Modern Slavery Statement FY2021



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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 Modern Slavery Statement

At Visy, our vision is to be a global leader in creating sustainable packaging solutions for a better world. We remain committed to achieving this vision and to demonstrating responsible business through all Visy's operations.

We acknowledge that modern slavery continues to be prevalent in many global supply chains. As Visy continues to achieve global growth in our operations, we remain committed to ensuring that our supply chains do not include forced labour, exploitation of vulnerable workers, or child labour.

The Visy executive team is proud of the diligent work conducted by all staff involved in the Modern Slavery Action Team and the Supply Chain Risk Review Panel.

Throughout FY2021, this team continued to assess all new suppliers, including those providing goods and services to our newly integrated business division, Visy Glass. The team has worked diligently with our suppliers to ensure they meet Visy's minimum standards documented in our policy – Commitment to Responsible Supply Chains.

During FY2021, Visy continued to grow its capacity in this space despite the operational challenges of COVID-19:

- Additional resources have been allocated to the day-to-day due diligence assessment of Visy's suppliers.
- We have partnered with Sedex to provide even further oversight between Visy, its suppliers and customers on responsible sourcing indicators.
- The Visy Human Resources team continues to strengthen and internalise recruitment processes as well as third party managed employment arrangements.

Additionally, Visy commenced the process of establishing and approving its five-year strategy for Responsible Sourcing, which will see further commitment to resourcing this important business function.

As we share our second Modern Slavery Report, I am proud of the work and commitment that continues at Visy in this area. We look forward to executing our five-year strategy on Responsible Sourcing in FY2022 and growing our commitment further in this space.

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 150 sites predominantly throughout Australasia. We currently employ around 7,000 people to help create sustainable and innovative products for our customers.





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.

Our approach to ethical sourcing

We are committed to ensuring responsible, ethical and sustainable engagement with our suppliers of materials and services. We believe that the key to successful business is a collaborative approach with our suppliers, 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 (AB)
- United Nations Global Compact Australia (UNGCA)
- Sustainable Agricultural Initiative Australia
- Australian Packaging Covenant Organisation (APCO)
- Australian Council of Recycling (ACOR)
- 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



Our supply chain

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

Our primary expenditure is with Australasian suppliers 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 suppliers manufacturing in this region. Prior to engagement, every supplier we work with is requested to accept Visy's Supplier Code of Conduct. Every supplier 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 supplier risk review, the supplier is asked to provide statements on compliance to the relevant matter.



Visy's global suppliers

Top 5 Countries

Country	% of Suppliers
Australia	70%
New Zealand	13%
China	2.8%
United States	2.7%
United Kingdom	2.4%



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.

While we seek to minimise these risks through the predominant use of Australasian suppliers, we place greater attention on these areas through our supplier 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 suppliers is fully assessed in advance of trading, and to reassess risks on an ongoing basis. Following the acquisition of the former Owen-Illinois glass business in August 2020, the rapid integration and transition program saw a commonisation of systems for managing modern slavery risk. The 1,500 suppliers of the glass business were loaded into our risk assessment software as overseen by our Supply Chain Risk Review Panel.

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). We have continued to manage our supply chain in FY2021 via the 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 supplier before they are on-boarded as a supplier, and to review existing suppliers used by Visy.

Use of third-party software

Visy continues to use licenced third-party software to assist in reviewing our supply chain for modern slavery risks and to support the SCRRP. This tool assesses our suppliers against a number of different risk indexes – including country, region and industry – and 'red flags' suppliers based on internationally recognised criteria for risk.

Every Visy supplier, both existing and new, has been onboarded onto this software tool by the end of FY2021. Current screening status as at 30 June 2021 is shown in the below chart.

Visy supplier screening status



Since adopting the software, every new proposed supplier to Visy has been reviewed by the software as part of Visy's formal on-boarding process. Prospective suppliers who have been 'red flagged' by the software have been subject to a review process to address the identified risk factors to ensure suppliers are aligned with Visy's requirements for responsible and ethical sourcing prior to any on-boarding.



In FY2021, we conducted reviews of over 500 new 'red flagged' or unclassified suppliers as part of this process.

Visy also uses the third-party software to review existing suppliers. In FY2020, Visy completed a review of all existing primary material suppliers who were 'red-flagged' by the software. In FY2021, we expanded this process and commenced review of all 'red-flagged other materials' suppliers. 'Other materials' are products that support the manufacturing process of Visy's primary materials, such as ink, coatings and starch.

In FY2021, Visy also commenced using the third-party software to provide prompt notification of any change to the supplier profiles of existing suppliers – for example, a change in director, a new enforcement action against the company, or a change in the company's legal status. In FY2021, we received and reviewed approximately 200 notifications of changes to supplier profiles per month. Where the change results in an increase in the supplier's risk profile, we undertake further investigations, including a detailed review of new risks.

Visy has been a B member of Sedex since 2011. In May 2021, we extended our Sedex membership to AB, allowing Visy, as a buyer, to review our supplier's self assessments, risk ratings and any independent audits. In FY2022 we will run a program to link to key suppliers already established on Sedex and to onboard others with a prioritised focus on prime and other material suppliers.

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
- 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 continues to support actions taken within the group to comply with modern slavery legislation, including through various communications to our employees and suppliers including:

- specific communications issued by the Chief Operating Officer in 2020 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 supplier prior to formal assessment and sign-off in Visy's supplier management system; and
- formal letters to our suppliers, with Visy's Supplier Code of Conduct attached. In the communication, suppliers 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 suppliers 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 2021 prior to its submission and publication on the Modern Slavery Register, and on the Visy website.



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; and
- foreign bribery and corruption.

Over the reporting period, our 'Welcome to Visy' inductions were improved, to provide a warm welcome to our new employees and to ensure all new employees understand our policies and procedures.

We also ran a series of educational lunch and learn sessions to help our managers support our policies and procedures. Topics covered included Leading the Code of Conduct, Conducting an Investigation, Managing Mental Health, and Managing Workplace Bullying and Harassment.

The rollout of a company wide refreshed program on Respectful Workplace Behaviours commenced for all employees across the business covering workplace bullying, harassment (including sexual harassment), and discrimination.

Auditing

Formal audit programs are in place to test for compliance, as well as to review and assess the environmental aspects of each supplier 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 suppliers are based, allowing for physical site assessments to be conducted by procurement staff.

Our internal audit program contains a section covering local procurement control compliance. This program includes specific questions for country-based procurement staff about engagement with suppliers 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. As a result of COVID-19 restrictions during this period, these audits are currently being carried out through virtual 'desk' audits.



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:

Policy / Procedure	E Status
Employee Code of Conduct	Existing
Supplier Code of Conduct	Existing
Whistleblower and Improper Conduct Policy	Existing
Complaints Handling Policy and Procedure	Existing
Child Forced Labour Policy	Existing
Anti-bribery and Corruption Policy	Existing
Responsible Sourcing Commitment Policy – Fibre	Existing, reviewed
Commitment to Responsible Supply Chains	New, November 2020

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 were placed on hold in 2020 in line with our COVID-19 safe essential services manufacturing guidelines. As COVID-19 restrictions continued as an issue in Australia and New Zealand, we reverted to planning virtual audit assessments with audits of nine sites scheduled in Q4 2021.

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. All existing suppliers on Visy's database received an updated Supplier Code of Conduct in 2019, which they were requested to accept. All new suppliers also receive a Supplier Code of Conduct for acceptance.

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 suppliers prior to trading and addition to Visy's vendor database for future commercial engagement.

Should any new suppliers decline to sign the Supplier Code of Conduct, these suppliers are referred to our Legal counsel for further determination and action prior to onboarding.



Internal due diligence

Labour hire and recruitment

In FY2021, we finalised a comprehensive labour hire tender process in Australia aimed at ensuring that all of our labour hire service providers are aligned with our commitment to responsible workforce sourcing. This process included an increased focus on modern slavery risks, pre-employment checks and requirements, and compliance with workplace laws. In 2021, we expanded this tender process into New Zealand with respect to both our suppliers of labour hire workers and our recruitment service providers for permanent personnel.

Payroll and compliance

We have reviewed and invested further in people and processes to bolster our compliance across the many facets of payroll. We have invested more resources into the Payroll team, implemented a new Human Resources Information System (HRIS) and added a Payroll Compliance Manager.

Minimum ages

Visy complies with state based minimum age requirements.

Verifying work rights

Work rights checks are mandatory for all new employees in Australia. Checks for new employees are conducted by our supplier, 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

Visy recognises the potential negative health and safety consequences of working extended hours, including worker fatigue and other associated detrimental effects. We have developed a comprehensive data analytics and reporting program for managing potential fatigue risks in our workforce by monitoring potential issues, including long work hours, short rest periods, and excessive consecutive work days. These metrics, which are updated daily, are regularly reviewed by the business to ensure compliance with Visy's Fatigue Management Policy and Procedure and reported to the Visy executive team on a monthly basis.



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

In FY2021, we have reported regularly to management on the following measures:

- number of new suppliers rejected as too high risk or would not work toward acceptable plans;
- number of new suppliers conditionally approved and having up to date status on required actions;
- number of validated corrections to known situations; and
- percentage of suppliers 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

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 2nd December 2021.

ROBERT KAYE Company Secretary, Visy





Appendix



Appendix 1 List of reporting entities covered under this joint statement

Visy Entity

Visy Industries Australia Pty Ltd
Visy Packaging Pty Ltd
Visy Pulp and Paper Pty Ltd
Visy Logistics Pty Ltd
Visy Board Pty Ltd
Visy Board (Wodonga) Pty Ltd
Visy Paper Pty Ltd
Visypet Pty Ltd
Ace Print & Display Pty Ltd
P&I Pty Ltd
Visy Glama Pty Ltd
Visy Energy Pty Ltd
Visy Recycling MRFs Pty Ltd
Salvage Paper Pty Ltd
Visy Recycling Australia Pty Ltd
Regional Recyclers Pty Ltd
Build Run Repair (Australia) Pty Ltd
Visy Albury Pty Ltd
PH Penrith Pty Ltd
Visy Glass Operations (Australia) Pty Ltd
Visy Glass Australasia Pty Ltd
Visy Glass Packaging Services Pty Ltd
Visy Glass International Pty Ltd





Appendix 2 COO communication

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Appendix 2 COO communication

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Appendix 2 COO communication

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