



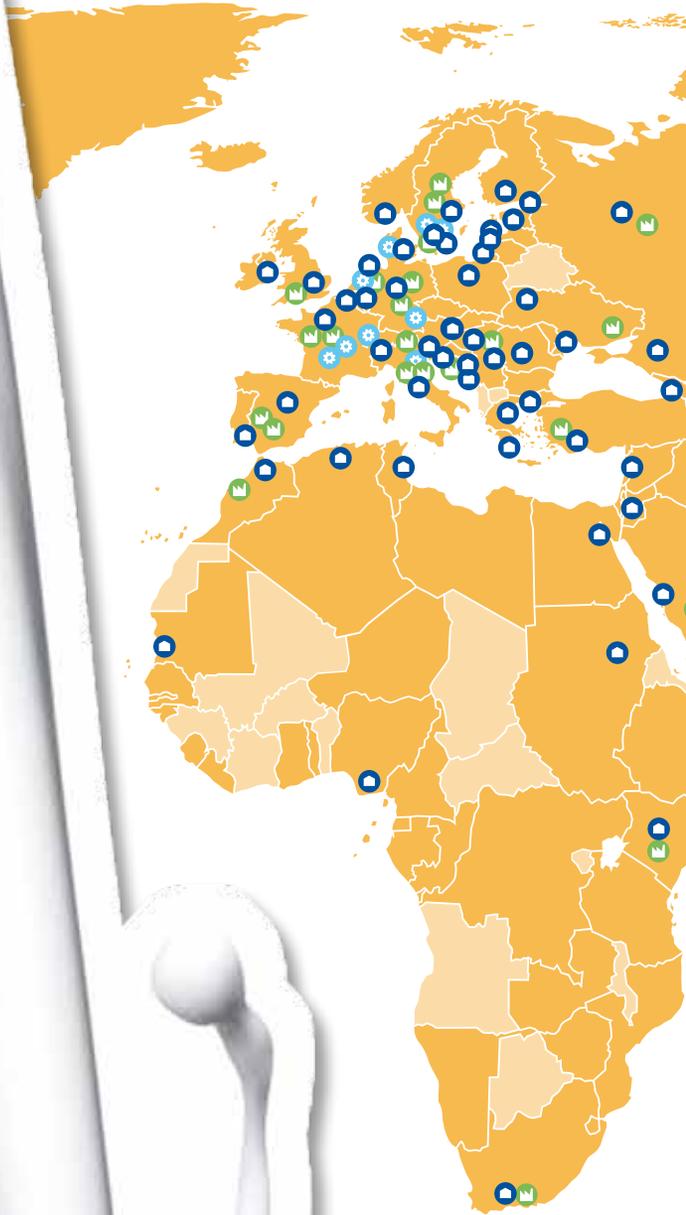
MISSION POSSIBLE

Sustainability update 2011



NET SALES 2010 (MILLION EURO)

9,980



KEY FACTS 2010

49

MILLION CHILDREN IN 54 COUNTRIES REACHED THROUGH SCHOOL FEEDING PROGRAMMES

8.5

BILLION FOREST STEWARDSHIP COUNCIL™ LABELLED PACKAGES REACHED CONSUMERS IN 23 COUNTRIES

74

BILLION LITRES OF PRODUCT DELIVERED IN TETRA PAK PACKAGES

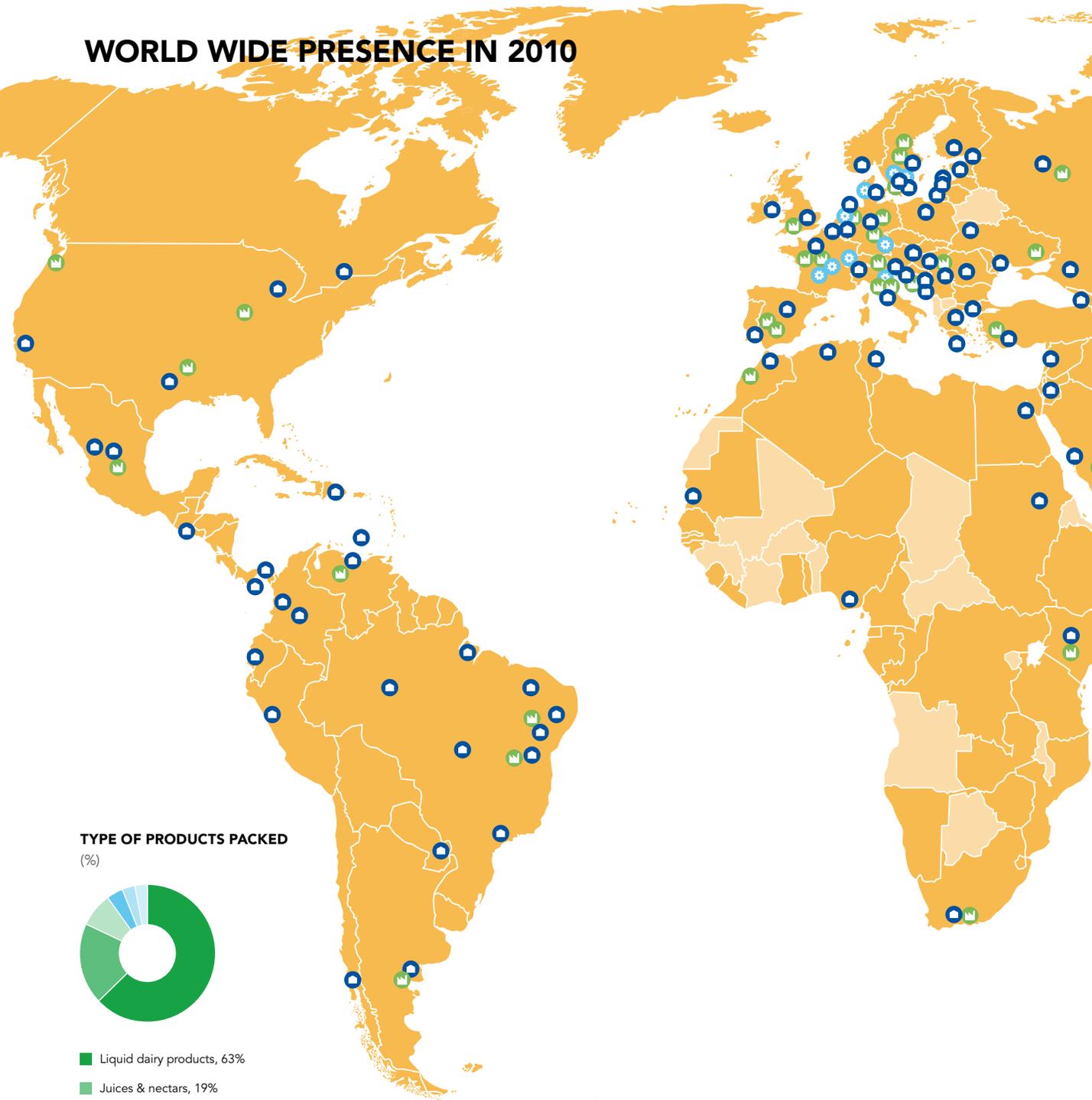
NUMBER OF PACKAGES
(billion)



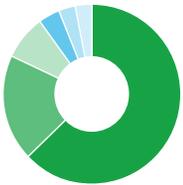
TOP 10 MARKETS
(billion packages)



WORLD WIDE PRESENCE IN 2010

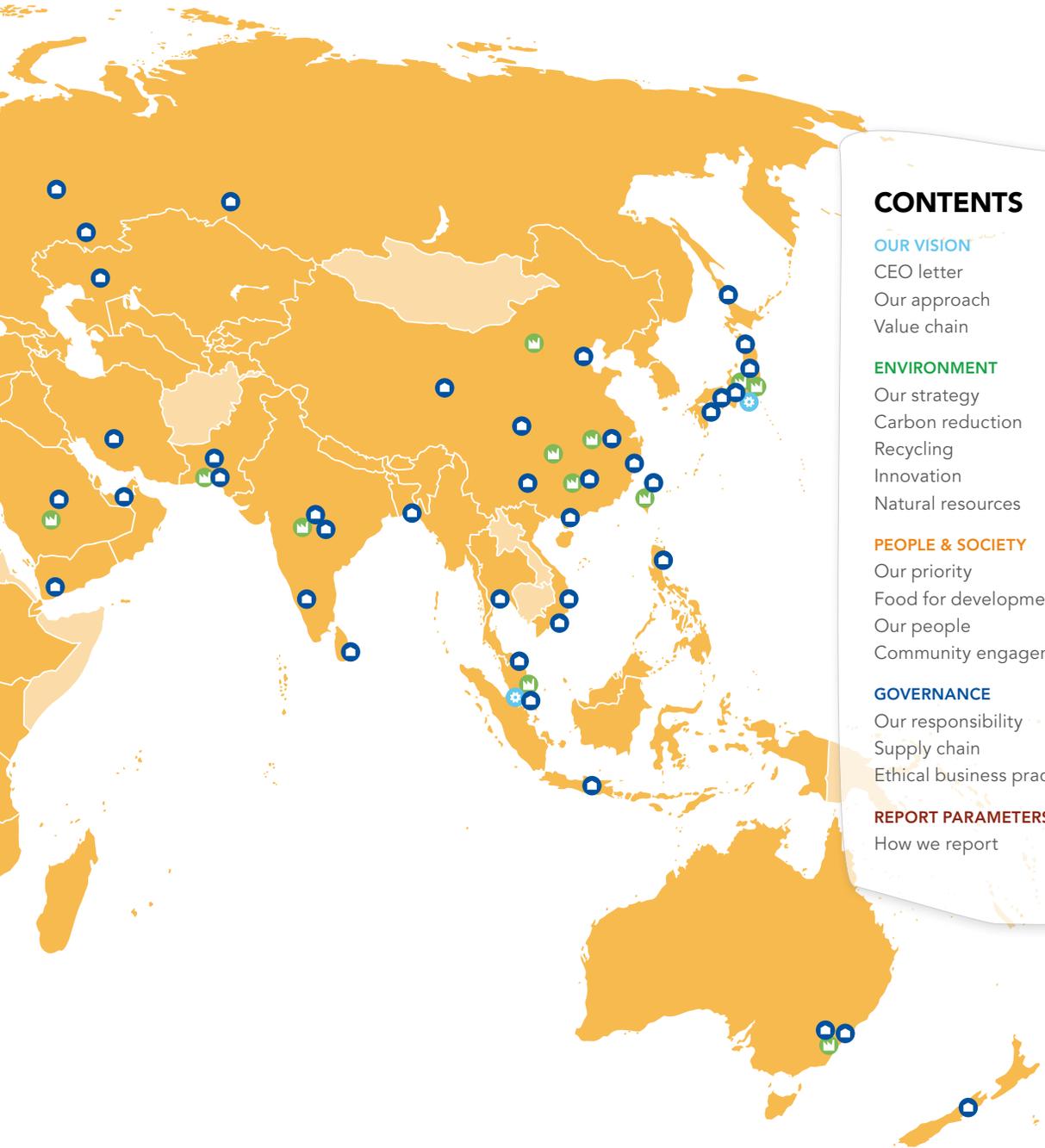


TYPE OF PRODUCTS PACKED (%)



- Liquid dairy products, 63%
- Juices & nectars, 19%
- Still drinks, 8%
- Dairy alternatives, 4%
- Wine & spirits, 3%
- Other products, 3%

- Markets covered, >170
- Market & Sales offices, 119
- Plants, 43
- Research & Development units, 11



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21,800

EMPLOYEES

WWW.TETRAPAK.COM/SU2011

STEP-CHANGE FOR SUSTAINABILITY

Same purpose, new drivers

At Tetra Pak, everything we do is driven by a simple promise: to protect what's good.

That commitment relates not just to ensuring the safety of the food we eat and drink. It's also about minimising our impact on the environment; helping our customers worldwide to build their businesses; ensuring a robust, reliable and far-reaching food supply; and improving the health and lifestyles of people across the globe.

We have been doing this since 1952, by offering market-leading packaging and processing solutions. During those 60 years, the need for safe and reliable food hasn't changed. But the global

backdrop to meeting that need today is very different.

The world's population is growing. By 2050 it will touch 9 billion, greatly increasing the demand for food. That demand is being amplified by the rapid growth of the middle classes in emerging economies, putting more strain on natural resources like land, energy and water. And this is all taking place at a time when we must urgently address the issue of climate change.

That is why at Tetra Pak we're focusing our skills and our know-how on addressing this rising and widening demand for safe and nutritious food in a sustainable, responsible way.

Sound foundations

In doing so, we're building on a well-established legacy of good corporate citizenship and responsible industry leadership that dates back as far as the company itself.

Through six decades we have worked closely with local entrepreneurs to support the creation of food processing and packaging businesses around the world.

We've helped establish school feeding programmes that now benefit some 49 million children in more than 50 countries.

We've focused on enhancing the environmental profile of our business, our products and our services – from the design of processing and filling equipment to the recycling of our cartons. We've collaborated closely with WWF and Forest Stewardship Council to secure sustainable supplies of paperboard and promote responsible forestry.

And we've set ourselves tough environmental targets. In 2005, for example, as a member of WWF Climate Savers, we pledged to cut our absolute carbon emissions by 10% within five years. We succeeded – reducing emissions by 13%, despite a 23% increase in sales.

Since 2004, we've been a signatory to the United Nations Global Compact, and we continue to embed its 10 principles on environment, labour, anti-corruption and human rights across our operations, as we report here in our Communication on Progress. Through our core business, and the activities of our Food for Development Office, we're also helping to meet the UN Millennium Development Goals to reduce poverty, and improve health, education and gender equality worldwide.



“OUR NEW 2020 STRATEGY IS ABOUT CONTINUITY BUT IT’S ALSO ABOUT TRANSFORMATION”

A step change in 2011

But we know we need to do more. So from 2011, we will step up our efforts to improve operational performance and reduce our environmental footprint right along the value chain.

Our 2020 strategy, introduced earlier this year, puts our environmental ambitions at the heart of our business. It is a strategy focused on continuity – doing what we do well and building on our achievements – but it’s also about transformation. We recognise the need to grow in all markets, to accelerate innovation, to enhance our operational performance, achieve environmental excellence, develop our people and build our reputation.

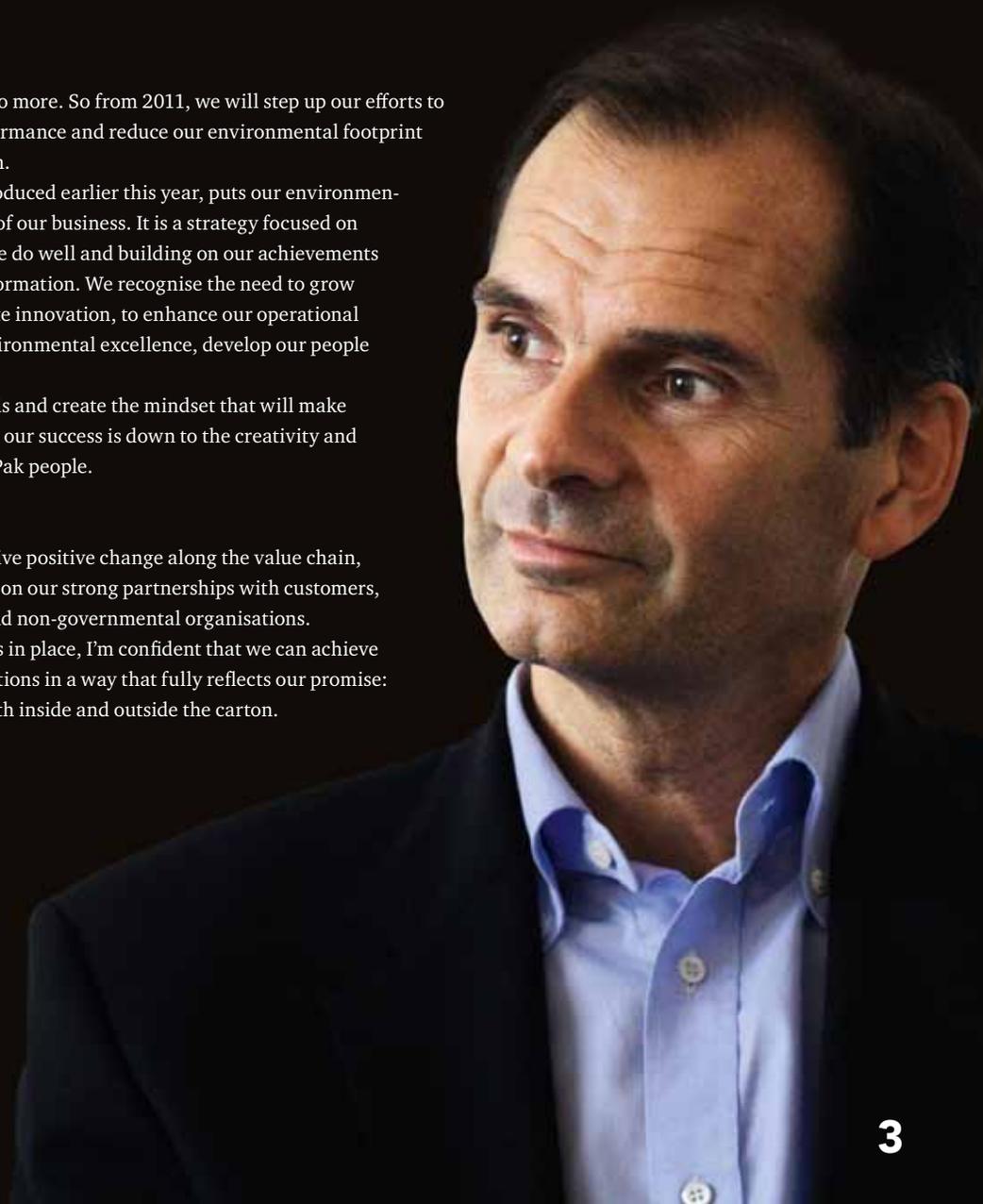
My role is to set the goals and create the mindset that will make this happen. At that point, our success is down to the creativity and the commitment of Tetra Pak people.

Working together

We can’t do it alone. To drive positive change along the value chain, we must continue to build on our strong partnerships with customers, suppliers, governments and non-governmental organisations.

With these relationships in place, I’m confident that we can achieve our business growth ambitions in a way that fully reflects our promise: to protect what’s good, both inside and outside the carton.

Dennis Jönsson,
President & CEO Tetra Pak





MISSION POSSIBLE

Understanding the trends and drivers affecting our industry is essential to running our own business successfully. Increasingly, sustainability is one of those drivers.

PROTECTS WHAT'S GOOD. That is our promise, and the guiding principle behind all that we do. As the world's leading provider of food processing and packaging solutions, we live our vision – to make food safe and available, everywhere – every single day. That vision hasn't wavered, but the way we make it happen is evolving.

Integrated value chain

Around the world, population growth, increasing incomes, and climate change are putting ever-more pressure on natural resources. Concerns are rising; and companies are increasingly being held accountable for the impact of their products and their operations on the environment.

Linked to this, public scrutiny of large corporations is becoming more intense, not just in relation to environmental performance, but also with regard to labour practices, human rights and their contribution to society as a whole.

As a result, our customers are driving transparency, traceability, ethical business practices, and operational efficiencies right through the value chain.

We believe that only companies that embrace these challenges proactively, and turn them into opportunities, will be competitive in the future. We've responded by developing more renewable packaging and leaner food processing and filling solutions. We're increasing efficiency and reducing operational im-

pacts – as well as helping our customers reduce theirs. We're also creating benefit for society by supporting wider development goals as defined by the UN.

Destination 2020

At Tetra Pak, we have pledged to grow our business in a way that's environmentally, socially and economically responsible. We are committed to supporting and promoting the 10 principles of the UN Global Compact, addressing human rights, labour standards, the environment and anti-corruption.

Towards the end of 2009, the global dairy industry signed the Global Dairy Agenda for Action, an initiative to tackle climate change and continually improve the sustainability of milk supply around the world through greater cooperation. We are playing an active part. In the spirit of this pledge, we've committed to reduce emissions, improve energy, transport and resource efficiency, and minimise loss of milk and milk products.



9 GLOBAL DRIVERS

These 2020 megatrends are shaping our industry, driving innovation and a step-change in sustainability:

1. Growing population (1.3 billion more consumers)
2. BRIC* countries among the top 10 economies
3. Resources: water scarcity and forest depletion
4. Globalisation/migration
5. Ageing population (+60 year-olds to triple)
6. Technology: 100% 'green'
7. Stricter environmental legislation and taxes
8. Emerging middle class
9. Urbanisation

* Brazil, Russia, India, China

REACH CONSUMERS IN MORE THAN 170 COUNTRIES

Specifically, by 2020, we will ensure that greenhouse gas emissions across our value chain are no higher than they were in 2010, despite a significant increase in our business. We will also double the global recycling rate for our cartons. We're putting the roadmaps, budgets and targets in place now to make sure this happens.

Adding Value

As well as driving our own goals in these areas, we're also helping our customers achieve theirs.

Reducing operational impact: as a leading supplier of food processing and packaging solutions our technical know-how and equipment innovations support our customers' efforts to reduce costs and increase environmental efficiency in their operations.

Packaging from sustainable sources: towards our goal of the totally renewable package, we're committed to securing a sustainable supply of paperboard for our cartons through Forest Stewardship Council™ (FSC™) certification. We're also working on the development of plant-based polyethylene closures, helping stimulate demand for renewable plastics in the supply chain.

Sustainable nutrition for emerging communities: our pioneering Food for Development (FfD) programmes give us broad experience in integrated value chain partnerships. With our customers, we're building on this to develop new business models that tackle nutritional challenges at the base of the economic pyramid.

Customer scorecard

In our Customer Satisfaction Survey 2010, our environmental rating hit an all-time high, five points above 2009.

That's something we want to continue, and the survey points the way. Customer and post-consumer waste collection and improving recycling were mentioned as areas where we can do more, along with greater energy, water, and waste efficiency in our food processing and filling equipment. We can also do a better job of explaining the sustainability upside of carton packaging.

MILLENNIUM DEVELOPMENT GOALS

The UN Millennium Development Goals (MDGs) are a set of shared objectives, agreed by world leaders, which aim to end poverty and hunger, widen access to education, improve health, and promote environmental sustainability, through global partnership, by 2015.

At Tetra Pak, we're strongly committed to doing our bit to make this happen. Through our core business and FfD we contribute directly to six of these goals and, indirectly, to all eight.



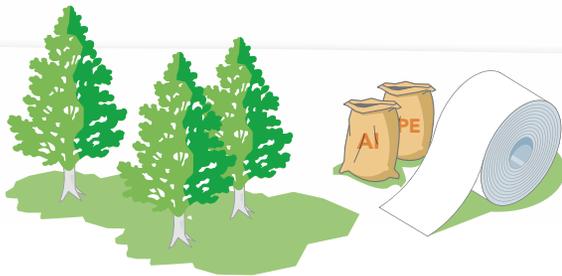
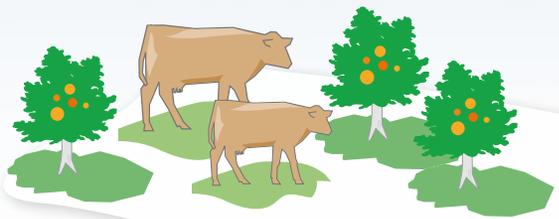
Read more about Tetra Pak and the MDGs on the back cover of this report.

THE TETRA PAK VALUE CHAIN REACTION

The power to create positive social, environmental and economic impacts is multiplied when you work hand-in-hand with partners along the value chain.

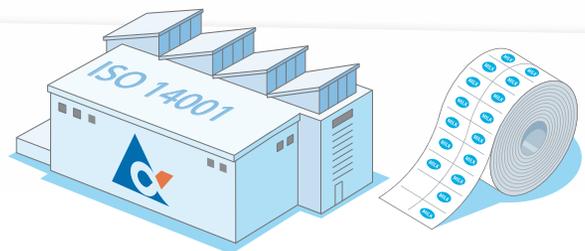
2. FOOD PRODUCTION

Together with DeLaval, our customers and others, we're helping develop local milk production, like in Pakistan and Bangladesh. We're also involved in the dairy industry's initiative to tackle climate change.



1. SUPPLY

With suppliers, we're committed to sourcing paperboard certified by the FSC aiming for 50% by 2012. We're also involved in an industry initiative for responsible sourcing, production, use and recycling of aluminium, and we're working on renewable polyethylene closures.

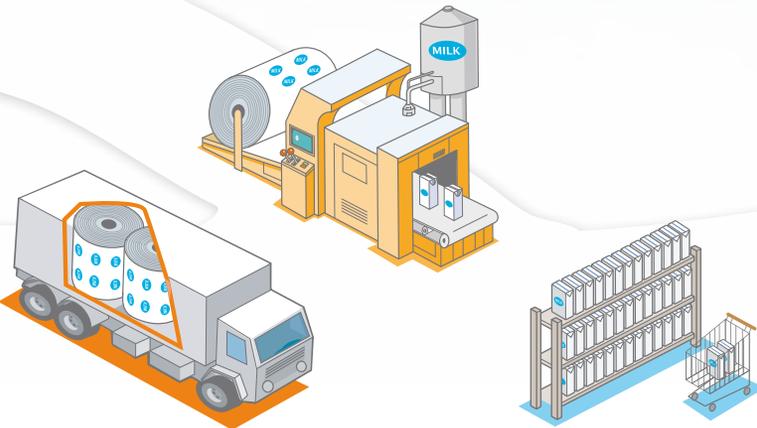


3. OUR MANUFACTURING

For maximum efficiency and minimum waste in production, we're using World Class Manufacturing. We've achieved an absolute reduction in carbon emissions of 13% since 2005 and have set a 2020 climate target extending across our value chain.

5. CUSTOMER FOOD PROCESSING AND FILLING

Our solutions not only ensure food safety and high nutritional content, they also help customers maximise water and energy efficiency, and minimise waste.



8. RECYCLING

We aim to double the global carton recycling rate from 20% in 2010 to 40% by 2020. We're working with stakeholders and supporting technologies to boost sustainable and economical recycling.



4. TRANSPORT AND DISTRIBUTION

We track greenhouse gas emissions for outbound shipments of packaging material and minimise them by avoiding air transport, using rail where possible and consolidating shipments.

6. COOPERATION WITH CUSTOMERS AND RETAILERS

With customers, we're finding ways to make nutritious food affordable to those on low incomes. And through industry organisations, we're working with retailers and customers to encourage greater recycling.

7. RAISING CONSUMER AWARENESS

We're supporting activities to raise environmental awareness of how we can all help increase recycling. We combine these initiatives with school feeding programmes that provide nutrition and develop good eating habits.

**AT TETRA PAK,
ONGOING FOCUS ON THE
ENVIRONMENT MEANS
*TACKLING OUR FOOTPRINT
RIGHT ACROSS THE VALUE CHAIN,*
INNOVATING FOR MORE
SUSTAINABLE PRODUCTS
AND INCREASING RECYCLING RATES**



DOING MORE WITH LESS

Developing high-value solutions with low environmental impact makes good business sense. It will boost our competitiveness in a world of rising population, cost pressures and growing strain on natural resources

Aiming high

Driving environmental excellence is a strategic priority for us. This means strong commitment to ambitious environmental programmes with an end vision of fully sustainable packaging, using only renewable materials, leaving a minimal environmental footprint and zero waste.

That is a big ambition. But we have a solid foundation to build on.

Good groundwork

For over 20 years we've used methods like Design for Environment and Life-cycle Assessment to help us understand our environmental impacts. This helps us improve how packages are made, used, transported and disposed of, and evaluate the sustainability of new solutions to food processing.

We manage our impacts with care, we consult widely, and we partner with organisations like the World Resources Institute, the Forest Stewardship Council and WWF to inform our decision-making.

A giant step

Taking the long view is one of our core values. Our environmental strategy to 2020 sets out a step-change in performance, coupling innovation in high-value solutions with a significant reduction in our environmental impact.

We see 2020 as a milestone, not an endpoint, in our drive for environmental excellence – but it's one important step on the way to a fully sustainable food chain.

OUR ENVIRONMENTAL STRATEGY HAS THREE MAIN THRUSTS:

1. REDUCE ENVIRONMENTAL FOOTPRINT ACROSS THE VALUE CHAIN

As well as sustainable sourcing and reducing our operational impacts, we will help customers minimise water use, energy consumption and waste generated during food processing and packaging.

By decoupling business growth from climate impact, we will meet our challenging 2020 climate goal (see page 10).

2. DEVELOP SUSTAINABLE PRODUCTS

To deliver better value with lower impact, we're preparing a sustainability roadmap for our product portfolio. Tough target-setting and innovation will drive improvements.

One of our key ambitions is to offer sustainable packaging made entirely from renewable materials. Replacing aluminium foil, for example, will significantly lower the carbon footprint of aseptic cartons. Finding an effective alternative oxygen barrier – essential to aseptic packaging – is our big technical challenge.

3. INCREASE RECYCLING

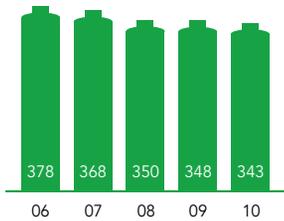
Improving the recycling of used packages is especially important. We have a long track record of engaging local communities to make recycling a reality around the world, and our new recycling goal (see page 13) takes this to another level.

Meeting it will be a challenge, with continued growth and rising volumes, but by really stepping up innovative solutions, we know we can get there.

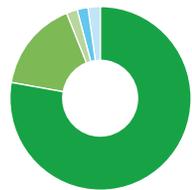
60

BILLION MORE PACKAGES WERE DELIVERED IN 2010 THAN IN 2002

GREENHOUSE GAS EMISSIONS CO₂ EQ IN OPERATIONS
(thousand tonnes)



GREENHOUSE GAS EMISSIONS BY FUNCTION, 2010
(%)



- Carton packaging material production, 78%
- Closures, straws, strips and film production, 16%
- Processing equipment and packaging machines production, 2%
- Support services, 2%
- Market companies, 2%

EXPANDING GROWTH, NOT EMISSIONS

Our new climate goal means working with suppliers and customers to cap greenhouse gas emissions at 2010 levels by 2020 right along the value chain.

The good news: by 2020, we expect our sales to increase by more than 60%. The better news: our greenhouse gas emissions won't exceed today's level.

Peak performance

Combating climate change is something we take seriously. Since 2005, we've achieved an absolute reduction in operational greenhouse gas emissions of 13%, while growing 23%. By applying energy efficiency measures across our operations, and using the resulting savings to purchase WWF-approved renewable electricity and Gold Standard Renewable Energy Certificates, we've exceeded the 10% emissions reduction target set in 2005 with WWF Climate Savers.

Lose to gain

External energy experts are already auditing several of our factories each

year, to highlight opportunities for efficiency gains and reduced power use. Both short- and long-term energy savings are targeted, and we will share lessons across the organisation.

A key focus is the process of converting paperboard, aluminium foil, and polymers into packaging material, since packaging material production currently accounts for 78% of our operational greenhouse gas emissions.

Another is controlling heat in laminators, which consumes in the region of 70–80% of the electric power used in a converting line.

A pre-study targeted at improving the efficiency of laminator motor drives by 15% is already underway.



**SINCE 2005 WE HAVE CUT
ABSOLUTE GREENHOUSE
GAS EMISSIONS BY
13%**

Total commitment

Value for customers is a priority, and we can help reduce their emissions by stepping up carbon-lean innovations in packaging, food processing, and filling equipment (see page 15). Through smarter coordination and optimisation of equipment we can help customers' operations be more efficient.

We're working with suppliers too. Suppliers of our base materials must report on their carbon footprint and commit to continuous improvement. Initiatives to measure travel emissions are also in place. Greenhouse gas emissions from outbound shipments are monitored through a centralised system, Logistics Control Tower.

It's about making it all add up: efficiency plus innovation equals growth plus lower emissions.



MANAGING AND MEASURING

We use the World Class Manufacturing (WCM) system to manage every aspect of production, including environment. WCM helps us reduce waste, cut impacts and minimise cost. For instance, we've identified a potential 5–7% net saving if we can eliminate start-up waste from new packaging material runs in our factories. Best practices to increase efficiency and cut impacts are collected centrally and shared across our factories.

Every year each production plant reports on agreed environmental measures such as chemicals use and water consumption, as well as emissions and waste. Energy consumption figures are compiled quarterly.

To better monitor impact along the value chain, we're starting to integrate environmental information on equipment manufacturing, spare parts, logistics, travel, and building design into a coordinated database.

We have already established environmental assessment as part of the travel supplier sourcing process. Tetra Laval's Travel and Transport team provides information on the environmental performance of travel suppliers and works with them to help improve their performance.

By 2010 56 of our 63 factories had been certified to ISO 14001. Certification for new and remaining plants is currently in progress.

Our emission reports are audited by Ecofys.
We report our emissions to the Carbon Disclosure
Project Supply Chain for the benefit of our customers.



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BILLION TETRA PAK CARTONS RECYCLED IN 2010

PAPER DRAGON

China is well known for impressive economic growth. Now, high carton sales are translating into booming recycling rates and volumes of recycled material, too.

With limited local waste management regulation, continued growth relies on facilitating sorting and collection. So we're building a more effective network by linking small-scale collectors to government-supported collection companies, working with non-governmental organisations and customers to raise awareness of the importance of recycling cartons, and investing in technologies that boost its economic benefits. The result? Recycling rates for our cartons in China rose from zero in 2002 to nearly 13% in 2010.

Visitors to the 2010 Shanghai Expo experienced the lifecycle of a Tetra Pak carton through on-site collection and an exhibition of products made from recycled cartons. Jointly sponsored with the Expo Coordination Bureau and a local newspaper, this campaign attracted some 728,000 people and collected over 10 million 250 ml cartons.

Partnering with local recyclers, we're also supporting the development and testing of a method of delamination, launched in 2009. By separating the raw materials in cartons, the value of recycled materials is increased by nearly a third.

SQUARING THE CIRCLE FOR CARTONS

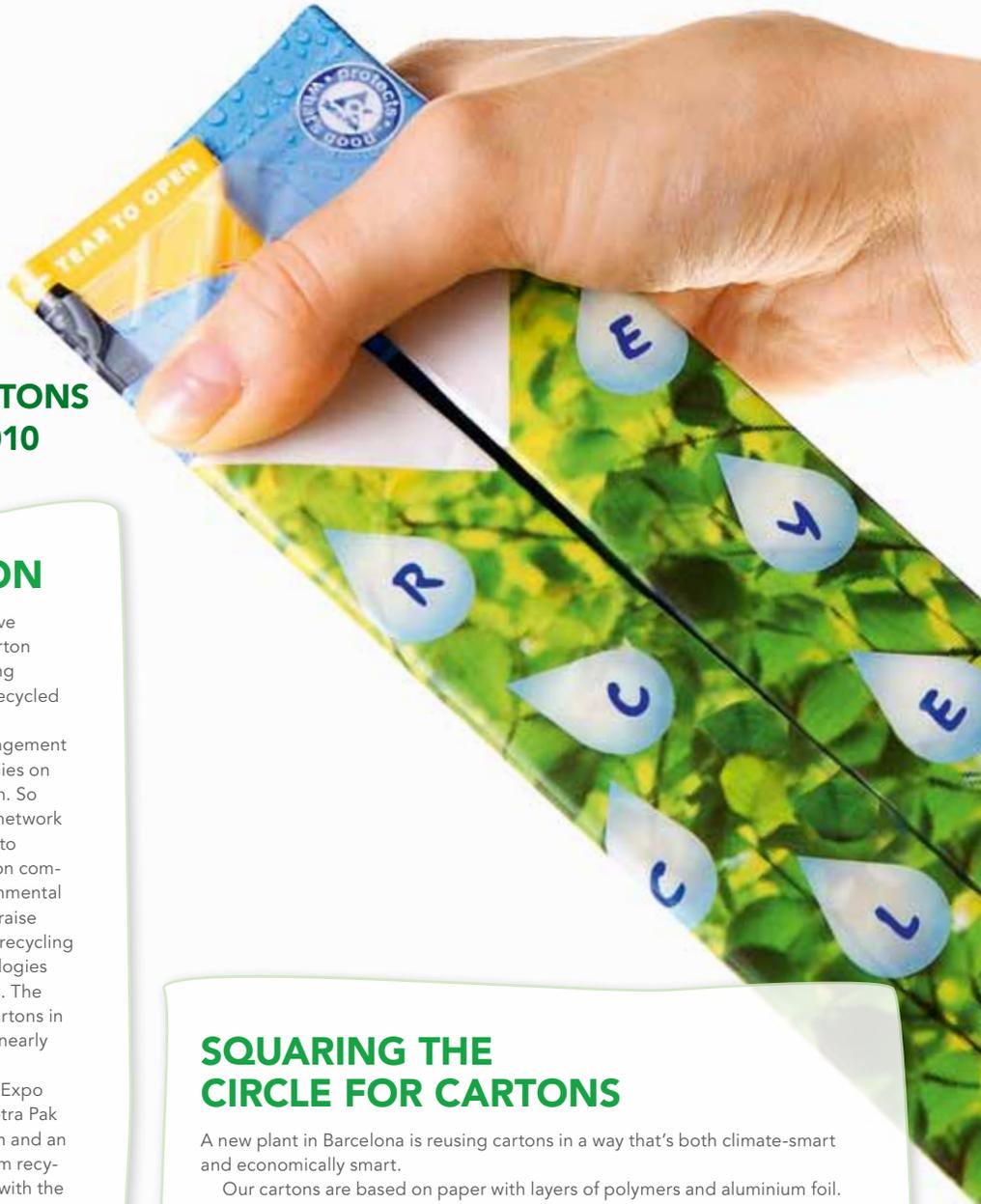
A new plant in Barcelona is reusing cartons in a way that's both climate-smart and economically smart.

Our cartons are based on paper with layers of polymers and aluminium foil. Barcelona's new Stora Enso poly-al recycling plant is the first in Europe to apply pyrolysis to separated poly laminate to evaporate the plastic layer and separate the aluminium. The evaporated gas by-product is used to generate electricity and steam – meeting 10% of the plant's energy needs – and the resulting high-grade aluminium is reused.

The plant recovers fibre from 60,000 tonnes of used beverage cartons, and will recover about 9,000 tonnes of poly laminates, annually.

Tetra Pak contributed expertise and technical assistance, and will help with supply of recycling material.

Another recycling plant applying pyrolysis technology is in operation in Brazil.



SLIM WASTE

Doubling our recycling rates globally by 2020 means investing in technology and in partnerships with local communities.

Foot to the floor

Smarter solutions for carton recycling are part of expanding our business and protecting our brand.

For reasons of food safety and package stiffness, Tetra Pak cartons are made from virgin paperboard. After use, that paperboard can be recycled into paper products like packaging and tissue paper, and the plastic and aluminium lining can be recovered to make composite products like roof tiles, or converted into paraffinic oils and aluminium powders for industrial use.

We want to double the global recycling rate of our cartons – from 20% in 2010 to 40% by 2020. Our experience in China proves it can be done, even in markets lacking legislation: national recycling rates for our cartons leapt from zero in 2002 to nearly 13% in 2010.

Communal effort

Beyond designing for greater recyclability, we promote recycling in several ways. These include investing in technologies that boost the economic return, and working with partners to raise consumer awareness and set up collection.

A key challenge is to aggressively promote sustainable and economical recycling methods that reduce collection costs and generate higher commodity value.

In Europe, some regulated and mandated take-back schemes are already achieving 65% recycling rates. In China, Vietnam, India and Brazil, we form partnerships to develop community recycling infrastructure, improve safety and find commodity buyers for waste collectors. As a result, the number of cartons recycled around the world has grown from 10 to 32 billion in 10 years. Our global 2020 target means doubling recycling rates, and tripling the number of cartons recycled, based on our estimated growth rate.

Our country managers are absolutely key in realising this goal: it's up to our local companies to find the most effective approach for their respective markets. To drive progress, recycling rates and greenhouse gas targets now make up 8% of our managers' annual performance evaluation.

SIX STEPS TO HIGHER RATES

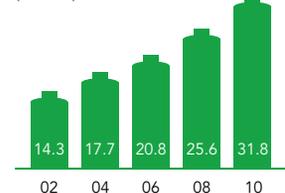
Our efforts to promote recycling are designed to make an impact at every step of our carton's lifecycle, from design to manufacture, use and recovery.

1. Design for Environment for Recyclability
2. Participate in industry-based recycling organisations
3. Engage consumers
4. Support recycling technologies
5. Influence public policy
6. Build public/private partnerships

GLOBAL RECYCLING RATE TETRA PAK PACKAGES



NUMBER OF RECYCLED TETRA PAK PACKAGES





TEAR ALONG DOTTED LINE

Tetra Evero Aseptic is convenient to hold, store, pour and recycle. In 2012 we plan to launch a new version with a function to quickly separate the polymer top from the FSC-certified paperboard sleeve. This is useful where plastic and paperboard are sorted separately. It also makes it easier to flatten the package, saving space in the kitchen. During 2011, we're offering the option of a renewable polymer (high-density polyethylene) top to our customers.

THINKING AHEAD OF THE PACK

From the day the revolutionary Tetra Pak carton package first took shape, it set a benchmark for ongoing innovation that's part of our DNA today.

Our focus is on efficient customer solutions that deliver high functionality, reduce operational costs, and minimise environmental impact. Key customer concerns include use of energy, water and chemicals, as

well as minimising waste. By driving environmental innovation and applying our sustainability know-how, we intend to differentiate ourselves from competitors and remain a unique partner to our customers in the long term.

SWEET DREAMS ARE MADE OF THIS

From a Brazilian sugar cane plantation to your lips. As part of our move toward fully renewable packaging, we will produce closures containing plant-based plastic for selected cartons for the first time in 2011.

As our cartons are primarily paperboard they are already 73% renewable on average. The addition of polymers closures made from plants boosts this even more.

Early research shows that producing plant-based plastics – from growing the sugar cane to manufacturing the material – has a lower carbon footprint than conventional fossil fuel-based polymers.

The Better Sugarcane Initiative is piloting a standard for responsible sugar cane production, management and processing and we will encourage green polymer suppliers to apply it.

Our aim is to have closures made from renewable feedstock across our full packaging range. How quickly this happens will depend on customer uptake and the availability of polymers from renewable sources, which is currently limited.

Closures aren't the endgame, just another big step on the road toward our aim of offering 100% renewable cartons.



STREAMLINED FOOD PROCESSING AND PACKAGING

Improving performance and minimising waste are top priorities for customers to control cost and environmental impact. Our innovations need to deliver this.

It's a long-term trend: our most energy-efficient filling equipment uses less than a third of the energy of standard lines from the mid-1990s and since 2000, we've halved the water consumption of filling machines.

One-step UHT

In 2010, we launched OneStep technology for Ultra High Temperature (UHT) milk production. OneStep combines heat treatment, separation, and standardisation, enabling customers to reduce energy consumption and lower their carbon footprint by about 40%. Water use is cut by up to 60% and effluent load by 40%, thanks to reduced product losses. Operating costs are halved compared to conventional UHT production.

Sterilisation yields fruit

Through a radically different approach to sterilisation, we can reduce the

power consumption of customers' filling lines by up to 50%. To reach this reduction level we're researching alternative technologies that will also reduce chemical use in the sterilisation process.

Water recovery

Recovery and reuse minimise water consumption. We provide closed cooling water systems for our processing equipment, as well as solutions to recover water and valuable milk components.

Mixing it up

Our TetraPlant Master automation platform is used in customers' factories for controlling and optimising activities like recipe handling and juice and vitamin mixing. To help customers manage their environmental performance, we're broadening its scope. In 2010, an environmental report module was launched that tracks key performance indicators like energy consumption and greenhouse gas emissions against target values, highlighting areas for improvement.



Pune LEEDs the way

Designing new converting factories to optimise efficiency and minimise waste tackles the biggest greenhouse gas challenge in our operations – efficient manufacture of packaging material.

Our €100 million, state-of-the-art plant in Chakan, near Pune, India, is due to open in late 2012. To conserve energy, we're installing the most efficient electrical fittings. A building management service with occupancy sensors will monitor and manage heating, ventilation and air conditioning and an innovative vapour absorption machine will capture heat from generators to enhance cooling capacity. Glass roofing will keep artificial lighting to a minimum. Combined with solar power, this will reduce non-manufacturing energy use by 30%.

Energy efficiency is just one aspect. Rainwater harvesting and water-efficient fixtures will reduce water consumption by 30%. Landscaping will feature over 2,000 native plants and includes keeping 15% of the site untouched.

Our ambition is to certify the Chakan factory to Leadership in Energy and Environmental Design (LEED) Gold level. LEED is an internationally recognised green building rating and certification system.



SEEING THE WOOD FOR THE TREES

Our core business relies on healthy forests, and we have a stake in sustaining them. As one of the world's largest paperboard purchasers, our buying power can make a difference to how natural resources are managed.

FORESTRY TRACEABILITY



FSC: Forest Stewardship Council
 PEFC: Programme for the Endorsement of Forest Certification schemes
 CoC: Chain of Custody

WATER-WISE

A growing concern for society is water. The paper industry is a significant water user, and it's important in our food industry customers' operations. With them, we are exploring closed-loop systems in dairy processing. Through the Alliance for Beverage Cartons, we're helping develop an industry-wide methodology to measure our water footprint. Tetra Pak will have a water policy in place by year-end 2011.

A natural advantage

Managing forests responsibly is essential for the well-being of society. Forests provide jobs, clean water, fresh air, and help combat climate change. They are home to almost 80% of land-based plant and animal biodiversity.

They're also necessary to our company, to guarantee future pulp supply for our carton packages. About 5% of global pulp production is used for paperboard, with annual demand set to increase approximately 2% to 2025. We purchase two million tons of paperboard every year from suppliers based in Scandinavia, the US, Brazil, and Russia, who in turn source wood from about 20 different countries.

Around three quarters of Tetra Pak packaging is made from renewable sources. It's our goal to continually increase this percentage on the way to entirely renewable packaging – for example by replacing fossil-fuel based plastic caps with renewable polymers.

Two-tiered approach

We source from forests that are independently certified to comply with responsible forest practices and look for full traceability of paperboard through the supply chain. We do this through the FSC forestry management and Chain of Custody (CoC) certification schemes.

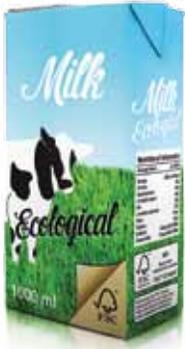
In 2010 28% of the paperboard we purchased was FSC certified. We've set an interim target of 50% in 2012, another step on the way to our ultimate aim of 100%.



In addition, we are part of a joint EU industry commitment to ensure suppliers around the world are certified for CoC by 2015, and our global operations by 2018. By late 2010, 99% of our paperboard came from such suppliers. Regarding our own operations, 85 of our 199 markets and 22 of our 36 factories were FSC CoC certified by late 2010. To maintain our certification, sites are audited yearly by independent accredited certifiers and our operations are audited by the Rainforest Alliance.

In using natural resources, we strive to balance environmental, social and economic concerns and these expectations are outlined for suppliers in our Forestry Guideline. We also strengthen responsible stewardship by financing training for small forestry owners on the importance of certification.

Responsible forest management benefits us all – and future generations will thank us for it.



LABELS COUNT **INFLUENCING RESPONSIBLE FORESTRY PRACTICES**

Sourcing responsibly by choosing renewable raw materials is important to us. Certified forest products are a key part of this.

The FSC scheme is the most stringent standard for responsible forest management on a global scale. Present in 50 countries, it enjoys wide support – thanks to its robust methodology, inclusive processes and credible third party certification. Its aim: environmentally appropriate, socially beneficial and economically viable forest management.

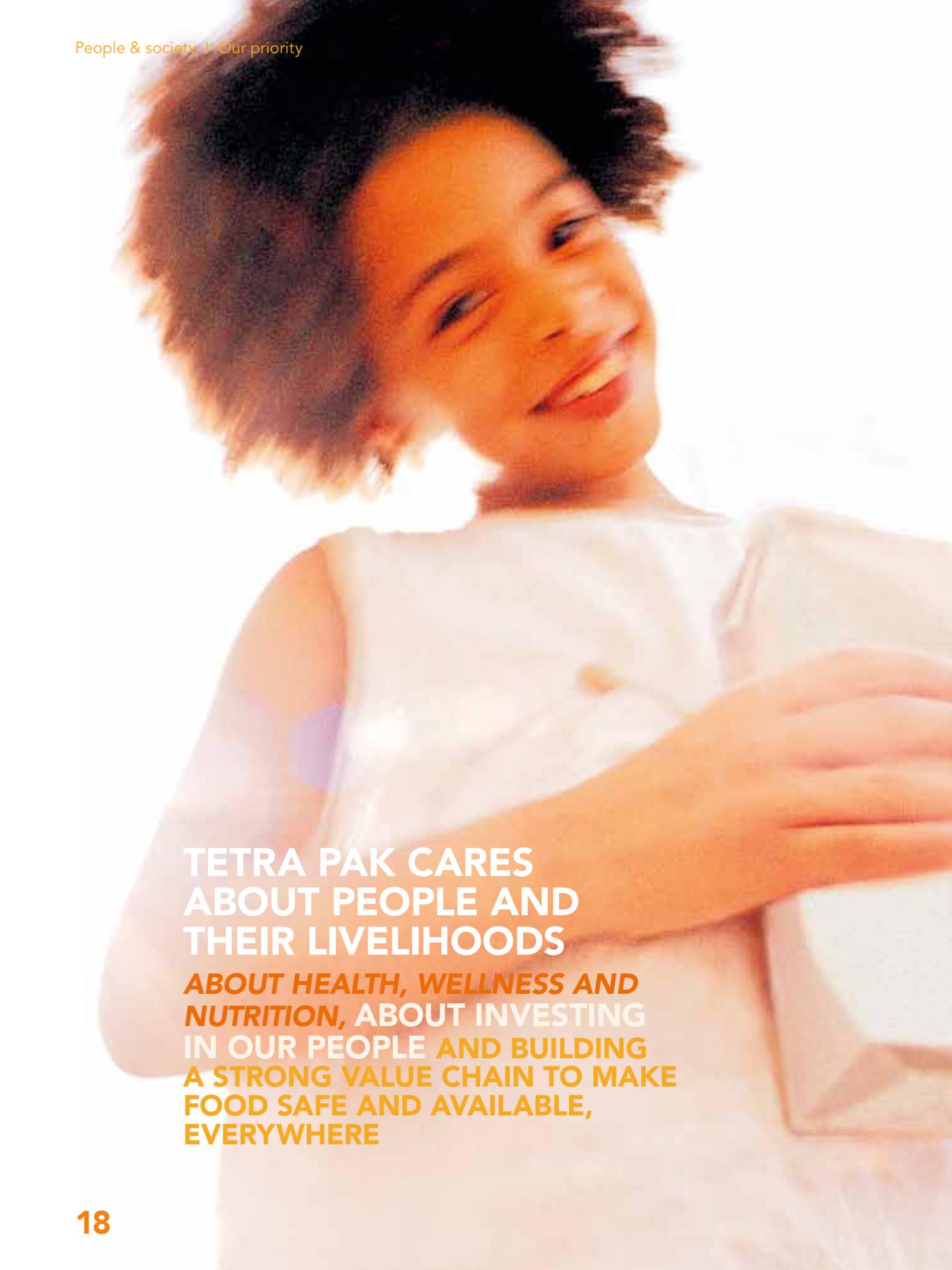
We contribute to the FSC multi-stakeholder process as an elected member of its International Board of Directors, alongside eight other stakeholder representatives including WWF.

Our target for our customers is to deliver 16 billion packages carrying the FSC label during 2011. This represents 10% of our total packaging and almost double the 8.5 billion delivered in 2010.

Our long-term goal is to offer all our customers the option to use the FSC label. Since FSC-certified forests represent only about 6% of the world's productive forests, short supply is the biggest hurdle.

We will continue increasing supply by urging forest smallholders to certify, and at the same time stimulate market demand by encouraging our customers to carry the FSC label.

8.5
BILLION
FSC-LABELLED
CARTONS
REACHED
CONSUMERS
IN 2010



**TETRA PAK CARES
ABOUT PEOPLE AND
THEIR LIVELIHOODS**

**ABOUT HEALTH, WELLNESS AND
NUTRITION, ABOUT INVESTING
IN OUR PEOPLE AND BUILDING
A STRONG VALUE CHAIN TO MAKE
FOOD SAFE AND AVAILABLE,
EVERYWHERE**



BETTER ACCESS TO HEALTHY FOOD

With concern about food security and wellness on the rise, the need for sustainable solutions for safe and healthy food has never been greater.

New markets, new challenges

Our core business is about improving access to safe food for the world's growing population.

In emerging markets, this presents new challenges – how to establish a strong food value chain, reach those at the base of the economic pyramid, and ensure foods are appropriate and available in remote communities.

With customers and other partners, we're finding effective solutions to fulfil the right to food. Our Food for Development (FfD) experience can help make nutritious food affordable to those on low incomes. And in Pakistan, our Dairy Hubs programme is successfully building a viable local dairy industry (see page 21).

We also work with governments to lift food hygiene standards and raise awareness of the dangers of raw milk – through women's seminars in Egypt, for example. As well as building our business, these efforts address many of the UN Millennium Development Goals (MDGs).

Health and safety Number One

For all consumers, trusting that the food they buy is safe and good for them is essential. Interest in wellness is growing, making transparency in the food supply chain an important indicator of safety and way to stand out in the market for retailers and customers.

Our traceability methodology allows customers to continuously monitor products to assure safety and quality. Aurora Coopercentral in Brazil apply it to their newly launched Ultra High Temperature (UHT) milk product. A unique printed code on each package and distribution unit allows retailers and consumers to access information on product origin via an internet portal.

Our people, our community

The development, health and safety of our employees is just as important. Every Tetra Pak facility has procedures in place to implement our safe workplaces commitment. We maintain sound labour practices, respect human rights, and work with suppliers to ensure they uphold equally high standards.

We take an active role in the community wherever we operate around the world. Our support in emergency situations and FfD activities are about sharing what we do best – making food available safely and efficiently where it's needed most (see page 24).

49 MILLION CHILDREN

REACHED THROUGH
SCHOOL FEEDING PROGRAMMES

THE POWER OF PARTNERSHIP

Partnership is the most powerful tool for sustainable economic development. No one group can solve challenges like poverty and hunger, but working with others, we're making a difference.

Cow to consumer

At Tetra Pak and our sister company DeLaval, we have in-depth knowledge and experience of the whole dairy value chain – from cow to consumer.

Our FfD office applies this expertise, in cooperation with others, to help develop a country's dairy sector, launching agriculture and school milk programmes to improve nutrition and strengthen the food value chain.

Creating sustainable value starts with meeting local needs. FfD partnerships bring vital financing, training, technology and marketing know-how where it's needed.

Pakistan's Dairy Hubs, a model developed by Tetra Pak in response to past food crises, showcase how agricultural

capacity building, safe and efficient processing, and market development are all part of creating a viable dairy value chain. The FfD office is supporting the launch of Dairy Hubs in Bangladesh, and interest exists in several other countries in developing and growing local milk production.

Feeding young minds

In over 50 countries, we are actively involved in school feeding programmes that, together, benefit some 49 million children – over half in developing economies. Supplying milk and nutritious foods to schools improves health and learning outcomes and boosts livelihoods by creating demand for locally produced, high quality food.

We're also exploring new, non-dairy products based on local crops in Guyana, Colombia and other countries, and working with partners to develop fortified products for severely malnourished children.

As well as customers and governments, our partners include UN agencies, donors, and non-governmental organisations including GAIN, GCNF, INCAP, USAID and WFP.

By seeing the value chain as a whole, these innovative partnerships tackle the MDGs by fighting poverty and malnutrition, and promoting universal education. They also strengthen food security – and that's good for all of us.



SCHOOL NUTRITION PROGRAMMES

DELIVER MANY BENEFITS

- Promote school attendance
- Improve child health
- Improve academic results
- Support development of local agriculture
- Create jobs through the value chain
- Develop the private sector
- Help build commercial markets

- GAIN – Global Alliance for Improved Nutrition
- GCNF – Global Child Nutrition Foundation
- INCAP – Nutrition Institute of Central America and Panama
- USAID – United States Agency for International Development
- WFP – the UN's World Food Programme

AN APPETITE FOR LEARNING

Good learning starts with good nutrition. Around the world, school feeding programmes in China, Japan, Mexico, Kenya, Thailand and Ukraine, to mention a few, are improving educational outcomes. As well as delivering health and educational benefits, these programmes are a catalyst for economic growth, technology transfer and job creation. From Bosnia to Uruguay, new pilots are also under way.

Beyond milk, we're working with customers to stimulate demand for local produce that appeals to local tastes by creating innovative beverages from fruit, maize, soybeans, rice, peas, and cassava.

Guyana

Passion fruit, cherry juice, and biscuits are on the menu for over 51,000 nursery and primary students thanks to the Guyana Ministry of Education National School Feeding Programme and World Bank Education for All Fast Track Initiative. Throughout 2010, locally grown fruit supplied juice for 596 schools, increasing attendance, improving nutrition, and creating fruit-farming jobs. We support the local customer in juice production, packaging and quality control.

Iran

Initiated in 2001, the state-funded Iranian school milk programme is one of the world's largest, covering over 13 million students. Some 330 million portions of UHT milk were distributed during the 2010–2011 school year.

We have partnered with WFP on school educational activities, and in 2009, a UHT school milk package collection and recycling programme was initiated at 120 elementary schools in Tehran.

Kenya

One of Africa's biggest milk-producing nations, Kenya has run school milk initiatives since the 1970s. In 2008 a new, parent-pay school milk programme – Pacoh – was launched through a partnership between us, the Kenya Dairy Board and New Kenya Co-operative Creameries.



WHITE GOODS

In June 2009, Engro Foods, in partnership with Tetra Pak Pakistan, set up the Kasowal community 'Dairy Hub' in Pakistan as part of a 'cow to consumer' value chain approach.

The third largest milk producer in the world, Pakistan has some 50 million cows and an annual milk production of around 36 billion litres. Dairy contributes 11% of GDP. Yet yield is typically low, quality varies, and opportunities to run a profitable dairy farming business are limited.

A herd of hundreds

Based on a one-herd concept, the Kasowal Dairy Hub groups together 800

smallholder farmers from 20 villages in a 15–20 km radius. Village milk collection points were set up by the milk processing company. Emphasis is on breed, feed, animal diseases and farm management skills. The aim: value chain efficiency.

By late 2009, three more hubs had been set up by Nestlé Pakistan at Mian Channu, and another is underway at Chuchak (Okara) by Haleeb Foods. The results are impressive. In one year, the Engro Dairy Hub saw milk collection rise from 400 to 8,500 litres per day. Across all the dairy hubs, animal mortality was reduced, 4,600 animals were vaccinated against various diseases and some 27,000 farmers received training.

This success was recognised in October 2010 at the Asian CSR Awards, where Tetra Pak Pakistan won the Excellence Award in the Poverty Alleviation category. More hubs are now being rolled out across Pakistan.

Scaling up

Our FfD office supports export of the model to other countries and approaches potential donors for technical assistance to train dairy hub employees.

The concept has already been taken up in Bangladesh, where the first dairy hub has seen milk collection increase from 6,000 to 17,000 litres per day. The ambition is to have 60 dairy hubs operating there by 2020.

CHANGE AGENTS

100,000
DAYS SET ASIDE
ANNUALLY FOR
EMPLOYEE
TRAINING

We invest in creating flexible, innovative, and motivated teams. This helps us stay ahead of customer needs in a fast-paced business environment.

People front and centre

Creating a culture of change, individual responsibility, and raising the bar on performance will help us realise our 2020 strategy. Investing in our people is central to this.

About 100,000 days are set aside every year for employee training – an average of 4.5 days per person. We have mapped a competence profile for every job against its role in achieving our strategy, supported by learning catalogues of formal and informal training.

We focus on cross-functional, company-wide competence areas such as customer understanding, quality, leadership and project management. We also aim to deepen employee understand-

ing of our environmental impacts, to empower people to deliver the environmental strategy.

To stay close to customers and each function, much of our organisation is decentralised, and most competence training is conducted at regional level, as are management of labour relations and health and safety.

Darwin was right

Being responsive to change best equips us for future challenges. To kick-start change management capabilities in 2010, 100 managers representing different regions and functions took part in a four-day training programme. These graduates now use a company-wide methodology, toolbox, and workshops to effectively support change initiatives in their respective market organisations.

WORLD CLASS

Employees are our most important asset. Our Employee Engagement survey rates the experience of working at Tetra Pak across 10 dimensions – including diversity, leadership, and engagement.

Since 2008, our annual survey has been benchmarked with other companies in the global manufacturing industry. Results show we exceed industry

best practice, and survey response rates are higher – 92% in 2010.

Over 90% of feedback was positive. A majority see Tetra Pak as an environmentally responsible company, exceeding the industry benchmark by 8%.

Based on this feedback, global and local action plans are addressing areas for improvement. These include the need for better teamwork and working relations.

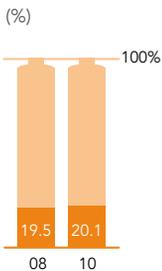
Many voices, shared values

As a company we're decentralised, but our 21,800 employees are united by strong core values, shared performance indicators, global processes and a common leadership approach. Virtually all employees have performance and development plans, and their performance is measured through a company-wide review process. Goals and development plans are jointly defined between each employee and their manager and are cascaded down from company business scorecards. Financial incentives are offered for reaching certain goals, including environmental targets like recycling.

We promote an inclusive approach and we value employee insight. Our annual employee engagement survey (see box opposite) shapes our way of working.

Along with many manufacturing companies, we face the challenge of increasing diversity. In 2010, 6.7% of senior management were women and 22% had non-European backgrounds. Management development processes are designed to raise this further.

MANAGER DISTRIBUTION



Female managers



SAFETY NET

Every Tetra Pak facility has procedures in place to deliver on our commitment to creating safe workplaces. Our approach builds on local laws and the diverse nature of each business operation. For instance, factories focus especially on ergonomics, noise, and risks connected to machinery handling, while Occupational Health and Safety initiatives in offices and factories address well-being and risks relating to ergonomics and stress.

EMPLOYEE AGE

(%)	2008	2010
30 and below	19.7	16.8
31-40	34.6	37.8
41-50	28.7	29.0
51-60	14.9	14.3
61 and above	2.2	2.1

BEING THERE WHEN IT COUNTS

With logistics systems and partnerships in place, we have an important contribution to make when communities need it most.

Sustaining life

In emergencies, when infrastructure fails and people are cut off from access to basic necessities, medicine, food and water are top priorities. Safe supplies that don't need cooling are essential.

With operations in every corner of the world, it's likely either we or our partners are already close to the scene, with the logistics and supply in place to respond rapidly. Through the Tetra Laval Board, we have a tradition of facilitating the distribution of cartons of water and food in emergencies.

In the past two years, we've supported victims of devastating earthquakes in Haiti and Japan, and floods in Pakistan and Brazil.

Core strengths

Three things help us make a real difference:

1. Long-standing engagement in the local communities in which we operate. Funding is allocated at executive level, but support is organised on the ground. The Tetra Laval Board decides and facilitates support quickly and effectively in disaster situations.
2. Experience generated from FfD programmes, which provide insight into relief logistics and existing partnerships with local NGOs. In Pakistan and Haiti, for example, FfD already had an established presence when crisis hit.

3. Strong relationships with customers and others in the value chain. In many cases, such as in Brazil, Haiti, and Japan, we pooled resources to multiply the impact.

Building community

First, we look to our own value chain to provide in-kind donations. When needs extend beyond supplying safe food and water, we support rebuilding of infrastructure, such as schools and health clinics. The specifics of each engagement depend on the event – what's needed, how best to supply it, and the right partners to work with.

MILK AND HUMAN KINDNESS

When the earthquake hit Port au Prince, Haiti on January 12, 2010, many thousands of people lost their lives and over 1.5 million were left homeless.

Three days after the quake, the Tetra Laval Board allocated €350,000 towards emergency relief. The funds were used to make 3.4 million rations of milk available to children in schools and communities. We were able to immediately kick-start our response because we already had a local presence through the FfD office's involvement in the World Bank-funded school milk programme launched in 2008.

Haitian dairy producer VIVA SA, our customer and partner in providing milk to school children, and other customers in the region – Parmalat, Rica, Alpina and Rudisa – were key for the supply of the milk, distributed through local NGOs.

Feed the Children (FTC) was one such NGO. The US-based non-profit relief organization delivered 153 truckloads of food and other essentials, and set up milk clinics in areas of greatest need. Our donations helped FTC provide 17,500 cases of milk and set up nine distribution sites serving 12,000 children.

The school milk programme will continue in Port au Prince, not only providing essential food to 43,000 children in 2011, but giving them an incentive to attend school.



HOME IS WHERE THE HEART IS

In 2008 a nationwide Thai television series profiled the efforts of four popular actresses to promote recycling. Supported by Tetra Pak, the *Jaew Saves Earth* programme encouraged consumers to drop off used cartons at local outlets – and in just six months, more than 21 million cartons were recycled.

That success inspired us to partner with the Princess Pa Foundation, the Thai Red Cross Society and Big C Supercenter, one of the country's largest retailers, to supply roof tiles to people in need.

Under the Green Roof project, used cartons dropped at Big C stores are transformed into roof sheeting (poly laminate) and paper products. Tetra Pak finances the conversion, and is promoting the three-year, €750,000 campaign through various channels.

In line with the Thai tradition of generosity and Nam Jai, or 'flow of the heart', the response has been overwhelming. In 2010, 7.2 million cartons were converted into 3,600 roof sheets. In 2011 the figure is expected to almost triple to 10,000 roof sheets for people whose homes have been damaged or destroyed by natural disasters. For these efforts, Tetra Pak was awarded the Green Leadership Award from the Asia Responsible Entrepreneurship Awards South East Asia 2011 by the think tank Enterprise Asia.



GROWTH OF RECYCLING RATES IN THAILAND



SEARCH FOR CLEANER SCHOOLS

One of the most respected environmental institutes in India, TERI –The Energy and Resource Institute, teamed up with Tetra Pak in a campaign to educate school-children and teachers about the importance of recycling. By 2011, Project SEARCH (**S**ensitisation, **E**ducation and **A**wareness on **R**ecycling for a **C**leaner **H**abitat) had targeted 160 schools in Delhi, Bangalore, Mumbai, and Chandigarh, mobilising 120,000 students.

To make each school a 'garbage free zone', collection centres have been set up to collect dry waste, recyclables and used Tetra Pak cartons. In an 18-month period, the equivalent of 50,000 cartons and 4,000 kg of other dry waste was collected for recycling.

Project SEARCH is expanding to 200 schools and 200,000 children in India and Dhaka, Bangladesh. Tetra Pak and partner Daman Ganga Recycled Resources received the 2011 'Parivartan Sustainability Leadership Award' for thought leadership in recycling from the India Carbon Outlook. Parivartan is India's first market development forum on sustainability and innovation.



**AT TETRA PAK,
GOOD GOVERNANCE
MEANS GOOD BUSINESS**
– A STRONG FOUNDATION OF
SHARED VALUES, ROBUST RISK AND
COMPLIANCE PROCESSES, AND RESPECT
FOR THE INTERESTS OF OTHERS

LIVING OUR VALUES

Our company culture is based on strong, shared, core values. Behaving ethically is one of them. It's the right thing to do. Good governance benefits suppliers, customers, consumers – and society at large.

Doing the right thing

Everything we do – from developing strategy, to making decisions, to how we operate and act – is influenced by our Corporate Governance Framework.

Key elements of this include our Charter of Responsibility, Group Policies and Procedures, Core Values, Code of Business Conduct, and Risk Management and Assurance activities. Our Global Leadership Team is responsible for the framework, supported by a Corporate Governance Office and a network of local governance, risk and compliance officers.

Great expectations

How we behave worldwide is set out in our Code of Business Conduct. This covers working conditions, anti-discrimination, confidentiality, conflicts of interest, financial reporting, obeying the law,

anti-corruption, bribery, child exploitation, and environmental issues. We also support the UN Global Compact's 10 principles on human rights, labour, the environment, and anti-corruption.

We work closely with suppliers to uphold high standards through our Business Conduct for Suppliers.

Checking in

Accountability is a top priority for us. Every year, our CEO and Global Leadership Team submit a signed Management Declaration to the Tetra Laval Board, assuring conformity to the Corporate Governance Framework. This is based on detailed reports and self-assessments from all heads of market and business areas.

Across the Group, Tetra Laval's internal audit team verifies that the framework, policies and procedures are

being followed, and reports to an audit committee at board level.

In 2010, our packaging material and closure factories also began reporting into the Supplier Ethical Data Exchange (Sedex), an initiative to promote responsible business practices in the supply chain (see page 30).

INVESTING IN ENGAGEMENT

We breathe life into our core values by actively engaging employees in understanding where we're going and why.

LiVE Tetra Pak!

Our core values build on our heritage and shape our future. At Tetra Pak, we believe it's up to every one of us to be a role model in living them, everyday, in everything we do.

To keep all 21,800 of us together as a team and re-affirm what our company stands for all around the world, during 2009–2010 we rolled out a major internal communications programme – LiVE Tetra Pak. The aim: to engage hearts and minds across the entire organisation around our strategy, core values and our brand.

We used events, film, and different interactive activities to stimulate debate, trigger discussion and highlight issues that affect us as we go about our day to day activities.

Shared understanding

Another way of helping us live our values, is making our Corporate Governance Framework easily accessible on our intranet and in training programmes for key staff.

We share best practice and work continuously to improve our governance framework. In 2010, management training programmes on corporate governance were successfully launched and all our market companies will complete these in 2011. A company-wide interactive e-learning programme will also be introduced. All this supports our leaders in acting as role models for our Core Values.



OUR CORE VALUES

Shared values strengthen performance. They guide how we work together, how we conduct business, and how we behave towards our customers, suppliers and stakeholders.

CUSTOMER FOCUS AND LONG-TERM VIEW

- add value and inspire our customers
- lead with a focus beyond tomorrow
- take opportunities to learn and grow

QUALITY AND INNOVATION

- never compromise on quality
- drive for better, fit-for-purpose solutions
- foster breakthrough innovations

FREEDOM AND RESPONSIBILITY

- take initiative and act in the best interests of our company and customers
- take responsibility for our actions
- contribute to the communities in which we operate

PARTNERSHIP AND FUN

- respect and rely on one another for exceptional results
- work with our stakeholders
- celebrate our achievements

BACK TO BASE

We work closely with key suppliers to uphold high standards and enhance business value.

A select few

The majority of our base materials – paperboard, polymers, aluminium and ink – come from carefully selected global suppliers. We see them as key strategic partners in meeting our goals, for example on Forest Stewardship Council™ (FSC™) certification, responsible aluminium procurement, and climate change.

These 40 companies supply almost 95% of the volume of our base material purchases, accounting for half our total purchasing spend and around 40% of the impact of our packaging material on climate change during its life.

It's a big opportunity for responsible sourcing. Every year we evaluate suppliers' operations and environmental performance, including greenhouse gas emissions, and adjust targets and parameters in line with our strategic priorities. In 2011, environmental criteria counted for around 10% of the evaluation – and this share is growing.

Sourcing responsibly improves risk management and enhances performance. It's also a great vehicle for shared learning, which in turn brings improvements and innovation.

New challenges, new code

There are challenges. Growth in emerging markets and an expanding supplier base create complexity – including different standards and enforcement levels in labour and environmental protection laws.

From 2011, all suppliers must sign our Business Code of Conduct for Suppliers, committing them to high standards of performance for labour, human rights and the environment, as defined by the UN Global Compact. Not meeting the criteria could mean losing our business.

We expect our paperboard suppliers to maintain management systems, supply data and certify operations to recognised standards like FSC. Forest management and traceability are audited at an average rate of two to four suppliers per year.

In an integrated value chain, customers and suppliers must work closely together to reduce end-to-end impacts. We believe these strong relationships will lay the best foundation for creating sustainable business value.



EXCELLENCE IN THE SUPPLY CHAIN

In 2010, Tetra Pak joined the Supplier Ethical Data Exchange (Sedex) as a supplier. All our packaging material and closure factories currently report into the Sedex system.

Sedex helps its members share ethical performance data between customers and suppliers. The aim is the alignment of social and ethical standards in the supply chain.

Sedex is a secure, web-based system for input and measurement of responsible business practices. It's based on four pillars: Labour Standards, Health & Safety, Environment, and Business Integrity.

It enables members to manage ethical practices in the global supply chain more efficiently, promoting greater transparency through user-friendly data exchange. The common guidance and report formats provided by Sedex Members Ethical Trade Audit also increase comparability and usability.

Our goal is to build trust and transparency with our customers, prove that our 'house is in order', and minimise risks. Sedex delivers customer efficiencies by offering a common platform for auditing, reporting, and corrective action along the value chain.

ETHICAL BUSINESS PRACTICE

Anti-corruption is an important element in our corporate governance and integrity framework. It is fundamental to building trust with customers, suppliers and other stakeholders, and fostering a responsible, transparent business culture.

Fighting corruption is a cornerstone of the UN Global Compact. Its tenth principle states that "businesses should work against corruption in all its forms, including extortion and bribery".

The power of no

The Tetra Pak Code of Business Conduct sets out clearly our expectations regarding ethical behaviour. As well as confidentiality and conflict of interest requirements, it outlines that we have zero tolerance towards corruption, bribery, and fraud.

We will not offer, pay, request or accept a bribe. Bribery is the giving, promising or offering of gifts, loans, fees, rewards, or advantages to a person as an inducement to do something dishonest, illegal, or a breach of trust.

Speaking out

Information on a breach of our Corporate Governance Framework or serious, inappropriate behaviour can be reported in confidence to senior management. All reported incidents are investigated to the level determined by the Head of Audit and Group Chairman.

In 2011, a web-based e-learning tool on anti-corruption will be rolled out to further raise awareness of these issues across Tetra Pak.

**SIGNATORY TO
UN GLOBAL
COMPACT
SINCE 2004**



HOW WE REPORT

Every year, at Tetra Pak we report how we influence the sustainability issues that matter most to our business, and where we can have the greatest impact.

We communicate our progress on sustainability every year, and publish a report with a deeper strategic focus every two years. This printed report and related website cover our strategic objectives, how we manage our responsibilities and engage suppliers, customers, consumers and other organisations in our goals.

What matters most

We chose the topics in this report to reflect the issues most relevant, or material, to our business. To determine these, we mapped how our company and our stakeholders rated the importance of sustainability issues in 2010. Using internal strategy documents, customer and employee engagement surveys, product lifecycle assessments, trends analyses, academic research and media reporting, we analysed findings against their impact on our business and reputation.

The printed and pdf versions of this 2011 report provide a high-level document outlining our priorities and approach. A web version is also available with more detailed examples and interactive media to explain how we manage our impacts.

Communication on Progress

This report also explains how we promote the 10 principles of the UN Global Compact on environmental performance, labour and human rights practices, and anti-corruption, and how we directly support six of the UN's eight Millennium Development Goals. Together with our website, this report constitutes our 2011 Communication on Progress and is submitted to the Global Compact to show how our commitment is being integrated into our business strategy and day-to-day operations. This update meets Global Compact Active criteria.

Key areas of disclosure and performance indicators, where possible, have been drawn from the Global Reporting Initiative (GRI) framework for sustainability reporting. A GRI index is available on our website.

Scope

We have been reporting on our environmental performance since 1999. Our last sustainability report was published in 2009, and our latest Communication on Progress was submitted to the Global Compact in July 2010.

Unless otherwise indicated, the 2011 report covers selected activities by our 21,800 employees, across our global

operations and along our value chain, from 2009 to December 2010. These are featured because we have made a significant investment in, or impact on, the activity.

Tetra Pak is a member of the Tetra Laval Group and some areas of engagement, such as disaster relief, are coordinated through Tetra Laval. Tetra Pak represents approximately 80% of Tetra Laval's operations.

SHARED AGENDA

Building strong relationships has always been an important part of how we do business. It's a hallmark of our sustainability approach, too.

By joining efforts with people and organisations who share our objectives, positive impacts on society are magnified. We actively engage suppliers and sub-suppliers, employees, customers, retailers, consumers, governmental and non-governmental organisations, opinion leaders, legislators and other members of our industry in meeting our sustainability goals.

Their insight improves our performance by helping us better understand our markets, tackle wider concerns and develop more resilient strategies. For more information on our stakeholder relationships, visit our on-line report.

PARTNERSHIPS

Our choice of partners is based on our combined ability to make a difference to communities and issues relevant to our business.

Here are some of the key organisations we work with to achieve our objectives:

WWF

Since 2006, we have worked with WWF on issues where we have a common agenda – responsible forestry and climate change. Tetra Pak is a member of two WWF multi-stakeholder initiatives, the Global Forest and Trade Network (GFTN) and Climate Savers.

www.wwf.org

Forest Stewardship Council™ (FSC™)

With a presence in 50 countries, strong methodology and multi-stakeholder support, FSC is currently the certification programme that best meets criteria for sustainable forestry management on a global scale. Tetra Pak is a member of the Board of Directors. www.fsc.org

World Resources Institute (WRI)

The WRI is a respected environmental think tank and we are a member of its Corporate Consultative Group. www.wri.org

The Consumer Goods Forum

The Consumer Goods Forum is a global, multi-stakeholder platform comprising our customers, retailers and industry colleagues. It focuses on five priority areas including sustainability, health and safety and human resource development. www.ciesnet.com

UN Global Compact

The Global Compact unites signatory organisations committed to promoting its 10 principles. Tetra Pak also supports a number of wider UN objectives, including the Millennium Development Goals. www.unglobalcompact.org

GAIN – Global Alliance for Improved Nutrition

As a partner, Tetra Pak supports GAIN's activities to reduce malnutrition by providing nutrition to populations at risk. www.gainhealth.org

GCNF – Global Child Nutrition Foundation

GCNF's mission is to expand learning opportunities for children through community-based feeding programmes. Since 2008, a Tetra Pak representative has been a member of the GCNF board. www.gcnf.org

ON-LINE REPORT

Visit our on-line report for interactive material, case stories and further insights into how we manage our key impacts.

www.tetrapak.com/SU2011



CONTACT

E-mail: SU2011@tetrapak.com
www.facebook.com/tetrapak

TETRA PAK AND THE UN MILLENNIUM DEVELOPMENT GOALS

2015 is the target date for achieving the United Nations Millennium Development Goals. We are directly helping address six of these.



ERADICATE EXTREME POVERTY AND HUNGER

Food for Development (FfD) programmes, school nutrition, Dairy Hubs and emergency relief efforts tackle hunger and create employment and income opportunities at the base of the economic pyramid.



ACHIEVE UNIVERSAL PRIMARY EDUCATION

School feeding makes it easier for children worldwide to complete a full course of primary education.



PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

School feeding makes girls more likely to attend school. Dairy Hubs empower women farmers.



COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES

We're addressing HIV/AIDS among employees, local communities and along our supply chain in South Africa, Kenya and Nigeria through the Swedish Workplace HIV/AIDS Programme.



ENSURE ENVIRONMENTAL SUSTAINABILITY

Tetra Pak is driving environmental excellence along the value chain and setting ambitious targets to spur sustainable sourcing and innovation, combat climate change and increase recycling.



A GLOBAL PARTNERSHIP FOR DEVELOPMENT

Our FfD integrated value chain model strengthens the private sector, boosts agricultural development and builds local capacity. Our activities to reach 100% paperboard certified by the Forest Stewardship Council™ support the increase of sustainable forest management practices.



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