

**2023**  
**Modern Slavery**  
**Act Statement**

Pro-Pac Packaging Limited

# Letter from John Cerini

Chief Executive  
Officer &  
Managing  
Director

## Pro-Pac is committed to protecting human rights across its entire supply chain

At Pro-Pac, how we deliver our products is as important as what products and services we deliver. We strive to positively influence our supply chain to uphold the highest ethical standards and to eliminating modern slavery.

As our supply chain grows in complexity and best practice evolves, we continue to adapt our methods of assessment, mitigation, remediation, monitoring and review to ensure we maintain a high standard.

Pro-Pac is supportive of the recent Modern Slavery Review's key recommendations including legislative change to improve the standard of modern slavery reporting, enforce the reporting of obligations of entities and address the large percentage of incompatible modern slavery statements. As such, we have already embarked on several improvement initiatives to ensure we maintain a high standard when stakeholder expectations rise.

Our Modern Slavery Statement outlines the steps we have taken during financial year ending 30 June 2023 and is published in accordance with Australia's Modern Slavery Act 2018. The action against modern slavery requires continuous improvement, vigilance, corporate commitment and leadership. Pro-Pac looks forward to continuing this important work into financial year 2024.



**John Cerini**  
Chief Executive Officer  
& Managing Director



# 1. Introduction

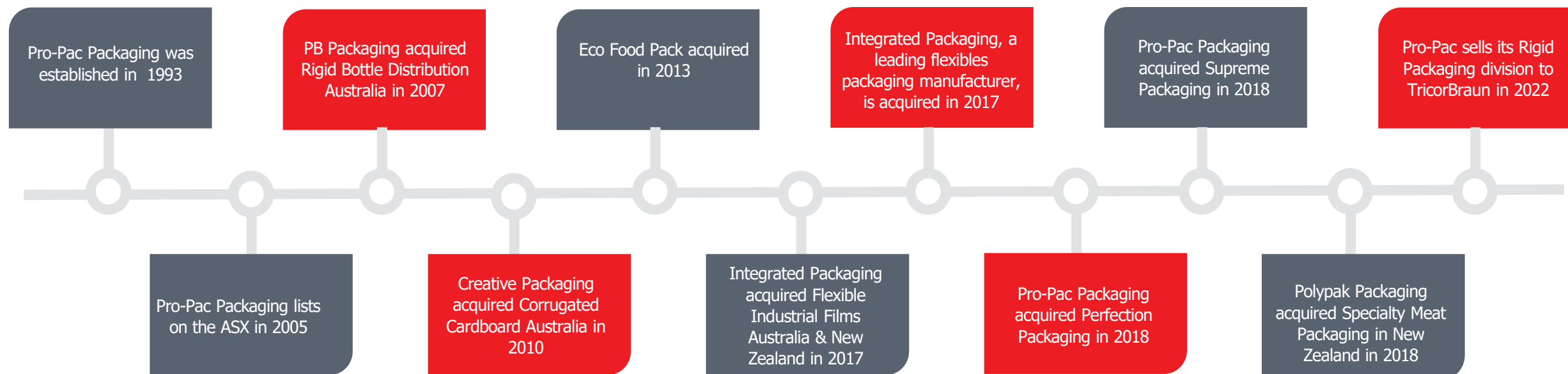
This Modern Slavery Statement, is made pursuant to the Modern Slavery Act 2018 (Cth), and sets out the actions taken to assess and address modern slavery risks in our operations and supply chain for the financial year ended 30 June 2023 ("Reporting Period"). The reporting entities are Pro-Pac Packaging Limited and Pro-Pac Group Pty Limited.

We are committed to conducting our business ethically and in accordance with high standards of corporate and sustainable governance.

Our corporate governance strategy demonstrates our commitment to providing accountability, and reflects our company values, mission, and purpose. We remain committed to integrating responsible corporate behaviour into every aspect of our operations. As one of Asia Pacific's leading manufacturers, importers, distributors and suppliers of packaging related products and services, we are aware of the expectations of our customers to ensure our products are ethically sourced.

**We encourage our team to "Do the Right Thing" and as part of our Code of Conduct, Pro-Pac is committed to:**

- Conducting business fairly, truthfully and honestly
- Acting in the best interests of our customers, shareholders and fellow colleagues
- Meeting the highest standards of ethical behaviour
- Being respectful, friendly and safe
- Protecting company assets, information and reputation
- Complying with the law and with company policies.





# Our Core Values

How we conduct our business is just as important to us as what we do. Our commitment to acting lawfully, ethically and responsibly is reflected in our values which are endorsed and implemented from Board level down: driving our business and shaping our culture; enabling us to attract and retain exceptional employees; and

ensuring that our customers are rewarded with high quality products and services. Our values also keep us focused so that we can build long term outcomes for all our stakeholders- creating "better lives". We encourage our people to consistently 'live' our core values every day.



## Deliver Sustainably

- We seek to deliver high quality outcomes in a socially responsible and safe way
- We overcome problems and deliver results.



## Win/Win Relationship

- We anticipate the needs and seek to exceed expectations of our customers, stakeholders and partners
- We develop respectful and mutually beneficial relationships, which are critical to our business' success and optimizing outcomes.



## Unite

- We develop and empower high functioning, collaborative, inclusive and supportive teams
- We engage employees through fair treatment, open communication, and active collaboration with purpose.



## Integrity & Accountability

- We act honestly, ethically and with integrity
- We are true to our word and we stand by our principles
- We are accountable for our actions and treat each other and all our stakeholders authentically and with respect.



## Innovate & Simplify

- We find smarter and more efficient ways of doing things.
- We seek new products and markets
- We challenge the status quo.



# 2. Our Structure, Operations & Supply Chains

## 2.1 Our Structure

Pro-Pac Packaging Limited is a public company listed on the Australian Securities Exchange (ASX: PPG). Our registered office and principal place of business is located at 83-85 Banbury Road, Reservoir VIC 3073.

In this report we refer generally to the Pro-Pac group's activities as a whole, and our reporting encompasses both reporting entities.

As noted above, the following entities met the reporting threshold during the Reporting Period:

- Pro-Pac Packaging Limited ABN 36 112 971 874; and
- Pro-Pac Group Pty Limited ABN 50 095 393 776

## 2.2 Our Operations

Pro-Pac is a diversified manufacturing and distribution business and is an Australian leading end-to-end packaging solutions provider for the industrial, food and beverage, produce and horticulture, agriculture, health, e-commerce and pharmaceutical industries. We provide a combination of product and service solutions for primary packaging, packaging that touches and/or houses the product; secondary packaging, packaging that contains multiples of the product for shipping; and tertiary packaging, packaging that protects and secures the total package(s) during transit.

Our product range is diversified and addresses many packaging and related needs including corrugated cartons, protective packaging, strapping, flexible and printed films, bags and liners, pallet wrap and silage wrap.

We are an accredited supplier into Coles, Woolworths, Aldi, Metcash, CCEP, Nestle and Costco. Our manufacturing team have over 50 years' experience in design, manufacture and supply.

Our corporate office in Melbourne oversees our Australian, New Zealand and Malaysian footprint, with warehousing, sales and customer service in capital cities and major regional areas.

We cater to a broad group of blue-chip and small-to-medium enterprises, delivering packaging solutions with high levels of service and expertise. We supply a wide range of products and services into most industry segments ranging from Primary Produce, Food and Food Processing Industries, Agricultural Markets, Industrial and Commercial Markets, Warehousing and Logistics, to Retail and FMCG Markets.



## Australian & New Zealand Sites

PPG has 12 sites across Australia & New Zealand <sup>1</sup>



**In Australia, we now operate under two broad divisions:**



## Specialty Packaging Division

Pro-Pac Packaging was established in 1987 and over the years has become a leader in the manufacture, import and supply of industrial packaging products.

This Division is a supplier and distributor of packaging products such as corrugate, pallet wrap, void fill and tapes. A large part of this division is the supply of packaging products to the food industry, such as Modified Atmosphere Packaging trays which promote the life of poultry products.

## Flexibles Division

Our Flexibles Division, primarily trading under the banners of Integrated Packaging and Perfection Packaging, is a specialist manufacturer and distributor of stretch film, printed films, PVC food films, agricultural packaging and associated packaging products.

Our business known as Integrated Recycling manufactures the Duratrack railway sleeper and Envire parkscape range of composite recycled plastics products at its Mildura factory in north western Victoria.

We collect and recover waste plastic, principally local agricultural plastics such as grape vine covers which would otherwise be burnt or disposed of, to make the Duratrack and Envire ranges.

Our New Zealand operations are a part of the Flexibles Division, servicing the local market a specialist manufacturer and distributor of stretch film, sacks, food wrap film, agricultural packaging and associated packaging products.



# 23 Our People

Our workforce is made up of operational, non-operational, and enabling employees. Our operational employees work in manufacturing and warehousing roles and are either engaged directly by the Company or through third party labour hire companies. Our non-operational and enabling employees are engaged directly by the Company and include Sales and Commercial. Enabling functions include Finance, People & Culture (which also covers Safety and Environment), IT and Management.

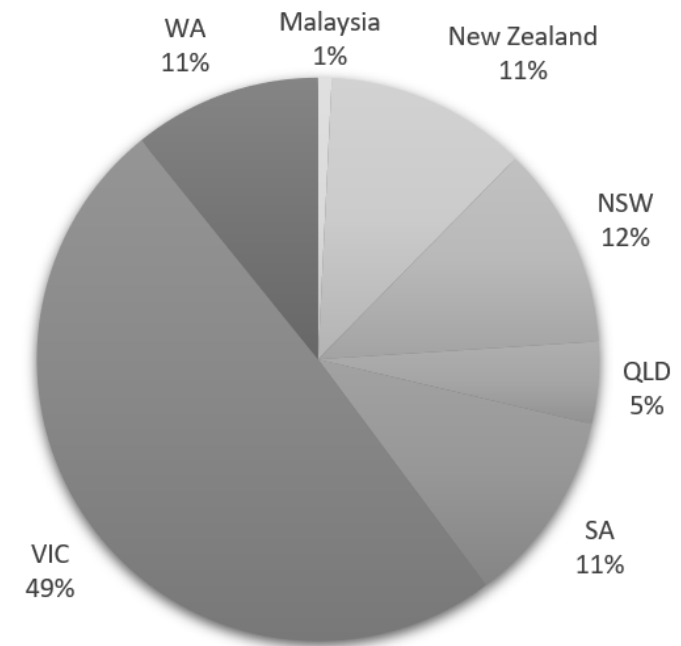
During the Reporting Period, the Company employed 638 people – 559 in Australia, 74 in New Zealand and 5 in Malaysia. Of the 638 employees, 99% were permanent versus 1% as contract or casuals.

In Australia, our operational employees are covered by 7 Enterprise Agreements during the Reporting Period and 6 Awards. Our non-operational and enabling employees are covered by common law contracts. In New Zealand, operational employees are covered by individual contracts in line with a Collective Agreement and 1 Industry Agreement.

Our non-operational employees are covered by Individual Employment Agreements. The team in our Malaysian office are employed on Individual Employment Agreements.

Regular reviews are conducted of our employee data, payroll data and employment conditions to ensure we meet the obligations of the country of employment as well as our own employment instruments and policies. We pay above minimum wage in all markets via a combination of collective agreements and individual contracts. Remuneration for salaried roles in Australia are benchmarked against market data.

Pro-Pac Packaging Employees

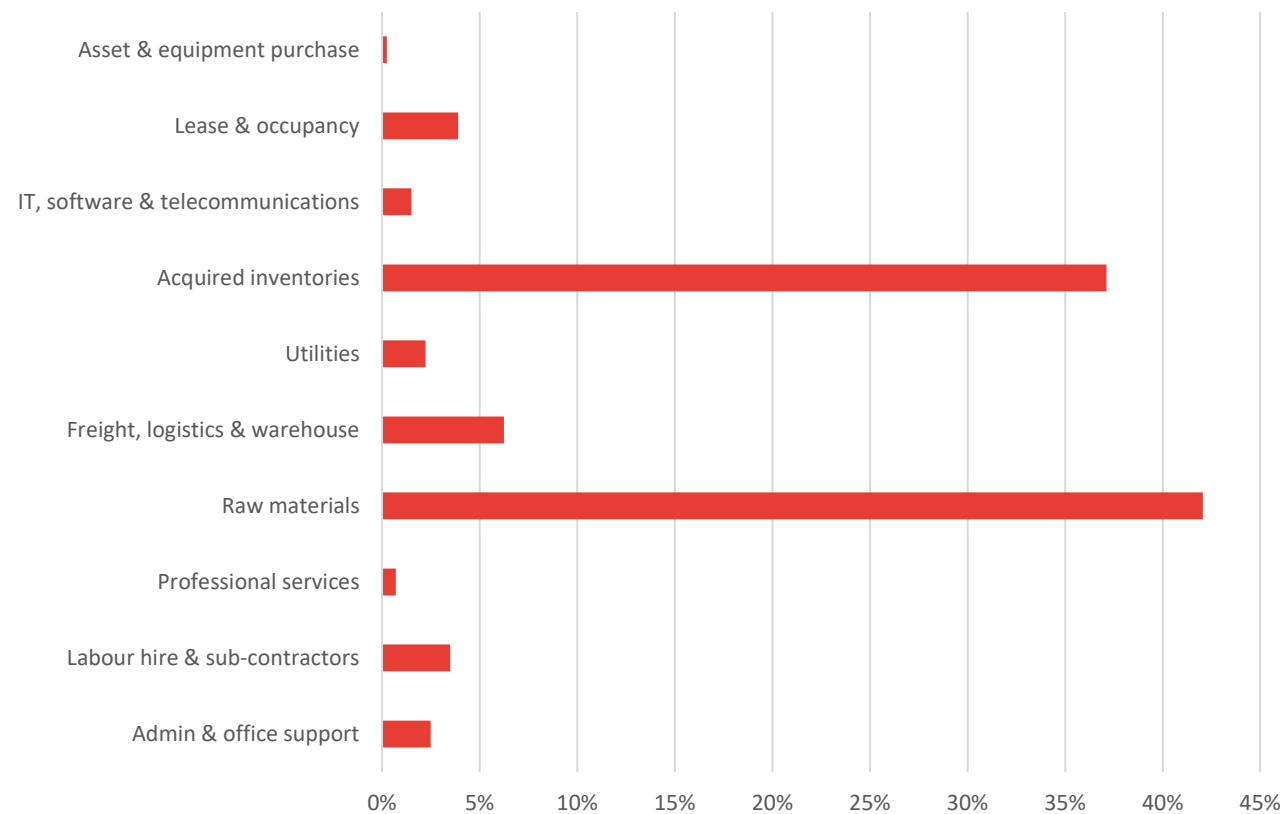


During the Reporting Period, the Company employed 638 people across our various locations as depicted in the chart.



# 2.4 Our Supply Chain

## Top spend categories:



**1,000**

During the Reporting Period, we had approximately 1,000 direct suppliers of goods or services recorded on our systems.

**\$353,000,000**

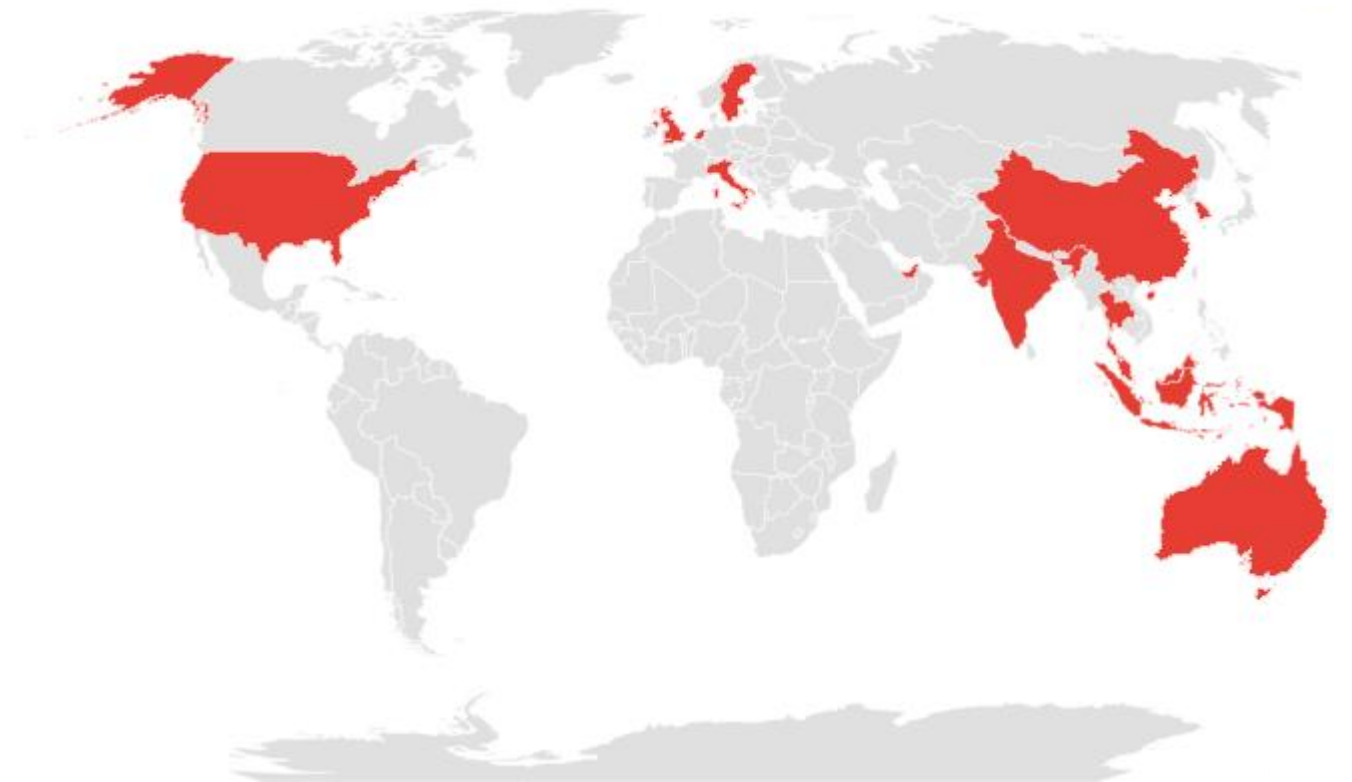
Our total annual procurement spend was over \$353,000,000

**54%**

Our Top 20 suppliers make up 54% of our total procurement spend.

## The countries of origin of finished products, components and other products were as follows:

Australia, China, United Arab Emirates, India, Indonesia, Italy, Malaysia, Netherlands, Singapore, South Korea, Sweden, Thailand, UK and USA.





# 3. Modern Slavery Risks in our Operations & Supply Chains

## 3.1 In Our Operations

We consider that our operational modern slavery risk continues to remain low in respect to our Australian and New Zealand sites. This assessment is primarily driven by Australia and New Zealand being considered low risk countries for modern slavery prevalence by the Global Slavery Index (GSI). Additionally, our staff in both countries also have the benefit of contractual and industrial protections that protect their rights.

The Company has limited Malaysian operations of home office-based finance functions. This type of work is considered low risk. While GSI ranks Malaysia as a higher risk country, because of the type of work conducted there, the Company considers our overall risk profile is lower. Despite this, we continue to implement measures to mitigate risks such as pre-employment medical checks, and age and identity verification.

According to GSI's Prevalence Index Ranking, Malaysia is currently ranked 72 of 160 countries. This ranking is consistent with our understanding that there are inherently higher risks for modern slavery practices in Malaysia than in Australia or New Zealand.

**We consider our Modern Slavery risks from four perspectives:**



**Sector and industry risks**



**Geographic risks**



**Supply chain model risks**



**Product and service risks**

## 3.2 In Our Supply Chain

The manufacturing sector holds the third highest percentage of forced labour (15%) according to The International Labour Organisation and the Walk Free Foundation. Only domestic work (24%) and construction sectors (18%) are rated higher. Modern slavery risks specific to the manufacturing sector include forced labour, debt bondage, child labour, excessive unpaid overtime and human trafficking.

In addition to our industry having inherent modern slavery risk, we also recognise we are exposed due to our connection with labour hire and international freight and logistics. These additional risks are irrespective of the country risk profile, due to a combination of factors including:

- Reliance on migrant workforces with temporary visa arrangements limited competency in local languages
- Multiple sub-contracting arrangements with informal agreements
- Outsourcing prevalence, which can cause a lack of supply chain transparency
- Substandard or dangerous working conditions where workers are not paid fairly or have entitlements withheld, workers may be required to work excessive hours, or workplace safety concerns.

We continuously assess our supply chain for modern slavery indicators and have flagged the below products and services that carry higher potential risks:

- Timber – Timber sourced from Vietnam, Brazil and Peru carry a higher risk of child labour.
- Cotton – Cotton sourced from Brazil, China, Kazakhstan, Tajikistan, Turkmenistan and Uzbekistan carry a heightened risk of child and forced labour.
- Gloves – Rubber gloves manufactured in China and Malaysia carry an elevated risk of forced labour.

We also closely monitor our major raw material providers which are plastic resins and chemicals such as inks and paints.

While our assessing and monitoring activities are focused on our tier 1 suppliers, we are conscious that there are modern slavery risks in our tier 2 and 3 suppliers. The Company is actively improving its assessment and monitoring competency to enable greater transparency on our tier 2 and 3 suppliers. The details on our improvement activities are described in section 4.

### Assessing Our Largest Suppliers Through Our Contract Renewal Process

During the Reporting Period, one of our largest supplier contracts for plastic resin came up for renewal. The working group took this opportunity to further assess this supplier for Modern Slavery risks.

The supplier completed the Company's self-assessment questionnaire with the working group deeming their responses appropriate. Based on this result, the supplier was deemed as low risk.

This assessment was a follow-on from a risk identified in our previous Reporting Period. In 2022, we became aware of risks associated with the manufacturing of PVC in the Uyghur region of China. While the potential risk is still present, our investigation in 2022 and self-assessment questionnaire in 2023, give the Company confidence that this major supplier is providing transparent information and adequately managing their supply chain.



# 4. Actions Taken To Assess & Address Modern Slavery Risks

## 4.1 Improvement Activities

During this Reporting Period, our working group delivered several key improvement activities. These improvements include:

- Completing a third-party gap analysis on our processes and procedures. Developing a two year roadmap of improvement initiatives based on the recommendations.
- Mapping our Modern Slavery and ethical procurement policies to identify policy gaps and/or where existing policies need strengthening.
- Reviewing our self assessment questionnaire against best practice.
- Conducting training with senior leader stakeholders on our Modern Slavery obligations and risks.
- Assessing three of our largest and/or highest risk suppliers.

- Re-assessing suppliers as we contracts come up for renewal.
- Investigating platforms such as Sedex and Ethixbase to understand their capability and capacity to improve our assessment and monitoring activities.

In addition, to the above activities, we reported monthly to our board on our progress and any significant risks identified.

We also continued to utilise our database that captures all potential or real breaches, our investigations and course of action. The maintenance of this database allows us to learn from previous activities, track our impact and continually improve.

# 4.2 Ongoing Activities

In the Reporting Period we have continued to deliver on ongoing modern slavery compliance and processes. These include:

### Annual Compliance Training

Mandatory online compliance training covering modern slavery and anti-bribery is provided every year at the Company. This Reporting Period we saw a 100% completion rate from our team.

### Audit Business Risks and Compliance Committee

Our Committee received regular compliance reports throughout the Reporting Period from the management team detailing compliance with legislative obligations and emerging or instances of modern slavery risks.

### Code of Conduct

Our Code of Conduct remains relevant to ensure team members use suppliers that agree and comply to our Ethical Sourcing Policy or their own equivalent policies which includes modern slavery commitments.

### Whistleblower Policy

Our anonymous Whistleblower Policy and third party-managed channels are continually monitored. Reportable conduct includes unethical conduct, breaches of laws, and a breach of the Code of Conduct. We did not receive any reports for this Reporting Period.

### Customer Surveys

We regularly receive surveys that ask us to provide details on our customers products or upstream supply chain, as well our modern slavery commitments and activities. We ensure we answer all customer requests within a timely manner.

### Supplier On-boarding Process

When on-boarding major suppliers, we ensure our selection criteria assesses the competence of our suppliers and their alignment to our values. Our Ethical Sourcing Policy and Supplier Code of Conduct form part of our tender materials. Suppliers that demonstrate high levels of compliance with the Ethical Sourcing Code may be awarded with "preferred supplier status" and provided first-to-quote opportunities for new business.

### Additional Requirements for High-Risk Suppliers

We use our self-assessment questionnaire along with our four risk criteria of industry, geography, product/service and supply chain model, to flag high risk suppliers. These high risk suppliers are asked to provide additional information to help us determine whether they manage their modern slavery risk adequately. Where necessary, we may undertake a supplier compliance audit via Sedex, BSCI, EcoVardis or other third party systems.

## We take a holistic approach to sustainability

### Business, Planet and Communities.

While all nine elements of our framework are important, we consider our most material issues for this Statement to be:



### Products

Creating sustainable packaging solutions for our customers.

### Operations

Reducing the environmental footprint of our operations.

### Supply Chains

Ensuring a transparent and ethical supply chain.

### Governance

Improving our sustainability data, compliance and processes.



# 5. Assessing the Effectiveness of Our Actions

## 2022 Commitment

## 2023 Status

Improve our reporting mechanisms to allow more timely updates on performance against our KPIs

- Number of suppliers completing our modern slavery questionnaire
- Completion rates for our modern slavery compliance training module
- Number of modern slavery cases or risks identified and remediated

In progress.

We have investigated several platforms that will help us better monitor and review our self-assessment questionnaires. These platforms will help us improve our completion rates as they are more customer friendly.

We have also maintained our database to ensure any breaches or potential breaches are captured and actively monitored and managed.

Gather audit data on 3 of our largest and/or high-risk suppliers.

Completed.

Complete a third-party gap analysis on our processes and procedures. Develop a 2-year roadmap of improvement initiatives based on the analysis recommendations.

Completed.

Conduct bespoke, in-depth training on modern slavery and our compliance processes with our Procurement team members.

Completed with the relevant senior leaders.

This is an ongoing process.

Develop a remediation framework that categorises new modern slavery risks and breaches, and guides appropriate action based on the level and scale of risk.

In progress.

Policy mapping and gap analysis completed. Remediation guidance to be included in our Ethical Sourcing Policy.

Update supplier contracts with our latest policies and reporting requirements as they come up for renewal.

This is an ongoing activity.

## Assessing Key Suppliers

In the Reporting Period, we conducted four deeper assessments of key or high-risk suppliers. This included three major suppliers of raw materials such as resin and inks, and one high risk supplier of cotton products.

Each supplier either completed our self-assessment questionnaire or provided a third-party audit report.

For our three major suppliers, no Modern Slavery risks were identified. However, for our cotton product supplier their audit reported excessive employee working hours. We have since worked with our supplier and they have agreed to our terms to reduce their employee working hours. They have also agreed to conducting another third-party audit later this year.

## Conducting Our Modern Slavery Gap Analysis

In early 2023, we engaged third party to conduct a comprehensive gap analysis of our Modern Slavery policies and procedures. We were assessed against several factors including:

- Enablers such as operational stakeholders, external stakeholders, governance framework/s, procurement and supplier engagement.
- Social impact including assessing, engaging, addressing and monitoring risks.

The findings showed that while we had strengths in operational stakeholders, procurement and governance, there were opportunities to improve supplier engagement and assessment methodologies.

We have since developed a 2-year roadmap of improvement activities that address these gaps. This roadmap is detailed in section 5.

## Modern Slavery Training

In 2023, our relevant senior leaders and working group members underwent Modern Slavery Training.

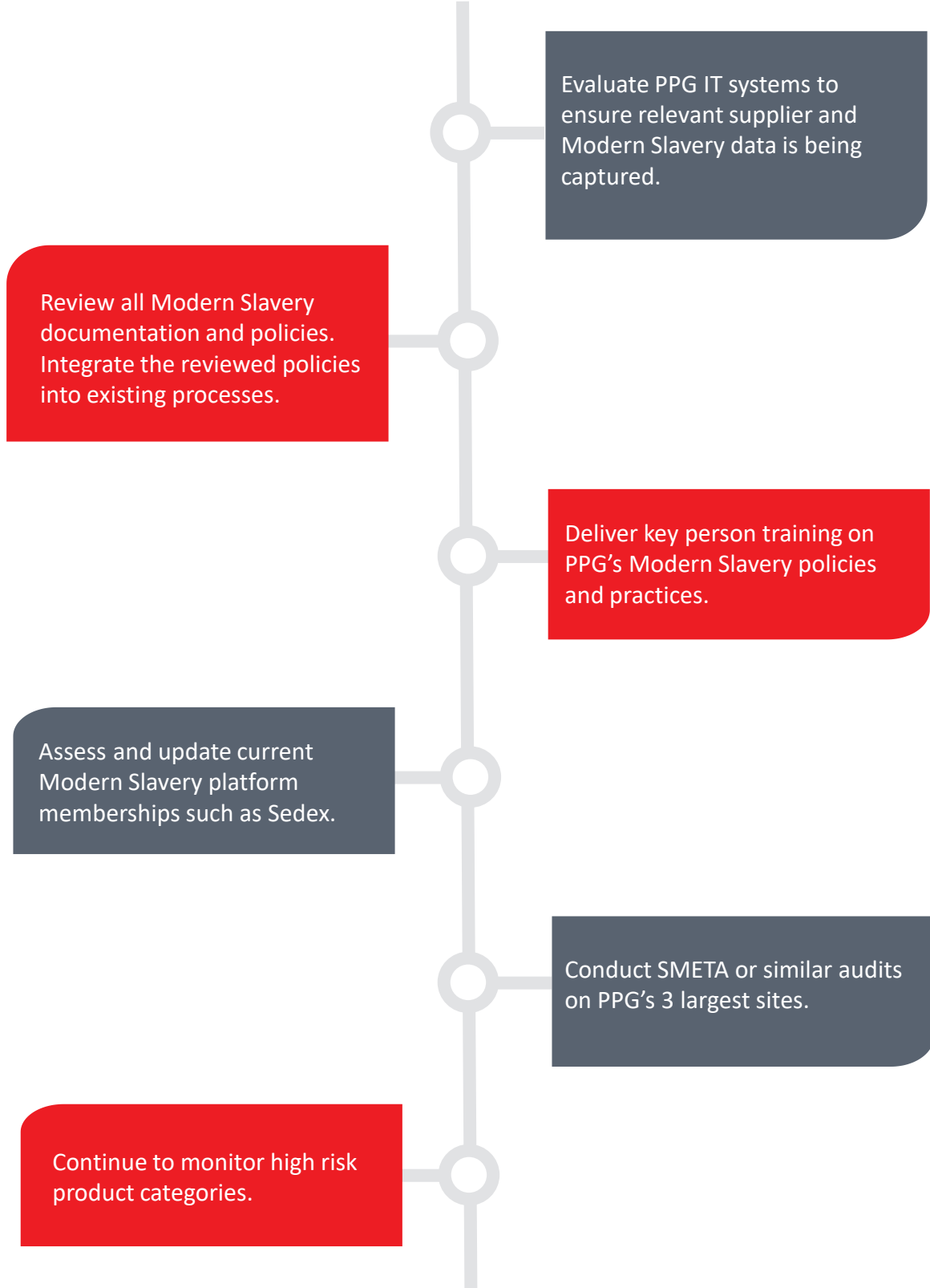
As part of our gap analysis, our third-party supplier built our understanding around the indicators of Modern Slavery, the recent government review and the current and anticipated legislative requirements.

In addition, our working group conducted further training with Sedex on the platform and its capabilities, self-assessment questionnaires and best practice ways to analyse data.

All managers are also required to complete online Modern Slavery training each year.



In addition to our ongoing activities, we will focus on the following improvement activities over the next two Reporting Periods:



# 6. Other Information

**Pro-Pac is an ISO:9001 2015 and Codex HACCP Accredited company.**

We are an A/B member to Sedex. Sedex, the Supplier Ethical Data Exchange, is a not-for-profit membership organisation dedicated to driving improvements in responsible and ethical business practices in global supply chains.

We are a member of the Australian Packaging Covenant and support and report on our commitment to the 2025 National Packaging Targets annually.

We are also HACCP and ISO 9001 certified with two sites also being FSSC 22000 certified.

We also continue to collaborate with our customers in relation to addressing modern slavery risks including by responding to relevant questionnaires and undertaking audits.



# 7. Consultation & Approval

The Reporting Entities consist of Pro-Pac Packaging Limited, and its wholly owned subsidiary Pro-Pac Group Pty Limited, which is the principle trading entity within the Pro-Pac group of companies. John Cerini is the director of Pro-Pac Group as well as the Chief Executive Officer and Managing Director of the parent entity. Kathleen Forbes is the Company Secretary of both Reporting Entities and every Australian subsidiary within the Pro-Pac group of companies. She has taken an active role in the preparation of this Modern Slavery Statement and ensuring that there has been knowledge sharing and collaboration between the management of the Reporting Entities.

This Statement was approved by the Board of Pro-Pac Packaging Limited on 1 November 2023.

Signed,



**John Cerini**  
Chief Executive Officer and Managing  
Director  
1 December 2023



**Pro-Pac is an Australian and New Zealand business that is focussed on using its investment and manufacturing expertise to capitalise on key industry trends including innovation and sustainability.**

Pro-Pac is listed on the Australian Securities Exchange (ASX:PPG).

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