

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 70.

This *Report* has been prepared in accordance with the Global Reporting Initiative (GRI) standards. Detailed mapping of this framework can be found on pages 71 to 72. 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, or participated in, by the Group. All data relates to the 12-month period ending 30 June 2024 (FY24) 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 FY24.

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 Reports* and *Annual Reports* can be downloaded from our website: [Click here](#)

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

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A WORD FROM OUR CEO

Pact's Vision is to *Lead the Circular Economy* and we are committed to creating lasting value for the environment by reducing waste through our innovative packaging, contract manufacturing, reuse and recycling solutions.

Our FY24 *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 progress our 2025 *End of Waste Targets* ambitions; and
- conduct our business responsibly and invest in programs that positively impact the communities in which we operate.

Highlights

We reached some significant milestones in FY24 towards achieving our sustainability goals.

Two new Pact-operated Circular Plastics Australia (CPA) joint venture recycling facilities commenced operations in Victoria. The CPA (PET)¹ recycling plant in Altona North can produce up to 20,000 tonnes per annum of food grade recycled PET resin and adds to the existing CPA (PET) recycling plant in Albury (NSW).

The CPA (PE)² mixed plastics recycling plant in Laverton produces up to 20,000 tonnes per annum of recycled HDPE and PP resins from milk bottles, dairy containers, and household packaging collected from kerbside recycling bins.

People

Safety remains the number one priority for our people. To this end, in FY24 we transitioned away from a corporate-led approach to WHSE to a decentralised model. Our new *One Pact WSHE Council* prioritises proactive risk management and critical control measures rather than the traditional reactive approach to safety.



We recorded improvements in our Total Recordable Injuries close-out rate and Safety Behavioural Observations.

In FY24, one of our objectives was to have 30% female representation in our Senior Leadership Team and I am proud to report that we achieved that outcome.

Planet

We continued to make progress towards achieving our 2025 *End of Waste Targets* to:

- Reduce: eliminate all problematic polymers we use for manufacturing packaging;
- Reuse: have solutions to reduce, reuse and recycle all single-use secondary packaging in retailers; and
- Recycle: offer an average of 30% recycled content across our packaging portfolio.

In FY24, we decreased consumption of problematic polymers used to manufacture packaging by 40%, or more than 1,200 tonnes compared to FY23.

To grow Pact's Crate Pooling and Crate Manufacturing operations, we divested 50% of the business to form the Viscount Reuse joint venture³ in partnership with global infrastructure investment manager, Morrison & Co. The reusable and recyclable plastic packaging crates are a sustainable alternative to single use cardboard and polystyrene boxes and deliver economic and sustainability benefits across fresh grocery supply chains.

We increased consumption of recycled resin by 2,300 tonnes. This equates to an average of 12% inclusion of recycled resin across our plastics portfolio. We also increased the amount of recycled plastic we processed and sold by almost 10% or more than 5,000 tonnes compared to FY23.

And we achieved a 9% reduction in Scope 1 and 2 emissions across Australia and New Zealand, compared to FY23.

Principles

To strengthen governance in FY24, the Group refreshed nine corporate policies and adopted two new internal policies.

As a signatory to the United Nations Global Compact (UNGC), we accept our role as a responsible employer and remain committed to supporting the Sustainable Development Goals (SDG). Pact will continue to deliver against the SDG through our *Circular Economy Strategy* and this *Report* describes our actions.

Thank you

Pact's positive sustainability performance is not possible without our people and I am extremely proud of our talented and dedicated employees who continue to pursue our vision and embrace our values for the benefit of our Company and all our stakeholders.

Sanjay Dayal
Managing Director & Group CEO

PACT GROUP AT A GLANCE

~5,339

employees



Headquartered in Melbourne, Australia

Our Capabilities

- Packaging
- Reuse
- Recycling
- Contract Manufacturing

Net Revenue

\$1.857

Billion



~128

locations



15

countries



Vision:

Lead the Circular Economy through innovative packaging, contract manufacturing, reuse and recycling solutions.

Values:

- Safety
- Customer
- Integrity
- Innovation
- Respect

OUR FY24 HIGHLIGHTS



People

↑ 31.9%

female representation in Senior Leadership Team (SLT).

4,869

peer-to-peer performance recognitions.

↓ 19%

decrease in gender pay disparity.



Planet

↑ ~2.3k

tonnes increase in consumption of recycled resin. This equates to an average of 12% inclusion of recycled resin across our plastics portfolio.

↓ 9%

decrease in Scope 1 and 2 emissions in Australia and New Zealand.

↓ 42%

decrease in the consumption of problematic polymers.

>59k

tonnes of recycled material reprocessed and sold (or used internally) which represents a 96% increase.

↑ 7.15%

growth in the use of Reusable Plastics Crates (RPC) to eliminate 43k tonnes of single-use cardboard⁴.

↑ 2

new state-of-the-art Pact-operated recycling facilities opened in Victoria.



Principles

100% ✓

of our FY23 performance metrics were achieved for sustainability-linked loans (SLL). These were 3rd-party reviewed in FY24.

9 ✓

corporate policies refreshed to strengthen governance.

2 ✓

new internal policies adopted.

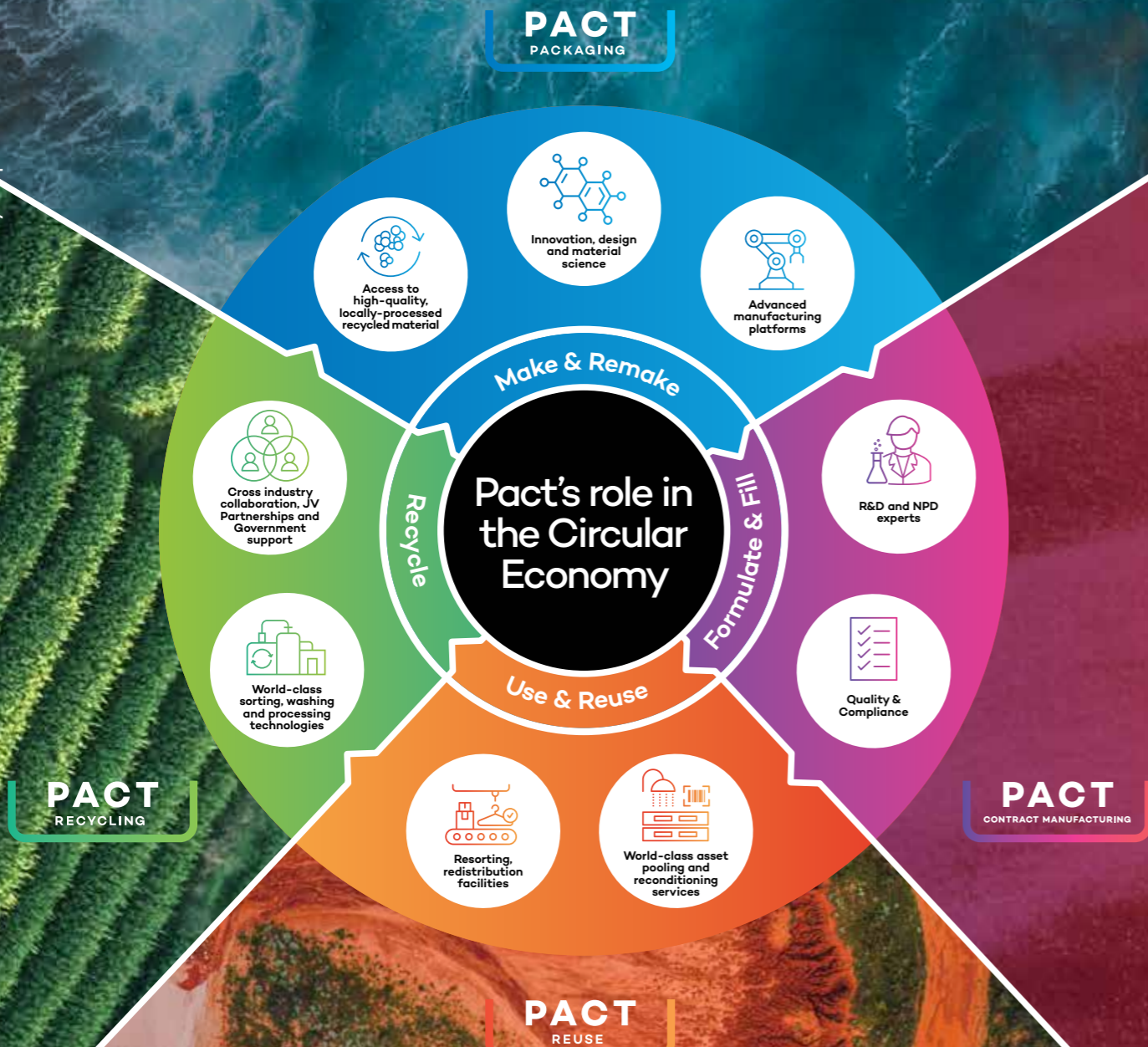
All comparisons are to the previous year (FY23).

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 incorporation, Pact has been a driver of the Circular Economy through Packaging, Contract Manufacturing, Reuse and Recycling solutions.

Sustainability Report 2024



OUR CAPABILITIES

Our Divisions

Market Segments

<p>PACT PACKAGING</p> <p>Pioneering a whole-of-product lifecycle approach to sustainable packaging.</p>	<ul style="list-style-type: none"> Dairy & Beverage Food Health & Personal Care Closures Fresh Food Bulk Packaging Household & Industrial
<p>PACT CONTRACT MANUFACTURING</p> <p>Sustainably bringing brands to life.</p>	<ul style="list-style-type: none"> Home Care Personal Care Vitamins & Supplements Edible Oils Promotional Packing
<p>PACT REUSE</p> <p>Eliminating single use through reuse solutions.</p>	<ul style="list-style-type: none"> Environmental Solutions Retail Accessories Infrastructure Solutions Supply Chain Solutions
<p>PACT RECYCLING</p> <p>Reducing waste through recycling solutions.</p>	<ul style="list-style-type: none"> Recycled High Density Polythene (rHDPE) Recycled Polyethylene Terephthalate (rPET) Recycled Low-Density Polyethylene (rLDPE) Recycled Polypropylene (rPP)

OUR STAKEHOLDERS

Like our stakeholders we are invested in improving our ESG performance. We continue to prioritise open and direct dialogue to drive ongoing ESG performance improvement.

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.

Our Stakeholders	How we engage:
 <p>Shareholders</p> <p>Comprises of shareholders and prospective investors.</p>	<ul style="list-style-type: none"> ASX announcements, media releases, up-to-date website content Face-to-face meetings Annual Report AGMs Sustainability Report Social media channels
 <p>Suppliers & Business Partners</p> <p>We engage with a wide range of suppliers and business partners across the world.</p>	<ul style="list-style-type: none"> Supplier assessments Newsletters and other written communications Regular review meetings Contract documents Social media channels
 <p>Customers</p> <p>We service customers in dairy and beverage; processed food; health and personal care; fresh food; household and industrial; and other sectors.</p>	<ul style="list-style-type: none"> 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

Our Stakeholders	How we engage:
 <p>Consumers</p> <p>The end users of our products.</p>	<ul style="list-style-type: none"> Websites and external communication channels Social media channels
 <p>Employees</p> <p>Approximately 5,400 employees across 15 countries.</p>	<ul style="list-style-type: none"> Workplace noticeboards and Toolbox Talks Regular performance appraisals Site and corporate inductions Company intranet and websites Organisational social networking through Viva Engage Internal meetings Kudos Reward and Recognition Program
 <p>Government & Regulators</p> <p>As required, we engage with Local, State and Federal Governments, primarily regarding regulatory compliance and to shape the future of the Circular Economy.</p>	<ul style="list-style-type: none"> Face-to-face meetings Reports, licensing and performance statements Submissions to consultation papers on proposed reforms to Australian packaging regulations
 <p>Community Groups</p> <p>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.</p>	<ul style="list-style-type: none"> Community engagement/support plans Community Giving Program Face-to-face community meetings Local media
 <p>Third Party Employee Organisations</p> <p>We respect freedom of association and work collaboratively with employees and their representatives.</p>	<ul style="list-style-type: none"> 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. Our material topics 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 13 and 14.

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

Understand

Our materiality analysis considers our business activities and relationships with our stakeholders and the sustainability context in which these occur. This review provides Pact with critical information to identify our actual and potential impacts.

Identify

We review the previous year's list of material topics, and reflect on: material topics and sustainability challenges of like companies; media coverage of the manufacturing industry; 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 9 to 10) 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 materials topics list. In FY24, 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.

Case Study

Giving thermoformed PET meat and produce trays a second life

In FY24, Pact Group teamed up with Hilton Foods, Woolworths Group and Cleanaway Waste Management to create a Circular Economy solution for Australia's PET thermoformed meat and produce trays.

The solution means for the first time in Australia, PET thermoformed meat and produce trays, and punnets, can be collected, recycled and remanufactured into new meat trays ready for the supermarket shelves.

How does it work?

After used meat trays and punnets have been collected through kerbside recycling bins, they are sent to a Material Recovery Facility, compacted into bales and sent to the Pact-operated recycling facility in Victoria. Here, the trays and punnets are sorted, shredded into smaller pieces called flakes, washed and sanitised.

The flakes are then sent to a Pact Packaging manufacturing plant where they are pressed into thin sheets of recycled plastic which are ready to be moulded into their desired shape using thermoform technology. This sheet material is used to make the classic meat tray as well as other food containers ranging from bakery clams

for cookies and cakes, to punnets for fresh fruit and vegetables.

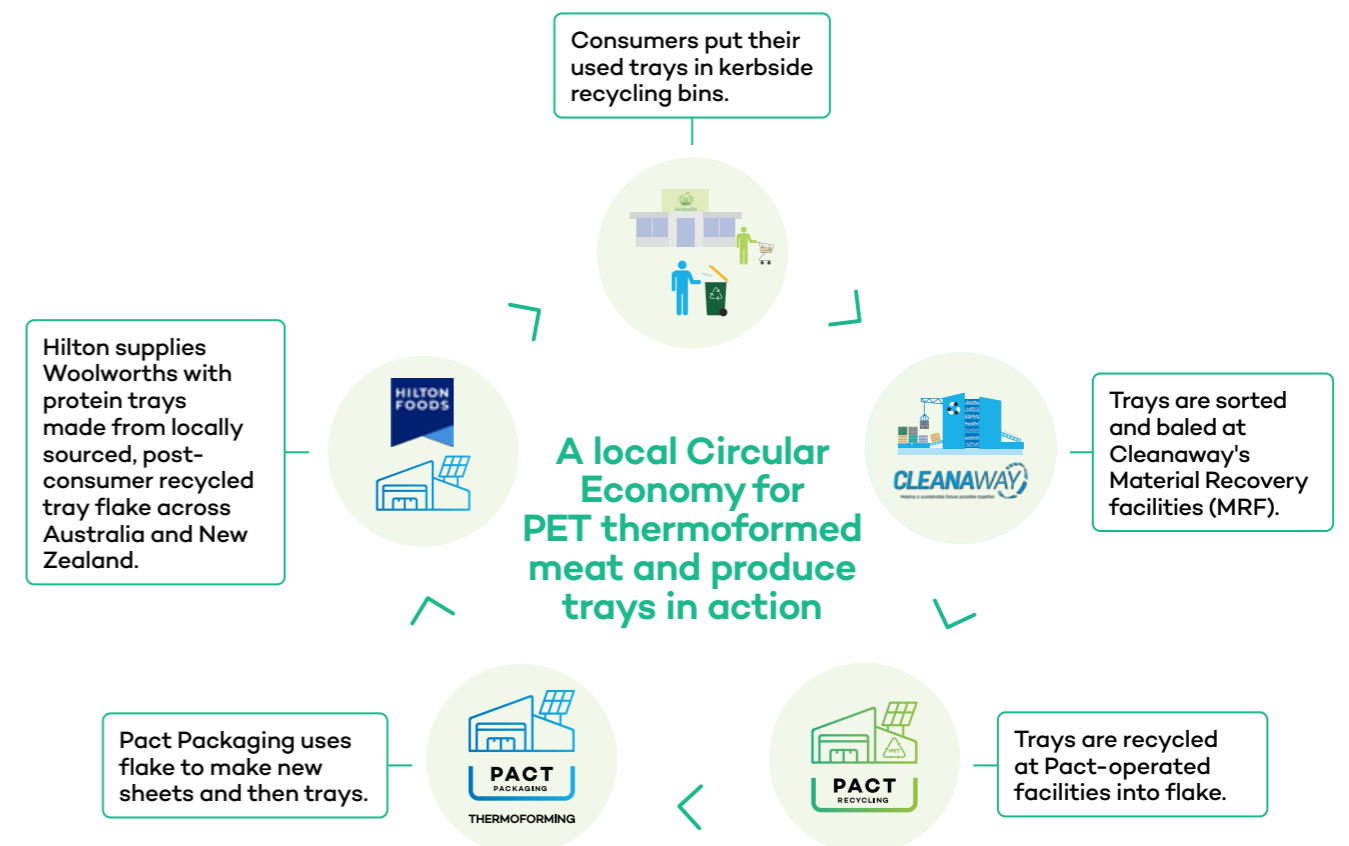
These containers can be recycled multiple times enabling a tray-to-tray solution for the first time in Australia.

Why is this important?

This process not only helps to divert thousands of tonnes of used plastic trays and punnets from landfills but also reduces the need to use virgin PET plastic made from fossil fuels.

Pact Group's ability to provide a Circular Economy for PET plastics allows consumers to buy and dispose of the packaging their meat, fruit, and bakery items come in knowing their plastic waste can go back into circulation, contributing positively to Australia's growing Circular Economy.

Pact Group is aiming to recycle more than 1,000 tonnes of used trays and punnets in our first year of production, which would divert the equivalent of around 48 million meat trays from landfills.



DETERMINING OUR MATERIAL TOPICS



Through engagement with our key stakeholders, we have identified nine material topics for Pact Group in FY24.

In this Report, we have grouped analysis on these topics into three pillars. Each pillar comes with its own unique set of goals and commitments.

People

Planet

Principles

Health & Safety
Providing a safe workplace and supporting our workers' physical and mental wellbeing.
Pages 20-23

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 28-29

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 24-26

Emissions
Using natural resources responsibly by optimising process efficiency to reasonably minimise the impacts of our manufacturing processes.
Pages 49-52

Waste
Ongoing focus on reducing and eliminating waste from our operations.
Page 55

Water
Ongoing focus on measuring water consumption of our operations.
Page 56

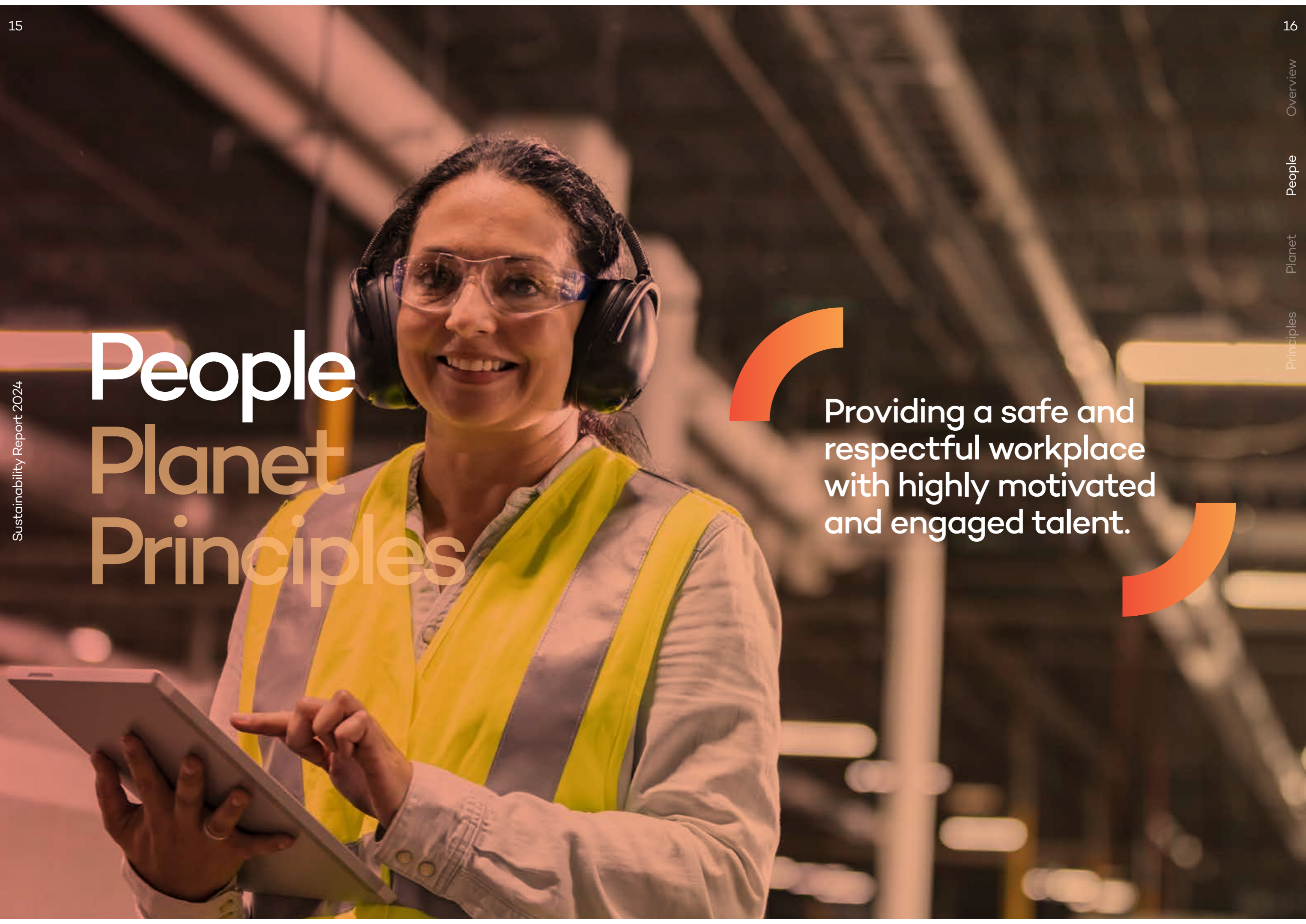
Innovation & Product Stewardship
Leading the Circular Economy through our 2025 End of Waste Targets and sustainable packaging solutions.
Pages 39-44

Community Impact
Supporting the communities in which we operate.
Pages 56-90

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 1-74

Alignment to the United Nations' Sustainable Development Goals (SDGs).

People Planet Principles



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

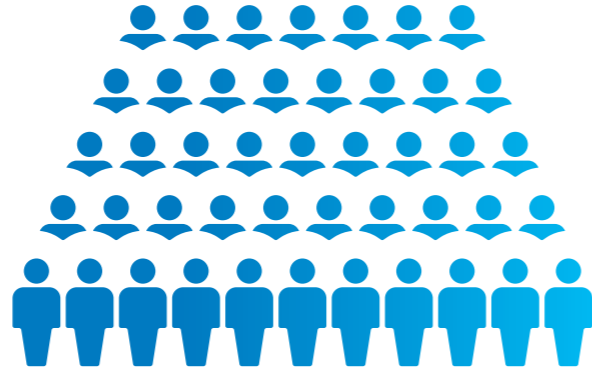


OUR EMPLOYEES

Below is the breakdown of our employees in FY24.

5,339

PACT GROUP employees

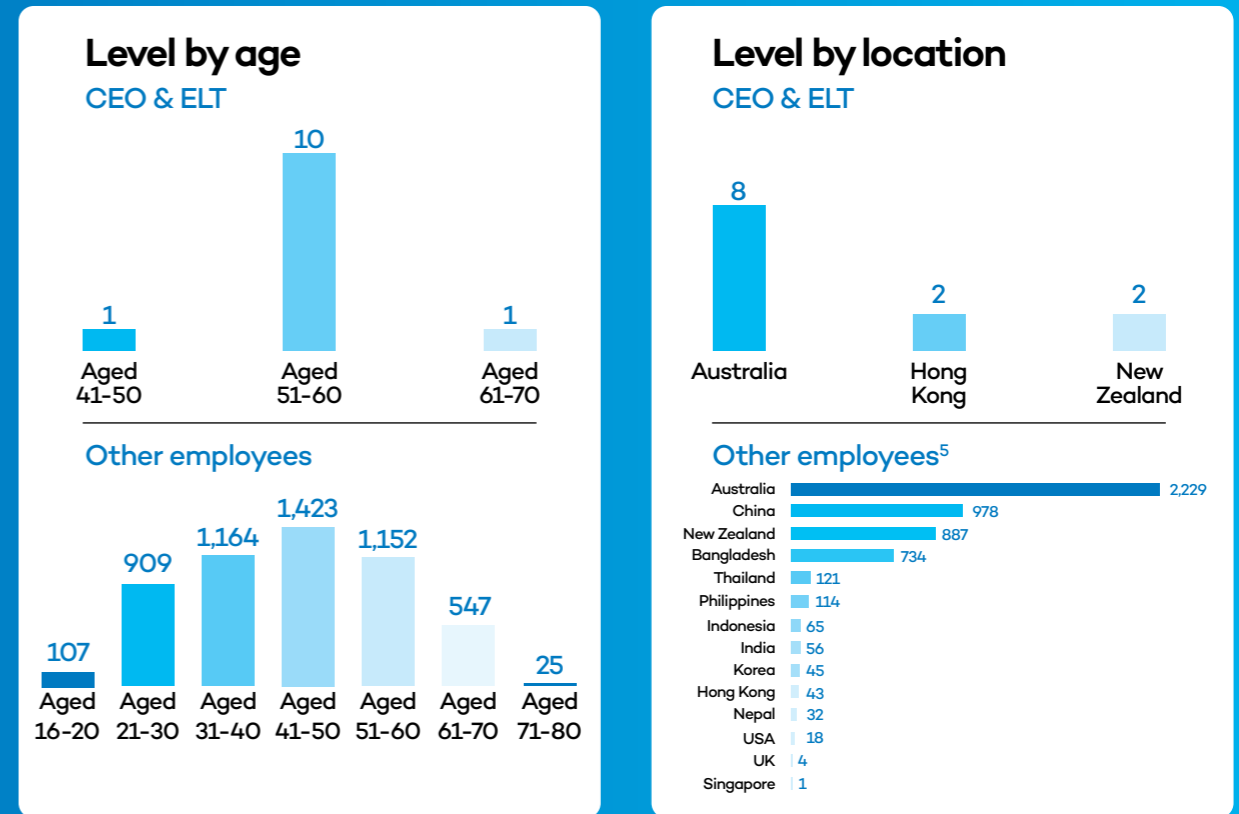
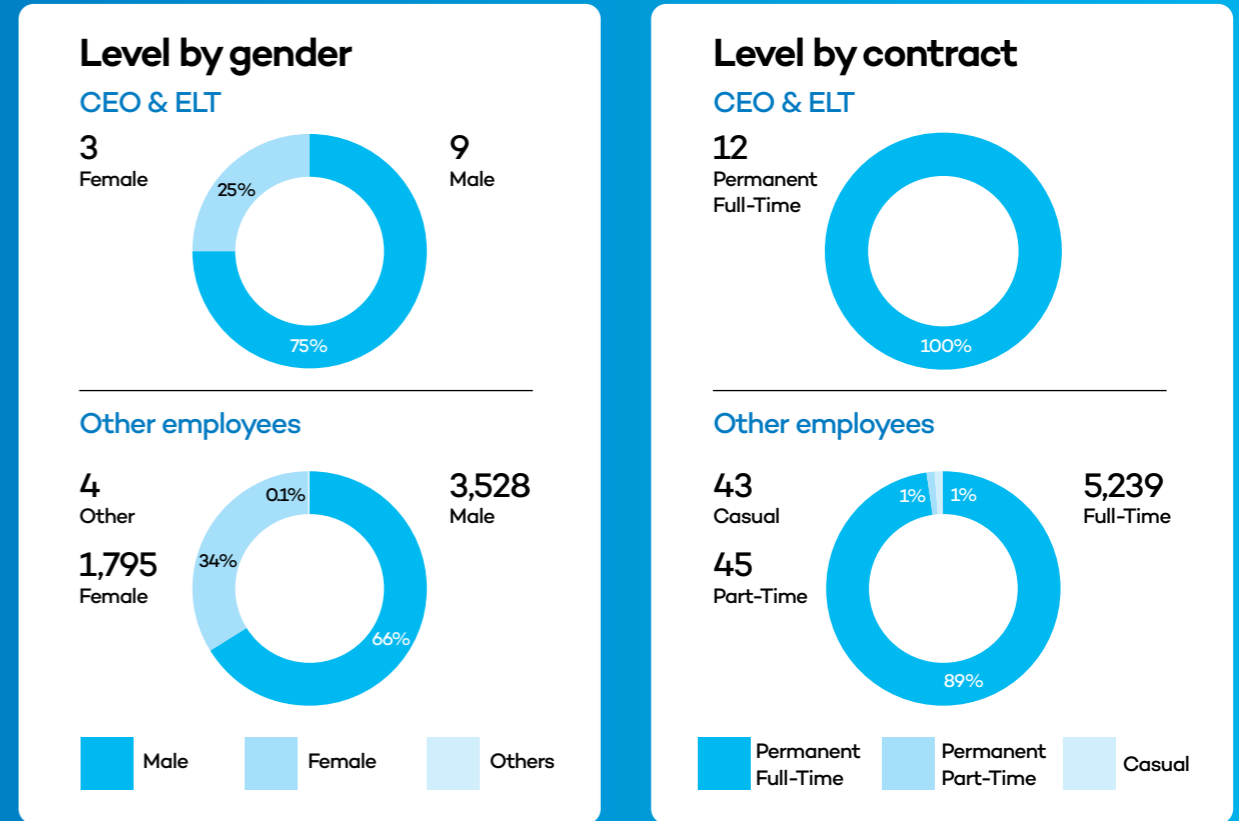


	Total	Female	Male	Other
CEO & ELT	12	3	9	-
Other employees	5,327	1,795	3,528	4
Total	5,339	1,798	3,537	4

In FY24,
34%
of our workforce
was female.

The above data does not include our Chair and Non-Executive Directors. Board composition information can be found in [Pact's FY24 Annual Report](#).

Diversity Composition Across Our Business



Senior Leadership Team (SLT) gender breakdown

In FY24, Pact marginally exceeded its SLT gender diversity target of 30% female representation.

SLT male count: **47** SLT Female count: **22** Female representation = **31.9%**

Employment

We believe in recognising the contributions that drive our business success, so we offer our employees a range of benefits and entitlements.

Salaried Employees

- An opportunity to be part of a purpose-led and Values-driven, sustainable organisation that *Leads the Circular Economy*
- *Kudos Recognition Program* — employees can earn reward points for living the Group's Values redeemable on a range of items, and make charitable donations
- Health insurance discounts (NZ only)
- 18 weeks paid parental leave for primary carers and two weeks for secondary carers (AU only)
- *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

Waged Employees

- An opportunity to be part of a purpose-led and Values-driven, sustainable organisation that *Leads the Circular Economy*
- Flexible working including different roster and shift availability
- *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

Waged employees refer to employees paid hourly under an award or enterprise agreement. Salaried employees refer to employees paid a fixed annual amount.

Our waged employees are compensated in line with applicable wage legislation. In many cases, we go beyond these requirements, with many employees benefiting from enterprise agreements.

Pact upholds the rights of employees to freedom of association and collective bargaining, recognising these as vital to empowering our workforce. Our employee arrangements reflect the varied nature of our workforce. Labor relations are a cornerstone of our commitment to social responsibility.

In FY24, Pact maintained 45 active enterprise agreements globally. Our contractual labor agreements comply with statutory requirements for termination and redundancy processes and in many instances, exceed these regulatory standards.

In FY24, the Group's employee turnover rate was 16.5%.

Parental Leave

Flexible work arrangements are available as needed for those employees returning from parental leave. During FY24, 44 female and 28 male employees accessed parental leave.

All Australian based permanent employees, regardless of gender, 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 of paid parental leave for primary care givers and two weeks paid parental leave for secondary care givers.

HEALTH & SAFETY

At Pact, we value safety as our number one priority. We are committed to providing a safe and inclusive workplace where our people can perform at their best every day.

FY24 Safety Performance Scorecard

FY24 reporting focused on total recordable injuries close-out rate, hazards raised and closed out, serious injury fatality/potential serious injury fatality and safety behavioural observations.

Reporting Focus	Target	Actual		
Total recordable injuries (TRI)	83	82	(-1)	↓ ✓
TRI closed out rate	85%	75%	(-10%)	↓ ✗
Hazards identified and closed-out rate	85%	85%	-	✓
Safety behavioural observations	7,686	6,720	(-966)	↓ ✗

In line with shifting our reporting away from recordable injuries, we recorded 94 events that fell under Pact's definition of serious injury, or potentially causing serious injury or fatality. These events required an in-depth investigation be conducted.

We recorded zero employee, contractor or labour hire fatalities in FY24.

One Pact WHSE Transformation

In FY24, Pact transformed its approach to Work Health Safety Environment (WHSE) through our *One Pact WHSE Transformation*. This initiative focused on optimising our operations by enhancing and standardising systems and processes, leveraging technology and efficiently deploying resources. These efforts have significantly improved the effectiveness of our safety and environmental systems, leading to better safety and environmental outcomes across the Group.

Transitioning from a centralised, corporate-led WHSE structure to a decentralised model, where Divisional WHSE Managers collaborate within a council to lead the Group, marked a significant change. The creation of our *One Pact WHSE Council* was pivotal in transforming our safety approach from a traditional reactive model to a modern, integrated strategy that prioritises proactive risk management and critical control measures.

The Council shares joint accountability for the governance, priority setting, KPI development, activities, and follow-up of the *One Pact WHSE Transformation*. Members collectively manage the elements of the WHSE management system and offer support to the wider Pact Group. To enhance our efforts, we have engaged an independent advisor to provide thought leadership, legislative updates, benchmarking and a critical independent perspective.

The Council has shifted the focus from managing incident outcomes to proactively managing risk exposure and implementing critical risk controls, ultimately making Pact a safer and more sustainable workplace.

Policy Updates

The first step in driving change was to infuse our ambition into Pact Group Policies. The *Council* updated the *Workplace Health and Safety Policy* and the *Environmental Policy* to emphasise proactive risk management while ensuring that these policies align with the due diligence obligations of officers and directors. This update also supports the development and implementation of an effective safety and environmental system

Our strategic priorities have been separated into four categories:



Risk Management



Incident Management



Systems

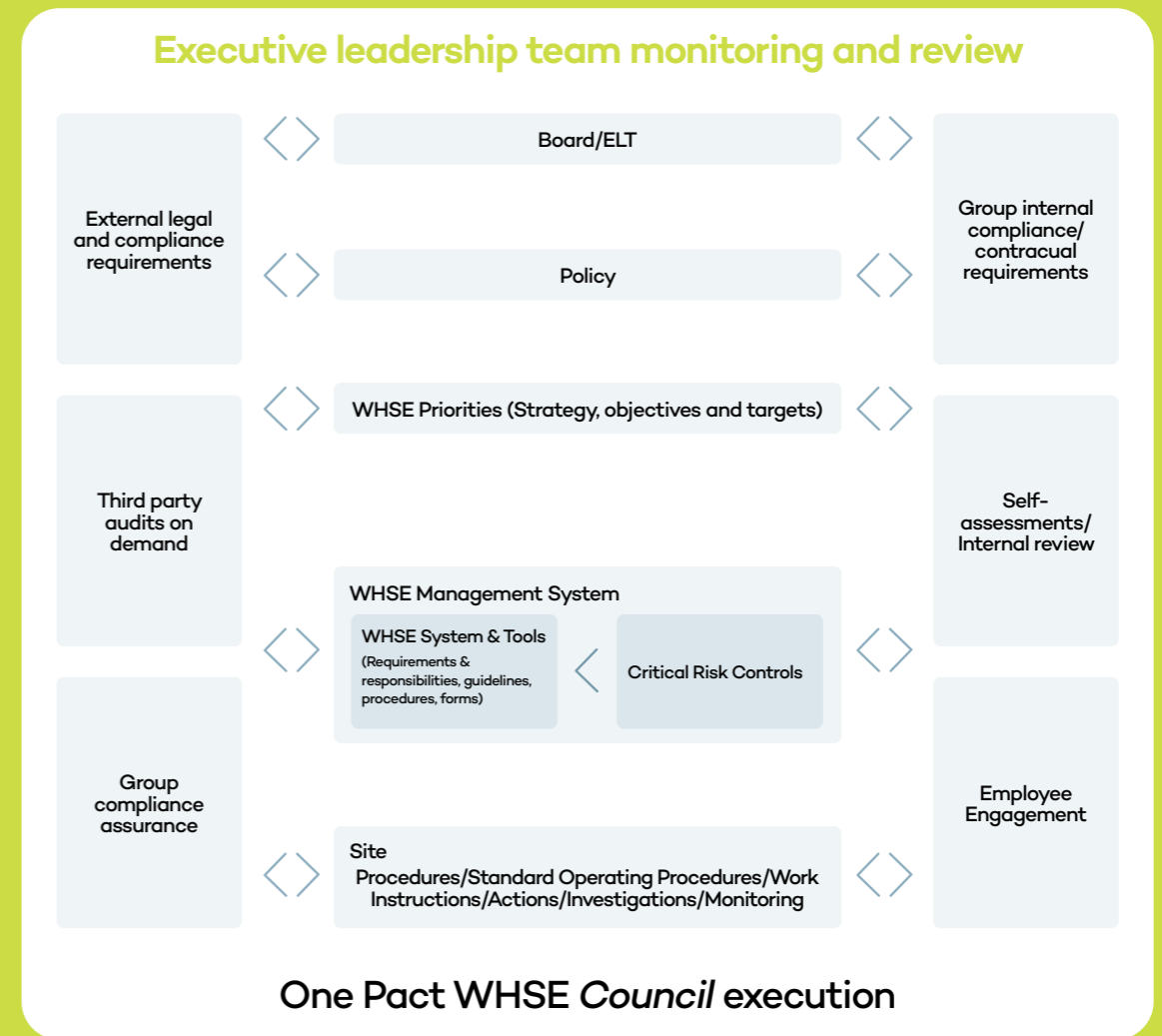


Governance

The policies are a fundamental element in our *WHSE Framework*, and we have prepared a set of priorities with relevant KPIs to enable us to execute on the policy intent.

Our One Pact WHSE Framework

Our *One Pact WHSE Framework* highlights the inter-relationships between various inputs and stakeholder groups and structures workflows and activities within the system.



Our *One Pact WHSE Transformation* is strengthening safety leadership through several key initiatives:

- Fostering a culture of learning, trust and proactive responsibility, while enhancing psychological safety for frontline workers to boost information flow and ensure precise assurance data.
- Streamlining safety processes by removing non-essential activities, increasing operational efficiency without compromising WHSE standards.
- Aligning lead safety conversations with 'work as imagined' and 'work as done', to enhance their effectiveness and identify gaps between planning and execution.

Care Safe Program

In FY24 our Wellbeing and Workers Compensation (WWC) Team was recognised as finalists in the 2023 WorkSafe Awards for Leading Return to Work practice for our Care Safe Program.

Pact's Care Safe Program's key focus is on early intervention at the point of discomfort. The Team helped to resolve 770 reports of discomfort, with only 10% resulting in a workers compensation claim.

Our Care Safe Program is open to all Pact employees and labour hire workers, with 29% of reports received from labour hire team members. All information provided through our QR reporting code systems remains strictly confidential.

The WWC Team uses SolvInjury to manage work and nonwork-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.

The WWC Team has also established relationships with preferred treatment providers to ensure our Team access care providers that understand our Care Safe Program.

To complement our physical onsite prevention measures, Pact also provides other means of health promotion. Wellbeing information packs are sent to all Pact employees, focusing on a new health and safety topic. Topics this year included: psychological wellbeing; creating healthy habits; setting healthy boundaries; ear health; and recharge — topping up our tanks. Pact also offered free flu vaccinations for all Australian and New Zealand employees.

Employee Assistance Program (EAP)

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.

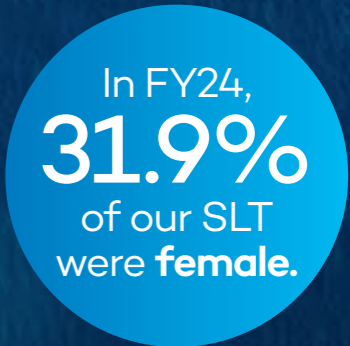
EQUALITY & DIVERSITY

In FY24, Pact Group's diversity was evaluated through ten Diversity & Inclusion Measurable Objectives. These objectives focus on tracking our progress in achieving gender diversity, pay equity and inclusivity.

Measurable diversity and inclusion objective	Progress as at 30 June 2024	
	Progressing	Achieving
Each ELT and SLT leader to create team succession plans to identify potential future roles which may be filled by a female candidate to deliver gender balance.	✓	
Ensure annual salary review outcomes allocate greater or equal overall percentage adjustment for female salaried employees compared to male salaried employees.		✓
Formalise salary grades and banding to alleviate pay inequity.		✓
Achieve pay equity by gender at each level of the organisation.	✓	
Have 30% female representation in the executive levels of CEO-1 (ELT) and CEO-2 (SLT) populations.	✓ CEO-1 (ELT)	✓ CEO-2 (SLT)
Diversity & Inclusion Committee to focus on driving Pact's diversity & inclusion agenda in a culturally appropriate manner in each country in which Pact operates.	✓	
Celebrate Pact's cultural diversity by acknowledging cultural events across our offices and sites.		✓
Utilise funds available through Pact's Community Giving Program to support delivery of diversity & inclusion initiatives.		✓
Establish skills development for all leaders and regular compliance training relevant to diversity & inclusion for existing employees and new starters.		✓
Develop a set of principles to guide equity considerations for anyone involved in our recruitment, promotion and performance review processes.		✓

In FY24, across all grade levels, female pay increases outpaced those of males, resulting in a reduction of Pact's pay disparity for salaried roles in Australia and New Zealand (excluding CEO and ELT positions) from 5.0% to 4.2% as of 30 June 2024.

During FY24, Pact initiated an ambitious Transformation Plan that led to the removal of 190 roles from the Group. Following implementation of the Plan, recruitment at the ELT and SLT levels has been limited.



Diversity and Inclusion Committee

In FY24, Pact continued to evolve its Diversity & Inclusion (D&I) Committee. This committee leverages the unique skills of our employees to form a cross-functional team dedicated to advancing diversity and inclusion. The goal is to create workplaces that are equitable, inclusive and where differences are valued and celebrated.

The charter of our D&I Committee is to empower all individuals to reach their full potential, regardless of age, gender, ethnicity, sexual orientation, or any other characteristic. We believe that everyone has a place at Pact. Acknowledging our workforce's diverse ethnic, cultural, and gender backgrounds, we are committed to maintaining a discrimination-free workplace.

The D&I Committee shapes Pact's D&I roadmap, defines the D&I calendar of events, communicates and champions D&I initiatives across the organisation and provides ongoing feedback and review of our progress.



International Women's Day 2024

At Pact, we strive to create an inclusive culture where team members of all genders feel valued, have a voice, and have equitable access to opportunities.

On Friday 8 March, we celebrated the 2024 International Women's Day with the theme of "Inspire Inclusion" across our organisation globally.

More than 340 team members from our global operations participated in an online panel discussion, where they heard about: navigating successful careers in the manufacturing industry; the challenges of achieving gender equity; experiences with gender bias in the workplace; and the role everyone plays in fostering an inclusive culture.

The panel's key message was that by inspiring others to understand and value women's inclusion, we contribute to the creation of a better world for our business, customers and the community. When women feel inspired to be included, it fosters a sense of belonging, relevance and empowerment.

Pact looks forward to hosting more events like this and continuing our journey to make our workplace fair, equitable and inclusive for all.

PERFORMANCE, REWARD & RECOGNITION

Annual Performance Cycle

To cultivate a high-performance culture, our employees have specific, well-defined goals that align with Pact's strategic objectives. This is so Pact employees understand the connection between their individual efforts and the overall strategy of the Group. Throughout the year, employees receive consistent feedback, recognition and rewards aligned with the Company's performance.

Pact's ELT, senior managers and salaried team members participate in an annual performance review cycle that integrates individual goals with key organisational pillars: Health, Safety & Environment; Financial; Operational Excellence; People & Engagement; and Strategic Imperatives.

Our Values

As a Values-led organisation, we ensure the Group provides a safe and engaging workplace. Throughout FY24 we continued to integrate our Values deeply across all levels, from our ELT to team members on the shop floor, through team-based 'Values Connect' workshops.

In these sessions teams had the chance to discuss and establish the behaviours expected by the Group and create a series of local team commitments to embody Pact's Values. These commitments from various teams informed the creation of behavioural statements that now steer our organisational culture. Setting goals related to, and demonstrating adherence to, our Values are crucial elements of our annual performance assessment process at Pact.

The Values we live by everyday:

- Safety**
- Customer**
- Integrity**
- Innovation**
- Respect**

LEARNING, TRAINING & DEVELOPMENT

At Pact, we are committed to helping all employees achieve their full potential. We offer a range of learning and training opportunities to enhance skills and advance careers. By investing in the growth and development of our people, we not only empower employees to reach their personal and professional goals but also ensure that Pact remains at the forefront of industry excellence.

In FY24 all salaried employees at Pact were given access to our online Learning Management System (LMS). Pact's LMS offers more than 80 courses encompassing a wide range of topics such as wellbeing, health and safety, interpersonal skills, leadership and technical training.

Beyond our LMS, Pact also provided other tailored and specialised training programs.

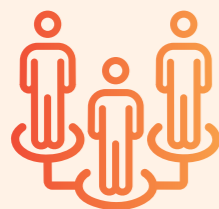


The *Lead With Impact Program* equips frontline leaders with the tools to maximise performance and connects them to their peers to create shared understanding, accountability and commitment. In FY24 more than 30 employees took part in this training.



To enhance our performance management practices, the Group introduced an online training module titled *Performance Management: Conducting Effective Performance Reviews and Handling Feedback*. This training is designed to equip managers and team leaders with the skills needed to conduct thorough and constructive performance reviews. The module focuses on setting clear expectations, providing actionable feedback and fostering open communication between employees and supervisors. The goal of this training is to ensure that performance reviews are not just an annual obligation but a valuable tool for continuous development, helping employees to understand their strengths, identify areas for growth, and feel supported in their career progression.

Our waged employees also had access to various types of training in FY24. Given the nature of their roles, training for these employees was either held onsite by senior leaders or online in group sessions. WHSE webinars were regularly held for site managers and WHSE 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 EEO, Diversity & Inclusion, Bullying & Harassment and Unconscious Bias training in FY24. This training is a critical component of our broader strategy to create a workplace where every employee feels valued and respected, whether they be leaders, existing employees or new starters. In addition to this training, our *Lead Program*, 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 aware of bias in the workplace will allow Pact to continue to drive an inclusive and diverse workplace.

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 FY24, Pact's internal Talent Team continued to focus on early careers, internal career progression and talent sharing.



Early Careers

In FY24 Pact supported 22 apprentices across our sites in a range of engineering, mechanical and technical fields. These apprenticeships are part of a long-term strategy to develop the next generation of industry leaders.



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. Internal candidate tools are also available to help employees navigate the recruitment process, update their CVs and prepare for their interviews.



Talent Circles

In FY24 Pact 'Talent Circles' continued to bring together members of the Group's ELT and key talent to understand their challenges and successes. These events are designed to foster networking, idea generation and problem solving across the Group.

Our Talent Circles are a testament to our commitment to fostering an inclusive and collaborative leadership culture. By creating a space for open dialogue and idea exchange, we are empowering our leaders to drive innovation and navigate challenges more effectively. These events also serve as a platform for recognising and celebrating the achievements of our top talent, further reinforcing their value to the organisation.

Case Study

FY24 SENIOR LEADERSHIP TEAM CONFERENCE

The theme of Pact's FY24 Senior Leadership Conference was "Turbo Charging Performance". Held over three days in the Yarra Valley, Victoria, the conference brought together more than 80 of the Group's business leaders to network, workshop, solve businesses challenges and identify growth opportunities with the ultimate goal of transforming businesses.

The ambitious, outcomes-focused agenda challenged attendees to create audacious goals and actions that align with the Group's *Circular Economy* and growth aspirations.






During the conference, Pact's Chair Raphael Geminder spoke about increasing the Group's competitive intensity, becoming nimbler as an organisation, and driving a culture of accountability.

A key Group-wide output for the conference is the establishment of an employee handbook to help to clarify behavioural expectations, reinforce the Group's *Circular Economy strategy*, Vision and Values. Pact's Employee Handbook will be launched and deployed to the business in FY25.

Kudos Recognition Program

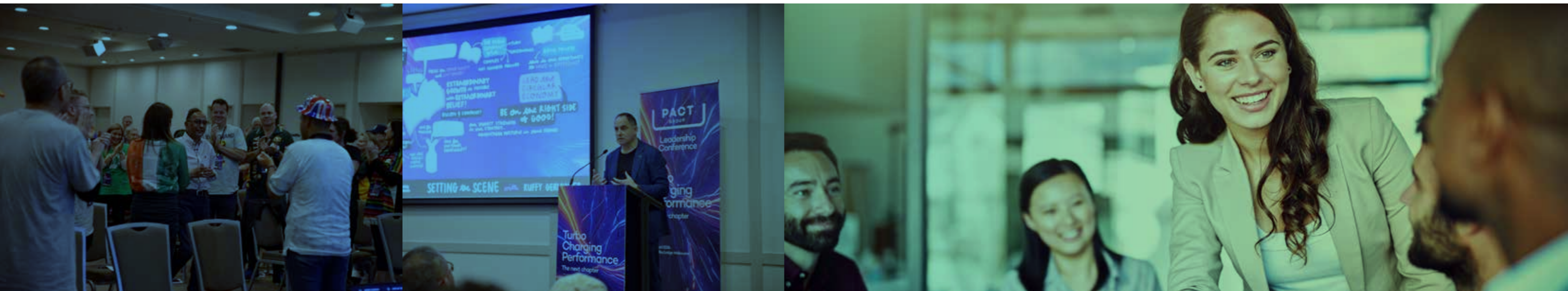


Pact's *Kudos Recognition Program* was created in response to employee feedback from the Group's 2020 *Pact Pulse Employee Engagement Survey*. The survey revealed that employees desired more opportunities to celebrate how team members were embodying the Group's Values and contributing to *Pact's Vision*.

Safety		391
Customer		1,351
Innovation		232
Integrity		834
Respect		2,061

In FY24 more than **4,869** Kudos recognitions were sent. Each recognition is aligned with one of the Group's Values.

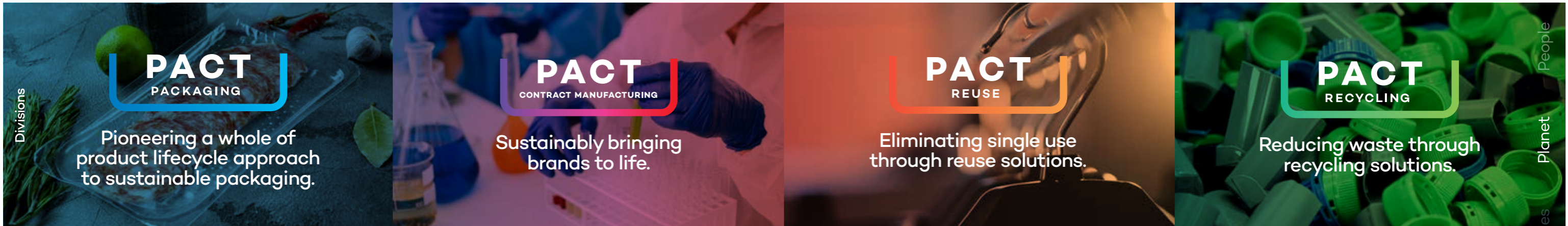
Pact's *Kudos Recognition Program* is being implemented in phases. At present, all salaried employees have access to the online portal where they can recognise their colleagues. Each recognition is accompanied by points, which can be further boosted by other employees. These points can be redeemed at the Kudos store.



People Planet Principles

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

Our divisions and market segments



Divisions

People

Planet

Market Segments

Principles

- Dairy & Beverage
- Food
- Health & Personal Care
- Fresh Food
- Bulk Packaging
- Closures

- Home Care
- Personal Care
- Vitamins & Supplements
- Edible Oils
- Promotional Packing

- Supply Chain Solutions
- Retail Accessories
- IBCs
- Steel Drums

- rPET
- rHDPE
- rPP
- rLDPE

Plastic
In our packaging division, resin is the primary material used. In FY24, Pact consumed more than 22,000 tonnes of resin to produce packaging. By the end of FY24, the average amount of recycled content within our plastics portfolio was approximately 12%.

Steel & Tinsplate
In FY24 Pact consumed approximately 23,000 tonnes of steel to produce more than 1.35 million steel drums. The average recycled content in these products is ~25%.

Pact also consumed ~2,000 tonnes of tinsplate to manufacture pail and general line cans. The average recycled content in the tinsplate is ~15%.

Our Contract Manufacturing division has a diversified portfolio: broad manufacturing capability for liquid, powder, aerosol, and therapeutic vitamin and wellness solutions; strong customer relationships; and innovative product development capability.

In FY24 we committed to a thorough energy and carbon assessment to identify opportunities to enhance overall energy efficiency at our Keysborough facility. The objective of the assessment is to develop a framework that can be implemented across other facilities with similar operational characteristics.

We also worked with a key customer to remove non-recyclable desiccant from its nutraceutical range.

Supply Chain Solutions
In FY24 the crate pooling business, (Viscount Reuse) issued more than 88 million crates to eliminate more than 43,000 tonnes of single-use cardboard⁴ from the Australian fresh produce supply chain.

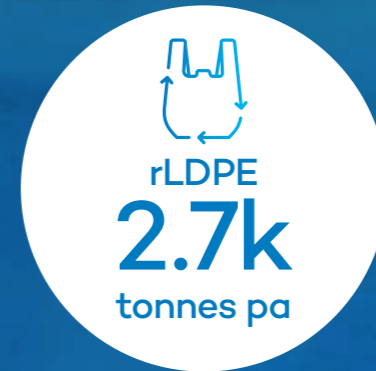
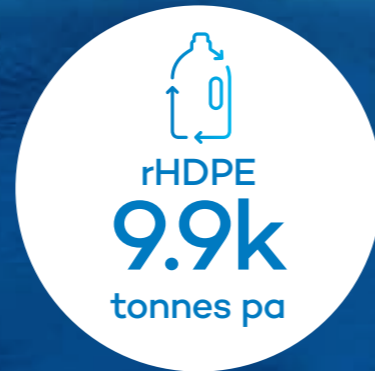
Retail Accessories
In FY24 Pact Retail Accessories redistributed more than 714 million hangers, accessories and size clips and 163 million security tags for reuse. Keeping these materials in circulation has diverted approximately 15,524 tonnes⁵ of waste from landfill.

Reconditioning
In FY24 Pact collected more than 452,000 used drums, 18,000 plastic drums and 205,00 IBCs for reconditioning. Steel drums and IBCs that cannot be reconditioned are recycled.

Pact Group is one of the largest plastics recyclers in Australasia.

In FY24 Pact Recycling sites reprocessed and sold 59,000 tonnes of resin which was utilised internally or sold. This is an increase of approximately 5,000 tonnes or 10% compared to FY23.

The recycled resin we used in our manufacturing operations in FY24:



The recycled resin we produced in FY24:



Products we kept in circulation via our reuse and reconditioning services in FY24:



Our 2025 End of Waste Targets

In FY18 we set three ambitious 2025 End of Waste Targets to Lead the Circular Economy. In FY24 we have accelerated our progress towards achieving these targets.



Reduce 2025 Target: Eliminate all problematic packaging that we produce⁷

FY24 Progress (compared to FY23)

Decreased production of polystyrene (PS) packaging by **42%** or more than **1,268 tonnes.**

Decreased production of polyvinyl chloride (PVC) packaging by **8%** or more than **15 tonnes.**

Progress since establishing targets in FY18

Decreased manufacture of packaging made from problematic polymers by **79%** or nearly **7,022 tonnes.**

Ceased all production of expanded polystyrene (EPS).

FY24 Case Studies

Transitioned Bega's 600 gram Thick and Creamy tub range from PS to PP.

This initiative diverts **~32 tonnes** of problematic plastic from landfill per annum.



Transitioned Saputo's oval cheese packs from PS to rPET.

This initiative diverts **~21 tonnes** of problematic plastic from landfill per annum.



In New Zealand, Pact transitioned Fonterra's 250 gram cultured cheese range from PVC to PET.

This equates to **~116 tonnes** of problematic plastic diverted from landfill per annum.



Transitioned Armor All® 500ml carbon black PET bottle to a

recyclable orange HDPE bottle.



Our 2025 End of Waste Targets



Reuse

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



FY24 Progress (compared to FY23)

Grown the use of RPCs by **7.15%** to eliminate the use of approximately **43k tonnes** of single-use corrugate cardboard⁴ by issuing more than **88 million** returnable produce crates.

Progress since establishing targets in FY18

Grown the use of RPCs by **63%**.

FY24 Update

Issued more than **88 million crates** to replace more than **43k tonnes** of single-use cardboard⁴ from the fresh produce supply chain.



Redistributed more than **714 million hangers, accessories, and size clips** and **163 million** security tags for reuse to divert **15,524 tonnes** of waste from landfill by keeping these in circulation⁵.



Collected more than **205k IBCs** and **18k plastic drums** for reconditioning.



Collected more than **452k** used steel drums for reconditioning.



Our 2025 End of Waste Targets



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

FY24 Progress (compared to FY23)

Increased the amount of recycled plastic we produced by **10%** or more than **5k tonnes** annually.

By the end of FY24, the average amount of recycled content across our plastics portfolio was approximately **12%**. This is an annual increase of **~2.3k tonnes**.

Progress since establishing targets in FY18

Increased the amount of recycled plastic we processed and sold by **112%** or more than **31.3k tonnes** annually.

Increased the amount of recycled plastic we used across our plastic portfolio by approximately **53%**.

FY24 Case Studies

Transitioned Unilever 1.9kg Mayonnaise to

100% rPET
or
31 tonnes of rPET.



Transitioned Evergreen's 500 gram pails to

96% recycled PP
or
2 tonnes per annum.



Transitioned Arnott's biscuit trays to

88% rPET
or
21 tonnes of rPET per annum.



South Gippsland Freeway noise walls are made from 75% post-consumer recycled plastic.

This project used **~32 tonnes** of recycled plastic.



FY24 Industry Recognition



GROWING OUR RECYCLING FOOTPRINT

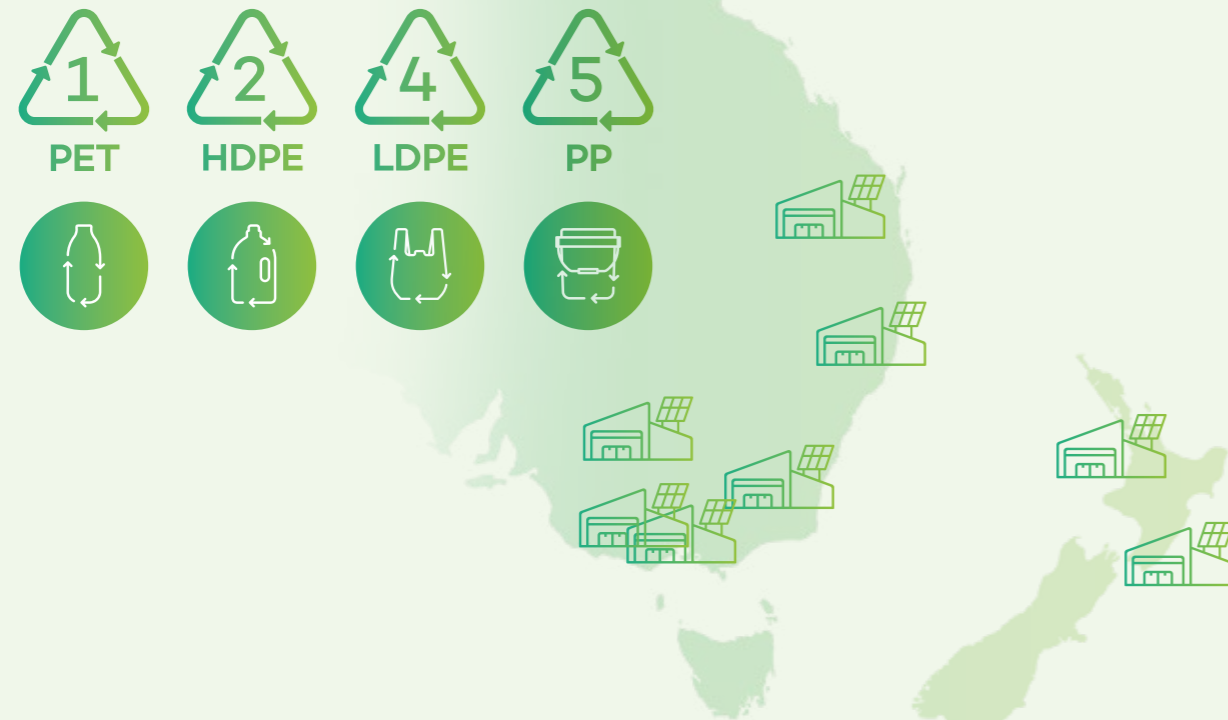
In FY24, Pact operated recycling facilities processed more than 59,000 tonnes of recycled material. This is an increase of approximately 10% from the previous year.

Our recycling facilities process a diverse range of plastic polymers. Feedstock sources vary between sites and include kerbside collections, pre-consumer waste and the various product stewardship programs we participate in.

Pact uses the recycled resins to replace virgin resin in manufacturing of new finished goods to create a circular economy.

Our Recycling Footprint

8 Recycling facilities
 >100,000 tonnes per annum capacity*



* Recycling capacity refers to the amount of feedstock material that can be processed by our facilities over a full year. The actual amount of finished recycled material output by our facilities is dependent on the availability and quality of feedstock received.

Circular Plastics Australia



Through cross-industry collaboration, Circular Plastics Australia has built a national network of recycling facilities throughout Australia to process multiple plastic polymers. This ensures that plastic waste is recycled locally and remade into new packaging, rather than contributing to landfill waste.

In FY24 a second Circular Plastics Australia (PET) recycling plant opened in Altona North (VIC) and the first Circular Plastics Australia (PE) plant opened in Laverton (VIC).

Circular Plastics Australia (PET)



CREATED BY
 PACT GROUP
 CLEANAWAY
 Asahi GROUP
 ASAHI BEVERAGES
 Coca-Cola EURO-PACIFIC PARTNERS

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

One PET recycling plant is in Albury (NSW) and the second facility is located in Laverton (VIC).

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

Circular Plastics Australia (PE)



CREATED BY
 PACT GROUP
 CLEANAWAY

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

Located in Laverton (VIC), this facility has the capacity to process more than 20,000 tonnes of HDPE and PP bottles, containers and food tubs (approximately half a billion packs each year).

Case Study

Victoria's biggest PET plastic bottle recycling facility

In FY24 Pact operated Circular Plastics Australia (PET) was officially opened by the Federal Minister for the Environment and Water Tanya Plibersek and Victoria's Minister for Environment Steve Dimopoulos.

The new \$50 million Circular Plastics Australia (PET) recycling facility in Melbourne's west is capable of processing the equivalent of up to one billion 600ml PET plastic beverage bottles a year. The plant will play a key role in recycling PET bottles collected through the Container Deposit Scheme as well as PET plastic packaging from household and office recycling bins.



Case Study

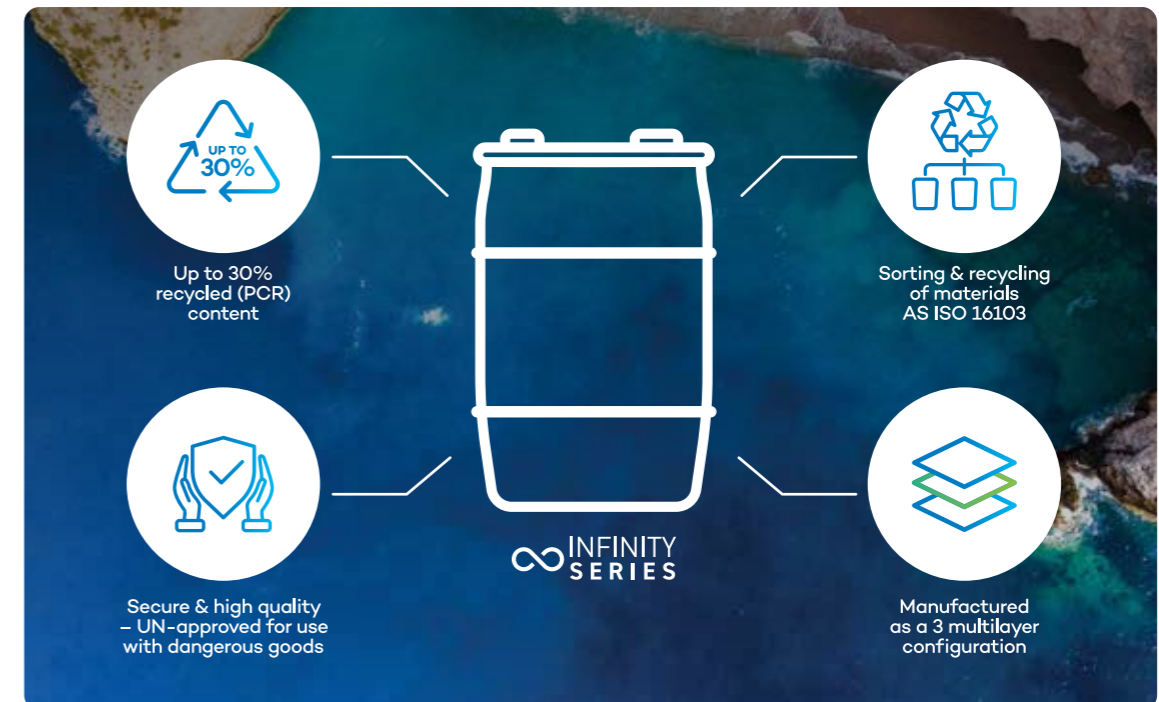
Pact Group's Mauser Infinity Series IBCs and 220 litre plastic drums

Under exclusive license from Mauser, in FY24, Pact launched its Infinity Series range of IBCs and 220 litre drums made with post-consumer-resin (PCR) in multi-layer technology.

Driven by the ambition to continuously enhance the circularity of our packaging solutions, the introduction of the innovative triple layer Infinity Series IBC bottle and 220 litre drums enables the Group to continue to offer the most sustainable solutions to the industrial market.

How triple layer blowmoulding technology works:

Outer Layer	Made from virgin HDPE material and a UV stabiliser
Middle Layer	Contains up to 30% recycled (PCR) content
Inside Layer	As it is in direct contact with filling goods, it is made from virgin material to reduce the risk of any potential cross-contamination



ENERGY & EMISSIONS

Pact Group consumes several energy sources in our manufacturing processes. Electricity is the primary source of energy used to power our machines, motors and pumps. We also use natural gas to power ovens and boilers, and LPG for forklifts. As a standard business practice, all our sites work continuously to reduce the amount of energy consumed and implement site-based efficiency programs.

Scope 1 & 2 Emissions

Globally, we report our greenhouse gas emissions and energy in accordance with the World Resources Institute (WRI) Greenhouse Gas Protocol and specifically in Australia we report our greenhouse gas emissions and energy use through the National Greenhouse and Energy Reporting Scheme. All our emissions globally are externally reviewed and assured to ensure the accuracy and completeness of data. In FY24 Pact Group consumed 1,746,968 gigajoules (GJ) of energy and emitted 240,228 tonnes of carbon dioxide equivalents (tCO₂e)⁸.

The breakdown of this result is as follows:

Scope 1: 17,692 **Scope 2:** 222,536

Energy and emissions breakdown:	Australia	New Zealand	Rest of World	Total
Total energy consumed (GJ)	1,175,249	264,599	307,120	1,746,968
Total emissions (tCO₂e)	179,495	6,735	53,998	240,228
Scope 1	15,160	2,098	434	17,692
Scope 2	164,335	4,637	53,564	222,536

- Australian emission and energy content factors were derived from the National Greenhouse and Energy Reporting (Measurement) Determination 2008 as amended for 2023–2024.
- New Zealand emission and energy content factors were derived from the Ministry for the Environment's Measuring emissions: A guide for organisations: 2024 detailed guide.
- Emissions factors for the rest of the world were obtained from other sources⁹.

Scope 3 Emissions

Although reducing our Scope 1 and 2 emissions is crucial, the emissions across our value chain (Scope 3) are much greater. Understanding these Scope 3 emissions allows us to better manage our total emissions impact, which aligns with our commitment to sustainability and our Vision to *Lead the Circular Economy*.

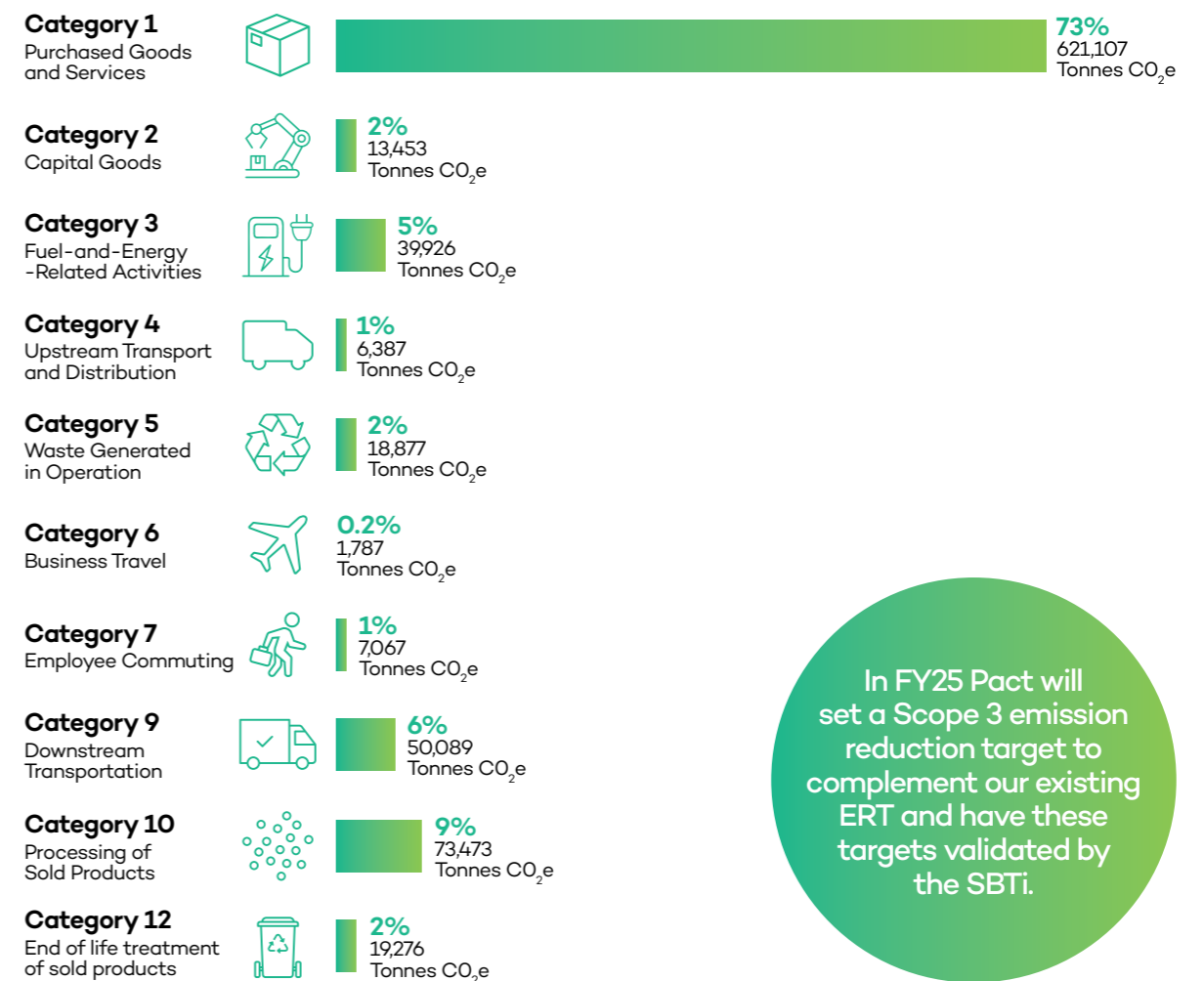
In FY23 Pact calculated its Scope 3 emissions for the first time, but was only able to include four of the 15 categories. In FY24, a number of reporting improvements has allowed the Group to calculate our Scope 3 emissions with far greater accuracy than previously reported, and across 10 of the 15 categories that are material to Pact. Each category has been calculated following the methodologies in the Greenhouse Gas Protocol –

Corporate Value Chain (Scope 3) Standard. For further details of the methods used please refer to the notes and assumptions page (page 73).

In FY24, Pact's total Scope 3 emissions, in relation to the above categories was 851,442 tCO₂e. Similar to most other companies involved in manufacturing, Pact's largest source of Scope 3 emissions is the raw materials we use to produce packaging.

Using this more accurate Scope 3 calculation, in FY25, Pact will set a Scope 3 emission reduction target to complement our existing *Emission Reduction Target (ERT)* and have these targets validated by the Science Based Target Initiatives (SBTi).

Category Breakdown



In FY25 Pact will set a Scope 3 emission reduction target to complement our existing ERT and have these targets validated by the SBTi.

Emissions Reduction Target

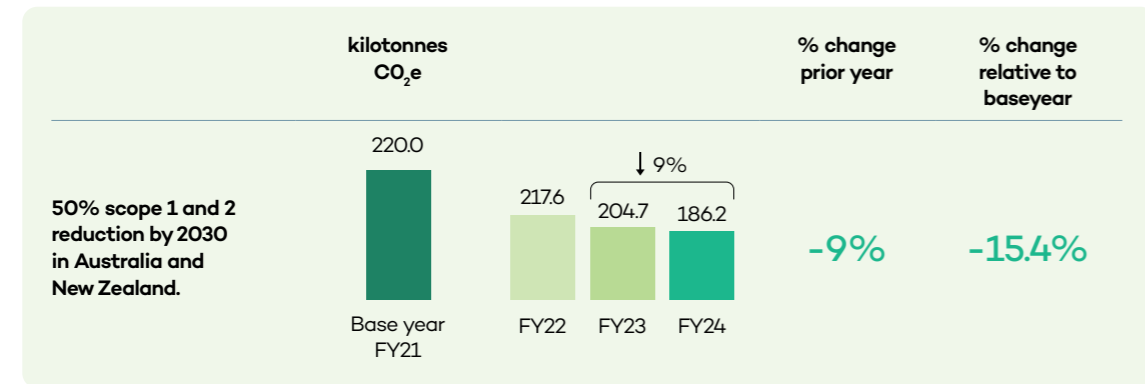
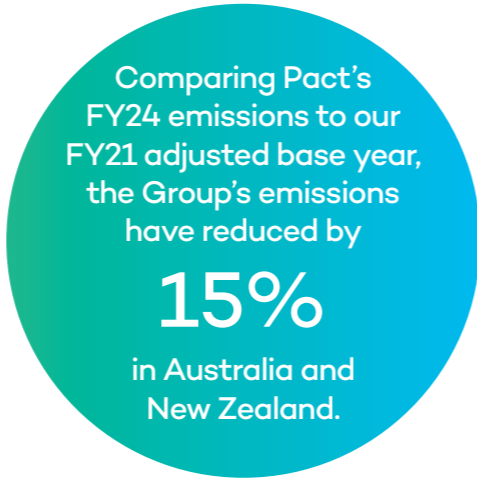
Pact's Emission Reduction Target (ERT) is to reduce our Scope 1 and 2 emissions by 50% in Australia and New Zealand by 2030, from an FY21 base year.

Our initial focus is on Australia and New Zealand, as about 80% of our global emissions originate from our operations in these regions. We plan to extend our ERT to our operations worldwide in the future.

We are using FY21 as our base year for the ERT, which has been adjusted to reflect the removal of the Viscount Reuse and Australian Recycled Plastics joint ventures and a change in methodology regarding treatment of former sites and new sites⁸.

Comparing our FY24 emissions with the adjusted FY21 base year, we have achieved a 15% reduction in emissions in Australia and New Zealand.

Pact Group will not require the use of offsets to meet our Scope 1 and 2 emission reduction target.



Reducing Pact's emissions by using recycled resins

The results of our internal life cycle assessment using the Packaging Impact Quick Evaluation Tool (PIQET)¹⁰ show that the use of recycled resin reduces the Scope 3 emissions of purchased resins by approximately 44% for rPET, 45% for rHDPE, 40% for rPP and, 45% for rLDPE per unit of weight purchased, when compared to the equivalent virgin resin. The use of recycled resin purchased from Circular Plastics Australia also reduces our upstream transportation emissions as the recycled resin is produced locally as opposed to being imported from overseas.



Initiatives to Reduce Emissions

Trial of wireless electricity dataloggers

Our facility in Albany NZ trialed wireless electricity dataloggers to determine how our electricity is being used on site.

Traditional dataloggers are standalone units that record data directly onto the unit, or onto a secure data (SD) card. The meter then needs to be connected to a computer to transform the data. Wireless dataloggers transmit monitored data onto specially designed, cloud based software in real time, to allow for instant analytics.

In addition, the dataloggers are far easier to use, as they simply snap around outgoing electrical wires and use the magnetic field created by that wire to monitor the flow of electricity and use it as a power source.

The trial, which ran over a four-month period, allowed the site to understand, on a sophisticated level, exactly what machines were drawing the most electricity and when, so that a targeted activity plan can be implemented to improve the efficiency of those machines and similar machines in our other facilities.

In FY25, we are exploring the use of these dataloggers at our other facilities that have differing processes.



Expanding on roof solar

Pact Group and its joint ventures in Australia are continuing to explore opportunities to increase the number of facilities that have on-roof solar installed. Over the course of FY24, Pact's total solar system portfolio generated in excess of 1,844,000 kWh of electricity, an increase of 611,000 kWh, or 49%, compared to FY23.

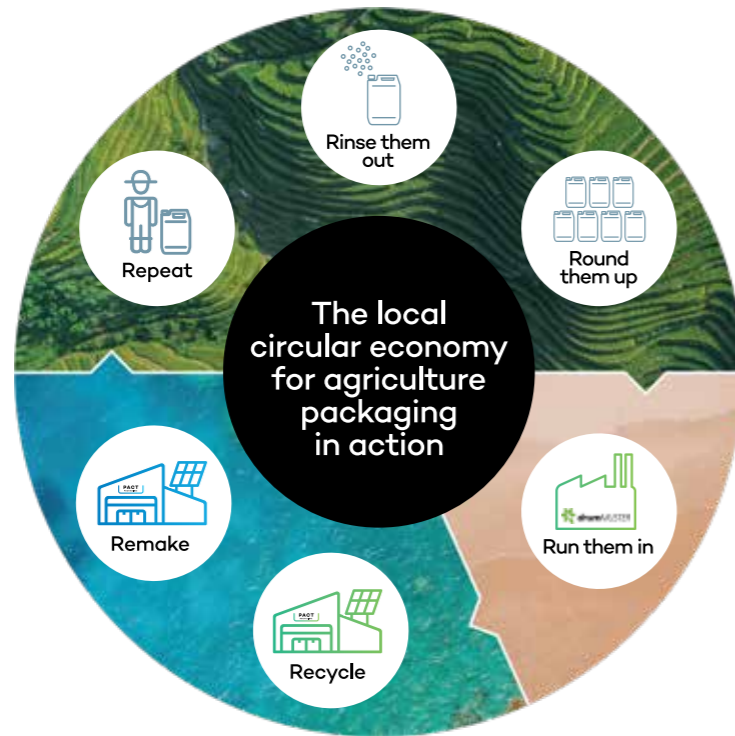
The solar generated electricity in FY24 is the equivalent of avoiding approximately 1,360 tonnes of CO₂-e emitted through the consumption of electricity from the grid¹¹.

Australian Product Stewardship Schemes

drumMUSTER® Australia

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 FY24, 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, underground cable covers and slipsheets.



Case Study

drumMUSTER® evolves from a collection and recycling program to a truly circular packaging solution.

In an Australian first, in FY24, Pact commenced using **drumMUSTER** material to manufacture new dangerous goods industrial grade cubes. In the past, recycled **drumMUSTER** material was used to manufacture industrial plastic products such as underground cable covers. Manufacturing new cubes from up to 30% recycled **drumMUSTER** material closes the loop and is the local circular economy for agriculture packaging in action.

New Zealand Product Stewardship Schemes

Resene PaintWise Programme

Pact Recycling NZ is a recycling partner to the Resene PaintWise Programme and the Dulux Paint Take Back Service. Under these schemes, consumers return unwanted paint packaging to select Resene or Dulux stores across New Zealand, where they are emptied, sorted and rinsed before being sent to Pact Recycling where they are re-washed, granulated and processed into recycled resin pellets. The recycled resin is used by Pact Packaging NZ to manufacture new pails for Resene and Dulux.

In FY24, Pact recycled 19 tonnes of HDPE packaging for Resene and 26 tonnes of PP packaging for Dulux.

Plasback

Pact Recycling New Zealand has partnered with Plasback to recover used plastic bale wrap and silage material from New Zealand farms and recycle it into new products.

The waste plastic is collected by the farms in special Plasback bins, bailed and sent to Pact Recycling's East Tamaki site for washing through the soft plastics wash facility and processing into recycled resin pellets. The recycled resin is then manufactured into 100% recycled resin sheet which is used by Plasback to manufacture new collection bins.

Mitre 10 Plant Pot Recycling Program

Pact partners with Mitre 10 New Zealand on its Pot Recycle program. The nationwide Pot Recycle scheme provides a practical 'closed loop' solution for polypropylene (PP) garden plant and seedling pots and labels.

Customers wash and return their clean pots to the Pot Recycle collection crates at any of the Mitre 10 New Zealand cooperative's 84 stores where they are collected, shredded and melted into resin by recycling partners including Pact. They are then remoulded into new pots and replanted by Zealanda Horticulture, Mitre 10's supplier partner, creating a closed-loop system.

SeatSmart

Pact is a recycling partner for 3R Group's SeatSmart product stewardship scheme which provides a recycling option for expired or damaged child car seats.

Once collected, the seats are dismantled and materials identified and separated. The plastic portion (~58%) is processed into a resin and supplied to make a wide variety of products, including plant pots, shampoo bottles, building materials and electrical conduit.

AgRecovery Rural Recycling Program

Pact is a recycling partner for AgRecovery, New Zealand's sustainable solution for the recycling of farm plastics such as containers, drums and IBCs. The AgRecovery recycling network includes more than 160 fixed sites nationwide, and on-farm collections for large items or large quantities of containers. The collected HDPE plastic containers are recycled in New Zealand by Pact Recycling and made into reusable products such as underground cable cover and building materials.

Waste Generation

Below is Pact's worldwide¹² waste generation breakdown for FY24.

	Metric Tonnes	% Of Total
General Waste to Landfill (t)	10,215.75	40.1%
Hazardous Wastes (t)	2,134.71	8.4%
Recycled Wastes (t)	13,141.23	51.6%
Paper and Cardboard (t)	1,091.56	4.3%
Plastics (t)	8,409.45	33%
Metals (t)	2,869.79	11.3%
Timber (t)	770.43	3%
Total Waste Generated	25,491.70	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 recycling facilities, where the plastic waste is granulated, washed, and re-extruded back into recycled resin for re-manufacture into new products.

In FY24, Pact-operated recycling sites received more than 6,630 tonnes of material from our manufacturing sites and Circular Plastics Australia.



WATER

Water within our packaging manufacturing facilities is used to cool down plastic after it is moulded. Our facilities are optimised to minimise water loss. This is done via sophisticated recirculation systems that connect our moulding machines to either cooling towers or water chilling systems. Both of these cool the water back down before being pumped back to the moulding machine. Having these closed loop systems in place means water is conserved as much as possible and not lost or consumed.

Our production processes within our Recycling division utilise larger amounts of water compared to our packaging manufacturing facilities. This is because water is used in cleaning of plastic packaging received from household collections and container deposit schemes. Our recycling process reutilises as much water as much as possible before discharging wastewater to the sewer. This includes reusing the washing water until it is contaminated to a point where the water is no longer effectively cleaning the plastic flake.

In FY23, we stated that as we expand our involvement in plastic recycling, we anticipate a rise in water consumption. In FY24, Pact's Recycling sites in Australia and New Zealand consumed approximately 102,000 kL of mains water which is an increase of 65% compared to FY23.

In FY24, Pact's Recycling sites in Australia and New Zealand consumed approximately

102,000 kL

of mains water.

Wastewater

Pact facilities that use water in their production have established agreements with local water authorities for the management of trade waste, also known as the discharge of treated wastewater into public sewer systems. Trade waste requires the generated wastewater be processed at water treatment facilities to meet certain quality standards, including control of pH, temperature, nutrient levels, and suspended solids, before being released.

Certain Pact locations operate water treatment systems that allow for the recycling of water back into production processes. This practice not only reduces freshwater usage but also significantly the volume of wastewater introduced into the sewage system.

Pact is dedicated to enhancing the efficiency and effectiveness of our water treatment facilities and is working with industry leaders to ensure the latest treatment technologies are used.

Expansion plans at our site in Hemmant, Queensland require an extensive upgrade to the facility's current water treatment equipment. The equipment includes large tanks for balancing and correcting the pH of incoming wastewater, along with a Dissolved Air Flotation (DAF) system to remove solids and oils. The system will also employ a sludge dewatering system which will reduce the volume of the sludge by up to 80%.

During FY24, Pact Group processed and released approximately 150,000 kL of treated wastewater into municipal sewer systems.

Operation Clean Sweep[®]

The plastics industry has recognised loose resin as a major environmental risk. In FY23, Pact took a proactive step by voluntarily joining Operation Clean Sweep[®] in Australia, demonstrating our commitment to achieving zero pellet loss. To uphold and maintain high standards in resin handling across our operations, Pact is implementing an updated, Group-wide Resin Handling, Storage, and Spill Procedure.

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 13 countries, we are dedicated to fostering positive connections among our employees, customers, and the communities in which we operate. Through our *Community Giving Program*, we actively support initiatives and activities that make a meaningful impact.



Movember Foundation

Movember is a global organisation dedicated to raising awareness and funds for men's mental health and suicide prevention, prostate cancer and testicular cancer. During the campaign, Pact employees participated by growing a Mo, hosting a Mo-moment, or moving in Movember, collectively raising \$19k for the cause. This amount was generously matched by Pact Group, bringing our total contribution to the foundation to \$36k in FY24.

Our support helps fund Movember's 1,320 men's health projects worldwide.



Black Dog Institute

One in five Australians experience symptoms of mental illness in any given year — approximately five million people. The Black Dog Institute is an independent, not-for-profit globally renowned mental health research institute connected to UNSW Sydney and the the only medical research institute in Australia that investigates mental health across the lifespan, from childhood to adulthood. Their vision is to have a mentally healthier world.

In partnership with Fuchs, Pact was a proud financial supporter of the Black Dog Institute in FY24.



Foodbank

Foodbank provides meals to those facing hardship, easing one of their burdens. Each year, Pact's Reuse division proudly partners with Foodbank by offering in-kind crate hire to its donation centres.

In FY24, Pact's in-kind equipment donations helped deliver more than **92 million** meals (or 51 million kilograms of food and groceries) to ensure that those who are struggling can put a meal on the table and groceries in their cupboard.



Australia's Biggest Morning Tea

Australia's Biggest Morning Tea is an annual event that generates essential funds to significantly support those affected by cancer. Many Pact sites hosted a morning tea for employees in FY24 to fund raise for this worth charity.

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

- United Nations Global Compact (**UNGC**)
- Australian Packaging Covenant Organisation (**APCO**)
- Australian, New Zealand and Pacific Islands Plastics Pact (**ANZPAC**)
- United Kingdom (**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 \$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.

Our performance against the four sustainability targets was assessed by an independent auditor in October 2023 and the outcome of our sustainability performance targets was:

Performance metric:	Outcome
KPI 1 – An increase in the percentage of recycled content across Pact's plastics portfolio.	Achieved 
KPI 2 – Increasing the amount of recycled material processed and distributed to the external market.	Achieved 
KPI 3 – Reducing scope 1 and 2 greenhouse gas emissions.	Achieved 
KPI 4 – Reducing the gender pay gap.	Achieved 

SUSTAINABLE PROCUREMENT

In FY24, 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 that 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 FY24, 99% of all new suppliers managed by Pact's head office procurement function were screened using our onboarding systems.

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 FY24.

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 62), 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 December 2023 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 fourth *Modern Slavery Statement* in December 2023 in accordance with the reporting requirements under the *Modern Slavery Act 2018* (Cth) and the *Modern Slavery Act 2015* (UK). A copy of Pact's *Modern Slavery Statement* is available on the Pact website: [Click here](#).

Pact Group has a zero-tolerance approach to modern slavery and has adopted a *Modern Slavery Policy* that sets our commitment to:

- responsibly source goods or services to use in our business;
- ensure there is transparency in our approach to tackling modern slavery in our own business and throughout our supply chains;
- take action to prevent, mitigate and where appropriate, remediate the harm caused by modern slavery occurring in our business and supply chains;
- comply with any applicable laws and regulations throughout the world; and
- establish open and effective communication channels for the reporting of actual or suspected instances or risks of modern slavery occurring in our operations and supply chains.

The *Modern Slavery Policy* is reviewed periodically and was last reviewed in June 2023.

In FY24 Pact employees completed various training programs on modern slavery prevention.

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](#).

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.

In FY24 all notices received were resolved with the time-frame specified and the Group has taken all practical precautions to ensure these events will not occur again.

Pact has not been fined or prosecuted for any environmental matters in FY24.

POLICIES & APPROACHES

Through its policies and other governance infrastructure, the Group establishes a compliance management framework to enable Pact to manage its internal and external obligations and compliance risks effectively and efficiently. Pact's Policy Oversight Committee meets regularly to ensure the Group's policies and their outcomes support Pact's mission, values and strategic goals and keep pace with applicable regulatory and legislative changes. This section provides a sample of certain key Pact policies and the Group's approach to various governance matters.

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.

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.

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 FY24 Gender Diversity and Inclusion Objectives are outlined in the *Sustainability Report* on page 24 and in the Company's *2024 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 in respect to the FY24 reporting report.

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 Risk 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. 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.

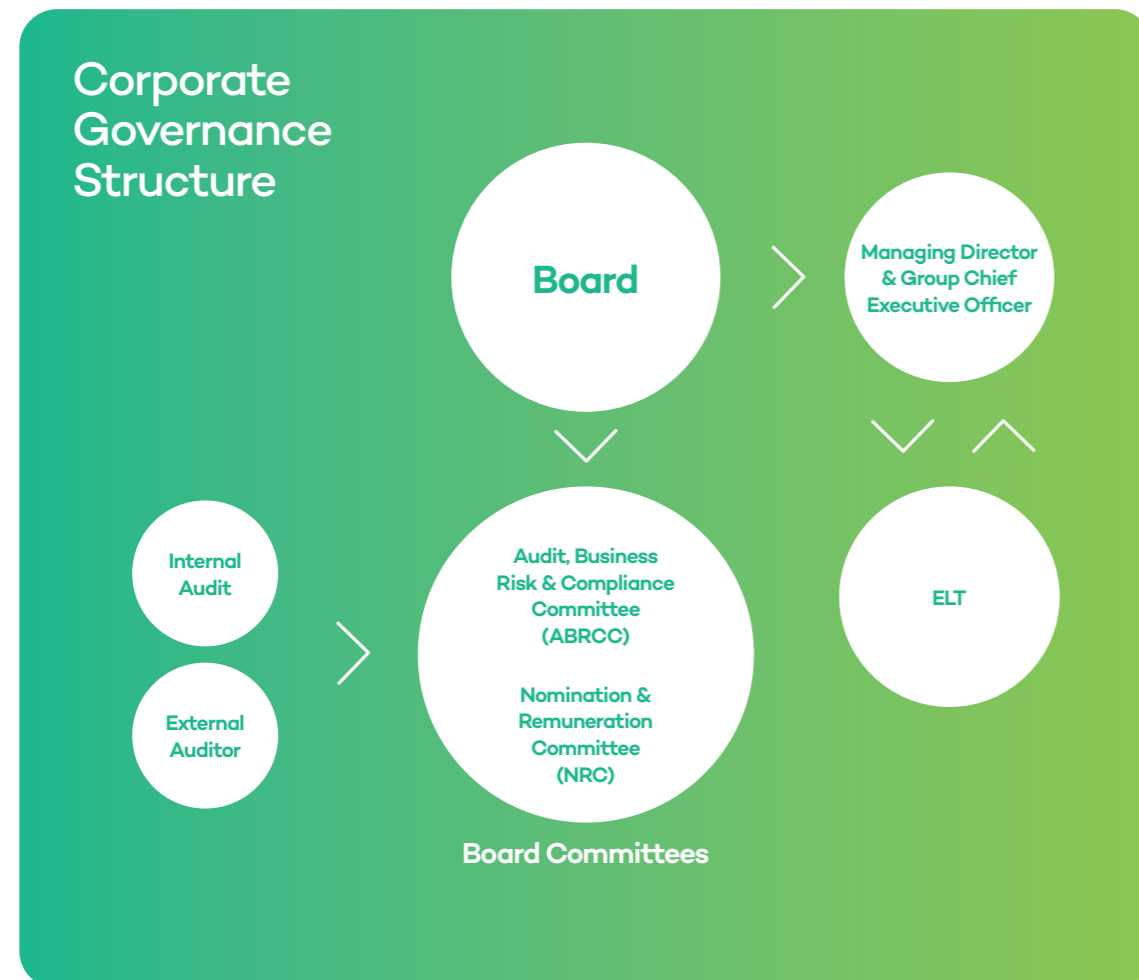
CORPORATE GOVERNANCE

Pact is committed to strong corporate governance, maintaining a framework that aligns with the Company's Values, meets stakeholder expectations and supports the Group's strategic objectives.

The Board has adopted a corporate governance framework comprising principles and policies that are broadly consistent with the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (4th edition) (**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 update 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; 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.

During FY24 the Board comprised of a Non-Executive Chair, one Executive Director (Managing Director & Group CEO) 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 four to 14 years. Board members have extensive experience in a range of relevant industries, including manufacturing, finance, information technology operations and public company experience. Additional details on the Group's Board members, along with information on Director appointment processes, Board evaluations, skills matrix assessments and independence considerations, are provided 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 & Remuneration Committee and the Audit, Business Risk & 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 Group applies a three lines of defence model approach to managing risk and compliance obligations. Recognising that risks can have both positive and negative consequences, the Group embraces intelligent risk-taking.



The Board of Directors has overall accountability for the Group's risk management framework. Oversight has been delegated to the Audit, Business Risk & Compliance Committee (ABRCC) that is responsible for monitoring and review. The Managing Director & 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.

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, inform management decisions and drive 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*. It 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.



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 a limited assurance over the total Scope 1 and 2 greenhouse gas (GHG) emissions included in its 2024 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 2024 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 2024, 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 2024 Sustainability Report.

Total Scope 1 GHG emissions: 17,692 t.CO₂-e
Total Scope 2 GHG emissions: 222,536 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 2024 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 2024 Sustainability Report.

Foresight Consulting Group Pty Ltd

Joshua Martin, Director

30/10/2024

GLOBAL REPORTING INITIATIVE INDEX

Pact Group's FY24 Sustainability Report has been prepared in accordance with GRI Standards.

GRI Index

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GRI 3: Material Topics 2021	3-1 Process to determine material topics	11
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GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	65
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GRI 401: Employment 2016		401-1 New employee hires and employee turnover	19
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	403-2 Hazard identification, risk assessment, and incident investigation	20-22	
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GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	27-30	
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GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	17-18, 24	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	17-18	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	62	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	62	

NOTES & ASSUMPTIONS

- ¹ Circular Plastics Australia (PET) is a joint venture between Pact Group, Cleanaway Waste Management, Asahi Beverages, and Coca-Cola Europacific Partners.
- ² Circular Plastics Australia (PE) is a joint venture between Pact Group and Cleanaway Waste Management.
- ³ On 1 December 2023, Pact Group completed the sale of a 50% stake in its Crate Pooling business to Morrison & Co to form a new joint venture, Viscount Reuse.
- ⁴ Based on the estimate that each corrugate cardboard box diverted (through the use of a RPC) weighs 493 grams.
- ⁵ While Pact has operations in Sri Lanka, engagements are via a third-party.
- ⁶ Waste diversion tonnage is calculated using actual product average weights.
- ⁷ Problematic packaging defined as the manufacture of food or beverage packaging using Polyvinyl chloride (PVC), Polystyrene (PS) or Expanded Polystyrene (EPS).
- ⁸ In FY24, Pact Group sold 50% of its Crate Pooling and Crate Manufacturing business to form the Viscount Reuse joint venture. As Pact does not have operational control of the Viscount Reuse joint venture, it is not included in Pact's emissions calculations. Accordingly, the Viscount Reuse business, and Pact Group's other divestment in FY24, Australian Recycled Plastics, has been removed from both the FY21 base year and the Scope 1 and 2 totals for FY24. In addition, we have amended our base year calculation methodology so that it no longer recalculates when sites are opened or closed due to organic change.
- ⁹ Carbon Footprint (2024 Factors).
- ¹⁰ Based on an initial PIQET life cycle assessment, where only the material used was changed and all other data points remained the same. Specific reductions will vary for each case.
- ¹¹ Calculated using the National Greenhouse and Energy Reporting (Measurement) Determination 2008, in each of the States the on-roof solar system is located within.
- ¹² Waste generated excludes our Pact Retail Accessories division due to low accuracy of data.

Scope 3 Calculation

The calculation methodology (or reasoning for exclusion) of each Scope 3 categories is listed below:

Category 1 Purchased Goods and Services: Calculated using a combination of the supplier-specific method where available, and average-data

method. Procured Chemicals (which excludes resins and plastics) was the only material calculated using the spend-based method.

Category 2 Capital Goods: Calculated using the spend-based method.

Category 3 Fuel and Energy Related Activities: Calculated using the average-data method.

Category 4 Upstream Transport and Distribution: Calculated using a combination of distance-based method and average-data method, where distance-based data was not available.

Category 5 Waste Generated in Operations: Calculated using the average-data method.

Category 6 Business Travel: Calculated using the distance-based method, whilst including the number of hotel night incurred by hotel type.

Category 7 Employee Commuting: Calculated using the average-data method.

Category 8 Upstream Leased Assets: Many of Pact's facilities and forklifts are leased. The emissions from these leased assets are included in our Scope 1 and 2 emissions as we use the operational control consolidation approach.

Category 9 Downstream Transportation and Distribution: Calculated using a combination of distance-based method and average-data method where distance-based data was not available.

Category 10 Processing of Sold Product: Calculated using the average-data method, for recycled resins manufactured and sold external to Pact.

Category 11 Use of Sold Products: There are no direct-use phase emissions associated with the products produced by Pact Group (packaging, recycled plastic material, chemicals used for personal or homecare). Any indirect-use phase emissions are not included (such as the use of hot water when using shampoo).

Category 12 End of Life of Sold Products: Calculated using the average-data method.

Category 13 Downstream Leased Assets: Pact Group do not have any downstream leased assets.

Category 14 Franchises: Pact Group do not have any franchises.

Category 15 Investments: Pact Group does not invest in any activities outside of our own operations. Joint Ventures have been included within categories 1 to 14.

