

## Sustainable Packaging: Intricacies and Challenges of Supply Chains

Heading into 2024, Comsol has been recognised as a leader in sustainable packaging within the electronics sector by the Australian Packaging Covenant Organisation (APCO). This acknowledgment reflects our commitment to responsible practices throughout our operations. However, like many businesses worldwide, we face complexities within our supply chain.

Despite distributing and selling our products in Australia, we manufacture in China. In January 2024, we discovered an issue in our packaging. Our second-tier suppliers for cardboard and paperboard printing have been using material with a thin film of BOPP<sup>1</sup> plastic in a select number of product lines in our portfolio, an aspect unknown to us until the beginning of 2024. This highlights an important aspect of continuous review, while these vendors had certified that there was no plastic used in the production of the packaging, it was only under close review and inspection by Comsol that we were able to identify the BOPP in use.

While this plastic film falls within APCO's 'Preferred' standard in their Design for Recycling: Fibre-Based Packaging guide we recognise its presence. This material, introduced to enhance the ink and structure of the box, is a small quantity but holds significance in our commitment to zero plastic use in our retail range.

We believe it's crucial to delve into the finer details with affected printers where this has occurred. While a small percentage, addressing this matter is pivotal in our global waste reduction efforts and may result in redesigns of packaging to reduce the ink required and/or the consolidation of printers in the medium to long term. While the upcoming implementation of Forest Stewardship Council (FSC) certified material, a process commenced in the second half of 2023 with implementation due in 2024, provides an added robustness and third-party assurance of materials used.

Collaboration across the entire supply chain is essential. Working with both upstream and downstream stakeholders, we are evaluating printing types, materials, strength, structure, and ink differences in our units. Our goal is to find the best path forward, sharing this information openly to transition back to packaging with zero plastic across our entire retail portfolio.

This situation serves as a reminder of the importance of examining the intricate details of global supply chains to meet the standards set by us as a brand. We acknowledge the issue and are committed to addressing it.

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<sup>1</sup> *Biaxially-Oriented (BO) Polypropylene (PP). Biaxially-oriented refers to the production process that stretches the film over two directions, making it stronger and more transparent.*