

# 2020 SUSTAINABILITY REVIEW



Reduce



Reuse

Recycle



CIRCULAR ECONOMY

**BUILD LOCAL INFRASTRUCTURE,  
INCLUDE RECYCLED CONTENT,  
CLOSE THE LOOP!**



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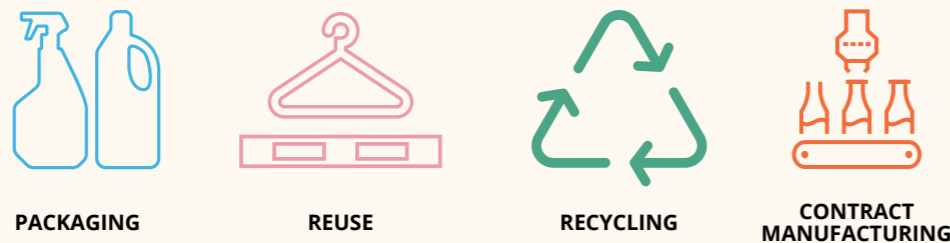
ETHICS AND  
GOVERNANCE

# PACT AT A GLANCE

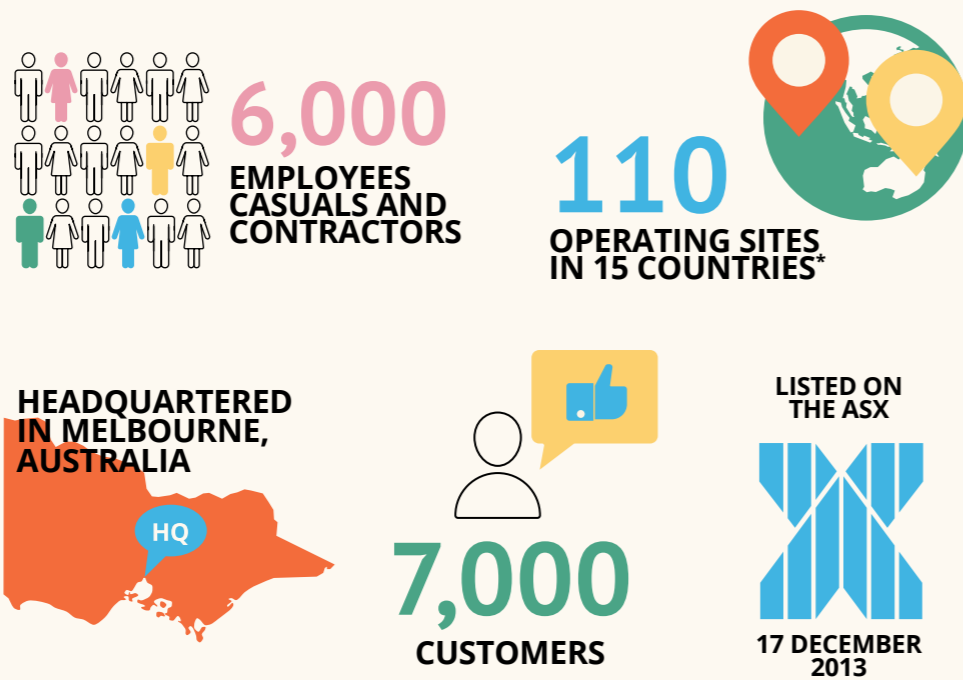
## OUR VISION

**LEAD THE CIRCULAR ECONOMY THROUGH REUSE, RECYCLING AND PACKAGING SOLUTIONS**

## OUR CAPABILITIES



## OUR SCALE



\*Australia, Bangladesh, China, Hong Kong, India, Indonesia, South Korea, Nepal, New Zealand, Philippines, Sri Lanka, Singapore, Thailand, UK, United States.

## OUR VALUES



## OUR ACHIEVEMENTS

**31%**

IN FY20 WE INCREASED THE NUMBER OF PRODUCTS WE MANUFACTURE FROM RECYCLED RESIN BY 31%



**LARGEST SUPPLIER OF REUSED HANGERS IN THE WORLD**

**LARGEST PLASTICS RECYCLER IN AUSTRALIA AND NEW ZEALAND (ANZ)**

**LARGEST PRODUCE CRATE POOL IN AUSTRALASIA**

**8 YEARS** RECOGNISED AS ONE OF AUSTRALASIA'S MOST INNOVATIVE COMPANIES

**5 YEARS** PACT'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORTING HAS RECEIVED THE 'LEADING' RATING BY THE AUSTRALIAN COUNCIL OF SUPERANNUATION INVESTORS

# A WORD FROM OUR MANAGING DIRECTOR AND GROUP CEO

**PACT IS THE LEADING PROVIDER OF SPECIALTY PACKAGING SOLUTIONS, SERVICING BOTH CONSUMER AND INDUSTRIAL SECTORS. WITH MORE THAN 7,000 CUSTOMERS, WE EMPLOY APPROXIMATELY 6,000 PEOPLE AND GENERATED MORE THAN \$1.8 BILLION IN REVENUE IN THE 2020 FINANCIAL YEAR.**

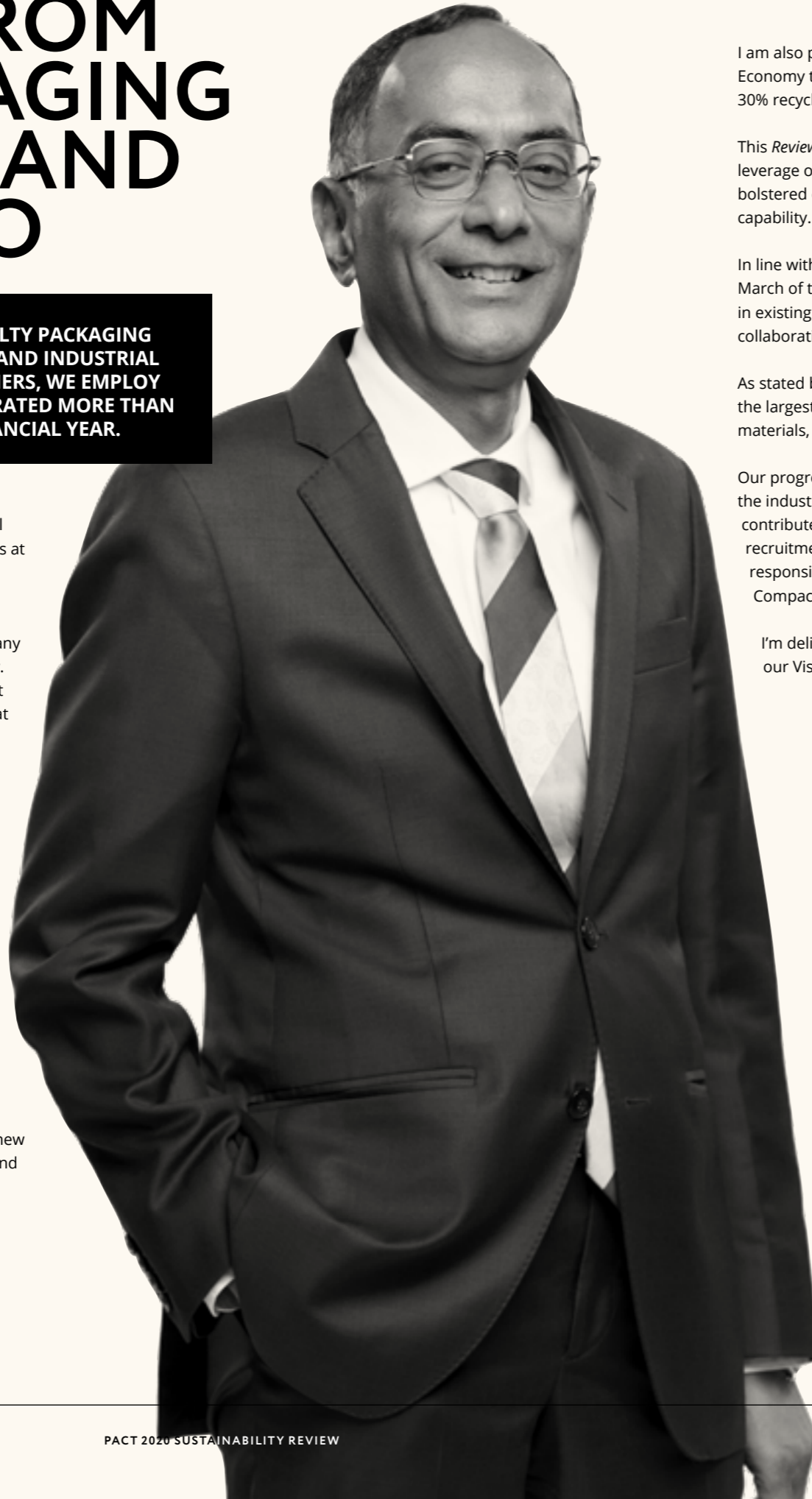
There is no doubt that FY20 has presented the entire global business community with unprecedented challenges. For us at Pact, it's been a memorable year for a number of reasons.

Firstly, and certainly most significantly, I am incredibly saddened to report that a valued team member at our Albany site in New Zealand passed away in a tragic incident in May. We have supported detailed investigations into the incident and implemented procedures to prevent similar incidents at any of our facilities in the future.

This year we also faced the challenges of the COVID-19 global pandemic. I am proud to say that our core concern in dealing with the pandemic was the physical safety and mental wellbeing of our people and their families.

As the situation evolved in Australasia earlier this year, our leadership team immediately began to develop plans to mitigate the risk of infection and transmission. Our plans were based on Government health advice, regulatory requirements, and direct feedback from our sites in Asia. A detailed account of our response is outlined within this *Review*.

I would like to take this opportunity to thank our crisis response team and all Pact employees. It was incredibly heartening to see everyone band together to adapt to the new working arrangements we introduced, to keep our teams and communities safe.



I am also pleased to report that in FY20 we refined our Vision to lead the Circular Economy through reuse, recycling, and packaging solutions, with a target of achieving 30% recycled content across our portfolio by 2025.

This *Review* outlines how we plan to achieve this target. Broadly speaking, we will leverage our unique position in the plastics value chain to drive change. This will mean bolstered efforts to collaborate with industry and government, to build local recycling capability.

In line with this, at the *National Plastics Summit 2020* held at Parliament House in March of this year, it was announced that we have committed to significant investment in existing and new reuse and recycling facilities over the next five years. This collaborative effort will underpin our vision to lead the Circular Economy.

As stated by our Chairman, Raphael Geminder at the time of making this pledge - as the largest plastics recycler in ANZ and also one of the region's biggest user of recycled materials, we have ambitions to go much further.

Our progress in strengthening our sustainability performance and driving change in the industry would simply not be possible without our people. We encourage them to contribute their different and unique views, and in-line with this we focus on strategic recruitment that will enhance our workplace diversity. We accept our role as a responsible employer and remain committed to supporting the United Nations Global Compact (UNGC) and advancing its principles through our actions.

I'm delighted to have the support of our stakeholders as we work towards realising our Vision and creating a more sustainable future.

Sanjay Dayal  
Managing Director and Group CEO

**IN FY20 WE REFINED OUR VISION TO LEAD THE CIRCULAR ECONOMY THROUGH REUSE, RECYCLING, AND PACKAGING SOLUTIONS, WITH A TARGET OF ACHIEVING**

**30% RECYCLED CONTENT ACROSS OUR PORTFOLIO BY 2025.**

“

**I WOULD LIKE TO TAKE THIS OPPORTUNITY TO THANK OUR COVID-19 CRISIS RESPONSE TEAM AND ALL PACT EMPLOYEES. IT WAS INCREDIBLY HEARTENING TO SEE EVERYONE BAND TOGETHER TO ADAPT TO THE NEW WORKING ARRANGEMENTS WE INTRODUCED TO KEEP OUR TEAMS AND THE COMMUNITY SAFE.**

”

# OUR VISION TO LEAD THE CIRCULAR ECONOMY

## OUR VISION: PACT WILL LEAD THE CIRCULAR ECONOMY THROUGH REUSE, RECYCLING AND PACKAGING SOLUTIONS

The Group seeks to deliver long-term value through focus on three core areas:

- › Strengthen the Core;
- › Expanding our Reuse and Recycling Capability; and
- › Leverage our Regional Scale

### STRENGTHEN THE CORE

To align our portfolio with strategy, strengthen the balance and turnaround and defend our core packaging business in Australia and New Zealand, the Group:

- › will leverage its technical and innovation capability and access to recycled raw materials to differentiate in the market.

### EXPAND REUSE AND RECYCLING CAPABILITY

To leverage our unique position in the plastics value chain, to expand our recycling capability and reuse platforms and to meet the growing demand for sustainable supply chain solutions, the Group:

- › will collaborate with industry and Government to build local recycling capability;
- › will expand its returnable crate pooling operations through increased conversion of single-use packaging; and
- › will expand its garment hanger reuse operations to support offshore growth.

### LEVERAGE OUR REGIONAL SCALE

To grow our Asian packaging platform, the Group will optimise its value chain through the consolidation of our regional closures platform. The Group:

- › has consolidated its regional closures network, which includes assets in Australia, New Zealand and Asia;
- › has invested in capacity expansion in Asia;
- › will leverage the platform to deliver the lowest cost of manufacture; and
- › is supporting growth in our special closures capability within Australia and New Zealand.

## PACT HAS A UNIQUE POSITION IN THE CIRCULAR ECONOMY WHICH WILL ENABLE IT TO LEAD CHANGE IN THE INDUSTRY AND DELIVER SUSTAINABLE COMPETITIVE ADVANTAGE.

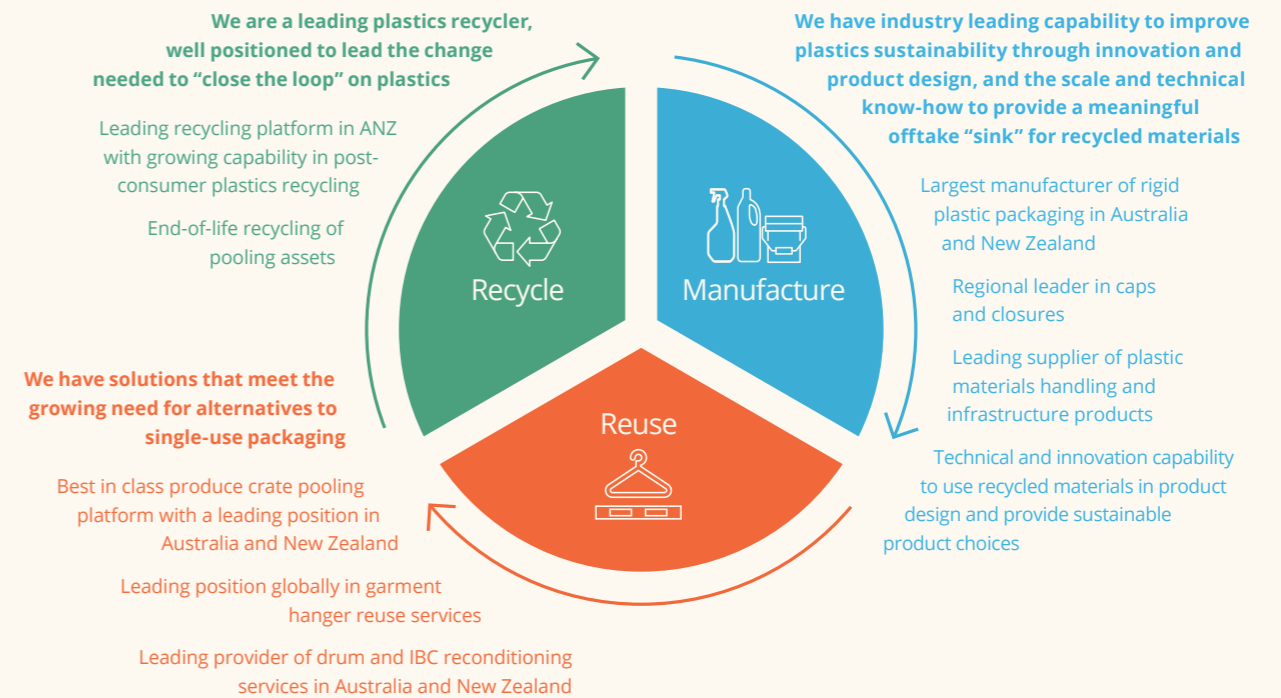
Pact has industry leading packaging capability to improve plastics sustainability through product design, and the scale to provide a meaningful offtake sink for recycled materials. We have the manufacturing and technical know-how to use recycled materials in the production process.

We have the recycling capability, with more than 20 years experience, to collaborate across the value chain to turn plastic waste into a valuable resource. We can lead the change needed to close the loop on plastics.

And we have solutions through our reuse platforms that meet the growing need for alternatives to single-use packaging.

With our existing scale and capability we have a unique position which will enable us to deliver a whole of value chain approach to change, in partnership with waste management companies and our customers. Together, we can achieve our sustainability ambitions.

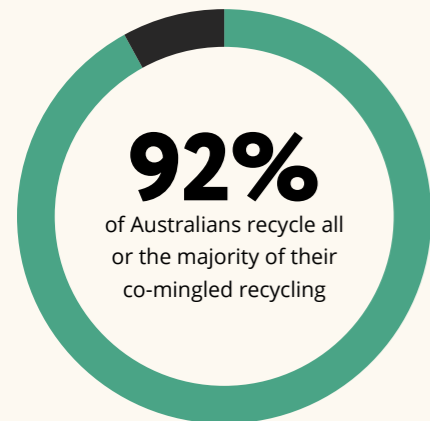
With this ability, we are well positioned to lead the Circular Economy.



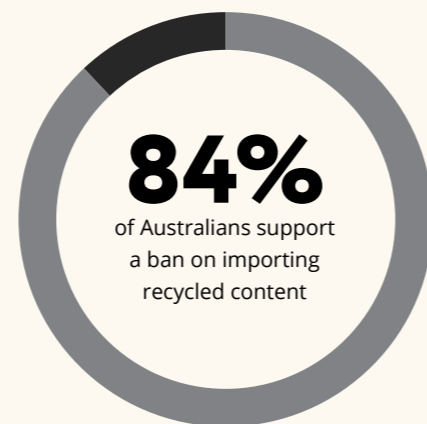
# THE SIGNIFICANCE OF THE CIRCULAR ECONOMY

CONSUMERS ARE INCREASINGLY DEMANDING SUSTAINABLE PACKAGING AND THE USE OF RECYCLED CONTENT WHICH SUPPORTS THE LOCAL CIRCULAR ECONOMY.

## AUSTRALIANS ARE GREAT RECYCLERS



## THERE IS A CLEAR PREFERENCE FOR AUSTRALIAN-SOURCED RECYCLED CONTENT



Pact Group - Attitudes to Packaging Consumer Study, Quantum Market Research; July 2020  
A nationally representative survey of n=1,000

## CASE STUDY



# INDUSTRY COLLABORATION TO GROW AUSTRALIA'S PET RECYCLING CAPABILITY BY APPROXIMATELY 50%

IN FY20 PACT, CLEANAWAY AND ASAHI BEVERAGES ANNOUNCED A JOINT VENTURE TO DEVELOP A NEW PLASTIC PALLETISING FACILITY TO CLOSE THE LOOP AND CONTRIBUTE TO A CIRCULAR ECONOMY.

“  
THE NEW FACILITY WILL SEE THE AMOUNT OF LOCALLY SOURCED AND RECYCLED PET PRODUCED IN AUSTRALIA INCREASE BY TWO THIRDS — FROM AROUND 30,000 TONNES CURRENTLY TO MORE THAN 50,000 TONNES  
”

The plant to be located in Albury (New South Wales) will draw on the expertise of each member of the joint venture, which will trade as Circular Plastics Australia (PET). Cleanaway will provide the plastic to be recycled through its collection and sorting network, Pact will provide technical and packaging expertise while Asahi Beverages and Pact will buy the recycled plastic from the facility to use in its packaging.

It is anticipated the facility will recycle the equivalent of around one billion 600ml PET plastic bottles each year. The bottles will be used as a raw material to produce new bottles plus food and beverage packaging in Australia to help close the loop on recycling.

Other major environmental benefits it will deliver include reducing Australia's reliance on virgin plastic, the amount of plastic waste sent overseas and the amount of recycled plastic Australia imports. Solar energy will power the facility.

CEO of the Australian Packaging Covenant Organisation, Brooke Donnelly said: "A huge congratulations to Pact Group, Asahi Beverages and Cleanaway on reaching this important milestone for the project. This new partnership is a real testament to the powerful impact of collaboration. By bringing together key roles within the plastic packaging supply chain, the partnership will ensure more PET plastic is collected, recycled and used again in future packaging — all the while reducing the strain on virgin materials and boosting a local economy with more jobs and greater opportunities. This industry-led, decisive leadership is fundamental to ensuring the successful delivery of Australia's 2025 National Packaging Targets".

# PACT ANNOUNCES PLANS TO LEAD THE CIRCULAR ECONOMY THROUGH A \$500 MILLION INVESTMENT PLAN AT 2020 NATIONAL PLASTICS SUMMIT



Above: Prime Minister Scott Morrison at the National Plastics Summit at Parliament House in Canberra, Monday, 2 March, 2020.

“THE FIRST NATIONAL PLASTIC SUMMIT IS ABOUT COMPANIES LEADING CHANGE, AND I APPLAUD PACT GROUP FOR THEIR SIGNIFICANT INVESTMENT IN AUSTRALIA’S RECYCLING ECONOMY AND THEIR VISION FOR CLOSING THE LOOP ON PLASTICS.”

Federal Minister for the Environment, the Hon. Sussan Ley MP



At the *National Plastics Summit 2020* held at Parliament House on 2 March 2020, Pact Group cemented its leadership position in the Circular Economy with the commitment to significant investment in existing and new facilities over the next five years, with the company working collaboratively with Government and like-minded partners to invest over \$500M.

The pledge, made by Pact’s Chairman Raphael Geminder, underpins Pact’s vision to lead the Circular Economy. This will be done through significant investments in sustainable packaging, reuse and recycling initiatives.

Packaging, reuse and infrastructure products play the most significant role in the Circular Economy as a home for the majority of plastics that are recycled. The Group is also investing further in innovation, technology and materials science capabilities to enable increased inclusion of recycled content.

“Pact is already the largest plastics recycler in ANZ and also one of the region’s biggest user of recycled materials — but we have ambitions to go much further,” Mr Geminder said.

“Our stated Vision is to include 30% recycled content across our product portfolio by 2025. Across our business, this would be the equivalent of keeping nearly two billion plastic containers out of landfill.

Federal Minister for the Environment, the Hon. Sussan Ley MP, who is hosted the *National Plastics Summit 2020*, welcomed the investment commitment by Pact.

“We need to change the ways we use and re-manufacture plastic from both an environmental and business perspective,” Ms Ley said.

Top Left: Pact’s Chairman Raphael Geminder announcing the Group’s commitment to investing \$500 Million over the next five years in Circular Economy initiatives.



# 12-21

## STAKEHOLDERS

AS OUR STAKEHOLDERS BECOME INCREASINGLY INVESTED IN ISSUES RELATED TO THE ENVIRONMENT, WE CONTINUE TO PRIORITISE OPEN AND DIRECT DIALOGUE AS A WAY OF DRIVING THE ONGOING IMPROVEMENT OF OUR SUSTAINABILITY PERFORMANCE.

We strive to lead the way in terms of sustainability in the packaging industry and in-line with this we proactively interact with a wide variety of stakeholder groups including: employees; shareholders; consumers; customers; suppliers; Government bodies; and the broader communities in which we operate.



# OUR STAKEHOLDERS

THE VALUE WE CREATE FOR OUR STAKEHOLDERS IS DIRECTLY LINKED TO OUR APPROACH TO SUSTAINABILITY AND AS SUCH WE CONTINUE TO ACTIVELY SEEK INPUT FROM KEY STAKEHOLDER GROUPS.

OUR METHODS OF COMMUNICATING TO, AND WITH OUR STAKEHOLDERS ARE DIVERSE, AS OUTLINED BELOW.

## STAKEHOLDER DIRECTLY AFFECTED

### CUSTOMERS

We service customers in the food, dairy, beverage, chemical, pharmaceutical, retail, agricultural, industrial and other sectors.

#### How we engage

- › Customer-led audits and assessments
- › Regular customer business review meetings
- › Newsletters, websites and other communications
- › Customer presentations
- › Conferences and trade shows
- › Social media channels

### CONSUMERS

The end-users of our products.

#### How we engage

- › Websites and external communication channels such as social media
- › Focus groups and consumer immersions

### EMPLOYEES AND CONTRACTORS

Approximately 6,000 employees, casuals and contractors spread across 15 countries including Australia, New Zealand and Asia.

#### How we engage

- › *Employee Engagement Survey*
- › Workplace noticeboards and Toolbox Talks
- › Regular performance appraisals
- › Site and corporate inductions
- › Company intranet and websites
- › Organisational social networking through Yammer

### SHAREHOLDERS

Comprises of institutional investors, individuals and retail shareholders.

#### How we engage

- › Websites, press releases and ASX releases
- › Face-to-face meetings
- › *Annual Report*
- › Annual General Meeting (AGM)
- › *Sustainability Review*
- › Investor presentations and webcasts
- › Mailed communication
- › Social media channels

### SUPPLIERS AND BUSINESS PARTNERS

We engage with a wide range of suppliers and business partners across the world.

#### How we engage

- › Supplier assessments
- › Newsletters and other written communications
- › Regular review meetings
- › Contract documents
- › Social media channels

## STAKEHOLDER ACTIVELY INTERESTED

### GOVERNMENT AND REGULATORS

As required, we engage with Local, State and Federal Governments, primarily regarding regulatory compliance.

#### How we engage

- › Face-to-face meetings
- › Reports, licensing and *Performance Statements*

### COMMUNITY GROUPS

Non-profit groups, program partners and communities local to our site operations. Broadly, the focus is on our operational impacts, employment opportunities, donations and sponsorship opportunities.

#### How we engage

- › Community engagement/support plans
- › *Community Giving Program*
- › Face-to-face community meetings
- › Local media

### THIRD PARTY EMPLOYEE ORGANISATIONS

We respect freedom of association and work collaboratively with employees and their representatives.

#### How we engage

- › Enterprise bargaining negotiation processes
- › Face-to-face meetings
- › Employee representation matters
- › Resolution of employee grievances and concerns



# DETERMINING OUR MATERIAL ISSUES

The material issues addressed in this *Review* are in-line with the priorities identified for Pact Group and its stakeholders, in accordance with Global Reporting Initiative (GRI) G4 requirements. They directly inform our *Sustainability Strategy*.

By identifying and taking action in response to material sustainability issues, we can create value for our stakeholders and the wider community.

Our key materiality issues are listed on pages 18 and 19.

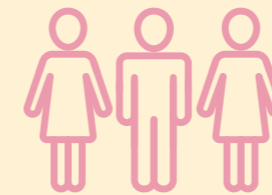
## MATERIALITY ANALYSIS

We regularly consult our internal and external stakeholders to fully understand the issues that are important to them and our business.

In determining our material issues, we consider several key factors starting with our Vision and Values and the areas of interest identified by stakeholders and the global community. In addition, we consider the influence on upstream (eg. supply chain) and downstream (eg. customers) entities.

The issues we consider to be most material to our business have been prioritised through a weighting process and form the structure of this review.

**AT PACT WE UNDERSTAND THAT OUR BUSINESS OPERATIONS HAVE AN IMPACT ON MANY PEOPLE, INCLUDING OUR EMPLOYEES, CUSTOMERS, SHAREHOLDERS, SUPPLIERS AND THE BROADER COMMUNITIES IN WHICH WE OPERATE.**



### PEOPLE

Providing an honest, safe and respectful workplace with highly-motivated and engaged talent



### ENVIRONMENT

Reducing our environmental impact



## SUSTAINABILITY STRATEGY



### ETHICS AND GOVERNANCE

Conducting our business responsibly and with integrity



### SOCIETY

Investing in programs that positively impact the societies in which we work

# KEY SUSTAINABILITY ISSUES

OUR MATERIAL ISSUES HAVE BEEN CATEGORISED INTO THE FOLLOWING SECTIONS, WHICH FORM THE STRUCTURE FOR THIS REVIEW.

## PEOPLE

|                                 | HEALTH AND SAFETY  | TALENT MANAGEMENT   | EQUALITY AND DIVERSITY   |
|---------------------------------|--|---|--|
| <b>KEY ISSUES</b>               | <ul style="list-style-type: none"> <li>Employee health, safety and wellbeing</li> </ul>  | <ul style="list-style-type: none"> <li>Employee engagement</li> <li>Talent management</li> </ul>  | <ul style="list-style-type: none"> <li>Diversity and inclusion</li> <li>Fair and equitable labour relations</li> </ul>   |
| <b>KEY INITIATIVES FOR FY20</b> | <ul style="list-style-type: none"> <li>2020 WHSE Strategy established</li> <li>Updates to Policy and Procedures</li> <li>Implementation of Group WHSE System in new acquisitions</li> <li>Implemented programs to promote Health &amp; Wellbeing</li> <li>COVID-19 response</li> </ul> | <ul style="list-style-type: none"> <li>Centralised recruitment</li> <li>Online learning opportunities</li> <li>Performance appraisals completed for all salaried employees</li> <li>Employee surveys</li> </ul> | <ul style="list-style-type: none"> <li>Board approved gender diversity targets</li> <li>Workplace Gender Equality Agency (WGEA) Compliance</li> <li>Pact Women's Network</li> <li>Flexible work practices</li> </ul> |

UN SDGs



## United Nations' Sustainable Development Goals

Our activities, informed by our material issues, are aligned with the United Nations' (UNs') Sustainable Development Goals (SDGs). We continue to monitor external trends and priorities and address these where appropriate. By mapping our activities against the SDGs we ensure our work is complementing these globally strategic priorities.

## ENVIRONMENT

| ENERGY AND EMISSIONS  | WASTE  | PRODUCT STEWARDSHIP   | SOCIAL COMMUNITY  | ETHICS AND GOVERNANCE GOVERNANCE  |
|---|--|---|---|---|
| <ul style="list-style-type: none"> <li>Greenhouse gas emissions</li> </ul>  | <ul style="list-style-type: none"> <li>Materials usage</li> <li>Waste to landfill</li> </ul>                                     | <ul style="list-style-type: none"> <li>Sustainable packaging design</li> <li>Recycling and reconditioning of products</li> </ul>  | <ul style="list-style-type: none"> <li>Investing in community initiatives and activities</li> <li>Human rights</li> <li>Supply chain</li> </ul>   | <ul style="list-style-type: none"> <li>Ethical conduct</li> <li>Taxation transparency</li> <li>Corporate governance</li> <li>Risk management</li> </ul>                   |
| <ul style="list-style-type: none"> <li>Regulatory compliance reporting including <i>National Greenhouse and Energy Reporting</i> (NGER), and <i>National Pollutant Inventory</i> (NPI) in <i>Australia</i></li> </ul> | <ul style="list-style-type: none"> <li>Ongoing waste reduction projects across sites</li> <li>Product design projects</li> </ul> | <ul style="list-style-type: none"> <li><i>Australian Packaging Covenant Action Plan</i></li> <li>Product life cycle assessments</li> <li>Innovation model</li> <li>Customer and industry collection and recycling programs</li> </ul> | <ul style="list-style-type: none"> <li><i>Community Giving Program</i></li> <li>Continued signatory status to the United Nations' Global Compact (UNGC)</li> <li>Member of local chapter of UNGC</li> <li>Site-based ethical audits and assessments</li> <li>Responsible procurement</li> </ul> | <ul style="list-style-type: none"> <li>Group Code of Conduct and Policies</li> <li><i>Tax Transparency Report</i> published</li> <li>Risk Register and program</li> </ul> |

KEY ISSUES

KEY INITIATIVES FOR FY20

UN SDGs





OUR 2025 TARGETS



# 2025 PROMISE

# END OF WASTE

WE ESTABLISHED OUR 2025 END OF WASTE PROMISE TO BECOME THE NUMBER ONE PARTNER OF SUSTAINABLE CHOICES FOR OUR CUSTOMERS.

### REDUCE

Eliminate all non-recyclable packaging that we produce.



### REUSE

Have solutions to reduce, reuse and recycle all single use secondary packaging in supermarkets.



### RECYCLE

Offer 30% recycled content across our packaging portfolio.

# FY20 KEY ACHIEVEMENTS

### REDUCE

- › In FY20, Pact decreased consumption of Polystyrene (PS) by a further 3% (181 metric tonnes). We are actively working with our customers to transition them to alternative substrates which are more recyclable or made out of recycled content.

### REUSE

- › Grew the use of Returnable Produce Crates (RPCs) in Australia's supermarket supply chain by 5.2%, and in the process reduced single-use corrugate secondary packaging by a further ~1,200 tonnes (>2,100 tonnes since FY19).
- › Launching late in 2020 Pact's Reuse division is introducing a fifth size RPC into two of Australia's major supermarkets further supporting single use corrugate conversion, in produce types such as mushrooms, stonefruit, garlic and celery that are currently in single-use corrugate box.
- › Commenced contract to supply garment hanger reuse services to a major US retailer.

### RECYCLE

- › Expanded our recycling processing capacity by ~25% (8,000 tonnes).
- › Manufactured ~22,000,000 units of packaging that had recycled content inclusion (an increase of 31% from 2019).
- › Announced Joint Venture with Cleanaway and Asahi to build a new recycling plant that will substantially increase the amount of locally sourced recycled PET produced in Australia by two thirds — from around 30,000 tonnes currently to more than 50,000 tonnes per annum.
- › Won the contracts to supply three Australian supermarket chains with rPET Moisturelock meat trays that contain Australasian post-consumer resin (PCR).
- › Launched numerous new products containing recycled content including:
  - › Surf (refer to page 70)
  - › Tressemé (refer to page 70)
  - › Dove (refer to page 71)

# 22-45



## OUR PEOPLE

At Pact we pride ourselves on our high-performance culture and consider it to be vital to our success as a business. This means we work hard to ensure our people feel motivated and empowered to perform to the best of their ability.

Centred on diversity and inclusion, our culture delivers clear benefits to the business, mainly in terms of our ability to attract, engage and retain the industry's most talented people.

# DIVERSITY AND INCLUSION

**AT PACT, WE BELIEVE THAT EMPLOYEES SHOULD BE EMPOWERED TO REACH THEIR FULL POTENTIAL, REGARDLESS OF AGE, GENDER, ETHNICITY, SEXUAL ORIENTATION, OR ANY OTHER FACTOR.**

## WORKFORCE BREAKDOWN

In FY20 we directly employed approximately 5,500 people.

Women made up 37% of our total workforce, with 34% in Australia and New Zealand, and 42% in Asia.

More than 94% of our people were employed on a permanent basis.



|                                 | FEMALE       | MALE         | TOTAL        |                            |
|---------------------------------|--------------|--------------|--------------|----------------------------|
| <b>AUS &amp; NZ</b>             | 929          | 1,991        | 2,919        | Full-time                  |
|                                 | 44           | 18           | 62           | Part-time                  |
|                                 | 69           | 49           | 118          | Casual                     |
|                                 | <b>1,042</b> | <b>2,058</b> | <b>3,100</b> | <b>Total AUS &amp; NZ</b>  |
| <b>Asia &amp; rest of world</b> | 1,019        | 1,418        | 2,437        | Total Asia & rest of world |
| <b>TOTAL</b>                    | 2,061        | 3,476        | 5,536*       |                            |
|                                 |              |              | ~1,000       | Contractors                |

\* includes EGM C&I Australia who commenced in September 2020.

IN FY20 WOMEN MADE UP

**37%**

OF OUR TOTAL WORKFORCE

## EQUALITY, DIVERSITY AND INCLUSION

A culture built on a foundation of equality, diversity and inclusion delivers considerable benefits to an organisation. At Pact we believe it is central to our ability to achieve our objectives, as it allows us to attract, engage and retain the most talented people.

Our *Diversity Policy* describes our zero-tolerance stance on discrimination and outlines our approach to creating working arrangements that cater to all our employees.

## GENDER DIVERSITY TARGETS

Increasing female representation in our workplace is our priority in respect to diversity, with a strong focus on management level roles.

The following measurable gender diversity objectives were set by the Board for FY20 to achieve this:

1. Each monthly recruitment assignment requires at least one female candidate to be recommended for interview and/or job ready process.
2. The remuneration process at Pact Group is required to deliver gender pay equity across same and similar roles.
3. Include specific questions in the next *Group Employee Engagement Survey* to quantify gender as an issue in the workplace across the Group.

We have made significant progress towards reaching our objectives and have made several key appointments of professional females into operational and managerial leadership positions during FY20.

We continue to actively source and encourage females to apply for positions at Pact.

Our annual salary review includes gender detail to enable the identification of any gender pay equity imbalance, with a view to minimising any such imbalance as part of the final approval process with the CEO.

Other initiatives include:

- › Celebration of *International Women's Day* via hosting tables at events in both Melbourne and Sydney in March 2020.
- › Silver corporate membership to National Women in Operations (NAWO) and participation at industry events continues to raise the profile of Pact.

The Group continues to lodge its annual public report with the Australian Workplace Gender Equality Agency (WGEA). WGEA has confirmed we have achieved compliance status for 2020.

## FY20 GENDER DIVERSITY OBJECTIVES

The FY21 gender diversity objectives will be set by the Board later in 2020.

## PARENTAL LEAVE

Flexible work arrangements are available as needed for those employees returning from parental leave. During FY20 more than 43,393 hours of parental leave was taken across the business.

All permanent employees, both male and female, are entitled to take parental leave once they have completed one year of service with Pact.

Return to work and retention rates of employees who took parental leave, by gender is outlined in the table below:

| PARENTAL LEAVE FY20                      | FEMALE | MALE  | TOTAL  |
|--|--------|-------|--------|
| <b>Total employees on parental leave</b> | 39     | 27    | 66     |
| <b>Returned from parental leave</b>      | 23     | 27    | 50     |
| <b>Hours of parental leave</b>           | 41,778 | 1,615 | 43,393 |



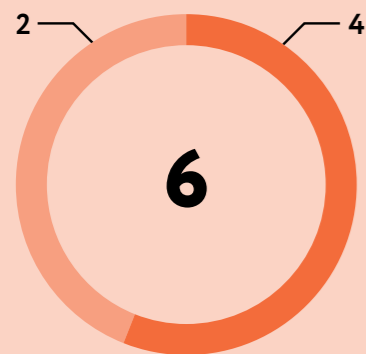
### HOURS OF PARENTAL LEAVE TAKEN ACROSS THE GROUP

FY17 — 19,000  
 FY18 — 43,000  
 FY19 — 59,000  
 FY20 — 43,393

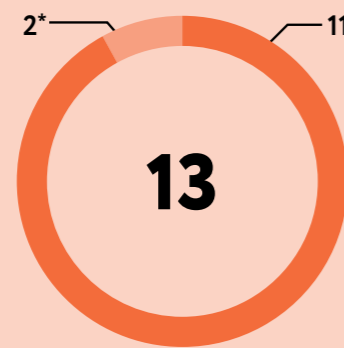


# DIVERSITY COMPOSITION ACROSS OUR BUSINESS

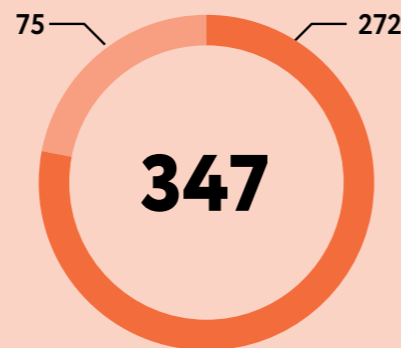
BOARD



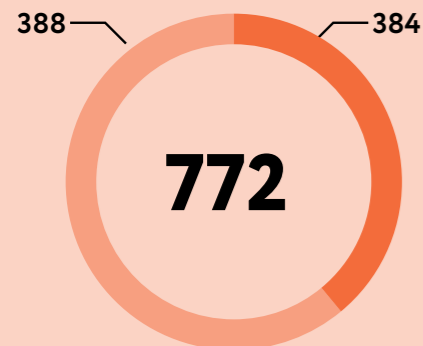
CEO AND EGMs



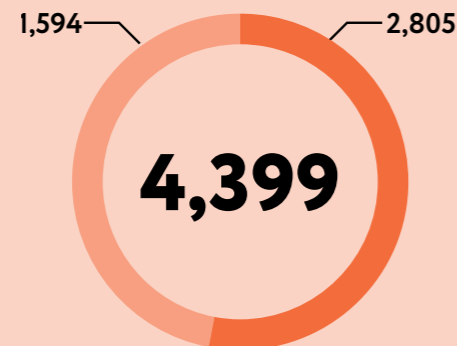
MANAGERS / SUPERVISORS



PROFESSIONALS, SALES AND ADMIN



OPERATIONS



● Female ● Male

|              |              |
|--------------|--------------|
| Under 30     | 959          |
| 30-50        | 2,980        |
| Over 50      | 1,597        |
| <b>Total</b> | <b>5,536</b> |

\* Includes EGM C&I Australia who was appointed in June 2020 and commenced in September 2020.



# #EACHFOREQUAL

**PACT IS COMMITTED TO PROVIDING OPPORTUNITIES FOR ITS EMPLOYEES TO UNITE, NETWORK AND MOBILISE FOR CHANGE. IN FY20, WE WERE EXCITED TO HAVE WOMEN FROM SOME OF OUR AUSTRALIAN AND NEW ZEALAND SITES ATTEND INTERNATIONAL WOMEN'S DAY EVENTS.**

Women from across Pact's Sydney and Melbourne sites attended lunches hosted by Business Chicks, while women from New Zealand's North Island sites attended the annual breakfast panel hosted by the Institute of Managers and Leaders ANZ.

Attendees listened to inspiring keynote speakers and had the opportunity to discuss this year's theme, #eachforequal, which recognises that everyone has the power to shape meaningful future change.

*International Women's Day* is a global day celebrating the economic, political, and social achievements of women.





# ENSURING FAIR AND EQUITABLE LABOUR RELATIONS

**MORE THAN 82% OF OUR FRONT LINE OPERATIONS EMPLOYEES IN AUSTRALIA AND NEW ZEALAND ARE COVERED BY ENTERPRISE AGREEMENTS.**

Employee rights to freedom of association and collective bargaining is something Pact has always respected, and we believe it's key to our people feeling genuinely empowered.

Our employee arrangements vary, reflecting the diversity of our working arrangements and workforce. Labour relations are central to our sense of social responsibility.

More than 89% of our operations employees in Australia, 62% in New Zealand and 3% in Asia are covered by Enterprise Agreements.

All of our contractual agreements meet the statutory requirements in relation to termination and redundancy processes. In many cases, we exceed the regulatory standards.



# TALENT MANAGEMENT

**WE OFFER LEARNING AND DEVELOPMENT OPPORTUNITIES THAT MOTIVATE OUR PEOPLE TO REACH THEIR FULL POTENTIAL.**

## CENTRALISED RECRUITMENT

In FY20, Pact successfully centralised recruitment and took ownership of the talent agenda for the Group. In addition to delivering significant cost efficiencies, this has enhanced our ability to build upon our high-performance culture, which centres on our core values of inclusion and diversity. By owning the process internally, we have tighter control of the end-to-end recruitment journey. This allows us to more accurately gauge how well a candidate's values align to our own and is a source of competitive advantage for achieving our overarching vision of leading the Circular Economy.

## PERFORMANCE APPRAISALS

All monthly salaried staff, including Executive and Senior Managers, participate in bi-annual performance appraisals that rate the achievement of goals against our plan from one to five.

The appraisal process is performed online via our Employee Central platform. Completion rates are monitored by the Human Resources department, and reported to the Functional and Divisional Executives, Managing Director and Group CEO and the Board.

Objectives are framed within the six Strategic Pillars established by the Pact Executive Leaders and are designed to ensure alignment of activity to the strategic goals of the organisation. The Strategic Pillars are:

- › People
- › Risk
- › Operational Excellence
- › Customer
- › Strategic Mergers & Acquisitions (M&A)
- › Financial

**SUCCESSION PLANNING**

A 9-Box Performance & Potential matrix has been developed and implemented for Executive and Senior Management positions.

All Executives have reviewed the 9-Box for their division or function. This process enables succession planning for key roles, as well as identification of high potential performers in the Group.

Succession plans are in place for key and critical roles.

**SURVEYS**

We believe open, honest, and respectful dialogue with our employees is essential to creating a high-performance culture. Employees are invited to participate in several surveys which aim to identify and understand potential issues and challenges throughout the life of their employment.

An *Onboarding Survey* is provided to new salaried staff at the end of their third month of employment and aims to gather information on the onboarding and induction experience to help identify potential issues with these processes.

An *Exit Survey* is provided to salaried staff who are ending their employment with Pact. This survey aims to gather information about why the employee is leaving the Group and to identify any potential issues of concern which may need to be rectified.

Our *Employee Engagement Survey* allows employees to have their say on everything from the quality of their workplace culture; their ability to collaborate with colleagues; the company's leadership quality; and broader business issues. This feedback helps to inform the programs and initiatives administered across the Group, and ultimately improve our workplace.

An *Engagement Survey* was not conducted in FY20. The next survey is planned for FY21.

**SURVEY LIFE CYCLE**



**ONBOARDING SURVEY**



**ENGAGEMENT SURVEY**



**EXIT SURVEY**



# WORKPLACE COMMUNICATION SKILLS TRAINING

**SEVEN MEMBERS OF THE ASTRON EAST TAMAKI (NEW ZEALAND) TEAM GRADUATED FROM A 12-MONTH WORKPLACE COMMUNICATION SKILLS TRAINING PROGRAM IN FY20.**

Run by Edvance, the course is designed to provide language support to employees with English as a second language while delivering developmental opportunities using a workplace context.

The training was run onsite at Astron East Tamaki and course content was tailored to our business with a strong focus on Health and Safety, Operational Efficiency, and Quality.

Learning in the workplace gives our employees skills and confidence which directly improved their operational performance and created a more positive team with better communication and workplace morale.

The course is primarily funded by the NZ Government, and Pact supports its employees by providing roughly 100 hours across the year to participate in the program.



**LEARNING IN THE WORKPLACE GIVES OUR EMPLOYEES SKILLS AND CONFIDENCE**

## EMPLOYEE DEVELOPMENT

### TRAINING AND SKILLS DEVELOPMENT

In supporting our employees to deliver the best work they possibly can, whilst realising their full potential, we deliver a variety of training and development opportunities.

Employees working onsite are offered development courses and skills training specific to their role. At the Group level, Pact utilises an online learning management system, ELMO Learning Management, to facilitate the rollout of more than 50 different training programs. These programs focus on a wide variety of areas, from compliance programs to personal development programs.

The corporate compliance programs address our obligations to create a legal and ethical workplace. Courses are mandatory for specific employees and include Company Induction (including our *Code of Conduct*); discrimination, bullying and harassment; consumer and competition training; information management; and cyber security.

Pact's personal development courses are available for learner self-selection and include skills-based courses and development.

Other workplace delivered training includes job specific skills; task instructions and processes; work health, safety and environment; operational efficiency; and quality systems training.

# ESTABLISHING PACT AS A MENTALLY HEALTHY WORKPLACE



**MENTAL  
HEALTH  
FIRST AID**  
Australia

**IN FY20 PACT COMMENCED A PILOT MENTAL HEALTH INITIATIVE TO SUPPORT A GROUP OF EMPLOYEES TO COMPLETE A MENTAL HEALTH FIRST AID (MHFA) COURSE.**

The MHFA course equips participants with the knowledge, skills, and confidence to support a co-worker, friend or family member experiencing mental health problems.

Trainees learn how to approach someone and start a safe conversation, and how to help them access the support they might need for the successful management of symptoms as part of their recovery journey.

Three Pact employees completed the two-day MHFA course with each set to complete the five-day Trainer course in FY21. On completion of the Trainer course the Pact employees will be certified to rollout the two-day training course across the Group.

## RECOGNITION OF LONG SERVICE

The contribution our employees make to the ongoing operation of Pact is significant and worthy of recognition. Long service certificates are presented to employees who have attained 10, 15, 20, 25 30 and 35+ years of continuous meritorious service.

The manager of an employee due to reach a key milestone is notified by email a month in advance of the date with a reminder to plan a suitable celebration to mark the milestone. A certificate signed by Pact's CEO is sent to the Manager on the day of the milestone and managers are prompted to post a photo of the employee receiving the certificate to Pact's enterprise wide social media platform; Yammer.

*Top: Brendan Clarke from VIP Brendale celebrated his 35 years of service anniversary with a special visit from Pact's Managing Director and Group CEO, Sanjay Dayal.*

*Middle: Jim Klaer's 45 years of service were celebrated by Pact's Managing Director and Group CEO Sanjay Dayal and his VIP Steel Truganina teammates. Congratulations Jim.*

*Bottom: Huge congratulations to Robert Etmisovski from VIP Packaging Truganina for reaching 15 years of service in FY20. They had a lovely surprise morning tea to celebrate!*



# ONGOING FOCUS ON IMPROVING SAFETY CULTURE AND PROCESS

**PACT'S ABILITY TO LEAD AND RETHINK PROCESSES HAS UNDERPINNED OUR *TOWARDS ZERO HARM* SAFETY CULTURE**

## OUR NUMBER ONE FOCUS IS THE HEALTH AND SAFETY OF OUR PEOPLE

Any sort of workplace injury is unacceptable and preventable. This is the guiding principle of our *Towards Zero Harm* safety culture, as we recognise that the wellbeing of our people is a key part of our high-performance culture.

Our leadership team is focused on our goal of *Zero Harm* and our Executive and Senior Managers believe in empowering and protecting our people by creating an injury free workplace.

## OUR SAFETY PERFORMANCE

Pact's safety performance is measured by lead and lag indicators which are recorded at site, division and Group levels. For transparency, these indicators are reported and published internally on a monthly basis via our monthly performance scorecard. We report these externally in this *Review*, and with the half-year and full-year financial results presentations.

In FY20 we increased our emphasis on leading indicators, and specifically focused on the number of hazards identified and closed for the month.

We continue to report on the lagging indicators of injury frequency rates — Lost Time Injury Frequency Rate (LTIFR) and Total Reportable Injury Frequency Rate (TRIFR).

Since simplifying the indicators we report on, a clear correlation between the increase in lead indicator reports, and the decrease in lag indicator reports can be seen.

**PACT'S *TOWARDS ZERO HARM* SAFETY CULTURE CENTRES ON OUR ABILITY TO LEAD AND RETHINK PROCESSES, ADOPTING PRACTICES THAT AIM TO ACHIEVE ZERO WORK-RELATED INJURIES.**

# FORMAL SAFETY STRATEGY KEY TO LTI-FREE MILESTONE

## OUR SAFETY PERFORMANCE *CONT.*

Our safety statistics include all reports and incidents that occur at a Pact workplace relating to permanent, casual and contracted workers. This includes all acquisitions (regardless of time since acquisition) and joint ventures (excluding Spraypac Products NZ Ltd).

To ensure that our reporting is focused on total exposure, we do not exclude specific employment types (such as contractors) and we do not break data down into gender, region or employee.

The LTIFR represents the number of lost time injuries recorded for one million hours worked, over a rolling 12-month period. This number is determined by the total number of workplace injuries that resulted in lost time during the reporting period, irrespective of when the injury occurred.

We are pleased that the LTIFR for FY20 is at the lowest level in six years, being 4.0. This is an improvement from 4.7 in FY19.

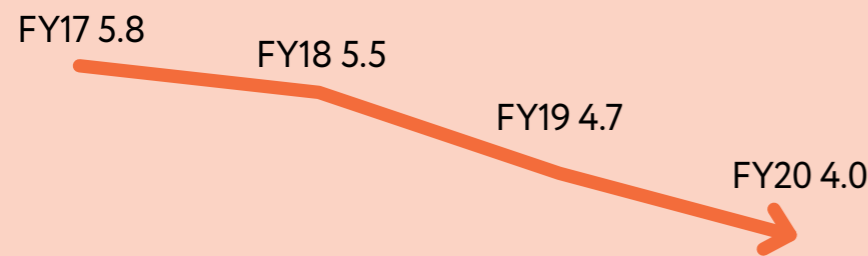
The TRIFR represents the number of lost time injuries, medically treated and restricted work injuries recorded for every one million hours worked over a rolling 12-month period. The TRIFR for FY20 is 16.5.

The Company is saddened to report one fatality during the period, which occurred during May 2020 at our Albany site in New Zealand.

Every Pact workplace is required to report all hazards and incidents via our incident management system, Velocity EHS. All lost time, medically treated, serious and restricted work incidents are investigated utilising the iCAM process. All other reported hazards and incidents (near misses, hazards or incidents) are investigated via a mini iCAM and risk assessment. These processes enable root cause identification and actionable tasks to prevent recurrence.

The Group remains focused on continued improvement in safety performance, culture and processes. Further information about our environmental performance is available on pages 48-50.

### GROUP LOST TIME INJURY FREQUENCY RATE:



**PACT'S LTIFR IN FY20 IS AT THE LOWEST LEVEL IN SIX YEARS**

\* The FY20 LTIFR and TRIFR for Australian and New Zealand sites is 5.9 and 24.4

### BRICKWOOD CHELTENHAM CELEBRATED 12 MONTHS LOST TIME INJURY-FREE IN JUNE 2020, THE RESULT OF A FORMAL SAFETY STRATEGY BEING IMPLEMENTED AT THE SITE.

In March 2019, Brickwood Cheltenham's site performance was one of the worst across the Group. It was above the Group average for both LTIFR and TRIFR and had an incident close-out rate well below the Group average.

Site Management sponsored a formal approach to addressing the safety performance and focused on five key areas:

- > Systematic approach to identifying hazards, most importantly closing out identified latent conditions.
- > Risk Assessment process implemented for plant and equipment.
- > Proactive engagement with employees and front-line supervisors supported with training and education.
- > All incidents and near misses were reported and investigated, preventing recurrence. Prevention programmes focused on controlling hazards.
- > Formal injury management programmes implemented and managed.

### VIP STEEL DEVONPORT REACH INCREDIBLE LTI-FREE AND TRIFR-FREE MILESTONES

Strong leadership and an embedded safety culture helped VIP Steel Devonport, Tasmania, achieve the incredible milestone of 14 years LTI-free and more than six years TRIFR-free in FY20.

A culture of implementing activities and working safely and proactively to look after each other is recognised across the Group and is evident to anyone who visits the site.

Congratulations to Site Manager Dennis Pearce and the Devonport team for helping Pact deliver the *Towards Zero Harm* strategy.

### ALTO PALMERSTON NORTH CLOCKS MORE THAN 3,000 DAYS OF OPERATION WITHOUT AN LTI

Alto Palmerston North, located on New Zealand's North Island, clocked more than 3,000 days of operation without a LTI in FY20.

They were applauded for their adoption and execution of new safety processes, and their unwavering delivery of fantastic quality and service to their customers.

## 2020 WORKPLACE HEALTH, SAFETY AND ENVIRONMENT (WHSE) SYSTEM

Our 2020 WHSE Strategy realigns our safety priorities and provide a contemporary focus on our safety performance. This Strategy was developed following consultation workshops with employees, an iCAM to determine what the root cause of our System failures were, and review, approval, and endorsement by the Executive Leadership Team.

Our Strategy is based on four key actions:

- › **Leadership**
- › **Management of critical risks**
- › **Implementation of Towards Zero Harm WHSE System**
- › **Resources**

We have underpinned these actions by four concepts, which are critical to the delivery.

1. The role of Leaders for WHSE – focussing on active participation by all leaders to manage hazards and critical risks and controls. This deliverable includes actions including walking the floor, engaging employees via safety conversations and championing the implementation of the safety system.
2. Consequence management — to clarify the obligations of employees and managers we have developed *Golden Rules* to simplify the *Towards Zero Harm* Framework. This deliverable also includes a continual focus on risk management and *Action Plan* review. To inform these activities, we have engaged an external consultant to conduct plant and machinery guarding risk assessments (AS4024) across all sites in Australia and New Zealand. Additionally, our internal *WHSE Audit Program* continues to review implementation of the Group WHSE System and provide improvement actions.
3. Governance and Group Risk Team (GRT) responsibility — providing clarity over the responsibilities of the Group level functional team, the GRT focus on our *Framework, Policy, Governance, Group-wide processes and systems, technical expertise, injury and premium management.*
4. Site and Divisional support—day-to-day management of safety focuses on incident and hazard reporting, technical, implementation of Group-wide Framework. A weekly *Divisional Safety Forum* provides connection and enables best practice sharing between each of the Divisions and the GRT.

Actions across all of these have commenced and will continue into FY21.

## COVID-19 RESPONSE

The physical safety and mental wellbeing of our people and their families were at the forefront of our approach to managing the ongoing COVID-19 pandemic.

As the situation evolved in Australasia in early 2020, our sites in Australia and New Zealand began to develop plans to mitigate the risk of transmission and infection. These plans were based on Government health advice, regulatory requirements and feedback from our sites in Asia (China, South Korea and Thailand) who had been actively managing the situation in the preceding months.

Our plan was based on five key messages:

- › **Social distancing — keep your distance**
- › **Personal hygiene — wash your hands**
- › **Site hygiene — cleaning surfaces**
- › **Workforce site entry requirements**
- › **Attendance — Do not attend work if you are sick or have tested results pending**

A crisis response team was formed and continue to meet weekly to monitor changing regulatory requirements, local developments in the pandemic and review our response.

We enhanced our incident reporting process to reflect COVID-19 cases. This required that any case of COVID-19 be treated as a serious incident and escalated as a matter of urgency.

We developed disciplined, Group-wide site entry and hygiene protocols. Our site entry procedure mandates temperature checks and a questionnaire by everyone attending site. This information is collated into a Heat Map and reviewed by the Site Manager. Our hygiene procedure effectively doubles the frequency of cleaning, and clearly defines where, what and how the workplaces are to be cleaned.

Appropriate and effective cleaning products and hand sanitisers were manufactured by our Contract Manufacturing division and distributed to every site in Australia and New Zealand.

Additionally, every worker received hand sanitisers for their use. As levels of community transmission have increased, and masks have become mandatory in some jurisdictions and circumstances, we are in the process of distributing reusable masks for every worker.

Communication has been key. We increased communications and awareness by hosting Webinars, circulating *WHSE Bulletins*, and sharing of awareness campaign materials, comprising of posters and computer screen savers. These materials were translated into four languages — Hindi, Mandarin, Simplified Chinese and Vietnamese to ensure all workers were able to access the information.

In parallel, to these new specific activities, our mental health program has complimented our COVID-19 response work. We know that at times of crisis, mental health is paramount and we have been very conscious of this during our response. Further details about our mental health program can be found on page 35.

To date our plans have been successful in achieving a COVID-19 safe environment. We have had less than 10 cases reported across the Group.

We continue to adapt and vary our response in different jurisdictions based on the evolving situation and health advice, to help keep our people, their families and our communities safe.



# PACT PROVIDING SUPPORT TO OUR EMPLOYEES AS AND WHEN NEEDED



**PACT IS COMMITTED TO SUPPORTING THE PHYSICAL, SOCIAL AND PSYCHOLOGICAL HEALTH OF OUR EMPLOYEES, AND TO WORK TOWARD REMOVING THE COMMON STIGMA ATTACHED TO MENTAL ILLNESS.**

In FY20, Pact once again offered the services of Converge. Converge is an Employee Assistance Program (EAP) which offers immediate confidential counselling and support to all employees across the Group in Australia and New Zealand. Details of EAP's support services were distributed to every site along with contact details.

In addition, the Workplace Health, Safety and Risk team rolled our regular *Risk Bulletin's* and *screensavers* across the business to highlight mental health during COVID-19.

Our Employee Assistance Program (EAP) is available for employees and their families in Australia and New Zealand. This service offers access to confidential and independent counselling to provide emotional, mental and general psychological support. It is intended to enhance the wellbeing of our people when they need it and to provide support which may not otherwise be available or accessible.

## WORKPLACE HEALTH AND WELLBEING

The physical, mental and nutritional health of our employees is central to our organisation. It is for this reason we take a proactive approach to promoting the importance of a healthy body, mind and lifestyle.

Our health and wellbeing activities are predominately led by sites, to ensure they are delivering relevant outcomes for specific groups of employees.



# ENABLING OUR EMPLOYEES TO STAY SAFE AND SANITISED



**TAKING CARE OF THE HEALTH AND WELLBEING OF OUR EMPLOYEES IS ALWAYS A TOP PRIORITY, BUT DURING COVID-19, IT WAS EVEN MORE IMPORTANT.**

To ensure our sites were adhering to correct and frequent hygiene practices, each site received a bulk delivery of 500ml hand sanitiser bottles and a five litre bottles of disinfectant spray.

The smaller bottles were handed out to every employee for their personal use and they were encouraged to carry it with them as they went about the daily tasks.

The five litre disinfectant Spray & Wipe was decanted into smaller bottles and placed at high traffic touch points across the factory floor and offices.

Following the initial site deliveries, every employee across Australia and New Zealand was given an additional three 50ml tubes to be taken home, placed in cars or handbags and gym bags, or given to family and friends.

These products went hand-in-hand with an extensive communications campaign educating our employees on good personal and site hygiene protocols.

*The team at Viscount Mount Wellington getting hand sanitiser and disinfectant Spray & Wipe deliveries ready to send out to our New Zealand sites.*







# 44-73

## ENVIRONMENT

Pact is dedicated to recycling and helping our customers to meet their sustainability targets. In-line with this we pride ourselves on having developed and manufactured a wide variety of sustainable packaging solutions. We remain focused on ensuring our products, services and all related activities minimise harm to the environment and consider the needs of future generations.

# ENERGY AND EMISSIONS

THERE ARE SEVERAL ENERGY SOURCES UTILISED DURING OUR MANUFACTURING PROCESSES, INCLUDING ELECTRICITY, NATURAL GAS, LPG, DIESEL AND BUTANE. ALL OUR SITES WORK TO REDUCE THE VOLUME OF ENERGY CONSUMED AND SITE-BASED EFFICIENCY PROGRAMS ARE ROLLED OUT ON AN AS IDENTIFIED BASIS.

In Australia we report our Greenhouse Gas (GHG) emissions and energy use through the National Greenhouse and Energy Reporting (NGER) Scheme. This report is externally reviewed and assured to ensure accuracy and completeness of data.

In FY20 Pact Group consumed 1,899,538 GJ of energy and emitted 293,156 tCO2e GHG emissions. The breakdown of this result is as follows:

SCOPE 1: 21,362 tCO2e      SCOPE 2: 271,794 tCO2e

## ENERGY AND EMISSION BREAKDOWN

|                             | AUSTRALIA | NEW ZEALAND | AUSTRALIA AND NEW ZEALAND (TOTAL) | ASIA AND OTHER |
|-----------------------------|-----------|-------------|-----------------------------------|----------------|
| Total energy consumed (GJ)  | 1,238,738 | 319,334     | 1,558,072                         | 341,466        |
| Total GHG emissions (tCO2e) | 225,054   | 10,225      | 235,279                           | 57,877         |
| <b>Breakdown:</b>           |           |             |                                   |                |
| Scope 1 (tCO2e)             | 17,383    | 2,949       | 20,332                            | 1,030          |
| Scope 2 (tCO2e)             | 207,671   | 7,276       | 214,947                           | 56,847         |

\* Greenhouse gas emissions were reported in accordance with the World Resources Institute (WRI) Greenhouse Gas Protocol.

\*\* Australian emission and energy content factors were derived from the National Greenhouse and Energy Reporting (NGER) (Measurement) Determination 2008 as amended.

\*\*\* New Zealand emission and energy content factors were derived from Measuring Emissions: A Guide for Organisations. 2019 Detailed Guide. Wellington: Ministry for the Environment.

\*\*\*\*Asia emission factors derived from the Department for Environment Food and Rural Affairs (DEFRA) 2019.

**COMMITTED TO REDUCING AND ELIMINATING WASTE FROM OUR OPERATIONS**

## CASE STUDY

# PLANTING A GREENER DISTRICT



IN AUGUST 2019, CSI NEPAL CO-SPONSORED AND PARTICIPATED IN A TREE PLANTING PROGRAM ORGANISED BY THE ROTARY CLUB OF HETAUDA.

Around 200 tree saplings were planted inside the Hetauda Industrial District area on the day.

The program was inaugurated by the Honourable Mayor of the District and there was active participation by members of Rotary Club and industries within the Industrial District.

# #MANILACLEANUPDAY

## CLEAN UP DAY IN NOVEMBER 2019.

Employees from Pact's Plastop Asia Inc. and Weener Plastop Inc. sites volunteered their time to participate in the Manila Clean Up Day in November 2019.

The Plastop sites were proud to be able to give back to help preserve the cities and environment in which we operate.



# MATERIALS AND WASTE

## MATERIALS

Pact manufactures and packages a diverse range of products on behalf of our customers and environmental sustainability is a key consideration for us.

Where possible and when a customer is supportive, we work to reduce the volume of raw materials utilised. For plastics-based products, resin is the primary raw material. For steel products, steel coil and tin plate are the primary raw materials. In FY20 we consumed approximately 222,000 tonnes of these materials.

Recycled resin is used in place of virgin resin, where customer requirements can be met, and product specifications allow the usage. Of all resin consumed in FY20, 6.5% (or 12,000 tonnes) was recycled resin. In addition, the Group sold a further 15,000 tonnes of recycled resin to external customers.

## WASTE

Pact is committed to reducing and eliminating waste from our operations, and this has been a primary focus of the business.

All our sites work to reduce overall waste generated by our operating processes. Every site has recycling systems in place and we work with our recycling suppliers to recycle as much waste as possible, rather than sending to landfill.

Materials we most commonly recycle include paper, cardboard, steel, plastic, used oil and steel drums and intermediate bulk containers (IBCs).

Our Sustainability Services Division collects and recycles high density polyethylene (HDPE), polypropylene (PP) and polyethylene terephthalate (PET) plastics from our sites in Australia and New Zealand. Further information about the products which Pact recycle for us and on behalf of others is available on page 64.

We recycled approximately 50% of all waste generated across the Group in FY20.

**WE HAVE AN  
ASPIRATIONAL  
TARGET TO  
INCLUDE  
30%  
RECYCLED  
CONTENT  
ACROSS OUR  
PORTFOLIO BY  
2025.**

## CASE STUDY



# OUR QUEST TO ERASE E-WASTE



**PACT WORKS WITH TES TO PROVIDE AN ENVIRONMENTALLY FRIENDLY RECYCLING SERVICE FOR ANY ELECTRONIC ITEM THAT REQUIRES DECOMMISSIONING (DUE TO AGE OR CONDITION) AND APPROPRIATE PROCESSING FOR DISPOSAL.**

TES' e-waste recycling plants utilise state-of-the-art equipment and processing techniques aimed at delivering the lowest possible environmental impact for recycled equipment while maximising recovery of commodities and raw materials for reuse.

Pact commenced work on an IT unit refresh program across Australia and New Zealand in FY20 and anticipate greater use of TES' environmental recycling services in FY21.

# PRODUCT STEWARDSHIP

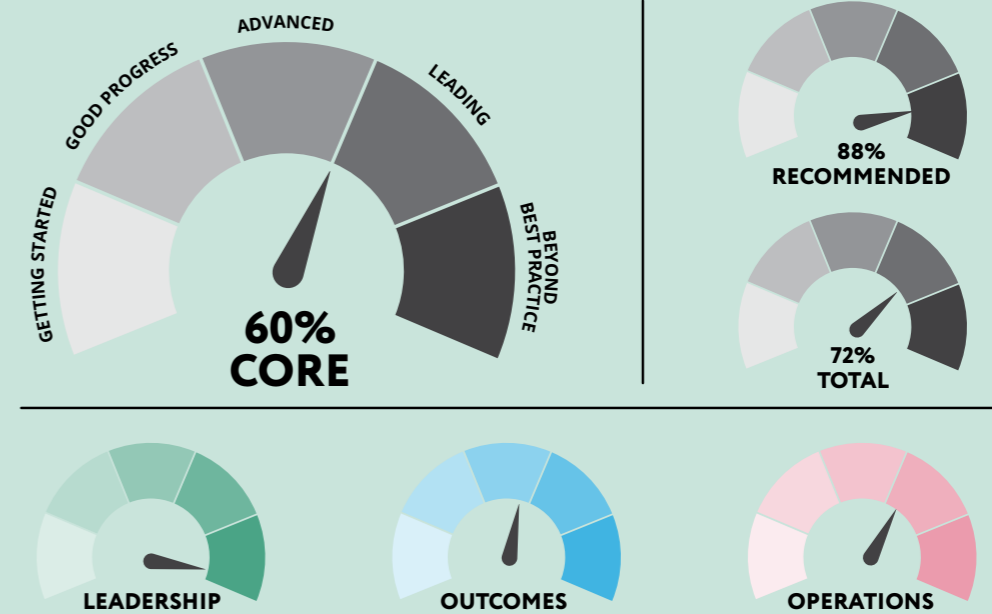
**WE FULLY UNDERSTAND THAT PACKAGING HAS A LIFE AFTER ITS CONTENTS HAVE BEEN CONSUMED AND THAT WHERE POSSIBLE, IT'S VITAL IT CAN BE REPURPOSED, RECONDITIONED, OR RECYCLED.**

Pact is a signatory to the Australian Packaging Covenant Organisation (APCO). APCO is tasked with bringing Government, industry and community groups together to fund projects that assess packaging sustainability issues.

APCO is a co-regulatory, not-for-profit organisation partnering with Government and industry to reduce the environmental impact of packaging in Australian communities. APCO sets sustainable packaging activities including sustainable design, recycling initiatives, waste to landfill reduction and Circular Economy projects.

As a member of the APCO, we are continually working to improve the sustainability of our packaging through better collaboration, improved design, and the use of more environmentally-friendly materials.

**PACT IS ACTIVELY INVOLVED IN THE CONCEPTION, DESIGN AND MANUFACTURE OF PACKAGING FOR A WIDE VARIETY OF PRODUCTS USED BY CONSUMERS.**



## APCO ANNUAL REPORT AND ACTION PLAN RESULTS

In FY20 we once again completed our annual APCO reporting requirements achieving an overall Level 3 (Advanced) performance across the seven mandatory Core Criteria.

Level 3 (Advanced) identifies Pact as a company with specific, measurable targets in place and one where data tracking shows more than 20% of products achieved their desired outcome in the 12-month reporting period.

Across the six Recommended Criteria, we achieved Level 4 (Leading) or Level 5 (Best Practice) across five of these.

In our *FY21 Action Plan* we have set ourselves the ambitious target of achieving the next Level in each Core and Recommended Criteria where we are not currently at Level 5 (Beyond Best Practice).

## LEADING THE CIRCULAR ECONOMY THROUGH MEMBERSHIPS AND WORKING GROUPS

At Pact, our Vision is to lead the circular economy through reuse, recycling and packaging solutions. We are a signatory to the Australian Packaging Covenant Organisation (APCO) and lead and influence through membership to numerous industry bodies and Government working groups.

### Membership:

- > Society of Plastics Engineers, Australia and New Zealand
- > Plastics, New Zealand
- > WasteMINZ, New Zealand
- > Technical Advisory Committee for the Australian Packaging Covenant Organisation (APCO)
- > APCO's Collective Action Group (which is addressing the Federal Government's 2025 Packaging Targets)
- > Australian Council of Recycling (ACOR)

### Working Groups:

- > Recycling Working Group for the Container Return Scheme, New Zealand
- > Priority Product Status Working Group, Agrecovery



WINNING A SUSTAINABILITY AWARD ON A WORLD STAGE UNDERPINS PACT'S STRATEGY TO LEAD THE CIRCULAR ECONOMY THROUGH REUSE, RECYCLING AND PACKAGING SOLUTIONS.



# GROUP WINS WORLD PACKAGING ORGANISATION'S GOLD AWARD IN THE SUSTAINABILITY CATEGORY

**PACT GROUP IS DELIGHTED TO HAVE WON THE GOLD AWARD IN THE SUSTAINABILITY CATEGORY FOR LEWIS ROAD'S rPET MILK BOTTLES. THE WORLD PACKAGING ORGANISATION (WPO) SUSTAINABILITY AWARD IS ONE OF FOUR SPECIAL AWARDS INTRODUCED INTO THE WORLDSTAR AWARDS' 2020 PROGRAM.**

Lewis Road's post-consumer sourced 100% recycled plastic polyethylene terephthalate (rPET) milk bottle range is an Australasian first in its category and equates to approximately 340 tonnes of plastic per annum that has been reused and diverted from landfill.

Lewis Road's rPET Milk Bottle has received numerous industry accolades over the past 18 months including winning the 2019 Australian Packaging and Processing Innovation and Design Award (PIDA's) in both the *Sustainable Packaging Design* and *Beverage* categories and a *WorldStar Award* in the Beverage category.

## SUSTAINABLE PACKAGING INNOVATION

We provide a range of sustainability, recycling and environmental services to help our customers reduce the environmental impact of their product packaging and related processes.

This means that we are not just designing packaging to suit the product, we are focused on end-of-life management, in-line with existing recycling systems, collection programs and kerbside recycling.

We are focused on utilising appropriate materials to eliminate harmful substances wherever possible.

### PACKAGING ASSESSMENTS

Pact's global design network considers the entire life cycle impact of a package including the choice of raw materials, energy, transportation configurations through to end-of-life.

We use Life Cycle Assessment (LCA) and the Packaging Impact Quick Evaluation Tool (PIQET) to perform rapid comparative environmental impact assessment of alternative designs at all stages of the design process.

## APCO'S PACKAGING RECYCLING LABEL PROGRAM

As part of Pact's commitment to APCO, Pact has joined its *Packaging Recycling Label Program*. The nationwide program will:

- › provide a way for brand owners or packaging designers and manufacturers to assess whether an item of packaging could be classified as 'recyclable' in Australia and New Zealand through kerbside collection;
- › deliver a clear, well understood on-pack label that will help consumers understand how to recycle products effectively;
- › assist brand owners to design packaging that is recyclable at end-of-life; and increase recycling and recovery rates and contribute to cleaner recycling streams.

## DRIVING RECYCLABILITY DISCUSSIONS THROUGH PREP

We increased our use of the Packaging Recyclability Evaluation Portal (PREP) Tool in FY20, completing more than 100 assessments for customers.

The Tool, which determines the recyclability of different packaging components, provides us with validated results that we can then take back to our customers to drive discussions and projects to make their packaging recyclable or more sustainable.



## REDUCE

At Pact, sustainable packaging design is a fundamental consideration when redesigning our existing portfolio and for all new product development.

We strive to design products and packaging with improved or enhanced technical performance, delivering the lowest possible environmental impacts and helping consumers make environmentally-friendlier choices.

## LIGHT-WEIGHTING

Light-weighting, sometimes referred to as thin walling or down gauging, is the process by which existing packaging is adjusted and/or redesigned to reduce its overall weight without compromising its structural integrity and quality.

At Pact, we continue to invest in raw material, tooling, and technological innovation to produce even lighter packs that offer the same or improved technical performance whilst simultaneously reducing our environmental impact.



**PACT HAS SUCCESSFULLY LIGHT-WEIGHTED A MAJOR NEW ZEALAND SUPERMARKET CHAINS' TWO LITRE HOME BRAND MILK BOTTLES BY**

**12%**

**BASED ON THEIR ANNUAL VOLUMES, THIS FIVE GRAM PER BOTTLE REDUCTION EQUATES TO SAVING 80 TONNES OF VIRGIN HIGH DENSITY POLYETHYLENE (HDPE) PER ANNUM.**

**THE ENVIRONMENTAL SAVINGS GENERATED BY THIS INITIATIVE ARE EQUIVALENT TO PLANTING**

**291 TREES PER ANNUM.**

# EXPANDING OUR REUSE SOLUTIONS

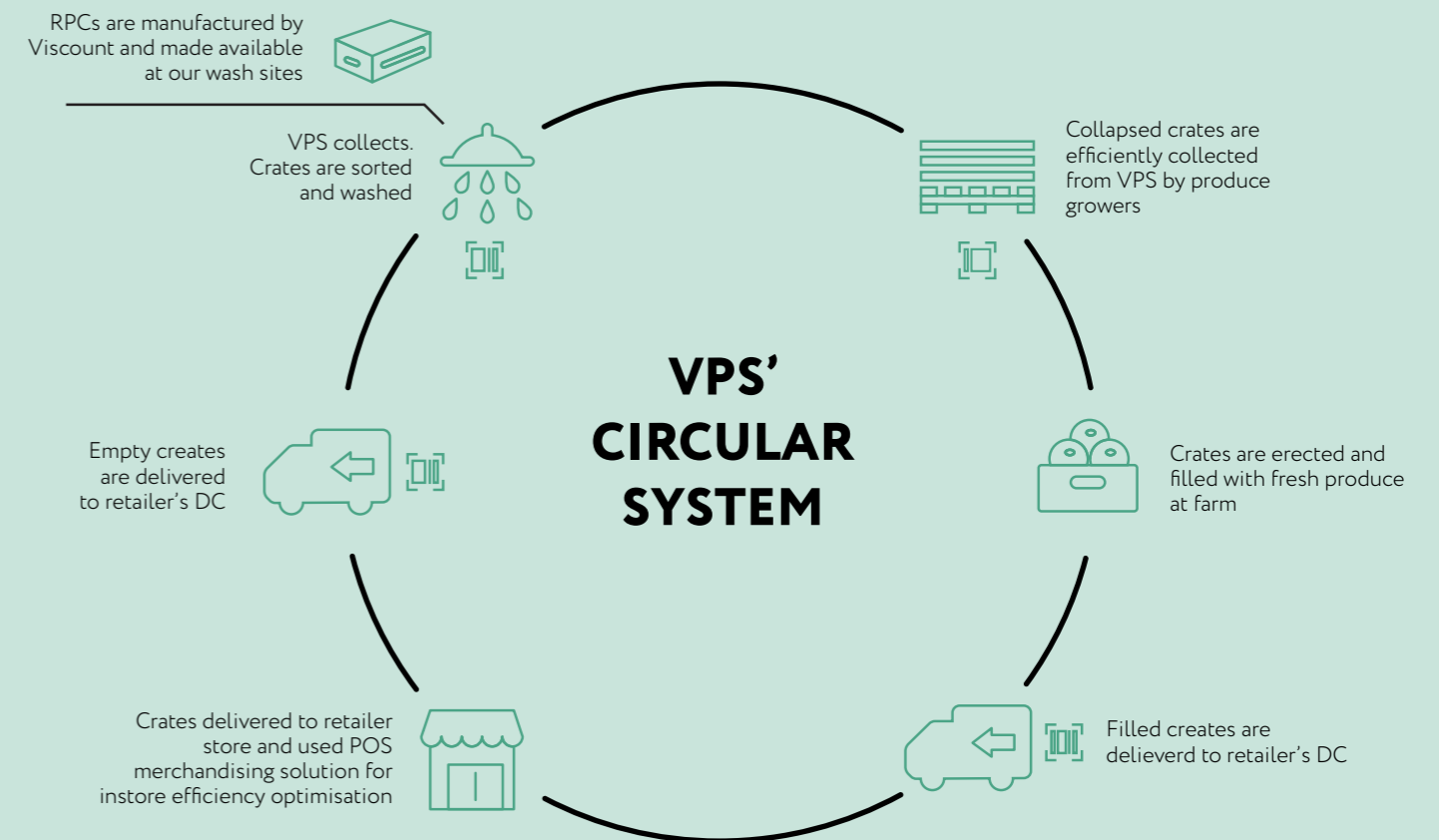
## POOLING

Pooling is the provision of returnable assets for shared use by customers throughout the supply chain. Pooling fresh produce crates eliminates the need to use single-life packaging such as corrugate boxes. By using our pooled assets and sustainability solutions, our customers' supply chains become more efficient in terms of cost and use of natural resources.

## CRATE POOLING

**VISCOUNT POOLING SYSTEMS (VPS) MANUFACTURE AND SERVICE REUSABLE PLASTIC CRATES TO ACHIEVE A WORKING CIRCULAR WASTE ECONOMY.**

VPS partner with two of Australia's largest retailers and Australia's fresh produce growers to replace 150 million single used boxes with circa five million reusable plastic crates. These crates can be reconditioned up to 14 times a year (the fastest cycle time in the world) and will last up to 10 years. Pact's Sustainability Division, Astron recycles the crates at the end of their life into industrial products such as underground cable covers and telecommunication pits.

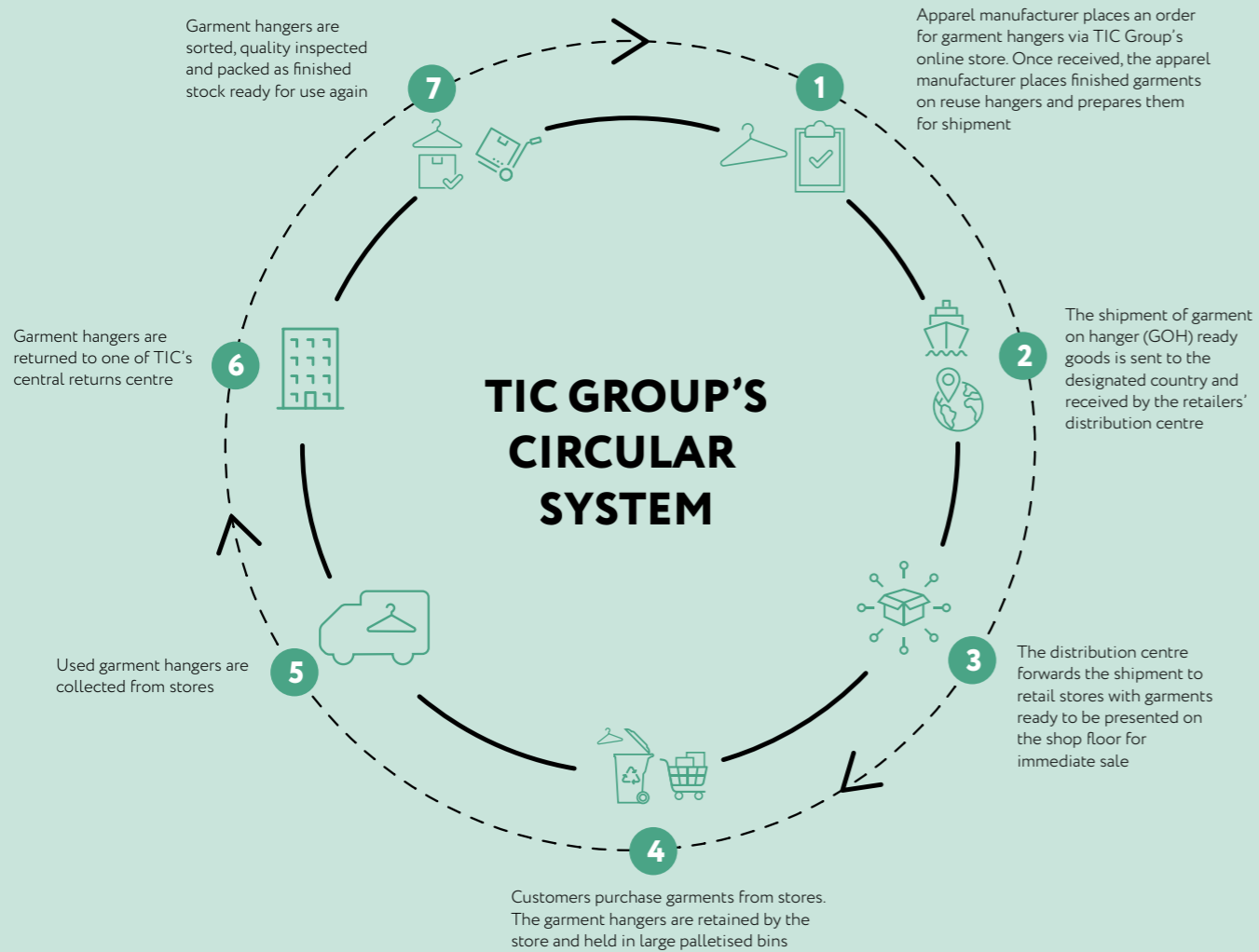




## GARMENT HANGER REUSE

**TIC RETAIL ACCESSORIES IS A PROVIDER OF INNOVATIVE AND SUSTAINABLE CLOSED-LOOP PLASTIC GARMENT HANGER AND ACCESSORIES REUSE SERVICES.**

TIC transformed the garment hanger industry from a linear (make, use, dispose) to a circular closed-loop system whereby the hangers are reused multiple times and then recycled at end-of-life into industrial products.



## RECONDITIONING

### Intermediate Bulk Containers (IBCs)

Supporting our new IBC manufacturing capabilities, Pact also offers reconditioning and laundry services to help extend the life span of IBCs without compromising their quality. In FY20, Pact collected more than 180,000 used IBCs for reconditioning. Our national collection and buying services provide our customers a truly cost-effective and complementary alternative to new packaging.

### Drums

Pact also provides compliant collection, reconditioning and drum disposal services for both steel and plastic drums. Reconditioning provides a cost-effective and complementary alternative to new packaging. In the past 12 months, Pact has collected almost one million used drums for reconditioning with 80% of these reconditioned into good-as-new drums for reuse and the remaining 20% sent to steel recyclers.





# JOINT VENTURE WITH AUSTRALIAN RECYCLED PLASTICS (ARP)

## EXPANDS PACT'S RECYCLING CAPACITY OF LOCALLY SOURCED POST-CONSUMER RECYCLED RESIN

### RECYCLE

Pact Group is the largest plastics recycler in Australia and New Zealand (ANZ) and last year processed more than 28,000 tonnes of plastic waste. From this, more than 27,000 tonnes was converted into recycled resin pellets or products made from recycled material. The recycled resin replaces virgin resin in the manufacturing process within Pact and other plastic manufacturers throughout Australasia.

At Pact, we make sure that what we manufacture is suitable for existing recycling systems, collection programs and kerbside recycling. In doing this we select the most appropriate materials and focus on eliminating harmful substances.



**IN FY20 PACT SIGNIFICANTLY EXPANDED ITS CAPACITY TO PROCESS AND RECYCLE LOCALLY SOURCED POST-CONSUMER RESIN THROUGH A JOINT VENTURE WITH ARP. LOCATED IN NARRABRI, NEW SOUTH WALES, ARP PROCESS KERBSIDE COLLECTED POST-CONSUMER MATERIALS INTO HIGH QUALITY WASHED FLAKE.**

The joint venture enables Pact to offer our customers substantial volumes of recycled polyethylene terephthalate (rPET), recycled high density polyethylene (rHDPE) and recycled polypropylene (rPP) for inclusion in our broad range of packaging including food, bottles, personal care, household and industrial products.

Pact Sustainability Executive General Manager Andrew Smith said: "Recycling post-consumer waste is more challenging due to the level of contamination in the waste stream and level of processing required to be able to create high quality recycled food grade resin. Our increase in volume of locally sourced and processed post-consumer recycled resin demonstrates our considerable progress towards achieving the Group's 2025 *End of Waste Promise*, a pledge centred on leading the industry toward a Circular Economy".



# PACT BECOMES A PLATINUM MEMBER OF ACOR

**IN FY20, THE AUSTRALIAN COUNCIL OF RECYCLING (ACOR) ANNOUNCED PACT'S RECYCLING DIVISION, ASTRON SUSTAINABILITY, AS A PLATINUM MEMBER.**

Astron's application for the top tier membership was accepted by ACOR, the national peak body for the recycling and resource recovery industry.

Astron supplies recycled resin to the broader Pact Group for inclusion into a broad range of packaging including food-grade applications such as milk bottles and meat trays, non-food grade applications such as household and personal care products and industrial products such as freeway noise walls, wheelie bins, underground cable covers, cubes, drums, pails, trays, jerrycans, crates and communication pits.

"ACOR is serious about providing innovative solutions to grow Australia's domestic recycling and reuse industry, and that's why it's exciting to welcome Astron as our eighth Platinum Member," ACOR's President Peter Tamblin said.

"Astron's innovation and leadership in plastic resin recycling and manufacturing is a perfect fit for ACOR. We are committed to increasing the use of recycled content in the manufacture of new products, and so is Astron," Mr Tamblin said.

With manufacturing facilities in Auckland, Brisbane, Melbourne, Perth and Sydney, and a team of more than 350 employees, Astron Sustainability has been widely recognised by Governments and stakeholders as a major contributor to the Circular Economy.

"The need for partnership and collaboration is crucial to that, and that's why it's good to be part of the ACOR fold," General Manager Astron Andrew Smith said.

"It's a message to our stakeholders — customers, Government, supply chain partners and consumers that we are strong believers in recycled content manufacturing here in Australia and want to work with all of them to achieve the best results in this growing area.

We know our customers are increasingly looking to include locally-sourced, post-consumer resin in food-grade packaging and we are proud to be rapidly expanding our capacity. It is an exciting time to be involved in this industry," Mr Smith said.

“ACOR IS SERIOUS ABOUT PROVIDING INNOVATIVE SOLUTIONS TO GROW AUSTRALIA'S DOMESTIC RECYCLING AND REUSE INDUSTRY, AND THAT'S WHY IT'S EXCITING TO WELCOME ASTRON AS OUR EIGHTH PLATINUM MEMBER”

*Acor's President Peter Tamblin.*



## CUSTOMER AND INDUSTRY WASTE COLLECTION AND HARD RECYCLING SERVICES

### drumMUSTER

In FY20 the Group collected 550,000 plastic drums (approximately 547 tonnes of material) as a participant in the national drumMUSTER recycling program.

drumMUSTER is an Australian product stewardship program that is supported by chemical manufacturers and industry stakeholders to collect and recycle eligible containers.

Prior to the program, these containers were typically sent to landfill or burned/buried on farms. Since its inception in 1998, drumMUSTER has recycled more than 35.6 million containers. These hard to recycle products are either impractical or too expensive to collect via traditional networks. By diverting this waste from landfill and reprocessing it, Pact minimises the loss of valuable resources.



DRUMMUSTER HAS RECYCLED MORE THAN **35.6 MILLION** CONTAINERS



← *Caption: in February 2020, Pact Group's Executive General Manager Sustainability, Andrew Smith, and Paintback CEO, Karen Gomez met with Federal Environment Minister, The Hon. Sussan Ley, at the Australian Chamber of Commerce & Industry networking function to highlight the Paintback Product Stewardship Program.*

# PAINTBACK PARTNERSHIP

## PAINT NOT, WASTE NOT

As Federal and State governments grapple with challenges in the waste and resources recovery sector, Paintback stepped up its position as a leading product stewardship scheme and a voice for industry by formalising a new industry-led closed-loop partnership in June 2020.

The new partnership brings together Pact Group's Sustainability Division, Astron, and Paintback, who is undertaking a joint initiative, with the Australian paint industry, including Dulux, Haymes and Taubmans, and Wattyl to make a circular economy product a reality.

Building on the existing Paintback model, consumers return their unwanted pails to collection sites or events across Australia. Recycling these pails is challenging because of the way paint coats the container.

After collection, the liquid paint is separated and the remaining pails are washed and shredded by the collection contractor. Paintback then sends this material to Astron for further specialist treatment to meet recycling quality requirements.

At the Astron site the shredded pail material is washed again before being granulated, which is then washed a further time. The granulated and

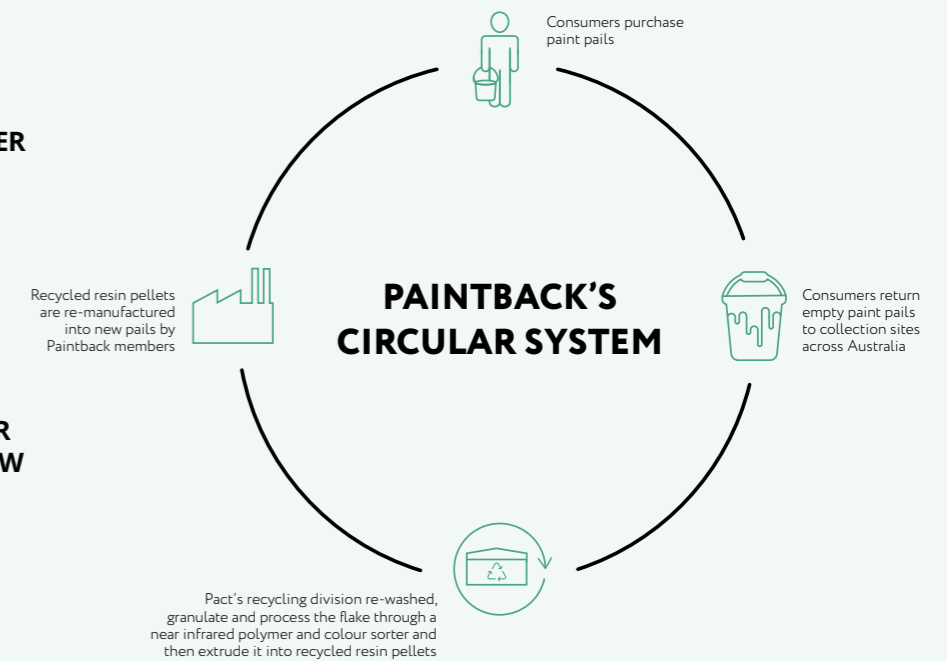
washed flake is processed through the near infrared polymer and colour sorter before it is extruded to resin pellet ready for re-manufacture into new pails for the Paintback members.

**THROUGH THIS PARTNERSHIP, PAINTBACK, AND ASTRON HOPE TO COLLECT AND RE-PROCESS OVER**

**400 TONNES**

**OF USED PLASTIC PAINT PAILS FOR RE-MANUFACTURE BACK INTO NEW PAILS, REDUCING THE AMOUNT OF VIRGIN RESIN NEEDED.**

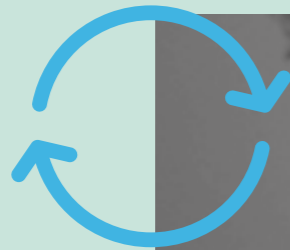
With strong consumer participation in Paintback, this new partnership is a great demonstration of supply chain collaboration with an industry-led circular solution to a significant recycling challenge.



# A COLLECTIVE FIRST FOR THE YOGHURT CATEGORY

## RECYCLED CONTENT

Incorporating recycled content into plastic packaging is one of the best tools at our industry's disposal to forge a Circular Economy. Pact continues to work on the development of packaging that incorporates recycled material, diverting used plastic from the waste stream and landfill.



### PACT GROUP WORKED WITH THE COLLECTIVE TO LAUNCH THE FIRST YOGHURT BOTTLE IN NEW ZEALAND THAT INCORPORATES RECYCLED CONTENT INTO ITS PACKAGING

In FY20, Pact Group was proud to work with one of New Zealand's most innovative food businesses, The Collective, to launch the first yoghurt bottle in New Zealand that incorporates recycled plastic polyethylene terephthalate (rPET) in its packaging.

As part of The Collective's sustainability journey to reduce its environmental impact, its kefir probiotic yoghurt is the first of its products to hit the shelves with recycled plastic packaging.

The Collective Marketing Director Angela Lewis said: "People want more environmentally-friendly options and ways to reduce their own personal impact. This bottle change aims to reduce the amount of new plastic created by over 35 tonnes a year."

Angela went on to say "This is the next step in our sustainability journey, and we are committed to doing more in this area. To highlight the change, we've even made the bold move to update our logo on the bottles to make it even easier for people to spot it on shelf."

Pact Group calculates that now The Collective has moved to using recycled plastic in its kefir bottles, 98 tonnes of CO2 emissions will be saved each year.

# SURF UPS ITS USE OF RECYCLED CONTENT

UNILEVER'S 35% rHDPE SURF LAUNDRY LIQUID BOTTLE

In FY20, Pact commenced manufacturing Surf's new one litre bottle made from 35% post-consumer sourced recycled High Density Polyethylene (rHDPE).

Substituting to rHDPE saves 34.8T of CO2 emissions per year and is the equivalent to planting 52.17 trees per year.

THE USE OF rHDPE SAVES MORE THAN OF

**44 TONNES** OF VIRGIN HDPE PER ANNUM.



# THE DOVE DIFFERENCE UNILEVER'S 50% rHDPE DOVE BODY WASH BOTTLES

IN FY20, PACT LAUNCHED A NEW 350 ML BOTTLE MADE FROM 50% POST-CONSUMER SOURCED RECYCLED HIGH DENSITY POLYETHYLENE (rHDPE) FOR UNILEVER'S DOVE BRAND.

THE USE OF rHDPE SAVES MORE THAN OF

**11 TONNES** OF VIRGIN HDPE PER ANNUM.



# TRANSITIONING TRESEMMÉ TO rHDPE

In FY20, Pact transitioned TRESemmé's 900ml Shampoo and Conditioner bottles from virgin HDPE to 50% rHDPE.

THE INCLUSION OF 50% rHDPE EQUATES TO REPURPOSING MORE THAN **86 TONNES** OF POST-CONSUMER HDPE PER ANNUM.



# PACT WINS THE HEALTH, BEAUTY & WELLNESS CATEGORY

AT THE 2020 AUSTRALASIAN PACKAGING INNOVATION & DESIGN (PIDA) AWARDS

OVER THE PAST 18 MONTHS, PACT GROUP HAS WORKED WITH EARTHWISE TO LAUNCH A POST-CONSUMER SOURCED (PCR) 100% rPET BOTTLE RANGE FOR THEIR GLOW LABS BRAND. THE NEW RANGE (BODY WASH, HANDWASH, SHAMPOO, CONDITIONER) CONSISTED OF SEVEN 100% rPET BOTTLES AND REPLACED THE FORMER VIRGIN PET DESIGNS.

After converting to recycled rPET, Pact Group was able to further light-weight Glow Lab's amber bottles by an average of 27% (approx. 37 tonnes per annum). Based on Glow Lab's volumes, this equates to approximately 130 tonnes of plastic that has been reused and diverted from landfill.

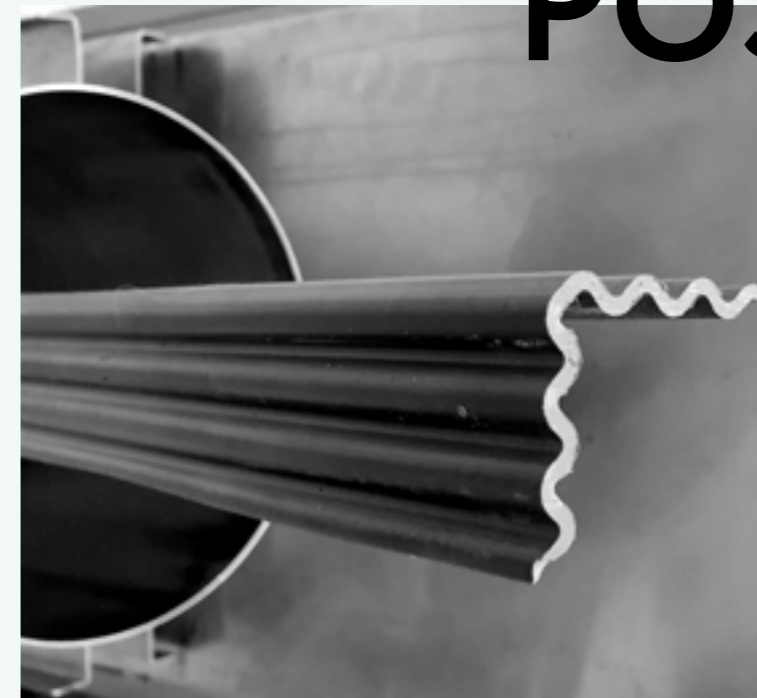
Pact also received the *Silver Award in the Sustainable Design* for Earthwise's brand of PCR 75% rHDPE household cleaning range.

The *PIDA Awards* recognise companies and individuals who are making a significant difference in their field across Australia and New Zealand. All entries are judged on Sustainable Packaging Design considerations and what packaging changes they are undertaking to meet the *2025 National Packaging Targets*.

The *PIDA Awards* are the exclusive feeder program for Australia and New Zealand for the prestigious *WorldStar Packaging Awards* run by the World Packaging Organisation.



# CUTTING CORNERS IN THE BEST POSSIBLE WAY



Two of Pact's New Zealand sites, Astron East Tamaki and Alto Henderson have designed and manufactured a corner board made from 100% recycled High-Density Polyethylene (rHDPE) to replace the current single-use cardboard product used across the Group.

Corner boards are used to protect palletised cartons of product from transit damage in the supply chain.

The rHDPE is sourced from post-consumer collected recyclables, end-of-life IBCs; drums returned through New Zealand's *Agrecovery* program, as well as waste collected across Pact sites.

Testing has shown the new corner board is impervious to moisture and humidity; is cost competitive, and due to its unique corrugated profile, it is also stronger than the cardboard product making it ideal for reuse.

The two sites are currently exploring opportunities across the Group and with customers which should exponentially expand the volume.

ALTO HENDERSON WILL REPLACE AROUND

80,000

CARDBOARD CORNER BOARDS PER YEAR WITH THE rHDPE PRODUCT CONSUMING ~40 TONNES OF RECYCLED HDPE.



# 74-87

## OUR SOCIETY

At Pact we believe in giving generously where we can and we encourage this within our people. We support a wide variety of initiatives aligning with our core product and service offering, as well as our geographic footprint.

As a multinational company we believe in the value of community engagement at a local level and this is reflected in the many different causes we support.

# INVESTING IN COMMUNITY INITIATIVES AND ACTIVITIES

**PACT IS A GLOBAL COMPANY, OPERATING IN 15 COUNTRIES. WE ARE COMMITTED TO SUPPORTING INITIATIVES AND ACTIVITIES THAT FOSTER POSITIVE CONNECTIONS BETWEEN OUR EMPLOYEES, CUSTOMERS AND THE COMMUNITIES IN WHICH WE OPERATE.**

## COMMUNITY GIVING PROGRAM

At Pact, we actively encourage a spirit of generosity in our employees. Our *Community Giving Program* provides opportunities for employees to give back to charity groups they are passionate about, or personally connected with, in four ways:

1. In-kind equipment and product donations.
2. Financial donations to charity partners with a purpose that strives to create lasting social change.
3. Monetary donation matching of personal employee fundraising contributions.
4. Corporate sponsorship.

Given the breadth of Pact's community programs and initiatives, we do not quantify the percentage of Group operations with implemented community engagement, impact assessments and development programs. We do acknowledge this position may change in future years as Group projects evolve.

# ORANGE SKY AUSTRALIA



**PACT WAS PROUD TO SUPPORT ORANGE SKY AUSTRALIA FOR THE SECOND YEAR RUNNING IN FY20.**

Orange Sky Australia helps to positively connect people experiencing homelessness through free laundry, showers and conversation.

Orange Sky operates 248 shifts from 27 vehicles in 22 cities every week around Australia. To date, its provided 109,812 loads of washing, 9,952 warm showers and 175,957 hours of genuine and non-judgemental conversation.



**PACT'S DONATION SUPPORTED**  
**~100**  
**PEOPLE WITH CLEAN CLOTHES, WARM SHOWERS AND NON-JUDGEMENTAL CONVERSATIONS.**





Australia's  
Biggest  
Morning  
Tea

## AUSTRALIA'S BIGGEST MORNING TEA

**AUSTRALIA'S BIGGEST MORNING TEA IS CANCER COUNCIL'S MOST POPULAR FUNDRAISING EVENT AND THE LARGEST, MOST SUCCESSFUL EVENT OF ITS KIND IN AUSTRALIA.**

The idea is simple — just get your friends, colleagues or community together over some tea and treats, and help to raise funds that go towards vital cancer research, support services, prevention programs, and advocacy.

We are proud to have raised and donated more than \$110,000 since hosting our first Morning Tea 12 years ago.



## ROYAL FLYING DOCTOR SERVICE

**FOR THE PAST NINE YEARS, PACT HAS BEEN A PROUD FINANCIAL SUPPORTER OF THE ROYAL FLYING DOCTOR SERVICE (RFDS).**

Delivered by a dedicated team of professionals, using the latest in aviation, medical and communications technology, the RFDS provides extensive primary health care and 24-hour emergency service to people over an area of 7.69 million square kilometres.

It is a vital service for those that live, work and travel in rural and remote Australia.



## WASTE AID

**PACT'S SULO BRAND IS PROUD TO CONTINUE ITS INVOLVEMENT WITH NON-PROFIT ORGANISATION WASTE AID.**

WasteAid provides basic waste services to disadvantaged areas of Australia, predominantly assisting Aboriginal and Torres Strait Islander populations.

Sulo has provided waste bins for various projects and Pact is proud to continue to provide further support to WasteAid as it continues to implement waste services throughout remote communities.



## KEEP IT CLEAN

**IN FY20, PACT WAS PROUD TO CONTINUE ITS MEMBERSHIP WITH KEEP NEW ZEALAND BEAUTIFUL AND KEEP AUSTRALIA BEAUTIFUL.**

These two iconic not-for-profit organisations deliver sustainability education programs; waste minimisation and recycling initiatives; and are dedicated to keeping our communities clean, safe and beautiful.



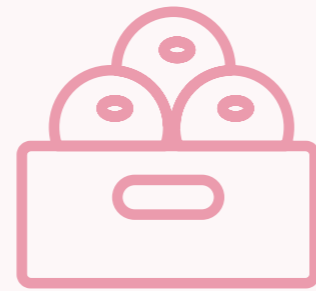
## RONALD MCDONALD HOUSE

**PACT IS PROUD TO CONTINUE ITS PARTNERSHIP WITH RONALD MCDONALD HOUSE CHARITIES (RMHC) IN AUSTRALIA AND NEW ZEALAND.**

With 18 houses around Australia and three in New Zealand, Ronald McDonald Houses are attached to major women's or children's hospitals and work to support the ever-changing needs of seriously ill children and their families.

To support the incredible work of RMHC in FY20, we provided direct financial support and essential in-kind donations which help the Houses direct money to services and programs which help make the day-to-day lives of those most in need a little easier.

# HELPING FIGHT HUNGER IN AUSTRALIA



**EACH YEAR VISCOUNT POOLING SYSTEMS (VPS) PROUDLY PARTNERS WITH FOODBANK BY PROVIDING IN-KIND HIRE OF CRATES THROUGH ITS DONATION CENTRES.**

When produce doesn't meet retailer's specification, growers have a choice to donate it to Foodbank.

In FY20 more than 94,000 crates passed through the Foodbank national network, saving the charity approximately \$90,000.

VPS' position in Australia's supply chains affords it a unique opportunity to support Foodbank, and we are excited to strengthen our long-term relationship and financial commitment in FY21 as we expand our crate retrieval program and network.



**IN 2019, WE HELPED FOODBANK SOURCE**

**41 MILLION**

**KG OF ESSENTIAL HOUSEHOLD ITEMS**

**PACT'S IN-KIND EQUIPMENT DONATIONS ENABLED**

**7.94 MILLION**

**MEALS TO BE DONATED FY20.<sup>1</sup>**

<sup>1</sup>. Equivalent meals calculated at 500grams per meal.



# WALK THIS WAY

BY TRACEY EASTE, ALTO HAMILTON

*Tui, Carla, Tracey and Dimple were all smiles as they tackled the 50km Oxfam Walk*

It has been one month since our Oxfam Team, Pact Super Heroes, headed to Whakatane to complete our much anticipated Oxfam 50km walk. Whilst the event was cancelled due to COVID-19; as a team we decided we had put too much energy into the preparation and fundraising, we didn't want that effort to be for naught.

Carla, Tui, Dimple and I headed out at around 7:30am down the river banks of Whakatane and we walked, and walked, and walked — whilst we didn't cover the whole 50km course as parts were inaccessible, we agreed we would walk until we reached 50,000 steps. Which we did. We completed our event effort at about 5:46pm.

We met a few fellow Oxfam team mates on the way. We saw some beautiful sights and generally had an amazing day.

To our supporters, we are very grateful for your donations, encouragement, and snack box purchases! Together with Pact's generosity, our fundraising total reached just under \$5,000 which at this time will be much needed I am sure.

Special thanks to Jonelle, for your support with our training and fundraising, we really appreciate it! It was disappointing that you were unable to attend the day with us.

**TO MY TEAM, I THANK YOU FOR COMING ON THIS JOURNEY WITH ME, ITS ONE I WILL NEVER FORGET!**



*The ladies passed through some beautiful scenery on their journey to 50,000 steps!*



### PACT EMPLOYEES VOLUNTEER TO DONATE RICE, BOTTLED WATERS, CLOTHES, AND GROCERIES FOR TAAL.

Employees from Pact's Plastop Philippines sites donated rice, bottled water, clothes, and groceries to support locals evacuated due to imminent threat of the Taal Volcano erupting.

According to the Batangas Provincial Government more than 160,000 residents had been placed in evacuation centres across Batangas, Cavite and Quezon provinces.

We are very proud of our employees for their initiative to help others #proudtobepact

### FUTSAL FEVER TAKES OVER CSI NEPAL SITE

Futsal fever took over the CSI Nepal site for three days in August 2019 thanks to a tournament organised by the Labour Relation Committee of Nepal Plant.

Employees were divided into 4 teams—Molder Team, Scorer Team, Liner Team and Printer Team— with everybody participating and enjoying lots of fun and exercise.

Team Scorer won 1st prize by scoring the most points across 3 matches.



### LOUD AND PROUD FOR A GOOD CAUSE

Team members at VIP East Tamaki, New Zealand put on their loudest shirts to raise funds for and celebrate Loud Shirt Day 2019.

Loud Shirt Day is the annual appeal for The Hearing House and the Southern Cochlear Implant Program, the only two charities in New Zealand that deliver Cochlear Implant services.

The VIP team raised funds to support the Cochlear Implant Program's mission to ensure children and adults with hearing loss have the opportunity to listen and communicate with spoken language. Congratulations for a wonderful event #getloud2019



### SERVICE EVENT IN NEARBY SCHOOL

Pact Closure Systems, India organised a Community Service Event in a nearby school where they donated books and pens for needy students.

The Pact team enjoyed spending time with the students, and the event was well appreciated by school authorities as well as local communities.



### FESTIVE CHEER FOR RETIREMENT VILLAGE AND VOLUNTEERS

Pact Accounting had a busy and enjoyable morning volunteering at Selwyn Wilson Carlile retirement village. The team decorated five trees and wrapped 70 presents for the residents to help bring the joy of Christmas to their facility.

Volunteering their time to help and giving the residents something to smile about is a very proud and humbling experience. #proudtobepact



**NEPAL PLANT ORGANISES BISHWAKARMA PUJA & FUN EVENTS**

On 18 September 2019, Pact Closures Nepal celebrated Bishwakarma Puja by organising a Puja and several other creative and fun activities.

Bishwakarma Puja is a holy occasion of great cultural importance in Nepal. On this day they organise Puja and worship God Bishwakarma, deity of creative power, as well as tools and machines that provide them with great help in doing several tasks throughout the year.

The site also organised a few fun events like creative logo making using their closures, hit the pot, and informative quiz contests.



**NEPAL FAMILY OUTING**

The Labour Relation Committee of Pact Closures' Nepal plant organised an two-day outing program employees and their families in November 2019.

On day one they went to Bandipur, a beautiful traditional village located in hilly region on Nepal also popular as a living museum of Newari culture. All visited the town, observed the local cultural places, and stayed the night at Bandipur Adventure Camp. The camp is located on top of the hill which was previously a fort of the kings.

At night the families enjoyed an evening of entertainment and activities including live music, a barbeque and local cuisines.

The next morning everybody went hiking and on the trip back to Hetauda they made a few stops by the side of river to enjoy the beautiful scenery.



**A GOOD DEED FOR THE GOOD GRUB CLUB DAYLESFORD**

**FOR THE FIRST TIME IN FY20, PACT SUPPORTED LOCAL FOOD CHARITY THE GOOD GRUB CLUB IN DAYLESFORD SUPPLYING IT WITH A RANGE OF PLASTIC FOOD STORAGE TUBS AND DELIVERY CRATES.**

The Good Grub Club is a community group that provides free meals and much needed conversation to those doing it tough.

Run by volunteers and funded by small grants, the Club was providing meals to around 30 people a week, however that increased six-fold when COVID-19 lockdown measures were introduced.

The Club now delivers more than 100 food parcels each week to people impacted by the coronavirus — whether that be financially or socially.



# DONATING HAND SANITISER TO OUR COMMUNITY'S MOST VULNERABLE

TO ENSURE AUSTRALIANS IN NEED HAD ACCESS TO HAND SANITISER DURING THE HEIGHT OF THE COVID-19 CRISIS, PACT GROUP AND INDORAMA TEAMED UP AND DONATED APPROXIMATELY 5,000 LITRES TO AUSTRALIAN CHARITIES FARESHARE AND OZ HARVEST.

In late March 2020, Pact Group announced it had joined the fight against COVID-19 by commencing local production of hand sanitiser.

Executive General Manager of Pact's Contract Manufacturing Division Greg Beilby said: "We believe we have a moral obligation to make this highly sought-after product easily accessible to Australia's most vulnerable.

"What I'm really happy about is that we're able to meet a community need in what is a pretty dire time," Mr Beilby said.



## OUR SUPPLY CHAIN

WE'RE COMMITTED TO MINIMISING THE ENVIRONMENTAL AND SOCIAL IMPACTS OF OUR PRODUCTS THROUGHOUT OUR SUPPLY CHAIN.

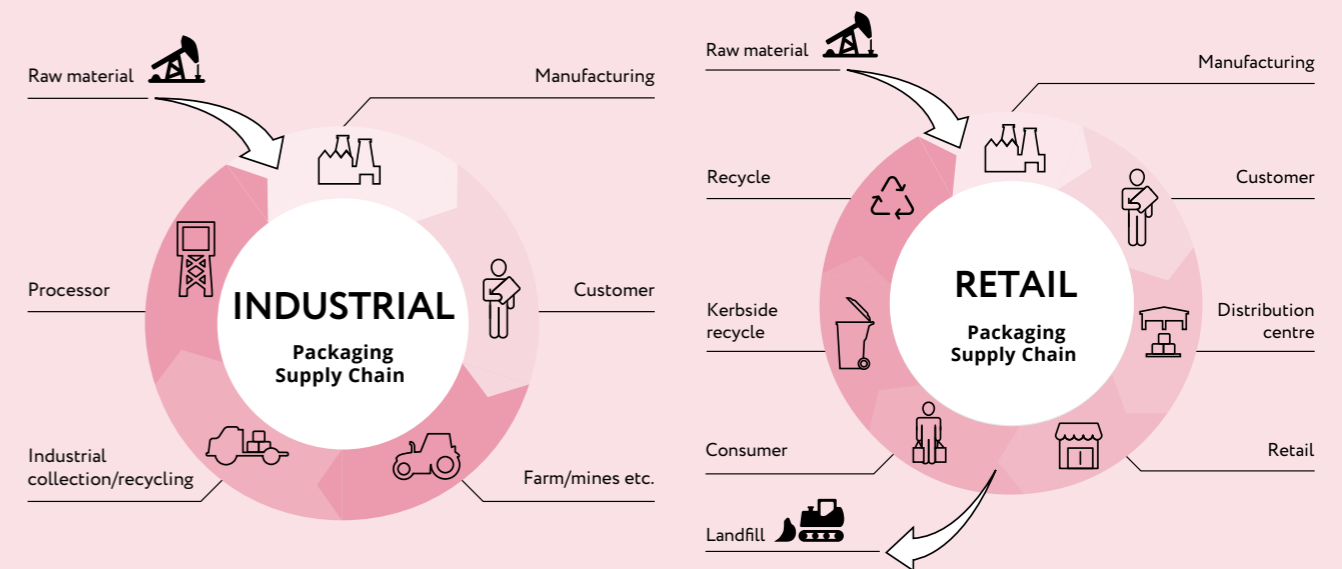
### RESPONSIBLE PROCUREMENT

Our supply chain is relatively streamlined due to the nature of our business and the fact that raw materials make up approximately 50% of our total manufacturing costs. Overall it presents a relatively low overall risk.

Our *Quality Policy* is in place to ensure we continue to meet the requirements of our customers and to continue to exceed international standards of responsible operation.

Our *Supplier Code of Conduct* outlines the ethical, social and environmental requirements for our new suppliers. Assessments of existing suppliers are also carried out on a routine basis.

Both our *Quality Policy* and *Supplier Code of Conduct* can be found on the Pact website: [www.pactgroup.com.au/sustainability](http://www.pactgroup.com.au/sustainability)



# 88-99

## ETHICS AND GOVERNANCE

Pact has always been committed to operating with integrity and the highest level of ethical behaviour. As a result, our culture has been built upon a solid foundation of compliance and risk-awareness.

Our *Code of Conduct* outlines how the Group expects its employees and representatives to behave and conduct business in the workplace. It applies to all business activities involving suppliers, contractors, customers, shareholders and employees in Australia and overseas.



# ETHICAL CONDUCT

## OUR GROUP CODE OF CONDUCT OUTLINES OUR EXPECTATIONS IN RESPECT TO OUR SENSE OF CORPORATE RESPONSIBILITY AND INTEGRITY.

Our *Code of Conduct* outlines how the Group expects its representatives to behave and conduct business in the workplace. It provides a benchmark for professional behaviour to support the Group's business reputation and corporate image within the community. It covers key topics including: conflicts of interest; anti-bribery and corruption; gifts and commissions; facilitation payments; political contributions and securities trading.

It applies to all business activities involving suppliers, contractors, customers, shareholders and employees in Australia and overseas. The *Code* encourages the reporting of unethical behaviour and breaches of policy or company values. The related processes are further outlined in the *Group Whistleblower Policy*.

Supporting the *Code of Conduct* is a range of Group policies designed to ensure compliance with laws and regulations. The *Code* and policies are reviewed as needed to reflect changes to legislation, regulations or business risks. Training for employees is provided on a regular basis either in person or via our online learning management system.

The *Code* and Group policies are available on the Pact website: [www.pactgroup.com.au/sustainability](http://www.pactgroup.com.au/sustainability).

### ANTI-BRIBERY AND CORRUPTION POLICY

Our *Anti-bribery and Corruption Policy* outlines the standard of appropriate behaviours in respect to this topic. Training on the applicable laws has been provided to relevant Executive and Senior Managers. We continue to focus on this and are further developing and enhancing tools and procedures to mitigate risk.

During the reporting period, we have not had any incidents in which employees or contracts with business partners have been investigated or terminated due to corruption.

### COMPETITION AND CONSUMER ACT COMPLIANCE POLICY

Our *Competition and Consumer Act Compliance Policy* states Pact's commitment to acting in accordance with the obligations under the *Competition and Consumer Act 2010 (CCA)* and *Commerce Act 1986*. Pact places great importance on compliance with this key area as it impacts how we deal with our competitors, suppliers and customers.

All our Executives, Senior Managers, sales team and other relevant employees complete online training and refresher training is delivered.

A breach of the *CCA* can result in significant penalties (to the company and individuals) and significant damage to the Company's goodwill and reputation in the marketplace. During the reporting period, we have not had any legal action pending or completed regarding anti-competitive behaviour in which the Group has been identified as a participant. There have been no significant fines or non-monetary sanctions for non-compliance with laws and regulations in relation to competition law.

### ENVIRONMENTAL POLICY

Our *Environmental Policy* sets out our commitment to continuously improve the environmental performance of our operations and services. This *Policy* reinforces our commitment to our *2025 End of Waste Promise*, and to become the number one partner of sustainable choices for our customers.

### EQUAL OPPORTUNITY, HARASSMENT AND BULLYING POLICY

We are committed to being an equal opportunity employer and will not tolerate unlawful discrimination, harassment, bullying, vilification or victimisation in the workplace. Our *Equal Opportunity, Harassment and Bullying Policy* sets out our expectations for high standards of behaviour in the workplace and the procedures for making complaints and investigating issues relating to unlawful discrimination, harassment or bullying.

### PRIVACY POLICY

Protecting our stakeholder's privacy is important to us and this *Policy* explains how Pact Group Ltd and its wholly owned subsidiaries manage personal information.

### QUALITY POLICY

Our *Quality Policy* outlines our commitment to operate our business in a manner that meets customers' and international quality standards.

### SUPPLIER CODE OF CONDUCT

Conducting our business ethically and with integrity includes looking at our supply chain. Our suppliers must comply with all local laws and legislation and must declare all instances where the manufacture of our goods is outsourced.

### WHISTLEBLOWER POLICY

This *Policy* supports the Group's *Code of Conduct* and is designed to promote and reinforce the Group's culture of honest and ethical behaviour. The purpose of this *Policy* is to encourage employees to raise concerns about misconduct, malpractice, irregularities or any other behaviour which is dishonest, corrupt, illegal or inconsistent with any of the Group's Values. It also sets out how the Group intends to make sure a Whistleblower is protected for reporting unacceptable behaviour.

### WORK HEALTH AND SAFETY POLICY

The Group is committed to ensuring all work is completed incident and injury free, in-line with our strategic ambition *Towards Zero Harm*. This policy provides an overview of the Company's commitment to workplace health and safety and what is expected of employees and others.

### FINANCIAL TRANSPARENCY

#### Tax transparency

1. Pact pays tax where the underlying economic activity occurs.
2. Pact does not hide assets or income through secrecy provisions.
3. Pact does not shift profits to low or zero-tax jurisdictions.

These principles are enforced through a *Tax Governance Policy* that ensures the Board reviews and signs off on all significant tax decisions, and a tax risk management framework that guides management in the day-to-day management of tax issues.

A *Report* outlining our approach to taxation and providing details about the taxes we paid in FY18 was published during FY20 to help our stakeholders understand our tax paying position. The *Report* includes information on income and other taxes we have paid, to provide a clearer picture of our contribution to the Australian community. It is Intended that a similar report will be prepared for future years.

Further information and a copy of Pact's *FY18 Tax Transparency Report* can be found on the Pact website: <https://pactgroup.com.au/wp-content/uploads/2020/01/Pact-Tax-Transparency-Report-2018-V2.pdf>

### POLITICAL CONTRIBUTIONS AND ACTIVITIES

Our *Code of Conduct* prohibits the use of corporate funds for political purposes. Pact does not contribute any monies to any candidate for election to a political party.

We do not prohibit political activity undertaken by an employee in their own individual, private capacity. However, to eliminate any appearance of coercion in such political activities, it is prohibited for any supervisor to solicit funds from a subordinate for political purposes.

Pact supports the involvement of its employees in community activities and professional organisations. However, outside activity must not create a conflict (or the appearance of a conflict) of interest.

# CORPORATE GOVERNANCE AND RISK MANAGEMENT

## BOARD

The Board of Directors is responsible for the overall corporate governance of Pact Group. The Board's role is to ensure that the Group is properly managed, to protect and enhance shareholder interests, and to ensure the Group operates in an appropriate environment of control and corporate governance.

The Board is comprised of a non-Executive Chairman, five independent non-Executive Directors, and an Executive Director.

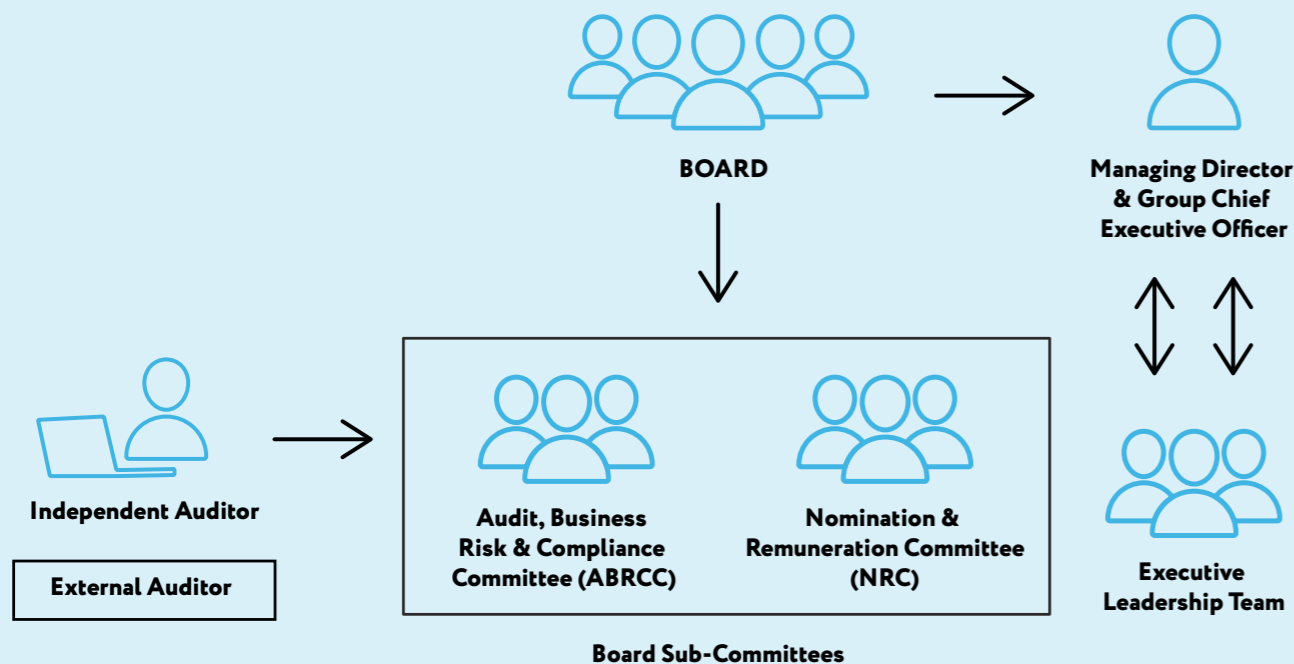
Board members have extensive experience in a range of relevant industries, including manufacturing, finance, information technology, operations, and public company experience.

Further information and biographies of the Group's Board members are available in the *Annual Report*, which is located on the Pact website: <https://pactgroup.com.au/investor/leadership/board-of-directors/>

The Board has delegated specific responsibilities to two governance sub-committees, which are chaired by independent Directors.

The Nomination and Remuneration Committee and The Audit, Business Risk and Compliance Committee have defined responsibilities detailed in their respective charters. These charters can be viewed on the Pact website: [www.pactgroup.com.au/investor/corporate-governance/boardandcommittee-charters](http://www.pactgroup.com.au/investor/corporate-governance/boardandcommittee-charters).

## CORPORATE GOVERNANCE STRUCTURE



## RISK MANAGEMENT

Pact promotes a risk-aware culture in decision-making and is committed to manage all risks that may materially impact the business in a proactive and effective manner. Risks are identified and managed across a variety of areas, including but not limited to: operational; environmental; sustainability; cyber specific; compliance; strategic; ethical conduct; reputation or brand; technological product or service quality; human capital; financial reporting; and market-related risks.

The overall objectives of our risk management program are to:

- › promote identification and mitigation of risks in a way that protects the businesses continuity and reputation of the Group, informs management decisions and drives competitive advantage;
- › manage all risks that may materially impact the business in a proactive and effective manner; and
- › disclose all material business risks, including those in the areas of economic, environmental and social sustainability risks.

The Board of Directors has overall accountability for the risk management program. Oversight has been delegated to the Audit, Business Risk and Compliance Committee (ABRCC) that is responsible for monitoring and review. The MD and Group CEO and Executive Committee are responsible for the day-to-day management of risk, within the risk appetite set by the Board.

The *Risk Management Policy* sets out our commitment to managing all risks in a proactive and effective manner, to drive competitive advantage. The *Policy* is complemented by our *Risk Management Framework*, which sets out the process for the identification and mitigation of risks to ensure business continuity, protection of the Group's reputation and informed management decisions. The *Framework* is based on the *Australian Standard 31000: Risk Management Principles* and the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations*.

During FY20 the *Risk Management Policy* and *Framework* were updated to reflect recent best practice and were endorsed by the ABRCC.

The *Risk Management Policy* is available on the Pact website: <https://pactgroup.com.au/investor/corporate-governance/policies-and-standards/>

Further information on our corporate governance practices can be found in the *Corporate Governance Statement* on the Pact website: <https://pactgroup.com.au/investor/corporate-governance/policies-and-standards/>

## HUMAN RIGHTS

### United Nations Global Compact

The *United Nations Global Compact (UNGC)* is the world's largest corporate sustainability initiative, where businesses commit to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to progress the Sustainable Development Goals.

As a signatory to the *UNGC* and a member of the local chapter, Global Compact Network Australia, Pact Group upholds the principles of universal human rights, including accessibility, non-discrimination and labour rights across all our operations.

We demonstrate our commitment through the Group's:

*Code of Conduct*, which requires the fair and equitable treatment of all Pact stakeholders and outlines the responsibilities of all employees in accordance with this; and

*Equal Opportunity, Harassment and Bullying Policy*, in which Pact is committed to being an equal opportunity employer and to ensuring our workplace is free of unlawful discrimination, harassment and bullying.

Our online corporate induction covers our expectations with regards to the Group and employees upholding the principles of universal human rights. All new salaried employees are required to complete this within the first period of employment.

We lodged our annual *UNGC Communications On Progress* in December 2019 which can be downloaded from the UNGC website: [www.unglobalcompact.org](http://www.unglobalcompact.org).

There have been no grievances about human rights impacts filed through formal grievance mechanisms during the reporting period.



## MODERN SLAVERY

We will release our first *Modern Slavery Statement* in FY21, and comply with the principles of the *Australian Modern Slavery Act (2018)*.

## CHILD AND FORCED LABOUR

As a signatory to the UNGC we are committed to supporting the abolishment of child labour and forced labour worldwide, and our policies explicitly prohibit this.

There have been no incidents of child or forced labour within the Group that we are aware of during the reporting period.

## CUSTOMER ETHICAL AUDITS

Pact participates in a number of sustainability and ethical business audits as part of our customers' tender and contractual requirements. These audits enable our partners to assess our sustainability credentials as key stakeholders in their supply chains.

A number of our sites participate in customer-initiated audits, including:

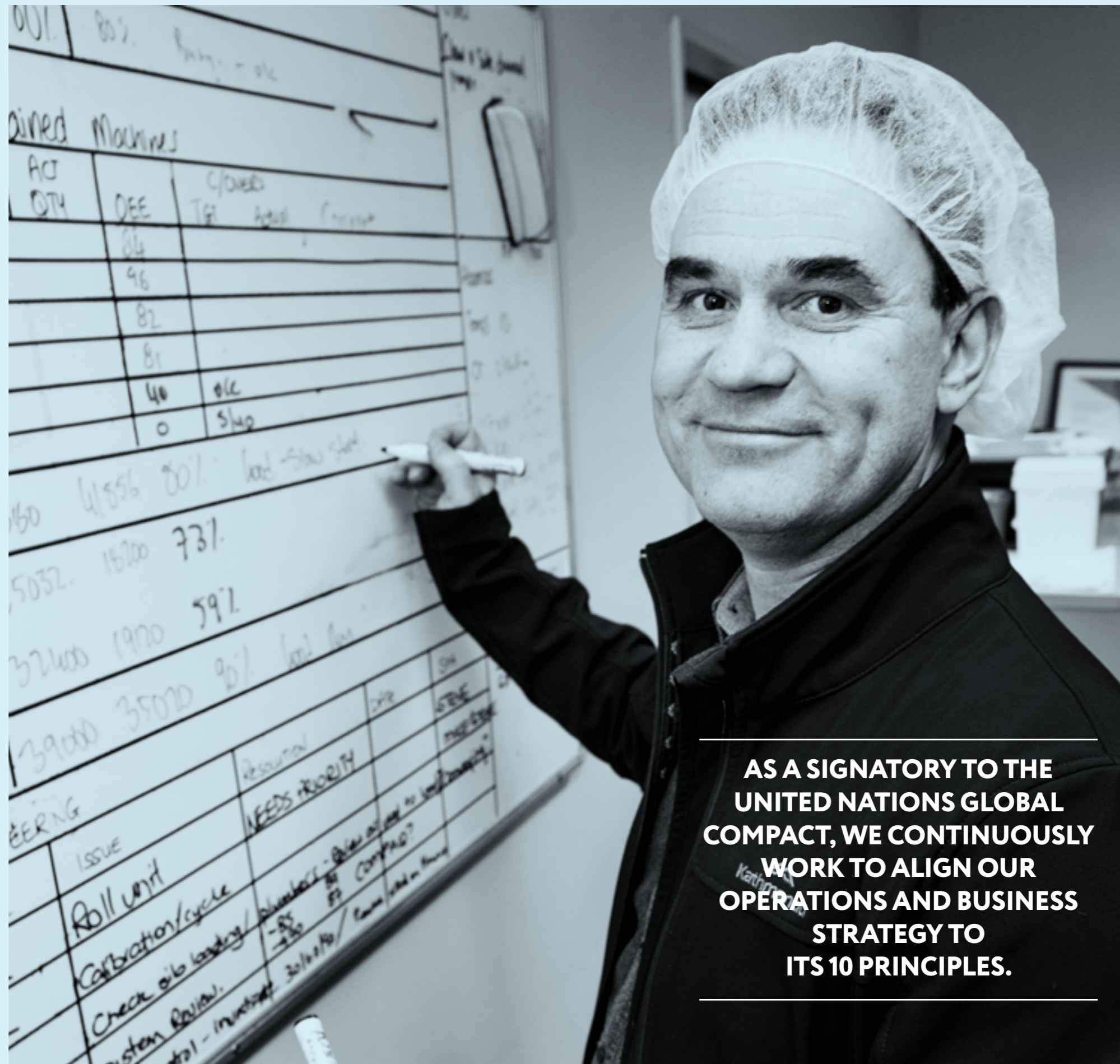
Supplier Ethical Database Exchange (Sedex) — a secure online database that allows members to store, share and report on four key areas including labour standards, health and safety, the environment and business ethics. Some sites have also completed a Sedex Members Ethical Trade Audit (SMETA).

Ecovardis — an online CSR analysis system which covers 21 criteria covering environment, fair labour and human rights, ethics, and sustainable procurement.

### Our Affiliations



Global Compact  
Network Australia



**AS A SIGNATORY TO THE UNITED NATIONS GLOBAL COMPACT, WE CONTINUOUSLY WORK TO ALIGN OUR OPERATIONS AND BUSINESS STRATEGY TO ITS 10 PRINCIPLES.**

# ABOUT THIS REPORT

This *Sustainability Review* for Pact Group Holdings Ltd has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (G4 version). This *Review* is in accordance with “core” GRI guidelines and no information is restated, and no changes have been identified.

The information contained in this *Review* relates to sites wholly owned and operated by Pact Group Holdings Ltd (“Pact” or “the Company”) and its wholly owned subsidiaries (“the Group”). All data relates to the 12-month period or the status as at 30 June 2020 (FY20), unless otherwise stated.

All monetary amounts in the *Review* are stated in Australian dollars unless otherwise stated.

## Information integrity and verification

Pact’s Executive and Senior Management are responsible for the preparation and integrity of the information in this *Review*. We believe this *Review* fairly represents our sustainability performance during FY20.

## Further information

Further information regarding Pact’s sustainability performance is communicated through various channels including:

- › [www.pactgroup.com.au](http://www.pactgroup.com.au)
- › The *Annual Report*.
- › The Annual General Meeting (AGM).
- › Disclosures to the Australian Securities Exchange (ASX), Company code (PGH).
- › Previous *Sustainability and Annual Reports* can be downloaded from the investor section of our website: [www.pactgroup.com.au/sustainability](http://www.pactgroup.com.au/sustainability).

If you have any questions or feedback, please email: [info@pactgroup.com.au](mailto:info@pactgroup.com.au)



## Independent Limited Assurance Statement to the Management and Directors of Pact Group Holdings

### Our Conclusion:

Ernst & Young (‘EY’, ‘we’) was engaged by Pact Group Holdings (‘Pact’) to undertake limited assurance as defined by Australian Auditing Standards, hereafter referred to as a ‘review’, over the “Selected Sustainability Metrics” presented in Pact’s 2020 Sustainability Report (for Australia and New Zealand operations only) (‘the Report’) for the year ended 30 June 2020. Based on our review, nothing came to our attention that caused us to believe that the Selected Sustainability Metrics have not been prepared and presented fairly, in all material respects, in accordance with the Criteria defined below.

### What our review covered

We reviewed Selected Sustainability Metrics presented in Pact’s 2020 Sustainability Report. The Subject Matter included the following Selected Sustainability Metrics for Pact’s Australia and New Zealand operations only covering the period 1 July 2019 to 30 June 2020:

| Selected Sustainability Metrics                                  | Report page |
|--|-------------|
| Fatalities   | 38          |
| Lost-Time Injury Frequency Rate (LTIFR)                          | 38          |
| Total Recordable Injury Frequency Rate (TRIFR)                   | 38          |
| Total scope 1 and scope 2 Greenhouse Gas (GHG) emissions (tCO2e) | 48          |

### Criteria

In preparing the Selected Sustainability Metrics, Pact applied criteria (‘Criteria’) as publicly disclosed in the Report.

### Key responsibilities

#### EY’s responsibility and independence

Our responsibility was to express a conclusion on the Selected Sustainability Metrics based on our review.

We were also responsible for maintaining our independence and confirm that we have met the requirements of the *APES 110 Code of Ethics for Professional Accountants* including independence, and have the required competencies and experience to conduct this assurance engagement.

#### Pact’s responsibility

Pact’s management (‘management’) was responsible for selecting the Criteria, and preparing and fairly presenting the Selected Sustainability Metrics in accordance with that Criteria. This responsibility includes establishing and maintaining internal controls, adequate records and making estimates that are reasonable in the circumstances.

### Our approach to conducting the review

We conducted this review in accordance with the International Standards for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000), and the terms of reference for this engagement as agreed with Pact on 27 May 2020.

### Summary of review procedures performed

A review consists of making enquiries, primarily of persons responsible for preparing the Selected Sustainability Metrics and related information, and applying analytical and other review procedures.

Our procedures included:

- ▶ Conducting interviews with personnel to understand the business and reporting process
- ▶ Conducting interviews with key personnel to understand the process for collecting, collating, classifying, and reporting the Selected Sustainability Metrics during the reporting period
- ▶ Checking that the data collection and calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria
- ▶ Undertaking analytical review procedures to support the reasonableness of the data

- ▶ Checking the accuracy of calculations performed, and identifying and testing assumptions supporting calculations
- ▶ Testing, on a sample basis, underlying source information to check the accuracy of the data
- ▶ Obtaining and reviewing evidence to support key assumptions in calculations and other data or statements
- ▶ Checking whether amounts had been correctly transcribed from corporate systems and/or supporting evidence into the Report

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

### Limited Assurance

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

While we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

### Use of our Assurance Statement

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the Directors of Pact, or for any purpose other than that for which it was prepared.

You may not disclose this assurance report externally without our prior written consent.

Ernst & Young

Terence Jeyaretnam FIEAust EngExec  
Partner  
Melbourne, Australia  
18 September 2020

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# GLOBAL REPORTING INITIATIVE

Pact's 2020 Sustainability Review has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (G4 version). The following table summarises Pact's performance against "core" GRI guidelines.

## SUMMARY INDEX

### General Standard Disclosures

| Standard Disclosure                               | Description  | Reporting status | Report heading  | Page/s         |
|---|--|------------------|---|----------------|
| <b>Strategy and Analysis</b>                      |  |                  |   |                |
| G4-1  | Statement from the most senior decision-maker in the organisation          | Fully            | A word from our Managing Director and CEO                         | 4,5            |
| G4-2  | Impacts and Risks summary  | Fully            | Key sustainability issues, Corporate Governance & Risk Management | 18, 19, 92, 93 |
| <b>Organisational profile</b>                     |  |                  |   |                |
| G4-3  | Organisation name  | Fully            | About this report   | 96             |
| G4-4  | Primary products, services   | Fully            | Pact at a glance  | 2, 3           |
| G4-5  | Head office location   | Fully            | Pact at a glance  | 2, 3           |
| G4-6  | Countries of operation   | Fully            | Pact at a glance  | 2, 3           |
| G4-7  | Ownership and legal form   | Fully            | About this report   | 96             |
| G4-8  | Markets served   | Fully            | Pact at a glance  | 2, 3           |
| G4-9  | Scale of organisation  | Fully            | Pact at a glance  | 2, 3           |
| G4-10   | Employee structure / breakdown   | Fully            | Diversity   | 24, 25         |
| G4-11   | Employees covered by bargaining power                                      | Fully            | Industrial relations  | 30             |
| G4-12   | Supply chain description   | Fully            | Responsible Procurement   | 87             |
| G4-13   | Significant changes to organisation  | Fully            | About this report   | 96             |
| G4-14   | Overall approach to managing operational risk                              | Fully            | Corporate Governance & Risk Management                            | 92, 93         |
| G4-15   | External charters, principles, initiatives subscribed to                   | Fully            | Human rights, product stewardship                                 | 93, 94         |
| G4-16   | Active in external memberships   | Fully            | Human rights, product stewardship                                 | 93, 94         |
| <b>Identified material aspects and boundaries</b> |  |                  |   |                |
| G4-17   | Who is covered by this report  | Fully            | About this report   | 96             |
| G4-18   | Boundaries of this report  | Fully            | About this report   | 96             |
| G4-19   | Material aspects identified  | Fully            | GRI Index — Specific Standard Disclosures                         | 98             |
| G4-20   | Aspect boundaries — relevancy to entities inside organisation              | Fully            | Key Sustainability issues   | 18, 19         |
| G4-21   | Aspect boundaries — relevancy to entities outside organisation             | Fully            | Key Sustainability issues   | 18, 19         |
| G4-22   | Any restatements of previously reported information                        | Fully            | About this report   | 96             |
| G4-23   | Any significant changes since last report                                  | Fully            | About this report   | 96             |
| <b>Stakeholder engagement</b>                     |  |                  |   |                |
| G4-24   | List of stakeholders   | Fully            | Stakeholders  | 14, 15         |
| G4-25   | Reason stakeholders chosen   | Fully            | Stakeholders  | 14, 15         |
| G4-26   | Approach to stakeholder engagement   | Fully            | Stakeholders  | 14, 15         |
| G4-27   | Issues raised by stakeholder groups  | Fully            | Key sustainability issues   | 18, 19         |
| <b>Report profile</b>                             |  |                  |   |                |
| G4-28   | Reporting period   | Fully            | About this report   | 96             |
| G4-29   | Date of previous report (if any)   | Fully            | About this report   | 96             |
| G4-30   | Reporting cycle (such as annual, biennial)                                 | Fully            | About this report   | 96             |
| G4-31   | Contact for any questions regarding this report                            | Fully            | About this report   | 96             |
| G4-32   | In accordance with   | Fully            | About this report   | 96             |
| G4-33   | Approach to external assurance   | Fully            | About this report   | 96             |
| <b>Governance</b>                                 |  |                  |   |                |
| G4-34   | Governance structure   | Fully            | Corporate governance & Risk Management                            | 92, 93         |
| G4-35   | Process for delegating authority - economic, environmental & social topics | Fully            | Corporate governance & Risk Management                            | 92, 93         |
| <b>Ethics and integrity</b>                       |  |                  |   |                |
| G4-56   | Organisation's values, principles and standards e.g. code of conduct       | Fully            | Ethical conduct   | 90, 91         |

### Specific Standard Disclosures

| Standard Disclosure                          | Description  | Reporting status | Report heading          | Page |
|--|--|------------------|-------------------------|------|
| <b>Category: Economic</b>                    |  |                  |                         |      |
| <b>Material Aspect: Economic performance</b> |  |                  |                         |      |
| G4-DMA                                       | Why economic performance is material                 | Fully            | Our Materiality Process | 16   |
| G4-EC1                                       | Local economic value — revenue, employees, community | Fully            | 2020 Annual Report      | -    |
| <b>Category: Environmental</b>               |  |                  |                         |      |
| <b>Material Aspect: Materials</b>            |  |                  |                         |      |
| G4-DMA                                       | Materials policy                                     | Partially        | Materials and waste     | 50   |
| G4-EN1                                       | Materials used by weight — non-renewable, renewable  | Partially        | Materials and waste     | 50   |
| <b>Material Aspect: Energy</b>               |  |                  |                         |      |
| G4-DMA                                       | Energy policy  | Partially        | Energy and emissions    | 48   |
| G4-EN3                                       | Energy consumption within organisation               | Partially        | Energy and emissions    | 48   |
| <b>Material Aspect: Emissions</b>            |  |                  |                         |      |
| G4-DMA                                       | Emissions policy                                     | Fully            | Energy and emissions    | 48   |
| G4-EN15                                      | Scope 1 Direct GHG emissions                         | Partially        | Energy and emissions    | 48   |
| G4-EN16                                      | Scope 2 Indirect GHG emissions                       | Partially        | Energy and emissions    | 48   |

### Specific Standard Disclosures (continued)

| Standard Disclosure  | Description  | Reporting status | Report heading                | Page/s |
|--|--|------------------|-------------------------------|--------|
| <b>Material Aspect: Effluents and Waste</b>                              |  |                  |                               |        |
| G4-DMA   | Effluents and waste policy                                       | Fully            | Materials and waste           | 50     |
| G4-EN23  | Total weight of waste by type and disposal method                | Partially        | Materials and waste           | 50     |
| <b>Material Aspect: Products and Services</b>                            |  |                  |                               |        |
| G4-DMA   | Environmental impacts policy from product & services             | Fully            | Product stewardship           | 52     |
| G4-EN27  | Impacts and mitigation of impacts from product & services        | Partially        | Product stewardship           | 52     |
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| <b>Category: Social</b>  |  |                  |                               |        |
| <b>Sub-category: Labour practices and decent work</b>                    |  |                  |                               |        |
| <b>Material Aspect: Employment</b>                                       |  |                  |                               |        |
| G4-DMA   | Workforce & labour practices and policies                        | Fully            | Workforce breakdown           | 28     |
| G4-LA3   | Return to work after parental leave and retention rates          | Partially        | Parental leave                | 27     |
| <b>Material Aspect: Labour/Management relations</b>                      |  |                  |                               |        |
| G4-DMA   | Labour / management relations policy                             | Fully            | Industrial relations          | 30     |
| <b>Material Aspect: Occupational Health &amp; Safety</b>                 |  |                  |                               |        |
| G4-DMA   | OHS policy   | Fully            | Safety, Health, and wellbeing | 37-45  |
| G4-LA6   | Injuries, rates, days lost                                       | Fully            | Safety, Health, and wellbeing | 37-45  |
| G4-LA7   | Workers with high risk jobs                                      | Fully            | Safety, Health, and wellbeing | 37-45  |
| <b>Material Aspect: Diversity and Equal opportunity</b>                  |  |                  |                               |        |
| G4-DMA   | Diversity & equal opportunity policy                             | Fully            | Diversity                     | 90     |
| G4-LA12  | Governance and workforce breakdown                               | Fully            | Diversity                     | 28     |
| <b>Material Aspect: Equal remuneration</b>                               |  |                  |                               |        |
| G4-DMA   | Equal remuneration policy  | Fully            | Diversity                     | 26     |
| G4-LA13  | Gender remuneration breakdown by job category                    | Partially        | Diversity                     | 28     |
| <b>Material Aspect: Labour practices grievance mechanisms</b>            |  |                  |                               |        |
| <b>Sub-category: Human Rights</b>  |  |                  |                               |        |
| <b>Material Aspect: Investment</b>                                       |  |                  |                               |        |
| G4-DMA   | Human rights policy  | Fully            | Human rights                  | 93     |
| G4-HR2   | Percentage and number of hours employees trained in human rights | Partially        | Human rights                  | 93     |
| <b>Material Aspect: Non-discrimination</b>                               |  |                  |                               |        |
| G4-DMA   | Non-discrimination policy  | Fully            | Human rights                  | 93     |
| G4-HR3   | Number of discrimination incidents, resolutions                  | Fully            | Human rights                  | 93     |
| <b>Material Aspect: Freedom of association and Collective bargaining</b> |  |                  |                               |        |
| G4-DMA   | Freedom of association & collective bargaining policy            | Fully            | Industrial relations          | 93     |
| G4-HR4   | Operations and suppliers violating this right                    | Partially        | Industrial relations          | 93     |
| <b>Material Aspect: Child labour</b>                                     |  |                  |                               |        |
| G4-DMA   | Child labour policy  | Fully            | Human rights                  | 93     |
| G4-HR5   | Operations and suppliers with incidents of child labour          | Partially        | Human rights                  | 93     |
| <b>Material Aspect: Forced or Compulsory labour</b>                      |  |                  |                               |        |
| G4-DMA   | Forced or compulsory labour policy                               | Fully            | Human rights                  | 93     |
| G4-HR6   | Operations and suppliers with incidents of forced labour         | Partially        | Human rights                  | 93     |
| <b>Material Aspect: Supplier human rights grievance mechanisms</b>       |  |                  |                               |        |
| G4-DMA   | Policy for human rights grievance mechanism                      | Fully            | Human rights                  | 93     |
| G4-HR12  | Percentage and number of supplier human rights grievances        | Partially        | Human rights                  | 93     |
| <b>Sub-category: Society</b>   |  |                  |                               |        |
| <b>Material Aspect: Local communities</b>                                |  |                  |                               |        |
| G4-DMA   | Community investment and engagement policy                       | Fully            | Community                     | 76-86  |
| G4-SO1   | Percentage operations with community engagement & development    | Partially        | Community                     | 76-86  |
| <b>Material Aspect: Anti-corruption</b>                                  |  |                  |                               |        |
| G4-DMA   | Anti-corruption policy   | Fully            | Ethical conduct               | 90     |
| G4-SO4   | Communication and training on anti-corruption                    | Fully            | Ethical conduct               | 90     |
| G4-SO5   | Confirmed incidents of corruption, resolution                    | Fully            | Ethical conduct               | 90     |
| <b>Material Aspect: Public policy</b>                                    |  |                  |                               |        |
| G4-DMA   | Political contribution policy                                    | Fully            | Financial Transparency        | 91     |
| G4-SO6   | Value of political contributions, broken down                    | Fully            | Ethical conduct               | 91     |
| <b>Material Aspect: Anti-competitive behaviour</b>                       |  |                  |                               |        |
| G4-DMA   | Anti-competitive behaviour policy                                | Fully            | Ethical conduct               | 90     |
| G4-SO7   | Number of legal actions from anti-competitive behaviour          | Fully            | Ethical conduct               | 90     |
| <b>Material Aspect: Compliance</b>                                       |  |                  |                               |        |
| G4-SO8   | Value of fines from non-compliance                               | Fully            | Ethical conduct               | 90     |



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