

MODERN SLAVERY STATEMENT 2022



**SAN MIGUEL
YAMAMURA**

ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Traditional Owners of Country throughout Australia and that the sovereignty of the land on which we live, work, and play was never ceded. We recognise the deep and enduring spiritual connections and relationship Aboriginal and Torres Strait Islander people have to Community, as well as the lands, oceans, waterways, air, and sky. We pay our respects to Aboriginal and Torres Strait Islander cultures; and to Elders past, present and emerging. Furthermore, we acknowledge and pay our respects to First Nations people, and other Traditional Custodians of the lands where SMYA works around the world.



ABOUT THIS STATEMENT

The submitting entity is San Miguel Yamamura Australasia ('SMYA') which qualifies as a reporting entity under the *Modern Slavery Act 2018 (Cth)*.

This Statement covers all entities within SMYA and reports on the state of operations, structure, governance framework and activities during the reporting period 1 January to 31 December 2022. All entities are covered by SMYA policies, procedures and systems, including those relating to contracting, purchasing and human resources. The assessment of modern slavery risks in SMYA Australia's supply chain, as described in this Statement, includes suppliers procured by SMYA on behalf of its subsidiaries or by the subsidiaries themselves.

All dollar figures presented in this Statement are in AUD.



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ABOUT SMYA

San Miguel Yamamura Australasia ('SMYA') is an established leader in packaging and contract beverage filling services in Australia and New Zealand and is a proud member of the San Miguel Yamamura Packaging Corporation Group ('SMYPC').

The company was founded in 1938, and since then, has established itself as a trusted partner for various industries, including food and beverage, pharmaceuticals, and industrial chemicals.

As a joint venture between two packaging leaders, San Miguel Corporation of the Philippines, and Nihon Yamamura Glass Company, Ltd of Japan, SMYA started with Cospak Pty Ltd more than 10 years ago and today incorporates three other member partners, Vinocor, JMP retail and Sanector, the latter being a unified identity formed from Portavin, Best Bottlers and Barossa Bottling Services.

Our product portfolio includes a wide range of packaging products, such as glass, plastic and metal containers, corks and closures caps, and beverage-filling services catering to the diverse needs of customers in the wine sector.

We are headquartered in Sydney with offices and facilities across Australia, New Zealand, Philippines and China.

SMYA's dedication to sustainability has been recognised by several industry organisations, including through the Australasian Packaging Innovation & Design Awards, where we won multiple awards for our innovative and sustainable packaging solutions.

Our Sustainability Promise outlines our commitment to ethical procurement, and we have implemented several initiatives to assess and address the risks of labour exploitation, human trafficking and modern slavery among our direct suppliers.

OUR VALUES

Our companies share common values and principles, prioritising sustainability, customer satisfaction, innovation, and quality in our business operations, and we are committed to creating value for our stakeholders. Our R&D teams are constantly exploring new materials, designs, and processes to provide the best packaging solutions for our valued customers. We prioritise customer satisfaction and are dedicated to building long-term partnerships with our clients, customers and suppliers and believe in positively impacting the communities touched by our business activities.

We are driven by our core values:



Passion



Outstanding



Win



Engage



Respect

We demonstrate

drive,
focus
and
resilience.

We are committed to being the **best of the best** and **strive for excellence** in Quality, Safety, Service, and Innovation.

We **strive to be first in our industry**, delivering success for our employees, our customers and our shareholders.

We believe in **open and honest communication** with all stakeholders.

We **collaborate** as a team.

We **share our fun and hospitality.**

We **conduct** business with **integrity.**

We **care about the environment and communities** in which we work and live.

We strive to be **socially responsible** and consider the **sustainability** of our practices.

We **recognise diversity as a strength** and nurture individual capabilities.

STATEMENT FROM OUR MANAGING DIRECTOR AND DEPUTY MANAGING DIRECTOR



SMYA Managing Director
Rene Cabrera



SMYA Deputy Managing
Director
Ross Sinclair

We are proud to submit SMYA Australia's first Modern Slavery Statement as a reporting entity under the *Modern Slavery Act 2018 (Cth)*.

We recognise that we operate in a potentially high-risk industry sector due to complex and diverse supply chains that encompass risks of modern slavery, human rights, ethical sourcing and environmental sustainability concerns.

This Statement outlines our approach to identifying, preventing, and addressing modern slavery risks and describes the practical steps we are taking to meet our own high ethical standards to assess and address these risks within our operations and supply chain.

Our goal is to ensure that all people involved in our operations are treated fairly and with respect, and that our business practices uphold the highest standards of fairness and ethical conduct.

This Statement was approved by the SMYA Board on 12 July 2023.

A handwritten signature in black ink, appearing to read 'Rene Cabrera'.

Managing Director – Rene Cabrera

A handwritten signature in black ink, appearing to read 'Ross Sinclair'.

Deputy Managing Director – Ross Sinclair



HIGHLIGHTS

2022: Modern Slavery Risk Management Initiatives

As this is our first year as a reporting entity, we focused our efforts on enhancing our understanding of our modern slavery risks and impacts.

With the support of external consultants, we conducted a review of our systems and processes and undertook a Modern Slavery Gap Analysis to determine our governance maturity and opportunities for improvement. We formalised a Modern Slavery Working Group ('Working Group') comprised of representatives from our five member entities (SMYA, COSPAK, Vinocor, JMP retail and Sanector).

Our Working Group developed a practical Modern Slavery Action Plan and three-year road map that will inform our ongoing risk management approach. A baseline staff awareness survey was conducted to determine levels of understanding of modern slavery across our business and to help us measure the effectiveness of ongoing training and awareness initiatives. The survey questions will be incorporated into our annual staff survey to track the progress of our action plan and awareness of the issue across our operating areas.

We reviewed our risk assessment framework and included modern slavery as a material risk, enabling us to better assess and address both operational and supply chain risks in future. We also identified opportunities for better capturing modern slavery risk data and reporting findings to our senior leadership team.

We documented and prioritised our Tier 1 (direct) suppliers and supply categories against internationally recognised modern slavery risk indicators.

More details of actions taken are included under Criteria 4.

OUR PLANS FOR 2023

In 2023 we will implement priority Year 2 actions documented in our Modern Slavery Action Plan and continue to raise awareness about modern slavery risks among key internal stakeholders including our Leadership Team, staff, suppliers and contractors. Modern slavery awareness training will be incorporated into employee and contractor induction programs.

The Working Group will work with key stakeholders to continuously improve and update policies, procedures and contract clauses as our understanding of modern slavery risk matures. Modern slavery risk management responsibilities and accountabilities will be incorporated into relevant position descriptions.

We will work with our teams across the company to better understand potential modern slavery risks across our international operations and ensure effective actions are in place to manage identified risks. We will establish a broad supplier monitoring program incorporating actions to engage and educate new suppliers as part of the onboarding process. We will work towards gaining a better understanding of Tier 2 suppliers, focus on lower spend, high-risk categories such as promotional products, and take steps to manage risk across our extended supply chain.

OUR PLANS FOR 2024 (AND BEYOND)

Beyond 2023 we will review, extend, evaluate and improve our modern slavery risk management program and extend this program to manage broader human rights risks. Our priority will be to establish performance standards and evaluation criteria for our suppliers and develop and review corrective action plans with identified high-risk suppliers.

We will review opportunities to enable at-risk workers in our operations and supply chain to communicate with us and develop a formal remedy pathway to support victims that is aligned to our crisis management framework.

REPORTING CRITERIA 1 & 2

Our Organisational Structure

Starting with Cospak Pty Ltd more than 10 years ago, SMYA now offers packaging and beverage-filling solutions to over ten industry sectors. We employ over 500 staff across seventeen sites in Australia and internationally and service approximately 2,500 customers in 35 markets.

SMYA consists of four integrated member partners, which are described in Table 1 below.

Table 1. SMYA Group

COSPAK

Established in 1969, COSPAK (SMYC Pty Ltd) is one of the leading wholesale packaging suppliers servicing Australia and New Zealand. COSPAK is a manufacturer, importer, and distributor of packaging products in glass, plastics, metal paper and flexibles.

Industries serviced include wine, beverage, food, chemical, personal care and pharmaceuticals.

The company has offices, manufacturing plants and warehouses in Australia, New Zealand, China (Guangzhou) and the Philippines (SMYA) and a strategic supply base extending to Europe, the United Kingdom, the Middle East and Asia. COSPAK employs more than 250 permanent staff working in manufacturing, warehousing, design, sales and administration across Australia, New Zealand and China.



Vinocor (SMYV Pty Ltd) is Australia and New Zealand's premier supplier of corks, screwcaps, hoods and capsules to the wine industry. The company operates a state-of-the-art cork finishing facility in South Australia.

Vinocor employs 18 permanent staff and provides specialised services to the wine sector including design, testing, manufacture and technical support



Starting in 1998 and acquired by SMYA in 2018, JMP retail (SMYJ Pty Ltd) is a global supplier of packaging solutions specialising in retail and online packaging solutions, cargo protection and materials handling.

JMP retail employs 20 permanent staff across two facilities in Queensland and Victoria.



Created through a merger of Best Bottlers, Barossa Bottling and Portavin Integrated Wine Services, SANECTOR (SMYBB Pty Ltd) is a beverage filling and packaging solutions business servicing the Australian wine sector.

Key services include bulk wine storage, dry goods supply, labelling, wine bottling, oenological services, QA, and wine warehousing.

SANECTOR employs over 200 permanent staff across six facilities in Western Australia, South Australia, Victoria and New South Wales.

We specialise in packaging and beverage solutions providing a wide range of integrated services to our customers including:



DESIGN



**RESEARCH
AND DEVELOPMENT**



MANUFACTURING



QUALITY ASSURANCE



**FILLING AND BOTTLING
(MOBILE AND FACILITY)**



SALES



**WAREHOUSING AND BULK
WINE STORAGE**



MATERIALS HANDLING



**SPECIALISED SERVICES
(TESTING, TECHNICAL SUPPORT,
OENOLOGICAL SERVICES)**

OUR GOVERNANCE FRAMEWORK

As outlined in our company's Corporate Governance Manual, our Board of Directors, Officers and employees are committed to and guided by the principles, policies, programs and procedures of best practice corporate governance. We believe that corporate governance is a necessary component of what constitutes sound strategic business management, including the sound management of modern slavery and broader human rights risks, and are committed to taking the actions necessary to assess and address these risks. Our corporate governance compliance plan outlines the roles and responsibilities of our board, management team and staff to identify stakeholders directly impacted by our operations and to ensure comprehensive, accurate, reliable, timely and effective communication with all stakeholders.

In pursuit of corporate governance excellence, we have undertaken proactive measures to address the issue of modern slavery within our operations and supply chain. Recognising the urgency and significance of this global challenge, the organisation has enlisted the assistance of external modern slavery and human rights experts. This collaboration aims to foster heightened awareness, enhance knowledge, and provide essential guidance to assess, address and mitigate the risk of modern slavery throughout SMYA's operations and supply chain.

Our corporate governance framework emphasises transparency, accountability, and ethical conduct. By engaging with external experts, we are committed to combating modern slavery and creating a sustainable and responsible business ecosystem. This strategic partnership will enable SMYA to assess and identify any potential modern slavery risks on an ongoing basis, implement robust policies and procedures, and foster a culture of vigilance and compliance with relevant modern slavery and labour rights legislation, as well as international guidelines and conventions.

OUR MODERN SLAVERY POLICY FRAMEWORK

We have several policies and codes of conduct to manage modern slavery and human rights risks at the group level. However, because our company is diverse, some of our partners have their own in-house policies, many of which were developed prior to joining SMYA. Collectively, our policy framework commits us to ethical sourcing, protection of human rights, ensures zero tolerance to child labour and the elimination of modern slavery from our operations and extended supply chain.

Key group and business unit policies and codes of conduct are summarised in Table 2.

Table 2. Policies and codes of conduct

Policy or Code	Scope and Purpose
Internal Code of Conduct (Group Level)	Provides guidance to on our ethical standards and core values (such as honesty in business dealings, personal and professional behaviour, discrimination and harassment in the workplace etc), our expectations for conduct with other staff, suppliers, and customers.
Supplier Code of Conduct (COSPAK)	Outlines our expectations that suppliers and strategic partners will treat all workers with respect and dignity, ensuring safe working conditions and conducting environmentally responsible and ethical operations. Key obligations outlined in the Code include freely chosen employment, combatting modern slavery, young workers, wages, working hours, safe workplaces, fair treatment, non-discrimination, harassment, wages, freedom of association and collective bargaining.
Human Trafficking and Forced Labour (Group Level)	Outlines our commitment to comply with, and respect individual rights under, Human Trafficking and Forced Labour laws. The Group and our staff shall not tolerate, engage in, or support human trafficking or forced labour of any kind through our activities, including in our supply chain, or assist clients or any other party in doing so.
Child Labour (Group Level)	Outlines commitments that the Group, associated companies and business partners, including suppliers, will not tolerate the use of child or forced labour, or exploitation of children in any of our global operations and facilities. The policy defines 'child labour' and 'exploitation', outlines applicable laws and labour standards and our expectations of suppliers and business partners not to use child labour in any part of their operations.

OUR MODERN SLAVERY POLICY FRAMEWORK (cont)

Policy or Code	Scope and Purpose
Anti-Discrimination and EEO (Group Level)	Applies to all facilities that produce goods or provide services to SMYA. Based primarily on Ethical Trade Initiative (ETI) Base Code on conducting business ethically, manufacturing responsibly and demonstrating environmental consciousness.
Business Ethical Statement (SANECTOR)	Commits SANECTOR management and staff to conduct business in accordance with the highest ethical standards and to meeting the company's core values, without exception. Requirements relevant to this statement include fair labour standards (ETI, Federal & State legislation), SMYA Code of Conduct, supplier responsibility and fairness in business dealings.
Whistleblower Policy (Group Level)	Encourages the reporting of instances of suspected unethical, illegal, fraudulent or undesirable conduct involving our businesses, and ensures that those who make a report shall do so without fear of intimidation, disadvantage or reprisal.
Human Rights Commitment (Group Level)	Commits SMYA to respecting and promoting human rights consistent UN Guiding Principles on Business and Human Rights, ILO and other global business and human rights frameworks. It applies to management and staff as well as responsible procurement and sustainable supply chain management.
Core Labour Requirements (JMP retail)	Based on the Forest Stewardship Council Core Labour Requirements FSC STD-40-004 to not use child labour, eliminate all forms of compulsory and forced labour, ensure there is non-discrimination in employment and occupation and respect the right of freedom of association and collective bargaining.

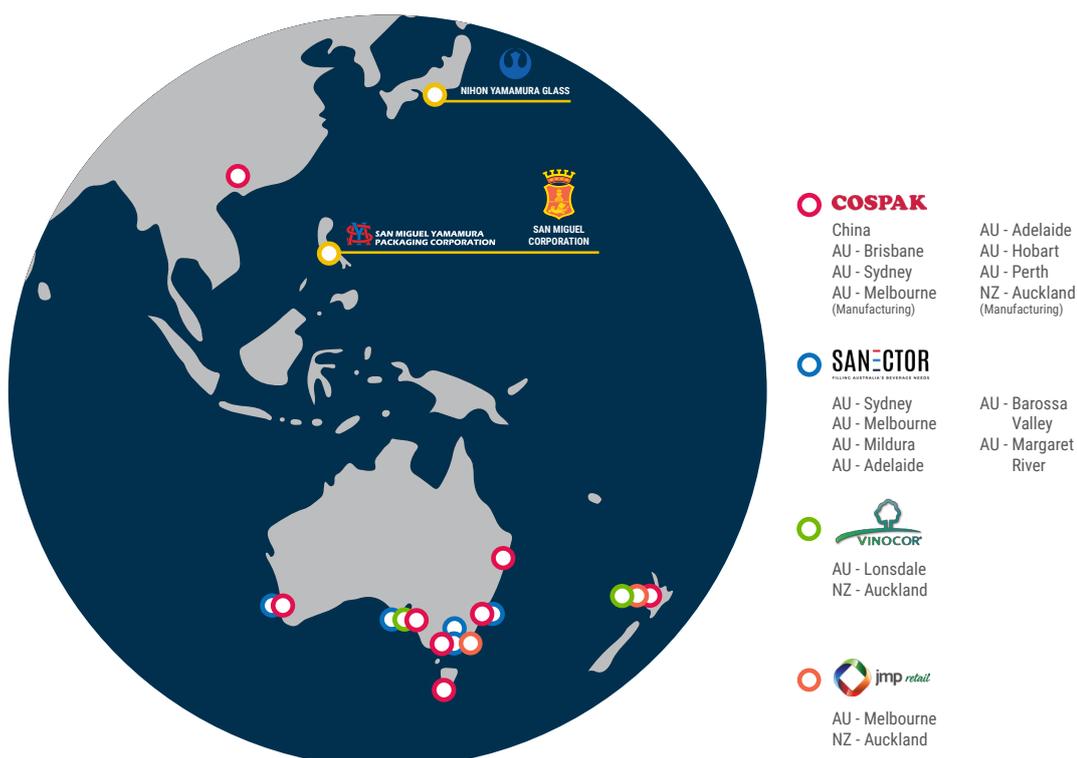
OUR OPERATIONS

SMYA has four member partners: Cospak (SMYC Pty Ltd), Vinocor (SMYJ Pty Ltd), JMP retail (SMYJ Pty Ltd) and SANECTOR (SMYBB Pty Ltd).

We operate plants and facilities across Australia, New Zealand, the Philippines and China.

No. of Permanent Staff	Plants & Facilities	
SMYA: 50	Western Australia	New Zealand
COSPAK Group: 210	South Australia	China
JMP retail: 19	Victoria	The Philippines
Vinocor: 18	New South Wales	
SANECTOR: 203	Queensland	

Map 1: Facilities and plants



OUR SUPPLY CHAIN

At a glance:



OVERVIEW

SMYA's total annual procurement spend is \$188.3 million with 278 direct (Tier 1) suppliers across 27 goods and services categories. Our top five spend categories across all business units include four types of packaging materials (glass, plastic, fibre and other types) and transport, warehouse and logistics services.

Further work will be undertaken in the 2023 and 2024 reporting periods to better understand our supply chain and inherent modern slavery risks in our indirect (Tier 2) suppliers.

WHAT WE BUY

We rely on a diverse set of goods and services to create high-quality products and deliver them to our clients in a timely and efficient manner.

Broad categories of goods and services that support the packaging sector are summarised in table 3, which provides information on:

- The good or service category used within our sector
- The associated material or purpose
- Stages of production potentially at-risk of modern slavery with each good or service
- Reported forms of modern slavery and/or labour exploitation associated with the good or service
- Modern Slavery Risk Indices that determine potential risk(see Reporting Criteria 4 for definitions)
- Potential relationship with SMYA and partner member’s operations or supply chains.

Our relationship to modern slavery risk within our operations and supply chains (‘cause’, ‘contribute’ or ‘directly linked’) is defined in the United Nations Guiding Principles for Business and Human Rights (UNGPs) and referenced in the Commonwealth Modern Slavery Act’s Guidance Material for Reporting Entities.

Table 3: Goods and services categories

Good or Service Category	Material and Use or Purpose	Stage(s) of production potentially at risk of modern slavery	Reported Forms of Exploitation / Modern Slavery	Modern Slavery Risk Indices ¹				Potential Relationship with SMYA Operations and Supply Chain ²		
				Country	Sector	Commodity	Workforce	Cause	Contribute	Directly Linked
Raw Materials	Raw materials, such as glass, fibre (paper), plastic, aluminium, and other materials to create packaging products.	Growing, harvesting, processing, refining and processing of raw materials.	Labour exploitation, child labour, bonded/forced labour, child labour, state-sponsored modern slavery and underpayment of wages including mandatory overtime.	High	High	High	High	Low	High	High
Manufacturing / Filling Equipment	Box machines, forming, press and blow moulding, filling, wrapping, sealing, labelling, packing and palletising etc.	Manufacturing, transport and maintenance of plant and equipment.	Bonded/forced labour, deceptive recruitment and unsafe working conditions.	High	High	High	High	Low	Medium	High
Maintenance and Repair Services	To keep production lines running and upgrade machinery or equipment where required.	Consumables, spares and transport of parts. Higher potential risk with some repair service suppliers.	Bonded/forced labour, deceptive recruitment and unsafe working conditions.	High	Medium	High	Low	Low	Medium	Medium
Packaging Supplies	Tape, labels, strapping, pallets, wrap, containers, IBCs and related packaging materials	Use of raw materials, manufacturing of goods, transport of products.	Labour exploitation, child labour, bonded/forced labour, child labour and underpayment of wages including mandatory overtime	High	High	High	High	Low	High	High
Shipping, warehousing, material handling and logistics	Store, handle, bulk transport and deliver finished products to customers.	Sea freight, warehousing and logistics associated with the transport of goods.	Bonded/forced labour, deceptive recruitment and unsafe working conditions especially for seafarers.	Medium	High	Low	Medium	Low	Medium	Medium
Marketing and advertising	Specialists in campaign design, copywriting, photography, print and online ads	Low for office-based operations. High level of risk associated with conferences and events through accommodation and catering	Bonded/forced labour, poor working conditions and underpayment of wages especially in the hospitality sector.	Low	Low	Medium	Low	Low	Low	Medium
Labour	Permanent, casual and seasonal labour to support business activities, especially during peak times	Recruitment of staff through onshore or offshore labour-hire companies.	Bonded/forced labour, deceptive recruitment, underpayment of wages and unsafe working conditions.	Medium	High	Medium	High	Low	High	High
Specialised services	QA, design, research and development testing, testing, and technical support.	Low for office-based operations. Potential risk through purchases of equipment or supplies via Tier 2 and beyond suppliers	-	Low	Low	Low	Low	Low	Low	Medium

1. Refer to Reporting Criteria 3 for definitions | 2. Definitions as per the United Nations Guiding Principles for Business and Human Rights (UNGPs) and Commonwealth Guidance for Reporting Entities.

Over two-thirds (68%) of our spend is on packing materials. The main categories of goods and services we procure from our Tier 1 (direct suppliers) and percent spend across each category is included in Table 4.

Table 4: Key goods and services procured

Procurement category	Per cent total spend
Packaging (all types)	68
Warehousing, transport and logistics	9
Materials handling	4
Corporate expenses	3
Labour hire	2
Plant and equipment	2
Property maintenance	1
Software and network services	1
Other categories	10

SUPPLIER COUNTRIES

We source our goods and services from direct suppliers in nineteen countries (including Australia) with just over half (53%) of our total procurement spend being with suppliers based in Australia.

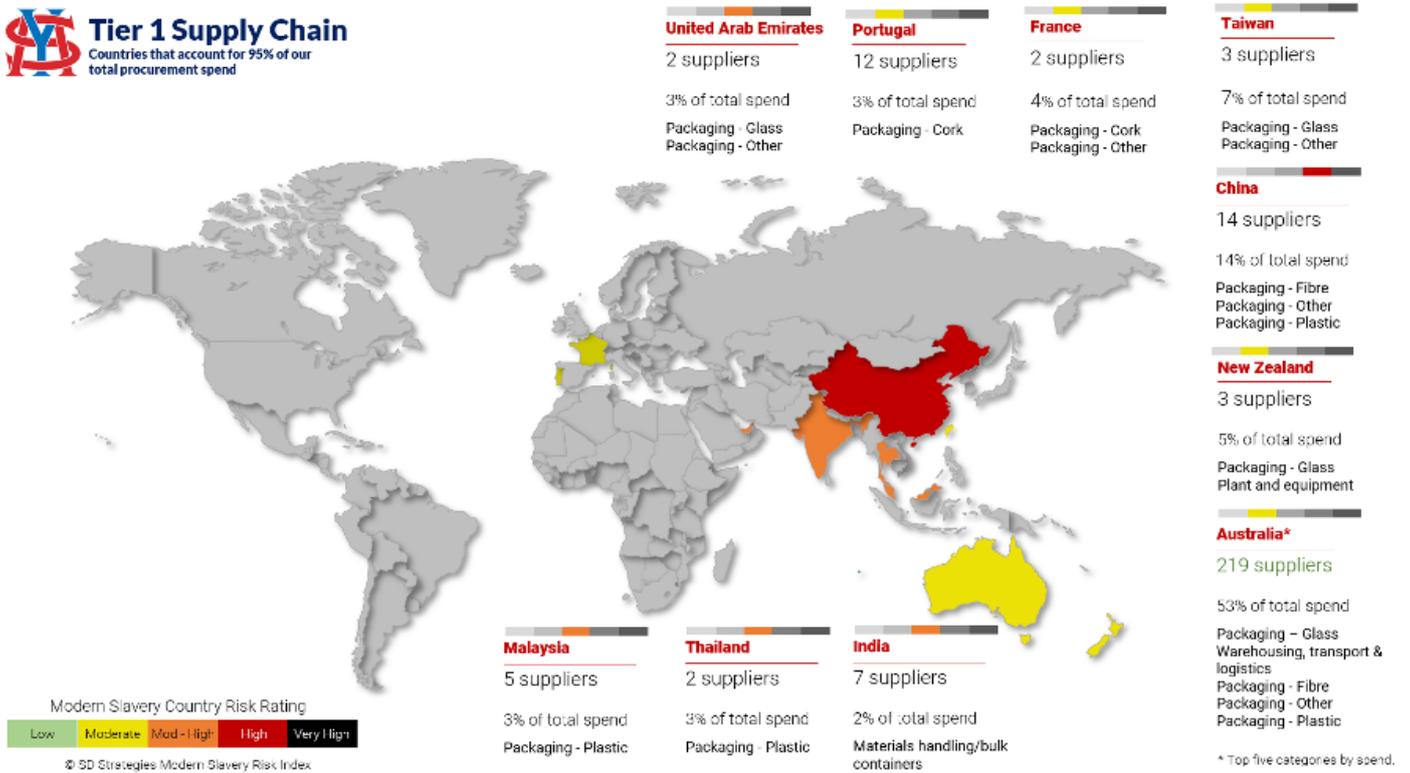
Our top five international supplier countries by spend are China (14%), Taiwan (7%), New Zealand (5%), France (4%) and Thailand (3%). Other countries we procure goods and services from include Hong Kong (SAR), India, Italy, France, Malaysia, Philippines, Portugal, Singapore, South Korea, Sri Lanka, United Arab Emirates (UAE), the United States and Vietnam.

Map 2 below provides an overview of our supply chain in countries that account for 95% of our total spend. Information on each country includes the number of suppliers, per cent of total spend in each country and the main categories of goods and services procured. The map provides an indication of modern slavery risk in each country based on the SD Strategies Pty Ltd Modern Slavery Country Risk Index.

Map 2: Tier 1 Supply Chain

Tier 1 Supply Chain

Countries that account for 95% of our total procurement spend



REPORTING CRITERIA 3

MODERN SLAVERY RISKS IN OPERATIONS AND SUPPLY CHAIN

Our focus in 2022 was on enhancing our understanding of potential modern slavery risks in our operations and supply chain.

Operational Risks

With the support of external expertise, we participated in a modern slavery operational Gap Analysis workshop that involved members of our Modern Slavery Working Group representing human resources, procurement sales and distribution, ICT, shipping, legal and governance from across our Australian and New Zealand operations.

The purpose of this initial workshop was to:

- identify gaps in our systems and processes that may increase our exposure to modern slavery risks in our operations and supply chains;
- identify opportunities to improve and enhance our systems and processes; and
- inform the development of our modern slavery risk management program.





Supply Chain Risks

In 2022 (our first year of reporting against the Modern Slavery Act), we focused our efforts on obtaining a deeper understanding of our Tier 1 (direct) supplier risks and the operational processes in place to manage those risks. We engaged external expertise to help us document, assess and prioritise our direct suppliers against four key modern slavery risk indicators (industry sector, commodity, geography and workforce profile).

We acknowledge that there is significant potential modern slavery risk associated with our suppliers both in our manufacturing base and among our Tier 2 (indirect) suppliers and beyond. Companies located in China, India, Malaysia and Thailand are known to have a higher risk for modern slavery, as does the manufacturing and packaging sector in general.

We will continue to engage priority high-spend and high-risk suppliers of goods and services initially as part of an ongoing continuous improvement process and plan to undertake further due diligence of lower-spend priority suppliers in 2023 and 2024.

OPERATIONAL RISKS

SMYA staff comprise a mix of directly employed or contracted professional, technical and base skilled workers in Australia and New Zealand and we consider the risk of modern slavery to be relatively low within our direct business operations.

CASE STUDY 1: LABOUR EXPLOITATION IN THE AUSTRALIAN AGRICULTURE AND FOOD PROCESSING SECTORS

Labour exploitation is a significant issue in these sectors, particularly among temporary migrant workers. These workers, who often come from vulnerable backgrounds and have limited knowledge of Australian workplace laws and regulations, can be subjected to poor working conditions, low pay, and various forms of abuse. Underpayment or withholding wages, inadequate housing and food and excessive and unreasonable wage deductions for 'expenses' and the role of unscrupulous labour-hire providers was brought to light in the Harvest Trail Inquiry that commenced in 2013 by the Fair Work Ombudsman.

Exploitation not only harms the workers themselves but also undermines the integrity of the Australian agricultural and food processing industry (and support services such as SMYA) as a whole. Despite increased monitoring and enforcement, much more needs to be done to stamp out exploitative work practices in these sectors.



Within Australia, some of our sites use casual workers recruited through labour-hire companies during the peak season for beverage filling and bottling of wine. We acknowledge that the use of migrant and seasonal workers is widespread in the horticulture, agriculture and food processing sectors, and investigations (including prosecutions) of underpayment of wages, conditions and labour exploitation have been the focus of the Fair Work Ombudsman for over a decade (see Case Study 1). Whilst we have not received any specific reports of issues with our labour-hire providers, additional due diligence of potential risks associated with our use of seasonal workers will be undertaken in 2023 and 2024.

We recognise that potential risks of modern slavery increase in our overseas supply chains and among our Tier 2 (indirect) suppliers.

Importantly, our Board and leadership teams responsible for our Australia and New Zealand operations are committed to identifying and addressing modern slavery risks in our operations and extended supply chain and have committed resources to this process.

Modern Slavery Gap Analysis

The Modern Slavery Working Group undertook a gap analysis to identify areas of improvement across five key categories:

- Management Systems
- Human Resources and Recruitment
- Procurement and Supply Chain
- Risk Management
- Customers and Stakeholders

Figure 1 below provides the results of our modern slavery gap analysis. The analysis identified gaps and opportunities for better managing our response to modern slavery risks and human rights due diligence more broadly. It enabled our Modern Slavery Working group to:

- develop practical actions to address potential risks in our operations and supply chains.
- prioritise actions and set time frames for deliverables.
- assign responsibilities for implementation.
- identify ‘unknowns’ that additional research or engagement within our operations, customers and business sector.

Key actions and outcomes of the gap analysis are reflected in our Modern Slavery Road Map on page 29.

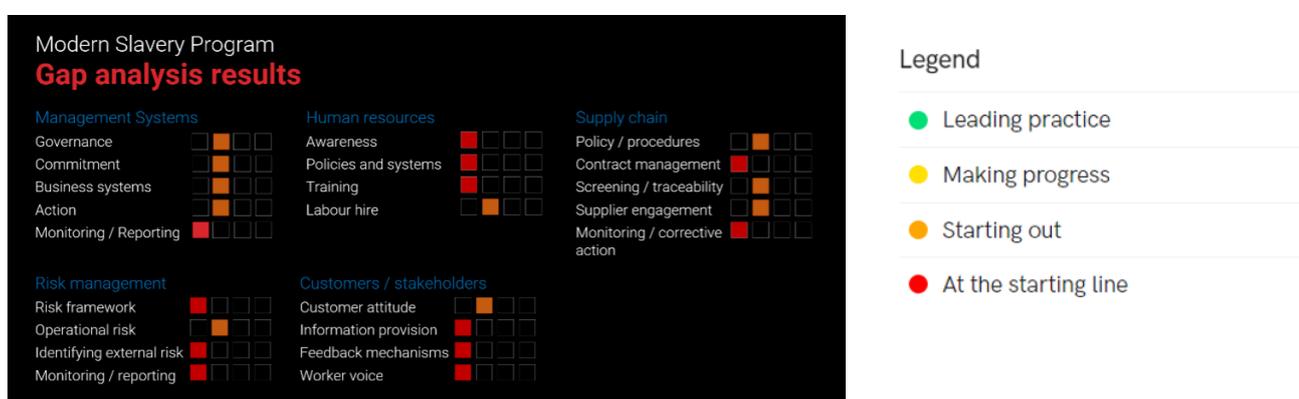


Figure 1: Modern Slavery program gap analysis results

We acknowledge that we are at the starting point of an ongoing process to strive for excellence with respect to managing modern slavery risk and delivering against our commitment to “not tolerate, engage in, or support Human Trafficking or Forced Labour of any kind through SMYA’s activities, including supply chain, or assist clients or any other party in doing so.” (SMYA Human Trafficking and Forced Labour Policy 2022).

Progress made during our first year as a reporting entity has enabled us to better understand the core elements of an effective modern slavery risk management program and action plan. Key aspects of our program are to expand our knowledge of modern slavery risks across our industry sector, engage and educate our staff, update our existing risk and governance framework and adapt our supply chain management processes to respond to these challenges.

The results of the Gap Analysis informed the development of our Modern Slavery Action Plan and Roadmap, developed collaboratively with key representatives from business units across our organisation. The three-year road map has established a clear pathway for us to follow to enable our staff to deliver tangible benefits to our customers, community, supply chain workers and our business. Elements of the action plan and roadmap are included in Criteria 4 ‘Actions Taken to Assess and Address Risk’ below.

SUPPLY CHAIN RISKS

High level findings at a glance

- Eighty-four per cent (84%) of our total procurement spend of \$188.3 million is potentially high-risk for modern slavery.
- Nearly two-thirds (60% or 166) of our 278 suppliers are potentially high risk for modern slavery.
- Our potentially highest risk spend category is packaging materials (glass, plastic, metal, cork, fibre and others), accounting for 76% of our total potentially high-risk spend.
- The significant quantity of goods and services procured from suppliers located in countries ranked as higher risk for modern slavery is a key risk factor.

Supply Chain Overview

Our procurement team, supported by external experts, analysed \$188.3 million of procurement data for potential modern slavery risk against four key risk indices:

- **Industry sector** – Specific industry sectors (deemed as high risk in international and national guidance documentation. This includes sectors with high-risk business models such as the use of labour-hire workers and outsourcing, seasonality, franchising and aggressive pricing.
- **Commodity/product** – Specific products and commodities deemed as high risk by the US Department of Labor's 2018 List of Goods Produced by Child and Forced Labor, the Global Slavery Index (GSI) and other international guidance materials.
- **Geographic location** – Risk based on estimated prevalence of modern slavery and the government responses as outlined in the 2018 GSI and using the SD Strategies country risk matrix which assesses risks against 13 global indices. High risk geographies include those with a weak rule of law, corruption, displacement, conflict, and the State's failure to protect human rights. While we predominantly use Australian suppliers, we recognise that our goods and services may come from countries other than those of suppliers' headquarters.
- **Workforce profile** – In undertaking our supplier analysis we considered the type of labour involved in the production of our goods and services, particularly where base skill, vulnerable, or temporary migrant labour is used.



CASE STUDY 2: ASSESSING UNDERSTANDING OF MODERN SLAVERY IN OUR WORKFORCE

We developed a staff survey to assess our current level of understanding of modern slavery generally and risks to SMYA more specifically. The results of the survey provided a baseline from which to assess the effectiveness of our training and awareness programs.

Questions ranged from identifying whether staff could provide a definition of modern slavery to a colleague, which of our goods and services may be high risk for modern slavery, and whether our staff know what should an instance of modern slavery be identified.

High levels findings of the survey include:

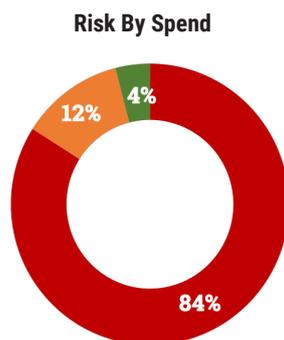
- Most respondents could give a broad definition of modern slavery or had heard of the term but couldn't define it in practical terms;
- Almost all understood that our supply chains are exposed to modern slavery risk;
- All agreed that modern slavery is highly relevant to our business operations.

Findings will inform future staff and supplier engagement programs and will be repeated in 12 months to monitor and evaluate the effectiveness of our modern slavery training and awareness activities (See Reporting Criteria 5).

Important note: Our focus in 2022 has been on understanding risks across our supply chain and those posed by higher spend Tier 1 (direct) suppliers. We recognise that there may be risk associated with our lower spend suppliers, as well as in our extended supply chain. These risks will be considered in future risk assessments.

Risk by Spend

Analysis of spend across our Australian and New Zealand operations identified 84% of spend as potentially high risk for modern slavery. This is largely attributed to spend on various types of packaging used in our operations.



A further 12% of spend was categorised as medium risk for modern slavery and 4% as lower risk.

The high percentage of potentially high-risk spend is typical for a company operating in the packaging and food processing support services sector. Our supply chains extend into countries and sectors, and use commodities that are known to be higher risk for modern slavery. Ongoing assessment of our operations and engagement of potentially high-risk suppliers will provide a more detailed understanding of actual risk and practical management actions we can take to mitigate these risks.

Risk by Suppliers

Analysis of 278 Tier 1 (direct) suppliers used in our Australian and New Zealand operations indicates that more than half (60%) are potentially high risk for modern slavery.

A further 33% of direct suppliers were categorised as medium risk for modern slavery and 7% as lower risk.

Whilst some of our direct suppliers based in Australia may represent a lower risk we acknowledge that there could be significant risk in their - or our Tier 2 - suppliers).

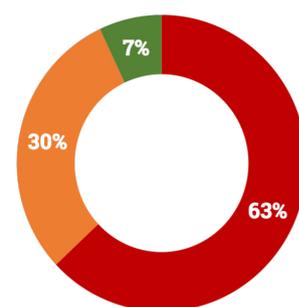
We will continue to gather data on the modern slavery risk (including dynamic and emerging risks) associated with the goods and services we procure. This will enable us to gain a better understanding of potential risk in our extended supply chain both in Australia and internationally, prioritise the engagement of high-risk suppliers and take appropriate action to manage it.

Risk by Spend Category

Based on the four risk factors outlined above (geography, industry sector, commodity and workforce profile), seventeen of the twenty seven categories of goods and services we procure are potentially high risk for modern slavery.

Our potentially highest risk spend category is stock and merchandise for sale. This spend category makes up 97% of potentially high risk spend. Other lower spend potentially high-risk categories for modern slavery included packaging materials, building and construction, travel, labour hire, international freight, ICT hardware and facility management services. Together these categories collectively accounted for only three per cent of our potentially high risk spend.

Risk By Spend Category



Risk by Supplier Country

We purchase goods and services from nineteen (19) countries including Australia.

According to the Global Slavery Index 2022 and the SD Strategies Country Risk Index 2022, five of our supplier countries (accounting for 95% of our total procurement spend) are 'Moderately High Risk' (orange) and 'High Risk' (red) for modern slavery. These are China, India, Malaysia, Thailand and United Arab Emirates.

The largest number of suppliers in higher-risk countries for modern slavery are in China (14 suppliers) followed by India (7 suppliers) and Malaysia (5 suppliers). The number of suppliers and respective percentage of spend within each country is summarised in Table 5.

Table 5: Supplier Spend Categories by Country

Country	Percent of total spend	No. of supplier	High Risk Spend Categories
China	14	14	Packaging - fibre/plastic/other
India	7	2	Materials handling/bulk containers
Malaysia	5	3	Packaging - plastic
Thailand	2	3	Packaging - plastic
United Arab Emirates	2	3	Packaging - glass/other

While over half (53%) of our spend is with 219 suppliers in Australia we recognise that these are Tier 1 (direct suppliers) and that there may be considerable risk associated with Tier 2 suppliers and beyond. We will work towards identifying and managing risk in our indirect supply chain in 2023 and beyond.

REPORTING CRITERIA 4

Actions taken to assess and address risk

The following actions were completed in this reporting period.

Modern Slavery Working Group

We formalised our Modern Slavery Working Group. The Working Group includes staff representing key business activities from across our operations including human resources, procurement sales, legal and governance. The Working Group is responsible for leading our modern slavery risk management program and implementing the action plan and road map for SMYA. The Working Group collaborates with teams across the four group entities as required.

Internal Awareness Survey

At the commencement of our modern slavery risk management initiatives, we implemented a baseline awareness survey with members of our Working Group to determine the level of understanding of modern slavery generally and our legislative compliance requirements more specifically. The results indicate that while 65% of participants rated the relevance of modern slavery to our operations as either 'High' or 'Very High', 80% of participants could only give a broad definition of the term 'modern slavery' and one-third said they have 'some' understanding of risks in our supply chain.

The survey will be rolled out more broadly to staff across the organisation, with the results informing our modern slavery awareness and training program. Pre-and post-program surveys will enable us to better measure the effectiveness of our modern slavery risk management actions.

Modern Slavery Gap Analysis

With the support of external consultants, we conducted a review of our systems and processes, and undertook an operational gap analysis to identify risks and opportunities and enhance our risk management systems. The Modern Slavery Working Group responded to 22 multiple choice questions assessing five key area of business activity for gaps and opportunities. The outcome of Gap Analysis underpinned the development of our Action Plan and three-year roadmap. Results of our Gap Analysis are included under Reporting Criteria 3.



Modern Slavery Action Plan

The Working Group developed a practical and comprehensive modern slavery action plan which includes a high-level three-year road map that will inform our risk management approach moving forward. Our action plan includes actions to establish a project management group, address gaps in our governance and due diligence processes, update risk management processes, improve supply chain management, engage our suppliers, focus on HR and recruitment activities and deliver training to key internal and external stakeholders.

Supplier Risk Identification and Prioritisation

We reviewed and prioritised our highest spend suppliers against modern slavery risk indicators and high-risk spend categories (see Criterion 3 'Modern slavery risks in operations and supply chains' above). We have committed to working with our management, procurement and quality assurance teams to support efforts to assess potential modern slavery risk both within our operations and across our supplier base in higher risk countries such as China, India and Malaysia.

In Year 2 (2023) we will focus on implementing additional risk management actions and enhancing our due diligence processes for our priority Australian and international suppliers.

In Year 3 (2024) our focus will be on monitoring and reviewing progress as part of our commitment to continual improvement. Our three-year road map is included below.



Modern Slavery Roadmap

Our focus for Year 1 (the reporting period for this statement) was on reviewing existing systems and processes for managing operational and supply chain modern slavery risks, determining our highest risk/highest priority suppliers and building a modern slavery risk management framework.

As part of our action planning process, our Modern Slavery Working Group developed a broad, multi-year Modern Slavery Road Map that we will adapt as our knowledge of modern slavery risks develops and our risk management program matures. Future potential areas of focus include expanding our due diligence program to address risk in our operations and supply chains and, evaluating the outcomes and effectiveness of our program before moving into the next planning cycle.

Actions in our Road Map will consider the outcomes of the Federal Government's first review of the Modern Slavery Act 2018 to be released in 2023.

Our three-year road map is outlined on the next page.

Area of Focus	Year 1 (2022) Establish Framework	Year 2 (2023) Expand due diligence program	Year 3 (2024) Review, Extend, Evaluate & Improve
Governance & due diligence	Formalised our Modern Slavery Working Group and developed a detailed three year Modern Slavery Action Plan.	<p>Engage our Board, SLT and business units to implement priority modern slavery risk management actions.</p> <p>Incorporate modern slavery risk management into relevant business systems and processes (aligning with possible legislative changes). Include modern slavery reporting / updates on SLT meeting agendas.</p> <p>Establish formal governance framework for managing and mitigating risk.</p>	<p>Review outcomes and effectiveness of our actions and update our Modern Slavery Action Plan.</p> <p>Continue to strive for improvements in how we manage and mitigate modern slavery risks.</p>
Risk management	Reviewed material modern slavery risk in our industry sector and supply chain.	Integrate modern slavery into our risk management systems and processes.	Review and report on the integration of modern slavery risk management actions into our operational systems and processes.
Procurement & supply chain	<p>Mapped our Tier 1 (direct) suppliers.</p> <p>Undertook a supplier risk prioritisation process to identify risk categories and potentially high risk suppliers.</p>	<p>Identify opportunities to incorporate modern slavery risk management into our procurement processes (making it BAU).</p> <p>Include modern slavery management requirements in all contracts.</p> <p>Undertake additional due diligence on priority suppliers and begin to map Tier 2 suppliers.</p>	Review the effectiveness of modern slavery risk management actions in procurement systems and requirements in supplier contracts.
Human resources, training & recruitment	Piloted a staff awareness survey and trained SLT Working Group on modern slavery risks and legislative reporting requirements.	<p>Undertake modern slavery training needs analysis for internal and external stakeholders.</p> <p>Develop an internal modern slavery awareness program including induction training. Include modern slavery accountabilities in key management position descriptions.</p>	<p>Review and update recruitment and onboarding processes.</p> <p>Assess levels of internal and external stakeholder awareness of modern slavery risks and actions.</p>
Grievance & reporting	Reviewed our internal and external whistleblower reporting channels. Published our Modern Slavery Statement.	Expand our whistleblower and other grievance mechanisms to better reflect the UNGPs and communicate to suppliers and contractors.	Implement a transparent and accountable modern slavery remediation program for victims of modern slavery identified in our operations or supply chain.

REPORTING CRITERIA 5

Effectiveness Assessment

We are establishing a review process to better track the effectiveness of actions we take to manage modern slavery risk and ensure we are making tangible progress towards achieving our goals and actions.

Our effectiveness review process includes measures taken to develop internal capabilities and iteratively improve our systems and processes on a continuous basis.

Our modern slavery risk management action plan and due diligence processes are regularly reviewed as part of our corporate commitments to ethical sourcing and risk management through:

- Reporting to the SLT and Board on policy review processes, effectiveness monitoring, sector issues and emerging threats, and improvement opportunities.
- Investigating and responding to issues or reports through our grievance and reporting channels.
- Assessing and reporting modern slavery risks across our operations and supply chain and ensuring improvements are implemented.
- Engaging with and educating our suppliers (prioritising potentially high-risk suppliers) to move beyond compliance with our policies and integrate modern slavery risk management as 'business as usual' within their own operations.
- Delivering relevant and practical training to staff and suppliers on modern slavery risk management.

As we implement our Modern Slavery Action Plan, we will assess the effectiveness of our actions against the following quantitative and qualitative indicators.

Area of Focus	Activity	Qualitative Indicators	Quantitative Indicators
Governance & due diligence	<ul style="list-style-type: none"> • Integrate modern slavery related policies, standards and processes across operating areas • Formalise modern slavery governance framework • Practical implementation and enforcement of our Human Trafficking and Forced Labour Policy, Human Rights Commitment and Child Labour Policy. 	<ul style="list-style-type: none"> • Standing item in regular SLT meetings • Modern slavery included in relevant company policies and procedures • Engagement of internal staff and other priority stakeholders (e.g. potentially high-risk suppliers) 	<ul style="list-style-type: none"> • Number and type of modern slavery and human rights issues raised or questions asked in management meetings • Percent policies reviewed and updated • Number (and percentage) of internal staff and relevant external suppliers undertaking training
Risk Management	<ul style="list-style-type: none"> • Communicate and integrate modern slavery risk management program • Develop understanding of existing modern slavery/ human rights risks and emerging threats within our business and industry sector 	<ul style="list-style-type: none"> • SLT/Board review and update of risk approach and outcomes • Integration into risk appetite statement • Enhanced internal understanding and discussion of modern slavery risks and expectations to manage risk amongst internal and external stakeholders 	<ul style="list-style-type: none"> • Number of modern slavery and human rights issues and risks identified and documented • Number of risk mitigation actions implemented including the application of remedy to identified victims
Procurement & supply chain	<ul style="list-style-type: none"> • Supplier risk assessments (focusing on potentially high risk suppliers) including mapping Tier 2 suppliers • Screening for risk including during supplier prequalification and onboarding • Risk management requirements incorporated into new supply agreements and contract renewals 	<ul style="list-style-type: none"> • Ongoing engagement and education of suppliers • Enhanced due diligence of high-risk suppliers including self-assessment questionnaires (SAQs) • Issues and opportunities identified in supplier to SAQ responses. 	<ul style="list-style-type: none"> • Percent suppliers engaged and trained • Percent supplier responses to SAQs and number of documents provided as evidence • Modern slavery risk dashboard profile • Number of corrective actions identified • Percent of supplier contracts with modern slavery clauses
Human resources, training & recruitment	<ul style="list-style-type: none"> • Board, SLT and staff engagement and training • Awareness raising and engagement of all stakeholders regarding modern slavery issues and opportunities. 	<ul style="list-style-type: none"> • Enhanced organisational awareness and knowledge of modern slavery risks • Increased Board and SLT and support of modern slavery risk management program • Engagement of suppliers and other key stakeholders regarding risk management 	<ul style="list-style-type: none"> • Percent Board, SLT and staff trained • Percent new staff trained • Results of the annual staff survey • Number of Board / SLT papers, engagements and discussions per annum.
Grievance and reporting	<ul style="list-style-type: none"> • Reporting channels (whistleblower) reviewed, updated and communicated • Modern Slavery Statement published on Commonwealth Register 	<ul style="list-style-type: none"> • Grievance mechanisms and reporting channels actively communicated to internal and external stakeholders • Modern Slavery Statement approved and submitted on time. 	<ul style="list-style-type: none"> • Total number of issues raised via reporting channels • Percent of issues effectively addressed



Continuous Improvement

Addressing modern slavery risk is complex and challenging. In 2022 we made significant progress in understanding our operational and supply chain risks, engaging our staff and management team globally and documenting our modern slavery action plan and road map.

Our Working Group, supported by our Board and SLT, will strive for continuous improvement as we continue to integrate modern slavery risk management into all aspects of our operations and purchasing decisions.

We expect our approach to evolve over time as we and the business community learn more about the risks and impacts of modern slavery globally.

REPORTING CRITERIA 6

Process of consultation with entities owned or controlled

SMYA is a joint venture between two packaging leaders, San Miguel Corporation of the Philippines, and Nihon Yamamura Glass of Japan.

We are working closely with our four partner members (COSPAK, Vinocor, JMP retail, and SANECTOR) and internal teams to ensure a harmonised approach to managing modern slavery risk across the organisation and identify opportunities to share learnings from our program through:

- Representatives of all entities participating in our formal Working Group.
- Participation of Working Group representatives in the Gap Analysis and Action Planning workshops and development of our three-year action plan and roadmap.
- Regular communications between members of the Working Group including seeking information on risks, policies, codes of conduct and other information from their respective business units.
- Opportunities to provide input into our Modern Slavery Statement and other relevant documentation.

Composition of our Working Group may change and adapt to the needs of our business as our modern slavery risk management program matures.

REPORTING CRITERIA 7

Other Information

At SMYA, we appreciate that all life on earth is under threat of extinction, and we recognise we have a broader stewardship role to play in environmental protection and conservation. The work we do to respond to sustainability risks and opportunities will be one of SMYA's biggest contributions to society.

Our Sustainability Promise focuses on propelling positive change in six areas to create a better world for tomorrow:

- Sustainability Strategy
- Our People and Communities
- Our Customers
- Energy and Emissions Management
- Sustainable Supply Chains
- Compliance.

A better future is a world that works for all humanity and the planet. We play a vital role in helping the communities and economies in which we operate transition to a more sustainable, liveable future.

We are proud to hold the following certifications across our businesses.



ISO 9001:2015 QUALITY MANAGEMENT



AUS QUAL ORGANIC



BRC GLOBAL STANDARD



AFIC AUTHORITY AUSTRALIA



ISO17025 STANDARD



OU KOSHER CERTIFICATION



AUS QUAL HACCP



FOOD SAFETY ISO 22000
SAI GLOBAL



GOOD ENVIRONMENTAL CHOICE AUSTRALIA CERTIFIED



DQS IFS STANDARD



AUSTRALIAN CERTIFIED ORGANIC



USDA ORGANIC

MODERN SLAVERY ACT 2018 (CTH) – STATEMENT ANNEXURE

Principal Governing Body Approval

This modern slavery statement was approved by the *principal governing body* of

San Miguel Yamamura Australasia Pty Ltd

as defined by the *Modern Slavery Act 2018* (Cth)¹ (“the Act”) on 07/12/2023

Signature of Responsible Member

This modern slavery statement is signed by a *responsible member* of

San Miguel Yamamura Australasia Pty Ltd Board of Directors

as defined by the Act²:



Ross Sinclair

Deputy Managing Director

Mandatory criteria

Please indicate the page number/s of your statement that addresses each of the mandatory criteria in section 16 of the Act:

Mandatory criteria	Page number/s
a) Identify the reporting entity.	1
b) Describe the reporting entity’s structure, operations and supply chains.	8
c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	18
d) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	26
e) Describe how the reporting entity assesses the effectiveness of these actions.	30
f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).*	33
g) Any other information that the reporting entity, or the entity giving the statement, considers relevant.**	34

* If your entity does not own or control any other entities and you are not submitting a joint statement, please include the statement ‘Do not own or control any other entities’ instead of a page number.

** You are not required to include information for this criterion if you consider your responses to the other six criteria are sufficient.

- Section 4 of the Act defines a principal governing body as: (a) the body, or group of members of the entity, with primary responsibility for the governance of the entity; or (b) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed body within the entity, or a prescribed member or members of the entity.
- Section 4 of the Act defines a responsible member as: (a) an individual member of the entity’s principal governing body who is authorised to sign modern slavery statements for the purposes of this Act; or (b) if the entity is a trust administered by a sole trustee—that trustee; or (c) if the entity is a corporation sole—the individual constituting the corporation; or (d) if the entity is under administration within the meaning of the *Corporations Act 2001*—the administrator; or (e) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed member of the entity.