



2013-2014

CORPORATE SOCIAL RESPONSIBILITY REPORT

For our people, about our people



A word from our Chief Executive Officer

Welcome to our 2013–14 Pact Group Corporate Social Responsibility (CSR) Report

At Pact our approach to CSR is underpinned by our core value of 'commitment to sustainability, responsible manufacturing and providing an honest and respectful environment'. As we move into a new phase of the company's journey following our listing on the ASX in December 2013, we have new compliance obligations to meet and an increased focus on our sustainability performance.

Workplace Health & Safety (WHS) remains the highest priority. We engaged Ernst & Young to conduct a comprehensive review of our WHS system and have since launched the Pact Group WHS Manual and Procedures, all of which are available on the intranet. The WHS system will continue to be implemented through workplace training at each site across the Group.

Our safety performance last year demonstrated sustained improvement and our LTIFR result of 4.0 for the year ending 30 June 2014 is a record low for the Group.

Our Employee Engagement Survey conducted last October achieved participation of 54%, exceeding our target of 50% and representing an 18% improvement in participation since 2012. Results show an almost 10% increase in engagement levels from 59% in 2012 to 65% in 2013. This demonstrates a sustained improvement in engagement, with 23 of 25 KPIs tested showing improvement on our previous year's results.

Strength in diversity is core to our culture and has driven the implementation of new diversity targets for F15. The Workplace Gender Equality Agency has confirmed that we are in compliance with the Workplace Gender Equality Act.

As a global organisation we endeavour to support the geographies in which we operate. We're active signatories to the UN Global Compact after signing up with VIP Packaging in 2007 and Alto in 2008 and this year will see our first Pact Group 'Communication on Progress' report submitted to the UN Global Compact.

Innovation across the business remains fundamental. This is underpinned by our Applause Programme – designed to acknowledge and inspire the right behaviour to drive innovation and best practice. Applause was recognised by BRW Magazine in 2013 as instrumental in making Pact Group one of Australia's top 50 companies for innovation excellence. To date we have awarded over \$120,000 to more than 100 employees.

Our people are also getting on-board to improve health and wellbeing in the workplace and support community charity initiatives. I trust you'll enjoy reading about these activities and more in our 2014 CSR report. You can also stay up to date on these and other initiatives across the Group by regularly logging into our intranet.

I look forward to working with you on our future CSR efforts.

Brian Cridland
Managing Director and Chief Executive Officer

Contents

04

Introduction

06

Community

10

Employee
Engagement

14

Health &
Wellbeing

18

Diversity

22

Reporting
& Associations



What is Corporate Social Responsibility?

Corporate Social Responsibility addresses the corporate belief that a company needs to be responsible for its actions – socially, ethically, and environmentally. At Pact, we retain a strong focus on the ‘social’ element of CSR, in particular on the engagement and wellbeing of our employees, communities in which we operate and other key stakeholders.

What does CSR mean at Pact?

At Pact we facilitate CSR by initiating programs and targeted events around health & wellbeing, community, employee engagement and diversity. We take into account our diverse landscape to determine what will work best for individual sites and the business as a whole. We listen to what our employees tell us in the annual Employee Engagement Survey (EES), as well as to the feedback that we receive from around the business.

This report doesn't address our environmental performance but it is an area of focus for the Pact Group. For detail on our environmental programs, please refer to our Annual Report, available on our website www.pactgroup.com.au from November 2014.

Why is CSR important to Pact?

- It helps our business to manage risk and create value.
- It consolidates many like activities that take place within the Group for a more unified approach.
- It offers a step towards making the business relevant to the lives of its employees and by doing so fosters employee engagement.
- It encourages goodwill and engagement from employees, which ultimately improves staff retention and productivity whilst reducing absenteeism.
- It demonstrates to our local communities, who are looking to business for leadership on challenges like climate change and social issues, that we're playing our part in doing the right thing.
- It shows our customers and other key stakeholders that we care about our people and communities and are serious about our commitment to being sustainable.
- Focusing on CSR in the business encourages a sense of community across the sites.



Five areas addressed within CSR at Pact

Pact has been active in the CSR space for many years, but as the company has grown, so has our segmentation of the area evolved. We now break our CSR activities into the following pillars for internal focus and communication:



Community

Pact respects the need to contribute to the communities in which we operate. We believe it is important to nurture a spirit of generosity with our employees and to support causes important to our people and the broader organisation. This can build a sense of community and teamwork, which leads to happier, more productive employees.



Employee engagement

Employee Engagement speaks to the relationship between an employee and an organisation. A high level of employee engagement has a positive impact on the level of personal and professional commitment an employee has to the organisation and its goals. Higher engagement supports a more productive organisation and promotes Pact as a great place to work.



Health & wellbeing

Continuing to improve the safety of the workplace goes beyond compliance – it's the right thing to do. Promoting the health and wellbeing of employees at both work and home supports a better place to work. Healthy workplaces deliver greater productivity, reduce absenteeism and turnover, improve employee engagement and increase social inclusion.



Diversity

Pact Group employees come from all walks of life, with operations currently in Australia, New Zealand and Asia. We recognise that our workforce has a diverse ethnic, cultural and gender background and we seek to ensure that we have systems and processes in place to provide a discrimination-free workplace.



Reporting & associations

As a responsible corporate citizen, Pact Group not only complies with statutory obligations such as Workplace Gender Equality and Workplace Health & Safety reporting requirements, but is also voluntarily involved with both the UN Global Compact (VIP Packaging & Alto) and the Supplier Ethical Data Exchange (Sedex).



Community



The involvement of our company and our people in the communities in which we operate is fundamental to Pact

Community

We actively participate in our local communities through corporate investment, sponsorship, fundraising and employee participation, and are always looking for new ways to contribute. The involvement of our company and our people in the communities in which we operate is fundamental to Pact.

The following pages detail some of the ways in which Pact, its business units and individual sites interact with the communities in which we operate.



Australia's Biggest Morning Tea (Australia)

Pact has been involved with the Cancer Council through its Australia's Biggest Morning Tea event since 2007. Australian sites hold a fund raising event on-site each May, with all donations made being matched by the business. This year 23 sites participated and we raised over \$9500. Over the past nine years we've donated over \$60,000 to the Cancer Council, contributing to vital cancer research and clinical trials, support services for patients, their families and carers, and information and public education campaigns.



Cancer Council

Australia's
Biggest
Morning
Tea

Snowdome Foundation (Australia)

Formed in 2010, Snowdome is dedicated to improving outcomes for Australians with blood cancer, by channeling government and private philanthropic investment into human clinical trials of next-generation drugs and therapies. Pact Group supported the Snowdome Foundation 'Great Shake-Up' held in August 2013. Not only did we contribute to the \$1.3 million raised, but we were also one of 125 businesses that participated in the first-ever virtual fund raising event.



Red Cross – Typhoon Haiyan (Philippines)

Sadly, there are increasingly frequent natural disasters across the world. In response to these tragedies we support those that have a direct impact on our employees and communities within the regions in which we operate. With two of our sites in the Philippines, Plastop and Weener Plastop, directly affected by Typhoon Haiyan in early November 2013, the company matched all employee donations, with Pact contributing almost \$5000 in matched funds to the Red Cross.



Community

Diabetes New Zealand (Food Packaging Division NZ)

Diabetes Week is held in November each year, and last year the New Zealand Food Packaging business got involved with morning teas coupled with fund raising held at site level. Diabetes has been identified as a particular health concern amongst the broader New Zealand population, so Pact has made a conscious decision to focus on this area in an attempt to improve awareness about the condition amongst our people.

Deaf Children Australia (VIP Packaging AU)

In 2013 VIP Packaging contributed to Deaf Children Australia's community development programs. Deaf Children Australia's purpose is to remove barriers to the personal development and social inclusion faced by children and young people who are deaf or hard of hearing. They achieve this through a range of initiatives that VIP has supported over many years.

Whitelion (VIP Packaging AU)

Whitelion is a non-profit community organisation that provides youth-focused gender and culturally specific services in several areas. These include: mentoring, employment, role modelling, specialist outreach support and education based prevention programs. VIP Sustainability Services supported Whitelion by participating in the 2013 Eureka Climb which had a donation component to the event entry.





1. Brickwood, Crestmead, QLD

Children's Medical Research Institute

Brickwood Crestmead has supported Children's Medical Research Institute by fund raising on site for Jeans for Genes Day.

2. VIP, Truganina, VIC

Red Cross

To support those affected by Typhoon Haiyan in the Philippines, VIP Truganina held a fund raising lunchtime barbeque.

3. Alto, Mulgrave, VIC

Red Cross

Alto Mulgrave very generously raised funds for the Red Cross in the wake of Typhoon Haiyan in the Philippines.

4. VIP, Brendale, QLD

Red Cross

VIP Brendale allow the Red Cross to use their conference room for their quarterly meetings and also allow them to park their large blood donor vans at the back of the building. Every now and then the Red Cross insist on paying \$25 per van, so the money is used to pay for disabled children to go to the Annual World Festival of Magic sponsored by the Golden Valley Keperra Lions Club.

5. Viscount, Auckland, NZ

Child Cancer Foundation / The Starship Foundation

Last year some of the Viscount Auckland team had family members affected by cancer, so to show support to their loved ones, employees decided to shave their heads and raise money for the Child Cancer Foundation and The Starship Foundation.

6. Viscount, Carole Park, QLD

Viscount Carole Park ran an aluminium can collection in the lunchroom which an employee donated to a recycling program at his son's school.

7. VIP, Laverton North, VIC

Mercy Hospital

VIP Laverton North donated \$500 to the emergency department at the local Mercy Hospital in Werribee.

8. Alto, Mulgrave, VIC

OzHarvest

Alto Mulgrave donated tubs to OzHarvest used for the distribution of food to those in need.

9. VIP, Sunshine & Laverton North, VIC

MS Society – Cycle Event

VIP Laverton North donated cubes for water distribution for an MS Society cycling event.

10. Viscount, Minto, NSW

Smith Family Trust

Viscount Minto donated 60 'Mega Bins' to assist with storing goods after the Sydney fires in October 2013. It was redundant stock with a market value of \$12,000 but was invaluable to those in need of storage.

11. Alto, Hastings, NZ Nth

Salvation Army

Alto Hastings recently held a morning tea for all staff in return for food that was donated to the local Salvation Army food bank.

12. Alto, Takanini, NZ

Alto Takanini employees have volunteered to assist Fonterra with the clean-up of the estuary that their site is located on.

13. Brickwood, Crestmead, QLD

Brickwood Crestmead regularly sponsors the Police Children's Handbook promoting children safety in their local Logan Council area.

14. VIP, Brendale, QLD

Some crafty employees at VIP Brendale knitted little jumpers for penguins who have been damaged by oil spills and other environmental problems. The tiny jumpers protect their feathers and keep them warm until they can get totally clean of the toxic oil that they've come into contact with.

15. Viscount, Auckland, NZ

Givealittle / Kids Cancer Month

To raise money for Kids Cancer Month in March and in particular Givealittle, the Viscount Auckland team shaved their heads! A portion of the Kids for Cancer money was donated to 'Givealittle' for the Stowers family to assist with their child's treatment. Noah was diagnosed with a life threatening lung condition and has tragically since passed away.

16. VIP, NZ Industrial, NZ

The Industrial division made a generous donation to the Westpac Rescue Helicopter.

17. Astron, NZ Industrial, NZ

Astron East Tamaki employees donated their time on allocated weekends to assist Fonterra in their local tree planting program.

18. Alto, Henderson, NZ

Bruce McLaren School

Alto Henderson made a donation to Bruce McLaren school Henderson to contribute to homework books for children in need.

19. Alto, Henderson, NZ

Alto Henderson made a generous donation to key customer Fonterra's charity golf day.

20. VIP, Devonport, TAS

Give Me Five For Kids

VIP Devonport supplied 400 slotted money box collection cans to the Give Me Five For Kids charity that raises funds to update and purchases much needed equipment in the hospital's paediatric wards throughout Tasmania.

21. VIP, Devonport, TAS

Mission Without Borders

VIP Devonport assisted in the shipping of knitted toys from Tasmania to Melbourne so Mission Without Borders can distribute them to disadvantaged children throughout the world. All these toys are knitted by the elderly within the Devonport and surrounding community and gives them a great sense of satisfaction and purpose.

When we talk with employees we like to keep the dialogue open



Employee Engagement

Employee Engagement

Employee Engagement speaks to the relationship between an employee and an organisation. A high level of engagement results in a sense of commitment an employee has to the organisation and its goals, resulting in increased effort in day to day contribution, which supports the business in meeting targets.

The outcome of employee engagement is fundamental to many programs and activities run throughout Pact – both at site and overall Group level, with the key to measurement of this being the annual Employee Engagement Survey.

Employee Engagement Survey

When we talk with employees we like to keep the dialogue open. One of the ways we do this is through our annual Employee Engagement Survey. Participation in this survey gives our people a chance to have their say on everything from their workplace, colleagues and managers to the broader business. While it's not compulsory to complete a survey, we appreciate the feedback so this can be integrated into our internal projects and programs.

In our most recent survey conducted in October 2013 we achieved an excellent response rate of 54% (target 50%), with an overall engagement score of 65% up from 59% in 2012 (with a benchmark of 69%). This engagement score enables us to track how we are improving year on year as well as how we perform against a manufacturing industry benchmark.

Who participated?

- We had 54% of Pact employees complete a survey (vs 36% in 2012). Our target was 50%, so this is an excellent result!
- 73% of monthly & 34% of weekly employees participated.
- Of the 1606 responses, 1019 completed a hard copy; 587 participated online.

Who is most engaged in the business?

- Employees aged under 36 are less engaged than older employees. The reverse was true in 2012.
- Trade roles are again the least engaged with the highest engagement levels recorded by Corporate, Administration and Materials Handling employees.

What are our biggest challenges?

- Overall, we're more engaged than we were last year, with 23 of the 25 KPIs tested showing improvement (2 remained the same as 2012).
- Corporate Leadership showed greatest improvement vs 2012, but is still the area identified as being our biggest challenge.
- Career Progression and Professional Development have been identified as two key areas needing more business focus.
- Recognition of Achievement from management is seen as our fourth biggest area needing improvement.
- Empowerment to Achieve, IT Effectiveness, Internal Customer Service, Innovation, WHS & Capital filled out the top 10 areas needing improvement in the business moving forward.

For more detailed results for your site, speak with your Site Manager as they have been supplied with in-depth results for your site.

The next survey is due for implementation throughout October 2014 and will focus on gender diversity as well as other key metrics involved with determining employee engagement.

54%

Pact employees completed a survey

73%

Monthly employees participated

34%

Weekly employees participated

Employee Engagement

Performance Reviews

The performance appraisal process aligns employee performance towards achieving business goals as well as providing a platform for employees to discuss career aspirations and development requirements.

All monthly staff are required to complete two performance appraisals every year; a mid-year review around December and an end of year review in June. It's important to have an open two-way discussion about performance, goal alignment and future directions. Being honest and respectful is a core value of the Group so we encourage everyone to make full use of the process.

Online training

Online training is available to employees, including courses on computer software, leadership and management and a range of WHS topics. You can find the link to these courses on the intranet.



Applause

We started our Applause programme in 2012 to acknowledge and encourage the right behaviour to drive innovation and best practice within our business.

This is only the second year of the programme – and yet we received over 250 nominations from all parts of the business. We have awarded over \$70k over the year (2013) to 100 employees. Our programme was recognised by BRW Magazine as instrumental in making Pact Group one of Australia's top 50 companies for Innovation excellence this year. We were the only packaging company to make this auspicious list.

The programme is designed to recognise individuals from all parts of the business, encourage people to voice their great ideas – and more importantly provide the necessary resources to embed those ideas into our business. The programme was restructured this year in line with our values which are:

- To walk in our customers' shoes to serve them better.
- To act with speed and purpose.
- To provide an honest and respectful environment.
- To be passionate about driving results
- To pursue opportunities for transformational change.

We have awarded 2 site prizes this year. These went to Viscount Carrum Downs who used their money to buy a defibrillator and VIP Laverton North who upgraded their lunch rooms. These prizes were awarded for the most nominations received from a single site – so make sure that your teams continue to submit their ideas as we award site prizes for the most nominations received at each round.



Our Platinum finalists were assigned a mentor and were given 3 months to make their idea real within our business to demonstrate tangible results. Mentors have a significant responsibility to transfer their specialist skills to others in the organisation and act as sponsors to make sure that the ideas are able to be implemented and leveraged across the organisation. The role of mentor requires generosity of time and patience. It also requires an open mind as each of these people are the functional specialists responsible for assessing and implementing the idea.

When considering all of the submissions – we have stringent criteria. We ensure that the idea has been implemented or is suitable for implementation in the business, it must align with our values, and it must deliver a productivity or commercial benefit and be scalable within the business.

Case study



Star GCC Team

Night Owls (Alto Wacol, Qld)

In their first year participating in the Global Corporate Challenge (GCC), Alto Wacol's 'Night Owls' team is setting the pace for not only the other 50 Pact teams, but also on a global scale! The Night Owls are an enthusiastic team of seven night shift workers who never seem to stand still! To achieve an average step count of 32,553 each a day, the Night Owls keep on the move during their shift, entertain grandchildren during the day, go for walks outside (and in shopping centres in poor weather), use treadmills – whatever keeps them moving! The 100 day 2014 GCC event concluded in September with the Night Owls finishing a sensational 81st out of over 40,000 global teams.

Case study

Joining Customers involved in the Community

Salient, Minto (NSW)

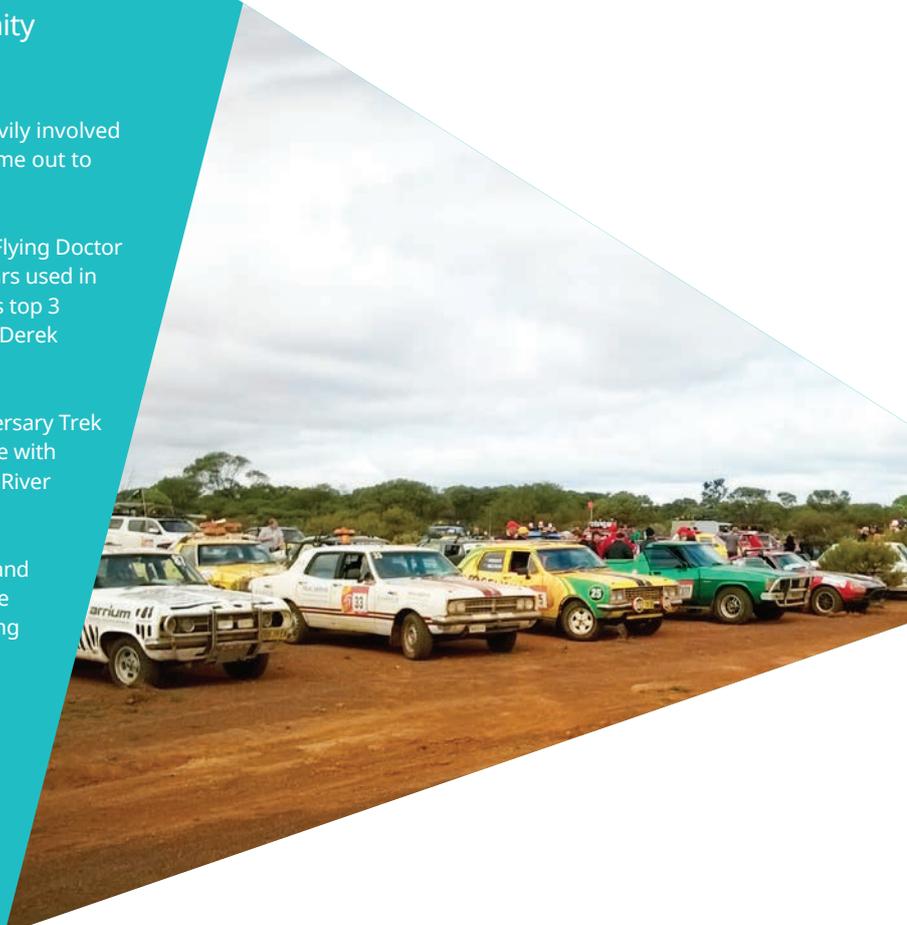
As well as leading the Salient team, Derek Collinge is heavily involved in the Royal Flying Doctor Service Outback Trek, taking time out to participate every year since 2010.

Salient Asia Pacific again participated in the annual Royal Flying Doctor Service Outback Trek held annually in June. The team of cars used in this event are owned by senior staff at Pax (one of Salient's top 3 customers), with Salient sponsoring a corner of a car with Derek also physically participating in the event.

This year's Trek was special due to it being the 25th Anniversary Trek and consequently was held over two weeks from 2–13 June with a total distance of 6294km from Alice Springs to Margaret River via Broome.

The purpose of the Trek is to raise much needed funds for and to promote the Royal Flying Doctor Service. Funds raised are specifically used to fund capital equipment and not operating expenses – as well as some funding for the TOOTH (The Outback Oral Treatment and Health) Programme. Along the way various fund-raising activities take place and are shared with the relevant local communities such as the Billiluna Community and the Isolated Children's Parents Association (Pilbara Branch).

Overall the event typically raises around \$1.5 million annually.





Health & wellbeing



Workplace health and safety continues to be a fundamental requirement of the Pact Group

Health & wellbeing

We work together to create a safety culture that emphasises training and awareness, continuous improvement and total workforce participation for our employees, contractors and visitors.



LOST TIME INJURY FREQUENCY RATE



To make our workplaces safer and more productive environments, we're focused on improving the health and wellbeing of employees. It's important to address this because the consequences of ill health on individuals, their families, communities and the economy are profound. Healthy workplaces deliver greater productivity, reduce absenteeism and turnover, improve employee engagement and increase social inclusion.

We aim to address injury prevention and treatment, stress management and improving physical health including nutrition, fitness and smoking and alcohol management on sites where these issues are deemed to be significant amongst a site's population.

Workplace Health & Safety

A new direction in safety has been developed with the Towards Zero Harm strategic initiative being launched in FY14. Towards Zero Harm is designed to enhance Pact's safety program and performance by increasing consistency and management of health and safety across all of Pact Group's sites.

To provide further support for implementation of the new standards and assurance to management, a revised audit program was also developed. All Group auditors were provided with external accredited auditing training to continue to build internal auditing capability.

Pact's safety performance is measured by the Lost Time Injury Frequency Rate (LTIFR) metric, which is calculated by the number of workplace injuries resulting in at least one full work day lost per million hours worked, over a rolling twelve month period.

The LTIFR for F14 (as at 30 June 2014) is 4.0 which represents a record low for the Group, and as the following graph demonstrates reflects a sustained improvement for the Group. While we see steady year on year improvement in LTIFR across the Group we strive to continually improve safety performance across all of our sites and will be focussing on introduction of Total Recordable Injury Frequency Rate (TRIFR) measurements in FY15.

WHS System Launch

A new Workplace Health & Safety Manual has been developed to identify the key responsibilities and standards expected of all employees, contractors and visitors across all Pact Group sites. This is a comprehensive replacement of all previous site WHS Systems.

The WHS Manual is supported by a set of Pact Group Procedures and audit materials and will help drive consistency in approach across all of our sites.

The WHS Manual and associated Procedures reflect recent changes to WHS legislation and industry best practice. These have been developed in conjunction with Ernst & Young and in consultation with Group HR and other stakeholders within the business.

All WHS documents are available through our staff intranet and you are encouraged to review the Towards Zero Harm tab via the homepage navigation. Online reporting is also available through the intranet. All sites are required to record all safety incidents as soon as practical after they occur. This includes the real time recording of all LTIs (Lost Time Injuries), MTIs (Medical Treatment Injuries), FATIs (First Aid Treatment Injuries) and near misses.

Education and training will be progressively rolled out through the Group at all levels, including the Board, the executive and senior management, Workplace Managers, Workplace Supervisors, QSEs and all other employees in F15.

The key features of Towards Zero Harm are:

- WHS Manual.
- Audit materials.
- Online reporting.
- Workplace education & training.



Employee Assistance Program

An Employee Assistance Program (EAP) is a work-based intervention program designed to enhance the emotional, mental and general psychological wellbeing of all employees. The service aims to provide preventive and proactive interventions for the early detection, identification and/or resolution of problems that may adversely affect an employees' performance and wellbeing.

Pact Group's EAP provider in Australia is Converge International. Speak with your regional HR Advisor for situation specific advice, and to contact Converge call 1300 687 327 (1300 OUR EAP).

Our New Zealand EAP provider is EAP Works. They can be contacted on 0800 SELFHELP (0800 735 343).

Further information can be found on the intranet.

Healthchecks

From April 2009 to the end of 2013, over 500,000 Victorian workers received a free, confidential, 15 minute WorkHealth check as part of WorkSafe Victoria's WorkHealth program. Pact had 17 sites participate in this program, with Baroda & VIP Packaging (Steel) sites winning grants as a result of their high participation rates in the free healthchecks.

With the awarded grant funds, participating sites benefited from the following activities conducted at sites late in 2013:

- On-site seminars on Sleep & Fatigue, Stress & Resilience, Health & Nutrition and Smoking Cessation.
- Fruit baskets for employee snacks.
- Fitness classes.
- Fitness equipment for use on-site and at home.

Flu vaccinations, hearing checks and other varying healthchecks are implemented adhoc across the business as required by the individual site.

Occupational Physiotherapy

VIP Laverton North, Alto Wacol & VIP Truganina have all implemented an onsite Occupational Physiotherapy program to tackle musculoskeletal injuries with a view to reducing injuries to workers. This program will be rolled out to other sites as needed over the coming months and years.

Site by site activities

Alto Henderson

Waitakare Health Board Annual Heartbeat Challenge

The team at Alto Henderson participated in the annual Heartbeat Challenge, a health promotion program that aims to create a workplace environment that supports wellbeing. The program is designed to address chronic disease risk factors, providing a framework to enable and empower employees, providing a regime of regular exercise and correct nutrition.

VIP Sustainability

Eureka Climb

Two teams of VIP Sustainability employees participated in the race up the Eureka Tower on 17th November 2013 to support Whitelion, improve their fitness and for the glory of climbing the tallest residential building in the world!



VIP Laverton Drum

R U OK Day

VIP's Laverton Drum Reconditioning plant is determined to help people with mental health issues and would love for people to know that there is help out there with support available from organisations such as beyondblue and Lifeline. They attached an 'R U OK' sticker to each person's pay-slip and displayed posters to show that there is help available and to not be embarrassed to speak up.

Viscount Auckland

Round the Bays

Our Viscount Auckland team get involved with the annual Auckland Round the Bays event. Twenty-five members of staff and their families joined in the fun in March 2014 to raise money for the Starship Hospital - one of New Zealand's leading specialists in child health care services.





Alto Christchurch

Various

The team at Alto Christchurch set the pace through participating in a variety of events including the Mud Sweat and Tears run (September 2013), the City to Surf run (March 2014), and the Waimakariri Gorge GC Charity Golf Day attended with customers.

Salient Minto / Cinqplast-Plastop

MS Gong Ride

This annual event is held on the first Sunday in November and is a dedicated fund raiser for Multiple Sclerosis (MS). Annually the MS Gong Ride aims to raise in excess of \$3 million.

2013 was the third year that a group consisting of customers, industry associates, staff members and respective family members have participated in the 90km event. The route is from Sydney Park to Wollongong through the Royal National Park at Waterfall (and back for some of the more keen cyclists!).

The team all cycle in the colours of Cinqplast-Plastop making it easier to identify each other and to ride together. Each year a stop is made at the Stanwell Tops look-out for a group photo (below).



Global Corporate Challenge

Last year we trialled involvement in the Global Corporate Challenge (GCC) with 10 teams participating. In 2014 we've proceeded with a business-wide rollout and have 51 teams of 7 employees across the Group participating in the 2014 challenge. The GCC is a 100 day walking challenge with a goal of each participant reaching at least 10,000 steps a day.

The GCC was developed over 10 years ago to improve the health and performance of employees around the world. The scientifically developed, clinically proven 12 month program takes employees on a journey that permanently improves their relationship with exercise and nutrition and instils a sense of self-belief, personal responsibility and resilience.

Areas of the business involved include head office teams in HR, Finance, Sourcing, Business Services and Impact as well as site-based teams across most Pact brands including Alto, Astron, Brickwood, PlasPak, Salient, Signum, Snopak, Steri-plas, VIP Packaging and Viscount. Participants can even record 'steps' achieved by swimming and riding a bike, so there's no excuse not to keep moving!

For the business, the GCC optimises our most valuable asset – YOU, and ensures that you arrive at work each day in the right physical and mental shape, so you're fully engaged and ready to take on the world.



Pact Group employees come from all walks of life, with our operations currently in Australia, New Zealand and Asia.



Diversity

Diversity

We recognise that our workforce has a diverse ethnic, cultural and gender background and we seek to ensure that we have systems and processes in place to provide a discrimination-free workplace.

Pact's vision for diversity incorporates a number of different factors, including gender, ethnicity, disability, age and educational experience. At a Board, senior executive and senior management level, gender has been identified as a key area of focus for the business.

Diversity Targets 2014+

As part of our ASX listing, Pact Group in association with our Board has set the following Workplace Diversity targets for FY15:

1. Each salaried employee recruitment assignment requires at least one female candidate to be recommended for interview and/or job ready process.
2. Monitor the Annual Salary Review outcomes for salaried employees to ensure women receive, on average, not less than the same percentage increase in their remuneration as males across Pact Group.
3. Include specific questions in the next Employee Engagement Survey to quantify gender as an issue in the workplace across the Pact Group.



To meet the requirements of Australia's Workplace Gender Equality Act, Pact established a professional women's networking group many years ago. As diversity becomes more of a focus of the growing Pact business, we have recently re-named the group 'Pac♀ Network' and intend to expand the program beyond Melbourne in 2015.

Each year we aim to hold up to four events for Melbourne-based professional women in the Group. The Australian Institute of Management's Outstanding Women Series events have proven to be popular, with a diverse range of inspirational women speaking regularly in the Melbourne CBD. Events attended by Pact 2013-14:

- Jenny Gray, CEO of Zoos Victoria, 9 May 2014.
- Abigail Forsyth, KeepCup inventor and CEO, 19 July 2013.
- Moira Kelly, Humanitarian, 17 May 2013.

Networking breakfasts are also held in Melbourne, with previous events held in Richmond (25 February 2014) and Elwood (22 October 2013).





Product Donation

Alto, Henderson NZ

Many sites across Pact Group donated product to local groups in need, with Alto Henderson being especially active in this space. In recent times, the Henderson site has donated product to the following groups:

- West Park school in Wellington who built a reading corner out of 3 litre milk bottles to aid in their learnings around recycling;
- They donated water bottles to Sunnyvale Primary School;
- St Pauls Collegiate were gifted water bottles for 1st football team; and
- Bottles were donated for an underwater art project at the Community Centre in Henderson.

Donation of imperfect, obsolete or excess product by sites to local schools, kinders and community groups are very much appreciated by the recipient, and so easy for us to do! The following sites have recently donated product to their local community:

Alto Christchurch, Alto Food Packaging Division, Alto Hastings, Alto Takanini, Alto Wacol, Alto Industrial Division, Alto Henderson, VIP Devonport.

Annual Fishing Challenge Fundraiser

Alto, Hamilton, NZ

For the last 10 years, Alto Hamilton team members Steve Hampton and Andy Williamson have organised the Alto fishing challenge to raise funds for Whitianga Continuing Care (a hospice care facility for terminally sick people) and Whitianga Lions Club (to purchase an x-ray machine for the Mercury Bay Community), with \$3000 raised this March. The event involves not only employees from their site, but also employees from around the Alto New Zealand business as well as customers and other sponsors – totalling approximately 150 participants! Teams dress up and take part in games throughout the event, with the conclusion of the challenge culminating in a barbeque celebration featuring gourmet food and prize awards!



Active Community Citizens

Steriplas, Minto, NSW

Steriplas have been very active in the community space with support of Barnados, the Cancer Council, Liverpool Rotary and Drug Arm over the year.

Supporting Local Communities

Plastop (Philippines)

Plastop (Philippines), led by Craig McFarlane, sponsors the children of the employees between ages 6 to 16 with their education costs to a total value of 15,000PHP (\$360) per child. This contribution covers the cost of books, shoes, uniform, bags, transportation, field trips and school supplies. Basically, all the expenses associated with attending a public school excluding fees. As a result of this on-going support, many families are now sending their kids to better (private) schools which has a better overall outcome for the children and their families.

Consistent Community Spirit

Alto, Christchurch, NZ

Alto Christchurch have been sent their fair share of challenges over the years, with the site bearing the brunt of 2011's devastating earthquakes that affected Christchurch and the surrounding region.

The site, led by Paul Ducray, makes regular donations to The Cancer Society (Daffodil Day), Returned Services Association (Red Poppy Day), Lions Clubs (Alto Fishing Challenge), The Radio Network Special Children's Christmas Party, Heart Kids Day Out, Brain Injured Children's Trust, Autism NZ Inc and Fostering Kids as well as product donation when possible.



Star Team Builders

Viscount, Auckland, NZ

Viscount Auckland never seems to be standing still, with regular team events, led by Kenneth Tohovaka and Debra Powell. Over the past year this active Viscount site has fielded teams for the Auckland Round the Bays event, two teams for the GCC and they also hold activity-based team building events each June to build cohesive and product team mentality vital for business success!



Consistent Community Spirit

Gail Morgan (VIP, Brendale, Qld)

Pact's involvement in the community is made possible through the dedication shown by so many people in our business with the passion to drive improvement. One such individual is Gail Morgan from VIP Packaging at Brendale, Queensland. Gail has initiated fundraising, goods drives, raffles, second-hand book sales and many other activities over the years.

With Gail's organisation, VIP Brendale has supported many organisations including: RSPCA (Cup Cake Day), Red Cross (facility use), Golden Valley Keperra Lions Club, Children's Medical Research Institute (Jeans for Genes Day), National Breast Cancer Foundation (Pink Ribbon Day) and the Royal Children's Hospital. Gail uses their vending machine rebates to generate further funds by holding raffles and selling second-hand books donated by co-workers to generate funds for community causes.

Thank you Gail for your energy and enthusiasm to help your community!

CFA Support

Brickwood, Braeside, VIC

One of Brickwood Braeside's employees, Joerg Boehme, is a CFA volunteer. By agreement he is released with pay, generally 5 or 6 days per year, depending on the fire season, to fight fires with the CFA. This year Joerg attended the Halls Gap fire for 3 days in February and the Morwell open cut fire for 2 days in March. In previous years Joerg spent a week at the Black Saturday fires and a week at the Falls Creek fires.

Outstanding Site Fundraisers

VIP, Seven Hills, NSW

Australia's Biggest Morning Tea is our largest annual fundraiser with over \$60,000 being raised since we started involving sites in the event in 2007. VIP Packaging Seven Hills in NSW has been part of Pact since 2012 and have already raised over \$1500 for the Cancer Council in only two years!

Driven by Site Manager Roy Benson and Finance Manager Francis Lee, Seven Hills make a huge deal of the day. Drivers who visit the site are encouraged to donate, family members bake cakes and the two industrious ladies in the office distribute raffle tickets and bake cakes. But the majority of this amazing result has been achieved by the generosity of all our all VIP Seven Hills employees.

An inspiring effort by a great team!



We recognise the importance of a
commitment to corporate responsibility



Reporting & associations



Reporting & Associations

We recognise the importance of a commitment to corporate responsibility. This means making ethical conduct, compliance and transparency essential parts of our organisation – and upholding governance processes that support our focus on longevity.

To demonstrate this, we are a signatory to the UN Global Compact (VIP Packaging & Alto), Sedex (by site) and report annually against the Workplace Gender Equality Act 2012.

UN Global Compact

The UN Global Compact (UNGC) is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption. By doing so, business, as a primary driver of globalisation, can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere.

VIP Packaging and Alto have been signatories to the UNGC for many years, but in 2014 the first Pact Group 'Communication on Progress' will be submitted, tracking our progress against the UNGC's 10 principles.

Sedex

Sedex offers a simple and effective way of managing ethical and responsible practices across the supply chain. Their core offering is that of a secure online database which allows members to store, share and report on information on four key areas: Labour Standards, Health & Safety, the Environment and Business Ethics.

It's presently a requirement of customers (including Mondelez, Nestle, Unilever, Asaleo) that we're associated with Sedex, with relevant site's demographics registered online for their review as they track their supply chains' sustainability credentials.

Pact sites currently registered with Sedex include: Alto Moorabbin, Alto Mulgrave, Alto Wacol, Brickwood Cheltenham, Plastop, Signum Broadmeadows, VIP Minto, VIP Villawood, Viscount Auckland, Viscount Braeside, Viscount Carole Park and Weener Plastop.

Some of these sites have undergone a Sedex Members Ethical Trade Audit (SMETA). SMETA has been developed to provide a best practice reference framework for social auditing and reporting. SMETA is designed to meet multiple customer requirements and to reduce duplication of ethical audits. It's publicly available and is one of the most commonly used audit formats in the world.

Workplace Gender Equality

The *Workplace Gender Equality Act 2012* requires non-public sector employers with 100 or more staff to submit a report to the Workplace Gender Equality Agency (WGEA) between 1 April and 31 May each year for the preceding 12 month period (1 April – 31 March reporting period). The WGEA has confirmed that we are in compliance with the Workplace Gender Equality Act (report submitted for review in May 2014).

The WGEA is an Australian Government statutory agency created by the Workplace Gender Equality Act 2012. The Agency is charged with promoting and improving gender equality in Australian workplaces. Gender equality is achieved when people are able to access and enjoy the same rewards, resources and opportunities regardless of gender.

The aim of gender equality in the workplace is to achieve broadly equal outcomes for all genders, not exactly the same outcome for all individuals. Achieving gender equality is important for workplaces not only because it is 'fair' and 'the right thing to do', it is also vitally important to the bottom line of a business and to the productivity of our nation.





www.pactgroup.com.au

Level 16/644 Chapel St, South Yarra, VIC, Australia 3141
Telephone +61 3 8825 4100 Fax +61 3 9815 8388