



# Tetra Pak Modern Slavery Statement 2022

This statement sets out the steps taken by the Tetra Pak Group during the financial year ending 31 December 2021 to prevent modern slavery and human trafficking in our business and supply chains. It is intended to meet the obligations of, and is lodged on behalf of, Tetra Pak Limited, Tetra Pak Processing UK Limited and Tetra Pak (Ireland) Ltd pursuant to the United Kingdom Modern Slavery Act 2015 and Tetra Pak Marketing Pty Ltd, a reporting entity under the Australian Modern Slavery Act 2018 (Cth).

## 1 Our company

Tetra Pak is a leading food processing and packaging solutions group with more than 25,000 employees and net sales of approximately € 11.1 billion. We have 54 production plants, 94 sales offices and 28 market companies around the world including Tetra Pak Limited and Tetra Pak Processing UK Limited (in the UK), Tetra Pak (Ireland) Ltd, Tetra Pak Marketing Pty Ltd (in Australia) and its holding company Tetra Pak Asia Pte Limited (in Singapore).

We operate as three businesses: Packaging solutions (carton packages and packaging equipment), Processing solutions (and equipment) and Services. Each day we help to make food safe and available to meet the needs of hundreds of millions of people in more than 160 countries. We believe in responsible industry leadership and a sustainable approach to business.

Tetra Pak Marketing Pty Ltd, based in Melbourne, has 130 employees and markets a range of our portfolio of packages, packaging equipment and processing equipment. Tetra Pak Marketing Pty Ltd does not have any subsidiaries.

Tetra Pak supply chains are global, and we manage close to 17,000 suppliers in 105 countries. The top 10 countries for supplier spend are Sweden, United States, China, Brazil, Italy, Switzerland, Germany, Austria, Denmark and Finland.

The goods and services procured by Tetra Pak are organised in three main categories:

- The base materials used in our packages (paperboard, polymer, aluminium and inks) are procured centrally.
- The modules, components, parts and services used in relation to our equipment sold to customers, are procured by global, regional and local procurement teams.
- The goods and services used for our own operations (IT, logistics, travel, HR, professional services, facility management, etc) are also procured at global, regional and local level.

The Tetra Pak group relies on our global supply chains for the above goods and services. It also procures goods and service locally, mainly in relation to freight and logistics services, mechanical and automation components, installation services, real estate management and facility management.

The reporting entities adhere to the Tetra Pak global processes and corporate governance framework, which integrate the activities aimed at preventing modern slavery and human trafficking, as described in this Statement.

## 2 Corporate Governance

Tetra Pak is committed to conducting every aspect of its business with integrity, complying with the rule of law and showing due respect to the people along our value chain.

Our company culture is based on strong, shared values, which are continually reinforced amongst our employees and form the foundation upon which we conduct our activities and interact with third parties.

Tetra Pak has an established and well-defined corporate governance framework providing guidance on how we go about our business. We believe good governance benefits suppliers, customers, employees, consumers, and society at large.

Everything that we do as a company – from developing strategy, to making decisions, to defining how we should operate and act – is guided by that framework, which includes our Core Values, Code of Business Conduct, Group Policies and Procedures, Risk Management principles, and Assurance activities. Associated efforts include the following:

- Tetra Pak requires all our businesses to comply with the laws and regulations of the countries in which they operate, to behave as good corporate citizens and to respect human rights.
- All Tetra Pak employees must comply with our Code of Business Conduct, which sets out common rules of business behaviour. These cover working conditions, discrimination, confidentiality, conflicts of interest, financial reporting, obeying the law, bribery and corruption, human rights, including child exploitation, and environmental issues.
- We work to ensure a fair, inclusive and safe work environment for our people. We uphold freedom of association and the effective recognition of the right to collective bargaining while respecting applicable law and practice, and support the elimination of forced and compulsory labour, the abolition of child labour and the elimination of discrimination in respect of employment and occupation.
- Our aim is that all individuals are free from harm during every Tetra Pak project or activity. In 2020, we launched a new Contractor Occupational Health & Safety (OHS) Procedure to direct the way we select, validate and monitor the activities of third-party contractors working for Tetra Pak. This ensures that we protect both our employees and contractors, whether they work at our sites or at customer locations. In 2021 we continued to implement our Contractor OHS procedure ensuring that the OHS standards of our higher risk suppliers were validated.
- In 2020, we introduced a new Workplace Conduct Policy covering discrimination, harassment and bullying, and personal relationships in the workplace. The Policy covers all Tetra Pak operations, including general commercial activities, recruitment and selection, training and development, promotion and redundancy selection.
- In 2021 we embarked on a change journey for our organisational structure and operating model to simplify how we work and empower our teams to take quicker decisions and deliver better outcomes that can contribute to sustainable development. As part of this change, a



new function for Corporate Social Responsibility was created to further lead our work on meeting expectations for Business & Human Rights.

By providing the foundation for our strategy and approach to leadership, good governance ultimately helps us fulfil our vision to commit to making food safe and available, everywhere and deliver on our brand promise to PROTECT WHAT'S GOOD.

### 3 Our focus areas in relation to modern slavery risks

Tetra Pak sees its suppliers as key partners, but also recognises that supply chains are a potential source of environmental, labour, and human rights risks. We have developed a structured approach to assess and address such risks, as described in this Statement.

To define the scope of supplier desk-based evaluations and ethical audits, we conduct a regular risk mapping, using EcoVadis iQ with online indices of environmental, social and governance risks, related to the countries and industries in which our suppliers operate.

Supplier assessments are then prioritised based on industry and/or country risk. We also include all our base material suppliers in scope. The industry risk mapping highlights potential human rights and human trafficking risks in spend categories such as:

- materials, consumables and services relating to our production sites (pallets, crates, lubricants, waste treatment and disposal services)
- core components resulting from basic iron and steel manufacturing
- indirect spend categories, such as logistics, travel, IT, and facility management (including sourcing of Personal Protection Equipment).

Countries of particular focus when it comes to human rights and human trafficking risks are China, India, Indonesia, Nigeria, Pakistan, Philippines. In addition, countries such as Ukraine, Russia and Belarus, which are experiencing increased geopolitical tensions and high volatility, could see an increased human rights risk and will require that we rethink our approach to third party relationships and due diligence, beyond the requirements of international sanctions regimes.

During 2022 we will continue engaging throughout our value chain to ensure we fulfil our responsibility to respect human rights and combat modern slavery. As an example, we have recently joined the Sustainable Procurement Pledge in order to increase knowledge on responsible sourcing practices across our procurement organisations and empower supplier managers to drive the journey as part of their category strategies.

We have also developed specific risk mapping criteria for the key base materials used for Tetra Pak packages: paperboard, polymers and aluminium. We secure environmental and social aspects are covered for each material using the leading Sustainability Standards (FSC™, Bonsucro and ASI). Our specific Responsible Sourcing Procedure for Liquid Packaging Board is publicly available. The relevant verification and assurance activities are governed by these standards and procedures, aiming at addressing specific human rights risks, as well as land rights, deforestation and biodiversity risks.

## 4 Actions taken to assess and address modern slavery risks

Risk management is an integral part of every decision we take, to both protect the value of our company and mitigate potential negative impacts on people, society, and the environment. The foundation is our Governance, Risk, and Compliance (GRC) process, which helps our Executive Leadership Team to ensure that risks are escalated promptly, and decisions are shared across the organisation.

Tetra Pak has established Responsible Sourcing as one of its strategic objectives, reflected in our Procurement Policy and our Responsible Sourcing Procedure. Our Responsible Sourcing Procedure sets out the requirements for all purchasing categories to manage risks in relation to human rights, labour practices, occupational health and safety, environment, and business integrity. A central team of specialists supports the procurement teams to integrate relevant requirements in all steps of the supplier management process.

We are committed to ensuring that our suppliers act responsibly, and we have established clear requirements when it comes to behaviours and ethical standards.

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### ***Supplier Code***

Our Code of Business Conduct for Suppliers (Supplier Code) is an integral part of the supplier onboarding process and purchasing agreements, setting mandatory requirements for our suppliers and their sub-suppliers. All centrally, regionally and locally managed vendors must sign the Supplier Code or prove that they adhere to equal or higher standards. In addition, the recyclers with which we have co-investment relationships are required to sign and expected to adhere to our code of business conduct.

We encourage and work with suppliers to help them go beyond the mandatory requirements and strive for continuous improvement. For our base material suppliers, additional assessments are performed and identified improvement areas are followed up with the suppliers in regular meetings.

The Supplier Code defines our requirements in the areas of human rights, labour practices, occupational health and safety, environmental management, and business integrity. It reflects the requirements of our own Code of Business Conduct, our participation in the United Nations Global Compact and our broader sustainability commitments.

We require our suppliers to commit and adhere to certain fundamental principles and business rules, including:

- to fully comply with applicable laws, including laws related to slavery and human trafficking
- to respect internationally recognised human rights, which include the Rights of the Child
- not to engage in or support trafficking of human beings or any form of slavery
- not to tolerate any form of discrimination
- not to use forced or compulsory labour; all labour must be voluntary
- not to use any form of child labour
- to fairly compensate workers
- to allow workers to freely associate and bargain collectively
- to ensure safe and healthy working conditions for its workers
- not to engage in fraudulent activities or extortion

- not offer, pay, request or accept any form of bribery
- operate with care for the environment and minimise negative environmental impacts.

and we will be working with them to build their capacity to be able to meet these standards.

### ***Supplier desk-based evaluations***

We perform regular supplier evaluations with the support of our partners and third-party service providers. Such assessments include aspects specifically related to modern slavery and forced labour. The selection of suppliers is based on our risk mapping, described in section 3 above.

Once assessments are conducted based on our risk mapping, typical areas for improvement that we have identified and followed up with suppliers include:

- Improve documentation on labour & human rights policies
- Missing information or supporting documentation relating to working conditions, career management & training, diversity, discrimination, harassment

In such cases, we request suppliers to implement corrective actions that we follow up in subsequent assessments. In case of critical matters, prompt actions are required from the supplier as well as a more detailed assessment through a site-specific audit.

Evaluations may also be performed when certain key events happen (e.g. when a supplier introduces a new site or production process), or in case of specific concerns. We use Riskmethods, our supplier risk management software, to ensure continuous monitoring of responsible sourcing risks. In addition to using AI to monitor news stories in real time, the Riskmethods platform also consolidates and integrates data from internal and external sources such as EcoVadis.

### ***Audit process***


Tetra Pak conducts periodic ethical audits of suppliers, using the Sedex Members Ethical Trade Audit (SMETA) methodology. Audits are performed of suppliers receiving a high-risk score from desk-based evaluations, or other concerns. The audits are pre-announced and performed by Sedex Affiliate Audit Companies. Suppliers are directed towards Tetra Pak preferred audit firms, but ultimately have the choice of which Sedex Affiliate Audit Company to use.

The SMETA measurement criteria are based on the Ethical Trading Initiative (ETI) Base Code, which refers to International Labour Organization (ILO) conventions.

Typical areas for improvement that we have identified during SMETA Audits and followed up with suppliers include:

- Health & Safety issues
- Overtime or lack of appropriate time records

In some cases, we use alternative standards and approaches based on the type of purchased goods and services, such as the Responsible Business Alliance for IT suppliers.



In relation to our base materials, we also require Chain of Custody (CoC) certifications, such as FSC™ (paperboard) and Bonsucro (plant-based polymers from sugar cane). We have also achieved a near 100% aluminium suppliers certified to ASI Performance Standard and ASI CoC Standard (Aluminium Stewardship Initiative). Such certifications extend to social aspects, including the prevention of modern slavery and human trafficking.

During the COVID-19 pandemic period, we have in parallel started using Sedex Virtual Assessment (SVA), which have provided a practical alternative where physical SMETA audits could not take place. This allows auditors to conduct a virtual site tour and worker interviews using video technology, as well as review supplier's management systems and documentation. Based on the successful pilot in 2021, we have decided to continue virtual audits as an alternative when there are good reasons.

If, through an audit, risk assessment or other means, we become aware of any actions or conditions in breach of our Supplier Code which are not remediated in a timely manner, we have the right to terminate any purchase or other agreement with the supplier.

### ***Training***

We continuously enhance our training programmes and e-learnings to enable all people involved in procurement to effectively integrate Responsible Sourcing and sustainability considerations.

Responsible sourcing trainings, covering aspects of modern slavery and human trafficking, are provided in the form of e-learnings or webinars.

Our Responsible Sourcing e-learning is mandatory for all employees in our procurement organisations. Completion of assigned training is recorded and regularly monitored.

In 2022, we are rolling out a new sustainability training for all procurement employees which we will monitor participation of. We also organise awareness sessions for suppliers with our partner EcoVadis. In addition to a general review of sustainability topics and evaluation approach, we focus on the definition of action plans allowing suppliers to improve their sustainability performance and prevent modern slavery and human trafficking risks.

## **5 Assessing the effectiveness of our actions**

### ***External partnerships***

It is our belief that by joining forces with people and organisations who share our objectives, we magnify the positive impact on society and foster higher accountability for our actions.

- Tetra Pak has been a participating and signatory company to the United Nations Global Compact since 2004. As such, we are committed to its ten principles on human rights, labour, the environment and anti-corruption. Specifically, in relation to human rights, our commitment to the UN Global Compact means that we support and respect activities to safeguard international human rights within our sphere of influence, and strive to ensure that neither we, nor any of our suppliers, is an accomplice to human rights abuses. We submit a [Communication on Progress](#) every year.
- To build trust and transparency with our customers and as part of our approach to responsible sourcing, we work with leading sustainability assessment platforms, including EcoVadis and Sedex.

- In 2021, we renewed our assessment by EcoVadis with a score 72/100, placing us in the top 1% of companies assessed in our industry category and receiving a Gold medal. This score reflects our strong sustainability work across the value chain and strengthens our position as a trusted business partner.
- Our production sites undergo regular SMETA (Sedex Members Ethical Trade Audit) audits based on a rolling schedule, allowing us to provide detailed assurance to our customers and stakeholders.
- Our Sustainability Advisory Panel was formed in 2020 to provide us with an 'outside-in' perspective to advise us on our sustainability strategy within the business, broader industry, and beyond. The panel comprises six independent external advisors, who were selected based on their range of experience and expertise deemed necessary to shape and inform a pioneering sustainability agenda that will help us maximise positive impacts for people and planet and achieve our sustainability goals.

### ***Internal assurance processes***

Compliance with our Responsible Sourcing Procedure is monitored through our assurance processes, in particular as part of our annual risk assessments and control self-assessment processes.

- Our Executive Leadership Team is responsible for implementing the corporate governance framework, supported by a Corporate Governance Office and a network of local governance, risk and compliance officers.
- Every year, Tetra Pak's CEO and the Executive Leadership Team are required by the Tetra Laval Group Board to assure conformity with the corporate governance framework. Across the Group, an internal audit team verifies that the framework, policies and procedures are being followed.
- Anyone in the company can anonymously report actual or suspected breaches of our Code of Business Conduct or any other unethical behaviour directly to either the Corporate Governance Officer or the Head of Audit, without being penalised in any way. Every case of a breach of our Code of Conduct is handled individually and investigated appropriately. Every case of a breach of our Code of Conduct is handled individually and investigated appropriately, depending on its severity. If the incident is criminal, we report it to the relevant authority.

We also track progress of our activities using performance indicators, such as spend with acceptable level of risk in relation to sustainability and human rights.

- Almost all our base materials suppliers have a valid assessment with results that meet our expectations. We are currently working with the remaining few suppliers to obtain missing assessments.
- For the modules, components, parts and services used in Tetra Pak equipment, as well as the goods and services used for our operations, all relevant suppliers from a risk and criticality perspective are covered by our Responsible Sourcing Program, as described above. This represents 40% of the spend in these categories. By the end of 2021, 84% had an approved desk-based evaluation or on-site audit.
- We continue rolling out additional assessments as we aim to get closer to a 100% coverage of suppliers within the scope of our program.

## 6 COVID-19

As COVID-19 persisted in 2021, it meant that many of our planned initiatives were temporarily set aside to allow the full OHS effort to focus on keeping our employees, contractors and visitors safe on site and whilst travelling and our business running during the pandemic.

We also recognised the difficulties faced by our suppliers during COVID-19 and postponed certain assessments when focus was on ensuring continuity of operations and securing supply. Our structured approach to supplier evaluations however helped us prioritise our activities and maintain the focus on critical suppliers. We managed to increase the share of suppliers with desk-based evaluations or ethical audits meeting our requirements.

## 7 Consultation and approval

This Statement has been prepared in consultation with employees with responsibility for the oversight of procurement, sustainability, legal, governance and risk processes in Tetra Pak.

This Statement was approved by the Boards of Tetra Pak Limited, Tetra Pak Processing UK Limited and Tetra Pak (Ireland) Limited on 24 June 2022, and by the Board of Tetra Pak Marketing Pty Ltd on 24 June 2022.

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Alex Henriksen

Managing Director

Tetra Pak Limited and Tetra Pak (Ireland) Limited



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Andrew Pooch

Managing Director and Board Member

Tetra Pak Marketing Pty Ltd



## ANNEXURE A – Australian Modern Slavery Act 2018 (Cth) mandatory reporting criteria

Mandatory criteria	Page number/s
a. Identify the reporting entity.	1
b. Describe the reporting entity's structure, operations and supply chains.	1
c. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	3
d. Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	2-6
e. Describe how the reporting entity assesses the effectiveness of these actions.	6-7
f. Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).	N/A
g. Any other information that the reporting entity, or the entity giving the statement, considers relevant.	N/A