

TETRA PAK ACCOUNT OF DUE DILIGENCE FOR NORWAY TRANSPARENCY ACT

This statement sets out the steps taken by the Tetra Pak Group to undertake human rights due diligence in our operations and supply chains. It is intended to meet the obligations of, and is lodged on behalf of Tetra Pak Norge AS, pursuant to the Norway Transparency Act 2022.

General description of the company's structure, area of operations

Tetra Pak is a leading food processing and packaging solutions group with more than 25,000 employees and net sales of approximately € 12.4 billion. We have 52 production plants, 87 sales offices and 27 market companies around the world including Tetra Pak Norge AS. Tetra Pak Norge AS, based in Lysaker, has 18 employees and markets a range of our portfolio of packages, packaging equipment and processing equipment. Tetra Pak Norge AS does not have any production facilities, nor does it have subsidiaries.

The Tetra Pak Group operates 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 supply chains are global, and we manage over 15,000 suppliers in 110 countries. The top 10 countries for supplier spend are Sweden, United States, China, Brazil, Italy, Switzerland, Germany, Austria, Denmark and Hong Kong.

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 entity adheres to the Tetra Pak global processes and corporate governance framework, which integrate the activities aimed at preventing, mitigating and otherwise addressing human rights risks through human rights due diligence as described in this Statement.

Guidelines and procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions.

Tetra Pak is committed to conducting every aspect of its business with integrity, complying with the rule of law and respecting the human rights across our operations and value chain, in line with the UN Guiding Principles on Business and Human Rights.

Tetra Pak sees its suppliers as key partners, but also recognises that supply chains are a potential source of environmental 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 have developed enhanced 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, as is our [Responsible Sourcing Procedure of Renewable Polymers](#). The relevant verification and assurance activities are governed by these standards and procedures, aiming at addressing specific human rights risks, including land rights, deforestation and biodiversity risks.

During 2022, we worked with Shift, a leading centre of expertise on the UN Guiding Principles on Business and Human Rights, to assess our approach to respecting human rights and how it can be further developed as part of our social sustainability strategy. As an outcome, we initiated a systematic risk identification process, to assess and prioritise risks to people across our value chain. For risks in our supply chain, this involved desk research, including reviewing suppliers' disclosure, relevant reports from civil society, international institutions and the media, and assessing information on suppliers from Ecovadis, Sedex audits, and industry schemes such as the Aluminium Stewardship Initiative. This was complemented by interviews with a selection of external experts and credible proxies from NGOs and international institutions that could provide expertise and insight into the severe risks to human rights in key supply chains, through dialogue with strategic suppliers, as well as internal stakeholder interviews and workshops with category managers in our procurement function.

Engagement with affected stakeholders – those at risk of negative impacts – is a critical element of each stage of the due diligence process, but particularly in identifying risks and evaluating the effectiveness of our actions. As such, we aim to strengthen engagement with affected stakeholders across the value chain.

Information regarding actual adverse impacts and significant risks of adverse impacts that the company has identified through its due diligence

Through the human rights risk identification and prioritisation process set out above, we assessed that the most severe risks that may occur to people in our supply chain could be as follows:

- Forced labour of workers and indigenous people's rights in the extraction or cultivation of our base materials
- Environmental impacts on the livelihoods of communities from the extraction of our base materials
- Security of human rights and environmental defenders in some higher risk countries
- Health and safety of workers in our base material suppliers' production
- Working conditions of workers at our logistics providers

In addition, through our risk assessment tools we have identified impacts or allegations as follows:

- Poor housing and working conditions in the extended ink supply chain.
- Poor working conditions in logistics.

- Poor practices by suppliers' labor contractors.
- Impacts on migrant workers in the supply chain,

Information regarding measures the company has implemented or plans to implement to cease actual adverse impacts or mitigate significant risks of adverse impacts, and the results or expected results of these measures.

Measures in response to allegations and impacts

In relation to the identified impacts and allegations, Tetra Pak engaged with the relevant suppliers, re-stating our expectations on human rights, initiating a dialogue on enhancing human rights due diligence in these supply chains and checking that the affected workers had received remedy.

Measures to prevent and mitigate risks

Following the exercise to identify Tetra Pak's significant human rights risks (the most severe risks to people) set out above, we are developing action plans to prevent and mitigate these risks by collaborating with suppliers, industry peers, multi-stakeholder associations, governments, and civil society. As an example, we are engaging with prioritised logistics suppliers to communicate our expectations on human rights and assess the strength of their due diligence, provide guidance on enhancing their systems and explore potential areas for further collaboration on shared risks to people.

For all of our base material suppliers, we request information on their over-arching human rights due diligence process, as well as on their management of human rights risks in the supply chains that are relevant to the specific material (paperboard, polymer, aluminium and inks). We assess the quality of their human rights risk identification process through our Join us in Protecting the Planet Initiative, with the results contributing to the overall assessment of supplier performance. The material specific information helps us build better understanding of risks to people in specific supply chains.

Risk management is an integral part of every decision we take, to both prevent and mitigate potential negative impacts on people, society, and the environment and to protect the value of our company. 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.

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. A process to revise the Supplier Code is underway, with an update to be published in 2024.

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, our commitment to the UN Guiding Principles on Business and Human Rights and our broader sustainability commitments. The [Supplier Code](#) requires our suppliers to commit and adhere to certain fundamental principles and business rules, and we will be working with them to build their capacity to be able to meet these standards.

EcoVadis assessments

We ask our suppliers to perform regular evaluations with the support of EcoVadis. Such assessments include aspects specifically related to human rights risks. The selection of suppliers is based on our risk mapping, described 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 improvements that we follow up in subsequent assessments. In 2022, there were 16 cases of suppliers with a score below 30 on Labour & Human Rights.

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.

SMETA audits

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 on EcoVadis IQ. 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. Where non-conformities are found, we request suppliers to implement corrective actions.

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 recognise 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 the ASI Performance Standard and the ASI CoC Standard (Aluminium Stewardship Initiative). Such certifications extend to human rights aspects.

During the COVID-19 pandemic period, we started using Sedex Virtual Assessment (SVA)s, 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 decided to continue using 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 responsibly terminate any purchase or other agreement with the supplier – but our first step is always to engage with the supplier in order to change the harmful behaviour or practice.

In 2022, we identified critical non-conformances related to Labour & Human Rights at 7 suppliers and in each case corrective action plans were put in place.

Training on Responsible Sourcing

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 rolled out a new sustainability training for all procurement employees. 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 human rights risks.

Action on risks in own operations

In 2022, we had zero fatalities and only one high-consequence incident, across our sites globally. We ensure that all high consequence incidents have subsequent detailed action plans to drive improvements to prevent reoccurrence. In 2022 we also achieved a 19% reduction in our Total Recordable Accident Rate compared to 2021 continuing the trend from 2020. Our continued efforts on OHS over the past few years have been contributing to this positive development. As an example, we have continued the implementation of the global software platform My OHS, to deliver OHS support to our employees and agency workers, and we launched a virtual course to further raise OHS competency in key positions.

As part of our aim to improve global employee mental wellbeing, we have launched a campaign helping employees recognise symptoms of poor mental wellbeing in themselves or their colleagues and tools to help them make changes to improve the situation. The campaign worked alongside the global Employee Assistance Programme, which is open to all employees and their families should they need emotional support or counselling. In 2022, over 3,000 employees accessed and engaged with our Mental Wellbeing portal with an additional 3,200 completing our training programme, including the resilience training we launched the same year. Based on our employee engagement survey we now start seeing a positive trend in number of employees who say they feel comfortable in talking about their mental wellbeing at Tetra Pak.

We continue to see progress in the representation of women among Tetra Pak employees: the number of women in senior positions increased to 22% in 2022, compared to 18% in 2021, and 14% in 2020. Women now represent 56% of participants in mentoring programmes, 38% of participants in our Leadership Accelerated Programme (LAP), and 31% of employees in our succession bench.

To increase the rate of women being hired in factories, we identified a list of enablers, such as adapting working patterns (e.g., facility requirements, shift patterns), onboarding for newly hired women, and training for people leaders who will lead women for the first time. Implementing these enablers has resulted in local improvements, one example being our factory in Chakan, India, where the number of female engineers increased from zero to five in 2022, when focusing on attracting women to our Future Talent Programme.

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. We submit a [Communication on Progress](#) every year.
- In 2022, we joined AIM-progress, a forum of leading Fast Moving Consumer Goods (FMCG) manufacturers and common suppliers, assembled to enable and promote responsible sourcing practices and sustainable supply chains.
- We joined Shift's Business Learning Program, [Business Learning Program - Shift \(shiftproject.org\)](#); The Nordic Business Network on Human Rights, facilitated by the Danish Institute of Human Rights; The World Business Council for Sustainable Development; and the Business Network on Civic Freedoms and Human Rights Defenders to help build internal capacity on human rights and broader sustainability issues.
- 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 2022, we renewed our assessment by EcoVadis with a score 75/100, placing us in the top 1% of companies rated by EcoVadis in our industry category and receiving a Gold medal.
- 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.
- We 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.

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 within or outside 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, depending on its severity. If the incident is criminal, we report it to the relevant authority. [Good governance | Tetra Pak](#)
- 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 Programme, as described above.