



# Tetra Pak Modern Slavery Statement 2020

This statement sets out the steps taken by the Tetra Pak Group during the financial year ending 31 December 2019 to prevent modern slavery and human trafficking in our business and supply chains. It is intended to meet the obligations of Tetra Pak Limited and Tetra Pak (Ireland) Ltd pursuant to the Modern Slavery Act 2015.

## 1 Our company

Tetra Pak has committed to conduct every aspect of its business with integrity, complying with the rule of law and showing due respect for the interests of other human beings.

Tetra Pak is a leading food processing and packaging solutions group. With more than 25,000 employees around the world, we believe in responsible industry leadership and a sustainable approach to business.

Tetra Pak operates as three businesses: Packaging solutions, Processing solutions and Services. Each day we meet the needs of hundreds of millions of people in more than 160 countries around the world. Our supply chains are global, numbering close to 20,000 suppliers in 115 countries. The top 10 countries for supplier spend are Sweden, United States, China, Brazil, Italy, Switzerland, Germany, Denmark, Austria and Finland.

Our company culture is based on strong, shared core values, which are continually reinforced among our employees and form the foundation upon which all of us perform our work and conduct our day-to-day activities. Living our core values fosters an environment for ethical and responsible behaviours across every part of our company.

We also have an established and well-defined corporate governance framework guiding how we go about our business. We believe good governance benefits suppliers, customers, employees, consumers and society at large. Indeed, everything that we do as a company – from developing strategy, to making decisions, to defining how we should operate and act – is guided by that framework, which includes our [Core Values](#), Code of Business Conduct, Group Policies and Procedures, Risk Management principles, and Assurance activities.

## 2 Corporate Governance

Tetra Pak requires all our businesses to comply with the laws and regulations of the countries in which they operate, to behave as good corporate citizens and to respect human rights.

- All Tetra Pak employees must comply with our Code of Business Conduct, which sets out common rules of business behaviour. This covers working conditions, discrimination, confidentiality, conflicts of interest, financial reporting, obeying the law, bribery and corruption, human rights, including child exploitation, and environmental issues. We ensure a fair, inclusive and safe work environment for our people. We uphold freedom of association and the effective recognition of the right to collective bargaining, and support

the elimination of forced and compulsory labour, the abolition of child labour and the elimination of discrimination in respect of employment and occupation.

- By providing the foundation for our strategy and approach to leadership, good governance ultimately helps us fulfil our vision of making food safe and available, everywhere and deliver on our brand promise to PROTECT WHAT'S GOOD.
- Our Global Leadership Team is responsible for implementing the corporate governance framework, supported by a Corporate Governance Office and a network of governance and risk officers. In 2019, we completed a major review and update of all our policies and procedures. We furthermore reached a satisfactory completion on our mandatory corporate governance training programme for all employees.

### 3 External partnerships

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

- Tetra Pak has been a participating and signatory company to the [United Nations Global Compact](#) since 2004 and is committed to its 10 principles on human rights, labour, the environment, and anti-corruption. Specifically, in relation to human rights, our commitment to the UN Global Compact means that we support and respect activities to safeguard international human rights within our sphere of influence, and strive to ensure that neither we, nor any of our suppliers, is an accomplice to human rights abuses.
- To build trust and transparency with our customers and as part of our approach to responsible sourcing with suppliers, Tetra Pak is a member of [Sedex](#), the Supplier Ethical Data Exchange. Sedex is a not-for-profit membership organisation dedicated to driving improvements in responsible and ethical business practices in supply chains.
- Since 2018, we have also actively worked with the sustainability ratings platform [EcoVadis](#) to strengthen our risk and performance monitoring capabilities across our supply chains. This follows the evaluation of our own Corporate Social Responsibility (CSR) performance by EcoVadis, resulting in the award of the highest “Gold” rating in 2018, placing Tetra Pak in the top 3% of all companies evaluated. We also use [Verisk Maplecroft](#), a company with global expertise on environmental, social and governance risks, to map potential risks in our supply chains, including human rights abuses.
- In 2019, we started using the supply chain risk management software riskmethods. The tool integrates third-party data and uses artificial intelligence and media screening to increase visibility of risks in our supply chains, including human rights abuses.

### 4 Responsible Sourcing

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

#### *Supplier management framework*

Our supply chain organisations support our three businesses: Packaging solutions, Processing solutions and Services.

Our Supplier Management function is organized in central segments and geographic cluster teams. The purchasing of our *base materials* for packaging (paperboard, polymer, aluminium and inks) is managed centrally. The modules, components, parts and services for Tetra Pak equipment sold to customers, as well as goods and services used for our own operations, are sourced both centrally and at regional/local level.

### *Responsible Sourcing Procedure*

Responsible Sourcing is one of the strategic objectives of Tetra Pak and is reflected in our Procurement Policy.

Our Responsible Sourcing Procedure describes the activities and controls to ensure that our suppliers comply with the principles of the Tetra Pak Code of Business Conduct for Suppliers. The Procedure applies to all employees and in-house consultants involved in procurement. Compliance with its requirements is monitored through the corporate governance framework, in particular as part of our annual risk assessments and control self-assessment processes. We also track progress of our activities using Key Performance Indicators. An update of the Procedure was initiated in 2019 to reflect our enhanced risk mapping underpinning supplier assessments, as well as our increased focus on follow-up and improvement activities with suppliers.

We have developed even stricter criteria for our purchase of key base materials used for Tetra Pak packages; paperboard, polymers and aluminium. The relevant verification and assurance activities are governed by specific standards and procedures, which apply in addition to our Responsible Sourcing Procedure.

### *Supplier Code*

Our Code of Business Conduct for Suppliers (Supplier Code) is an integral part of our supplier onboarding process and purchasing agreements, setting mandatory requirements for our suppliers and their sub-suppliers. In addition, we encourage suppliers to go beyond the Supplier Code requirements and strive for continuous improvement in all the areas it encompasses.

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

Under the Supplier Code, our suppliers commit to adhere to certain fundamental principles and business rules, including:

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

- not to engage in fraudulent activities or extortion.

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

#### *Responsible Sourcing Organization*

In 2019, we established a central governance function within Supplier Management, working alongside purchasing categories and geographical clusters to set strategies and provide expert support in the areas of sustainability, compliance and risk management. This further strengthens our focus on responsible sourcing and ensures it is better integrated across our procurement activities.

#### *Risk Mapping*

Responsible sourcing forms an integral part of our risk management procedures for suppliers. As part of our efforts to ensure that our supply chains meet our commitments towards our corporate citizenship aspirations, we perform supplier assessments focused on specific risk areas, including human rights, slavery and human trafficking, using information gathered by our employees and input from third party service providers.

In order to select suppliers for desk-based assessments and on-site audits, we conduct an annual risk mapping considering EcoVadis indices of environmental, social and governance risks related to the countries and industries in which our suppliers operate.

In 2019, we enhanced our partnerships with Sedex and EcoVadis to optimise the coverage of assessments across our supplier base, using a risk-based approach. We furthermore improved our criteria to select suppliers that we assess, building on both category and country risk, as well as supplier dependency, strategic importance and spend.

#### *Supplier evaluations*

On a rolling basis, suppliers selected from our risk mapping are requested to complete an EcoVadis CSR evaluation or a Sedex Self-Assessment Questionnaire. Such assessments include aspects specifically related to slavery and forced labour.

The assurance process with respect to our suppliers also includes the following:

- **Sourcing:** Prior to entering the supplier base, new suppliers are asked to sign the Supplier Code. Due diligence of the supplier may also be carried out and a set of questions relating to human rights, labour rights, the environment, and anti-corruption practices may be asked and assessed. We also put specific focus on the risks of modern slavery and human trafficking in the transport and travel procurement categories. Our tenders reinforce our requirements in this area.
- **Event-driven:** An ad hoc assessment can also be performed when certain key events happen, e.g. when a supplier introduces a new site or production process, or in case of specific concerns.

**Continuous risk assessment:** All employees in contact with suppliers can report on an ongoing basis any findings associated with specific risks. Findings are reported to top management, and actions decided and taken as appropriate. We are increasingly collaborating with suppliers in follow-up activities to ensure that identified necessary actions are taken, thereby driving continuous improvement.

### *Audit process*

Every year, Tetra Pak requests selected suppliers to conduct an on-site audit using the SMETA methodology (Sedex Members Ethical Trade Audit). Suppliers are selected due to their strategic importance or based on our risk mapping, desk-based assessment results or specific concerns. The audits are pre-announced and performed by Sedex Affiliate Audit Companies. Suppliers are directed towards Tetra Pak preferred audit firms, but ultimately have the choice of which Sedex Affiliate Audit Company to use.

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

In some cases, we use alternative standards and approaches based on the type of purchased goods and services, such as the EICC (Electronic Industry Citizenship Coalition) auditing standard for the IT industry.

As part of our sustainability agenda, we require chain of custody certifications from our key base material suppliers, such as FSC™ (paperboard), Bonsucro (plant-based polymers from sugar cane) and ASI (aluminium stewardship initiative). Such certifications extend to social aspects, including the prevention of modern slavery and human trafficking.

If, through an audit, risk assessment or other means, we become aware of any actions or conditions not in compliance with our Supplier Code, we have the right to demand that the supplier takes corrective measures. We also reserve the right to terminate any purchase or other agreement with the supplier.

### *Training*

To help ensure that our employees properly understand the behaviours and ethical standards we require across the company, mandatory responsible sourcing trainings (covering aspects of modern slavery and human trafficking) are provided in the form of e-learning or instructor-led trainings.

In 2019, we updated our e-learning on our Responsible Sourcing Assurance System – a mandatory training for all employees within the Supplier Management organisation. Completion of assigned training is recorded and regularly monitored.

### *Covid-19*

The Covid-19 outbreak has been an unprecedented event, affecting communities worldwide. We can anticipate this will require us to take measures to contain delays in the roll out of our assurance programme and look for alternatives to run supplier evaluations remotely.

## 5 Internal accountability

Adherence to our corporate governance framework is a top priority for us.

Every year, Tetra Pak's CEO and the Global Leadership Team are required by the Tetra Laval Group Board to assure conformity with the corporate governance framework. This is based on self-assessments from the heads of our market companies, our business units and our support functions.

Across the Group, an internal audit team verifies that the framework, policies and procedures are being followed.

Information regarding any actual or suspected breach of our corporate governance framework or any other unethical behaviour can be reported in confidence to senior management or anonymously to the Tetra Pak Corporate Governance Officer or the Head of Internal Audit. All reported incidents are investigated, and appropriate follow up actions taken.

This statement was approved by the Boards of Tetra Pak Limited and Tetra Pak (Ireland) Limited on 11 June 2020 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Johan Rabe', with a long horizontal stroke extending to the right.

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Johan Rabe

Managing Director

Tetra Pak Limited and Tetra Pak (Ireland) Limited