a socially responsible company.

Our Chief Executive Officer (CEO) and Chief Operating Officer (COO) discuss our continuing sustainability journey.

Our CEO, Charles Bouaziz, and COO, Thierry Navarre



Q What were the most important sustainability highlights in 2015?

A Charles Bouaziz (CEO Ontex): "Sustainability is an iterative process. Things don't move dramatically over such a short timeframe. But we are committed to playing a positive role in society – by reducing our environmental footprint, by creating a great working environment, and by offering the best products at an affordable price. And it takes time to achieve this, requiring the effort of everyone at Ontex. This is why, in 2015, we focused on developing and launching our long-term vision to be achieved by 2020."

Q What does this long-term vision look like?

A CB: "Ontex wants to be a socially responsible partner for consumers, customers, employees and shareholders. We made this ambition official this year in our Vision 2020, and we've spread it throughout the organization. It is an opportunity to bring our people together and get them all behind this ambition."

Q What resources are crucial to realize this Vision?

A Thierry Navarre (COO Ontex): "In order to be truly sustainable for both people and planet, our first responsibility is to sustain our business, so that Ontex will still be here in 5, 50, 100 years from now. In order to achieve this, we need to change our mindset. To evolve from being a manufacturing company striving for operational excellence, to becoming a partner of choice that creates shared value for its customers and consumers. Over the past year, we have undertaken several initiatives to ensure we better understand our markets and consumers so that we can create the products and services they desire."



We are committed to playing a positive role in society – by reducing our environmental footprint, by creating a great working environment, and by offering the best products at an affordable price.

Charles Bouaziz
Chief Executive Officer

A CB: "We also need to ensure we retain our employees. Our people directly contribute to the health of our business. So we started the 'Caring4You' scheme, a program of rewards and initiatives designed to make life easier for Ontex people. It is tailored to meet local needs and rewards vary from discount cards for shops and restaurants to providing school books."

Q Looking ahead, what do you consider to be the most important challenges?

A CB: "One of the main challenges is role-modeling. Through our Vision 2020, we've shown that top management is fully committed, now it's time to grow awareness and commitment to sustainability at all levels of Ontex."

A TN: "We want to live and breathe sustainability but we are not there yet. In the past, sustainability was mostly linked to cost savings. Now that we have the ecological and economic aspects moving in the same direction, we are working to reinforce our organization and strengthen our employees' pride in working for Ontex – activities that go beyond the financial performance of the Company. In the next stage, we need to look further outside the Company. Look at the suppliers we are working with, the materials we are sourcing, the life cycle of our products. We have so far implemented several initiatives in these areas, so much of the groundwork is already there."



Group at a glance

A growing international business

We make, sell and distribute our products in more than 100 countries through leading retailer brands, as well as under our own brands. Our 15 manufacturing sites are strategically placed across Europe, North Africa and Asia Pacific, with four specialized R&D centers offering continuous innovation to our consumers and customers.

A strong and diversified business



15 production facilities



21 sales and marketing sites



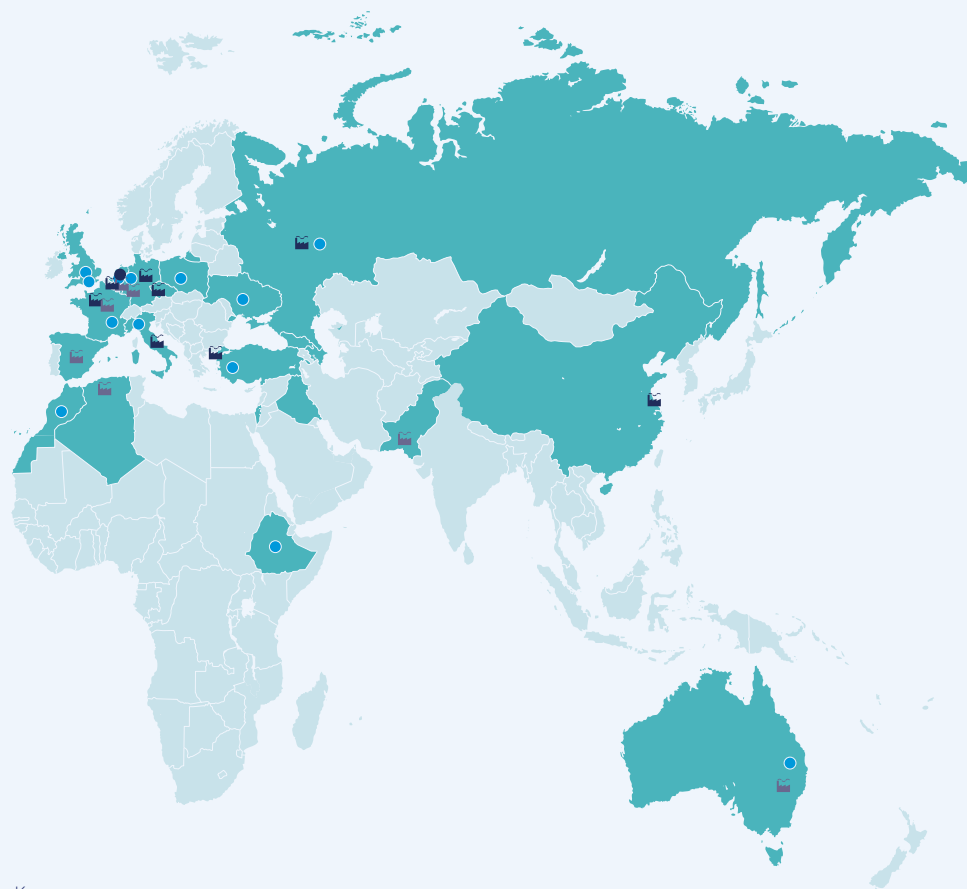
€1.69 billion in sales in over 100 countries



5,500 employees (average)



One international business with sales in more than 100 countries



Key

■ Ontex locations

● Sales office (14)

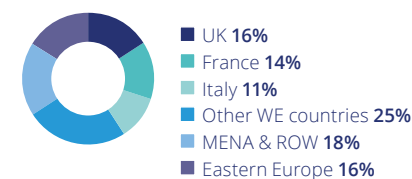
🏭 Production facility (8)

🏭 Sales office/Production facility (7)

Product categories



Diverse markets



Retailer and Ontex brands



Blue chip customer base



Group at a glance continued

Our divisions

Mature Markets Retail

Revenue

€904m

(2014: €890m)



Mature Markets Retail supplies retailer-branded Baby Care, Feminine Care and Adult Care products in Western Europe, Poland, Czech Republic and Australia.

Healthcare

Revenue

€433m

(2014: €423m)



We supply mainly Ontex-branded adult incontinence products through institutional channels such as hospitals, nursing homes, health insurers and local authorities. We also sell directly to consumers through pharmacies and home delivery.

Middle East North Africa

Revenue

€194m

(2014: €179m)



With our own regional 'local hero' brands, we have grown closer to our consumers. We have built further on our strong position in Baby Care, the largest category of the Middle East North African markets.

Growth Markets

Revenue

€159m

(2014: €124m)



Our Growth Markets Division is characterized by dynamic markets where the retail landscape is transforming from traditional to modern. With agile working practices, insight and advanced production technology, we supply retailer brands or Ontex brands depending on the needs of our customers.

Our products

Our products provide performance at the right price to consumers across three distinct categories: Baby Care, Feminine Care and Adult Care.

Baby Care



We provide Baby Care products, such as baby diapers, baby pants and wet wipes. Panel tests, lab tests and independent reviews regularly confirm the focus on quality, innovation and performance of our products.

Feminine Care



We develop Feminine Care products such as sanitary pads, panty liners and tampons. We introduce new products in response to market insights, ensuring comfort and confidence for women.

Adult Care



Our Adult Care products, mainly distributed through healthcare providers but increasingly through retail, are disposable devices designed to manage light, moderate and heavy incontinence. We constantly combine new technology, with consumer and customer feedback to ensure our products provide high protection, and are comfortable and easy to use.



Our Vision 2020

Creating value for our consumers, customers, employees and investors

Ontex has grown from a family business into an international company. As we grow, our responsibilities grow as well – to society and to the planet. To meet these growing responsibilities, the Executive Management Team asked itself what kind of company we aspire to be in 2020. The result was **Vision 2020**.

Our Vision 2020

We are the preferred company for our **consumers, customers, employees** and **investors**. We are a socially responsible company.



Consumers and customers

We are a reliable partner, creating long-term joint value.

We support and accelerate our customers' growth thanks to innovative, qualitative and performing products and solutions.

We offer smart choice solutions that improve the lives of our consumers. We thrive to understand them and deliver break-through innovation, quality and performance that they trust and can afford.



People

People are the heart of our company; we respect, value and take care of them. Our people are proud to be part of Ontex.

All employees share our vision and strategy and know how they contribute to it. They take ownership, show initiative, and make the right decisions.

Our leaders are role models, empowering our people. All this results in a great place to work where people have fun and celebrate success.



Investors

We deliver sustainable, profitable growth through organic expansion, strategic acquisitions, and excellence in execution.

We are strong, passionate people with the ability to adapt quickly to market changes and deliver on expectations.

We are a long-term investment for our shareholders.



Suppliers

We need to work in close partnership with our suppliers, towards eco-efficient solutions, ecolabeling and to guarantee access to raw materials that match our requirements.

We make sure all of our activities meet rigorous environmental and ethical standards required by industry standards, customer expectations and relevant codes of practice.

We aim to rationalize the number of suppliers we have and build long-term partnerships with the best of them. We want to involve our partners in our innovation efforts by setting up an innovation platform.

How we create shared value

Ontex believes that sustainable business practices lead to genuine business success. For this reason, Vision 2020 has sustainability at its core so that it is reflected in all aspects of our business – operations, employees, and products and services – to create value for our stakeholders, and achieve profitable sustainable growth.

Our stakeholders



People at the heart

Ontex has always been people-centric but as we continue to expand, evolving to keep pace with this growth is essential. Today, our employees are a big part of our sustainability focus. They are the ones who ensure the health of our business. We have put in place several programs and initiatives to maintain our culture and enhance the pride of our employees to work for Ontex.

➔ [People page 9](#)



Strong in operational excellence

One of the best ways to push sustainability through the organization is to link it to cost. As a low-cost manufacturer, achieving operational excellence has always been a main focus. By reducing production waste and saving energy, for example, we seek the double benefit of reducing costs at the same time as improving our ecological footprint.

➔ [Business excellence page 15](#)

➔ [Value chain page 19](#)



Meeting customer and consumer needs

One of the main ingredients for sustainable profitable growth is providing our customers and consumers with high-quality products that perfectly meet their needs at an affordable price. To do this, we work to understand our customers and consumers, and the markets we are active in, and respond with products and services that best meet their expectations.

➔ [Reliable partner page 25](#)

Case study



Our sustainability journey

We embarked on our sustainability journey in 1996 establishing an ISO quality management system and eco product labels. Ever since, the Company has continued to embed sustainability into its DNA.

The Sustainability Department manages and promotes the Group's sustainability activities on a day-to-day basis. The Sustainability Department is represented by the Group R&D, Quality and Sustainability Director and the Group Sustainability & Scientific Affairs Manager. In 2015, the Department expanded with the addition of a Group Ecolabeling & LCA specialist, and will grow further in 2016.

Delivering a more sustainable future for Ontex cannot be achieved by the Sustainability Department alone. Everybody at Ontex needs to play a part. In order to show support and raise sustainability to a higher level within the Company, the Ontex Executive team has set sustainability targets for the 2015–2020 period. These targets can be seen in the chapters that follow.



Bart Waterschoot, Group Sustainability & Scientific Affairs Manager; Annick De Poorter, Group R&D, Quality and Sustainability Director; and Bart Jansen, Group Ecolabeling & LCA specialist



People are at the heart of our company

People help shape the success of our organization. In return, we respect, value and take care of them. We have put in place several programs and initiatives to maintain our culture and enhance the pride of our employees to work for Ontex.

Sustainability targets 2015–2020:

- Determine corporate values by the end of 2015
- Conduct an employee engagement survey by the end of 2015
- Continuously strive to build a better work environment and enhance employee well-being
- Ensure compliance with the Ontex Code of Conduct by all employees



Ontex is a great place to work, but we strive to make it even better.

Astrid De Lathauwer
Group HR Director





People are at the heart of our company continued

Our people help shape the success of our organization

Ontex has always been people-centric. It is their drive and ingenuity that has helped develop Ontex from a family business into a multinational corporation business. A logical extension of this approach is that 'people' is a main pillar of our Vision 2020.

Vision 2020 is about **our people being proud to be part of Ontex** and understanding how they contribute. Our vision is for employees to show initiative and make good decisions, while our leaders empower those around them and help create a workplace where people have fun and celebrate success.

We want all our employees to understand and share Vision 2020. In order to achieve this, our Chief Executive Officer and management team visited Ontex offices and factories around the world between April and October 2015. It was an opportunity to discuss with our people how **Vision 2020 will shape our strategy for the next five years and beyond.**

One of our ambitions from Vision 2020 is to create a better workplace and improve employee well-being. To help deliver this aim, we asked local employees in every country where we operate what would make their lives easier.

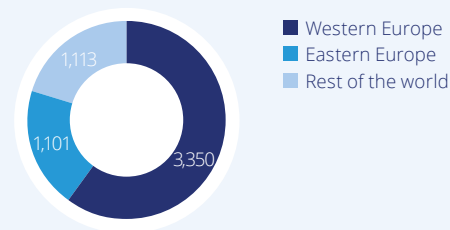
In October 2015, informed by employees' responses we launched **Caring4You – a program of rewards and initiatives tailored for each country to best meet local needs.**

Workforce profile

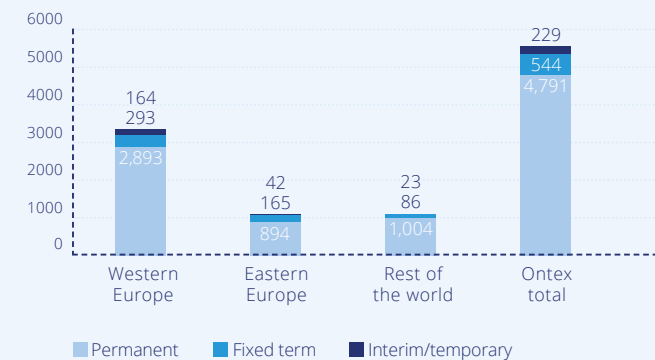
Ontex employs more than 5,500 full-time equivalent employees worldwide. The majority of our workforce is based in Europe with around 60% in Western Europe and 20% in Eastern Europe. 31% of our workforce is female and the majority of employees (60%) are between

30 and 50 years of age. The majority of our employees (86%) have permanent employment contracts, emphasizing our commitment to investing in employees and keeping the Ontex family culture alive.

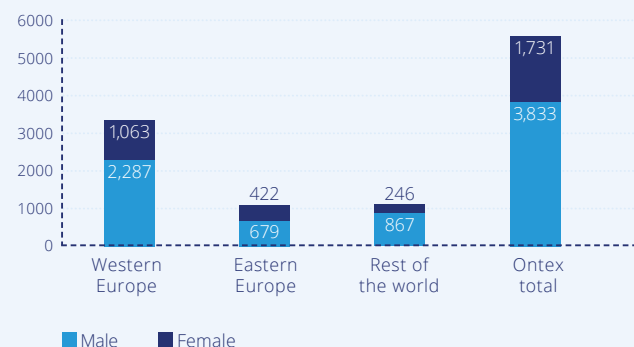
Total FTE employees by region
(as at 31 December 2015)



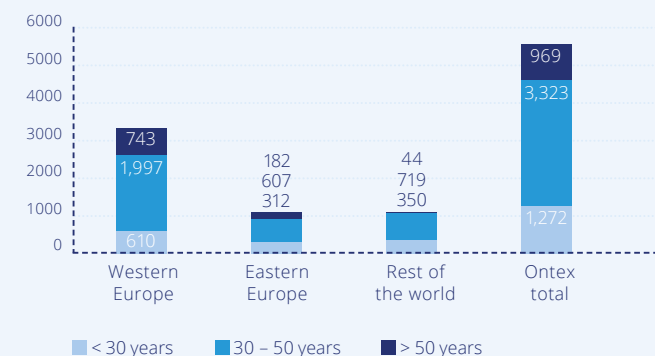
Total FTE employees by contract type
(as at 31 December 2015)



Total FTE employees by gender
(as at 31 December 2015)



Total FTE employees by age
(as at 31 December 2015)



People are at the heart of our company continued

Engaging results

In November 2015, we carried out a major employee engagement survey, as part of our Vision 2020 program. More than 70% of Ontex employees responded to the independently run online survey. Topics covered included day-to-day work experiences, communication, training, development and sustainability.

The survey results show that 85% of our employees are engaged, which is above average for our sector. They understand and believe in our company goals and are willing to go beyond what is required to help Ontex succeed.

In addition to the survey questions, employees were also given the opportunity to speak up, and they did. We received open feedback from more than 2,000 employees on how they view the workplace, their colleagues, management and working conditions.

In 2016, we will act on the survey results. Posters at each site will emphasize the site's best and worst three results from the survey. Site management will analyze the results and run workshops with employees to explore the detail of certain issues in order to develop effective action plans for areas in need of improvement.

The employee engagement survey provides valuable insight into how we can keep our employees engaged at the same time as giving them a voice, and so we intend to repeat the survey every 18 months.

85%

 of our employees

believe Ontex is an environmentally responsible company

Questions included in the engagement survey and the % positive response

Statement	% Positive response
I work beyond what is required to help Ontex succeed	90
I believe in the goals and objectives of Ontex	89
The people I work with usually get along well together	85
I have the equipment/tools/resources I need to do my job effectively	85
I am proud to work for Ontex	84
My work gives me a sense of personal accomplishment	77

Defining corporate values through employee participation

In 2015, we decided to redefine our corporate values, to better reflect what makes Ontex unique. We involved employees from various levels in the process. In every location where the Vision 2020 program was presented, we ran workshops asking employees about their workplace values.

Through the process we gathered more than 3,000 responses. The findings show that the culture of teamwork, respect and trust where everyone works together with passion and dedication is what makes Ontex different.

In 2016, the input from the different countries will be consolidated and the final values will be selected and communicated to all employees.

2,000

 employees

We received open feedback from more than 2,000 employees on how they view the workplace, their colleagues, management and working conditions



Interview



Elevating Human Resources to the next level



According to Group HR Director Astrid De Lathauwer, Ontex is a great place to work, but we strive to make it even better.



Our 2015 employee survey revealed a high degree of employee engagement, which ranks us just below the world's highest performing companies. We're only getting started. We're still fixing the basics. So we need to aim for more. We are very lucky to have this high level of engagement among our employees and we want to give them the right tools and support system to make their work experience with Ontex even better. Therefore we have developed a 3-year roadmap to address topics such as career management, reward and recognition, feedback and coaching, communication, and engagement. In the next survey we will be able to measure where we have improved and what employees appreciate the most.

Astrid De Lathauwer
Group HR Director



People are at the heart of our company continued

Business integrity and compliance

Our employees are expected to comply with all legal requirements as well as our internal Business Code of Conduct. This Code serves as a guide for doing business the Ontex way. Among other things, it includes our corporate compliance requirements, which are specified in seven separate policies.

Business Code of Conduct

- 1 Anti-Trust Policy
- 2 Anti-Bribery Policy
- 3 Political and Charitable Contribution Policy
- 4 Exchange of Gifts, Entertainment, Items of Value Policy
- 5 Economic Sanction and Anti-Boycott Policy
- 6 Anti-Money Laundering Policy
- 7 Dealing & Disclosure Code



Our compliance program

To deliver Group-wide compliance, we have adopted a **phased approach** to give all employees the space and time to meet Group requirements. As part of this approach, we established Local Compliance Charters that respect local business cultures and conduct.

Globally, compliance is monitored by a team of Local Compliance Coordinators, the Legal Compliance Manager and the Compliance Steering Committee. The newly created Compliance Steering Committee discusses and decides on compliance issues. It is comprised of the Chief Financial Officer, Group HR Director, Group General Counsel, and the Legal Compliance Manager. The Committee gathered for the first time in the second quarter of 2015, and meetings are scheduled four times a year.

Compliance oversight at Ontex

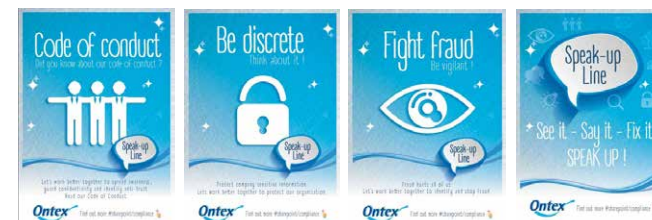
Local Compliance Coordinators

Legal Compliance Manager

Compliance Steering Committee

In 2015, we focused on **compliance training and communication**. Thirty per cent more employees participated in compliance training during the year showing enhanced awareness compared to 2014. At Group level, we published screensavers and posters to create awareness with respect to our Code of Conduct, fraud, confidentiality and our Speak-Up facility. We also issued an online survey for white-collar employees to reinforce our compliance training and further

raise awareness of compliance issues. The survey focused on competition law, our dealing code and intellectual property (IP). Of the 1,568 employees invited to participate in the survey, 1,049 responded achieving an overall score of 82%.



Awareness raising posters published in 2015.

Case study



Speak-up policy

At the end of 2015 we implemented our Group Speak-up Policy along with country-specific annexes addressing differing data privacy legislation in our operating countries. Across the Group, internal channels and a third-party Speak-Up line have been established, that can be used to raise concerns about suspected misconduct within our company (any violation of the law, the Code of Conduct and/or its policies under which Ontex operates). The Speak-Up line allows employees to report grievances, business integrity, and social integrity issues anonymously in those countries where this is permitted. Internally, an intranet page was set up as well as direct contact lines to the Global Internal Audit Manager and the Legal Compliance Manager or the person of trust.



People are at the heart of our company continued

Compliance risk assessments

In 2014, all of our operations started risk assessments on adherence to our compliance policies and Code of Conduct. All incomplete risk assessments were completed during 2015 and our Group compliance team gave advice to operations on mitigating risks identified. Based on the results of the assessments, action plans have been put in place to ensure all corporate compliance policies are met. Additional training on the Code of Conduct was also provided to white- and blue-collar workers in some countries, as well as targeted training eg on the Sales Conference. Preventive actions on confidentiality and information protection, onboarding sessions, as well as integration of the two-person rule, where decisions or approvals are made by at least two people, were part of the action plans in many countries.

Based on the results of the risk assessments, action plans have been put in place to ensure all corporate compliance policies are met



Case study



Benchmark compliance activities

In 2015, Group Compliance participated in a Deloitte benchmark study that compared the compliance activities of 25 Belgian companies, including Ontex (64% listed and 36% not listed). Several key elements, such as compliance function reporting, compliance scope, compliance budget and building blocks were reviewed. The study found that Ontex's compliance program is a well-designed and dedicated compliance tool covering key elements such as formal policies and procedures, education and training, awareness creation, risk assessments and monitoring.

The study found that Ontex's compliance program is a well-designed and dedicated compliance tool



Case study



Transparency International TRAC 2015

Transparency International (TI) is a non-governmental organization that works towards a world free of corruption. One of its activities is monitoring the Transparency in Reporting on Anti-Corruption (TRAC) by public companies. In 2015, Ontex was one of 30 listed Belgian companies to be evaluated on TRAC with a focus on anti-corruption, organizational transparency and country-by-country reporting. Within companies listed on Euronext Brussels, the assessment shows that Ontex is ranked within the top 3.





Business excellence in our operations

We believe that responsible and cost-efficient management is central to our business success. We invest in integrated quality, safety and environmental systems to manage our plants. Our factories and all our machines are continuously monitored and adapted to minimize scrap-levels, optimize energy efficiency and guarantee the safety of our employees.

Sustainability targets 2015–2020:

- Maintain certified management systems
- At least 50% of plants OHSAS 18001 certified by 2020
- Planned for 2016: ISO 9001 in Algeria; ISO 14001 in Ontex Australia; OHSAS 18001 at Ontex HQ and Ontex Turkey; ISO 50001 in Ontex Segovia
- Specific energy consumption reduction: 10% by 2020 (vs 2015)
- Zero waste from production sent to landfill by 2020
- Reduce workplace accidents
- Ensure all employees have appropriate ear-protection for their exposure to noise
- Aim for a maximum noise level of 85 decibels in all plants



Our natural resources are getting ever scarcer. So, it is our duty to design and produce ecologically responsible products.

Martin Gärtner

Group Manufacturing Director



Business excellence in our operations continued

Managing our performance

We have created Group-level policies that establish and guide our way of doing business. Our Sustainability Charter is a formal commitment to sustainability within Ontex. Three issue-specific policies lead our overall approach and underpin our commitment to reducing the impact of our production activities:

These policies establish a commitment to implement ISO 14001 and ISO 50001 environmental and energy management systems, ISO 9001 quality management systems, and the OHSAS 18001 health & safety system across our organization. These are effective tools for ongoing optimization of our production processes.

60%

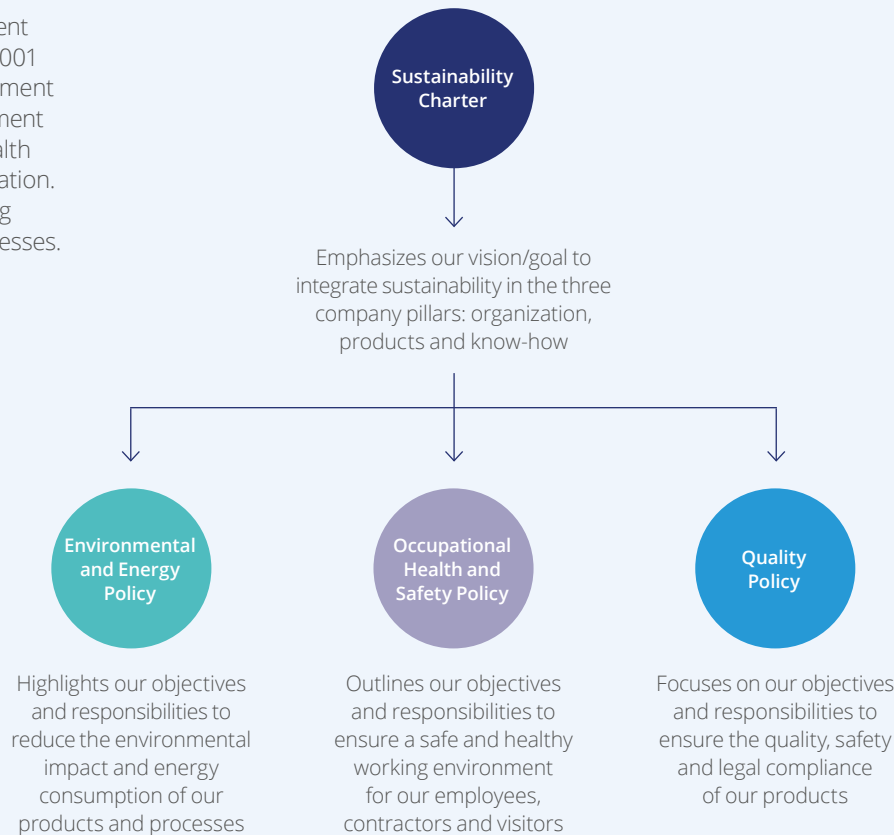
of our plants + Ontex HQ certified to ISO 14001 environmental management system

40%

of our plants + Ontex HQ certified to ISO 50001 energy management system

+85%

of our plants + Ontex HQ certified to ISO 9001 quality management system



In 2015, we exceeded our objective to increase the level of certification across our plants. To date 60% of our plants (nine of 15) are certified to ISO 14001 and 40% (six of 15) are certified to ISO 50001. Over 85% of our plants (thirteen of 15) are certified to ISO 9001.

Our headquarters in Aalst, Belgium, is also certified to ISO 14001, ISO 50001 and ISO 9001. For 2016, our objective is to achieve ISO 14001 certification at our Australian plant, OHSAS 18001 certification at our Turkish plant and our global headquarters, ISO 90001 certification at our Algerian plant, and ISO 50001 certification at Ontex Segovia, Spain.

Reducing production impact

Managing environmental and energy performance



Site	ISO 14001	Since
Aalst (HQ)	✓	2009
Buggenhout	✓	2009
Eeklo	✓	2009
Grosspostwitz	✓	2012
Mayen	✓	2010
Wasquehal	✓	2013
Segovia	✓	2011
Ortona	✓	2014
Turnov	✓	2011
Istanbul	✓	2014

Site	ISO 50001	Since
Aalst (HQ)	✓	2012
Buggenhout	✓	2013
Eeklo	✓	2013
Grosspostwitz	✓	2012
Mayen	✓	2012
Ortona	✓	2015
Turnov	✓	2015

Business excellence in our operations continued

A diverse approach to excellence

At Ontex, we have an historically strong manufacturing base, one where operational excellence has always prevailed. Our local production teams have made a significant contribution to achieving this excellence and we believe in the capabilities and commitment of these teams. For this reason, each plant is empowered to define its own strategies to achieve its individual targets for sustainability or improvement.

We also believe that each of our sites can learn from the activities and achievements of others. We **facilitate knowledge sharing** between local plants in a number of ways. For example, we have invested in building a strong, successful network of plant managers. These managers are in regular contact to share ideas and discuss challenges. In addition, twice a year, we organize an international three-day workshop that brings together manufacturing managers from all 15 of our production sites. Each site has to present at least one example of an improvement at their facility, giving other participants tools to consider for implementation at their plant as well.

Creating efficient solutions

In our production process, we always aim to **prevent issues rather than remedy them**. For example, we conducted a root cause analysis to locate the main source of noise in our production facilities. Based on this analysis, we are now redesigning our production machinery to reduce noise levels. The new design, which includes an improved cover for the machine parts, also helps to reduce safety risks, meaning we can create a safer working environment for our employees, bringing additional benefit.

Case study



Boosting performance through Group-wide benchmarks

In our endeavor to achieve and maintain operational excellence, we organize annual internal benchmarks of our production sites. Through audits and questionnaires conducted by internal experts in engineering, maintenance and quality, we assess all of our sites on product safety, ergonomics, environmental performance, and efficiency in product changeovers on our machines. The results allow a comparison of working practices, support learning across plants and, ultimately, continual improvement of our production performance. The sites with the best overall score and most improved performance are presented with the RadarChart Award to recognize the achievement. This year our Segovia plant in Spain was awarded the RadarChart Award.

40,000 liter rainwater recovery at Ontex Buggenhout



One of our environmental aims is to reduce our water consumption across the business. In 2014, our production facility in Buggenhout, Belgium, initiated a water-saving program to contribute to this aim. Four water tanks were installed to capture rainwater with a total capacity of 40,000 liters. The tanks are now meeting the water needs of three sanitary blocks at the plant.

Interview



Ensuring sustainability inside and outside the factory walls



Our natural resources are getting ever scarcer. So, it is our duty to design and produce better, ecologically responsible products to help the people who buy our products ensure a better future for their kids," explains Martin. And Ontex's commitment to sustainability reaches even further for Martin. The wellbeing of our employees is equally important. "We need to provide a healthy environment for our employees. We do this by reducing noise levels and adapting workstations to the capabilities and requirements of both our ageing workforce and the young people coming in. But we must also limit our impact on the local environments in which our employees live. We need to be a responsible company, for our employees, our consumers and society as a whole.

Martin Gärtner

Group Manufacturing Director



Business excellence in our operations continued

Focus on energy savings

In 2015, we set a target to reduce our specific energy consumption by 10% at each site by 2020. To achieve this ambitious target, we created an energy reporting template which gives an accurate overview of the Company's energy footprint and which can separate the energy consumption data of production facilities from those of our offices. It also enables us to extract energy consumption data for our production lines for each product category. With an annual energy cost of €30 million, the project has the potential to generate significant cost savings.

Reducing product and production waste

We aim to reduce waste streams generated in production and maximize reuse and recycling opportunities. Product waste includes all scrap and rejected products – those that

do not conform to our strict quality requirements or do not meet customer specifications. Production waste includes all residual waste generated during production, such as non-conforming raw materials, paper, cardboard, plastics, used oil/lubricants, spray cans, containers for chemicals, etc. Waste streams that can be reused or recycled, such as paper, cardboard, plastics, wood and metal are sold to third parties.

The scrap levels for all product categories are below 5%. All of our factories and machines are continuously monitored and adapted to improve these scrap levels. In 2015, we produced less scrap across most product categories compared to 2013 levels, demonstrating a positive decreasing trend. The slight increase in scrap levels for femcare products in 2015 (compared to 2013) was due to the introduction of new product developments.

Relative scrap levels per category

Calendar year	2015 vs 2013
Baby diapers	-0.9%
Baby pants	-12.0%
Light inco	-21.1%
Heavy inco	-16.5%
Femcare	+0.7%
Tampons	-7.5%

Safe and healthy working conditions

Our commitment to providing a safe and healthy working environment is reflected in our Occupational Health and Safety Policy, which states that Ontex will:

- Implement the necessary safety processes and procedures for employees, contractors and visitors
- Provide all necessary safety information and training
- Consult employees to address safety issues

In 2015, we introduced an **OHSAS 18001 Occupational Health & Safety Management system** at our corporate headquarters and at our production facility in Turkey in order to monitor and improve health and safety matters. Certification at these sites is planned for 2016. In 2017 we will start implementation in other plants.

Case study



Mapping our carbon footprint

This year, we commissioned a detailed study of our scope 1 and 2 carbon emissions for 2014. Scope 1 and 2 emissions arise directly from energy sources that are owned or controlled by Ontex or are emissions generated by the electricity purchased. This gave insights on the most significant contributing factors by plant location, emission source and activity. The study also provided some initial suggestions for reduction measures and next steps to be taken. The study will enable us to set emission reduction targets for Ontex.

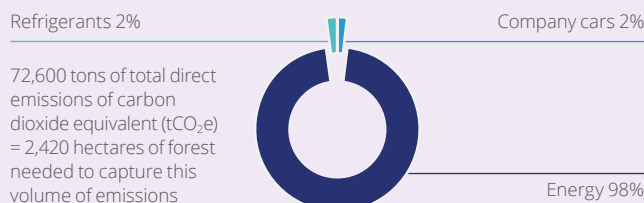
The study, conducted by CO₂logic, calculated our total direct emissions at **72,600 tons of carbon dioxide equivalent (tCO₂e)** for the considered scope. This corresponds to **2,420 hectares** of new forest needed to capture this volume of emissions.

The study showed that energy use is the largest contributor to our carbon footprint (96%, 69,658 tCO₂e), followed by company cars (2%, 1,605 tCO₂e) and refrigerant gas leakages (2%, 1,335 tCO₂e). In 2014, our total energy use was 255,528 MWh of which 90%

was electricity, 9% fuel/diesel use in our production processes and 1% district heating (steam).

Reducing our energy use will have the most significant effect on reducing our overall impact and so we are implementing an **ISO 50001-certified energy management system** at our sites. Seven sites are currently ISO 50001 certified including our Headquarters in Aalst and we plan to have other big energy consuming sites within the Group certified to ensure efficient energy consumption across the Group. The next plant to be ISO 50001 certified will be Ontex Segovia in Spain.

Total CO₂e emissions, by category



Case study



Kids campaign

In 2014, Ontex plants in Australia, Czech Republic, Germany and Belgium took part in a health and safety campaign. The campaign developed safety-themed photographs with employees' children promoting safe working. The photos were printed on posters and displayed around the plants, as well as being made available to staff for free. The results of this initiative were positive and pointed towards improved risk awareness and incident reporting, increased short-term productivity and increased employee engagement. Based on these positive results, the project was extended to other plants in 2015 and this will continue in 2016.



Business excellence along our value chain

We consider sustainability along our whole value chain, from raw materials sourcing to product manufacturing, use and end-of-life. In each of these stages we carefully screen and select our partners. This helps us offer our customers and consumers quality products that best match their requirements.

Sustainability targets 2015–2020:

- Achieve a 100% response to the yearly sustainability questionnaire from advanced and partner suppliers
- Launch the Partnership Tracker including sustainability and aim for commitment (and actions) from all suppliers
- Accomplish a yearly sustainability program with our partner suppliers
- Participate in the Lean & Green project and attain Lean & Green certification in 2015
- Maintain 100% of fluff pulp from sustainable resources
- Implement a program for product (raw material) innovation to lower impacts on the environment



By working in close partnership with our suppliers we can achieve great things. For the benefit of society, the environment and our business.

Philippe Agostini
Chief Procurement Officer





Business excellence along our value chain continued

The Ontex value chain

We consider sustainability along our whole value chain from raw materials sourcing to product manufacturing, use and end-of-life.

Upstream:

Raw materials



Forestry
(fluff pulp)



Polymers
(super absorbent
polymer, films,
adhesives, elastics)



Energy



Packaging

Ontex operations:

Manufacturing



Transport



Manufacturing



Packing

Downstream:

Use and end-of-life



Distribution



Retail
and care
institutions



End user
(babies,
women
and elderly)



Waste

We aim to source most of our raw materials from local suppliers but some, such as cellulose pulp, need to be sourced from the USA or Scandinavia to ensure optimum quality. All raw materials and suppliers undergo detailed screening to guarantee consistent quality, supply and product safety.

In our production plants we convert raw materials into finished products on modern high-speed production and packing lines. We continuously monitor our manufacturing processes to increase energy efficiency, reduce scrap levels and ensure safe operation. Our products are distributed globally to a wide range of retail customers and care institutions.

Our products are developed to meet the needs of end-users and deliver the best-quality product. As single-use, disposable items, our products contribute to waste streams. We work to tackle this impact by reducing the weight and volume of raw materials in our products. We also investigate alternative waste management methods for our products.

Careful sourcing

Modern absorbent hygiene products consist of several different layers and liners in a chassis that ensures a secure and comfortable fit. They consist primarily of an absorbent core – a mixture of polyacrylate-based super absorber (SAP) and cellulose (fluff pulp) – additional layers made of polypropylene, polyethylene, polyester or pulp, and small amounts of elastic and adhesives.

All raw materials and the suppliers are carefully screened to ensure **product quality**, safety and supply can be guaranteed continuously. We aim to source most of our the raw materials that make up the composite parts of our products from **local suppliers**. To guarantee product quality, however, we source cellulose pulp from southern USA (North Carolina, Florida, Mississippi, Georgia, Alabama and Virginia) and Scandinavia.

Fluff pulp and sustainable forestry

Fluff pulp is one of our most important raw materials. It is used to create the absorbent core in all of our products and responsible pulp production is of great importance to us. Pulp is a renewable raw material and production is a multi-stage process that extracts the natural cellulose from softwood (around 40% to 55% of the tree). The bark of the trees and the lignin that remains after cellulose extraction are used for **renewable energy generation** by all of our pulp suppliers, which reduces waste. Some suppliers are almost self-sufficient in their energy needs or even sell part of the heat and energy they generate to a combined heat and power plant. Any chemicals used in the process are recovered and reused. The pulp is finally diluted and bleached to remove any remaining lignin. All pulp used by Ontex is **elemental chlorine free or total chlorine free bleached**.

100%

of our pulp originates from sustainable resources





Business excellence along our value chain continued

The softwood used to create our fluff pulp is grown mainly in southern USA and some in Northern Europe. We ensure that our entire pulp supply comes from **well-managed and independently verified forests**. Our aim is to have our entire pulp supply certified by schemes such as **FSC® (Forest Stewardship Council)**, **PEFC® (Program for the Endorsement of Forest Certification)** and **SFI® (Sustainable Forestry Initiative)**. Since 2008, we have successfully introduced a multi-site SFI® Certified Sourcing certificate. In addition we have FSC® and PEFC® Chain-of-custody certificates for the majority of our plants, as well as our headquarters in Aalst, Belgium and eight sales offices.

Continuous validation and control of our suppliers

We make sure all of our activities meet rigorous environmental and ethical standards required by industry standards, customer expectations and relevant codes of practice. We also require our suppliers to meet similar standards as listed in our **Supplier Code of Conduct**. Suppliers are assessed across nine areas, including sustainability. We operate a thorough and continuous screening process to manage and reduce risks in our supply chain. We use 'watch lists' to provide information on organizations and individuals in more than 240 countries and cover risk factors such as terrorism, organized crime, sanction lists, etc. Each year, we execute in-depth, on-site audits with organizations across our supplier base.

In 2015, we evaluated

55

organizations based on our Supplier Code of Conduct and the minimum requirements it contains



FSC® and PEFC® Chain-of-custody certificates for the majority of our plants, HQ and 8 sales offices

Launching the Partnership Program

Over time, we aim to rationalize the number of suppliers we have and build long-term partnerships with the best of them. To help us achieve this we have launched our Partnership Program. In 2015, we ran an internal survey asking managers and leaders from across the business what they expect from their suppliers. Using the results, we created a **Partnership Tracker** – a tool to help us assess our suppliers on 76 criteria spread across nine business areas, including sustainability. Our suppliers also use this tool to assess themselves. Following the assessments, we will work with suppliers to identify areas of our relationship that could be improved and develop an improvement plan. We do this in partnership because we believe that we can only be truly exceptional if our partners are exceptional too.



We created a Partnership Tracker – a tool to help us assess our suppliers on 76 criteria spread across nine business areas, including sustainability.

Case study



Lean & Green Award

Logistics is one of our most important business functions – necessary for transporting raw materials to our production sites and our finished products to customers. But these activities constitute a significant source of CO₂ emissions. In order to reduce this impact, we remain committed to the Lean & Green Project and a 20% reduction of our CO₂ emissions by 2017. This year, we have examined our logistics processes in detail and have begun to implement some initiatives that will increase the sustainability of our activities.

Interview



Better performance, with better partners

For Chief Procurement Officer, Philippe Agostini, our suppliers are critical in helping us achieve our sustainability targets.



If we want to offer our customers and consumers a quality product at an affordable price, we need to work in close partnership with our suppliers. We need to work together towards eco-efficient solutions, ecolabeling, and to guarantee access to raw materials that match our requirements. To strengthen relationships with our suppliers, in 2014 we organized Partner(s) Days, providing a forum for staff and partners to exchange thoughts and ideas. In the future, we plan to expand on this initiative. We want to involve our partners in our innovation efforts by setting up an innovation platform," explains Philippe. "By bringing together their expertise in raw materials, packaging and so on, and our customer and consumer insights we can achieve great things. For the benefit of society, as well as the environment and our business.

Philippe Agostini
Chief Procurement Officer

Business excellence along our value chain continued

Product stewardship

Over the last decade we have been refining our approach to product responsibility with a clear focus on sustainability, product safety and regulatory compliance. We see this goal as a shared responsibility between Ontex, our suppliers and our customers based on open dialogue and close working relationships across the supply chain.

Sustainability targets 2015–2020:

- 100% compliance with defined product safety rules in audits
- 100% documented safety clearance on active used materials

Ensuring product safety

All raw materials are carefully screened to make sure that the products we put on the market are **safe for consumers, the environment and our employees during production**. One of the tools we use to assess compliance of new raw materials is the Ontex Conformity Declaration, which was launched in 2004 and has been copied several times by other manufacturers. This document, which is reviewed at least once a year, contains all applicable legal obligations, official recommendations, codes of practice, voluntary commitments and state-of-the-art toxicological considerations. Once completed by the supplier, all documents are verified by an external toxicology consultancy to confirm sufficient evidence is available to guarantee toxicological safety.

Checking for animal testing

At Ontex **we do not test our products on animals**, unless this is specifically required by law and/or regulatory agencies. We also aim to **limit animal testing as much as possible in our supply chain**. For this reason, we have expanded our Conformity Declaration to determine whether any raw materials are still tested on animals and promote the use of fully validated alternative test methods when available. When such alternatives are not available or accepted, animal tests should only be conducted to the extent necessary. Our standards state that only animal testing facilities that comply with legal, ethical and professional standards for animal care and treatment can be used:

- Ontex is committed to the continued development, validation and adoption of new test methods, which eliminate the need for animals, reduce the number of animals used and cause minimum stress to animals
- Ontex acknowledges the implementation of the 3R principles into research (replacement of animal experiments, reduction of animal experiments, refinement of experiments)
- Ontex supports research for alternative methods and will continue to work with the scientific community and relevant regulatory agencies for acceptance and implementation of scientifically valid alternative methods.

All raw materials are carefully screened to make sure that the products we put on the market are safe for consumers, the environment and our employees during production



Eco-efficiency

Over the past 15 years the weight of a premium Ontex baby diaper has dropped by more than 25%, resulting in equal or better quality than before. We are committed to the principles of eco-efficiency and aim to produce more products using fewer resources while reducing waste and pollution in the process.

We believe this will bring advantages to our business and beyond. Using fewer resources will help us to reduce our costs and decreasing the weight or size of our products will result in less waste for the end-user. This approach has been well integrated in recent years into all our operational processes.

Sustainability targets 2015–2020:

- Reduce raw material and packaging use per product
- Life Cycle Analysis to become part of each new concept and product improvement

Optimizing raw materials and packaging use

Our performance in reducing raw material and packaging from 2009 to 2015 is shown in the table below:

Raw materials	
Total kg raw materials used per 1,000 pieces	2015 vs 2009
Baby diapers	-16%
Baby pants	-18%
External femcare	-4%
Light inco	+13%
Heavy inco	-11%

The increase in raw material usage for light incontinence products comes from a different product mix resulting from acquisitions and entering new markets.



Business excellence along our value chain continued

Packaging materials	
Total kg raw materials used per 1,000 pieces	2015 vs 2009
Baby diapers	-14%
Baby pants	-9%
External femcare	+5%
Light inco	+18%
Heavy inco	-11.5%

The increase in packaging materials for external feminine care and light incontinence products is due to introducing smaller pack sizes to meet market demands.

In 2015 we set targets to reduce further the total raw materials used per finished product (FP). For baby diapers and pants we are targeting a 2% reduction by 2020 from a 2014 baseline.

For light and heavy incontinence categories we expect to make further progress in optimizing raw materials and packaging use and we are targeting a 10% reduction in both of these areas over the same 2014–2020 timeframe. We do not anticipate further raw material and packaging weight savings within the feminine care category for the time being.

Life Cycle Assessments and Environmental Product Declarations

As part of our sustainability work, we carry out Life Cycle Assessments (LCA) of existing and new products. These studies provide **eco-profiles covering several environmental impact categories**. The LCAs are conducted as a requirement of receiving a certified Environmental Product Declaration (EPD). Ontex Italy was the first manufacturer of sanitary products in Europe to receive and communicate EPDs. They are publicly available and can be viewed at

➔ www.environdec.com

Case study



Environmental Product Declaration activities 2015

In 2014–2015 all EPDs were updated, two new categories were certified, the EPD Management System was successfully maintained and a dedicated marketing advertisement (via leaflet and video) was introduced. The development of EPDs is driven by Green Public Procurement in Italy and requests from our institutional customers. As the system becomes more widely known and more producers make EPDs available, it will also be picked up in other European markets.

The eco-profiles provided by LCAs show the total life cycle environmental impacts associated with one product unit and for the amount of products required per day. This means that extraction of natural resources, conversion into raw materials, production of energy, transportation between all processes, manufacturing in our own plants, consumption and disposal by users, and waste treatment of the disposed products, are all modeled.

LCA was first introduced at Ontex in 2010 to incorporate 'life cycle thinking' into our development processes. Ever since, awareness of the impacts of our products, where they arise, and the sharing of ideas on improving product eco-profiles has grown. This is not only in our R&D departments, but also across the Company and in our relationships with our customers and partners.

In 2015, an LCA expert joined the Group Sustainability Department to roll out LCA across our portfolio and support our R&D teams with the evaluation of improved materials, processes and product developments.

In 2016, we will continue our efforts on two fronts:

- **Continuous eco-efficiency improvement for our all our standard and premium ranges.** Business processes from R&D and LCA can be further aligned, not delaying the innovation processes, but intervening and giving valuable insights at the right times. There needs to be enough information to make it possible to perform the analysis and quantify potential improvement options
- **Further innovation of our eco-ranges.** Although eco-diapers only make up a small percentage of the total diaper market, Ontex is one of the biggest players in this niche and strongly believes that products considered 'eco' today will become mainstream in the coming years. We will continue our efforts in eco-ranges in order to extend our know-how and maintain our leadership position

43%

Our Moltex brand holds a 43% share of the branded eco-diaper segment in Western Europe



Source: Nielsen, 2015



Business excellence along our value chain continued

Disposal of used products

We are conscious that the disposal of absorbent hygiene products after use is a key challenge to becoming more sustainable in the future.

Used absorbent hygiene products (AHP) are typically collected with municipal solid waste and treated as such. Within the EU, approximately 37% of municipal waste is landfilled, 23% incinerated, 25% recycled and 15% composted (Source: Edana Fact Sheet Waste Management Sept.2014). These percentages differ from country to country. Currently there is no specific regulation for AHP waste and its management within the EU is regulated under the Waste Framework Directive (2008/98/EC).

Within this Directive the following waste hierarchy can be found:

- 1 Prevention
- 2 Preparing for re-use
- 3 Recycling
- 4 Recovery (eg energy recovery)
- 5 Disposal

Through innovation and new techniques, we have been steadily reducing raw material and packaging consumption while guaranteeing or improving quality.

Ontex is actively monitoring and supporting any economically valuable recycling possibilities for absorbent hygiene products within and outside Europe.



Through innovation and new techniques, we have been steadily reducing raw material and packaging consumption



Reliable partner for our stakeholders

Ontex has always been recognized for developing and manufacturing reliable products that provide excellent alternatives to the leading brands. But we want to evolve our business so that we are the leading partner of choice for our customers and consumers, providing smart personal hygiene solutions that meet their needs, that they can trust, and that they can buy at an affordable price.



We work across business functions to provide the market with reliable and sustainable products at an affordable price.

Annick De Poorter
Group R&D, Quality and
Sustainability Director





Reliable partner for our stakeholders continued

A focus on innovation

Our mission is to continually deliver innovative, smart hygiene solutions to the market. To do this, we have developed a world-class Innovation function.

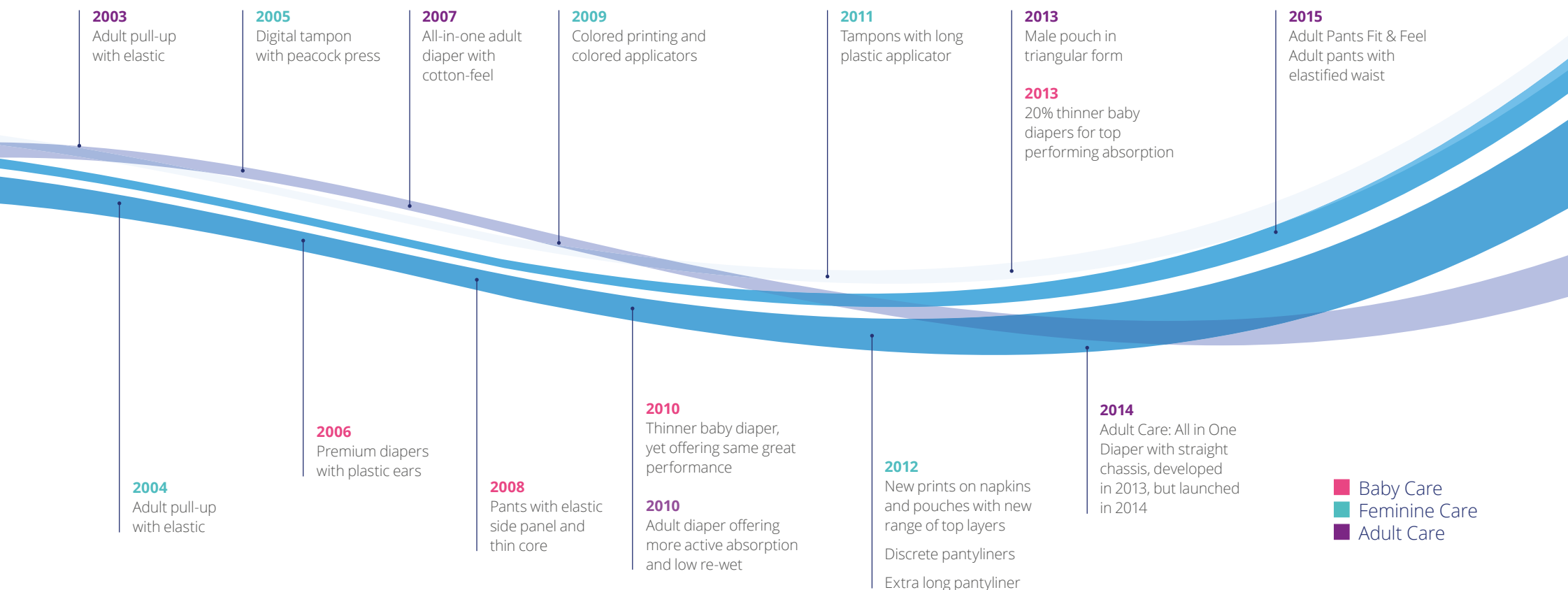


At Ontex, different departments within the Group (R&D, Marketing, etc.) work together to develop a steady flow of innovations and improvements in comfort, fit and performance of all our products. We also partner with research institutes and universities, work closely with our clients and suppliers to understand their needs, and listen to consumers.

The know-how this generates is used to develop new concepts and product components at one of our three global R&D centers, located in Belgium and Germany.

Before any new product goes to market, it is rigorously tested in our own testing laboratories and externally with the help of independent organizations.

This multi-faceted approach to innovation has helped to strengthen our expertise over time.



Reliable partner for our stakeholders continued

Ontex leaders share their thoughts on product innovation

Interview



Innovating by sharing knowledge



According to Group R&D, Quality and Sustainability Director, Annick De Poorter, our know-how is crucial to product development.



We analyze market trends, listen to our customers and consumers to learn about their needs and expectations, and talk to our suppliers to understand the performance of raw materials. We share this knowledge with various departments: Marketing, Sales, Procurement, etc. We work across business functions to ensure we can provide the market with reliable and sustainable products at an affordable price. This enables us to fulfill the needs of consumers and customers today, while taking care of people tomorrow.

Annick De Poorter

Group R&D, Quality and Sustainability Director

Interview



Ensuring good value for money



Sustainability is of growing concern and interest among our customers and consumers. But we must continue to offer good value for money.



If we want to be competitive in price, we need to be smart in production and supply. Raw materials make up approximately 75% of the cost of our products. So we look at ways to reduce the amount of raw materials without compromising the quality of our product," explains Group Sales Director Laurent Bonnard. "We can do this by limiting and recycling scrap waste as much as possible. We also explore ways to improve the distribution of our products. Can we transport more products per truck? Can we reduce the distance from our factories to the shop shelves? These changes help us to improve sustainability and maintain or lower costs.

Laurent Bonnard

Group Sales Director

Interview



Answering people's needs



At Ontex, we want to offer our customers and consumers the products that meet their needs at the price they consider to be right. To do this we need to understand their expectations.



Our product development is based on consumer and customer insight. We listen to them so that we can make better products for them," states Oriane Perreaux, Group Marketing Director. This insight has recently revealed that consumers have an increasing interest in the sustainability credentials of our products. "They want to know where our materials come from, the sustainability of our product life cycles, etc. It is up to us [to] communicate transparently on these issues so that people understand that we are taking our responsibilities seriously.

Oriane Perreaux

Group Marketing Director



Reliable partner for our stakeholders continued

Case study



Innovative services to complement our product development

At Ontex, innovation doesn't end with product development. We also create innovative service solutions informed by our market research, generally in healthcare settings and other institutions.

Education. Through our work with The Continence Institute (TCI) we offer online education packages on all aspects of continence assessment, management and treatment to healthcare organizations and staff, other professionals and carers. The online learning center provides access to learning materials and interactive courses. Users gain a certificate for each course they complete.

Home delivery. We have created an online ordering and home delivery service in several countries in response to feedback that some clients are uncomfortable buying incontinence products.

Advice. Our sales team includes medical experts who can assist hospital and nursing home staff to improve their incontinence care. We provide professional advice on which products provide the best solution for specific problems and how they are best used.

Interview



Respecting people

What does sustainability mean for Xavier Lambrecht, General Manager of our Healthcare Division? His answer is simple:



Sustainability is about respecting people. It is about helping patients maintain their self-esteem by providing access to the products they need and the care they are entitled to. We help achieve this by providing solutions. We not only offer a wide range of products to cover every need, we also train and support nursing staff in hospitals and nursing homes to offer the best possible care for patients. We help them select the appropriate product, understand the best change frequency, etc. We are helping to make sure each patient gets the care he or she deserves. And that's what it's all about.

Xavier Lambrecht

General Manager, Healthcare Division

Reliable partner for our stakeholders continued

Improving global access to personal hygiene products

It is important to us that consumers have easy access to the hygiene products they need. So we aim to make them affordable and accessible for everyone.

In emerging markets, this can sometimes be a challenge so we have developed a specific approach to improving understanding of personal hygiene issues and provide easy access to our products. For instance, in Pakistan we put together a team of ambassadors who go door-to-door to educate local communities on and provide advice on how to use our products.



Case study



Developing our retail brands

We have historically focused on producing products for private labels. We aimed for operational excellence in manufacturing to provide retailers with good own-brand alternatives to retail brands. Today, we also pursue a retail brand approach. To do this we need to understand the market so we can provide our customers and consumers with the products they need or want. Therefore, in 2015, we conducted a price benchmark study and a customer satisfaction survey.

Customer support. We support our customers (the retailers) to find innovative ways to optimize their marketing. We advise on pricing strategies, where and how to display products in the store, and promotional ideas. This helps us to improve the penetration of retailer brands as well as our own brands.

Consumer expectations. In order to understand consumers, we organize focus groups, test panels, consumer days, etc. These initiatives help us understand their needs and expectations of personal hygiene products.

Shopping behavior. We want to improve our understanding of shopping behavior. Last year, we invested in shopper research across our three product categories in various countries. We aim to repeat this research in other countries next year.

Interview



United in the choices we make

For Arnould Demoulin, General Manager of the Retail Division, sustainability is a team effort. It needs to be present in everything we do with our retail partners and for our consumers.



We need to build on our history of operational excellence and add a consumer/customer-centric approach so we become a unique and trusted retail brand partner. A partner that offers smart hygiene products and solutions that match their exact needs. To do this effectively, we need to work in partnership – at Ontex, with our suppliers and with our customers. And we can all develop and improve together.

Arnould Demoulin
General Manager, Retail Division



Additional information





Process for defining report content

As a leading producer of absorbent hygiene products in Europe, our business impacts on a range of stakeholders – our shareholders, customers, consumers, employees, and suppliers – as well as on the environment and other stakeholders in society.

With these impacts come great responsibilities. To respond to and manage these impacts we developed a sustainability strategy based on the UN Global Compact, the GRI principles, ISO 26000, and the OECD guidelines for international enterprises.

Ontex implements this strategy through its three pillars of sustainability:



In our organization...

Producing absorbent hygiene products requires activities that can potentially have a negative impact on the environment. Transport of raw materials and finished products, energy consumption and waste generated are some of the significant environmental aspects that have been identified at Group level. By implementing the ISO 14001 environmental management system and the ISO 50001 energy management system, we have committed ourselves to reducing the environmental impact of our activities and optimizing the energy performance of each plant. In addition, we ensure the implementation of safe working conditions (OHSAS 18001) and social policies in all production facilities and invest in the development and well-being of all employees.



In our products...

Our products are disposable, single-use products. For this reason, we take into account the environmental impact of our products and aim to achieve the lowest possible impact by:

- Only using third-party certified cellulose
- Reducing product and packaging weight
- Sourcing sustainably
- Developing new eco-conscious products



In our know-how...

We value the exchange of knowledge regarding sustainability, internally between different production facilities and departments, as well as externally with customers, consumers and suppliers. In order to achieve our sustainability targets, we invest in close partnerships with all stakeholders along our value chain. We also have key memberships in associations that support and enable our sustainability strategy. These memberships are mainly specific to the non-woven and disposable hygiene products industry.



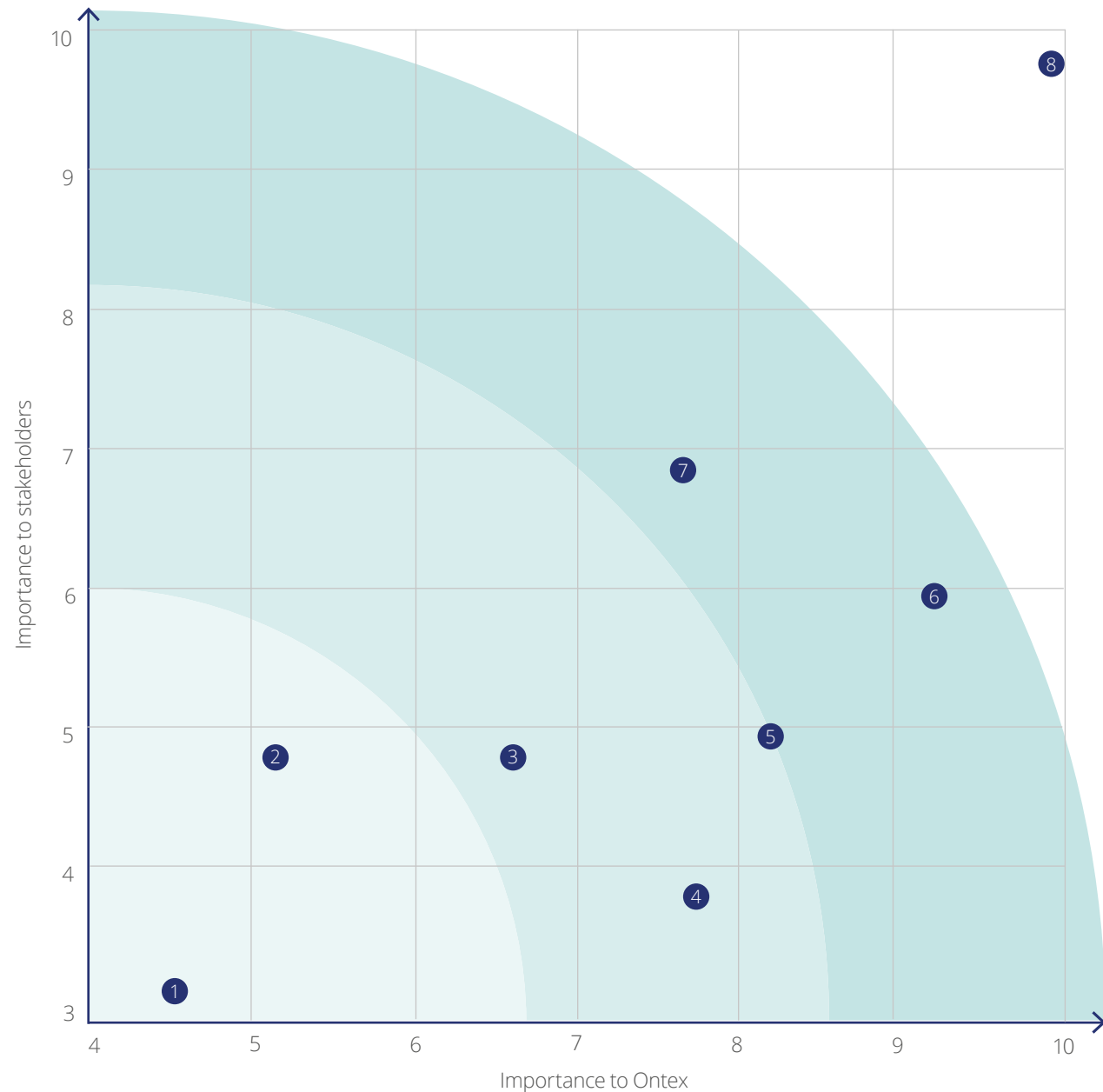
Our materiality matrix

We defined our material, or most important, sustainability aspects based on:

- Our sustainability charter, developed in 2013 by the Sustainability Taskforce
- Our Vision 2020 that leads the way to being a socially responsible partner for our customers and consumers, our employees and our investors
- The Global Reporting Initiative Guidelines (www.globalreporting.org)
- A ranking of the sustainability aspects by the Sustainability Taskforce based on importance for Ontex and importance for our priority stakeholders: customers, consumers, employees, investors and suppliers
- A validation of the key sustainability aspects by the Executive Team

Key

- ① Ecodesign
- ② Efficient logistics
- ③ Safe and Healthy working conditions
- ④ Shared value creation
- ⑤ Sustainable sourcing
- ⑥ Business excellence in our operations
- ⑦ Product responsibility
- ⑧ People at the heart





GRI content index

GRI content index

GRI G4 reference		Answer – Explanation	Location of disclosure in report
G4 General Standard Disclosures			
Strategy and Profile			
1. Strategy and Analysis			
G4.1	Statement from the most senior decision-maker of the organization		p4
2. Organizational Profile			
G4.3	Name of the organization		p2
G4.4	Primary brands, products, and services		p6
G4.5	Location of the organization's headquarters		p35
G4.6	Number of countries where the organization operates, and names of countries where the organization has significant operations		p5
G4.7	Nature of ownership and legal form	Included in annual report	p2 AR p50
G4.8	Markets served		p6
G4.9	Scale of the organization		p3
G4.10	Workforce		p10
G4.11	Percentage of total employees covered by CBA (collective bargaining agreements)		p10
G4.12	Organization's supply chain		p20
G4.13	Changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain		NA
Commitment to external initiatives			
G4.14	Precautionary approach or principle		p13,14,16
G4.15	Externally developed economic, environmental and social charters, principles, or other initiatives		p16
G4.16	Memberships of associations		NA
3. Identified Material Aspects and Boundaries			
G4.17	All entities included in the organization's consolidated financial statements		p2,5
G4.18	Process for defining the report content and the Aspect Boundaries Explain how the organization has implemented the Reporting Principles for Defining Report Content		p31-32
G4.19	Material Aspects identified in the process for defining report content		p7,8,20,32
G4.20	Aspect Boundary within the organization		p7,8,20
G4.21	Aspect Boundary outside the organization		p7,8,20
G4.22	Restatements of information provided in previous reports		NA
G4.23	Changes from previous reporting periods in the Scope and Aspect Boundaries		NA
4. Stakeholders' engagement			
G4.24	List of stakeholder groups engaged by the organization		p7,8
G4.25	Basis for identification and selection of stakeholders with whom to engage		p7,8
G4.26	Approach to stakeholder engagement		p7,8
G4.27	Key topics and concerns that have been raised through stakeholder engagement		p7,8



GRI content index continued

GRI G4 reference	Answer – Explanation	Location of disclosure in report
5. Report Profile		
G4.28 Reporting period		p2
G4.29 Date of most recent previous report	12/05/15	p2
G4.30 Reporting cycle		p2
G4.31 Contact point for questions regarding the report or its contents		p35
G4.32 In accordance, GRI Content Index, External Assurance		p2,33
G4.33 Policy and current practice with regard to seeking external assurance for the report		NA
Governance and Ethics		
6. Governance		
G4.34 Governance structure	Included in annual report	AR p30-45
7. Ethics and integrity		
G4.56 Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics		p2,7,12,13,14
G4 Specific Standard Disclosures		
Economic		
Economic performance		
G4 EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	Included in annual report	AR p8-9,51-95
Environmental		
Materials		
G4 EN1 Materials used by weight or volume		p22-23
Energy		
G4 DMA		p18
Emissions		
G4 DMA		p18
Effluents and waste		
G4 EN23 Total weight of waste by type and disposal method		p18
Products and services		
G4 EN27 Extent of impact mitigation of environmental impacts of products and services		p15-18
Transport		
G4 EN30 Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce		p21
Supplier Environmental Assessment		
G4 EN33 Significant actual and potential negative environmental impacts in the supply chain and actions taken		p19-21



GRI content index continued

GRI G4 reference	Answer – Explanation	Location of disclosure in report
Social: Labor Practices and Decent Work		
Occupational health and safety		
G4 DMA		p16,18
Diversity and equal opportunity		
G4 LA12 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Partially disclosed (only employees)	p10
Social: Human Rights		
Supplier Human Rights Assessment		
G4 HR11 Significant actual and potential negative human rights impacts in the supply chain and actions taken		p22,25-29
Social: Society		
Supplier Assessment for Impacts on Society		
G4 SO10 Significant actual and potential negative impacts on society in the supply chain and actions taken		p22,24-29
Social: Product Responsibility		
Customer health and safety		
G4 DMA		p22
Product and service labeling		
G4 DMA		p20-22



Request for feedback and contact details

We welcome your feedback on this report or on any aspect of our sustainability performance or activities.

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