

# Annual Report and Action Plan

Company Name: **HBI Holdings Australasia Pty Ltd.**

Trading As: **Hanes Australasia**

ABN: **52612185476**

## About APCO

Australian Packaging Covenant Organisation (APCO) is a co-regulatory not-for-profit organisation leading the development of a circular economy for packaging in Australia. APCO's vision is a packaging value chain that collaborates to keep packaging materials out of landfill and retains the maximum value of the materials, energy and labour within the local economy.

Each year, APCO Brand Owner Members are required to submit an APCO Annual Report and an APCO Action Plan. This document is the Annual Report and Action Plan output for the organisation listed above. This document provides the overall performance level of the organisation, as well as any commitments they have made to work towards on their packaging sustainability journey. This document may also include additional information provided by the Member in their report.

## Overall Performance **Leading**

The chart below indicates the overall performance level of this organisation listed above in the 2025 APCO Annual Report. The organisation's reporting period was **January, 2024 - December, 2024**.



### Understanding APCO Annual Reporting performance levels:

- |                                |  |
|--------------------------------|--|
| <b>1 Getting Started:</b>      | You are at the start of your packaging sustainability journey.   |
| <b>2 Good Progress:</b>        | You have made some first steps on your packaging sustainability journey.   |
| <b>3 Advanced:</b>             | You have taken tangible action on your packaging sustainability journey.   |
| <b>4 Leading:</b>              | You have made significant progress on your packaging sustainability journey.   |
| <b>5 Beyond Best Practice:</b> | You have received the highest performance level and have made significant progress on your packaging sustainability journey. |

### Contact

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### Additional Information

The information below indicates additional information that the organisation included in their APCO Annual Report.

**Describe initiatives, processes or practices that you have implemented during your chosen reporting period that have improved packaging sustainability**

Our packaging projects are driven by our global sustainability goals which are published on our corporate sustainability website <https://hbisustains.com/>.

As outlined in criteria 1.1 and 1.2, these goals are embedded into packaging initiatives and processes throughout the business, led by packaging stewards and governed by our Sustainability Steering Committee.

In 2024 we continued to drive packaging reductions and explore solutions for more challenging packaging items. We have continued our Supply Chain sustainability working group focused on Transit Cartons and Product Display Quantities (PDQs), which account for the largest proportion of our packaging footprint, and this has led to 244t of paper and cardboard reductions in 2024 compared to 2023, along with cost savings. We have also been working to convert our soft plastic multi-packs to cardboard, and assessing the commercial, logistical and sustainability impacts of conversion. We are currently working through the learnings, which will contribute to the design of effective packaging solutions that do not cause unintended environmental impacts such as increases in product waste, shipping footprint, recyclability or reuse.

In our approach to evaluating conversion of single-use plastics in product packaging, we have targeted each packaging format in separate collaborative working groups. Sheridan has continued working towards eliminating soft plastic. This saw a reduction from 97t of soft plastic in Sheridan product packaging in 2023, down to 53t in 2024. This work will continue in 2025 as we work to replace PVC and LDPE product packaging with card and textile alternatives. In Bonds Group, multi-pack bags are the largest remaining contributor to our single-use plastic footprint and as such has a dedicated team working to design recyclable card-based solutions. In 2024 a new dieline was designed for consideration, to ensure functionality and durability, while also using the least amount of material possible.

Across all of our working groups, we have set up a consistent standard of reporting for packaging weight savings and cost savings. These metrics are consolidated and used to track overall progress towards our goals and are reported to our Executive team and Sustainability Steering Committee on a quarterly basis. These metrics are also reported through to our parent company, Hanesbrands Inc. (HBI) to monitor progress towards our packaging goals at a global level.

**Describe any opportunities or constraints that affected performance within your chosen reporting period**

Recoverability of packaging (APCO Criteria 4) continues to be an area of opportunity for the business. Whilst most separable packaging components are recoverable at end-of-life, a SKU's overall packaging recoverability is downgraded to 'mixed recoverability' status where a kimble is used. Kimbles pose a unique challenge for our industry sector, as whilst small in size and weight, the volume sourced is large and comes with technical constraints in their removal or replacement. For example, kimble are used for many products to attach swing-tags or securely display products (eg. sock pairs). For socks, there is no existing alternative available to securely display product, whilst also avoiding damage to the product upon its removal. In addition to kimble, finding cost-effective recyclable alternatives for our plastic product multi-

pack bags has been a challenge that we are actively working to solve following the cessation of REDcycle. Also affecting our recoverability score, is the high weighting applied by APCO to the number of product SKUs that have all packaging components reusable. Understandably, reuse is higher on the waste hierarchy than recyclability, however given the sector Hanes Australasia operates in, and the type of our products sold (eg. underwear and apparel), procurement of reusable packaging is limited.

Recycled content is another area of opportunity with respect to APCO Criteria 3. Whilst currently over 90% of SKUs use certified "FSC Mix" in card-based packaging, there are constraints with determining the level of recycled content used due to FSC Mix being made with a mixture of materials from FSC-certified forests, recycled materials, and/or FSC-controlled wood.

Regarding APCO Criteria 2, our percentage of SKU's with packaging that has been optimised for material efficiency and reviewed against the SPG's in the last 5 years has declined slightly. This is being driven by certain packaging formats that were reviewed and optimised in 2019 to contain minimal components, e.g. products where the only packaging is a swing tag and kimble. In these cases, further optimisation is yet to be explored in the current 5 year time period. Instead, we have focused our efforts on improving those packaging formats that were yet to be optimised.

## APCO Action Plan Commitments

For each of the Packaging Sustainability Framework criteria listed below, a description is provided along with the commitments made by the organisation in their APCO Action Plan.

### Criteria 1:

#### Governance & Strategy:

This criteria considers actions to integrate packaging sustainability into business strategies.

- Develop a strategy that includes goals (objectives) and targets for packaging sustainability that addresses the Sustainable Packaging Guidelines (SPGs) or equivalent.
- Have our executive or board of directors review our strategy and have the strategy integrated within our business processes.
- Regularly communicate and promote packaging sustainability objectives and targets within our organisation.
- Regularly engage or communicate with our external stakeholders about the environmental impacts of our packaging.
- Actively participate in initiatives to promote packaging sustainability outside of our organisation.

### Criteria 2:

#### Design & Procurement:

This criteria considers actions taken to ensure that sustainability principles are considered in the design or procurement of both new and existing packaging through use of the Sustainable Packaging Guidelines (SPGs).

- Review **100%** of our packaging against the Sustainable Packaging Guidelines (or equivalent).
- Improve the accuracy of our data regarding reviews of packaging using the Sustainable Packaging Guidelines (or equivalent).
- Incorporate the Sustainable Packaging Guidelines (or equivalent) into procurement processes.

- Consider the following Sustainable Packaging Principles in our packaging reviews:
  - Design for recovery
  - Optimise material efficiency
  - Design to reduce product waste
  - Eliminate hazardous materials
  - Use of renewable materials
  - Use recycled materials
  - Design to minimise litter
  - Design for transport efficiency
  - Design for accessibility
  - Provide consumer information on environmental sustainability
- 90% of our packaging to be optimised for material efficiency.
- Improve the accuracy of our data regarding packaging material efficiency.

## Criteria 3:

**Recycled Content:**

This criteria considers actions taken to increase or optimise the amount of recycled material used by your organisation.

- Develop a policy or procedure to buy products and/or packaging made from recycled materials.
- Use recycled content in:
  - Our products
  - Primary packaging that we use to sell our products
  - Secondary packaging that we use to sell our products
  - Tertiary packaging that we use to sell our products
  - Other items which we purchase (e.g. office stationary and suppliers etc.)
- 95% of our packaging to be made using some level of recycled material
- Improve the accuracy of our data regarding use of recycled materials.

## Criteria 4:

**Recoverability:**

This criteria considers actions taken to improve the recovery of packaging at end-of-life and increase use of reusable packaging.

- 30% of our packaging to be designed to have all packaging components be recoverable at end-of-life.
- Improve the accuracy of our data regarding recoverability.
- Use PREP to assess the recyclability of our packaging through kerbside collection in Australia and/or New Zealand.
- Investigate opportunities to use reusable packaging.
- Improve the accuracy of our data regarding reuse.
- Participate in a close-loop recovery program/alternative collection system.

## Criteria 5:

**Disposal Labelling:**

This criteria considers the extent to which packaging has been labelled to help consumers determine what to do with packaging at end-of-life.

- 100% of our packaging to have on-pack labelling to inform correct disposal.
- Improve the accuracy of our data regarding labelling.

## Criteria 6:

**On-site Waste:**

This criteria considers progress in increasing the amount of on-site solid waste being diverted from landfill.

- Have recycling programs for the following materials:
  - Paper/cardboard
  - Soft plastics
  - Rigid plastics
  - Timber
  - Textiles
  - Glass
  - Metals
  - Other: IT equipment, coffee cups, Batteries, Organics.
- Aim for 100% of our on-site waste to be diverted from landfill.
- Improve the accuracy of our data regarding on-site waste.

## Criteria 7:

**Problematic Materials:**

This criteria considers the extent to which organisations are actively phasing out problematic and unnecessary single-use plastic packaging and preventing/reducing litter.

- Help reduce litter by:
  - Conducting regular clean ups
  - Participating in Business Clean Up Day
  - We conduct regular clean-ups (minimum 2 per year) in our offices and DCs to ensure cleanliness and safety standards at our sites.Additional activities also included:
  - Internal education on plastics and recycling for Plastic Free July
  - Updated signage across our sites on how to separate waste
  - National recycling week activities, including recycling drive for preloved bed linen (Blocktexas), and oral care, cosmetics and stationary (Teracycle).
- Phase-out the following problematic and unnecessary single-use plastic items: