

Pact Group Holdings Ltd
ABN: 55 145 989 644

Modern Slavery Statement 2022



Pact's entities

Headquartered in Melbourne and listed on the ASX, Pact Group employs 6,000 people in over 100 locations across 15 countries. Pact has four divisions that work as one across the circular economy.

This Modern Slavery Statement ("**Statement**") covers the activities of Pact Group Holdings Limited (ABN 55 145 989 644) (a reporting entity under the Modern Slavery Act 2018 (Cth)) (the 'Act') and the following other group entities that are also reporting entities for the purposes of the Act:

Pact Group Holdings (Australia) Pty Ltd ACN 107 959 900

Pact Group Industries (ANZ) Pty Ltd ACN 147 260 848

VIP Plastic Packaging Pty Ltd ACN 095 313 705

Davmar Investments Pty Ltd ACN 609 808 095

Jalco Group Pty Ltd ACN 075 091 806

Jalco Powders Pty Ltd ACN 092 756 888

VIP Steel Packaging Pty Ltd ACN 095 314 195

Viscount Plastics Pty Ltd ACN 005 647 389

Pact Group Industries (Asia) Pty Ltd ACN 166 188 058

Skyson Pty Ltd ACN 113 852 823

as well as their controlled entities as outlined in the below section which describes our structure, operations and supply chain. For the purposes of this Statement, references to "**Pact**" are references to each of the reporting entities listed above.

Pact's commitment

Pact acknowledges and supports the need for organisations and individuals to work together in reducing and ultimately eradicating the use of modern slavery practices globally.

The purpose of this Statement is to outline Pact's approach to identify, assess, and ultimately remediate modern slavery risks in Pact's operations and supply chain, should they arise.

Pact adheres to a responsible approach in its operations and is committed to acting with integrity. Pact demonstrates the highest ethical standards across the group and is actively implementing processes to reduce the risk of all forms of modern slavery arising in the supply chain.

Pact's structure, operations and supply chain

Pact is a publicly listed company, incorporated and domiciled in Australia under the *Corporations Act 2001 (Cth)*. The group has over 6,000 employees with operations in 15 countries around the world. Pact's vision is to lead the circular economy through packaging, reuse and recycling solutions.

For the purposes of this Statement, the entities owned or controlled by the Pact reporting entities for Financial Year 2022 (**controlled entities**) are as follows:

Controlled Entities

| | | |
|---|--|---|
| Australia | | |
| Pact Group Industries (ANZ) Pty Ltd | Viscount Plastics (Australia) Pty Ltd | Skyson Pty Ltd |
| Australian Pharmaceutical Manufacturers Pty Ltd | Viscount Rotational Mouldings Pty Ltd | Brickwood (VIC) Pty Ltd |
| Pact Group Holdings (Australia) Pty Ltd | Viscount Logistics Services Pty Ltd | Brickwood (Dandenong) Pty Ltd |
| Pact Group Finance (Australia) Pty Ltd | Viscount Pooling Company Pty Ltd | Brickwood (NSW) Pty Ltd |
| Pascoes Pty Ltd | Viscount Pooling Systems Pty Ltd | Brickwood (QLD) Pty Ltd |
| Power Plastics Pty Ltd | Pact Retail Accessories (Australia) Pty Ltd | Alto Manufacturing Pty Ltd |
| Alto Packaging Australia Pty Ltd | Ruffgar Holdings Pty Ltd | Baroda Manufacturing Pty Ltd |
| Summit Manufacturing Pty Ltd | Davmar Investments Pty Ltd | Salient Asia Pacific Pty Ltd |
| Astron Plastics Pty Ltd | Jalco Group Pty Ltd | Plaspak Closures Pty Ltd |
| Sunrise Plastics Pty Ltd | Jalco Automotive Pty Ltd | Plaspak Pty Ltd |
| Inpact Innovation Pty Ltd | Jalco Powders Pty Ltd | MTWO Pty Ltd |
| Cinqplast Plastop Australia Pty Ltd | Jalco Plastics Pty Ltd | Snopak Manufacturing Pty Ltd |
| Steri-Plas Pty Ltd | Jalco Australia Pty Ltd | Pact Group Industries (Asia) Pty Ltd |
| Sulo MGB Australia Pty Ltd | Jalco Care Products Pty Ltd | Viscount Plastics (China) Pty Ltd |
| VIP Steel Packaging Pty Ltd | Packaging Employees Pty Ltd | Synergy Packaging Pty Ltd |
| VIP Drum Reconditioners Pty Ltd | Jalco Cosmetics Pty Ltd | Plaspak Management Pty Ltd |
| Vmax Returnable Packaging Systems Pty Ltd | Jalco Promotional Packaging Pty Ltd | |
| Viscount Plastics Pty Ltd | VIP Plastic Packaging Pty Ltd | |
| New Zealand | | |
| Pact Group Holdings (NZ) Ltd | Alto Packaging Ltd | Pacific BBA Plastics (NZ) Ltd |
| Pact Group Finance (NZ) Ltd | Auckland Drum Sustainability Services Ltd | Viscount Plastics (NZ) Ltd |
| Pact Group (NZ) Ltd | Viscount FCC Ltd | Stowers Containment Solutions Ltd |
| VIP Steel Packaging (NZ) Ltd | Tecpak Industries Ltd | Sulo NZ Ltd |
| VIP Plastic Packaging (NZ) Ltd | Astron Plastics Ltd | Pact Retail Accessories (New Zealand) Ltd |
| China | | |
| Guangzhou Viscount Plastics Co Ltd | Pact Group Closure Systems (Guangzhou) Co. Ltd | Dongguan Top Rise Trading Co. Ltd |
| Langfang Viscount Plastics Co Ltd | Pact Group Closure Systems (Tianjin) Co. Ltd | Regent Plastic Products Ltd |
| Changzhou Viscount Plastics Co Ltd | Pact Group Packaging Systems (Guangzhou) Co. Ltd | Ningbo Xunxing Trade Co. Ltd |
| Bangladesh | | |
| TIC Trading (Bangladesh) Ltd | TIC Manufacturing (Bangladesh) Ltd | TIC Industries (Bangladesh) Pty Ltd |
| Hong Kong | | |
| Pact Group Holdings (Hong Kong) Limited | Pact Retail Accessories (Hong Kong) Limited | Talent Group Development Ltd |
| Roots Investment Holding Private Limited | Pact Retail Accessories (Asia) Limited | Fast Star International Holdings Ltd |
| India | | |
| Pact Closure Systems (India) Private Limited | AMRS Business Services Private Limited | |
| Indonesia | | |
| PT Plastop Asia Indonesia | PT Plastop Asia Indonesia Manufacturing | |
| South Korea | | |
| Pact Group Closure Systems Korea Ltd | | |
| Nepal | | |
| Closure Systems International Nepal Private Limited | | |
| Philippines | | |
| Plastop Asia Inc | Pact Closure Systems (Philippines), Inc | |
| Singapore | | |
| Asia Peak Pte Ltd | | |
| United States of America | | |
| Pact Retail Accessories (USA) LLC | Pact Group (USA) Inc | |
| United Kingdom | | |
| Pact Retail Accessories (UK) Ltd | | |



Pact's structure, operations and supply chain

Packaging

Pact Packaging is a market leader in rigid plastic packaging in Australia and New Zealand, with a growing platform in Asia. The division has regional scale with an extensive manufacturing footprint supported by innovation and a customer-centric structure.

Reuse

Pact Reuse is the largest provider of returnable produce crate pooling services in Australia and New Zealand and the largest supplier of garment hanger and accessory reuse services globally. The Division is also a leading supplier of plastic materials handling products and custom moulded infrastructure products.

Recycling

Pact Recycling is a leading supplier of recycling and sustainability services in Australia and New Zealand.

Contract Manufacturing

Pact Contract Manufacturing is a leading supplier of services in Australia for the home, hygiene, personal care and health and wellness categories with manufacturing capability for liquid, powder, aerosol, and therapeutic nutraceutical products.

Pact's Supply Chain

Pact's supply chain primarily comprises the purchase of resin and colourants, packaging, chemicals, and steel. It also includes the purchase of transport and logistics, labour hire, machinery, and equipment, including maintenance and repair services, utilities and facilities related services such as cleaning, waste management and security, and professional services such as accounting, IT services and legal services.

Policies

Pact has a broad range of policies that support and embed our commitment to reduce the risk of modern slavery in Pact's operations and supply chain. Pact's Anti-bribery & Corruption Policy, Code of Conduct, Modern Slavery Policy, Global Procurement Policy, Supplier Code of Conduct and Whistleblower Policy provide a framework for ensuring our workforce, operations and supply chain are managed in an ethical, socially responsible and compliant manner.

Pact's Quality Policy is in place to ensure the Group continues to meet the requirements of its customers as well as meeting and exceeding international standards of responsible operation.

Pact's Modern Slavery Policy applies to all individuals who work for or on behalf of the Group, in any capacity, including employees, agency workers, contractors, consultants and any other third-party representative. The Modern Slavery Policy demonstrates the standard of conduct required by these stakeholders to reduce the risk of modern slavery in our operations and educates all staff, directors and officers about the Act, its application, and the risks of modern slavery.

During FY22, Pact introduced a new supplier onboarding process as part of its new procurement platform. The platform requires new suppliers to familiarise themselves with Pact's Modern Slavery Policy, Supplier Code of Conduct, and Anti-bribery and Corruption Policy and confirm compliance with those policies. The platform also requires new suppliers to complete Pact's Modern Slavery Supplier Questionnaire and to provide details of any policies or processes they have in place to reduce modern slavery risk.

Areas of risk

Pact's supply chain remains relatively streamlined due to the nature of its business as a supplier of sustainable packaging solutions and reuse and recycling solutions, with resin being a key raw material input for Pact's packaging division.

Due to this streamlined structure, the risk of modern slavery in Pact's direct supply chain is considered low. Temporary labour accounts for approximately 8% of Pact's expenditure with third parties, and of this, 90% remains highly concentrated across three reputable providers who have rigorous anti-slavery processes in place.

Pact acknowledges that there is a risk of modern slavery being present in its extended supply chain (including the supply chain of its controlled entities). However, Pact has also identified that the majority of its procurement does not occur in industries or countries that typically carry a high risk of modern slavery.

Pact engages with over 6000 suppliers. As can be seen from the table below, Pact sources almost 80% of its inputs from countries that carry a low risk of modern slavery according to the Global Slavery Index. Pact is committed to making a conscious effort to continue working with countries who place high value on ethical labour and human rights.

In all countries in which Pact operates, materials and labour hire are sourced locally wherever practicable. By sourcing from within the regions in which its businesses are operating, Pact has greater visibility over the organisational structure, processes and practices of its suppliers and is better placed to monitor their activities. This also ensures that Pact is well positioned to identify suppliers whose values and approach to modern slavery align with Pact's expectations.

| Pact Source of Supply - Country | % of FY22 Spend | Risk Rating |
|---------------------------------|-----------------|-------------|
| Australia* | 57% | Low |
| New Zealand* | 13% | Low |
| China* | 11% | High |
| Singapore* | 5% | Moderate |
| Thailand* | 3% | High |
| South Korea* | 2% | Low |
| Philippines* | 1% | High |
| Germany | 1% | Low |
| United States Of America* | 2% | Low |
| United Arab Emirates | 1% | Low |
| Italy | 1% | Low |
| Saudi Arabia | 1% | Low |
| India* | <1% | Moderate |
| Japan | <1% | Low |
| Hong Kong* | <1% | High |
| United Kingdom* | <1% | Low |
| Indonesia* | <1% | Moderate |
| Canada | <1% | Low |
| Netherlands | <1% | Low |
| Austria | <1% | Low |
| Nepal* | <1% | Moderate |
| Czech Republic | <1% | Low |
| Malaysia | <1% | Moderate |
| Taiwan | <1% | Low |
| Denmark | <1% | Low |
| Switzerland | <1% | Low |
| Belgium | <1% | Low |
| France | <1% | Low |
| Suriname | <1% | Low |
| Ireland | <1% | Low |
| Spain | <1% | Low |
| Vietnam | <1% | Moderate |
| Mexico | <1% | Low |
| Barbados | <1% | Low |
| Turkey | <1% | Moderate |
| Sri Lanka* | <1% | Low |
| Bahrain | <1% | Low |
| Qatar | <1% | Low |
| Bangladesh* | <1% | Moderate |
| Hungary | <1% | Low |

*Pact has operations in these countries.

Pact's actions

This section of the Statement explores the actions taken by Pact and its controlled entities during the reporting period to assess and address the risks identified above.

Pact is a signatory to the United Nations Global Compact and upholds its 10 principles, including those in relation to human rights and labour. During the reporting period, Pact took a number of actions to enhance its practices, mitigate the risk of modern slavery and improve its training and diligence processes.

Training

In FY22, Pact provided tailored modern slavery training in a series of separate sessions delivered live to the following groups:

- Key stakeholders involved in procurement, supply chain and recruitment;
- All members of Pact's Executive Leadership Team; and
- Pact's Board of Directors.

The training covered a range of topics including the nature of modern slavery and its forms, areas of risk for Pact, Pact's legal obligations in relation to modern slavery, and actions expected of the training participants in relation to identifying, addressing and remediating modern slavery risks.

Integrity and Ethical Sourcing Committee

The Committee continues to monitor and enhance Pact's practices in a range of areas including modern slavery, human rights, anti-bribery and corruption, sanctions and ethical supply chain. The Committee membership includes senior leaders of Pact who are committed to making meaningful improvements to Pact's processes. The Integrity and Ethical Sourcing Committee's meets at least quarterly and its activities include:

- evaluating risks and making recommendations as to appropriate actions to be taken in the event that modern slavery risk is identified in Pact's business or supply chain;
- identifying new opportunities to improve Pact's approach to managing modern slavery risk; and
- addressing other issues including anti-bribery and corruption risk, sanctions and ethical supply chain.

The members of the Integrity and Ethical Sourcing Committee during the reporting period include:

- the Executive General Manager of Supply Chain;
- the Executive General Manager for Asia;
- the Executive General Manager for Retail Accessories;
- the group Chief Financial Officer;

- the General Manager of Procurement;
- the General Manager of Assurance and Financial Control;
- the Group Manager Employee Relations; and
- the General Counsel and Company Secretary.

Modern Slavery Contact Officer

Pact recognises that effective grievance pathways are critical in supporting our stance against modern slavery. During the reporting period, Pact appointed a Modern Slavery Contact Officer. Pact's intranet page directs staff to the Modern Slavery Contact Officer to report or discuss modern slavery concerns.

The Modern Slavery Contact Officer is also a member of the Integrity and Ethical Sourcing Committee.

Due diligence

Pact's process of conducting tenders and requests for proposals from suppliers requires them to participate in a due diligence process, which includes completion of Pact's Supplier Questionnaire, confirmation of the supplier's compliance with Pact's Supplier Code of Conduct, and a declaration in relation to the supplier's proposed subcontracting and outsourcing arrangements.

Pact's sourcing team assesses the responses as part of their due diligence exercise and suppliers that are assessed as carrying an unacceptable risk will not be successful in proceeding to the next stage of the process unless the relevant risks are addressed. The due diligence process enables Pact to identify and manage risk in both its direct and indirect supply chains.

Pact's new supplier management platform enables Pact to identify and block suppliers at the on-boarding stage if they do not confirm their compliance with Pact's Modern Slavery Policy and complete Pact's supplier questionnaire. In addition to this, Pact continues to investigate alternative avenues (and third party sources) to further assess supplier risk and ensure it has the resources and means to identify high risk suppliers upfront.

Any modern slavery risks identified through supplier due diligence processes or other channels are to be reported to the Integrity and Ethical Sourcing Committee. In FY23, Pact will further tighten the supplier onboarding process in an effort to put a stop to engagement with suppliers who have not satisfied Pact's due diligence requirements.

Pact's procurement team has kept abreast of specific developments particularly in relation to modern slavery risks relevant to Pact's largest and most strategically significant suppliers.

Supply chain management

Pact's standard agreements for the procurement of goods and services contain provisions including:

- a. requirements that Pact's suppliers act in an ethical and socially responsible manner;
- b. requirements that Pact's suppliers become signatories to and adhere to the principles of the United Nations Global Compact;
- c. requirements that Pact's suppliers comply with Pact's applicable policies and codes of conduct;
- d. warranties that Pact's suppliers will ensure that no forced labour, slavery, servitude or similar practices are in any way involved in the supply of goods or services to Pact;
- e. warranties that Pact's suppliers will maintain appropriate policies and procedures to ensure compliance with the modern slavery legislation;
- f. warranties that Pact's suppliers will supply all information and evidence reasonably requested by Pact to demonstrate compliance with the above;
- g. the right for Pact or an independent auditor appointed by Pact to audit the supplier to verify the supplier's compliance with its warranties;
- h. the right for Pact to terminate agreements with suppliers on the basis that the supplier has not complied with its obligations in relation to modern slavery;
- i. prohibitions on outsourcing without oversight as to the employment conditions of the contractor or subcontractor; and
- j. prohibitions on subcontracting the provision of goods or services without Pact's prior written consent.

Where contracts are entered into with suppliers that are not on Pact's standard terms, customised provisions addressing modern slavery risks are incorporated into the relevant contract.

Assessing effectiveness of Pact's actions

During FY22, Pact identified that clear channels needed to be established in order for any modern slavery risk identified through its new supplier onboarding processes to be properly escalated and addressed. Pact made significant inroads into this challenge with the establishment of the Integrity and Ethical Sourcing Committee, as well as a Modern Slavery Contact Officer.

The Integrity and Ethical Sourcing Committee and Modern Slavery Contact Officer play an important role in assessing the effectiveness of actions taken by Pact in its efforts to reduce modern slavery risks in its operations and supply chain.

While Pact has developed a deeper and more mature understanding of modern slavery risks impacting its operations and supply chain over the last 12 months, and has implemented a number of new or improved processes and procedures to identify, reduce and mitigate against any risk, it acknowledges that assessment

of these processes in order to achieve continuous improvement is critical.

Currently, Pact assesses the effectiveness of its actions through various avenues - the work of the Integrity and Ethical Sourcing Committee, procurement team feedback, and management and Board evaluation.

Further to this, Pact is exploring changes to its supplier management platform which will enable it to aggregate data and measure the effectiveness of its actions (such as summarising data on supplier risk levels and suppliers that have not agreed to comply with Pact's modern slavery requirements).

Pact keeps track of employees who receive modern slavery training, which has resulted in a demonstrable increase in the level of awareness within various business areas regarding modern slavery risks and issues.

Pact's future focus



During FY23, Pact's focus will be:

1. Further training

Pact will continue to take steps to increase employee awareness and engagement regarding modern slavery. Pact will be working towards introducing an online modern slavery training module that is compulsory for all staff and included in the induction for new starters.

2. Due Diligence

Pact is exploring methods of improving the depth and coverage of supplier due diligence, including reviewing automation solutions.

3. Policies

Pact is committed to improving its current policies and regularly updating individual policies where necessary throughout the year in accordance with emerging risks and opportunities. In the new reporting period, Pact will be updating its Modern Slavery Policy.



Collaboration and engagement

This statement covers a number of entities within the Pact Group, including a number of reporting entities and owned and controlled entities.

The development of this statement was led by members of the Integrity and Ethical Sourcing Committee with input from a range of teams and functions. Relevant members of the Pact Group Executive Leadership Team also reviewed this statement, to ensure engagement from all reporting entities and core stakeholders within the Pact Group.

This Statement has been reviewed, considered and approved by the Board of Pact Group Holdings Limited.

Signed,



Sanjay Dayal

Managing Director and Group CEO
Pact Group Holdings Ltd

An aerial photograph of a coastline with a large teal circle overlay. The text "Leading the circular economy" is centered within the circle in white. The background shows a mix of dark blue water and lighter blue land with some vegetation.

Leading the circular economy

Our promise is to create a better
and more prosperous world all round.
That's our future Pact.

Let's lead the
way together.

www.pactgroup.com

