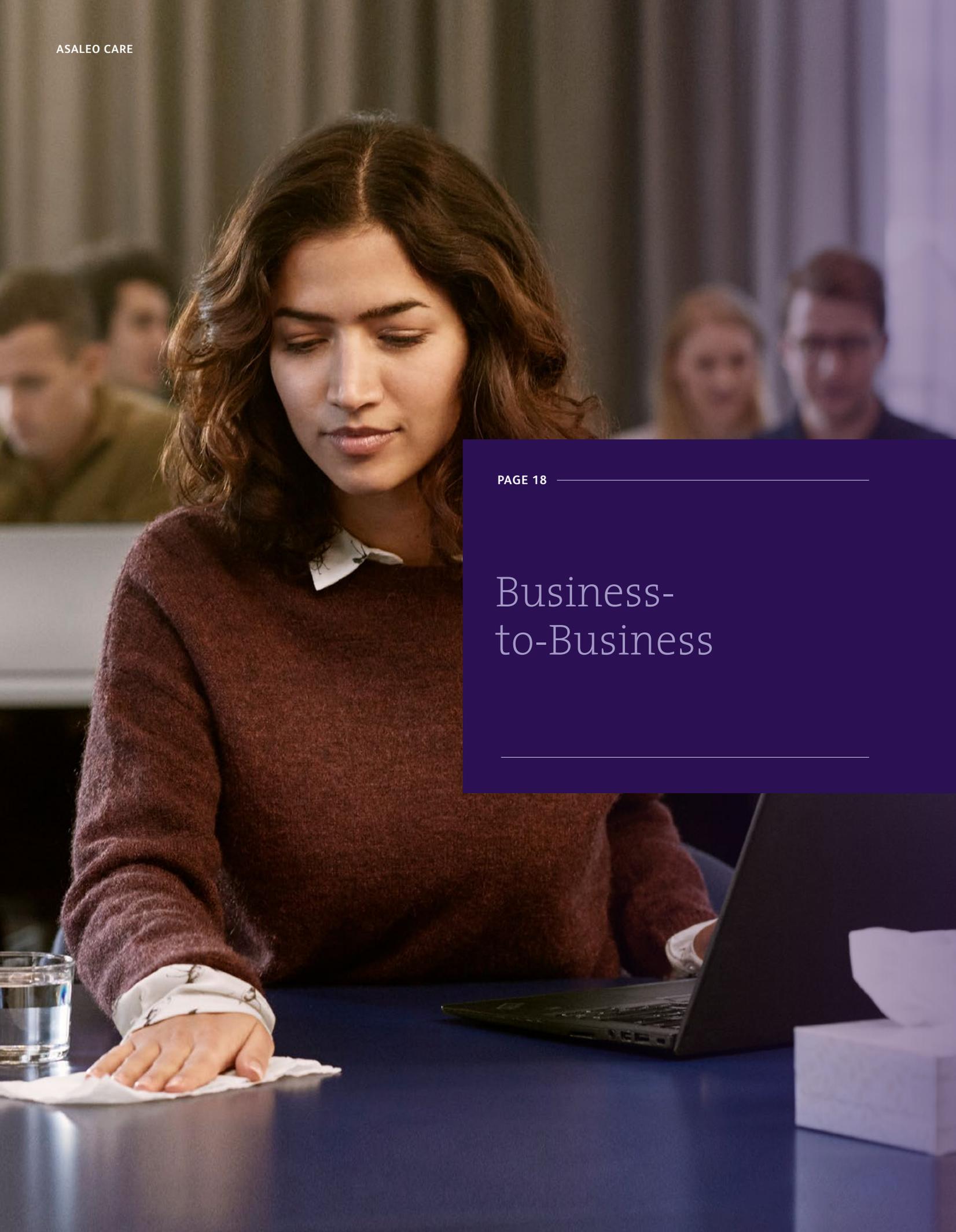


Business- to-Business



The Business-to-Business (B2B) segment has two divisions – Professional Hygiene and Incontinence Healthcare.

In Professional Hygiene, Tork, is the leading global brand in workplace hygiene, offering a range of products including hand towels, toilet and facial tissues, napkins, soaps, sanitisers and other hygiene products. Key selling channels include schools, hospitals, shopping centres, industrial work environments and the hospitality sector.

TENA Healthcare products and support services are provided to healthcare professionals in community care facilities, residential facilities, retirement villages and hospitals.

The Professional Hygiene division experienced a significant reduction in 'Away from Home' demand affecting sales of products because of COVID-19 restrictions across Australia and New Zealand throughout the year. Despite this, performance was solid, with revenues down only 4 per cent.

Incontinence Healthcare revenue grew strongly, up 9 per cent, due to growth in the community channel and incremental government investment in the National Disability Insurance Scheme (NDIS), which resulted in more consumers opting for 'Stay at Home' options over residential aged care. Higher sales also reflected the impact of new product introductions in the prior year, fulfilment, and COVID-19

driven demand. Also assisting during the year was Asaleo Care's partnership with the Victorian Government Schools Feminine Care Initiative, which provides feminine care products across schools in the state.

While the initiative was also impacted by COVID-19 restrictions, this initiative is set to broaden in 2021 and beyond.

EBITDA for the B2B division was \$47.8m, increasing 2.1 per cent with benefits from investment in the Kawerau manufacturing facility in New Zealand, and lower pulp prices more than offsetting slightly lower revenues.



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The TENA PROskin absorbent product range is designed to reduce moisture and help maintain the skin's natural microclimate.



TENA Healthcare

TENA makes a positive difference to people's lives. With more than 50 years' experience, TENA is the global leader in continence care management and personal hygiene, providing products and services to individuals and healthcare professionals. TENA's continence and skincare range has been rigorously researched and tested to meet the needs of individuals and to ensure the highest quality of care.

The COVID-19 pandemic delivered many challenges in 2020, particularly in the aged care sector. With social distancing requirements and no visitors allowed at many facilities, a reorientation was required in the way TENA delivered support services to its customers. Digital came to the fore and regular face-to-face contact was replaced by phone, email and virtual meetings.

A series of training videos was developed and shared to assist with continence management, covering topics from ensuring continuity of supply during a pandemic, product choice and fitting, maintaining natural skin health and the importance of continence documentation.

The introduction of TENA Tuesday webinars also provided an opportunity for both residential care and home care providers to learn about continence related topics and attend Q&A sessions.

TENA continued to deliver new product innovations throughout the year with the TENA SmartCare Change Indicator and the introduction of new TENA PROskin brand positioning.

TENA PROskin

The TENA PROskin range was developed by a 300-strong global research and development team to improve quality of care and maintain natural skin health for those living with incontinence, especially those with fragile elderly skin. Research shows that prolonged exposure to moisture and wetness can adversely affect skin health of those with incontinence. The TENA PROskin absorbent product range is designed to reduce moisture and help maintain the skin's natural microclimate.

All product packaging was updated with a fresh new look that incorporates the TENA PROskin three-step process and a new product endorsement from the Skin Health Alliance, a world first for continence products.





Based on demand from home care providers, TENA has created a new online ordering system to make product ordering and delivery to clients easy to manage.

TENA Contenance Management System (TCMS) Homecare

Many older Australians living at home with complex care needs receive government funding in the form of home care packages. These packages are designed to provide people with the support they need to live at home, and many choose to direct part of their funding to continence products.

Based on demand from home care providers, TENA has created a new online ordering system to make product ordering and delivery to clients easy to manage.

TCMS Homecare was launched in July 2020 and has received positive feedback due to the convenience, ease and speed of ordering.

This will be an important platform going forward as the number of government home care packages continues to grow year-on-year.

Digital health technology

Following the launch of TENA Identifi (sensor wear that records urinary events to enable accurate continence assessments) TENA will continue to focus on transformative digital health technology in 2021 with the pilot and full-scale launch of the TENA SmartCare Change Indicator.

The innovation reduces the need for unnecessary manual checks of incontinence products by carers by utilising a reusable sensor that attaches easily to the outside of select TENA absorbent products. The sensor tracks the degree of urine saturation and sends a notification to caregivers via the TENA SmartCare app when it is time to consider changing the product, ensuring high-quality and efficient care without unnecessary disturbance.



Waste solutions

In 2020, Asaleo Care was awarded grant funding as part of the Australian Government's National Product Stewardship Investment Fund for waste reduction and recycling projects.

The grant will go towards funding the trial of a new stewardship scheme providing a cost-effective and environmentally friendly end-of-life solution for problematic absorbent hygiene product waste that typically ends up in landfill. Starting with used continence pads from residential aged care facilities, and then expanding to other hygiene products, the project aims to divert the problematic waste from landfill through specialised onshore waste processing facilities that will create local employment and deliver significant environmental benefits.

This project will run over 2021 and 2022 and builds on two years of research and trials that have already been undertaken to find better end-of-life solutions for customers' waste.

SECURE THE NEW NORMAL IN HYGIENE



The COVID-19 pandemic created new respect for the importance of hygiene. To help customers lift their hygiene standards, Tork launched its largest fully integrated marketing campaign, *Secure the new normal in hygiene*.

Professional hygiene

Tork is the leading global brand in workplace hygiene, inspiring and supporting facilities to think ahead so they are always ready for business. From rethinking the ultimate guest experience and reimagining cleaning efficiencies, to lifting hygiene standards in the workplace and rethinking ways to become more sustainable, Tork is always finding new and better ways to improve businesses.

The COVID-19 pandemic spurred panic buying in the first half of 2020, with facilities stocking up on essentials such as toilet paper, soap, sanitisers and hand towels. More than 60 per cent of Tork's products are made in New Zealand, which meant that the majority of customer demand was able to be met during the peak buying period. Supply was also maintained to critical hospital and residential aged care sectors. The pandemic also accelerated the planned launch of Tork's Australian-made hand sanitiser range, which has between 70 and 80 per cent alcohol content and a verified 99.99 per cent germ kill rate.

Secure the new normal in hygiene

The COVID-19 pandemic created new respect for the importance of hygiene. To help customers lift their hygiene standards, Tork launched its largest fully integrated marketing campaign, *Secure the new normal in hygiene*, with a wide range of support materials.

Six key industry sector toolkits were created covering hand hygiene, surface cleaning and tips to prevent the spread of infection. Tork has also supported customers with hygiene audits, installation management, hand hygiene posters and hygiene training for our employees.

Product innovation

Tork's continued commitment to improving hygiene and delivering time saving efficiencies saw the introduction of two new products.

Tork Reflex launched at the beginning of 2020. This wiping paper dispenser system is ideal for cleaning spills and mess quickly in the food manufacturing and service industries with a flexible rotating nozzle. Single sheet dispensing not only reduces paper consumption by up to 37 per cent, but also provides hygiene benefits, reducing the risk of cross contamination in hygiene critical environments.

Also launched in 2020 was Tork Coreless, the latest in toilet paper dispensing, providing more with less. Its innovative design produces 81 per cent less waste than equivalent products, holding the equivalent of five conventional toilet rolls, reducing the need for additional refills and storage space. The premium compact dispenser is also enclosed, keeping rolls protected and hygienic.



Manufacturing investment

The \$23 million investment made at our Kawerau manufacturing site in New Zealand in 2019 enabled Tork to deliver improved quality on a range of products in 2020. A new stylish leaf emboss pattern was introduced to popular toilet paper products, and carry handles were added to a large volume of toilet, hand towel and wiping products for easy use, safeguarding employee wellbeing. The new converting line also reduced packaging materials by 139 tonnes per year, a welcome sustainability improvement for customers, many of which have waste reduction goals.

Thinking ahead

In 2021, Tork will continue to bring new products to the market that lift hygiene standards and have a strong sustainability focus. The soon-to-be launched Tork Xpressnap Fit napkin system is one example of this. Tork Xpressnap Fit is a new napkin solution for fast casual restaurants designed to improve the guest dining experience and reduce the spread of germs. Napkin refills are 100 per cent recycled and compostable, and will be delivered in smaller compressed packs that reduce storage space and packaging.



Think ahead.