ESG Procurement Conference Sydney, September 2026

NEVER LET A SERIOUS CRISIS GO TO WASTE

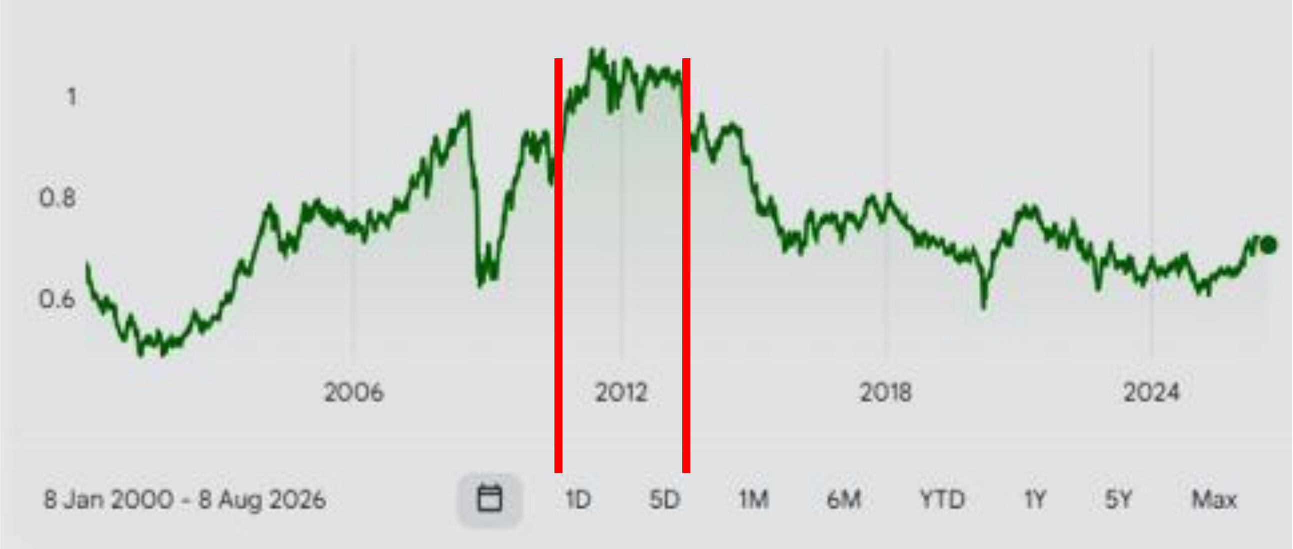
"YOU NEVER WANT A SERIOUS CRISIS TO GO TO WASTE"

- Rahm Emanuel, Chief of Staff to, then, President-elect Barack Obama in November 2008
- Disruption creates an opening to push through big changes that would be impossible during normal times
- Dodd-Frank Wall Street Reform and Consumer Protection Act which overhauled the US financial system

CAST YOUR MIND BACK . . .

- For 31 months, the AUD and USD were at parity (15/10/2010 – 15/05/2013)
- Not a crisis for everyone
  - Awesome for importers
  - Nightmare for Australian manufacturers
- A cyclical crisis

AUD VS. USD



SITUATION

- Staples Inc had just bought Corporate Express (CE) in Australia
- Copy paper was the largest selling product (and gateway to contracts)
- CE Australia had a longstanding relationship for its Own Brand paper supply with Australian Paper manufacturing in regional Victoria
- Australian Paper was migrating from FSC to PEFC certification
- Cheap imports of FSC copy paper from China were flooding the market costing Staples market share

OPTIONS

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1. Drop long standing partnership and source from China	• Ability to compete on price • Maintain FSC certification	• Abandon strong supply partnership • Lose point of difference (AU made)

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So, what did we do?

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Change the Conversation

MORE CONTEXT

Gillard reveals carbon price scheme

Jeremy Thompson

Federal Government

Posted 10 Jul 2011 at 12:08pm, updated 11 Jul 2011 at 1:26pm

Julia Gillard makes her carbon tax announcement in Canberra on Sunday *(Alan Porritt: AAP)*

- Carbon Neutrality was a hot topic – 2011 was the year of the Carbon Tax debate and passing of the ill-fated legislation
- The National Carbon Offset Scheme (NCOS) had been established in 2010 (later rebranding to Climate Active)
- Australian Paper had a niche premium product that was NCOS certified – Reflex Carbon Neutral

So, taking a step back enabled us to consider a different approach

CRISIS ALLOWED US TO CHANGE THE CONVERSATION

- For Australian Paper, Reflex Carbon Neutral was “the Crown Jewels”
- BUT - dollar parity was a shared crisis
- Tough times test partnerships and call for tough conversations and tough decisions

AUSTRALIA

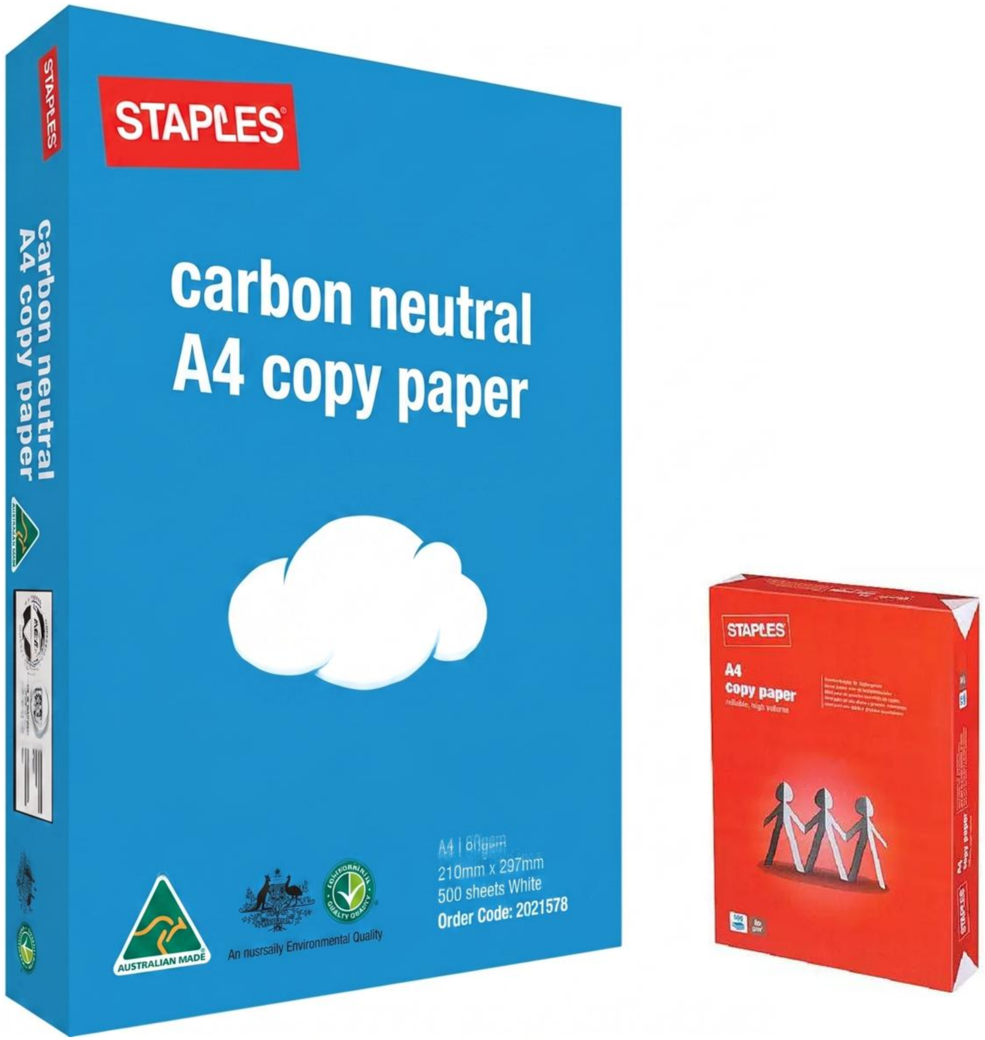
NATIONAL CARBON OFFSET STANDARD

CARBON NEUTRAL CERTIFIED

An Australian Government Initiative

MANY DIFFICULT DISCUSSIONS

- Supplier – who wants to give the "Crown Jewels"?
- Staples USA – Iconic Red Pack
- Sales – Just give me a better price!
- Supply Chain – Warehouse doesn't have rubber walls!
- Marketing – We need a clear launch date
- Delivery Drivers – Message clarity at the coal face
- Customers – Is this greenwashing? (Your new paper is jamming my printer!)



Everyone on-board and understanding their role to play

RESULTS

- Reduced carbon emissions by ~60, 000 tonnes (the equivalent of taking 16, 500 cars off the road each year)
- Reversed market share decline within 3 months
- Improved category margin as customers migrated to this premium product
- Competitors tried to follow (with o/s Carbon Neutral Certifications)

EVERYONE PLEASE STAND UP

NOW REMAIN STANDING
IF YOU HAVE VISITED A BANK BRANCH

- In 2026
- In the last 3 month
- In the last month
- In the last week
- In the last 24 hours

People don't visit a bank branch as much as they used to

FREQUENCY OF BRANCH VISITS

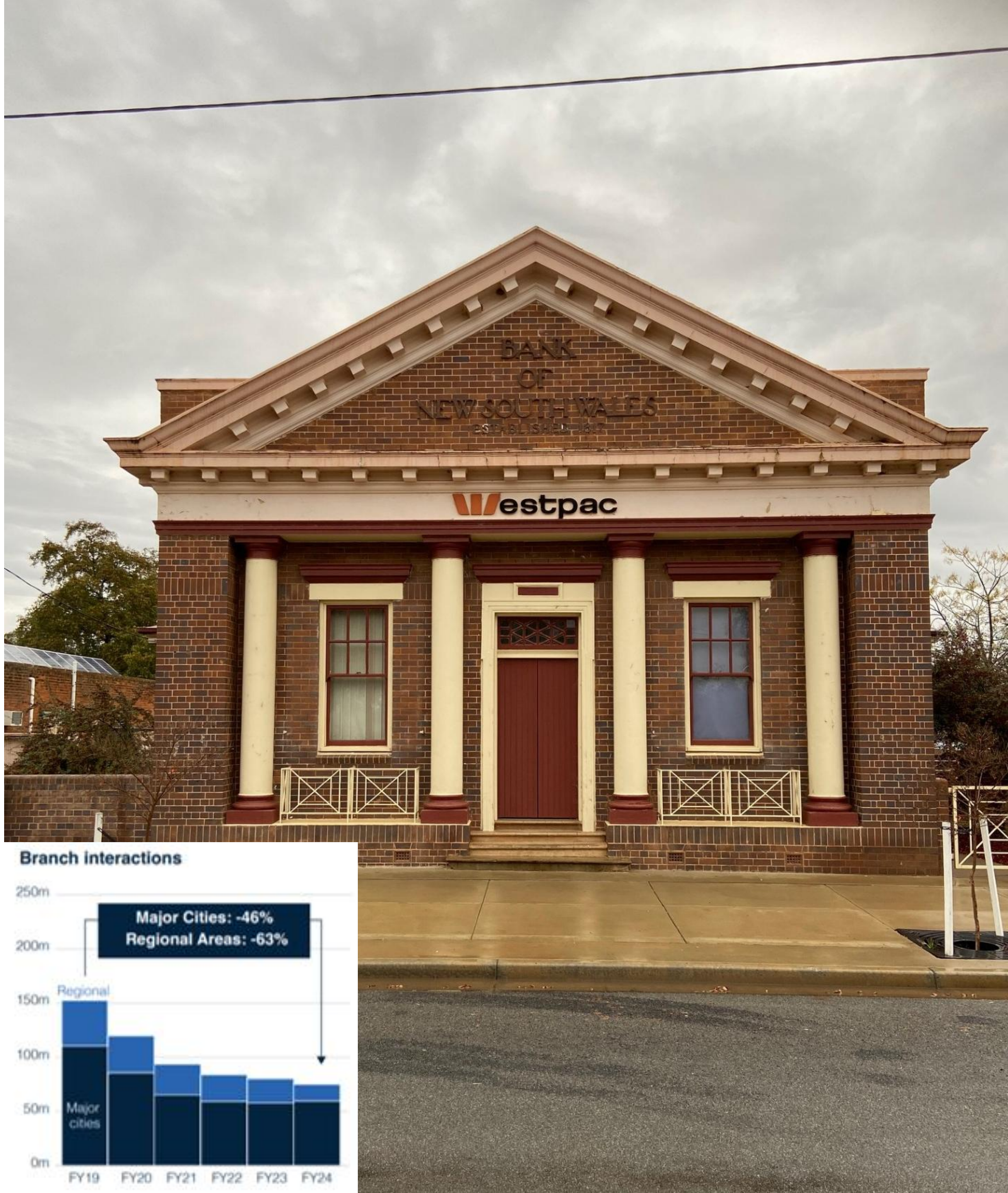
50 years ago:

- ~100% of adult Australians visited a branch each year
- On average visiting at least every 7-14 days

Today:

- 99.3% of customer-bank interactions occur through digital channels (ABA: Consumer Trends 2025)
- Branch visits have declined faster than branch numbers, leading to lower foot traffic since 2019 (ABA)

- A structural crisis



WHO ARE THE 0.7%?

- Older Australians
- Regional & Remote
- Small Cash Handling Businesses

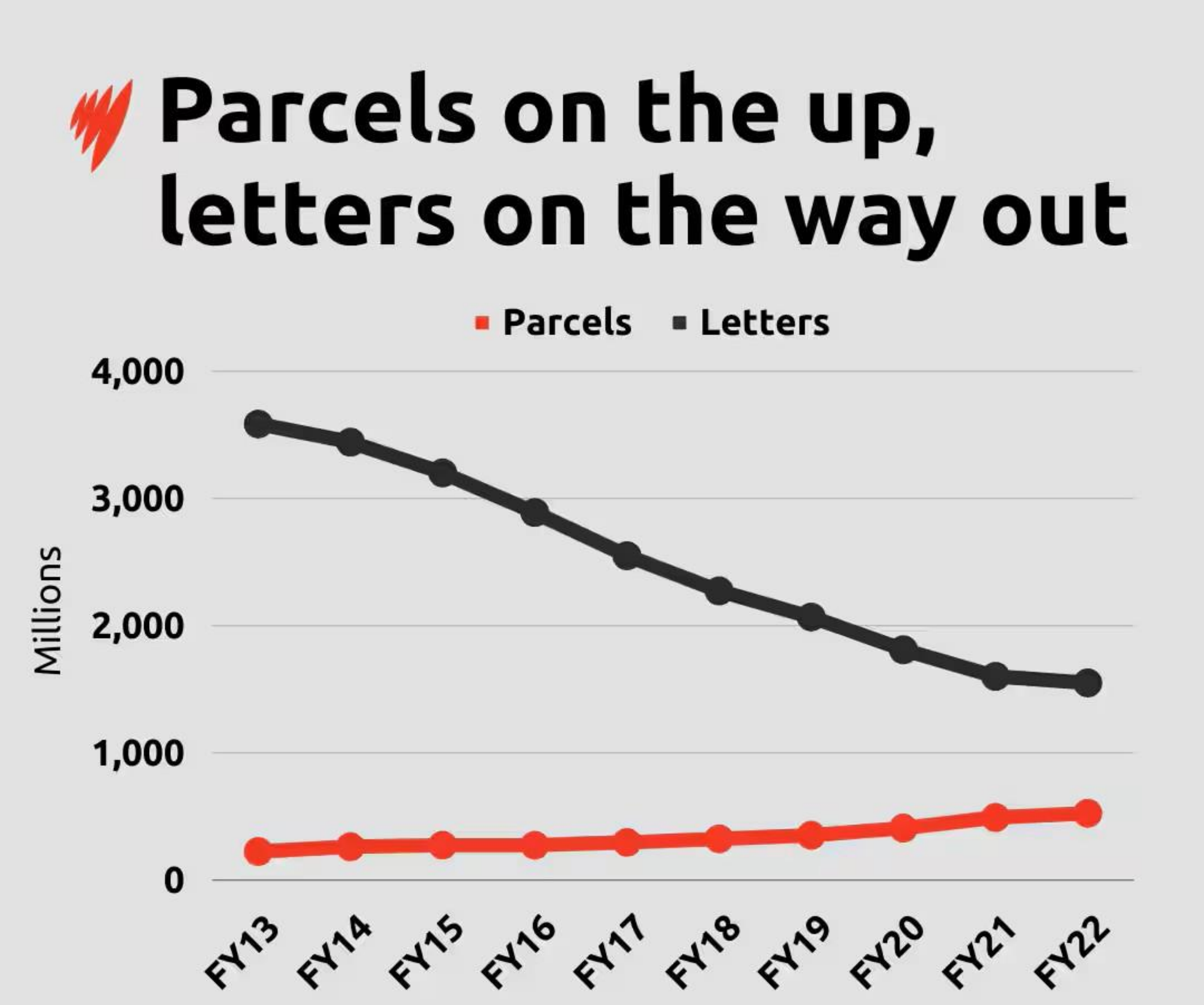
Source: ABA

POSTAGE IS ALSO IN DECLINE

- In 2007 Australians received an average of 8.5 letters per week
- In 2022 that had reduced to just 2.4 (SBS News)

BUT

- Under the Australian Postal Corporation Regulations, Australia Post is legally required to ensure retail outlets are distributed so that:
  - **>90% of residences in metro areas are within 2.5 km** of an outlet
  - **>85% of residences in non-metro areas are within 7.5 km** of a retail outlet



Source: Australia Post

BOTH SUFFERING FROM REDUCED F2F DEMAND

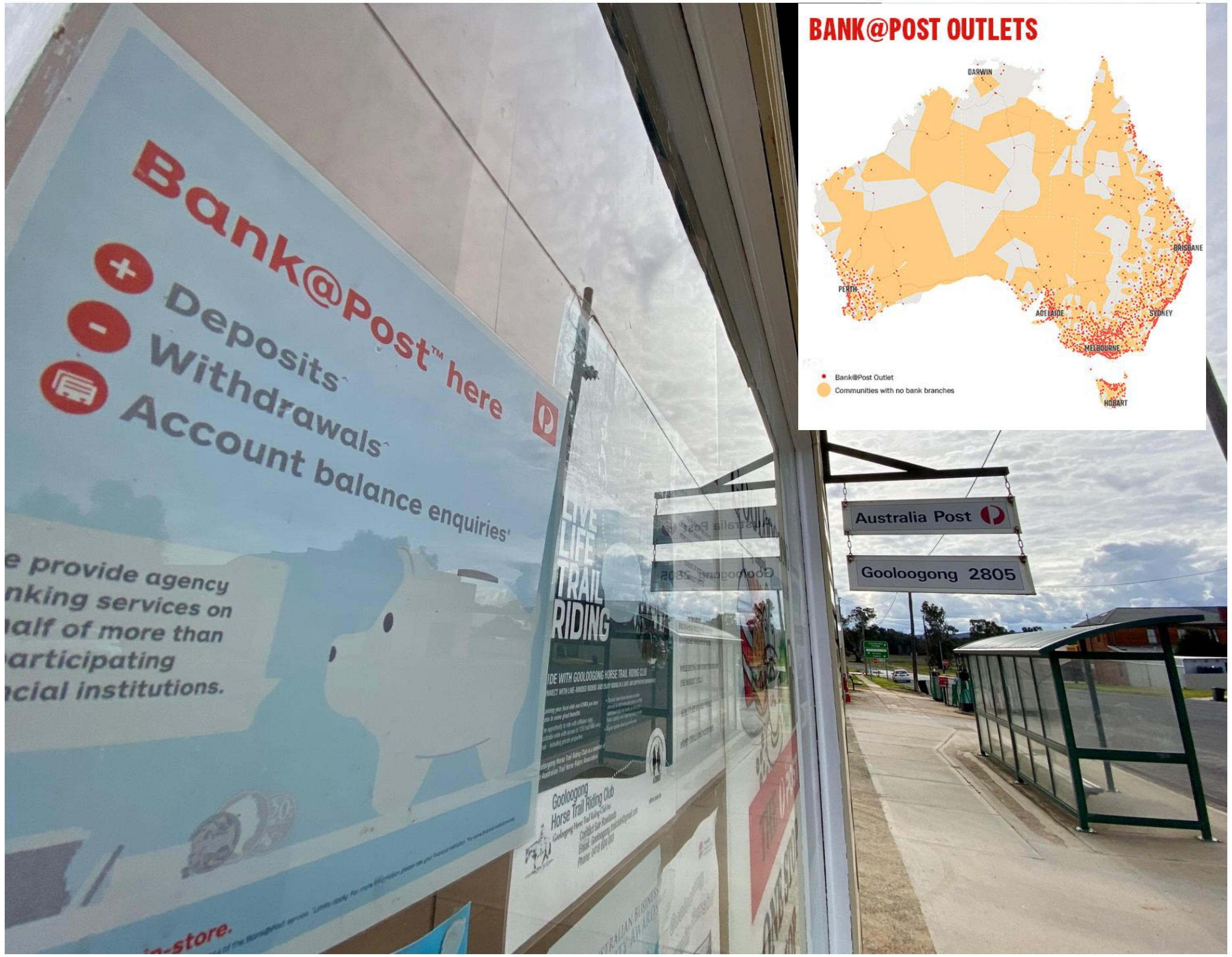
- Australia Post have a regulatory requirement to maintain a large distribution footprint
- Banks have a social responsibility to provide F2F services
- A structural crisis for both organisations

PARTNERSHIP SOLUTION

Bank@Post:

Enabling over-the-counter banking transactions at the Post Office

- +ve for Banks . . . reduced distribution costs
- +ve for Australia Post . . . increased monetised transactions (on a regulated footprint)
- +ve for customers . . . retain access to F2F banking services



HOW TO APPROACH A CRISIS

1. DON'T PANIC!
2. Is the crisis cyclical or structural?
3. Explore your options . . . then sleep on it
4. Don't rule out the "crazy" ideas too early
5. Consider both short-term and long-term unintended consequences
6. Don't let the perfect be the enemy of the good
7. If you're making a big change, bring everyone on the journey. Listen to their concerns.

If price is your only lever, then you're probably not looking hard enough!


QUESTIONS?