

Leading the Circular Economy

ABOUT THIS REPORT

Pact's *Sustainability Report (Report)* represents our commitment to enhance transparency, accountability and performance. It outlines and reflects on the impact of the Group's operations and supply chain, focusing on social and environmental impacts, alongside our governance and leadership principles.

We endeavour to provide a balanced *Report* that showcases where we are performing well and where we consider there is room to improve.

Nine material topics are considered representing issues we know are important to our internal and external stakeholders. These nine topics have been organised into three pillars: People, Planet and Principles.

This year we have engaged an external assurer to review our energy and emissions reporting to continue setting a high level of accuracy on these key material topics in the organisation. The *Assurance Report* can be found on page 81.

This *Report* has been prepared in accordance with the Global Reporting Initiative (**GRI**) standards. Detailed mapping of this framework can be found on pages 77 to 78. The information contained in this *Report* relates to sites wholly-owned and operated by Pact Group Holdings Ltd (**Pact** or the **Company**) and its wholly owned subsidiaries (the **Group** or **Pact Group**). This *Report* also includes information about joint-ventures operated by the Group. All data relates to the 12-month period ending 30 June 2023 (FY23) unless otherwise stated.

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

Information Integrity And Verification

Pact's Executive Leadership Team (**ELT**) is responsible for the preparation and integrity of the information in this *Report*. We believe this *Report* fairly represents our sustainability performance during FY23.

Further Information

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

- › pactgroup.com
- › 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 our website: [Click here](#).

If you have any questions or feedback, please email: info@pactgroup.com

CONTENTS

Pact Group At A Glance	3
FY23 Achievements	7
CEO's Statement	9
Our Stakeholders	11
Material Topics	13
People	19
Planet	35
Principles	63
Global Reporting Initiative Index	77
Notes & Assumptions	79

PACT GROUP AT A GLANCE

~5,400
employees




Our Capabilities

-  Packaging
-  Reuse
-  Recycling
-  Contract Manufacturing

Net Revenue

\$1.948
Billion



~130 
locations

15 
countries

Pact¹ is one of the largest rigid plastic recyclers in Australasia



FINANCIAL REVIEW
**SUSTAINABILITY
LEADERS 2023**
IN ASSOCIATION WITH **BCG**

Circular Plastics Australia (PET)² — Pact's joint-venture with Cleanaway, Asahi Beverages and Coca-Cola Europacific Partners — named as one of the *Australian Financial Review's Sustainability Leaders for 2023.*

OUR VISION & VALUES



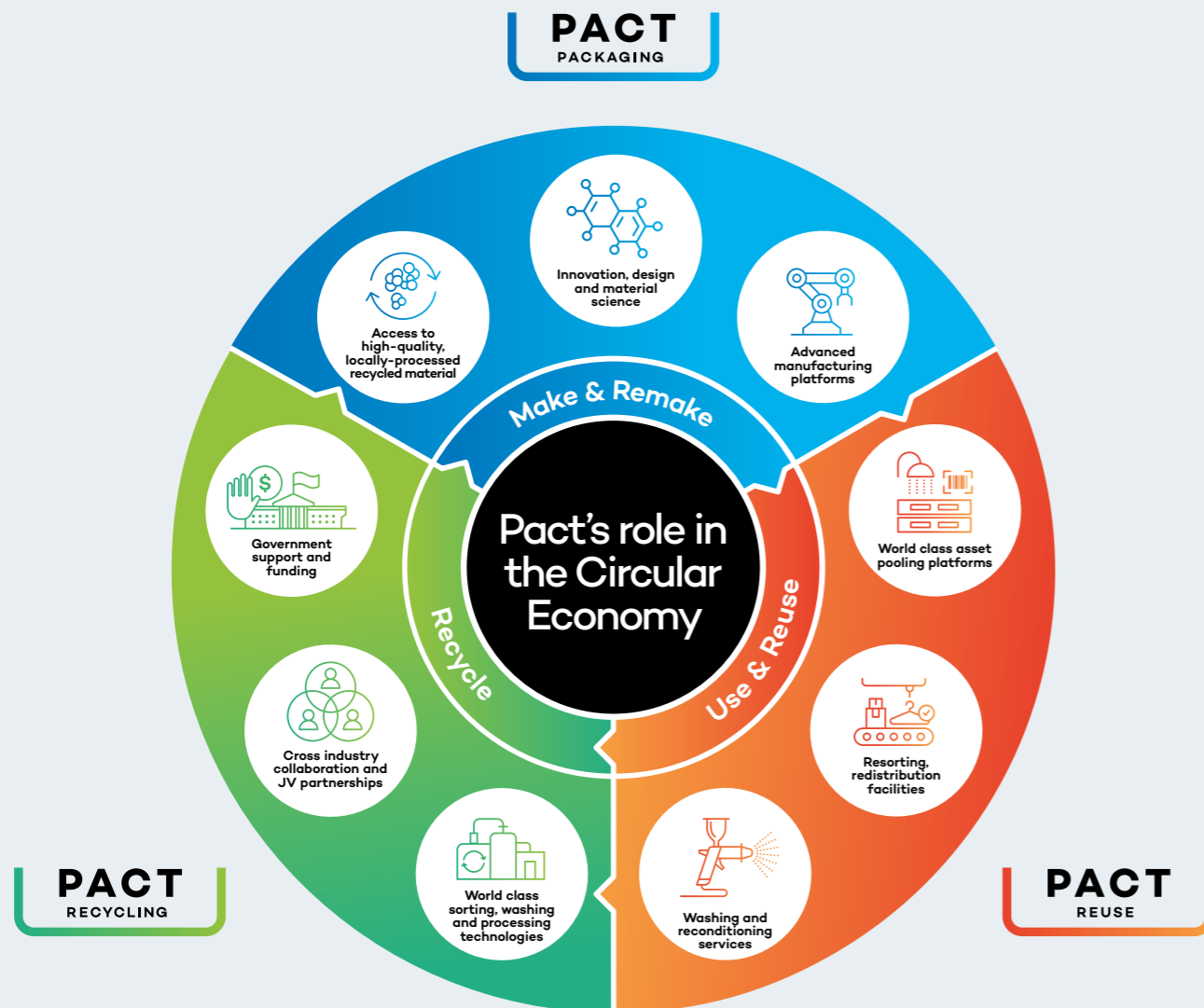
The Values we
live by everyday

Safety 
Customer 
Integrity 
Innovation 
Respect 

OUR ROLE WITHIN THE CIRCULAR ECONOMY

A Circular Economy is a systematic approach to economic development designed to benefit businesses, society and the environment. It is regenerative and aims to gradually decouple growth from the consumption of finite resources.

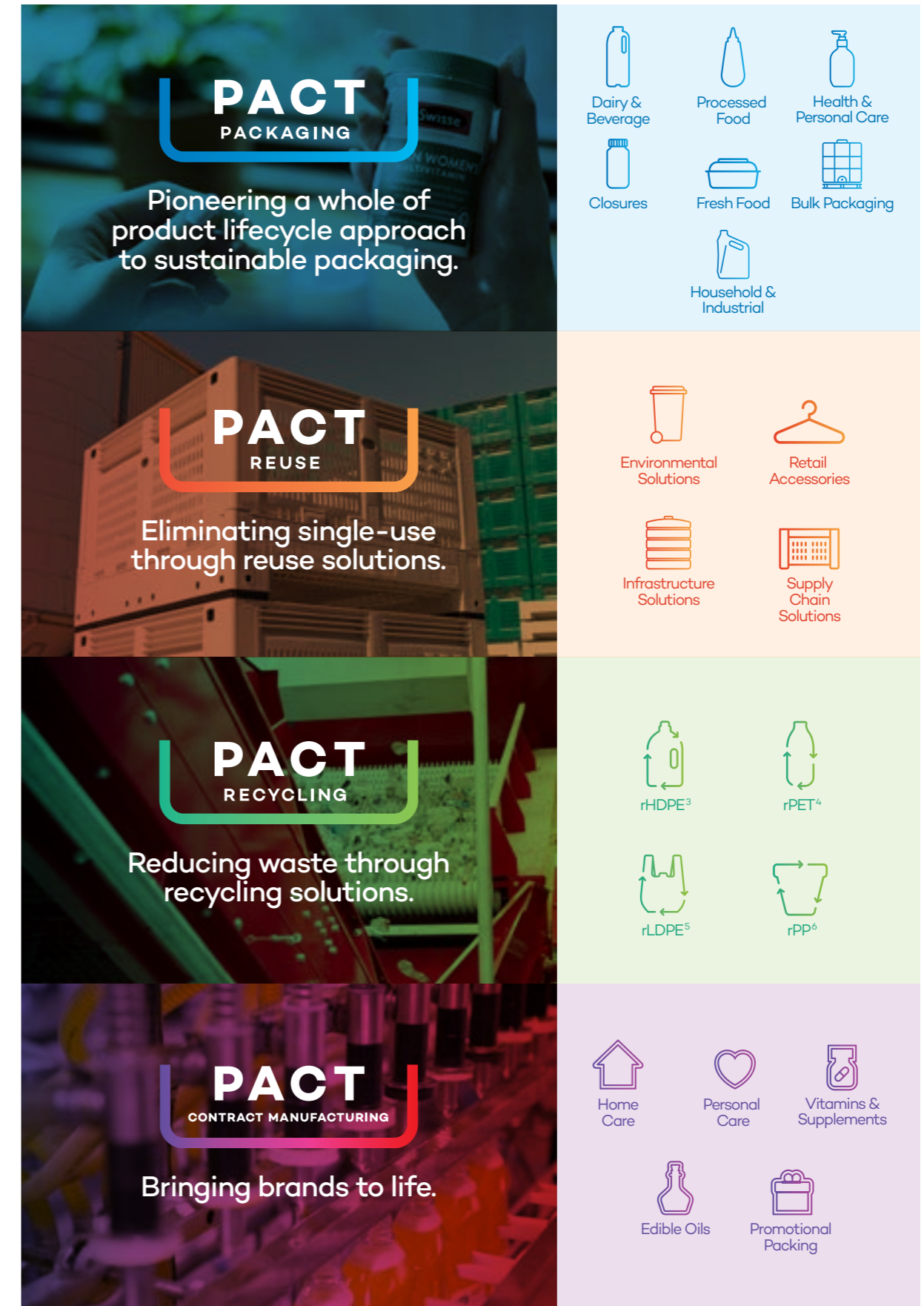
The Circular Economy transforms the linear consumption approach (take-make-waste) into a circular one that keeps resources in circulation for longer. This approach reduces environmental impact and protects natural resources. Since our inception, Pact has been a driver of the Circular Economy through Packaging, Reuse and Recycling solutions.



OUR CAPABILITIES

Our Divisions

Market Segments



FY23 ACHIEVEMENTS



People

85%

participation rate in our *Pact Pulse Employee Engagement Survey* across 15 countries

80%

of employees agreed that 'Pact Group values diversity and provides a safe and enabling workplace'

>380

employees attended an International Women's Day webinar to listen to a #ProudToBePact panel of seven members discuss the challenges of achieving gender equity, their experiences of gender bias in the workplace, and how everyone has a role to play in an inclusive culture

>7,900

Kudos employee recognitions recorded across the Group



Initial *Reconciliation Action Plan (RAP)* draft established to drive indigenous awareness and opportunities to engage with First Nations people



Diversity & Inclusion (**D&I**) Committee established to ensure our workplaces are equitable, inclusive and where difference is valued and celebrated



Planet

↑12%

average recycled content used across our plastics portfolio (an increase from 10% in FY22)

Recycling facilities produced

>54,000 tonnes

of recycled material representing a

↑42% increase from FY22



Principles

Reduced Scope 1 & 2 emissions by

↓12% in Australia and New Zealand

Decreased production of polystyrene (PS) packaging by

↓11% or >360 tonnes

Decreased production of polyvinyl chloride (PVC) packaging by

↓42% or >125 tonnes

2 Worldstar Packaging Awards

for the use of recycled plastic in packaging in FY23

3rd Modern Slavery Statement released



Refreshed *Competition and Consumer Act Compliance Policy* and *Modern Slavery Policy*



Group-wide awareness training completed by employees to enhance awareness of corruption and bribery risks and prevent policy non-compliance

All comparisons are to the previous year (FY22).

A WORD FROM OUR MANAGING DIRECTOR & GROUP CEO



Pact's Vision is to *Lead the Circular Economy* and I am proud of the progress we have made in FY23 towards achieving our goals.

In FY23 our focus has been on building the infrastructure that will enable us to execute our Strategy and achieve our Vision. This includes building two new plastic recycling facilities with our joint-venture partners and upgrading our packaging manufacturing platforms to keep up with the demand for sustainable packaging. This investment will enable us to help our customers achieve their sustainability targets and realise our own *2025 End of Waste Targets*.

Our *FY23 Sustainability Report* outlines our Environment, Social and Governance (**ESG**) Strategy, commitments, and impact assessments under three categories: People, Planet and Principles. These three pillars drive our purpose to ensure we:

- have a safe and respectful workplace with highly motivated and engaged talent;
- reduce our environmental impact and accelerate our progress towards our *2025 End of Waste Targets*; and
- conduct our business responsibly and invest in programs that positively impact the communities in which we operate.

People

Central to Pact is our people, their commitment to our *Circular Economy Strategy* as well as living our Values of Safety, Customer, Integrity, Innovation and Respect.

Safety is and will always be our number one value. In FY23 our total recordable injury frequency rate was 7.1. This is down 26% on the same time last year. I am really proud of this outcome in the context of the large capital build program that we have embarked on.

At Pact, we are passionate about building an inclusive workplace that is free from bias and discrimination. To further embed equity and inclusion in our culture, in FY23 the Group established a Diversity & Inclusion Committee and drafted our initial *Reconciliation Action Plan* to drive indigenous awareness and opportunities to engage with First Nations people.

Planet

In FY23, we accelerated our progress toward achieving our *2025 End of Waste Targets* to Reduce, Reuse and Recycle.

Reduce — Eliminate all problematic plastics we use.

In FY23 we further decreased consumption of problematic resins (PS and PVC) by 11% and 42% respectively. We have now completely ceased our consumption of expanded polystyrene (EPS) ahead of government mandates and our own ambitions.

Reuse — Have solutions to reduce, reuse and recycle all single-use secondary packaging in retailers.

In FY23 we eliminated the use of approximately 40,500 tonnes⁷ of single-use corrugate cardboard by issuing more than 82 million returnable produce crates.

The strength of our Crate Pooling business resulted in global infrastructure investment manager Morrison & Co purchasing a 50% stake in the business which will enable us to expand its capabilities and progress significant growth opportunities.

Recycle — offer an average of 30% recycled content across our packaging portfolio.

In FY23, we continued to invest in recycling infrastructure with our joint-venture (**JV**) partners to produce more than 54,000 tonnes of recycled material, which is utilised to produce new packaging and products internally or otherwise sold. This represents an increase of 42% (or 16,000 tonnes) in material that the Group recycled from the previous financial year.

The Pact-operated Circular Plastics Australia (**CPA**) PET recycling facility is fully operational in Albury, while a second CPA (PET) recycling facility, and a HDPE and PP recycling plant, both in Melbourne, are due to open in H1 FY24 which will significantly increase our recycling capacity.

In FY23, we also invested in upgrading our packaging platforms across Australia to produce high-quality packaging containing recycled content at scale. The recycled content across our plastics portfolio now averages 12%, which is great progress, as we move towards our target of 30% by FY25.

In FY23 we signed two important strategic partnerships with Woolworths Group and ALDI to supply plastic packaging made with recycled content for their own brand products. Pact will supply Woolworths with packaging for its own brand portfolio using approximately 18,000 tonnes of recycled plastic resin sourced from Pact operated PET and HDPE recycling manufacturing facilities. With ALDI we will supply recycled plastic packaging for approximately 300 million units of the retailer's fresh food, dairy, beverage and home care products.

I am also pleased with the progress we have made this year towards our *2030 Emissions Reduction Target* to reduce our Scope 1 and 2 emissions by 50% in Australia and New Zealand. In FY23 through reconfiguring operational processes, investing in energy-efficient machinery and installation of solar panels, the Group's emissions have reduced by 12%.

Principles

We strive to *Lead the Circular Economy* through being informed, ethical and transparent. In FY23, we continued to support many worthy initiatives and activities that foster positive connections between our employees, customers and the communities in which we operate.

We also released our third *Modern Slavery Statement*, refreshed our *Competition and Consumer Act Compliance Policy* and employees completed training to enhance awareness of corruption and bribery risks and prevent policy non-compliance.

Thank you

Our progress in strengthening our sustainability performance and driving change in the industry would simply not be possible without our people. I remain extremely proud of our talented and dedicated people for embracing our Vision and Values and driving our *Strategy* forward to meet the expectations of all our stakeholders.

Sanjay Dayal
Managing Director & Group CEO

OUR STAKEHOLDERS

As our stakeholders become increasingly invested in issues related to ESG, we continue to prioritise open and direct dialogue as a way of driving the ongoing improvement of our sustainability performance.

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 engaging with our stakeholders are diverse, as outlined below.



Shareholders



Suppliers
& Business
Partners



Customers



Consumers



Employees



Government
& Regulators



Community
Groups



Third Party
Employee
Organisations

Our Stakeholders

Comprise of institutional investors, employees investors, retail shareholders and prospective investors.

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

We service customers in dairy and beverage; processed food; health and personal care; fresh food; household and industrial; and other sectors.

The end users of our products.

Approximately 5,400 employees across 15 countries.

As required, we engage with Local, State and Federal Governments, primarily regarding regulatory compliance and to shape the future of the Circular Economy.

We engage with 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.

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

How we engage:

- ASX announcements, press releases, up-to-date website content
- Face-to-face meetings
- *Annual Report*
- AGMs
- *Sustainability Report*
- Investor presentations and webcasts
- Mailed communication
- Social media channels

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

- Customer-led audits and assessments
- Joint new product development and research and development
- Regular customer business review meetings
- Newsletters, websites and other communications
- Customer presentations
- Conferences and trade shows
- Social media channels

- Websites and external communication channels
- Social media channels
- Focus groups and consumer immersions

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

- Face-to-face meetings
- Reports, licensing and performance statements

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

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

OUR MATERIAL TOPICS

The material topics addressed in this Report are in line with the priorities identified for Pact Group and its stakeholders, in accordance with GRI Universal Standards 2021. 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 material topics are listed on page 16.

Materiality Analysis

Annually we undertake materiality assessments to determine the most important sustainability issues for our stakeholders. We use these findings to inform our *Sustainability Strategy* and prioritise our initiatives to ensure we have meaningful metrics against which to measure our performance. The analysis provides a basis for the structure and content of this Report.

Separate reporting on Pact's operational business risks can be found in our *Annual Report*.

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.

OUR MATERIALITY PROCESS

Our materiality process considers Pact's economic, environmental and social impacts and the consequences and risks associated with these, in consultation with our stakeholders.



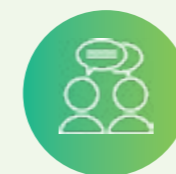
Understand

We conduct our materiality analysis with an understanding of our business activities and business relationships, the sustainability context in which these occur, and an overview of our stakeholders. This review provides Pact with critical information for identifying our actual and potential impacts.



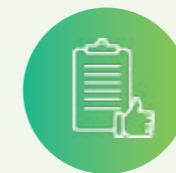
Identify

We review the previous year's list of material topics, reflect on material topics and sustainability challenges of like companies; media coverage of the manufacturing industry; the relevant ESG frameworks and standards (including GRI, Carbon Disclosure Project, EcoVadis and Australian Packaging Covenant Organisation (APCO)), our Vision and Values; and the areas of interest identified by stakeholders and the global community in general. Through this process, we develop an updated list of sustainability issues relevant to Pact and our stakeholders.



Engage

We regularly consult our stakeholders (detailed on pages 11 to 12) to understand the topics that are important to them and our business. The feedback we gather throughout the year informs our materiality assessment. From this feedback, we use a weighting process to prioritise the topics identified in the previous step, and this engagement solidifies our list of most material topics. In FY23, we identified nine material topics, and these form the structure of this analysis.



Review

Our list of material topics is reviewed by our risk team, senior management and the Board.

DETERMINING OUR MATERIAL TOPICS

Through engagement with our key stakeholders, we have identified nine material topics for Pact Group in FY23.

In this *Report*, we have grouped analysis on these topics into three pillars:

-  **People**
-  **Planet**
-  **Principles**

Each pillar comes with its own unique set of goals and commitments.



	Material Topic	Reference to Management
	Health & Safety Providing a safe workplace and supporting our workers' physical and mental wellbeing.	Pages 24-26
	Workforce Training, Development & Engagement Maintaining high levels of employee engagement and providing learning and development opportunities to motivate our people to reach their full potential.	Pages 31-32
	Diversity, Equality & Inclusion Ensuring fair and equitable labour relations and understanding that our work environment can only be described as fully-inclusive if it enables employees to realise their full potential, regardless of their various demographics.	Pages 27-29
	Emissions Using natural resources responsibly by optimising process efficiency to reasonably minimise the impacts of our manufacturing processes.	Pages 37-40
	Waste Ongoing focus on reducing and eliminating waste from our operations.	Pages 55-58
	Water Ongoing focus on measuring water consumption of our operations.	Page 59-60
	Innovation & Product Stewardship <i>Leading the Circular Economy</i> through our <i>2025 End of Waste Targets</i> and sustainable packaging solutions.	Pages 43-52
	Community Impact Supporting the communities in which we operate.	Pages 61, 65-66
	Transparency Drawing on high standards and integrity in how we operate, our obligation to provide accurate and honest environmental and sustainability information to stakeholders.	Pages 1-82

ALIGNMENT TO SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (**SDG**) were established in 2015 by the United Nations. The 17 specific goals provide a shared blueprint for peace and prosperity for people and the planet, now and into the future. As a signatory to the United Nations Global Compact (**UNGC**), we accept our role as a responsible employer and remain committed to supporting the SDG. Pact will continue to deliver against the SDG through our *Circular Economy Strategy* and this *Report* describes our actions.

Goal



Good Health and Wellbeing

Ensure healthy lives and promote wellbeing for all at all ages.

Pact's Focus

- Providing a safe workplace and supporting our workers' physical and mental wellbeing with various health promotion programs and services.
— Pages 24-26



Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

- Offering various training and upskilling opportunities for all employees, whilst also having an apprentice program that teaches individuals vital technical and vocational skills.
— Pages 31-32



Gender Equality

Achieve gender equality and empower all women and girls.

- Having dedicated targets for gender equality in the workplace.
— Page 27-29



Affordable and Clean Energy

Ensure access to affordable, reliable, sustainable and modern energy for all.

- Maximising energy efficiency, adopting cleaner energy options and investing in generating renewable energy to reduce emissions in Australia and New Zealand by 50% by 2030, from an FY21 baseline.
— Pages 37-40



Decent Work and Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

- Prioritising the people in our business and ensuring our organisation is an inclusive, fair and equitable workplace across our operations worldwide.
— Pages 21-34

Goal



Industry, Innovation and Infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.



Reduced Inequalities

Reduce inequality within and among countries.



Sustainable Cities and Communities

Make cities and human settlements inclusive, safe, resilient and sustainable.



Responsible Consumption and Production

Ensure sustainable consumption and production patterns.



Climate Action

Take urgent action to combat climate change and its impacts.



Peace, Justice and Strong Institutions

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels.



Partnerships for the Goals

Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development.

Pact's Focus

- Investing in our *Circular Economy Strategy* so we can continue to provide more sustainable options for industrial processes and resource use.
— Pages 35-62

- Focusing on creating an equal opportunity workspace for our people.
— Page 27-29

- Concentrating on opening new recycling sites so we can maximise our recycling capacity and reduce the adverse per capita environmental impact of cities through waste management.
— Pages 49-50

- *Leading the Circular Economy* through our *End of Waste Targets* and providing sustainable packaging solutions, with high rates of recycled content, for our customers
— Pages 55-56

- Measuring, monitoring and minimising our operational emissions footprint in alignment with our 2030 emissions reduction target, whilst identifying opportunities to minimise our environmental impact in relation to waste and water.
— Pages 37-40, 55-60

- Enhancing the harmony of society by actively adhering to, and being a signatory of, the UNGC and Global Compact Network Australia.
— Page 17-18

- Harnessing the power of our various partnerships and *Community Giving Program* to provide effective outcomes to increase the sustainability of local and global communities.
— Pages 61, 65-67

People Planet Principles

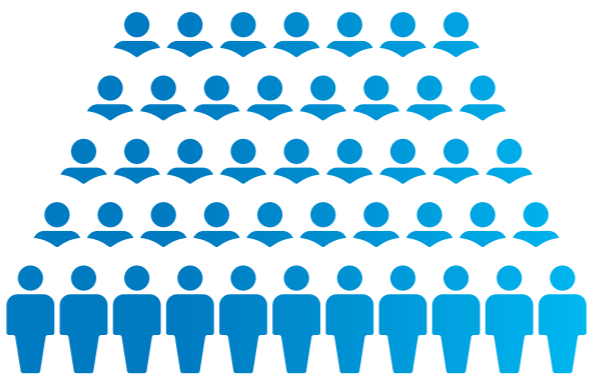
Providing a safe and respectful workplace with highly motivated and engaged talent.

OUR EMPLOYEES

Below is the breakdown of our employees in FY23.

5,384

PACT GROUP employees

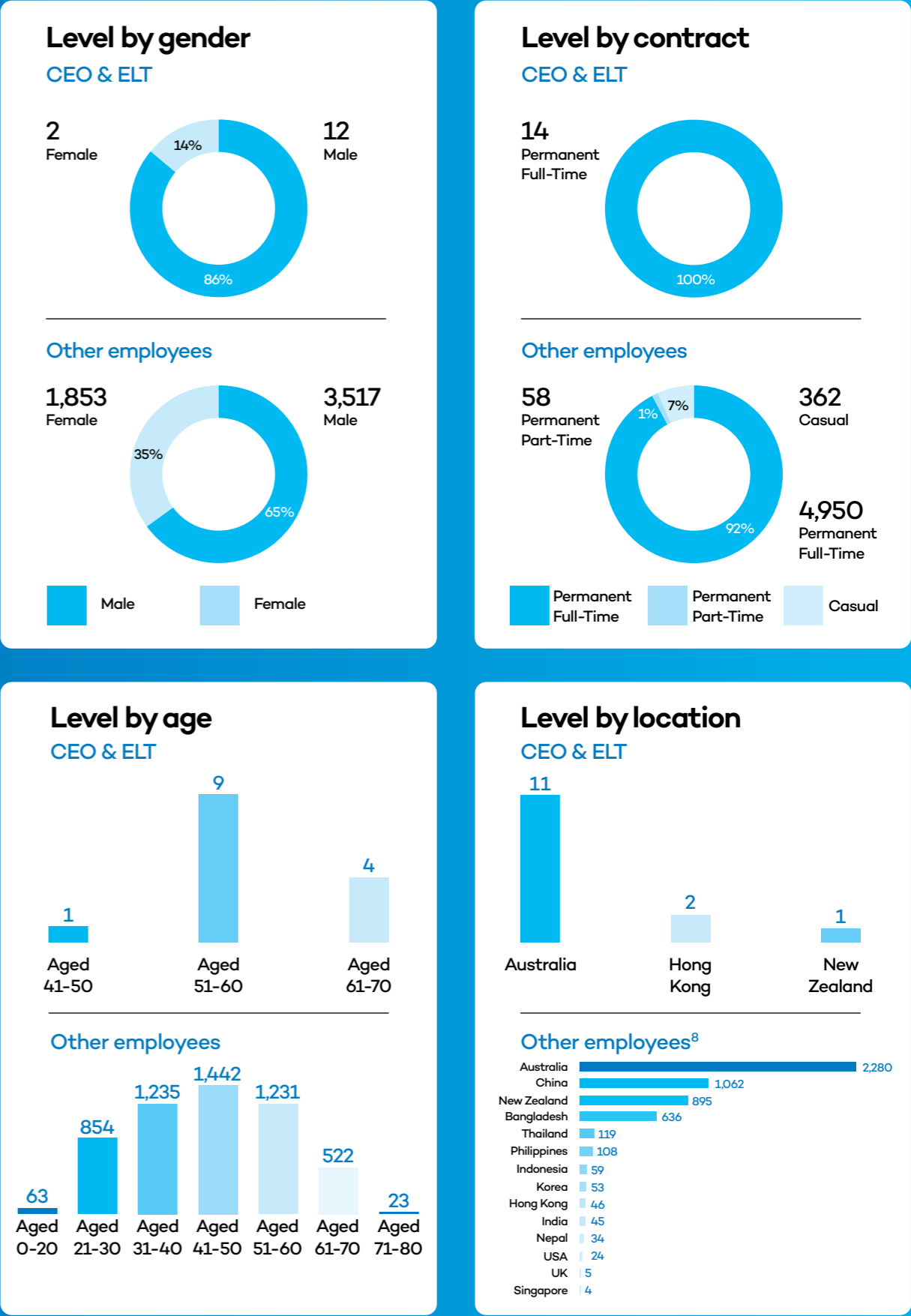


	Total	Female	Male
CEO & ELT	14	2	12
Other employees	5,370	1,853	3,517
Total	5,384	1,855	3,529

In FY23,
34%
of our workforce
was female.

The above data does not include our Chairman and Non-Executive Directors. Board composition information can be found in our *Annual Report*.

Diversity Composition Across Our Business



As part of our FY23 Pact Pulse Survey, Pact ensured team members could identify as genders other than male or female. Eight of our team members identified as being non-binary in FY23.

Employment

We like to give back to those contributing to the success of our business, so our employees receive many entitlements.

Salaried Employees

- Free onsite car parking
- *Kudos Recognition Program* – employees can earn reward points for living the Group's Values redeemable on a range of items, and make charitable donations
- Novated vehicle leasing and motor vehicle purchasing discounts
- Health insurance discounts
- 18 weeks paid parental leave for primary carers and two weeks for secondary carers
- *Employee Assistance Program (EAP)* – a free, confidential and independent counselling service
- *MyLearning* – programs to boost employee development, including leadership courses and online learning modules
- Career opportunities across a global organisation
- An opportunity to be part of a purpose-led and Values-driven, sustainable organisation that *Leads the Circular Economy*

Waged Employees

- Flexible working including different roster and shift availability
- Free onsite car parking
- Motor vehicle purchasing discounts
- *Employee Assistance Program (EAP)* – a free confidential and independent counselling service
- *MyLearning* – programs to boost employee development, including leadership courses and online learning modules
- Traineeships – fully-funded Certificate III in Process Manufacturing
- Career opportunities across a global organisation
- An opportunity to be part of a purpose-led and Values-driven, sustainable organisation that *Leads the Circular Economy*

Our waged employees are all paid in accordance with the applicable wage legislation. In many cases we exceed legislative requirements, as many employees are covered by *Enterprise Agreements*.

Employee rights to freedom of association and collective bargaining are something Pact has always respected, and we believe it is key to our people feeling genuinely empowered. Our employee arrangements vary, reflecting the diversity of our workforce, but always cover wages and working conditions. Labour relations are central to our sense of social responsibility. Pact has 45 active enterprise agreements worldwide. All of our contractual labour agreements meet the statutory requirements in relation to termination and redundancy processes. In many cases, we exceed regulatory standards.

From time to time, Pact operates employee share schemes (such as the *myPact Share Plan* which was launched in FY21) to encourage and promote the achievement of common goals between employees, Shareholders and the Company. During FY23, a new cycle of the *myPact Share Plan* was not activated.

In FY23, the Group's employee turnover rate was 17%.

Parental Leave

Flexible work arrangements are available as needed for those employees returning from parental leave. During FY23, 45 female and 30 male employees accessed parental leave.

All permanent employees, male and female, are entitled to take parental leave once they have completed one year of service with Pact. Pact's *Parental Leave Policy* provides employees with 18 weeks paid parental leave for primary care givers and two weeks paid parental leave for secondary care givers.

HEALTH & SAFETY

Our number one Value at Pact is Safety. Our *Health and Safety Policy* and our *Health, Safety, Environment and Sustainability (HSES) Strategy* are aligned with our commitment to provide a safe, healthy, caring and respectful workplace for everyone.

Pact's *HSES Management System* is based on ISO45001:2018 and covers all of Pact's facilities under our operational control. The *HSES Management System* has been developed to clearly identify the key responsibilities and standards expected of the ELT, senior managers, the HSES team and workplace management. The *HSES Strategy* is supported by a set of Group policies and procedures that help drive consistency across our sites. These documents reflect current legislative requirements and industry best practices.

The *HSES Strategy* is organised into three pillars: People, Process and Plant.



People

Drive HSES leadership and culture and unlock engagement by collaboration.

Our commitments:

- Continue to build a 'safety first' and proactive culture
- Develop HSES skills and knowledge in all our people
- Implement our *Care Safe Program*
- Revise and improve our HSES measurement and reporting



Process

Develop core systems, processes, and procedures to eliminate harm through proactive management of risk.

Our commitments:

- Continue to implement significant risk control standards and undertake gap analysis reviews against them
- Improve on sharing incident investigations and learnings
- Focus on minimising manual handling and ergonomics risks on sites
- Continue to ensure HSES is integrated with all major projects



Plant

Ensure plant, sites and equipment are safe and fit for purpose.

Our commitments:

- Monitor action close out for *Significant Risk Control Standards (SRCS)*
- Continue to develop significant risk bowties to identify single points of failure
- Prioritise capital spend on HSES initiatives through risk assessment and controls

Performance & Strategy

Pact has transitioned from a focus on lost-time injuries to monitoring high-energy incidents that resulted in, or had the potential to result in, serious injuries or fatalities.

Pact defines a serious injury or fatality (**SIF**) as: an incident that results in a fatality, permanent, partial or total disability, life-threatening illness, hospitalisation, five or more days lost time or alternative restricted duties for three months or more, and a potential serious injury or fatality (**PSIF**) as any situation that had the potential to lead to a SIF.

In FY23, Pact had 83 recordable injuries, 9 SIFs and 73 PSIFs, resulting in a total recordable injury frequency rate (**TRIFR**) of 7.1 (compared to 9.6 in FY22). We recorded no employee fatalities in FY23.

For labour hire and contractors in FY23, Pact recorded 26 recordable injuries. Pact works closely with our labour hire providers and contractors to ensure that any individual who is injured on our site is looked after under our *Care Safe Program*, regardless of their relationship to Pact. We recorded no labour hire or contractor fatalities in FY23.

Pact conducts Incident Cause Analysis Method (**ICAM**) investigations for all potential or actual serious injuries and incidents. The findings of these investigations help us understand the root cause of the event and identify safer ways of doing work to prevent these incidents from occurring again. Through consultation and data analysis, the HSES Team developed 10 *Significant Risk Control Standards (SRCS)* to address Pact's top health and safety risks. In FY23, these formed the basis of our collaborative gap analyses (previously audits), which were conducted at sites using a prioritised approach based on risk rating. This Strategy helps to guide managers, supervisors and health and safety representatives to address our significant risks, and ensure controls are in place to operate in a manner that maintains health and safety.

Our SRCS are the foundation of our current *HSES Strategy*. The HSES team focus on providing support and guidance to sites surrounding these 10 topics, so they often form the basis of our HSES webinars. These webinars are targeted towards our HSES teams, workplace managers and relevant others, to ensure they are skilled and capable of ensuring our sites remain as safe as possible.

VelocityEHS

Pact uses an online system, *VelocityEHS*, to record and manage health and safety hazards, incidents and actions. All sites are required to record all incidents as soon as practicable after they occur, as per our *Incident Reporting and Investigation Procedure*. All employees have access to *VelocityEHS* and can use it as frequently as necessary to report work-related hazards and hazardous situations.



On occasion, the Group receives notices from relevant authorities pursuant to local WHSE legislation and in relation to the Group's WHSE licences and consents. The Group takes all notices seriously, conducts a thorough investigation into underlying causes of issues or incidents, and takes every opportunity to continually improve systems. Pact works with the appropriate authorities to address any requirements and proactively manage any obligations.

All of these notices were resolved within the timeframe given and Pact has taken all practicable controls to minimise the risk of reoccurrence. Pact has not been fined or prosecuted for any health and safety matters that occurred in FY23.

In FY23,
Pact's TRIFR was
↓ 7.1
a 26% decrease
from FY22.

Care Safe Program

At Pact we believe that the mental health and wellbeing of our employees is just as important as their physical wellbeing. Pact's *Care Safe Program* is managed by our internal and dedicated Wellbeing and Workers Compensation (**WWC**) Team. This team focuses solely on health and wellbeing, injury prevention, monitoring and return to work — but most importantly, this team provides compassionate support and valuable resources to assist our employees in their recovery.

In FY23, the WWC Team helped to resolve more than 680 reports of discomfort, with only 15% resulting in a workers compensation claim. Our *Care Safe Program* is open to all Pact and labour hire employees, with 30% of reports received from labour hire team members. All information provided through our QR code systems remain strictly confidential. The WWC Team uses *SolvInjury* to manage work and non-work-related injuries. The *SolvInjury* platform is secure with restricted access to ensure our employees' personal health-related information and their participation in any occupational health services does not lead to any favourable or unfavourable treatment.

Preventing feelings of discomfort and promoting health across our workforce is also a core focus for Pact. We have several programs running across our sites to reduce health and safety risks. Examples include our business relationships with various providers that offer services such as dedicated onsite physiotherapy and wellbeing days, manual handling reviews, assessment and intervention and targeted intervention programs for team members based on their personal assessment. The WWC Team has also worked hard to establish relationships with preferred treatment providers to ensure our team members have access to care providers that understand our *Care Safe Program*. To complement our physical onsite prevention measures, Pact also provides other means of health promotion. A monthly wellbeing information pack is sent to all Pact employees, focusing on a new health and safety topic. Topics this year have included psychological wellbeing, fatigue, heart health, and back, neck and shoulders injury prevention. Pact also offered free flu vaccinations for all Australian employees.

Pact is committed to supporting the physical, social and psychological health of our employees and working towards removing the stigma attached to mental illness. Our *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.

EQUALITY & DIVERSITY

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.

A culture built on a foundation of equality, diversity and inclusion delivers considerable benefits to an organisation. Our *Diversity Policy* describes our zero-tolerance stance on discrimination and outlines our approach to creating working arrangements that cater to all our employees.

Increasing female representation in our workplace is a priority, with a strong focus on management level roles. In FY21, the following measurable *Gender Diversity Targets* were set by the Board. Our FY23 progress on these targets is below.

Gender Diversity Targets	Progressing	Achieving
Have a minimum of one female candidate interviewed as part of the recruitment process for salaried roles.	✓	
Ensure annual salary review outcomes allocate greater or equal overall percentage adjustment for female salaried employees compared to male salaried employees.		✓
Achieve pay equity by gender at each level of the organisation.	—	—
Have 30% of females at the executive levels of CEO-1 (ELT) and CEO-2 (SLT) populations.	✓	

Ongoing labour market constraints, specifically the lack of candidates applying for jobs, affected Pact's ability to attain our female interviewing goal for each role advertised. However, we still managed to improve on this target by 6% compared to FY22.

Pact's pay disparity for salaried roles in Australia and New Zealand (excluding CEO and ELT positions) increased from 4.9% to 5.95% as of 30 June 2023. This increase is the result of an influx of employee hires and departures¹⁰, which are at varied salary grades. Pact has a dedicated strategy to continue to reduce this disparity over the coming years.

In FY23, 31% of our senior leadership team (SLT) and 14% of our executive leadership team (ELT) were female. We are actively working to increase our ELT composition to meet our *Gender Diversity Targets*.

In FY23,
31%
of our SLT
were female.



International Women's Day 2023

At Pact, we are passionate about building an inclusive workplace that is free from gender bias and discrimination. On Wednesday 8 March 2023, we celebrated International Women's Day (IWD) across our organisation globally.

In FY23, we held an online #ProudToBePact panel, where we heard from seven people across the business discuss their careers, challenges and achievements. Panelists provided insight into how they have navigated successful careers in the manufacturing industry, the challenges of achieving gender equity, their experiences of gender bias in the workplace, and how everyone has a role to play in an inclusive culture. The overarching message from the panel was that when we embrace equity, we embrace diversity and inclusion to help drive success for all. Our #ProudToBePact panel was a huge success with more than 380 employees tuning in across the organisation finding it thought provoking and informative. Pact looks forward to holding more events like this and continuing on our journey to make our workplace a fair, equitable and inclusive place for all.

As part of our IWD 2023 activities, team members at our manufacturing sites were also prompted through toolbox talks to have open and honest discussions about what we do well and what we can do better at Pact. We asked our team to come up with site commitments that #embraceequity and continue to drive an inclusive environment at Pact.

As the majority of Pact employees are frontline workers, we also wanted to learn and share their views and thoughts on gender equity at Pact. To do this, we asked employees to submit their own short clips, which we transformed into our Pact IWD 2023 #EmbraceEquity video. You can watch it [here](#).

Our #ProudToBePact Panel:



Siobhan McCrory
EGM – Sales, Marketing & Innovation (Host)



Deanne Holdsworth
EGM – Packaging New Zealand



Kellie Brunetto
General Manager – Health & Personal Care



Corey Gatt
General Manager Program Delivery Circular Economy



Hollie Mandelt
Environment & Sustainability Analyst



Mika Lu
General Manager – Jalco



Nancy Justice
Senior Vice President, North America – Retail Accessories



Jessie Zhang
AP Supply Chain Director

Our Diversity & Inclusion Committee

In recognition that there are always ways to further improve the management of our People and Culture, the Group formed a Diversity & Inclusion (D&I) Committee in FY23.

The D&I Committee combines the unique skills of our employees into a cross functional team to drive diversity and inclusion. The aim of this committee is ensure our workplaces are equitable and inclusive where difference is valued and celebrated.

Our new D&I Committee's charter is to ensure our people are empowered to reach their full potential regardless of age, gender, ethnicity, sexual orientation or any other characteristic because there is a place for everyone at Pact. We recognise that our workforce has a diverse ethnic, cultural, and gender background and we seek to provide a discrimination-free workplace.

The D&I Committee will help shape Pact's D&I roadmap, define the D&I calendar of events, communicate and champion D&I initiatives across Pact and provide ongoing feedback and review of the organisation's progress.

Reconciliation Action Plan

In line with last year's commitment, Pact has established a **Reconciliation Action Plan (RAP)** and a program to drive indigenous awareness and opportunities to engage with First Nations people.

Pact has completed its registration with Reconciliation Australia; the governing organisation and endorser of Reconciliation Action Plans in Australia. Pact will continue to work closely with Reconciliation Australia to formalise and submit our initial RAP.

As described by Reconciliation Australia, 'RAPs enable organisations to sustainably and strategically take meaningful action to advance reconciliation. Based around the core pillars of relationships, respect and opportunities, RAPs provide tangible and substantive benefits for Aboriginal and Torres Strait Islander peoples, increasing economic equity and supporting First Nations self-determination'.

Pact's D&I and RAP activities were the focus of our FY23 Community Giving Program.

PERFORMANCE, REWARD & RECOGNITION

Annual Performance Cycle

To build a high-performance culture, our people have clearly defined goals, understand how their work aligns with the Group's Strategy, receive regular feedback and recognition, and are rewarded appropriately as the business performs. Pact's ELT, senior managers and salaried team members have an annual *Performance Review Cycle* that aligns individual employee goals with the following key pillars: Health, Safety & Environment; Financial; Operational Excellence; People & Engagement and Strategic Imperative.

Our Values

A Values-led business ensures the Group is a safe and engaging workplace. During FY23 we continued to embed our Values and engaged all levels of the business (from our ELT to team members on our shop floor) in team-based 'Values Connect' workshops.

During the workshops, each team had the opportunity to discuss and agree upon the behaviours the Group expects and develop a set of local team commitments for living Pact's Values. The team commitments from across the Group were then used to develop a set of behavioural statements that now guide the Group's culture. Setting goals for and demonstrating how we live our Values are key components of our annual performance-assessment process at Pact.

The Values we live by everyday:

Safety 
Customer 
Integrity 
Innovation 
Respect 

LEARNING, TRAINING & CAREER DEVELOPMENT

At Pact we strive to help all employees reach their full potential. We provide various forms of learning and training to help develop our employees' skillset and further their career.

In FY23, all salaried Pact employees had access to our online *Learning Management System (LMS)*. Pact's LMS has more than 380 courses available, covering topics like wellbeing, health and safety, interpersonal skills, leadership, and technical training.

In addition to our LMS, Pact also offered other tailored and specialised training programs. For example:



The *Lead Performance Program* is targeted at plant and functional leaders to provide them with the knowledge and tools to enhance employees' leadership capabilities and foster increased performance of their teams. In FY23, 54 employees completed this program over a six-month period.

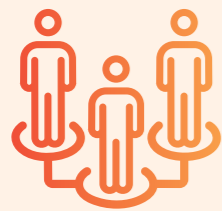


The *Sales Excellence Program* is designed to build high-performance sales capability. In FY23, 56 sales team members participated in this training.



The *Lead With Impact Program* equips frontline leaders with the tools to maximise performance and connects them to their peers to create shared understanding, accountability and commitment. In FY23, more than 40 employees took part in this training.

Our waged employees also had access to various types of training in FY23. Given the nature of their roles, training for these employees was either held onsite by senior leaders or online in group sessions. HSES webinars were regularly held for site managers and HSES representatives to upskill them in relevant areas such as machine safety and manual handling.



Focusing On Equity In The Workplace

Given Pact's focus on Diversity and Inclusion, all salaried employees were required to complete Unconscious Bias training in FY23. This training allows further skill development on acknowledging and developing diversity and inclusion for all employees, whether they be leaders, existing employees, or new starters. In addition to this training, our *Lead Program*, specifically for people leaders, incorporates further training on creating a positive culture in line with our Pact Values of Integrity and Respect.

Pact has also developed a set of principles to guide equity considerations for anyone involved in our recruitment, promotion, and performance review processes. Training these leaders to be especially aware of and resist bias in the workplace will allow Pact to continue to drive an inclusive and diverse environment.

TALENT ACQUISITION & GROWTH

Pact's centralised recruitment model enhances our ability to build a robust recruitment process and therefore a high-performance culture. By owning the process internally, we can attract and retain team members who are just as passionate as we are about our *Vision to Lead the Circular Economy*.

In FY23, Pact's internal Talent Team continued to focus on early careers, internal career progression and talent sharing.

Early Careers

In FY23, Pact supported 22 apprentices across our sites in a range of engineering, mechanical and technical fields.

Internal Careers

Pact is passionate about helping our existing employees progress within Pact. To maximise this, salaried vacancies are advertised internally to build awareness of internal career pathways and opportunities across our diversified Group and internal candidate tools are available to help employees navigate the recruitment process, update their CVs and prepare for their interviews. In FY23, Pact continued to focus on retaining talent through filling various vacant positions with existing Pact employees.

Our New 'Talent Circles'

In 2023, Pact introduced 'Talent Circles', which are events bringing together some of our ELT members and several of our key talent to more deeply understand their challenges and successes as leaders in our business. These events are designed to foster networking, idea generation and problem-solving across the Group.



Pact Pulse Employee Engagement Survey

Creating, achieving, and maintaining employee engagement begins with understanding employee feedback. This feedback helps inform the programs and initiatives administered across the Group and ultimately improves our workplace.

The *Pact Pulse Employee Engagement Survey* was established to better gauge our team members' engagement and gain a deeper understanding of what is important to our employees, what can be improved, and what we are good at.

Our FY23 Survey Highlights

- ✓ 85% overall participation rate.
- ✓ Maintained a steady Overall Engagement Score of 71% (on par with our previous survey).
- ✓ Maintained a steady 71% favourable response to the question "Pact's commitment to social responsibility is genuine".
- ✓ Living our Values is one of the pillars of our high-performance culture model and it is particularly pleasing to see an 85% favourability score (up 8% on previous survey) in response to the question "I am clear on Pact's Values and how to apply them in my role".
- ✓ "Pact Group values diversity and provides a safe and enabling workplace" achieved an 80% favourable response.
- ✓ For our employees based in Australia and New Zealand we included additional survey questions to help us shape our D&I Strategy






These insights have been shared with our D&I Committee which will utilise the data to inform activities to support Pact to be an even more inclusive workplace.

The survey also identified that employees valued opportunities for learning and career development, recognition and communication. Local team-based action plans have been developed to address improvement areas.

Kudos Recognition Program



Pact's *Kudos Recognition Program* was developed in response to employee feedback received in the Group's 2020 *Pact Pulse Employee Engagement Survey*. The survey identified that employees wanted more opportunities to celebrate how team members were bringing the Group's Values to life and delivering Pact's Vision.

Safety		631
Customer		2,429
Innovation		572
Integrity		1,293
Respect		3,030

In FY23, more than
7,900
Kudos recognitions
were sent. Each
recognition is
aligned with one of
the Group's Values.

Pact's *Kudos Recognition Program* is being implemented in phases. All salaried employees currently have access to the online portal and can send recognitions to their colleagues. Each recognition has points attached to it and can be boosted with extra points by other employees. These points can then be redeemed at the Kudos store.

People Planet Principles



*Excluding lid



Reducing our environmental impact and accelerating our progress towards our *2025 End of Waste Targets.*

ENERGY & EMISSIONS

There are several energy sources utilised during our manufacturing processes, including electricity, natural gas, LPG and diesel. All our sites work to reduce the volume of energy consumed and site-based efficiency programs are rolled out on an as identified basis.

Scope 1 & 2 Emissions

In Australia, we report our greenhouse gas emissions and energy use through the National Greenhouse and Energy Reporting Scheme. This report is externally reviewed and assured to ensure the accuracy and completeness of data. In FY23 Pact Group consumed 1,807,945 gigajoules (GJ) of energy and emitted 242,217 tonnes of carbon dioxide equivalents (tCO₂e).

The breakdown of this result is as follows:

Scope 1: 19,659 **Scope 2:** 222,558

Energy and emissions breakdown:	Australia	New Zealand	Rest of World	Worldwide Total
Total energy consumed (GJ)	1,216,851	301,103	289,991	1,807,945
Total emissions (tCO ₂ e)	196,632	8,105	37,481	242,217
Scope 1	16,246	2,965	448	19,659
Scope 2	180,386	5,139	37,033	222,558

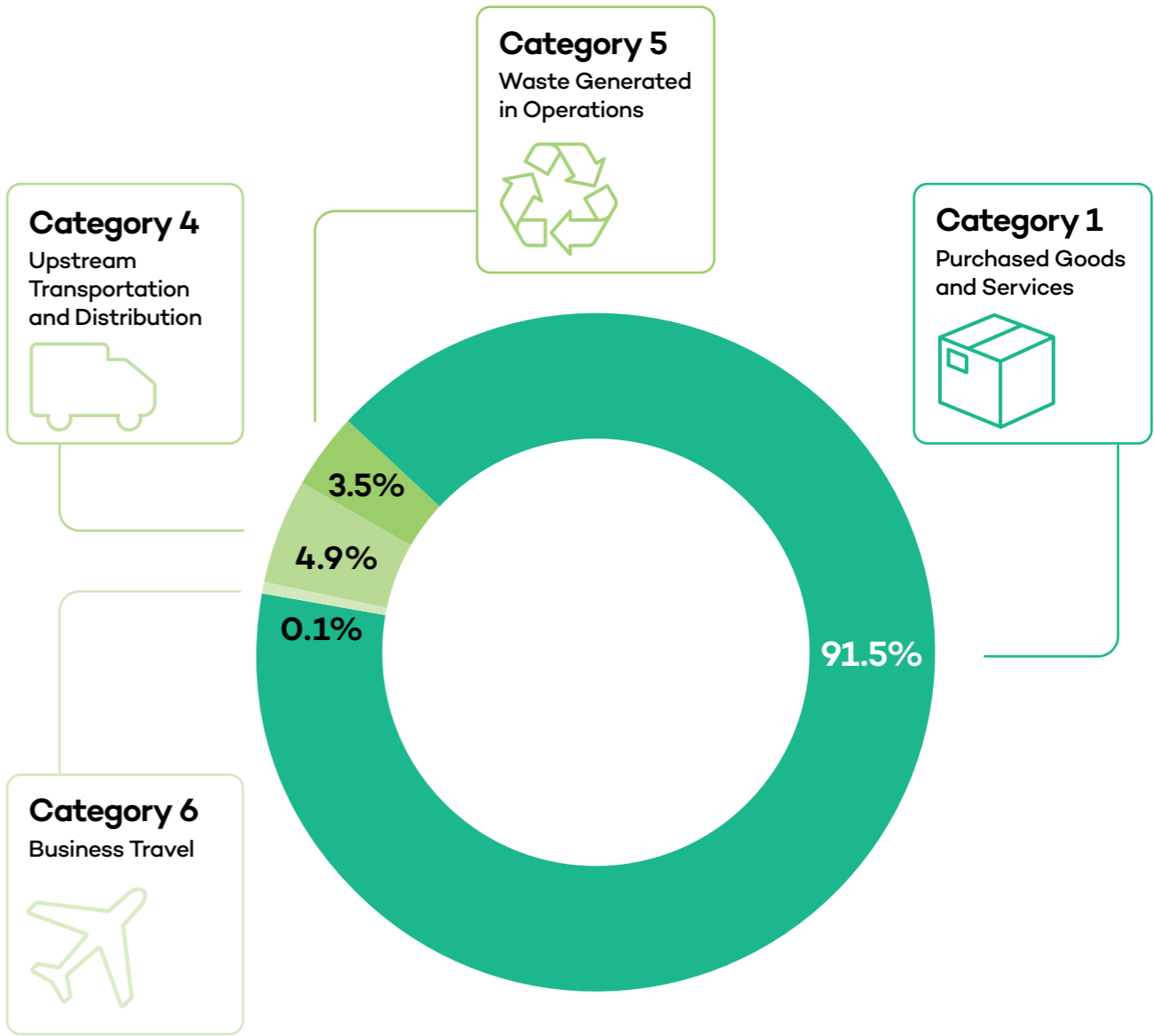
- Greenhouse gas emissions were reported in accordance with the *World Resources Institute (WRI) Greenhouse Gas Protocol*.
- Australian emission and energy content factors were derived from the *National Greenhouse and Energy Reporting (Measurement) Determination 2008* as amended for 2022–2023.
- New Zealand emission and energy content factors were derived from the Ministry for the Environment's *Measuring Emissions: A Guide for Organisations: 2023 Detailed Guide*.
- Emissions factors for the rest of the world were obtained from other sources¹¹.

Scope 3 Emissions

As part of measuring the impacts of our operation across our supply chain, Pact committed to calculating our Scope 3 emissions in FY23 for the first time.

Pact has set the long-term goal of reducing our greenhouse gas emissions by 50% (Scope 1 and 2) by 2030 in Australia and New Zealand, consistent with the *Paris Agreement*. However, while reducing our operational emissions is vital, emissions from our value chain (Scope 3) are significantly higher than those from our own operations. Understanding the Scope 3 emissions associated with our business helps us to assess and manage the overall emissions impact of our operations. Working to reduce our emissions supports our role in promoting sustainability and our Vision to *Lead the Circular Economy*.

As an organisation with an extensive supply chain, there are a range of challenges related to measuring and reducing Scope 3 emissions, however, Pact has endeavoured to estimate our Scope 3 emissions to the best of its ability. For FY23, we calculated our Scope 3 emissions covering the following GHG Protocol categories¹²:



In FY23, Pact's total Scope 3 emissions, in relation to the above categories was approximately 498,500 tCO₂e. Similar to most other companies involved in manufacturing, Pact's largest source of Scope 3 emissions is the raw materials (our Category 1: Purchased Goods and Services) we use to produce packaging.

Our Emissions Reduction Target

Pact's Emission Reduction Target (ERT) is to reduce our Scope 1 and 2 emissions by 50% in Australia and New Zealand by 2030, from an FY21 baseline.

We are initially focusing on Australia and New Zealand because approximately 80% of our worldwide emissions come from our operations in these countries. We intend to expand our ERT to the rest of our worldwide operations in the future.

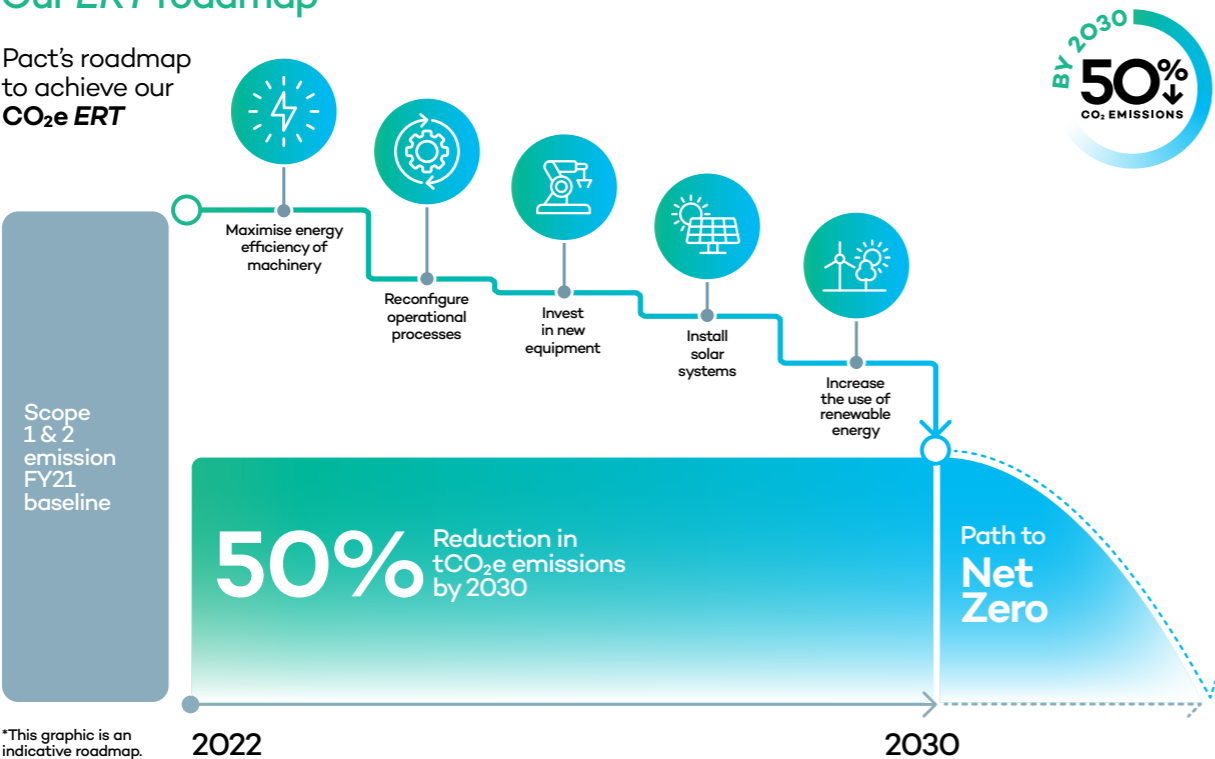
Our ERT uses FY21 as the baseline. This has been recalculated to account for structural changes that have occurred such as acquisitions, divestments, or site closures. In FY23, the baseline was adjusted to reflect the fact that Pact opened and closed sites. All future changes to our ERT baseline will be declared.

Comparing Pact's FY23 emissions to our FY21 adjusted baseline, the Group's emissions have reduced by 12% in Australia and New Zealand. This reduction is due to our efforts with our emission reduction initiatives and the details and benefits of some of these initiatives are outlined below and on the next page.



Our ERT roadmap*


Pact's roadmap to achieve our CO₂e ERT



FY23 Initiatives To Reduce Emissions

Pact is progressing various initiatives to reduce emissions across our sites.

	FY23 Initiatives	Pact Site Examples	Outcome
	Maximise energy efficiency of machinery Ensuring our machinery is operating in the most energy efficient manner.	Construction of a greenfield facility in Horsely Park, NSW, which is equipped with new state-of-the-art high-speed filling lines that will replace older liquid filling equipment from our Smithfield, NSW, facility. This line will also be partly powered by the 100kW solar system we integrated into the site construction.	Compared to the previous filling line, the new high-speed filling line is expected to significantly reduce electricity usage. The line will be partly powered by the onsite solar system, the operation of which is expected to result in approximately an annual 100 tonne reduction in CO ₂ -e.
	Reconfigure operational processes Changing the way we operate in order to minimise our emissions.	Construction of a 6-star rated greenfield facility, to accommodate the move of our Laverton, VIC, facility to Altona, VIC. As part of the move, existing machines were updated and more efficient machinery was purchased. This site will also be equipped with a 100kW solar system in FY24.	This site relocation and modernisation are expected to reduce the facility's electricity consumption by 25% (compared to usage prior to the relocation and machinery upgrades) and result in a reduction of up to 200 tonnes of CO ₂ -e per year.
	Invest in new equipment Purchasing new, modern equipment that is energy efficient, technologically advanced, and more productive than our current assets.	A \$20m investment in new injection moulding machines installed at our mobile garbage bin manufacturing site in Somersby, NSW. These machines are vastly more energy efficient than the existing machines and are able to now produce one bin every 60 seconds (more on page 43).	These new machines are expected to reduce existing energy consumption by up to 11% (compared to usage prior to the machinery upgrades) and deliver a reduction of up to 36 tonnes CO ₂ -e per year.
	Install solar systems Continuing to install on-roof solar systems on our facilities.	Installation of: • 200 kW system (Altona North, VIC) • 99kW system (Eastern Creek, NSW) • 400 kW system (Tullamarine, VIC) In FY23, we also saw the first full year of operation of the solar panels at our joint-venture site, CPA (PET) Albury (NSW), which produced more than 763,000 kWh of renewable electricity.	The 799kW of on-roof solar installed in FY23 is expected to generate an estimated 1,000,000 kWh per year, the equivalent of more than 850 tonnes of CO ₂ -e. Our solar panels in Albury have reduced the site's emissions by more than 640 tonnes of CO ₂ -e this year (compared to if the solar electricity generated and consumed was instead sourced from the grid).



Pact's total solar system portfolio generated in excess of

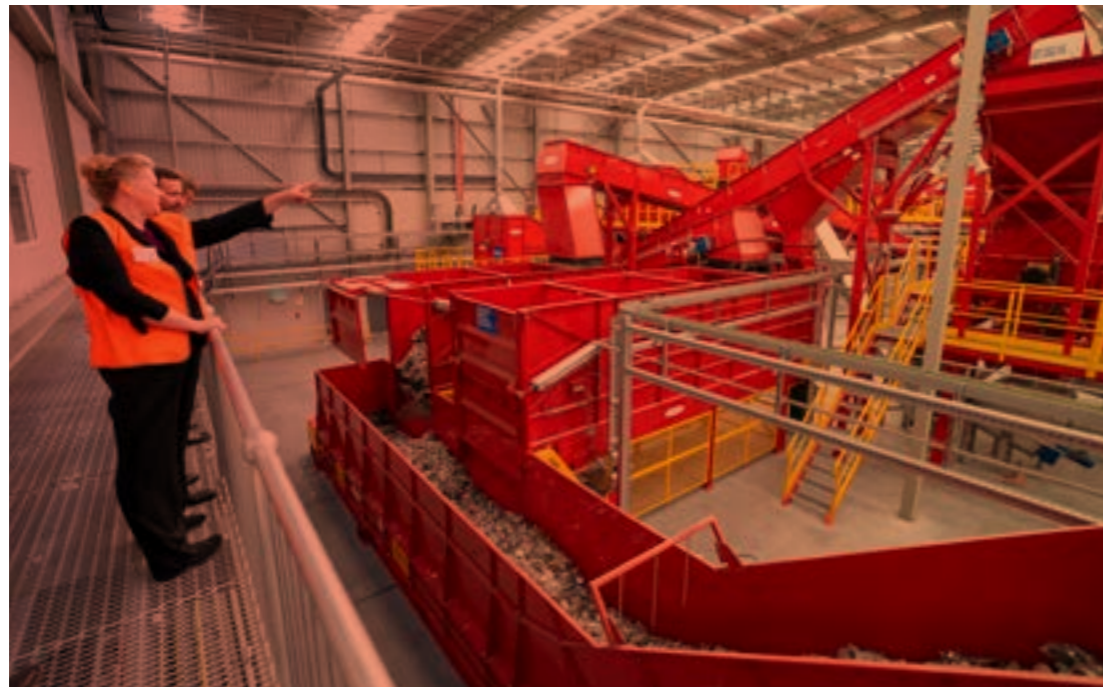
1,233,000 kWh

of clean renewable energy in FY23.

OUR OPERATIONS

Pact is a leading provider of specialty packaging solutions, servicing consumer and industrial sectors. Pact specialises in the manufacture and supply of rigid plastic and steel packaging, reuse solutions, recycling and sustainability services and contract manufacturing.

As Pact manufactures and packages a diverse range of products on behalf of our customers, sustainability is a key consideration for us. This section of the *Report* focuses on our core business divisions of Packaging, Reuse and Recycling, as well as our Contract Manufacturing division.



PLASTIC

Reducing (pages 43-47)

Reusing (page 48)

Recycling (pages 49-50)

Pact uses many resins in our operations, including:



PET
Polyethylene
Terephthalate



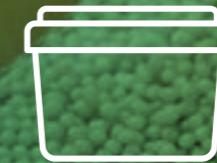
HDPE
High-Density
Polyethylene



LDPE
Low-Density
Polyethylene



PP
Polypropylene



PS
Polystyrene



PVC
Polyvinyl Chloride

A lowercase r before any of these acronyms denotes that the resin is recycled. For example, rPET is recycled PET.

REDUCING

For our plastic packaging division, resin is the primary material used. In FY23 (excluding our plastic recycling sites), Pact consumed more than 188,000 tonnes of resin to produce packaging. By the end of FY23, the average amount of recycled content within our plastics portfolio was approximately 12%.

Our packaging division services the following market segments: dairy and beverage; fresh food; processed food; health and personal care; household and industrial; and bulk packaging. Where possible, Pact aims to reduce our virgin resin use and maximise inclusion of recycled resin.

As part of our 2025 *End of Waste Targets* (see more on pages 55 to 56), Pact has set a target to eliminate all problematic packaging we produce and offer an average of 30% recycled content across our plastics portfolio. With new recycling facilities opening soon (see pages 49 to 50 for more details) and significant ongoing investment in this area, Pact is focused on achieving this ambitious target.

An ongoing priority for Pact is to reduce virgin resin consumption and increase the use of recycled resin across our portfolio. This can be challenging as recycled resin has different properties to virgin resin and some customer requirements do not accommodate the use of recycled content. However, Pact is making significant progress as shown by the following case studies.

Case Study Upgrading Our Manufacturing Platforms To Maximise Recycled Content Inclusion In Our Products

Pact is able to manufacture a new SULO mobile garbage bin (MGB) every 60 seconds at our plant in Braeside, Victoria.

This investment is part of the \$76 million upgrade to Pact Group's Australian packaging facilities and is supported by the Australian Government's Department of Industry, Science and Resources through \$20 million in Modern Manufacturing funding, which is a part of its *Modern Manufacturing Strategy*.

The Group's new fully-automated injection moulding, blending and materials handling machinery enables Pact to manufacture new MGB's faster than ever and include up to 80% recycled content in each bin. The machine uses recycled resin made from old or damaged bins and the contents of household recycling bins to create new SULO bins for councils Australia wide.



Case Study

Pact And Woolworths Group Enter Into A New Strategic Partnership To Boost Recycled Packaging

In FY23, Pact and Woolworths Group have established a partnership to boost circular packaging and use up to 18,000 tonnes of recycled plastic in Woolworths' own brand packaging each year.

The partnership establishes Pact as Woolworths Group's key strategic partner by volume in its efforts to deliver more sustainable packaging across its own brand range. Our partnership will deliver the most significant boost to date towards Woolworths Group's goal to halve the use of virgin (new) plastic across its own brand packaging by 2024.

Under the partnership, Pact will use recycled plastic to make more sustainable packaging for products across Woolworths' product range, including in milk bottles, meat trays and beverage bottles, drawing on plastic collected from household recycling bins and container deposit schemes.



Case Study

Pact Group Signs Recycled Packaging Partnership With ALDI

In FY23, Pact signed a strategic partnership with ALDI Australia to supply recycled plastic packaging for some of the retail giant's own brand products. Under the partnership, Pact will offer ALDI's supply partners access to more sustainable options for ALDI's exclusive brand product packaging, such as milk bottles, meat trays, fruit and vegetable punnets, beverage bottles and shampoo bottles.

The partnership will drive progress towards Pact's 2025 *End of Waste* promise to average 30% recycled plastic across its packaging portfolio and ALDI's ambition to achieve at least a 50% inclusion of recycled material in packaging by 2025.



Recycled resin is harder to source than virgin resin. Most of the recycled resin consumed by the Group in FY23 was purchased internally from our seven recycling sites. Pact has two additional joint-venture recycling sites that will become fully operational in 2024, which will improve our access to locally recycled resin.

Despite the challenges associated with recycled resin use, we worked with our customers to convert a significant amount of virgin resin packaging contracts to now include either full or partial recycled content. In FY23, we were fortunate to receive a number of industry awards for our recycling sites and use of recycled resins (see page 46).

Recycled resin consumption across the Group will continue to grow as we remain working with our new and existing customers to maximise recycled resin inclusion rates across all packaging we manufacture.

Light-Weighting

Pact works with customers to light-weight their plastic products. 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 packaging that offers the same or improved technical performance whilst simultaneously reducing our environmental impact.



Case Study

In FY23, Pact Packaging New Zealand completed a project for Fonterra where we transformed its 300ml, 500ml and 1 litre home brand milk bottles from existing HDPE designs to new and improved PET designs, which were all at least 6% lighter in weight.

Phasing Out Problematic Resins

Pact has robust targets in place to phase out problematic resins (PS and PVC) in line with Australia's 2025 National Packaging Targets. In FY23, Pact reduced its production of PS and PVC packaging by 11% and 42% respectively, compared to FY22. Pact is committed to achieving a complete phase out of these materials by 2025 (see pages 55 to 56 for more details) and has a dedicated team that works with our PS and PVC product customers to convert their products to less problematic plastics.



Case Study

In FY23, we transitioned Farmer's Union's 1kg yoghurt tubs out of PS and into PP. This project will divert the use of more than 590 tonnes of PS annually. By transitioning products out of non-recyclable PS and PVC, Pact is ensuring we are meeting the 2025 National Packaging Targets and driving a Circular Economy.

Sustainable Innovation

Pact has an experienced team of technical and material specialists that continually work with our customers to innovate products that meet all the required aesthetic, quality and structural requirements of the customer whilst aligning with our Vision to *Lead the Circular Economy*.



Case Study

In a ground-breaking innovation, Pact has used recycled plastic to manufacture closures for the Swisse Ultivite range. The new closures contain up to 50% rHDPE sourced from recycled milk bottles collected through household recycling bins.

Adding recycled content to closures is a highly-technical process and the Swisse Wellness and Pact team worked together for more than six months to deliver this innovation. The development and transition to rHDPE closures demonstrates the sustainable solutions that can be achieved through collaboration and innovation.



Case Study

With one of Pact's recycling joint-ventures, CPA (PET), now producing thousands of tonnes of locally processed, food-grade recycled resin, Pact has been in a position to help more of our customers achieve their sustainability targets.

In partnership with Hive & Wellness, Pact developed a 30% rPET honey bottle manufactured from food-grade recycled material. Pact is working on being able to reach 100% rPET inclusion in this bottle in the future.

Pact also now manufactures Brownes' 'Chill' and 'Hunt & Brew' beverage bottles with 100% rPET sourced from our CPA (PET) joint-venture.

AWARDS & INDUSTRY RECOGNITION



At Pact, one of our core Values is that we win when our customers win. This helps build strong partnerships, through which we can *Lead the Circular Economy*.

In FY23, the Group, and our customers have achieved numerous awards and industry recognition for *Leading the Circular Economy*.

The Australian Financial Review (AFR) Boss Magazine Most Innovative Companies List

For the 10th consecutive year, Pact was honoured to be recognised as one of Australia and New Zealand's Most Innovative Companies for building and operating the state-of-the-art CPA (PET) plastic recycling facility in Albury. Circular Plastics Australia (PET) is a joint-venture between Pact, Cleanaway Waste Management, Asahi Beverages and Coca-Cola Europacific Partners (CECP).

Australian Institute of Project Management's Sustainable Project Management Achievement Award for NSW

Pact received this accolade for building the \$50 million CPA (PET) joint-venture plastic recycling facility in Albury.

National Project Management Achievement Award

CPA (PET), Pact's joint-venture facility, won the Sustainability Category at the 2022 National Project Management Achievement Awards.

Australian Financial Review's Sustainability Leaders for 2023

CPA (PET) was proud to be named as one of The Australian Financial Review's Sustainability Leaders for 2023 in manufacturing and consumer goods for its two state-of-the-art PET plastic bottle recycling facilities in Albury (NSW) and Altona (VIC).

2022 WorldStar Packaging Awards

In FY23, Pact won two prestigious WorldStar Packaging Awards for packaging made from locally-sourced recycled resin.

2023 Australasian Packaging Innovation & Design Awards (PIDA)

The PIDA Awards recognise companies that are making a significant difference in their field across Australia and New Zealand. Pact recently won Bronze for our 50% rPP Dulux pails.

2023 US Plastics Pact Sustainable Packaging Innovation Award

This accolade was awarded to Pact Retail Accessories for its outstanding contributions in advancing sustainable retail solutions.

Reuse Catalyst Partner

The Reuse Catalyst program is aimed at fostering and promoting innovative reuse and refill solutions in the US. Pact Retail Accessories was one of 20 participants selected based on the scalability of and the potential positive impact of its solutions for the environment, society, and economy. The Reuse Catalyst was created in partnership with the U.S. Pact, Closed Loop Partners, the Reusable Packaging Association and World Wildlife Fund.



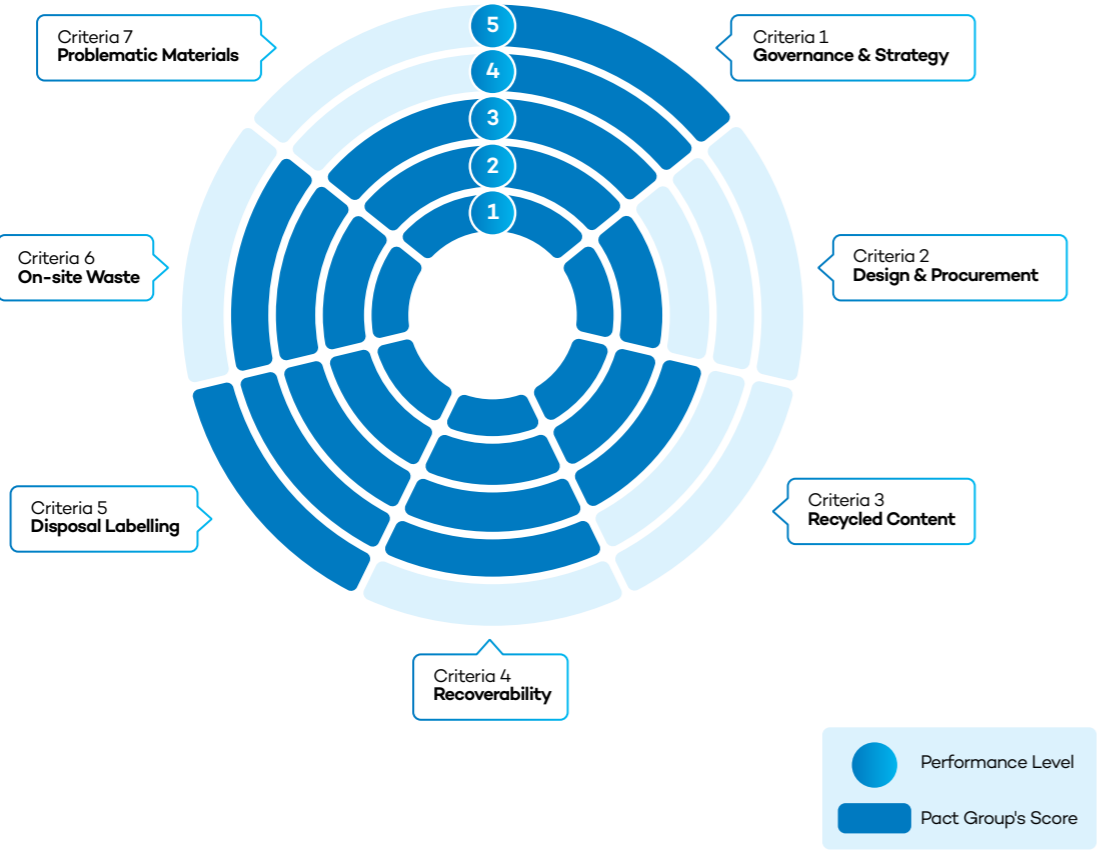
Australian Packaging Covenant Organisation

We understand that packaging has a life after its contents have been consumed and that, where possible, it is vital it can be repurposed, reconditioned or recycled. Pact is a signatory to the Australian Packaging Covenant Organisation (**APCO**). APCO is a co-regulatory, not-for-profit organisation partnering with government and industry to reduce the environmental impact of packaging in Australian communities. As a member of APCO, we are continually working to improve the sustainability of our packaging through better collaboration, improved design and the use of recycled content.

In FY23 we once again completed our annual APCO reporting requirements, achieving an overall Leading Performance level across the seven mandatory core criteria, which is a level up from our previous score. A Leading Performance level identifies that Pact has made significant progress in our packaging sustainability journey over the 12-month reporting period.

We achieved Level 5 (Beyond Best Practice) in both the Governance and Strategy and Disposal Labelling criteria for our work on integrating packaging sustainability into our business strategies and end-of-life labelling processes. We also achieved Level 4 (Leading) in the Recoverability and Onsite Waste criteria for the significant progress we have made on our packaging sustainability journey.

To view Pact's latest APCO Report and Action Plan, [click here](#).



REUSING

In addition to manufacturing plastic packaging and products, Pact also provides commercial ways to recycle and reuse plastic material. This means significant quantities of plastic are diverted from landfill.

Pact's crate pooling business has replaced millions of single-use boxes with reusable plastic crates. Our reusable crates are manufactured in house and are designed to be used more than 140 times before being replaced, lasting up to 10 years. Pact's Recycling division then recycles the crates at their end-of-life into industrial products such as underground cable cover and telecommunication pits. As we service some of Australia's largest supermarket retailers and Australia's fresh produce growers, Pact was able to issue more than 82 million crates in FY23. Each time one of these crates is used, we replace the use of one corrugate cardboard box. Therefore, in FY23 our pooling solutions eliminated more than 40,500 tonnes⁷ of single-use cardboard from the fresh produce supply chain.



Case Study

Pact has recently extended its contract with Woolworths Group to own, operate, wash and store reusable plastic produce crates for a further 10 years. We have been providing Woolworths with this circular solution since 2016 and we are proud to be *Leading the Circular Economy* with them into the future.



Case Study

In FY23, Pact commenced manufacturing Nally Megabins™ with up to 50% recycled content. The Nally Megabin™ has the footprint of a standard Australian pallet, so it is an effective reusable solution out in the field for collecting produce, but is also compatible with automation processes and pallet racking for storage. Nally Megabins™ have a longer life than timber, have an excellent resistance to weathering, are 100% recyclable, and can now be manufactured (for non-food purposes) with up to 50% recycled content.

Pact offers reconditioning and laundering services to help extend the life span of intermediate bulk containers (**IBC**) and plastic drums without compromising their quality. In FY23, Pact collected more than 196,000 IBCs and 15,000 plastic drums for reconditioning. Our national collection and buying services provide our customers with a cost-effective and sustainable solution to transition away from purchasing and relying on single-use packaging.

Pact Retail Accessories

Pact Retail Accessories' innovative closed loop reuse programs involve the collection of used plastic assets from retailers by leveraging existing reverse logistics infrastructure. Once consolidated, these assets undergo meticulous cleaning, testing, repackaging, and distribution through strategically located facilities worldwide, ensuring swift delivery of these invaluable resources.

With more than three decades of experience, Pact Retail Accessories has consistently met and exceeded the evolving expectations of global apparel sourcing needs while focusing on waste reduction. Pact Retail Accessories offers innovative reuse platforms for hangers, security tags, and polypropylene boxes, empowering their partners to achieve exceptional reuse rates.

As a global leader in circular and sustainable retail solutions, Pact Retail Accessories brings unparalleled expertise in supply chain management, logistics, metrics, and market knowledge to the forefront of the durability and reuse equation. Operating facilities across the United States, Asia, South America, and Australia, Pact Retail Accessories caters to the supply needs of more than 8,000 retail locations each day.

In FY23, Pact Retail Accessories collected millions of plastic garment hangers, accessories, size clips and security tags for reuse from our retail partners across USA, Europe, Australia and New Zealand. In FY23, Pact Retail Accessories redistributed more than 824 million hangers, accessories, and size clips and 175 million security tags for reuse. As a result, we have diverted approximately 16,000 tonnes¹³ of waste from landfill by keeping these in circulation.

RECYCLING

Pact Group is one of the largest plastics recyclers in Australasia. In FY23 our recycling facilities¹ produced more than 54,000 tonnes of recycled material, which was utilised internally or sold. This is an increase from last financial year of approximately 42%.

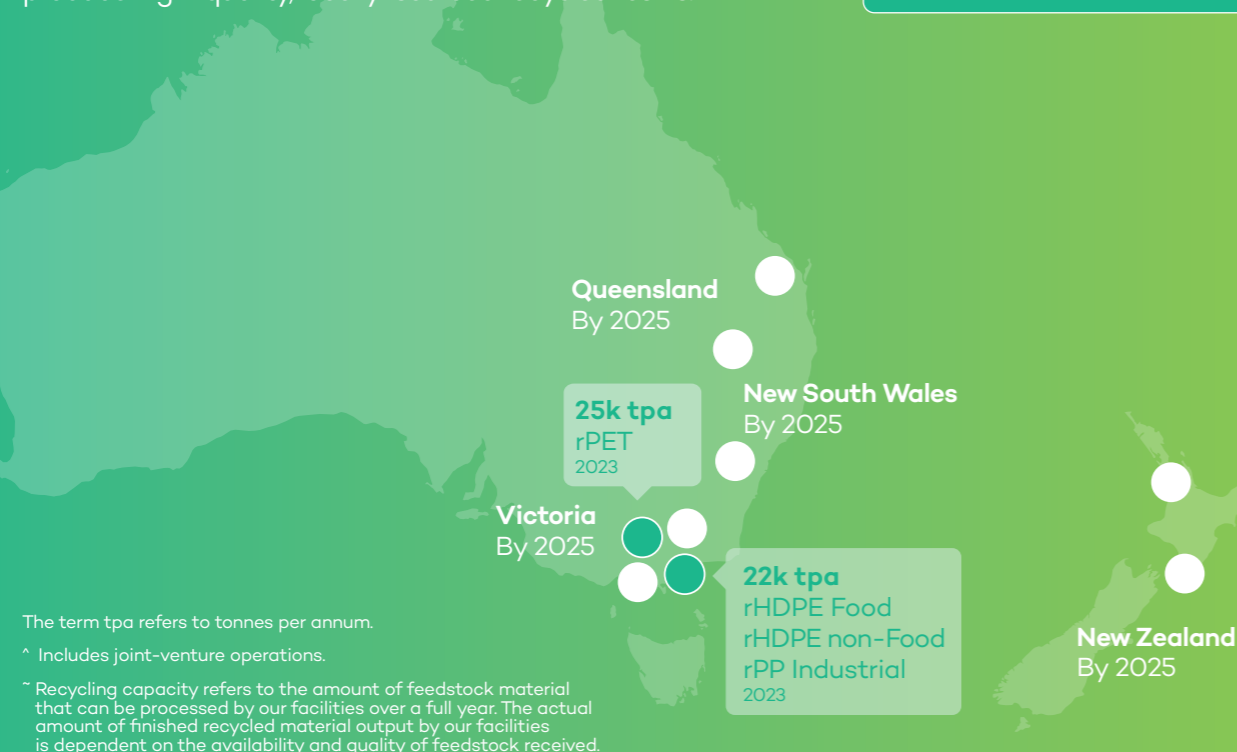
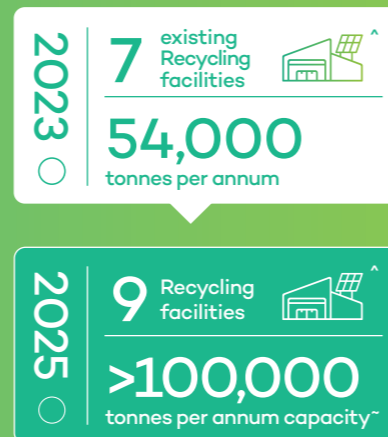
Our recycling sites are very diverse. Feedstock sources vary between sites, from kerbside collections to pre-consumer and post-industrial scrap. Pact is also involved in various product stewardship programs to receive additional feedstock and divert it from landfill. Most of our sites convert the feedstock received into either industrial grade or food-grade recycled resin and flake. This recycled resin replaces virgin resin in the manufacturing process for Pact and other plastic manufacturers throughout Australasia.

Our sites also manufacture finished goods from recycled resin. In FY23, our recycling sites produced thousands of tonnes of finished goods with 100% recycled content, such as underground cable cover, and many more tonnes of finished goods with partial recycled content, such as meat trays.

Growing Pact's Recycling Footprint

Consumers and brand owners are increasingly demanding locally-sourced recycled material, but currently, approximately only 14% of plastic is being recycled in Australia¹⁴ with an overall 9% recycling rate worldwide¹⁵.

To supply recycled material at scale and help maximise recycling rates across the globe, Pact is investing in world class sorting, washing and processing technologies to produce high-quality, locally-sourced recycled resins.



Circular Plastics Australia



Through cross-industry collaboration, Circular Plastics Australia is building a national network of recycling facilities to process multiple plastic polymers that can be used to manufacture new packaging products and accelerate the local Circular Economy.

Circular Plastics Australia (PET)



CREATED BY



Circular Plastics Australia (PET) is a joint-venture between Pact Group, Cleanaway, Asahi Beverages and Coca-Cola Europacific Partners.

One PET recycling facility has already been built in Albury (NSW) and commenced operations in December 2021. A second facility has been built in Altona North (VIC) and is scheduled to commence initial operations in late 2023.

Each facility will recycle more than 20,000 tonnes (the equivalent of approximately 1 billion 600 ml PET plastic bottles) each year.

Circular Plastics Australia (PE)



CREATED BY



Circular Plastics Australia (PE) is a joint-venture between Pact Group and Cleanaway.

This state-of-the-art facility will process more than 20,000 tonnes of HDPE and PP bottles, containers and food tubs (approximately half a billion packs each year).

Recycled plastic is

↓ 2.2
times less emissions
intensive than virgin
fossil fuel plastic¹⁴.

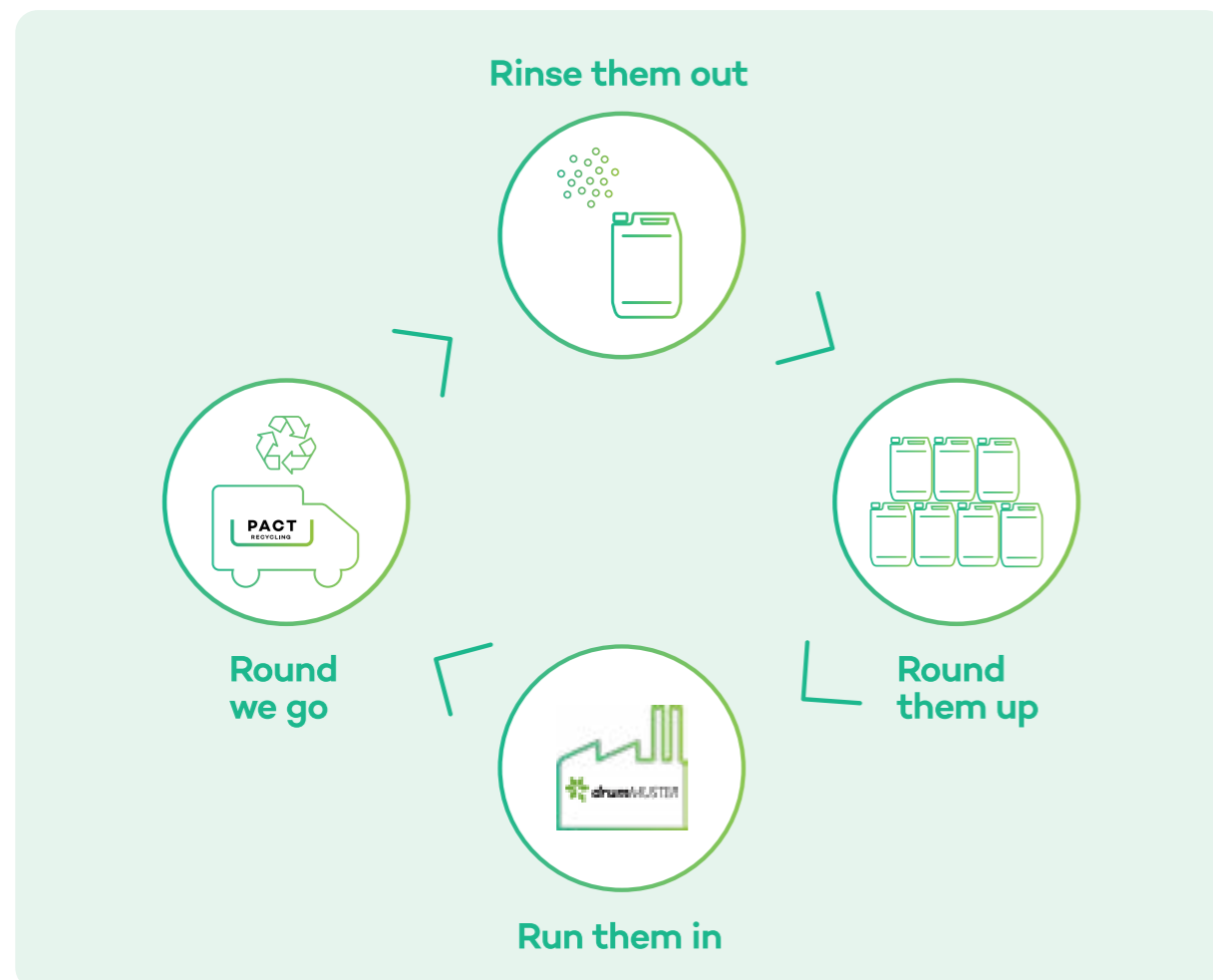
By providing high-quality, local, recycled content for commercial use, Pact is enabling a lower emissions Circular Economy solution.

Product Stewardship Programs



Pact is a long-time member of the national drumMUSTER program. drumMUSTER is an Australian product stewardship program that is supported by chemical manufacturers and the agricultural industry to collect and recycle eligible plastic and steel containers. In FY23, Pact collected more than 450,000 containers as a participant in this program. The plastic containers the Group collects are washed and granulated into recycled plastic flake. This recycled material is then used to manufacture industrial plastic products such as kerbside rubbish bins. The steel containers Pact collects are washed, shredded and recycled into other steel products.

In FY23, our efforts with *drumMUSTER* has diverted more than **450,000** containers from landfill.



STEEL

Pact has seven steel manufacturing sites. In addition to producing steel packaging and products, Pact also provides services to recondition them allowing for their reuse, which helps us promote a Circular Economy and reduce waste across Australia.

In FY23, Pact consumed approximately 25,300 tonnes of steel to produce more than 1.4 million steel drums varying in size from 60 litres to 205 litres. The average recycled content in the raw materials used in Australia for the manufacture of the bodies, ends and lids for these products is 25%.

Pact also consumed more than 2,500 tonnes of tin plate to manufacture pail and general line cans varying in size from 250ml to 23 litres. The recycled content in the tinplate raw materials used in the manufacture of the bodies, ends and lids for these products is up to 15%.

Reuse & Recycling

Pact provides compliant collection and reconditioning services for steel drums. Reconditioning drums allows Pact to increase the lifespan of the product and assist in the circularity of the steel industry.

In FY23, Pact collected more than 463,900 used drums for reconditioning, with 80% of these being fit for reconditioning into good-as-new drums for reuse. The remaining 20%, which are damaged beyond repair, are shredded and then sent to steel recyclers to be used for other applications.

Pact collected approximately **463,980** used drums for reconditioning.

PACT
CONTRACT MANUFACTURING

apm

JALCO

Pascoe's

CONTRACT MANUFACTURING

Pact is a leading supplier of Contract Manufacturing services in Australia for the home, hygiene, personal care and health & wellness categories.

With a diversified portfolio and broad manufacturing capability for liquid, powder, aerosol and therapeutic vitamin and wellness solutions products, our strong customer relationships, innovation and product development capability guarantees innovative Contract Manufacturing solutions at scale.

Pact Contract Manufacturing is made up of three businesses: Jalco, Pascoe's and Australian Pharmaceutical Manufacturers (APM).



Case Study

Our new Contract Manufacturing site at Horsely Park (NSW) has a state-of-the-art high-speed filling line to maximise filling efficiency. This new site will manufacture household and laundry care products and also house seven standard lines that are currently being relocated from our existing Smithfield facility. From all eight production lines, the site has speed and capacity to fill approximately 14,000 bottles per hour.

Case Study

Pact manufactures products containing palm oil and related products on behalf of our Contract Manufacturing customers. Pact must adhere to customer requirements, but where possible, we use certified sustainable palm oil, palm kernel oil and related products. Pact has been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2018, and as such our company policy is to include RSPO-compliant ingredients in all products manufactured for our customers, unless there is a specific request not to. Pact's Contract Manufacturing team continues to promote our RSPO supply chain certificate with our customers and actively encourages them to manufacture products in compliance with the RSPO model. In 2022, Pact's certified palm oil and palm oil products uptake was more than 94% of total palm oil use. You can access Pact's annual RSPO Communication on Progress [here](#).

Case Study

Pact's Contract Manufacturing services in conjunction with our packaging capabilities enables us to 'sustainably bring brands to life'. Pact works with customers to not only meet their packaging requirements, but also their filling needs - all locally in Australia. Pact currently fills many household and laundry products for one of Australia's leading supermarkets, but also manufactures the packaging for these products, many of which have at least 25% recycled content.

WASTE



In building a local Circular Economy, Pact recognises that reducing waste is a crucial component. It will take a whole-of-society approach, with input from a coalition of problem solvers across: industry; government; manufacturers; brand owners; retailers; the waste management sector; recyclers; and consumers. Most importantly, it requires a bold, ambitious Vision.

In FY18, to do our part as a *Leader of the Circular Economy*, we established our *2025 End of Waste Targets*, outlining our three goals to reduce, reuse and recycle.

Our 2025 End of Waste Targets

Reduce

Eliminate all problematic packaging that we produce.

Reuse

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

Recycle

Have an average of 30% recycled content across our plastics portfolio.

Our FY23 progress¹⁶

Reduce

Decreased production of PS packaging by 11% or more than 360 tonnes.

Decreased production of PVC packaging by 42% or more than 125 tonnes.

Reuse

Eliminated the use of approximately 40,500 tonnes¹² of single-use corrugate cardboard by issuing more than 82 million returnable produce crates.

Recycle

Increased the amount of recycled plastic we produced by 42% or more than 16,000 tonnes annually.

By end of FY23, the average amount of recycled content across our plastics portfolio was approximately 12%.

Our progress since FY18

Reduce

Decreased manufacture of packaging made from problematic resins by 64% or nearly 5,740 tonnes¹⁷.

Ceased all production of expanded polystyrene.

Reuse

Grown the use of RPCs by 59%.

Recycle

Increased the amount of recycled plastic we reprocessed and sold by 93% or more than 26,000 tonnes annually.

Waste Generation

Below is Pact's worldwide^{1a} waste generation breakdown for FY23.

	Metric Tonnes	% Of Total
Waste To Landfill	11,180	38%
Hazardous Wastes	2,138	7%
Recycled Wastes	16,293	55%
Paper & Cardboard	1,491	5%
Plastics	8,688	29%
Metals	3,098	10%
Timber	3,016	10%
Total Waste Generated	29,612	100%

Zero Polymer Waste

Pact strives to have zero polymer waste going to landfill. All plastic waste generated on our sites in Australia and New Zealand is sent back (where practical) to our internal Pact Recycling sites which wash, granulate, and re-extrude this material back into recycled resin for remanufacture into new products.

In FY23, our Pact Recycling division received more than 6,900 tonnes of material from Pact manufacturing sites. This system enables plastic polymer circularity and ensures plastic is not only recycled, but goes back into plastic packaging production, creating a true circular loop.



Recycle Right At Site

The following are snapshots of individual projects undertaken by our sites to ensure that Pact diverts as much waste as possible from landfill.



Case Study
After a waste audit identified a number of opportunities, our Erskine Park (NSW) facility has implemented a range of waste diversion systems to recycle manufacturing waste that was originally going to landfill. The site now has dedicated bins for damaged and unusable timber pallets and LDPE stretch wrap. After a successful trial in November, the site installed a bailer to compact their stretch wrap, which enables our Pact Recycling sites to economically receive and recycle it.

As a result of these initiatives in FY23, the site has diverted approximately five tonnes of timber and more than two tonnes of LDPE stretch wrap from landfill. Pact is looking to replicate this setup broadly throughout the rest of the business.



Case Study
Our Temuka (New Zealand) facility uses an automated process for strapping product on pallets. This process generates waste strapping when threading and exchanging rolls. It is difficult to find a recycling solution for pallet strapping, but after purchasing a chopper, the site was able to find a business in Christchurch that will take the chopped strapping for recycling.

Since the solution was implemented in August 2022, the site has diverted approximately eight tonnes of material from landfill. Other Pact sites that use the same process are looking at implementing similar solutions.



Case Study
Our manufacturing facility in Kings Park (NSW) has implemented a number of waste projects after performing a review of their waste streams. The site has also commenced a trial to send used bulk bags, that are frequently used in the delivery of resin, to our Pact Recycling sites so they can be reused.

As a result of these projects, the site diverted more than 17 tonnes of waste from landfill in FY23.

WATER

Water is consumed within the production process of our operations, in particular, when our Recycling division washes plastic material. As our business continues to increase activity in plastic recycling, our water consumption will also increase.

In line with our FY22 commitment to record and report water usage¹⁹, we initiated a trial of installing remote data loggers on all of Pact's Recycling sites in Australia. These data loggers automatically record and upload consumption data to a portal to allow real-time measurement of our consumption. Along with now being able to track our consumption, we are also able to test water reduction initiatives and get live feedback on the reduction amount.

Where applicable, we utilise water tanks on our sites. One of our joint-venture Recycling sites, Australian Recycled Plastics, has eighteen 32,500 litre tanks onsite and drew less than 30kL of mains water in FY23.

In FY23, Pact's Recycling sites in Australia and New Zealand consumed approximately

61,750kL

of mains water.

Wastewater

Where water is consumed within the production process of our operations, those facilities have entered into trade waste agreements with local water authorities to discharge wastewater through the sewerage system. Discharge down sewer requires the wastewater to first be treated, via water treatment plants, to an approved quality over a range of parameters including pH, temperature, nutrient content and suspended solids.

At specific Pact facilities, the water treatment plants enable the treated water to be reused in production processes, which both limits the amount of freshwater consumed and the amount of wastewater discharged to sewer.

Pact is constantly looking for ways to improve our water treatment plants. Our ECP facilities in Western Australia have started commissioning a project to install a carbonite membrane filter into their existing water treatment plant. This will improve the quality of their wastewater post-treatment, getting it to a point where the water can be reused multiple times on site. The project will also significantly reduce the amount of chemicals used to treat the wastewater before disposal.

In FY23, Pact Group discharged approximately 110,000 kL of treated wastewater into sewerage systems.

Operation Clean Sweep[®]

The impact of loose resin has been identified by the plastics industry as a significant environmental risk. In FY23, Pact voluntarily signed up to Operation Clean Sweep[®] in Australia, signifying our commitment to zero pellet loss. Pact is rolling out an updated Group-wide *Resin Handling, Storage and Spill Procedure* to implement and maintain high standards in resin handling across our operations.

COMMUNITY CLEAN UPS

Collaborating With Industry

With Chemistry Australia, Dow and Tangaroa Blue, Pact's Environment & Sustainability team participated in the #PullingOurWeight event in April at G J Hosken Reserve in Altona North.

Pact was one of 20 companies who represented the plastics industry and supply chain. Over the course of 2 hours, the group collected almost 500 kg of waste, equating to more than 5kg per person. Tangaroa Blue weighed and separated the collected waste and logged data on the different types of waste on their Australian Marine Debris Initiative database, which they use to address the flow of litter at the source.

This event was a small part of a bigger commitment to raise awareness about responsible waste management and engagement of everybody to address plastic pollution and inspire year-long action to live more sustainably.

Business Clean Up Day

Business Clean Up Day, which fell on 28 February in 2023, is an initiative led by the Clean Up Australia organisation, which works with the community, governments and businesses to provide practical solutions to help all Australians live more sustainably every day of the year. Today the organisation's focus is as much on preventing rubbish entering our environment as it is on removing what has already accumulated.

As a *Leader of the Circular Economy*, Pact stands behind this program. All Pact Group sites globally were invited to participate by hosting a Business Clean Up event. There was a tremendous Group turnout, with 38 sites across the world hosting their own event, focusing not only on waste collection but also waste prevention.



ENVIRONMENTAL COMPLIANCE

On occasion, the Group receives notices from relevant authorities pursuant to local environmental legislation and in relation to the Group's environmental licences and consents. The Group takes all notices seriously, conducting a thorough investigation into the underlying causes and ensures it takes every opportunity to continuously improve systems. Pact works with the appropriate authorities to address requirements and proactively manage obligations.

All notices received were resolved within the timeframe given and Pact has taken all practicable controls to ensure these events will not occur again.

Pact has not been fined or prosecuted for any environmental matters that occurred in FY23.

People Planet Principles

Conducting our business responsibly and investing in programs that positively impact the communities in which we operate.

COMMUNITY GIVING PROGRAM

As 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. Our *Community Giving Program* helps us achieve this objective.

Pact's *Community Giving Program* for FY23 was largely focused on the forming of our D&I Committee and establishing our RAP (more on page 29). However, Pact also contributed to other community programs and charities throughout the year.



Australian Red Cross Lifeblood and New Zealand Team Red

In FY23, Pact employees and their friends and family contributed to providing the supply of life-saving blood for those in need. These donations are crucial in the treatment of various medical conditions such as immune diseases and cancer.

Our Australian Red Cross Lifeblood Team currently is comprised of 52 members who donated in FY23 98 times to save approximately 288 lives.

Our NZ Blood Team Red has 13 members who, over the course of their donor lives, have donated 384 times to save approximately 662 lives.



Black Dog Institute

One in five Australians experience symptoms of mental illness in any given year — which is around five million people. Roughly 60% of these people will not seek help.

The Black Dog Institute is the only medical research institute in Australia to investigate mental health across the lifespan, with an aim to create a mentally healthier world for everyone.

In partnership with Fuchs, Pact was a proud financial supporter of the Black Dog Institute in FY23.



Movember

Movember is a global organisation dedicated to raising awareness and funds for health projects which tackle men's mental health and suicide prevention, prostate cancer and testicular cancer.

In FY23, Pact employees either grew a Mo, hosted a Mo-ment, or moved in Movember to raise funds for this cause. With the collective effort of everyone at Pact, we were able to raise more than \$4,500 for the Movember organisation. This contribution helps to fund Movember's 1,250 men's health projects around the world.



Foodbank

Foodbank supplies meals to those doing it tough, so they have one less thing to worry about.

Each year the Pact's Reuse division proudly partners with Foodbank by providing in-kind hire of crates to its donation centres.

The cost-of-living crisis and ongoing natural disasters made FY23 an extremely challenging year, but Foodbank still was able to source millions of meals for people in need, helping to ensure no one goes without.

In FY23, Pact's in-kind equipment donations enabled more than **9 million** meals to be delivered to assist people doing it tough.

COMMITMENTS & MEMBERSHIPS

Pact Group is a signatory to a number of external organisations and agreements and is a member of numerous government working groups and industry bodies committed to sustainability.

External organisations and agreements

- UNGC
- APCO
- ANZPAC Plastics Pact
- UK Plastics Pact
- New Zealand Packaging Products Stewardship Scheme (NZPPSS)
- International and Australian/New Zealand Standards Supplier Ethical Data Exchange (SEDEX)

APCO working groups and advisory committees

- Technical Advisory Committee
- Collective Action Group (which is addressing the Federal Government's 2025 National Packaging Targets)

Industry membership groups

- Society of Plastics Engineers, Australia and New Zealand
- Plastics, New Zealand
- WasteMINZ, New Zealand
- Australian Council of Recycling (ACOR)
- Chemistry Australia

Working groups

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

SUSTAINABLE FINANCING

Pact Group has converted \$420 million of existing loan facilities into sustainability-linked-loans (SLL), in what was (in FY22) a first for an Australian-based manufacturing company. Sustainability is a major consideration in all of Pact's business decisions and converting a substantial portion of existing loans to SLL demonstrates Pact's commitment to its people and the environment. Under the SLL arrangement, Pact will receive loan margin benefits if annual sustainability performance targets are achieved, and a margin penalty if it underperforms. The sustainability performance targets are:



An increase in the percentage of recycled content across Pact's plastics portfolio.



Reducing scope 1 and 2 greenhouse gas emissions.



Increasing the amount of recycled material processed and distributed to the external market.



Reducing the gender pay gap.

FY23 was the first reporting cycle for our SLL and performance against the four sustainability targets will be assessed by an independent auditor in October 2023. The outcomes and actions of this assessment will be detailed in our FY24 *Sustainability Report*.

SUSTAINABLE PROCUREMENT

In FY23, Pact continued to implement our rigorous supplier onboarding program for all new suppliers. This system screens suppliers for social and environmental criteria and enhances Pact's capacity to only engage with suppliers who meet our standards. As part of this system, suppliers are asked to confirm their compliance with our *Supplier Code of Conduct*, *Modern Slavery Policy* and *Anti-Bribery and Corruption Policy*. In FY23, 99% of all new suppliers managed by Pact's head office procurement function were screened using our on-boarding systems, with all such suppliers having satisfactorily complied with our mandatory procurement standards.

As a *Leader of the Circular Economy*, Pact aims to achieve sustainability in all facets of our operations, including our supply chain which has a network of more than 8,000 suppliers. Pact continued to evaluate our sustainable procurement practices in FY23.

Pact's *Integrity and Ethical Sourcing Committee* continued to meet quarterly to discuss and review various supply chain topics and issues, including sustainable procurement.

HUMAN RIGHTS

United Nations Global Compact

The 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 our operations.

We demonstrate our UNGC 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 requirement;
- *Equal Opportunity, Harassment and Bullying Policy*, which outlines Pact's commitment to being an equal opportunity employer and ensuring our workplace is free of unlawful discrimination, harassment and bullying;
- *Modern Slavery Policy*, which prohibits employees from engaging in any activity that would constitute modern slavery or could result in modern slavery practices;
- *Supplier Code of Conduct*, which ensures our suppliers adhere to the same high standards we hold ourselves to; and
- Supplier Screening Process (more on page 68), which ensures we contribute to the elimination of all forms of child, forced or compulsory labour and other forms of modern slavery.

We lodged our annual *UNGC Communication on Progress* in November 2022 which can be downloaded from the UNGC website.

Modern Slavery

Modern slavery describes situations where coercion, threats, or deception are used to exploit victims and undermine their freedom. Examples include: trafficking in persons; slavery; servitude; forced labour; forced marriage; debt bondage; child labour; and deceptive recruiting for labour/services. Modern slavery is unlawful.

As a signatory to the UNGC, we are committed to supporting the abolition of child labour and forced labour worldwide. Pact is committed to taking decisive action in the event that it identifies modern slavery in its operations or supply chain and has established an Integrity and Ethical Sourcing Committee to ensure that modern slavery risks are identified, evaluated and addressed appropriately.

Pact released its third *Modern Slavery Statement* in December 2022 in accordance with the reporting requirements under the *Modern Slavery Act 2018* (Cth). A copy of Pact's *Modern Slavery Statement* is available on the Pact website: [Click here](#).

During the year, Pact reviewed and updated its *Modern Slavery Policy* to:

- clarify that all persons working for and on behalf of Pact, including suppliers, are required to comply with the *Modern Slavery Policy*;
- set out the Company's expectations of minimum modern slavery standards for both internal operations and its suppliers globally;
- provide for a clear reporting structure for modern slavery risks, concerns or identified instances in Pact Group; and
- incorporate a number of initiatives drawn from Pact's previous *Modern Slavery Statements* including the role and functions of the Integrity and Ethical Sourcing Committee and Modern Slavery Contact Officer.

In FY23, Pact employees also completed various forms of Modern Slavery training.

ETHICAL CONDUCT

Our Group Code of Conduct outlines our expectations in respect of our sense of corporate responsibility and integrity.

Our *Code of Conduct* (**Code**) 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: conflict of interest; anti-bribery and corruption; gifts and commissions; facilitation payments; political contributions; and securities trading.

All Group employees, Directors, officers, authorised representatives, contractors, consultants and agents must comply with the *Code*. We have also established a *Supplier Code of Conduct* (**Supplier Code**) which sets out the Group's expectations of its suppliers of goods and services, contractors, consultants, and trading and business partners. The *Code* and *Supplier Code* encourages the reporting of unethical behaviour and breaches of policy or Company Values. We are committed to ensuring that those who do so are not disadvantaged or discriminated against when making reports in good faith and this commitment is supported by our *Whistleblower Policy*.

The *Code* is supported by a range of Board and 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 either in person or via our online learning management system. Further information regarding the *Code* and Group policies is available in our *Corporate Governance Statement* and via our website: [Click here](#).

POLICIES & APPROACHES

Anti-Bribery and Corruption Policy

Our *Anti-Bribery and Corruption Policy (ABC Policy)* outlines the standard of appropriate behaviours and business conduct in respect to ABC matters. Training on the policy and applicable laws is provided to relevant ELT and senior managers. The *ABC Policy* provides that all material breaches of the policy will be reported to the Board immediately. We continue to focus on developing and enhancing tools and procedures to identify and mitigate ABC risks.

In FY23, awareness training was performed by employees to enhance awareness of corruption and bribery risks and prevent policy non-compliance.

Competition and Consumer Act Compliance Policy

Our *Competition and Consumer Act Compliance Policy* outlines Pact's commitment to and ensuring its representatives understand and act in accordance with their obligations under competition and consumer laws (CCL) in all countries in which Pact Group operates. The policy is underpinned by a *Protocol for Dealings with Competitors* and *Competition Law Golden Rules* that provide practical guidance to employees to facilitate compliance with competition law obligations. Pact places great importance on compliance with this key area as it impacts how we deal with our competitors, suppliers and customers.

Pact refreshed this policy in FY23 and rolled out an online training program to relevant executives, senior managers, sales teams and others.

A breach of CCL can result in significant penalties (to the Company and individuals) and significant damage to the Company's goodwill and reputation in the marketplace.

Adherence to this policy is a condition of employment at, or engagement with, Pact Group.

The Company encourages the reporting of any conduct that may breach CCL.

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 Targets*, 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.

Diversity Policy

The Company recognises that people are its most important asset and is committed to the maintenance and promotion of workplace diversity to ensure a discrimination-free place of work. Encouraging diversity drives the Company's ability to attract, retain and develop the best talent. It also enables an engaged workforce, the delivery of the highest quality services to our customers and the continued growth of the business.

The Company's Vision for diversity incorporates a number of different factors, including gender, ethnicity, disability, age and educational experience.

Pact is committed to setting and achieving robust measurable diversity and inclusion objectives. The Board's FY23 Gender Diversity Objectives are outlined in the *Sustainability Report* on page 27 and in the Company's *2023 Corporate Governance Statement*.

Active management of salary reviews with a "lens on gender" has helped Pact identify and take steps to reduce pay equity imbalance. The Group lodged its annual public report with the Workplace Gender Equality Agency (WGEA) including detail on gender pay equity. It has been confirmed by the WGEA that Pact achieved compliance status.

Health and Safety Policy

The Group is committed to ensuring all work is completed incident and injury free, in line with our *Pact Safe* strategic ambition. Our *Health and Safety Policy* provides an overview of the Company's commitment to workplace health and safety and what is expected of employees and others.

Privacy Policy

Protecting the privacy of our stakeholders is important to us and this policy explains how we manage personal information.

Quality Policy

Our *Quality Policy* outlines our commitment to operate our business in a manner that meets customer 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 are outsourced. The *Supplier Code* is aligned with other Group policies including the *Modern Slavery Policy* and includes reference to: ethical standards; labour and human rights; health and safety; environmental management; application and monitoring; and reporting concerns and breaches.

Whistleblower Policy

Pact's *Whistleblower Policy* supports the Group's *Code of Conduct* and is designed to promote and reinforce our 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 activities. We have also established an externally facilitated hotline to enable employees and other stakeholders to report any concerns.

Tax Transparency

Our approach to tax is governed by the following key principles:

- 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* ensuring Board review and approval of significant tax decisions, and a tax risk management framework that guides management in the day-to-day administration of tax matters.

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.

Conflicts of Interest

Conflicts of interest, whether actual or apparent, must be avoided and disclosed. Examples of conflicts of interest include (but are not limited to) the giving or receiving of gifts, financial interests or personal relationships. Directors and employees are required to declare conflicts of interest. Pact's process relating to conflicts of interest is outlined in a number of Group policies including our *Code of Conduct*, *Board Charter* and *Policy for Dealing in Securities* (including in relation to inside information).

The Board is conscious of related party dealings between the Group and interests associated with the Company's Chair, Mr Geminder. These related party transactions are disclosed in our financial statements in relevant years. A *Related Party Protocol* is in place to monitor and govern these transactions and to ensure compliance with the *Corporations Act 2001*.

Controls adopted by Pact to manage conflicts of interest may include:

- ensuring a transaction is conducted at arm's length;
- removal of conflicted Directors, employees or teams from a transaction or decision; and
- avoiding a transaction.

We are committed to maintaining a Register of Related Party Transactions and Register of Notification of Interests to facilitate effective management and reporting.

Disclosure and Reporting Integrity

The Company's *Continuous Disclosure Policy* is designed to ensure the timely release of material price sensitive information to the market as well as ensuring that stakeholders are kept informed of major developments affecting Pact and its business.

The Company is also committed to establishing and maintaining processes that ensure the integrity of its corporate reporting. Specifically, Pact has implemented review and approval processes for information released to market which is not audited or reviewed by an external auditor. The verification process followed is specific to the nature of the relevant announcement or report. It includes a review by division and function subject matter experts in the Company, as well as a review against source documentation and relevant regulations.

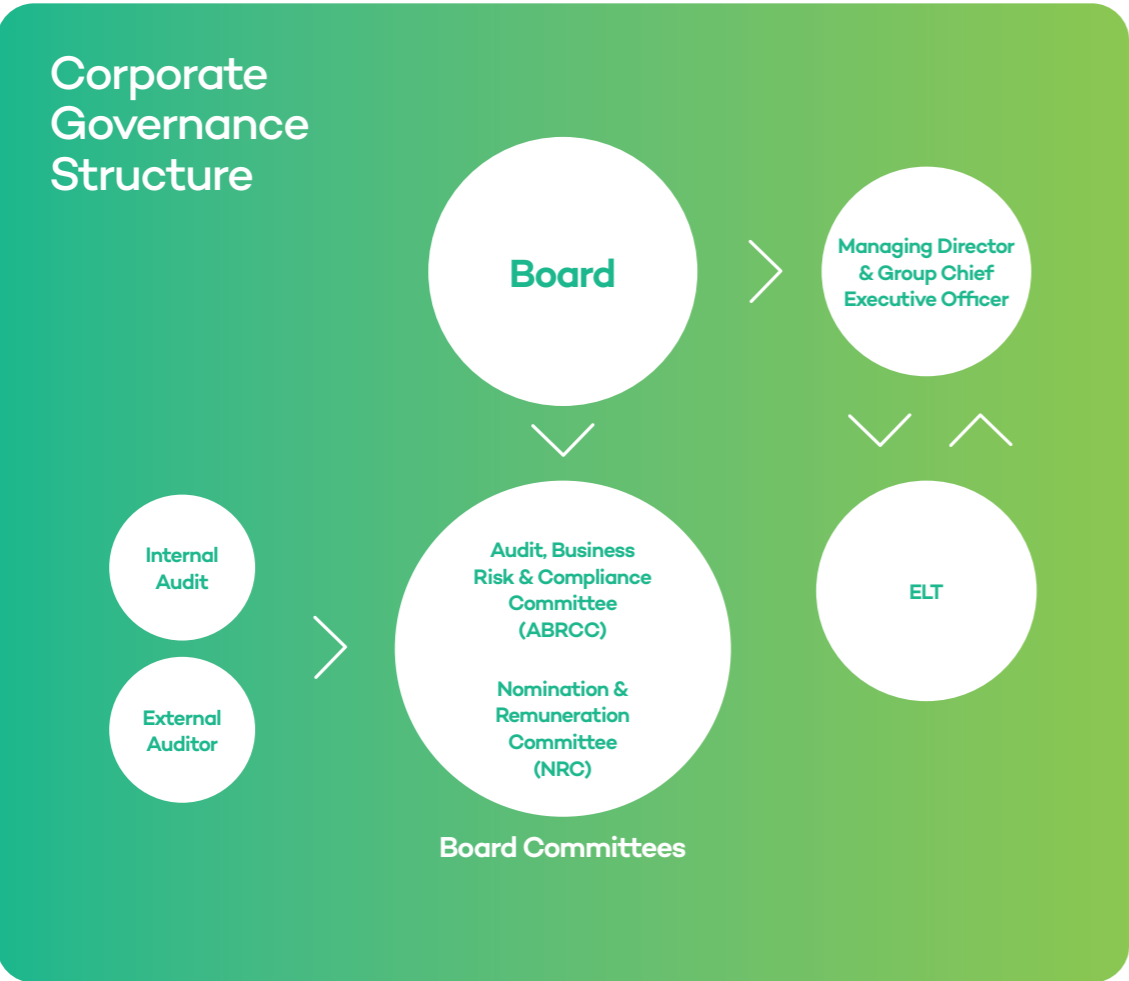
CORPORATE GOVERNANCE

Pact recognises the importance of good corporate governance and a governance framework that aligns with the Company’s Values as well as stakeholder expectations and supports the Group’s strategic objectives.

The Board has adopted a corporate governance framework comprising principles and policies that are consistent with the ASX Corporate Governance Council’s ASX Recommendations.

To assist stakeholders in accessing key documents outlining our approach to corporate governance, we maintain a Corporate Governance section on our website and annually publish a *Corporate Governance Statement* which discloses the Group’s governance framework, approach to governance and alignment with ASX Recommendations during the applicable reporting period.

We seek to continuously improve the Group’s governance framework through periodic review of Board and Group charters, codes and policies; independent reviews such as audits of the Company’s risk management framework; annual reviews of Board and Committee performance; and listening to stakeholder feedback on Pact’s performance and reporting.



BOARD & COMMITTEES

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 Shareholders interests, and to ensure the Group operates in an appropriate environment of control and corporate governance.

For the majority of FY23, the Board comprised of a non-Executive Chair, one Executive Director (Group CEO and Managing Director) and two independent, non-Executive Directors. The Board is supported by the ELT which is responsible for day-to-day operations and management of the Group. Tenure of Pact’s Directors range from three to 13 years. Board members have extensive experience in a range of relevant industries, including manufacturing, finance, information technology, operations, and public company experience. Further information on the Group’s Board members as well as information regarding Director appointment processes, Board evaluation, skills matrix assessment, and independence considerations and status are disclosed in our *Annual Report* and *Corporate Governance Statement*, available on our website.

The Board has delegated specific responsibilities to two standing governance committees. The Nomination and Remuneration Committee and the Audit, Business Risk and Compliance Committee have defined responsibilities detailed in their respective charters, available on Pact’s website: [click here](#). The Board has also appointed a Disclosure Committee with responsibility for compliance with Pact’s continuous disclosure obligations. Further information regarding the Disclosure Committee is included in our *Continuous Disclosure Policy*.

The Company has established the functions reserved for the Board and these are contained in the *Board Charter* and the Group’s *Delegated Authority Policy*. The CEO and senior executives, who are accountable to the Board, are responsible for matters that are not specifically reserved to the Board, primarily being the day-to-day operations and management of the Group.

The Group’s policies typically provide guidance to employees and other relevant stakeholders on the reporting of an actual or suspected policy breach or concern. Material breaches and concerns are reported to applicable Board Committees and to the Board.



RISK MANAGEMENT

Pact promotes a risk-aware culture in decision making and is committed to managing 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: people; cyber; consumer demand; volatility of commodity prices, foreign exchange and economic environment; global supply chain disruptions; business continuity; pandemics; and incident management and compliance risk.



The Board of Directors has overall accountability for the Group's risk management framework. Oversight has been delegated to the Audit, Business Risk and Compliance Committee (**ABRCC**) that is responsible for monitoring and review. The Managing Director and Group CEO and the ELT are responsible for the day-to-day management of risk, within the risk appetite set by the Board and reviewed annually.

The Company promotes a positive risk-aware culture and is committed to a systematic and comprehensive approach to the effective management of potential opportunities and adverse effects by achieving best practice in risk management.

The Company embraces intelligent risk-taking and recognises that risks can have positive and negative consequences.

Risk management helps the Company to: achieve objectives; operate effectively and efficiently; protect the Group's people and assets; make informed decisions; and comply with applicable laws and regulations.

The ABRCC has approved the risk management infrastructure which includes the *Risk Management Policy* and *Risk Management Framework (Framework)*, to oversee and manage risk. The overall objectives of our Framework are to:

- promote the identification and mitigation of risks in a way that protects the business 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 principles and approach for recognising and managing risk are described in the *Framework* which is comprised of the practical process and tools to support consistent implementation of the *Risk Management Policy*, including roles and responsibilities, and the approach for risk analysis, including identifying, assessing, responding to, and monitoring risks. The *Framework* is aligned with *AS ISO 31000: 2018 Risk Management — Principles and Guidelines*.

The reporting of newly identified risks that may impact the operations of the Group across all areas is encouraged. This reporting includes, but is not limited to, health & safety, reputation, environmental and sustainability, financial, technological, operational, and legal and compliance risks.

Management has developed a process to ensure new risks are identified and existing risks are constantly monitored. All material risks are recorded on Group Risk Registers which are reviewed regularly by the ABRCC in line with the *Framework*.

Mitigation plans are reviewed and assessed regularly by management to ensure the processes and internal controls in place remain effective and to ensure identified improvement activities continue to be implemented. Updates are provided to the ABRCC on a regular basis.

The ABRCC regularly reviews the *Risk Management Policy and Framework* to satisfy itself that they continue to be sound.

GLOBAL REPORTING INITIATIVE INDEX

Pact Group's FY23 Sustainability Report has been prepared in accordance with GRI Standards.

GRI Index

GRI Standard	Sub-Part	Page Number/s
GRI 2: General Disclosures 2021	2-1 Organisational details	1
	2-2 Entities included in the organisation's sustainability reporting	1
	2-3 Reporting period, frequency and contact point	1
	2-5 External assurance	81
	2-7 Employees	21-22
	2-9 Governance structure and composition	73-74
	2-11 Chair of the highest governance body	73-74
	2-14 Role of the highest governance body in sustainability reporting	73-74
	2-15 Conflicts of interest	72
	2-22 Statement on sustainable development strategy	9-10
	2-26 Mechanisms for seeking advice and raising concerns	72
	2-27 Compliance with laws and regulations	25, 62
	2-28 Membership associations	67
	2-29 Approach to stakeholder engagement	11-12
GRI 3: Material Topics 2021	3-1 Process to determine material topics	14
	3-2 List of material topics	16
	3-3 Management of material topics	16
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	71
GRI 207: Tax 2019	207-1 Approach to tax	71
	207-2 Tax governance, control, and risk management	71
GRI 301: Materials 2016	301-1 Materials used by weight or volume	43, 49, 52
	301-2 Recycled input materials used	43, 49, 52
	301-3 Reclaimed products and their packaging materials	48, 51-52
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	37-40
	302-4 Reduction of energy consumption	37-40
GRI 303: Water and Effluents 2018	303-4 Water discharge	59-60
	303-5 Water consumption	59-60

GRI Standard	Sub-Part	Page Number/s
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	37
	305-2 Energy indirect (Scope 2) GHG emissions	37
	305-3 Other indirect (Scope 3) GHG emissions	38
	305-5 Reduction of GHG emissions	39-40
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	37
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	55-58
	306-3 Waste generated	57
	306-4 Waste diverted from disposal	49, 57
	306-5 Waste directed to disposal	57
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	23
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	23
	401-3 Parental leave	23
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	24-26
	403-2 Hazard identification, risk assessment, and incident investigation	25
	403-3 Occupational health services	26
	403-4 Worker participation, consultation, and communication on occupational health and safety	24-26
	403-5 Worker training on occupational health and safety	25
	403-6 Promotion of worker health	26
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	26
	403-8 Workers covered by an occupational health and safety management system	24
	403-9 Work-related injuries	25
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	30-32
	404-3 Percentage of employees receiving regular performance and career development reviews	30
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	21-22, 27
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	21-22
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	68
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	68

NOTES & ASSUMPTIONS

- ¹ Including our joint-venture sites.
- ² Circular Plastics Australia (PET), also known as CPA (PET), is a joint-venture between Pact, Cleanaway, Asahi Beverages and Coca-Cola Europacific Partners.
- ³ Recycled high-density polyethylene.
- ⁴ Recycled polyethylene terephthalate.
- ⁵ Recycled low-density polyethylene.
- ⁶ Recycled polypropylene.
- ⁷ Based on the estimate that each corrugate cardboard box diverted (through the use of a RPC) weighs 493 grams.
- ⁸ While Pact has operations in Sri Lanka, engagements are via a third-party.
- ⁹ In FY23, Pact was retrospectively penalised for a health and safety matter that occurred in FY22. All practicable actions have been taken to ensure this type of incident will not occur again.
- ¹⁰ Pact is currently going through a business transformation which may further affect our pay disparity outcomes in FY24.
- ¹¹ Carbon Footprint (2023).
- ¹² Greenhouse Gas Protocol (2013).

The other Scope 3 categories are not included for the following reasons:

2. Capital Goods: All of Pact's fuel and energy-related activities (including those from the use of our machinery and forklifts) are reported on in our Scope 1 and 2 emissions. There are no additional activities of relevance for Pact to report for Scope 3.
3. Fuel and Energy Related Activities: As above.
7. Employee Commuting: Pact has approximately 5,400 employees who work across more than 130 locations in 15 countries. Data on this category is challenging to obtain and various assumptions would be needed to calculate this figure. As such, Pact does calculate these emissions.
8. Upstream Leased Assets: Many of Pact's facilities are leased. The emissions from these leased facilities are included in our Scope 1 and 2 emissions as we use the operational control consolidation approach — hence, these emissions are not relevant to our Scope 3 calculations.

9. Downstream Transportation and Distribution: Pact primarily manufactures plastic and steel packaging. Across our operations, Pact manufactures more than a million different products for many thousands of customers across the globe. These products are all processed, sold and have varying end-of-life outcomes dependent on how our customers fill, treat or use the products. It is not feasible for Pact to calculate a reliable emissions figure for this category. For that reason, Pact does not calculate these emissions, in accordance with Section 6.4 of the *Corporate Value Chain (Scope 3) Accounting and Reporting Standard* from the *GHG Protocol*.
10. Processing of Sold Product: As above.
11. Use of Sold Products: As above.
12. End of Life of Sold Products: As above.
13. Downstream Leased Assets: Pact does not lease any assets, hence this category is not relevant.
14. Franchises: Pact does not lease any assets, hence this category is not relevant.
15. Investments: Pact does not invest in any activities outside of our own operations, hence this category is not relevant.

- ¹³ Waste diversion tonnage is calculated using actual product average weights.
- ¹⁴ Australian Marine Conservation Society and WWF Australia (2023).
- ¹⁵ Organisation for Economic Co-Operation and Development (2022).
- ¹⁶ Compared to last year (FY22).
- ¹⁷ In FY23 Pact improved its methodology used to calculate problematic resin usage for packaging manufacture. This new methodology now supersedes all past methodology. Using this new methodology, Pact's revised reduction in problematic resin consumption from FY18 to FY22 was 59% (not 64% as originally reported in the *FY22 Sustainability Report*). Hence, Pact's consumption of problematic resins (compared to the FY18 baseline) to produce packaging has decreased by 5%, going from a 59% decrease in FY22 to a 64% decrease in FY23.
- ¹⁸ Waste generated excludes our Pact Retail Accessories division due to low accuracy of data.
- ¹⁹ Pact set a commitment in FY22 to record and report water usage for our Reuse (Crate Pooling) and Recycling sites in FY23. Pact did not entirely meet this commitment, as we did not install data loggers to record water usage for our Crate Pooling sites in FY23. These sites will form part of Pact's recently announced joint-venture with Morrison & Co.

Independent Limited Assurance Report to the Management and Directors of Pact Group Holdings Ltd

Our conclusion

We were engaged by Pact Group Holdings Ltd (Pact) to undertake limited assurance over the total Scope 1 and 2 greenhouse gas (GHG) emissions included in its 2023 Sustainability Report.

Based on the work performed, nothing has come to our attention that caused us to believe that the total Scope 1 and 2 GHG emissions presented in Pact's 2023 Sustainability Report (the Subject Matter) has not been prepared and presented fairly, in all material respects, in accordance with the *Greenhouse Gas Protocol Corporate Standard* (the Criteria).

1 What our review covered

For the year ended 30 June 2023, we reviewed the total Scope 1 and total Scope 2 greenhouse gas emissions, expressed in tonnes of carbon dioxide equivalent (t.CO₂-e), for Pact as presented in Pact's 2023 Sustainability Report.

Total Scope 1 GHG emissions: 19,659 t.CO₂-e
Total Scope 2 GHG emissions: 222,558 t.CO₂-e

2 Criteria applied by Pact

In preparing the total Scope 1 and total Scope 2 GHG emissions Pact applied the *GHG Protocol Corporate Standard*.

3 Our responsibility and independence

Our responsibility was to express a limited assurance conclusion on the fair presentation of Pact's Scope 1 and Scope 2 GHG emissions presented in its 2023 Sustainability Report.

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

4 Pact's responsibility

Pact's management was responsible for selecting the criteria and preparing and fairly presenting the total Scope 1 and Scope 2 GHG emissions in accordance with the Criteria. This responsibility included establishing and maintaining internal controls, adequate records and making estimates that are reasonable in the circumstances.

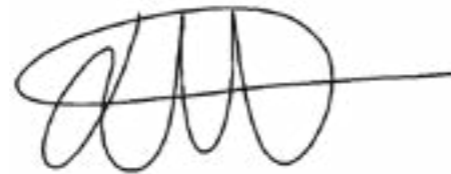
5 Our approach to the review

We conducted this review in accordance with the *Australian Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ASAE

3000), *Australian Standard for Assurance Engagements on Greenhouse Gas Statements* (ASAE 3410) and the terms of reference for this engagement as agreed with Pact. The evidence obtained is sufficient and appropriate to provide the basis for our limited assurance conclusion.

Our review procedures included:

- ▶ Conducting interviews with Pact personnel to understand the business and its reporting processes and systems for collecting, storing, and collating data
- ▶ Making inquiries with Pact's Management to assess the risk of misstatement due to fraud
- ▶ Undertaking analytical review procedures to assess the reasonableness of data used to calculate the total Scope 1 and Scope 2 GHG emissions
- ▶ On a sample basis, conducting tests of detail of underlying data to assess the accuracy of the data, including tracing data used to estimate emissions amounts to their points of origin
- ▶ Checking the appropriateness of calculation methodologies and conversion factors used to calculate emissions amounts and testing the accuracy of calculations
- ▶ Assessing the reasonableness of any estimates used in the calculation of the total Scope 1 and Scope 2 GHG emissions
- ▶ Confirming the total Scope 1 and Scope 2 GHG emissions stated in the 2023 Sustainability Report.



Foresight Consulting Group Pty Ltd
Joshua Martin, Director
09/10/2023



