



# Modern Slavery Statement

FY2020



# Contents

A word from our COO: <a href="#">Our first Modern Slavery Statement</a>	3
About Visy: <a href="#">A global leader in creating sustainable packaging solutions for a better world</a>	4
Our values	5
Our approach to ethical sourcing	5
Our memberships	5
<a href="#">In more depth: Our operations and supply chain</a>	6
Our operations	6
Our supply chain	7
<a href="#">Identifying risk: The potential for modern slavery risk in our operations and supply chain</a>	8
<a href="#">Managing risk: Actions to assess and address modern slavery risks</a>	9
Creation of a formal Modern Slavery Action Team and a Supply Chain Risk Review Panel (SCRRP)	9
Use of third-party software	9
Use of publically available indexes and resources	9
Executive and senior management support and communications	10
Group-wide training and awareness	10
Auditing	10
Policies and procedures	11
Operational assessments	11
Internal due diligence	12
<a href="#">Measuring effectiveness: The importance of evaluating the impact of our actions</a>	13
Making use of the relevant tools	13
Collaborating with others	13
Looking at available internal metrics and managing to targets	13
Our Governance Board	14
Plans for 2020–2021	14
Consultation process between entities that this statement covers	14
<a href="#">Appendix</a>	15
Appendix 1: List of reporting entities covered under this joint statement	16
Appendix 2: COO communication	17

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## Visy's Reporting Entities

Visy is a global leader in packaging and resource recovery. Our innovation, manufacturing and logistic capabilities are organised around an integrated closed loop and include paper, primary packaging, fibre packaging, packaging supplies and consumables, point of sale displays, automation, materials handling, logistics and recycling. Together, they give life to tailored solutions that deliver enduring value for our customers.

In accordance with clause 14 of the Modern Slavery Act (Cth) **(Act)**, Visy is submitting this statement as a joint statement on behalf of, and in conjunction with, all the reporting entities of the Visy Group, including Visy Industries Australia Pty Ltd, as listed in Appendix 1. A reference to Visy in this statement is intended to cover all such entities.

## A word from our COO

# Our first Modern Slavery Statement

At Visy, our vision is to be a global leader in creating sustainable packaging solutions for a better world. To be successful in achieving this vision we have a leadership role to play in demonstrating responsible behaviour in all aspects of our operations.

An important component of this is the upfront acknowledgement and shared understanding that modern slavery is a global issue and that it exists in many supply chains. Modern slavery practices in supply chains can include forced labour, exploitation of vulnerable workers, under payment or abusive practices.

Our company position is that modern slavery is not an acceptable practice.

We are committed to taking a diligent approach to assessing our supply chain risk and to working in collaboration with our approved supply chain partners, and the wider industry, to address modern slavery.

This includes sourcing only from supply chain partners who are aligned with our values.

Our responsible sourcing commitments – including our internal Code of Conduct, Supplier Code of Conduct, Commitment to Responsible Sourcing – Fibre, Commitment to Responsible Supply Chains and our use of third party software to assist us in reviewing our supply chain for modern slavery risks – set a solid foundation for this position.

In 2019 we established a Modern Slavery Action Team and a Supply Chain Risk Review Panel, made up of a diverse range of management from across the business. These groups also help underpin our ongoing commitment to ethical sourcing.

FY20 has certainly been challenging, with COVID-19 requiring our business to pivot quickly within its supply chains. I am proud that our due diligence process has been able to keep up with the changing pace of our procurement needs over the year.

This is our first Modern Slavery Statement. I am positive about the strong risk identification and management processes we have in place to eradicate modern slavery and – just as importantly – our willingness to continually learn, question and improve.



**MARK DE WIT**

**Chief Operating Officer, Visy**



## About Visy

# A global leader in creating sustainable packaging solutions for a better world

Visy is a global leader in packaging and resource recovery, and has been a pioneer in sustainability since its inception. Our innovation, manufacturing and logistic capabilities are organised around an integrated closed loop. Together, they give life to tailored solutions that deliver enduring value for our customers.

In business for over 70 years, we operate in over 120 sites predominantly throughout Australasia. We currently employ around 7,000 people to help create sustainable and innovative products for our customers.

**70+**

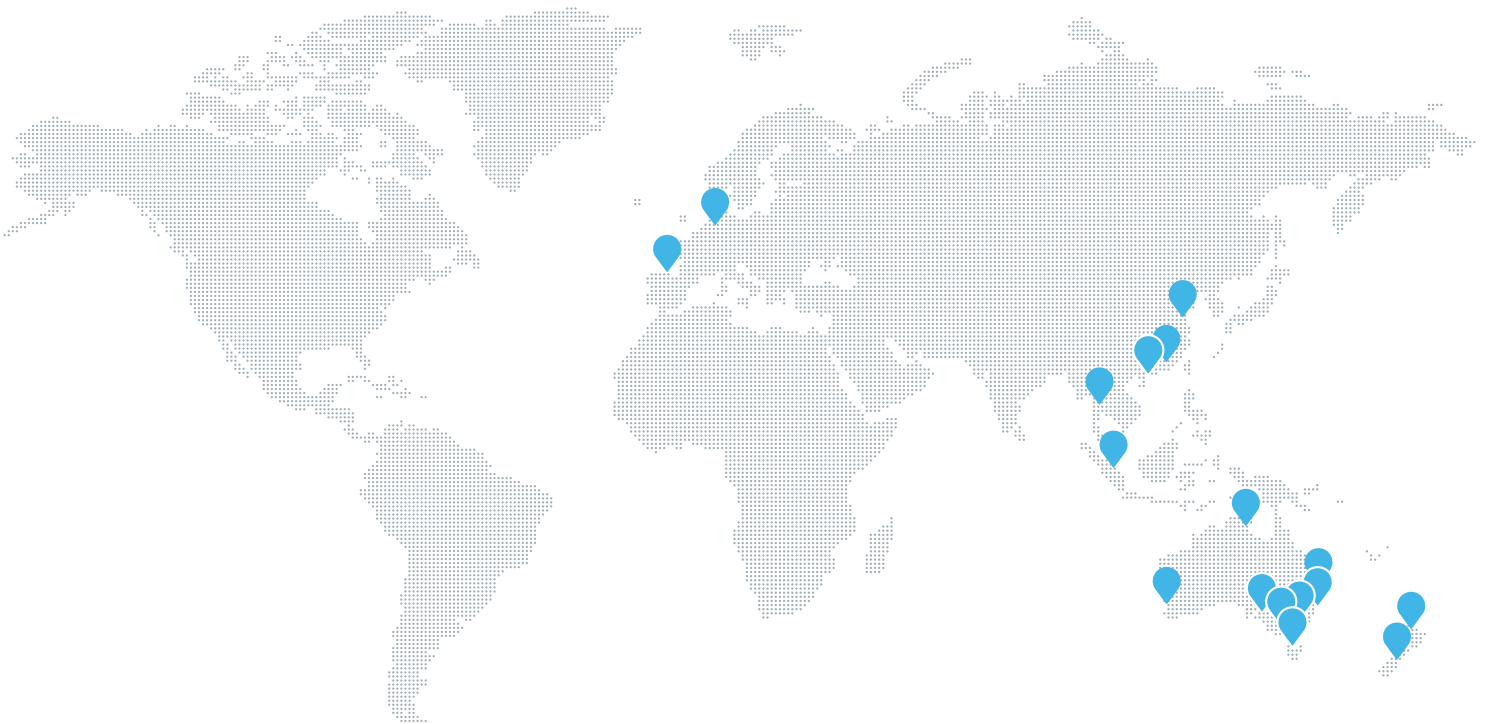
YEARS IN BUSINESS

**120+**

SITES THROUGHOUT  
AUSTRALASIA

**7,000**

PEOPLE EMPLOYED



## Our values



### **CUSTOMER FOCUS**

We will build strong relationships with our customers to support their business. When they succeed, so do we.



### **RELENTLESS PURSUIT OF BEST VALUE**

We will be innovative in driving to achieve the best value for the supply chain.



### **SAFETY AND ENVIRONMENT**

Everything we do is dependent on the safety of ourselves, our employees, our customers and the communities in which we operate. Sustainability is critical to our business.



### **ACTING WITH URGENCY, PASSION AND ENERGY**

We have a strong work ethic and commitment to the success of “one Visy”. We act decisively, using facts, to achieve the best outcomes for our customers and for Visy. Our key people act with a strong sense of business leadership.



### **DEVELOPING EXCELLENCE IN PEOPLE**

Core to our personal credibility is treating people with respect. We encourage everybody to be their best. Our people are supported and challenged to achieve their potential.

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## Our approach to ethical sourcing

We are committed to ensuring responsible, ethical and sustainable engagement with our supply chain partners of materials and services. We believe that the key to successful business is a collaborative approach with our supply chain partners, service providers, and customers.

Our Responsible Supply Chains Policy, endorsed by Visy's Executive Chairman, Anthony Pratt, and Visy's Chief Operating Officer, Mark De Wit, supports this commitment.

For many years, we have evaluated our impact on communities within our supply chain, particularly in the pulp, paper and wood industries.

## Our memberships

Visy continues to be a progressive and collaborative member of the following social and environmental initiatives:

- FSC Australia
- Sedex
- UNGCA – United Nations Global Compact Australia
- Sustainable Agricultural Initiative Australia
- APCO – Australian Packaging Covenant Organisation
- ACOR – Australian Council of Recycling
- Ecovadis

Visy has participated actively in the United Nations Community of practice for Modern Slavery.

In more depth

# Our operations and supply chain

## Our operations

Our innovation, manufacturing and logistic capabilities are organised around an integrated closed loop, offering our customers a full lifecycle of packaging capability.



Further details on each of our business units can be found on [www.visy.com](http://www.visy.com)

## Our supply chain

We have a diverse global supply chain to support the provision of materials, parts and services across our diversified portfolio of products, to our local and global customer base.

Our primary expenditure is with Australasian supply chain partners who provide products and services manufactured or serviced in Australia or New Zealand, or sourced indirectly from overseas locations (see graphs below).

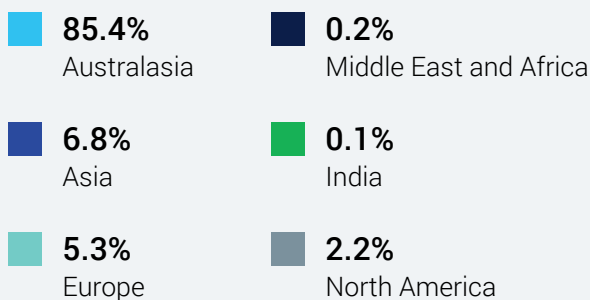
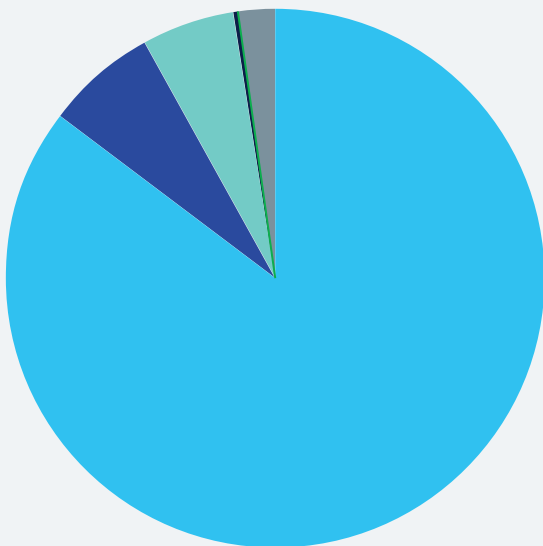
Our secondary region of supply is from Asia, given its close proximity to our operations in Australia and New Zealand, and the high concentration of supply chain partners manufacturing in this region.

Prior to engagement, every supply chain partner we work with is requested to accept Visy's Supplier Code of Conduct. Every supply chain partner is also reviewed for risk factors, including modern slavery, through our licensed risk rating tool set. This is an ongoing review process.

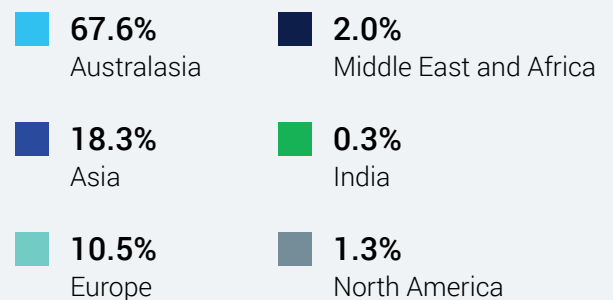
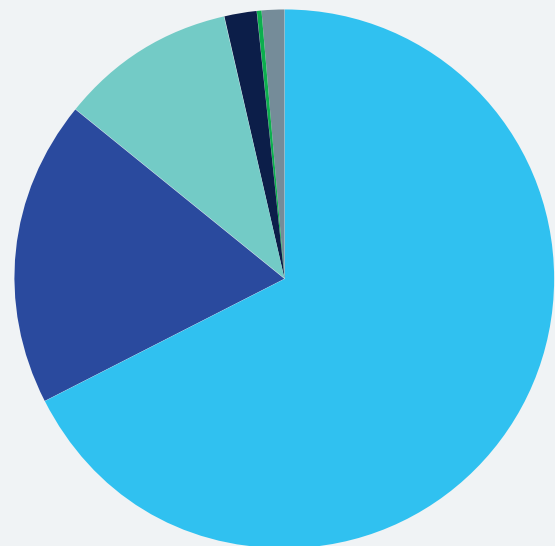
In addition, for critical or high spend materials, a robust sourcing process is followed and plant audits may be conducted prior to, or following engagement, on an ongoing basis.

Where we identify other potential risks during a supply chain partner risk review, the supply chain partner is asked to provide statements on compliance to the relevant matter.

Regional % of suppliers by count



Regional % of suppliers by AUD spend



## Identifying risk

# The potential for modern slavery risk in our operations and supply chain

We acknowledge there are inherent modern slavery risks within our supply chain, given its size and diversity.

Key areas of supply chain risk covered in our review processes and management strategies include:

- conflict minerals;
- manual sorting involved in the preparation of materials for recycling;
- sourcing from low cost countries; and
- labour hire firms (noting that Visy only uses licensed Australian and New Zealand labour hire firms and has no overseas labour hire engagement).

While we seek to minimise these risks through the predominant use of Australasian supply chain partners, we place greater attention on these areas through our supply chain partner risk review process.





## Managing risk

# Actions to assess and address modern slavery risks

In recent years, Visy has introduced new business practices to help address potential modern slavery in our supply chain, to ensure the engagement of our supply chain partners is fully assessed in advance of trading, and to re-assess risks on an ongoing basis.

## Creation of a formal Modern Slavery Action Team and a Supply Chain Risk Review Panel (SCRRP)

In 2019, in order to address potential modern slavery practices in our supply chain, the Visy executive team established a Modern Slavery Action Team and introduced a Supply Chain Risk Review Panel (SCRRP).

Both the Modern Slavery Action Team and the SCRRP have been authorised and mandated to monitor, assess, remediate and report on the potential for modern slavery risks in our operations and supply chains.

In particular, the SCRRP has a formal charter outlining the functional requirements of Visy's supply chain risk assessment and updates the Visy executive team.

The SCRRP is comprised of senior managers from Corporate Counsel, Group Commercial, Governance and Risk, Group Procurement and Operations Excellence. Additional positions are established to conduct individual assessments of each new supply chain partner before they are on-boarded as a supply chain partner, and to review existing supply chain partners used by Visy.

## Use of third-party software

To support the SCRRP, we have licenced third-party software to assist in reviewing the supply chain for modern slavery risks.

This tool reviews our supply chain partners by assessing each partner against a number of different risk indexes, including country, region and industry.

In addition, the tool reviews any applicable global sanctions, convictions and high risks associated with the ownership and activities for each supply chain partner.

A set of criteria has been established to identify 'red flags' associated with each supply chain partner. These then require follow-up before sign off by the SCRRP, and before a supply chain partner can be engaged, or further trading commenced for existing supply chain partners.

As a result of this ongoing work and supply chain partner review process, decisions have been made to not engage several supply chain partners requested to be utilised in the Visy supply chain.

## Use of publically available indexes and resources

In addition to using the third party software, we further assess the risks of modern slavery within our supply chain by reference to a number of publically available indexes and resources, which address the risks related to region, product and industry. These include:

1. **Walk Free Foundation** – GSI index
2. **International Labour Organisation** – Modern Slavery Statistics
3. **United Nations Global Compact**
4. **Sourcing Hub** – Preferred by Nature (previously Nepcon)
5. **Transparency International** - Corruption Perceptions Index

## Executive and senior management support and communications

The Visy executive team has supported actions taken within the group to comply with modern slavery legislation, to prepare this statement and to reduce the risk of our supply chain potentially contributing to modern slavery practices. This support has been endorsed through various communications to our employees and supply chain partners including:

- a specific communication issued by the Chief Operating Officer in 2019 highlighting the new legislation and asking all employees to support the program of work being developed to comply with the Modern Slavery Act (see Appendix 2);
- a specific communication to all employees involved in the procurement process prohibiting the making of procurement commitments with a supply chain partner prior to formal assessment and sign-off in Visy's supply chain partner management system; and
- formal letters to our supply chain partners, with Visy's Supplier Code of Conduct attached. In the communication, supply chain partners were asked to review, understand and accept our Supplier Code of Conduct as acknowledgment and acceptance of the code. A repository of all returns signed by supply chain partners acknowledging they have read and understood Visy's Supplier Code of Conduct is maintained by our Group Procurement team.

Finally, this statement was tabled to and endorsed by the Visy executive team in December 2020 prior to its submission and publication.

## Group-wide training and awareness

Modern slavery training and awareness programs are in place for employees involved in the procurement process. The training is delivered by group wide functional support leads, with formal sign-off confirming the understanding of requirements from the sessions attended by participants. Some of these programs are also run as a component of the induction process for our new employees.

Specific responsible supply chain and modern slavery training has been delivered to our Australian purchasing and procurement teams and our Singapore trading and procurement team.

Formal group wide training and awareness programs are run for our employees throughout the Visy group on the subjects covered by key policies and procedures relating to:

- fraud, theft and improper conduct, including the procurement process;
- whistleblower and complaints handling procedures;
- foreign bribery and corruption; and
- Code of Conduct, including workplace bullying, harassment, discrimination, drugs and alcohol.

## Auditing

Several formal audit programs are in place to test for compliance, as well as to review and assess the environmental aspects of each supply chain partner before their engagement, and as an ongoing process.

Audit roles have been established in the regions where the majority of procurement occurs and where our supply chain partners are based, allowing for physical site assessment to be conducted by procurement staff.



Our internal audit program contains a section covering local procurement control compliance. This program includes specific questions for local procurement staff about engagement with supply chain partners for ongoing assessment, including confirmation that staff have conducted the assessments outlined in the procurement policy requirements. Audit sample testing includes a review of compliance checklists completed and maintained by procurement staff.

Audits are also conducted to assess compliance with key outsourced contracts, with an emphasis on labour law compliance for support services, such as contact centres.

## Policies and procedures

Visy has a range of policies and procedures which address modern slavery within our own business, as well as within our supply chain.

In recent years, we've reviewed the existing policies and procedures, and made updates where appropriate. Our relevant policies and procedures include:

 <b>Policy / Procedure</b>	 <b>Status</b>
Employee Code of Conduct	Existing, reviewed
Supplier Code of Conduct	Existing, reviewed
Whistleblower and Improper Conduct Policy	Reviewed and updated to make specific reference to modern slavery as an improper conduct type
Complaints Handling Policy and Procedure	Existing, reviewed
Child Forced Labour Policy	Existing, reviewed
Anti-bribery and Corruption Policy	Existing, reviewed
Responsible Sourcing Commitment Policy – Fibre	Existing, in the process of being updated to incorporate other key materials

## Operational assessments

We have undertaken SMETA 4 pillar audits and AIM-PROGRESS member audits at a number of our sites since 2014. These audits cover workplace labour and safety standards, among other areas. The audits have created learnings that have been used to improve our policies and procedures. Due to COVID-19, these onsite audits have been placed on hold in line with our COVID safe essential services manufacturing guidelines.

Visy achieved a 'Silver' status in our 2019 review by Ecovadis. On the basis of this review, we have considered the opportunities to make further progress in the 'sustainable procurement' area, much of which is contained within this report.

From 2019, all existing supply chain partners on Visy's database received an updated Supplier Code of Conduct, which they were requested to accept.

Our Supplier Code of Conduct covers a range of modern slavery and other compliance requirements, such as legally applicable wage laws, working hours laws and regulations, prohibition of forced labour and legal rights of employees. We request formal sign off by any new supply chain partners prior to trading and addition to Visy's vendor database for future commercial engagement.

Should any supply chain partners refuse to sign the Supplier Code of Conduct, these supply chain partners are referred to our Supply Risk Review Panel, and reviewed and may be referred for determination or further action.

## Internal due diligence

### Labour hire

We embarked on a labour hire tender process in 2020 and as a component of that process new labour hire agreement documents have been prepared, with a greater focus on modern slavery type issues and pre-employment checks and requirements.

### Minimum ages

Visy complies with state based minimum age requirements.

### Internalised Visy recruitment processes and verifying work rights

Work rights checks are mandatory for all new employees in Australia. Checks for new employees are conducted by our supply chain partner, CV Check, and verification of work rights for existing employees are conducted on the Department of Home Affairs online visa verification system (VEVO).

Where a potential employee is flagged with limitations to their work rights, the hiring manager - in consultation with HR - determines the appropriate steps to be taken, for example, the offer of a fixed term contract only or a clause in the contract that ongoing employment is subject to maintaining work rights.

### Monitoring overtime and rest breaks

Fatigue management is monitored by the Visy executive on a monthly basis. Five criteria are monitored to ensure compliance to our policy on excessive work hours.



## Measuring effectiveness

# The importance of evaluating the impact of our actions

When assessing whether we have the right actions in place to address modern slavery in our supply chain, we consider both quantitative and qualitative factors, whether there are any gaps, and how our actions are delivering our objectives and taking us toward our target state.

### Making use of the relevant tools

Before landing on our current licensed tool set, we embarked on a discovery program of the tools available to help analyse risk in the supply chain and, in particular, our first line supply chain partners. As part of the discovery program we reviewed a number of techniques and software options, before coming to a decision. We have continued to keep ourselves abreast of developments and competitive offerings as a benchmark to having an effective toolset.

### Collaborating with others

As part of our United Nations Global Compact signatory, we have participated in the activities of the Australian user group. This forum serves to discuss the various challenges facing us all and the approaches being taken. As a benchmark this further assists us in determining whether the actions we are implementing are as effective as possible. We also undergo questioning from our various FMCG customers, again validating our actions or highlighting new opportunities to explore.

### Looking at available internal metrics and managing to targets

As part of our measurement processes we aim for 100% completion on the following measures for our operational supply chains:

- risk assessment of existing vendors;
- risk assessment of on-boarding vendors;
- investigation status for new red rated risks to the Supply Chain Risk Review Panel;
- issue of Supplier Code of Conduct to vendors; and
- covering the relevant training requirements when inducting new employees.

As part of our measurement processes we track the following measures:

- number of new vendors rejected as too high risk or would not work toward acceptable plans;
- number of new vendors conditionally approved and having up to date status on required actions;
- number of validated corrections to known situations; and
- percentage of supply chain partners accepting and returning the Supplier Code of Conduct as requested by us.

## Our Governance Board

Our plans in relation to addressing modern slavery, our supply chain review feedback and our risk results are reported to and monitored by our Independent Governance Board.

[Read an overview and composition of our Independent Governance Board on our website](#)

## Plans for 2020–2021

Subsequent to the fiscal year end, but before the reporting date, Visy acquired the shares of ACI Packaging Services Pty Ltd on 31 July 2020. This glass business was formerly owned by the Owens Illinois Group.

Our statement for FY20 consequently does not include glass making, now known as Visy Glass, but will be included in our FY21 statement.

We have commenced integrating Visy's policy and practices including new vendor on-boarding checks for Visy Glass.

## Consultation process between entities that this statement covers

The Visy executive team includes senior representatives from each of Visy's reporting entities, and they are mandated to approve actions to address modern slavery for Visy's reporting entities. The Modern Slavery Action Team and SCRRP engaged with the Visy executive team throughout the reporting period in relation to addressing the mandatory criteria of the Act, and in implementing the actions set out in this statement.

The Visy executive team were consulted in the preparation of this statement. The statement was tabled to the Visy executive team in its capacity as the principal governing body of Visy and approved by them on 16 December 2020.



**ROBERT KAYE**  
Company Secretary, Visy



# Appendix

# Appendix 1

## List of reporting entities covered under this joint statement

### Visy Entity

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Visy Industries Australia Pty Ltd

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Visy Packaging Pty Ltd

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Visy Pulp and Paper Pty Ltd

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Visy Logistics Pty Ltd

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Visy Board Pty Ltd

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Visy Board (Wodonga) Pty Ltd

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Visy Paper Pty Ltd

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Visypet Pty Ltd

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Ace Print & Display Pty Ltd

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P&I Pty Ltd

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Visy Glama Pty Ltd

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Visy Energy Pty Ltd

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Visy Recycling MRFs Pty Ltd

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Salvage Paper Pty Ltd

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Visy Recycling Australia Pty Ltd

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Regional Recyclers Pty Ltd

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Build Run Repair (Australia) Pty Ltd

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Visy Albury Pty Ltd

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PH Penrith Pty Ltd

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### STAFF NOTICE



11 February 2020

Page 1 of 2

### Modern Slavery Act 2018 (Cth)

Last year new legislation, the Modern Slavery Act 2018 (Cth) (**Act**), took effect in Australia. The main purpose of the Act is to encourage large businesses operating in Australia to adopt practices which actively identify and prevent modern slavery exploitation from occurring within their business and supply chains. In order to achieve this, the Act requires large businesses, such as Visy, to report publicly on actions taken by the business to mitigate modern slavery risks.<sup>1</sup>

Visy is committed to responsible and ethical sourcing and compliance with the Act. A team within Visy has been established to implement and oversee actions taken by Visy to review, address and mitigate the potential for modern slavery in Visy's supply chain. This modern slavery action team comprises the following representatives:

- Carlie Porteous, Manager – Fibre and Forestry Compliance
- Claire Lawford, Corporate Counsel
- Michael Eadie, General Manager - Commercial
- Ian Young, General Manager - Procurement
- David Latta, Head of Audit & Risk Management
- Louise Eckel, Head of HR Business Partnering
- Iain Harris, Executive General Manager – Operation Excellence

A key part of the initial modern slavery action plan has been the implementation of an enhanced vendor on-boarding process to include a risk assessment of each of Visy's existing and new vendors. The risk assessment is generated by third party software and is based on reviewing a number of vendor criteria, including country, industry, the age of the vendor business, and enforcements against the vendor and its directors, owners and shareholders. Any "red flag vendor" is then independently reviewed by the modern slavery action team before further engagement with the vendor (including Q+A or requests for further documentation) is undertaken. That vendor will then be on-boarded or declined.

During 2020, the modern slavery action team will be working on:

1. continued assessment of the risk of modern slavery within Visy's supply chain and recommending actions to take where "red flag" risk is identified;
2. informing and training those employees in key roles of procurement, or where employees have direct links to our supply chain;
3. ensuring Visy's internal and external policies reflect our commitments to the legislation;
4. engaging with our suppliers to ensure they understand and accept the terms of Visy's Supplier Code of Conduct; and

<sup>1</sup> 'Modern slavery' encompasses situations of exploitation where a person cannot refuse or leave work because of threats, violence, coercion, abuse of power or deception. This includes slavery, servitude, child labour, forced labour, human trafficking, debt bondage, slavery like practices and deceptive recruiting for labour or services.

# Appendix 2

## COO communication

### STAFF NOTICE



5. preparing Visy's annual modern slavery report to be submitted to the Department of Home Affairs.

A number of Visy policies currently exist demonstrating Visy's commitment to address modern slavery, namely Visy's Anti Bribery and Corruption Policy, Responsible Sourcing Commitment(s), Child and Forced Labour Policy, Whistleblower Policy and Procedure (September, 2019) and Visy's Supplier Code of Conduct. A number of these policies have been updated to reflect recent legislative changes.

All policies are available on B-Portal and the [Visy](#) webpage. Visy employees are obligated to respond to reports of Improper Conduct, including instances of modern slavery covered by these policies. Visy's confidential STOPline is available to employees and supply chain partners for reporting purposes.

Visy's modern slavery action team will continue to implement the necessary initiatives in line with our values and our commitments. I encourage everyone to support the team and the initiatives in response to an important global issue.

**Mark De Wit**  
**Chief Operating Officer**



**OUR VISION IS TO BE THE GLOBAL LEADER IN CREATING  
SUSTAINABLE PACKAGING SOLUTIONS FOR A BETTER WORLD**



**FOR A BETTER WORLD**

[visy.com](https://visy.com)