

A photograph of a man in a warehouse or industrial setting. He is wearing a light-colored hairnet, a pair of over-the-ear headphones, and a long-sleeved button-down shirt. He is smiling at the camera. The background shows shelves and boxes, with a visible "B01" label on one of the boxes.

SUSTAIN- ABILITY REPORT

2014-2015

PACT
GROUP

SUSTAINABILITY REPORT

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ABOUT THIS REPORT

This is the first Sustainability Report for Pact Group Holdings Ltd and has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (G4 version). This Report is in accordance with “core” GRI guidelines and no information is restated and no changes have been identified.

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”). All data relates to the 12 month period or the status as at 30 June 2015 (FY15), unless otherwise stated.

Data for specific areas of environmental impact is reported only for operations owned and wholly operated by the Group within Australia. It is the Company’s intent to expand this reporting across all regions in the following financial year.

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

We have not sought external assurance for this report.

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

- www.pactgroup.com.au
- The Annual Report
- The Annual General Meeting
- Disclosures to the Australian Securities Exchange (ASX), company code (PGH).

Previous Annual Reports can be downloaded from the Investor section of our website: www.pactgroup.com.au.

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



A WORD FROM OUR CHIEF EXECUTIVE OFFICER

This year has been an exciting one in Pact's journey and we are delighted to bring you our inaugural Sustainability Report. It details our key achievements in 2014–2015 and our strategy and outlook for 2015–2016 for sustainability.

Sustainability is a consideration in all of our business decisions and stewardship choices. As a manufacturer, we have a responsibility for the environment and future generations that we take seriously. For us, sustainability is by no means an end result. It is an ongoing process of improvement and care.

Our Sustainability Report is based around five key themes: People, Environment, Community, Product Stewardship and Governance and Compliance.

People

By implementing a range of targeted initiatives, we have worked hard this financial year to ensure the health, engagement and safety of our people.

We continued our *Towards Zero Harm* strategy to increase the consistency and management of health and safety across all our sites. As part of this, we developed a Workplace Health and Safety Framework, revised our manuals, procedures and forms, updated our audit program, externally benchmarked our performance and conducted awareness programs.

A key engagement program for us was our *Safety Selfie* campaign, which we launched on United Nation's World Day for Safety and Health at Work (28 April 2015). This month-long personal safety awareness campaign encouraged all employees to send a *Safety Selfie* attracting close to 800 entries from 55 sites, across four countries. This campaign successfully delivered a simple message around employees' responsibility for their personal safety

in the workplace in an engaging, contemporary and morale boosting way.

A number of health and wellbeing initiatives promoting healthy living for our people were introduced this year. In Australia we re-launched Pact's Employee Assistance Program; a work-based intervention program designed to provide emotional, mental and general psychological support to employees and their families.

One of the key ways we measure employee engagement is through our annual *Employee Engagement Survey*, which gives employees the opportunity to have their say about their workplace, colleagues and the broader business. In the 2014 Survey, we saw greatest improvements on 2013 in the areas of IT effectiveness (+7%), corporate leadership (+6%) and manufacturing platforms (+6%). We are aiming for continued engagement across the business with the next survey scheduled for October 2015.

We remain committed to the maintenance and promotion of workplace diversity to ensure we provide a discrimination-free workplace. In 2015–2016 we will continue our focus on diversity in the workplace and further developing engagement opportunities for women.

Environment

Environmental stewardship is entrenched in our way of working; from the design and life cycle of our products, through to the minimisation of manufacturing waste.

A WORD FROM OUR CHIEF EXECUTIVE OFFICER (CONTINUED)

To reduce emissions and improve energy efficiency, this year we made resource efficiency a major Group-wide KPI, with all sites required to monitor and reduce energy consumption. As part of this initiative, we upgraded equipment, implemented waste material control and identified specific energy saving opportunities such as compressed air leak management. We also improved lighting systems, used thermal imaging for detecting hot spots, and installed smart meters at the majority of sites, adding the capability to monitor energy use in real time.

Community

We recognise we have a responsibility to our local community, and throughout the year, we supported various events and awareness campaigns addressing health and wellbeing, education, community and environmental causes. This included initiatives to raise funds and support for charities such as the Cancer Council, the Royal Flying Doctor Service and OzHarvest.

The coming year will see significant changes in our support of the community and we look forward to focusing more on this area in the future.

Product Stewardship

Pact's vision is to enrich lives everyday through sustainable packaging solutions. We remain committed to offering our customers innovative and responsible solutions that consider the entire life cycle and supply chain of our products.

One such 'whole of life' solution involves buying back damaged or unserviceable wheelie bins from councils, recycling them and using the recycled resin in the manufacture of new bins. More than 250 local councils across Australia are now actively participating in the Pact wheelie bin program, which has significantly improved the sustainability of wheelie bins' renewal across Australia.

Governance and Compliance

We are committed to ensuring our Group is properly managed to protect and enhance shareholder interests, and that the Company is compliant in the application of policies and practices. We carefully assess the risks to our financial sustainability to better direct our management strategy and target our economic sustainability initiatives.

Pact reported a strong financial result for the year, and it has done so upholding the business ethics and values we set ourselves. We believe adopting and operating under robust standards of corporate governance is essential for sustainable long-term performance and value creation. As a business, we promote a risk-aware culture, and are committed to upholding high standards of business integrity and honesty in all our dealings.



Brian Cridland

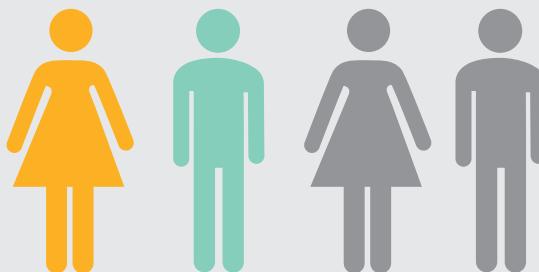
Chief Executive Officer and Managing Director

WHO WE ARE AND WHAT WE DO

Pact is a leading manufacturer of rigid plastic and steel packaging solutions and related products across a broad range of product segments with more than 6,000 customers.

Pact has 64 operating sites across seven countries in Australasia and across Asia. These sites primarily convert plastic resin and steel into packaging and related products. We service a diverse customer base across a range of market sectors.

Our well-invested packaging technology, sector know-how and global licences enable us to deliver superior design and functionality to customers. With a focus on innovation, resilience and growth, our Company seeks to enrich lives everyday through sustainable packaging solutions.



941	2,166	3,107	Permanent
15	26	41	Casual
956	2,192	3,148	Total employees

Workforce breakdown

At Pact, we remain committed to creating and maintaining a discrimination-free workplace, and to enhancing long-term job security for all our people. Our priority for 2015–2016 is to continue our focus on diversity in the workplace with extended focus on engagement opportunities for women.

In the 2015 financial year, women made up 30% of our workforce, and more than 99% of our people were employed on a permanent basis.

6,000+ CUSTOMERS

100+ PRODUCT SEGMENTS

Chilled Food & Beverage

Ambient Food & Household

Industrial & Materials Handling

In 2014–2015, Pact operated 64 sites across seven countries, employed over 3,000 people and sold almost 22,000 different variants of products totalling more than 7.3 billion units.

Where we are



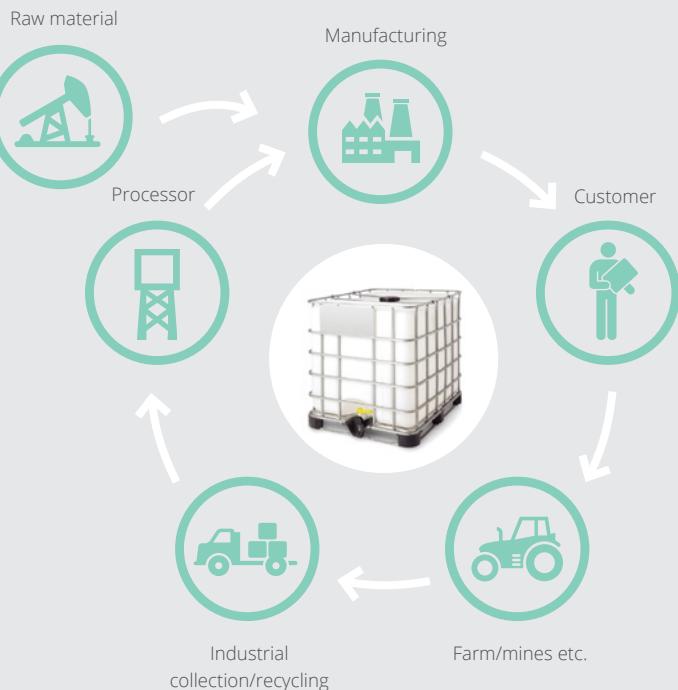
* Thailand is a 50/50 joint venture with Weener Plastics

** Our head office is located in Melbourne, Australia

OUR SUPPLY CHAIN VARIES BETWEEN INDUSTRIES TO ACCOMMODATE THEIR BESPOKE NEEDS AND LIFE CYCLES OF THE DIFFERING PRODUCTS INVOLVED.

This year we worked with close to 5,000 suppliers from a broad range of countries including Australia, Belgium, Canada, China, Denmark, France, Germany, Hong Kong, Italy, Japan, Malaysia, Mexico, Netherlands, Singapore, Switzerland, Taiwan, Thailand, United Kingdom and USA.

Industrial packaging supply chain



Retail packaging supply chain



MATERIALITY

Pact recognises that our business activities have a direct impact on a wide range of stakeholders, including employees, shareholders, customers, suppliers and the broader society in which we operate.

Risks across all material areas of the Group were identified and assessed, including those within the categories of economic, social and environmental sustainability. This was done in line with the ASX Corporate Governance Principles and Recommendations (Third edition).

The risks we identified are factored into our risk management approach and have been reviewed to inform the materiality assessment for this Report. Our risk management approach is detailed in the *Governance and Compliance* section.

Economic sustainability risks, which include impacts that may affect our ability to continue operating at a particular level of economic production over the long-term, are also detailed in the *Governance and Compliance* section.

Social sustainability risks are those that may affect our ability to continue operating in a socially accepted manner over the long-term. Pact has identified and manages key risks that could have a material impact on the Group across the areas of work health and safety, attraction and retention of key personnel, and compliance with laws and regulations. The management approach for each of these areas is detailed in the *People* section.

Environmental sustainability risk ensures we operate in a manner that does not compromise the long-term health of the ecosystems in which we operate. Failure to comply with environmental or dangerous goods regulations and laws has been identified as a material risk. Further detail about how we manage this risk is included in the *Environment* section.

Materiality process

Pact is faced with a wide range of topics on which to potentially report. Relevant topics are those that may be considered important in reflecting our economic, environmental and social sustainability, or in influencing the decisions of stakeholders, and therefore, potentially merit inclusion in the Report.

The issues we consider most material to our business were identified through a weighting process that examines internal significance (including internal communication, training and corporate policies) and external significance (including regulatory requirements and media interest).

A combination of internal and external factors were used to determine whether an aspect is material, including factors such as our *Vision and Values*, concerns expressed directly by stakeholders, broader social expectations, and the materiality aspect's influence on upstream (such as supply chain) and downstream (such as customers) entities.

We used the following process to determine areas of focus for this Report:

- Completed Global Reporting Initiative (GRI) training with Ernst & Young.
- Appointment of Executive sponsorship.
- Reviewed a range of information sources to help identify possible material issues for our business:
 - Peer review
 - Societal norms
 - Policy and strategy review
 - Short-term financial impacts
 - Stakeholder review
 - Opportunity for innovation.
- Reviewed the results of our research and determined possible material aspects to consider.
- Prioritised the possible material aspects considering significance to stakeholders, the United Nations Global Compact (UNG) and GRI requirements.
- Executive Sponsor approved list of aspects.
- The Audit, Business Risk and Compliance Committee noted the concise list of material aspects.
- Executive Team approved draft Report.
- The Audit, Business Risk and Compliance Committee made a recommendation to the Board to approve the Report.
- Board approved the final Report.

This Report has consequently been structured around the five themes that form the heart of our commitment to sustainability: People, Environment, Community, Product Stewardship and Governance and Compliance.

Within the themes of this Report, we predominantly focus on the sustainability activities for the 2014–2015 financial year, but always with an eye toward the future. We will continue monitoring existing and emerging issues and engage in dialogues on these issues with our stakeholders to ensure our commitment to sustainability remains a core pillar of the Company.



Information integrity

Pact's executive and senior management are responsible for the preparation and integrity of the information in this Report. We believe this Report fairly represents our sustainability performance during the 2014–2015 financial year.

Stakeholder engagement

Our stakeholders are groups of people who impact and/or are impacted by Pact and our activities, and in turn, they impact our organisation's governance.

Stakeholder engagement assists us in understanding the issues that matter to our shareholders, customers, employees, suppliers and communities in order to better understand what they expect of us.

Dedicated engagement ensures that our decisions are informed and balanced.

As our stakeholders grow increasingly concerned about issues relating to sustainability, stakeholder engagement facilitates open, collaborative dialogue. Our engagement with stakeholders is continuous and takes various forms.

Pact's main stakeholder groups are those that are relevant to the social, financial and environmental impacts of our operations, and those that influence or are influenced by the culture, performance and long-term strategy of the Company. Our stakeholders and methods of engagement are outlined below:



Shareholders

Website and external ASX communications
Mailed communication
Face-to-face meetings



Employees

Survey and feedback processes
Performance appraisals
Intranet and websites
Site noticeboards and toolbox talks



Suppliers

Supplier assessments



Customers and Retailers

Customer presentations
Newsletter and other communications
Preliminary stakeholder interviews
Regular customer business review meetings and audits



Government and Regulators

Selective participation in policy debate
Collaboration with environment/safety regulators



Third party employee organisations (unions)

Enterprise negotiation processes
Employee representation matters
Resolution of employee grievances and concerns



Community Groups

Preliminary stakeholder interviews



Society

Local, national and international community involvement
Sponsorships and donations
Website and external communications



Partners

Newsletter and other communications



Consumers

Via customers/market research

PEOPLE

At Pact, we encourage the active contribution of our people to drive the continuous improvement of operations in a safe, economical and environmentally responsible way.



Employee input is not simply encouraged; it is considered a vital part of our growth as a diverse and adaptable workplace. Through continuous and open communication and implementation of targeted strategic initiatives, we seek to ensure the safety, wellbeing and development of every Group employee.

Safety

Workplace health and safety (WHS) has been, and will continue to be a top priority for Pact. We are committed to providing a workplace that is incident and injury free; a zero harm workplace.

Our strategy seeks to create a workplace culture where:

- no injury is acceptable;
- there is respect and concern for people; and
- there is discipline to apply and enforce rules and procedures.

Safety does not occur by chance; it is the result of careful attention to all operations by those who are directly and indirectly involved. It is more than simply a set of rules or a state of being. Working safely is a mindset that we must continually encourage in every employee, because safety begins with a positive and responsible attitude both on and off the job.

We believe maintaining a safe environment is necessary because a zero harm workplace is not only a fundamental human right and responsibility, but also good business practice.

Towards Zero Harm strategy

Following its successful launch in April 2014, the strategic initiative *Towards Zero Harm* (TZH) continued this financial year. TZH aims to increase consistency and management of health and safety across all Group sites utilising three key strategic pillars:

1. Building the right system
2. Engaging our people
3. Effectively managing our risks

Building the right system

It is important that we have the right systems in place to manage and promote a zero harm workplace. We are taking steps to ensure our success through:

- The development of a WHS framework and the rewrite of the Pact WHS manual, procedures and forms.
- Updates to our audit program.
- Externally benchmarking our safety performance against other companies.

Each Group site has been internally audited under the new TZH WHS Audit Program.

In 2015–2016 we will be integrating our WHS and environmental management systems (EMS), and continuing the implementation of the combined Group management system.

Engaging our people

Employee engagement is critical in the adoption of safe behaviours in and around the workplace. To this end, we hold quarterly safety webinars for each Group site. Discussion points include safety performance across the Group, sharing best practice, and priorities for the next quarter of activity. We also initiated quarterly awareness campaigns across all sites this financial year. These campaigns included compulsory 'tool box talks' and posters outlining key safety priorities.

Consultation arrangements

A key component of our *TZH* strategy is the consultation with our workers. Our Group WHS system was developed following a series of workshops attended by representatives from a cross section of sites across the Group. We encourage the continual improvement of our WHS system and this is driven by feedback from workers across Group sites.

Each workplace has a designated Safety Representative and consultation arrangements in place. These arrangements allow workers to help shape decisions around workplace health, safety and wellbeing. We believe that this WHS consultation provides an opportunity for workers to contribute to the decision-making process concerning their own workplace health and safety.

Health and Safety Committees (HSC) bring workers and site management together in a co-operative effort to promote health and safety in the workplace. The HSC is tasked with making recommendations about health and safety matters, such as:

- Consulting with workers on health, safety and wellbeing.
- Assisting in resolving WHS issues and reviewing measures taken.
- Assisting in the development of arrangements for recording hazards and accidents to promote improved WHS.
- Investigating any matter that may be a risk to health and safety.



In 2015–2016 we will:

- Continue with quarterly awareness campaigns focusing on key priority areas.
- Continue with quarterly webinars.

Managing our risks

This financial year we focused on managing our hazards. Supporting this initiative, the National Safety Council of Australia (NSCA) was engaged to develop and deliver Plant Safety Risk Management training. This training was administered to more than 100 employees throughout Australia and will be rolled out in New Zealand in the 2015–2016 financial year.

Case study:

PACT'S SEND A SAFETY SELFIE CAMPAIGN

When we introduced *TZH* in 2014, one element of the strategy involved empowering employees with a sense of responsibility for their own personal safety. To reinforce this, all sites hosted ‘tool box talks’ and applied transparent safety decals to washroom mirrors with the phrase, “You are looking at the person responsible for your safety.”



A simple concept with a serious safety message

To acknowledge the United Nation's International Labour Organisation (ILO) World Day for Safety and Health at Work on 28 April 2015, the *Send a Safety Selfie* campaign was launched by the Managing Director and CEO, Brian Cridland.

This month-long awareness campaign encouraged all employees to send (via email or MMS) a *Safety Selfie* of themselves within the *TZH* decal.

All employees that sent a *Safety Selfie* received a *TZH* branded cap. The site that submitted the most *Safety Selfies* (pro rata by number of employees) won a \$5,000 site prize (to be used for a safety initiative) and the inaugural Pact Group Site Safety Award, to be presented at the 2015 Applause Awards (our Group-wide employee reward and recognition program).

A successful WHS campaign

In the 30 days of the campaign, 758 entries were sent from 55 Sites across four countries. There were four sites that achieved 100% participation and the winning site was Astron in East Tamaki, New Zealand which submitted a total of 53 selfies in the first week of the campaign.

Acknowledging the digital age we live in, we used the universal language of the selfie to reinforce a serious message about the need for employees to be aware of their responsibility for their safety at work.

The competition increased employee morale and the money won will be put toward their hazard management program at Astron East Tamaki, in particular a new process for removing residual plastic scrap from the on-site hoppers.

TOWARDS ZERO HARM

The TZH strategy seeks to transform Group sites into zero harm work environments, and ultimately to achieve zero injuries in the workplace.

Safety performance

In the event of an injury or incident at any site, details are recorded on Pact's online incident reporting system. This allows real time reporting, visibility, immediate escalation and management of incidents and injuries where required.

The primary measurement of safety performance we track is Lost Time Injury Frequency Rate (LTIFR). LTIFR represents the number of lost time injuries recorded for every one million hours worked over a rolling 12 month period. The graph below illustrates a sustained improvement over more than a decade, albeit with a disappointing finish for the 2015 financial year of 4.5. This translates to about a 20% reduction in actual Lost Time Injuries (LTIs) when compared with December 2013.



In keeping with our strategic intent to drive zero harm activity, we commenced reporting of the Total Recordable Injury Frequency Rate (TRIFR), which at Pact, represents the number of Medical Time Injuries (MTIs) and LTIs recorded over a rolling 12 month period per 1,000,000 hours worked.

Pact has commenced benchmarking against ASX100 companies with targets issued to each site and the executive team, seeking a quartile step improvement for the prior year's performance. Although the benchmark was not achieved overall, quite a few sites achieved a gold standard of zero injuries and we remain confident that our strategy will drive improvement. Where much of FY15 was occupied by building the TZH system and raising awareness, the challenge for the year ahead is to focus on improving performance.

Since the inception of Pact in 2002, the Group's safety record has been an area of critical focus. Despite our focus on safety performance, we regret that during the reporting period, the Group had its first fatal workplace incident involving a contractor at our VIP Villawood site.

Any injury or loss of life is unacceptable and the Group continues to strive towards a zero harm workplace.

We currently do not collate data on lost day rate, absentee rate or occupational disease rate (ODR).

Each site has safety performance targets and action plans, which they continue to work towards as part of their journey to zero harm.

Health and wellbeing

Improving the safety of our workplace goes beyond compliance. At Pact, we believe healthy workplaces reduce absenteeism and turnover, improve employee engagement, increase social inclusion and deliver greater productivity. Promoting the health and wellbeing of employees both at work and at home supports a better way of living and a more productive workplace.

In addition to programs aimed at incident and injury prevention, Pact acknowledges that the overall health and wellbeing of our employees as a significant contributing factor to the culture and performance of each workplace.

Over the past year, we have supported a number of health and wellbeing initiatives such as the Global Corporate Challenge to promote healthy living among our employees. These initiatives have targeted the physical and social issues at specific workplaces with programs to improve physical health and fitness, diet and nutrition.

Employee Assistance Program

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

Occupational physiotherapy

Group sites VIP Laverton North, Alto Wacol, VIP Truganina, VIP Moorabbin and Alto Mulgrave have all implemented an onsite occupational physiotherapy program to tackle musculoskeletal issues and reduce injuries to workers. Our on-site physiotherapists offer services that combine knowledge of our organisation's work environment, expert physiotherapy and occupational rehabilitation and a strong focus on injury prevention.

Overall Group results from our most recent *Employee Engagement Survey* held in October 2014 are:



55%

Participation for the Group was 55% in 2014 vs 54% in 2013



68%

Pact engagement score was 68% vs 65% in 2013 and 59% in 2012



KPI ↑

Greatest KPI improvements:

- IT Effectiveness (+7%)
- Corporate Leadership (+6%)
- Manufacturing Platforms (+6%)
- The only KPI to decline was Job Security (-1%)



>50%

Our priority for 2015-2016 is to continue improving engagement across the Group with maintained participation above 50%

Our provider also offers assessment of critical job demands, risk assessments and recommendations regarding a worker's capability to perform their physical job demands. In the case of a work related injury, the aim is for the Pact employee to remain at work, be productive and rehabilitate in a safe manner. For non-work-related injuries, the aim is to ensure that employees do not aggravate their injury at work and are safe to carry out their normal duties.

This program will be rolled out to other sites as needed over the coming months and years.

Employee engagement

Employee engagement speaks to the relationship between an employee and an organisation. At Pact, we want to engage with our people and build a sense of trust and commitment to ensure sustainable

employment opportunities in the context of challenging economic times.

The elevated outcome of employee engagement is fundamental to many programs and activities run throughout the Group, so measuring this engagement is vital to our continued success. Our primary means of doing so is the annual *Employee Engagement Survey*.

Employee Engagement Survey

Participation in our voluntary *Employee Engagement Survey* gives Group employees the opportunity to have their say anonymously on everything from their workplace, colleagues and managers to the broader business. Feedback is then integrated into our internal projects and programs.

In our 2014 survey, 26 of 27 Group Key Performance Indicators (KPIs) recorded improvements and only one KPI decreased (see graphics above).

Case study:

GLOBAL CORPORATE CHALLENGE

To support our goal of keeping our employees moving, we encourage all employees to participate in The Global Corporate Challenge (GCC). The GCC is a 100-day walking challenge with a goal of each participant reaching at least 10,000 steps per day. Participants wear a pedometer to record their daily step count which is achieved through a range of activities, including walking, swimming and biking.

In 2014, the Group fielded an impressive 51 teams with seven employees in each. Areas of the business involved included head office teams in HR, Finance, Sourcing, Business Services and Impact, as well as site-based teams across most Group locations including Alto, Astron, Brickwood, PlasPak, Salient, Signum, Snopak, Steri-plas, VIP Packaging and Viscount.

Pact returned a fantastic result, achieving first place in the Manufacturing and Operations category for the Asia-Pacific region. Our best-performing team came in 81st out of more than 40,000 participating teams from 1,200 companies across 185 countries.

The 2015 event began in May with Pact fielding 39 teams. The event finished in September.





Case study:

STEVE LONG

INAUGURAL APPLAUSE WINNER

Steve Long was the inaugural winner of Applause for his ready meal solution; Twinlock™. Steve was awarded \$20,000 for the innovative packaging solution.

Twinlock™ is a ready-meal tray that overcomes a problem perennial to the genre; namely condensation causing waterlogging of the meal after heating. The now patented design of the Twinlock™ tray allows the inherent moisture content of the ingredients to gently steam the meal and then crucially, the condensed steam then drains through the bottom of the inner tray into the lower one. The cooked meal is now moist without being waterlogged, thus optimising both texture and flavour.

Twinlock™ has since been commercialised and is on-shelf in supermarket freezers. In December 2014, Twinlock™ won the Silver Award for Innovation at the 2014 Australian Packaging Design Awards.

Employee development & recognition

We recognise that our people deserve reward and recognition for their positive contribution to the organisation. We are proud to invest in the training and development of our people, and offer a fun reward and recognition program to foster success and team spirit.

Training and skills development

Pact employee training and development is led by direct managers at site level, with corporate compliance programs managed by head office. These programs cover training across safety, diversity and operational improvement.

The implementation of our new Information Technology (IT) platform in 2014 has expanded the staff access and use of online training programs within the Group. Courses available include computer software, leadership and management, as well as a range of safety topics.

Performance reviews

Further development and career considerations are prompted as part of the bi-annual performance appraisal for all salaried staff.

The Pact performance appraisal process aligns employee performance with the achievement of business goals. It also provides a platform for employees to discuss career aspirations and development requirements.

All salaried staff are required to complete two performance appraisals per year: a mid-year review around December and an end of year review in June.

We believe it is 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, and we encourage everyone to make full use of the process.

Applause – Pact's reward and recognition program

Applause is a Group-wide reward and recognition program that helps cultivate success and drive innovation throughout the business. Acknowledging that the best ideas come from engaged and talented employees across the Pact business, *Applause* rewards individuals who demonstrate passion, persistence, drive, initiative, dedication and commitment beyond their role.

Employees can nominate themselves or a co-worker in categories aligned with the Group's *Vision and Values*. Pact's *Vision* is to enrich lives everyday through sustainable packaging solutions.

Our *Values* are:

- We walk in our customers shoes to serve them better
- We are committed to sustainability and providing an honest and respectful environment
- We are passionate about driving results
- We pursue opportunities for transformational change
- We act with speed and purpose

Since its launch, the program has netted more than 500 ideas, awarded more than \$150,000 in prize money and saved one manufacturing site around \$1.2 million dollars.

The 2014 program received a record number of nominations and awards with 203 submissions, 136 silver awards, 10 gold awards and six platinum finalists. Two of these finalists submitted ideas addressing 'Sustainability and Respect', in line with our vision and values. These ideas were:

- A cost effective solution for a temperature control problem at one of our sites with potential to assist other sites with similar issues.
- Moving to a single storm water filtration point to reduce the labour time required to maintain the current 45 individual filtration points at one of our larger manufacturing sites.



ENCOURAGING DIVERSITY DRIVES OUR ABILITY TO ATTRACT, RETAIN AND DEVELOP THE BEST TALENT.

Diversity

At Pact, we recognise our responsibility to respect people for their contribution to the organisation regardless of their background and we are committed to the maintenance and promotion of workplace diversity to ensure that we provide a discrimination-free place of work. Encouraging diversity drives our 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 Pact business. Pact is a multicultural organisation operating across many countries and asks only that people are respectful of each other as we go about our daily activities.

Diversity Policy

The Board approved a Diversity Policy in January 2014. The Company's Diversity Policy can be accessed under Corporate Governance in the Investors section of our website. Pact's vision for diversity incorporates a number of different factors, including gender, ethnicity, disability, age and educational experience.

Gender diversity targets for 2014 and beyond

Our Board set the following gender diversity measurable objectives for the 2014-2015 financial year:

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

Since setting the measurable objectives in April 2014, we continue to focus on establishing the systems and processes required to ensure that the Group is able to manage, monitor and achieve the objectives. Progress towards reaching our goals has been made as follows:

- External recruiters have been requested to source female candidates for all salaried staff vacancies.
- It is recommended that on implementation of Pact's Human Resources Information System Recruitment Module in 2015, no salaried appointment can be made unless a minimum of one female candidate has been made job-ready for the role.

IN 2015–2016 WE WILL CONTINUE OUR FOCUS ON DIVERSITY IN THE WORKPLACE WITH EXTENDED FOCUS ON ENGAGEMENT OPPORTUNITIES FOR WOMEN IN THE GROUP.

- The annual salary review now includes gender detail to enable the identification of any gender pay equity imbalance, with a view to correcting/minimising any such imbalance as part of the final approval process with the CEO.
- The Group lodged its annual public report with the Workplace Gender Equality Agency (WGEA) including detail on gender pay equity for the second time in 2015. It has been confirmed by the WGEA that it achieved compliance status.
- The 2014 *Employee Engagement Survey* completed in October 2014 asked six questions regarding diversity and non-discrimination which received positive feedback.

More detail on gender diversity at Pact is available in our Corporate Governance Statement which can be accessed on the Corporate Governance section of the investor website.

Professional networking

Several years ago, Pact established a professional women's networking group to meet the requirements of Australia's *Workplace Gender Equality Act*. Based in Melbourne and catering to the professional women in the Group, the group hosts up to four events throughout the year with inspirational women speaking at each event. As gender diversity has become a focus of our growing business, we recently renamed the group *Pact♀ Network* and intend to expand the program beyond Melbourne in 2015.

In 2015–2016 we will continue our focus on diversity in the workplace with extended focus on engagement opportunities for women in the Group.

Workforce growth

In every region, our workforce increased this year. Our greatest age category for new hires, for both men and women, was the under 30 category.

Diversity in our governance bodies

The Pact Board includes six individuals, all of whom are in the 50+ age category. This includes five men and one woman.

Parental leave

Flexible work arrangements are implemented as needed for those employees returning from parental leave. As a result, we have retained 97% of returning mothers, and 100% of fathers. A total of 32 women took parental leave during the reporting period with one choosing not to return to work at the completion of the leave period.

All permanent employees, both male and female, are entitled to take parental leave once they have completed one year of service with Pact.

Return to work and retention rates of employees who took parental leave, by gender:

	Female	Male	Total
Returned	23	2	25
Still on leave	8	1	9
	31	3	34
Total on parental leave in FY15	32	3	35
Retention rates	97%	100%	97%

Note: these figures are based on assumption that those still on leave will return.



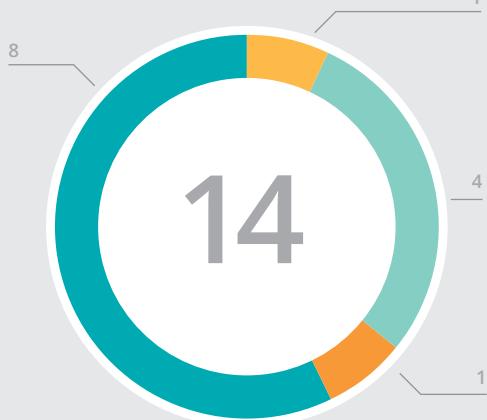
Diversity across our business

Across our business, we are committed to providing a range of diverse employment opportunities for both men and women, and across various age groups.

Board*

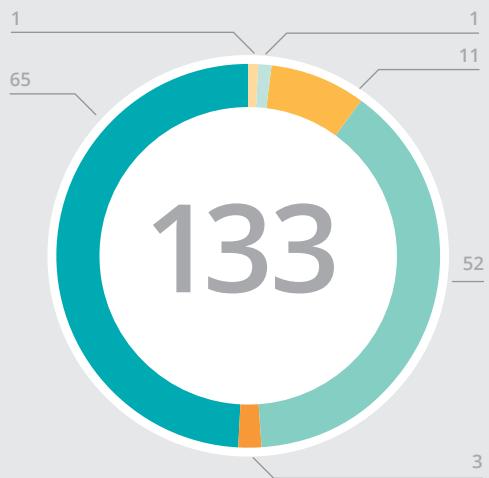


General Manager & CEO

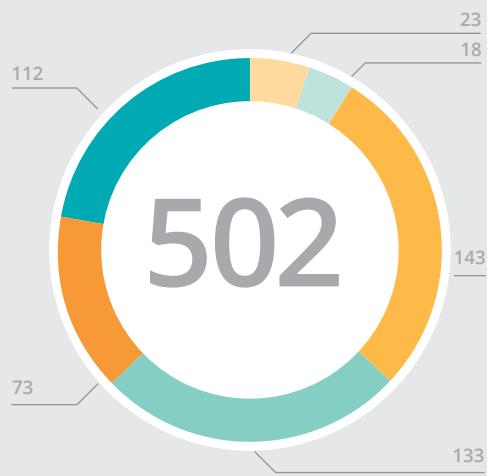


Under 30 Female
30 to 50 Female
Over 50 Female

Managers

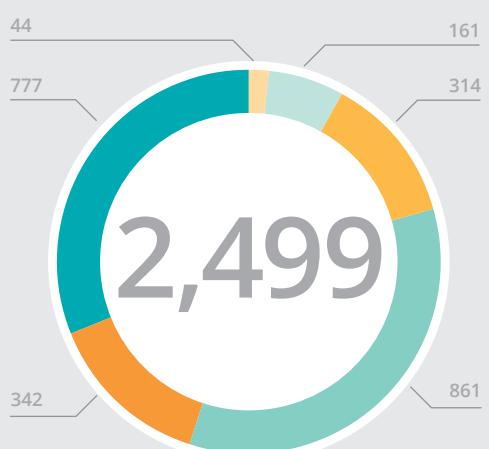


Professionals, Sales & Administration

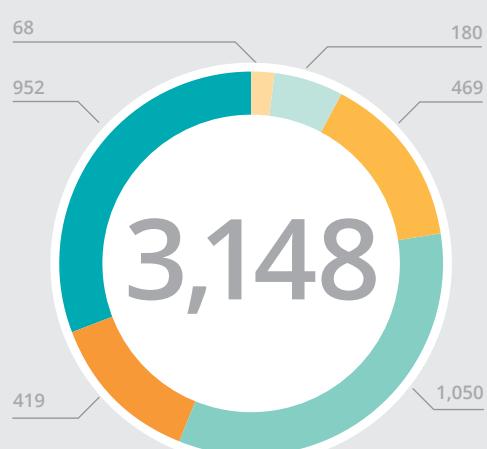


Under 30 Male
30 to 50 Male
Over 50 Male

Operations



Total Employees



Under 30 Female
30 to 50 Female
Over 50 Female

* Board not included in total employees

THROUGH THE DIVERSITY OF OUR TEAMS, SITES AND OPERATIONS, PACT IS COMMITTED TO THE PRINCIPLES OF FAIR AND EQUITABLE LABOUR RELATIONS.



Labour relations

Through the diversity of our teams, sites and operations, Pact is committed to the principles of fair and equitable labour relations. The right to freedom of association and collective bargaining are upheld in all of our Australian and New Zealand operations, with 53% of our permanent workforce covered by these agreements.

Most 'blue collar' positions are covered by awards and/or collective bargaining agreements negotiated with third party bargaining agents like unions whilst most 'white collar' employees are engaged under a common law contract of employment which details entitlements, protections and responsibilities.

Contractual agreements at Pact observe statutory minimums in relation to termination and redundancy processes, and in some cases exceed these provisions.

In an effort to keep employee satisfaction and motivation in sharp focus, Pact measures and reports on several facets of labour relations over the course of the year. In 2015, we reported the following:

- Four weeks' notice is typically provided to Group employees prior to the implementation of significant operational changes that could substantially affect them.
- For Group partners with collective bargaining agreements, notice periods and provisions for consultation and negotiation are specified in collective agreements.

	Common Law Contracts	Collective Bargaining Agreements	Total employees	% Employees covered by Collective Bargaining Agreements
Australia	495	1433	1928	74
New Zealand	561	225	786	29
Singapore	5	0	5	0
Thailand	79	0	79	0
China	301	0	301	0
Philippines	26	23	49	47
Total	1467	1681	3148	53

ENVIRONMENT

At Pact, we believe the only way to be a sustainable organisation is to operate sustainably within our environment.



That is why at every site and at every level of the Group, sustainability is entrenched in our way of thinking; from the design and life cycle of our products through to the minimisation of manufacturing waste.

We are committed to the continual improvement of our environmental performance across sites. To this end, we have set improvement targets for energy use, greenhouse gas emissions and waste reduction, and focus on the entire life cycle of our products to reduce impacts at every step.

Reducing the environmental impact of our operations and services has been, and will continue to be, a long term commitment at Pact. We work hard to conserve energy, minimise waste, prevent pollution, save water and use raw materials wisely. Pact is committed to ensuring all products, services and activities meet the requirements of our stakeholders without compromising the needs of future generations.

Key risks to our environmental sustainability

Pact understands analysis and management is key in the mitigation and offset of risk. We are committed to upholding robust environmental standards for our Company and stakeholders and have outlined the primary risk to our environmental sustainability as a failure to comply with environmental or dangerous goods regulations and laws which could result in penalties or plant shutdowns.

To minimise this risk we subscribe to an online legislation directory to ensure we are up-to-date with all legislation requirements. Additionally, annual audits are undertaken by the Group Risk Team to ascertain whether sites are compliant with all environmental requirements.

Managing our potential impacts

Environmental Policy

The Pact Environmental Policy (the Policy) details our commitment to sustainable progress whilst protecting our planet. The Policy outlines our commitment to the continual reduction and prevention of pollution; our compliance with applicable environmental laws; and our continuing pledge to set and review environmental objectives and targets.

The Policy is supported by an environment management system (EMS) implemented at every site within Australia and New Zealand.

Environment management system

Pact operates under a Group EMS aligned with ISO14001. The EMS is fundamental in achieving compliance with environmental regulations in all the jurisdictions in which we operate. To assess compliance, each site is audited annually against the Group EMS Standard, with a target score of >95%.

The Group EMS manages our environmental risks and legal compliance, as well as enhancing our reputation and meeting customer expectations.

In 2015–2016 we will integrate the Pact WHS and EMS, and continue implementation of the Group management system.

Engaging our people

Our people are key to achieving Pact's environmental goals. Without an engaged workforce, we cannot expect the adoption and adherence of Group policy whether it's about safety, the environment or ethics.

Annual forums have been held in Melbourne, Sydney, Brisbane and Auckland to enable Environment representatives from all sites to meet and share ideas, as well as to communicate any important environmental information.

Pact provides all sites with access to a central document portal containing the Group's environmental documentation. Through this portal, employees can access EMS documents, procedures and templates, audit guides and other helpful documents and external links.

Compliance

There were no material incidents of non-compliance with environmental management regulations at sites during the reporting period.

Grievance mechanisms

In 2015, we introduced our online incident reporting system. This allows real-time incident reporting, visibility and immediate escalation and management of incidents where required.

Sites holding environmental licences are required to keep a Community Complaints register for all external complaints received. There were no complaints received or material incidents advised during the reporting period.

Energy and emissions

At Pact, we strive to improve our energy use and management of greenhouse gases (GHG) across all operations. We make resource efficiency a Group-wide consideration with sites required to accurately monitor and reduce energy consumption.

- Pact uses both electricity and natural gas in product manufacture.
- Pact participates in the National Greenhouse and Energy Reporting (NGER) Scheme. The *National Greenhouse and Energy Reporting Act* requires the annual reporting of GHG emissions and energy use.
- Pact began NGER reporting in the 2013–14 financial year as Pact Group Holdings Ltd.

In 2014-2015 Pact (Australia only) consumed 1,132,931 GJ of energy which was equivalent to 266,122 tCO₂e GHG emissions. The breakdown of this result is as follows:



Electricity

917,653 GJ
254,454 tCO₂e



LPG

24,531 GJ
1,469 tCO₂e



Natural Gas

161,481 GJ
8,289 tCO₂e



Transport (3 fuel types)

26,034 GJ
1,814 tCO₂e



VOCs

N/A GJ
N/A tCO₂e



Diesel (stationary uses)

1,379 GJ
96 tCO₂e



Butane

1,853 GJ
N/A tCO₂e

Total	1,132,931 GJ 266,122 tCO ₂ e
OR	
Scope 1	11,668 tCO ₂ e
Scope 2	254,454 tCO ₂ e
Scope 3	N/A

Energy improvements

We have improved energy efficiency across sites through:

- Improved operations, streamlining processes and eliminating unnecessary steps wherever possible.
- Upgrading our equipment, such as the installation of Fridgel air chillers and electric blow moulding machines at Alto.
- Waste material control and specific energy saving opportunities such as compressed air leak management.
- Improved lighting systems and the use of thermal imaging for detecting hot spots.
- Installing smart meters at the majority of sites, adding the capability to monitor energy use in real time up to the previous day.

Equipment upgrade at Alto Henderson

Supporting Pact's sustainability objectives, Alto Henderson has commissioned a new fully electric extrusion blow moulding machine (EBM) for the production of multi-cavity bottles up to 5 litres in size. The site has confirmed the electricity consumption is approximately 40% less than the equivalent hydraulic oil machine. The electric EBM machine also allows for a significantly quieter and cleaner working environment. The machine movements are fast and precise, adding to the machine's efficiency in the production of quality bottles parison after parison.

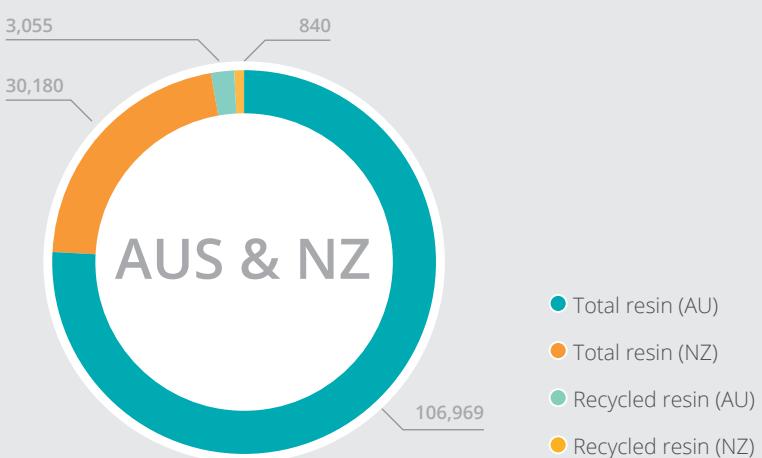
Materials and waste

At Pact, we know materials and waste are a big part of the packaging and manufacturing industry so we work hard to ensure our processes are as efficient as possible. We look for opportunities to refine each stage in the packaging life cycle, from material selection and the manufacturing process, to the availability of end of life recycling. Pact is committed to sourcing and developing the most environmentally sustainable outcomes for our product range.

Materials

Wherever possible, Pact products are lightweighted, thereby reducing the excessive use of raw materials. Recycled material is used wherever possible, including in industrial products such as waste bins that have up to 30% recycled content.

Total materials consumed in Australia and New Zealand is shown in the graph below tonnes:



Total resin used in Asia was 996,407 tonnes per annum.



Waste

Reducing the environmental impact of our operations and services has been a long-term commitment at Pact. At each of our sites, we work hard to not only produce a package that is recyclable, but to minimise the waste created during the process. Our aim is to eliminate waste production at our factories and to produce packaging that is 100% recyclable.

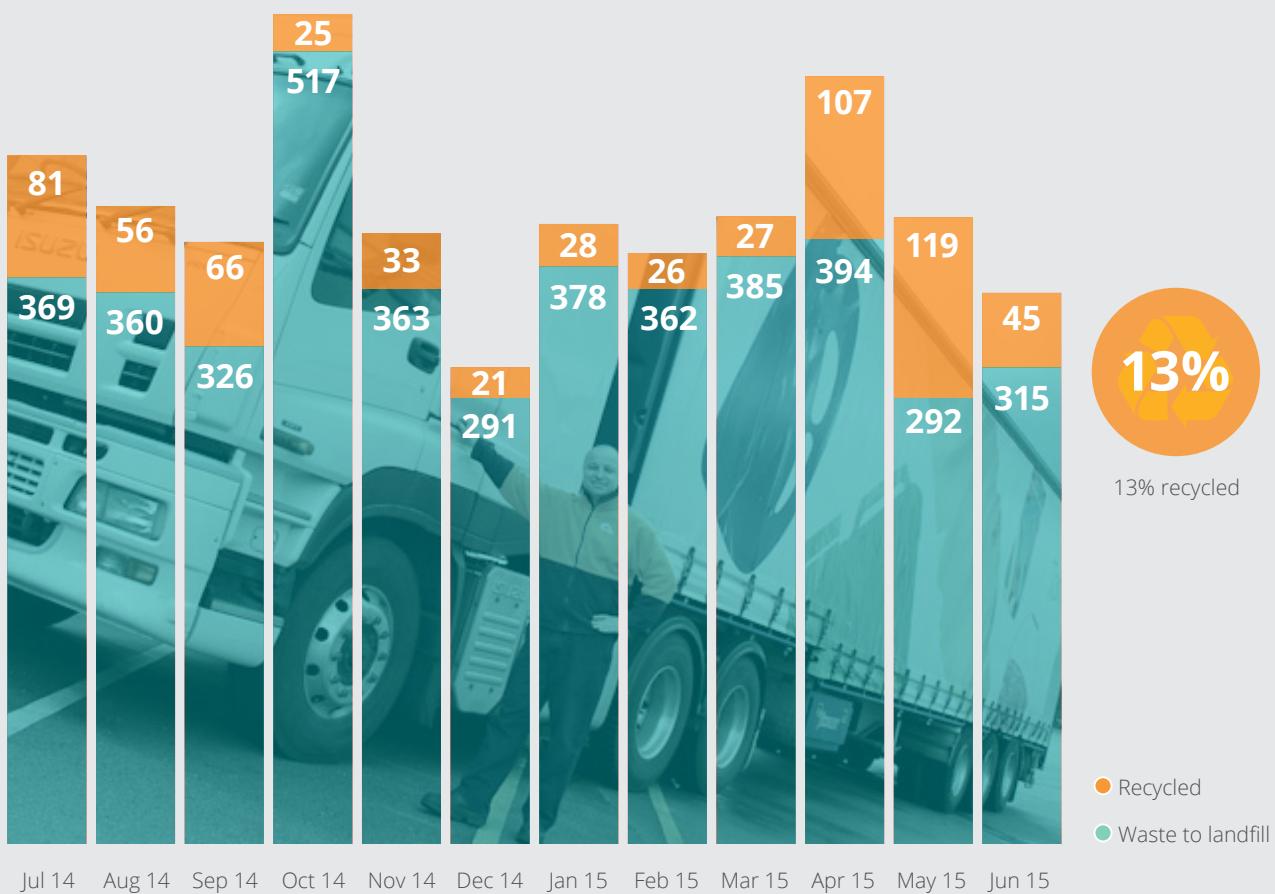
Packaging in itself is designed to minimise waste and we believe our packaging should not end up in landfill but continue to provide a service through recycling.

Pact is committed to minimising waste production and increase material recycling through the utilisation of internal recycling processes and businesses. We work with our waste management provider to ensure we divert as much waste from landfill as possible. We most commonly recycle paper, cardboard, steel, plastic, used oil and steel drums, and intermediate bulk containers.

Where possible, product offcuts are internally reground. Where the offcuts have been contaminated e.g. come into contact with the ground, these materials are collected for offsite recycling. HDPE and PP are recycled by Pact subsidiary, Astron. In return, Astron makes recycled resin, cable covers and slip sheets from the scrap plastic.



Tonnes of waste produced 2014–2015 (Australia only)



AT PACT, WE REALISE THAT A ZERO WASTE TO LANDFILL GOAL CAN ONLY BE ACHIEVED THROUGH THE ENGAGEMENT OF OUR PEOPLE.

To get our people involved we instituted a number of site changes including:

- Setting up common waste signage across our sites.
- The launch of an annual waste awareness campaign – *Bin it Right, Both Day and Night.*

Incidents

We are proud to note there were no material spills across sites during the reporting period.

PACT'S WAR ON WASTE

We have recently broadened and redefined our approach to environmental sustainability and are presently launching our new *War on Waste* initiative. Pact's *War on Waste* addresses the Group's inherent conviction that we must be more than just 'responsible' in the way we tackle waste in its afterlife. Our *War on Waste* is aspirational and focussed on introducing new products and processes that will eliminate waste from every point in the supply chain; from our manufacturing process to our customer's application and ultimately the consumer's use.

Pact's *War on Waste* encompasses three pillars:
Food Waste, Resource Waste and Operational Waste

PACT'S WAR ON
WASTE INITIATIVE WAS
LAUNCHED IN 2015
AND ITS FRAMEWORK
AND PRINCIPLES WILL
BE PROGRESSIVELY
EMBEDDED THROUGHOUT
THE GROUP OVER THE
COMING MONTHS.

OUR 2015-2016
SUSTAINABILITY REPORT
WILL FOCUS ON WAR ON
WASTE PROGRESS AND
CASE STUDIES.



COMMUNITY

Like the citizens that make up a nation, every business has a responsibility to the community in which it resides.

The actions undertaken by one party will no doubt impact another; that is why we believe it is important to engage with and support the communities in which we operate. At Pact we produce a wide range of packaging and related products to service customers in many sectors including food and beverage, personal care and household consumer goods. We are passionate about each product we produce and the experience of each person using it. We want every interaction with our brand to be a good one and this extends to our community engagement philosophy.

We believe it is important to nurture a spirit of generosity and to support causes important to our people and the broader organisation. This helps build a sense of community and team, which leads to happier, more productive employees and consumers.

Corporate social responsibility

At Pact, we know the importance of corporate social responsibility (CSR) and we value every opportunity to engage with the community and support the causes that matter to them.

The past financial year has seen the Group support a number of events and awareness campaigns across health and wellbeing, community and environmental causes.

We actively participate in our local communities through corporate investment, sponsorship, fundraising and employee participation and we are always on the lookout for new ways to contribute.

Here are just a few of the initiatives we have supported in the 2014-2015 financial year either at Group level or across sites:



Cancer Council's 'Australia's Biggest Morning Tea'

An opportunity for workmates to come together, share a cup of tea and help those affected by cancer, Australia's Biggest Morning Tea has been an annual feature of the Pact calendar for the last nine years.

From bake-offs to catered events and gold coin donations, sites are encouraged to host an event that suits them. Some sites order in pizza for each shift, others ask everyone entering the site for the day (or month) to donate a gold coin to the Cancer Council.

We are proud to have raised more than \$60,000 since hosting our first Morning Tea event, helping provide funds for vital cancer research, prevention and support services across Australia. This year we raised more than \$10,000, and consequently, have been granted the opportunity to sponsor a research project for Cancer Council. The Pact Group Research Award will help fund research into the treatment and causes of melanoma in all age groups.



Royal Flying Doctor Service's Outback Car Trek

The Outback Car Trek is an annual motoring event to raise money for Australia's Royal Flying Doctor Service (RFDS). The Group has participated in and helped sponsor the Trek for the last five years.

Supporting the Trek entry of our customer Lion, we contributed significantly to help fund the purchase of medical equipment and the rollout of the RFDS *TOOTH* program which delivers dental service to regional communities. Our Salient site also provides sponsorship for a quarter of customer PAX's entry in the event.

Delivering primary health care and emergency services to those who live and work in remote and rural Australia, the RFDS is one of the largest and most comprehensive aeromedical organisations in the world.



Product donation to OzHarvest

OzHarvest rescues approximately 280 tonnes of quality excess food from commercial outlets every week, delivering it free of charge to 600 charities across Brisbane, Gold Coast, Newcastle, Sydney, Canberra, Melbourne, Adelaide and Perth.



Pact has donated around 3,000 rigid plastic crates to OzHarvest for the storage and transportation of food stuffs. Made from recycled polypropylene, the reusable crates have a lifespan of around seven years making them ideal for long-term use.

On 24 June 2015 Pact was announced as a finalist in the *Best Corporate Social Responsibility Report or Initiative* category of the World Dairy Innovation Awards for our partnership with OzHarvest. The Awards took place in Amsterdam as part of the 9th Global Dairy Congress. The judging panel considered almost 220 entries from 30 countries in 18 categories.



Cancer Society's 'Daffodil Day'

The annual flagship event of New Zealand's Cancer Society, Daffodil Day raises awareness and funds for cancer research, patient support and education programs.

Cancer affects one in three New Zealanders and several of our Group sites there host Daffodil Day events to raise money for and promote this important cause. The 2014-2015 financial year has seen several of our New Zealand sites raise funds for the Cancer Society.



Sponsoring children's education at Plastop, Philippines

Group site Plastop provides educational support and sponsorship to the children of employees from kinder all the way through to year 12. Each child receives sponsorship to the total value of 15,000PHP (\$360) to help cover the cost of books, shoes, uniforms, transport, field trips and school supplies.

This ongoing support helps parents provide quality education to their children. Many families are now able to send their kids to better schools, resulting in a higher overall outcome for the community.



Heart Foundation's 'Ice Bucket Challenge'

While heart disease and stroke death rates have fallen considerably since the establishment of the NZ Heart Foundation in 1968, heart disease is still the single biggest killer in New Zealand today.

Raising money and awareness for this important cause, the Alto Hamilton Food Management and Warehouse teams completed a mass ice bucket challenge in memory of Campbell, a long-serving member of the Warehouse team.

With 12 management staff taking part, the event was a great success raising approximately NZ\$700 for the Heart Foundation to help fund its heart health research, cardiac rehabilitation and education programs.



Product Donation to WasteAid

Pact subsidiary, Sulo, has recently been involved with a relatively new organisation, WasteAid, which has been established to provide basic waste services to disadvantaged areas of Australia, predominantly assisting Aboriginal and Torres Strait Islander populations. Sulo recently provided the waste bins for the Bourke and Engonia projects and plans to participate further in the 2015-2016 financial year.

Corporate social responsibility moving forward

At Pact we understand every community is unique, and different causes matter to different people. While we share common goals, we understand there are other issues and causes also important to our people. That is why we are launching a new structured community program in the 2015-2016 financial year, enabling employees to apply for funding to support the causes they are involved in.

This program will address key areas of focus raised by our employees in a prior *Employee Engagement Survey*.

Human rights and community engagement

Pact is committed to giving back to the communities in which we operate. We focus on undertaking community involvement activities that are both relevant to our business and focused on assisting others. We acknowledge the link between a healthy community, a growing economy and the success of our business.

Understanding the many and varied social responsibilities of our business is a complicated task, however we are working to address our national and international links, as well as our numerous local community obligations.

We have made progress in identifying the social impacts of our business, meeting our community responsibilities, and making choices to participate in areas relevant to our geographic location and employee preferences.

Given the breadth of Pact community programs and initiatives already in place, we have not found it necessary to quantify the percentage of Group operations with implemented community engagement, impact assessments and development programs. We do acknowledge this position may change in future years as Group projects evolve.

Human Rights

Pact seeks to uphold universal human rights, including accessibility, non-discrimination and labour rights, across all of our sites. This is reinforced through our commitment to the United Nations Global Compact (see page 27) and its principles, including those related to human rights.

Our Code of Conduct requires the fair and equitable treatment of all Pact employees, contractors and customers, and establishes the responsibilities of all employees in this regard.

Our Quality Policy ensures we operate in a manner that meets international standards. This includes providing our suppliers with a Supplier Code of Conduct when applicable. The Supplier Code of Conduct requires that our suppliers comply with the objectives of our Quality Policy and are part of a supply chain that upholds ethical, social and environmental principles.

Pact is committed to being an equal opportunity





employer and to ensuring its workplace is free of unlawful discrimination, harassment and bullying. Our Equal Opportunity, Harassment and Bullying Policy details this commitment.

Our Code of Conduct, Quality and Equal Opportunity, Harassment and Bullying Policies can be viewed on the Pact website.

We note that there has been one incident of discrimination during the reporting period. There have been no grievances about human rights impacts filed through formal grievance mechanisms during the reporting period.

In this reporting period, we have not held any training addressing human rights.

Child and forced labour

As a signatory to the United Nations Global Compact, we are committed to supporting and respecting internationally proclaimed human rights, and as part of this, to the abolition of child labour and forced labour worldwide. As a business, our Code of Conduct and other Group policies condemn and resolutely prohibit child and forced labour. There have had no incidents of child or forced labour within the Group that we are aware of during the reporting period.

United Nations Global Compact

The United Nations Global Compact (UNGC) is a strategic policy initiative for businesses committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

As business is a primary driver of globalisation, UNGC signatories can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere.

Pact subsidiaries VIP Packaging and Alto have been signatories to the UNGC for many years. Pact became a signatory in 2014, absorbing VIP and Alto into the single signing.

Sedex

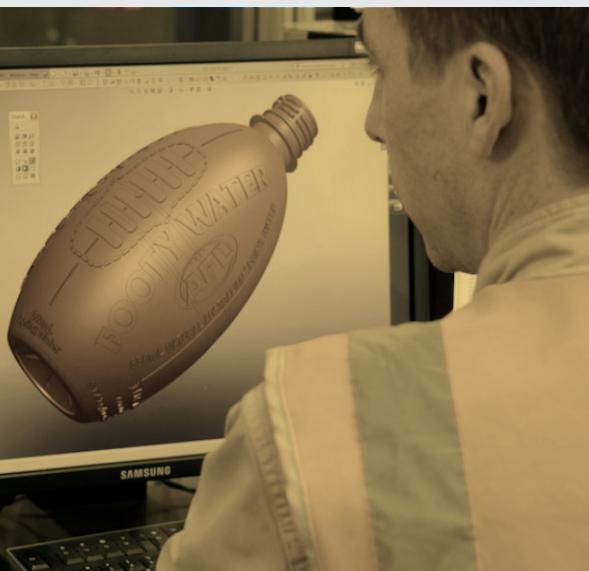
Sedex is a simple and effective way of managing ethical and responsible practices across the supply chain. The secure online database allows members to store, share and report on four key areas: Labour Standards, Health and Safety, the Environment and Business Ethics.

Sedex is currently a tender requirement for some of our customers, as they review and track the sustainability credentials of their supply chain.

Some of our sites have undergone a Sedex Members Ethical Trade Audit (SMETA). Publicly available and one of the most commonly used programs in the world, SMETA was developed to provide a best practice framework for social auditing and reporting. It is designed to meet multiple customer requirements and to minimise the duplication of ethical audits.

LEADING THE WAY ON PRODUCT STEWARDSHIP

Everyday we strive to design, source, engineer and manufacture packaging solutions that our customers – and their consumers – will love today and tomorrow.



We work with some of the world's biggest brands, building, designing and engineering the packaging solutions that are right for them. Through innovation and responsible product stewardship we can ensure the lifecycle of each product - from production, to sale, use and disposal - is managed in the most sustainable way, minimising the environmental, social and health impacts as much as possible. It is not just good design, it is good business.

Inpact Innovation – from concept to commercialisation

Inpact Innovation is Pact's internal innovation business. Inpact's creative consultants and technical, engineering, design and sustainability experts work collaboratively to stretch conventional thinking and identify opportunities through insight led innovations, to take a creative concept into the commercial world.

Inpact's Innovation Model

1. Create

The creative process starts with category mapping to gain an insight into the competitive environments in which our customers operate. We identify the key influences of brand, product, packaging design and retail navigation. Throughout the process, the consumer remains the central focus so we can better understand their behaviour and improve their experience. The insights extracted during this process guide our strategic innovation.

2. Source

Pact searches the world to find and secure the latest technological innovations so we can deliver world-class packaging solutions and designs. Our innovation and technical teams work collaboratively to ensure each design challenge is considered from all angles. If we do not already hold the solution, we will find a way to make it happen.

3. Engineer

Concepts are transitioned from sketched illustrations on a page to full 3D rendering and tool design. Our engineers manage each step of the process, taking the project from the conceptual phase through to implementation. All aspects of making the concept more environmentally sustainable are considered from lightweighting via material reduction, material switching and use of recycled content. This end-to-end process means each project is consistently monitored, enabling us to identify potential hurdles early and safeguard our success.

4. Manufacture

Operating in more than 100 market segments across almost 22,000 product variants, Pact has the manufacturing capabilities and technological know-how to take Inpact's concepts through to commercialisation.



Case study:

EXTRALOK

Pact has lightweighted the 38mm Hot Fill Closure to create the new 38mm ExtraLok Hot Fill closure enabling customers to reduce bottle finish thickness without compromising performance.

The patented ExtraLok, bead-behind-the-wing, scored tamper band enables excellent tamper evidence for robust seal performance in an enhanced lightweight design. The weight reduction from the former closure is 33% from 4.5 grams to 3 grams.

According to a desktop lifecycle analysis, the annual environmental saving of ExtraLok is equivalent to one of the following:

- Planting 847 trees
- Energy consumption of 320 homes' daily use
- Water usage of 7 Olympic swimming pools
- 1536 household wheelie bins of solid waste

Packaging and the journey towards holistic sustainability

Packaging plays a key role in day-to-day life, allowing us to transport, store and consume a huge range of products at our consumers' convenience. Performing a number of key functions, packaging helps preserve and protect its contents, it informs consumers of relevant product information, facilitates product usage (like easy-pour bottles), transports and stores contents.

Great packaging can help the consumer identify with and select one product over another. It has a life after the product is used and can be repurposed, recycled or reconditioned. Great packaging may be 'single use' in its primary purpose, yet its design and manufacture ensures a positive life after initial use.

We all know plastic packaging can have a significant impact on the economy, environment and society. Plastics that are wasted or littered can be harmful to the environment, but when plastic is treated as a resource, there are significant benefits and cost savings on offer. Through intelligent redesign, use of recycled content, recycling and reconditioning we are doing just that.

At Pact, we work hard to enrich lives through sustainable packaging solutions. This vision informs everything we do. It encompasses the entire life cycle of our packaging, from our suppliers, to our customers and the end consumer. As such,

we provide a range of sustainability, recycling and environmental services to help our customers reduce the environmental impact of their product packaging and related processes.

We try to design our packaging not only to suit the product, but to ensure that its end-of-life management suits existing recycling systems, collection programs and curbside recycling. We utilise the most appropriate materials, eliminating harmful substances whenever possible, and we label our products with advice for appropriate end-of-life disposal so they do not become an environmental problem in the future.

At Pact, we look at how packaging is used and find ways to make it better. For us, the more sustainable our approach, research and development is, the better. That is why we utilise a suite of dedicated tools to help us assess our packaging against sustainability criteria and determine how best to reduce environmental impacts, measure progress and identify marketing opportunities. These sustainability tools include:

- Environmental Life Cycle Assessments (LCA)
- Packaging Impact Quick Evaluation Tool (PIQET®) assessments
- Recycling assessments
- Packaging redesign to improve environmental performance

A commitment to product stewardship and sustainability with the APC and NZPPSS

Our Group brands are signatories to the Australian Packaging Covenant (APC) and the New Zealand Product Packaging Stewardship Scheme (NZPPSS). Both programs are sustainable packaging initiatives aimed at changing the culture of business to produce more sustainable packaging, increase recycling rates and reduce packaging waste. An agreement between government, industry and community groups, the APC (and the NZPPSS) represents an opportunity for business to voluntarily demonstrate leadership in sustainable packaging design, material recycling and reuse, and product stewardship. The APC Action Plan is a key factor in the decision-making and activity of each brand, helping guide improvements and shape the Group's environmental performance.

As part of our APC commitment, we assess our products against the Sustainable Packaging Guidelines. These assessments are stored on a database along with product information. Designed to search and store a range of product information, the database helps our team review and improve on existing packaging design and engineering. It can also be used in discussion with our customers, helping inform their packaging choices.

Life cycle assessments

In order to respond to consumer concerns and supply chain pressure, brand owners need to move beyond the environmental footprint of their operations to include the environmental impact at product level.

A life cycle assessment (LCA) is an internationally recognised approach in the assessment of the environmental impact of products and services across all phases of their life cycle, from raw material extraction and processing, product manufacture, component manufacture, transport and end-of-life disposal.

Pact measures the environmental impact of each stage of the package life cycle with a range of evaluations including Sustainable Packaging Guidelines' assessments, PIQET® assessments, and short and full LCAs. These assessments determine how best to reduce the environmental impact of packaging, measure our progress, report against the APC and the Environmental Code of Practice for Packaging (EcoPP) requirements, and help identify green marketing opportunities.



Case study:

AIP OIL CONTAINER RECYCLING PROGRAM

The AIP (Australian Institute of Petroleum) Oil Container Recycling Program is an industry led product stewardship program developed to recover domestic plastic oil containers less than 10L in size.

The general public can dispose of used motor oil containers and oil residues, free of charge, from selected transfer stations. As oil containers are not accepted via household kerbside recycling, prior to this program plastic oil containers were all sent to landfill.

Pact has steadily rolled out the program since 2004 and there are now more than 380 pickup locations, servicing approximately 80% of the Australian population.

In 2014, Pact collected more than 500 tonnes of oil containers and granulated those containers for further recycling.

According to a desktop life cycle analysis; the annual environmental savings of this program are the equivalent to all of the following:



Planting
548 trees



Energy
consumption
of 347 homes



Water usage
of 0.2 Olympic
swimming
pools



4,536 household
wheelie bins
of solid waste

Recycling

Recycling plastic makes sense ecologically and economically – for our customers, ourselves and our community. Treated as a resource, recycled plastic reduces waste, material handling and saves costs. Sustainability Services is a growing facet of our business. We are proud to be one of the largest recyclers of resin in Australia and New Zealand. We most commonly recycle high density polyethylene (HDPE), and polypropylene (PP) but we also handle other grades of plastic.

We collect and clean industrial plastic scrap in Australia and in New Zealand, break it down, granulate and extrude it. Once we have processed it we either return the reprocessed plastic to the original source (tolling); sell it as graded plastic resin; or convert it into second generation products including underground cable covers, piping and slip sheets.

Reconditioning

Pact is one of the leading drum reconditioners in Australia and New Zealand, supplying and collecting both steel and plastic drums across both nations. Reconditioning extends the life cycle of the drums without compromising their quality. It also provides a cost-effective and complementary alternative to new packaging. It is the perfect combination of economy and ecology.

In the past 12 months, Pact has collected almost 900,000 used steel drums for reconditioning with 80% of these reconditioned into good-as-new drums for reuse and the remaining 20% sent to steel recyclers.

Both open head and closed head drums are collected, cleaned, reshaped and repainted into drums that have the majority of functional characteristics of new drums. Internal lining can be provided to satisfy food grade or water based applications. Reconditioning drums in this manner replaces the need to manufacture new drums (which are made from new steel), which greatly reduces the overall impact on the environment.

Along with standard open- and closed-head reconditioned drums, Pact offers hydraulically formed Re-Make drums combining the economy of a reconditioned drum with the standard and performance of a new one.

The Group is also a leading intermediate bulk container (IBC) service provider in Australia and New Zealand.

THROUGH OUR RECONDITIONING SERVICE, WE CAN EXTEND THE LIFE CYCLE OF IBCS WITHOUT COMPROMISING THEIR QUALITY.

In the past 12 months, the Group has collected more than 116,000 used IBCs for reconditioning. IBCs are collected and cleaned using specially designed equipment, and as a result, are able to be used as good as new IBCs. In some circumstances where the inner bottle cannot be cleaned, it can be removed from the steel cage and replaced with a new bottle.



Industry and customer programs

Pact's industry and customer programs are dedicated collection and recycling services that recover the products everyone else will not. In the past 12 months, for instance, the Group has collected more than 500 tonnes of plastic oil containers and granulated them for further recycling.

These programs are as follows:

Australian Institute of Petroleum

- The AIP (Australian Institute of Petroleum) Oil Container Recycling Program is an industry-led product stewardship program developed to recover domestic plastic oil containers that are less than 10 litres in size. The general public can dispose of used motor oil containers and oil residues, free of charge, at selected transfer stations. Prior to this program, all oil plastic containers were sent to landfill, as they were not accepted via household kerbside recycling. VIP Packaging has steadily rolled out the program since 2004, and now has more than 380 pickup locations, and services approximately 80% of the Australian population.

DrumMUSTER

- Every year, the Group collects more than 400,000 plastic drums (approximately 420 tonnes of material) as a participant in the national drumMUSTER Recycling Program. DrumMUSTER is a national product stewardship program that is supported by chemical manufacturers and industry stakeholders, to collect and recycle eligible, pre-cleaned (triple rinsed) agricultural and veterinary chemical containers. Prior to the program, these containers were typically sent to landfill or burned/buried on farms. Since its inception in 1998, the drumMUSTER Recycling Program has recycled more than 20 million containers.

VIP Packaging is one of the major participants that collects drumMUSTER containers, servicing the majority of the south-east coast of Australia. It processes the material for further recycling and utilises the material in the manufacture of industrial containers – reducing the need for virgin resin.

These hard to recycle products are either impractical or too expensive to collect via traditional networks. By diverting this waste from landfill and reprocessing it, Pact can minimise the loss of valuable resources and ensure we focus on this important field.

Case study

PLASTIC RESIN RECYCLING

Every year the Group collects and processes 19,517 tonnes of plastic resin from Australasia.

The resin is then granulated, extruded, palletised and used to make industrial containers and products such as cable covers, slipsheets and mobile garbage bins (MGBs). See the Product Stewardship section of the Report for more details on our recycling and reconditioning activities.



4,679 tonnes collected and reprocessed from Pact sites

7,338 tonnes collected and reprocessed from external sites

7,500 tonnes collected and reprocessed in New Zealand

Case study

Bespoke customer program

RESENE'S PAINTWISE

Plastic paint pail recycling in New Zealand

Leading paint producer, Resene, and Pact have collaborated to build a program that closes the loop for plastic paint pails. Resene's customers can bring their unwanted paint and paint containers into their local Resene ColorShop. The paint is donated to local community groups. Auckland Drum Sustainability Services (ADSS) wash and granulate the containers, Astron re-extrudes it and VIP manufacture new pails from the material for Resene.



Almost 20 tonnes of HDPE has been recycled and processed into rHDPE in the last 12 months of the program.

Case study

Bespoke customer program

VLS - COLES CREATE WASHING

Plastic collapsible crates are collected and cleaned using state-of-the art washing equipment into good as new food grade crates and as such are proud to hold HACCP certification. Re-using plastic collapsible crates offers a favourable solution cost over alternative packaging systems, including cardboard and also lowers its environmental impact, as the crates can be continually re-washed and re-used until damaged.

At end of life the crate goes to Astron – then back to Viscount as resin to be turned into a new crate.



In the past 12 months, Pact has washed 54 million plastic crates for re-use in the market.

GOVERNANCE AND COMPLIANCE

As a publicly listed company, Pact's financial condition is of major concern to investors and creditors, and as capital providers, it relies on favourable end of year results for both the security and profitability of their investments.

We are committed to ensuring that the Group is properly managed to protect and enhance shareholder interests, and that the Company operates with appropriate compliance in all applicable policies and regulations. To this end, we carefully weigh the risks to our financial wellbeing to better direct our management strategy and target our economic sustainability initiatives.

The Group's business model involves servicing a large number of customers many of whom have multiple contracts covering a variety of products in various geographies. During any financial year there are numerous customer wins and losses, new business wins, volume increases and reductions, some of which may involve a positive or negative margin impact. This continual change is constantly managed by the Company with the aim to seek to improve overall and avoid a material adverse impact on financial performance.

Financial results for 2014-2015

Pact reported a strong financial result for the year, delivering a sales revenue increase by 9.3% to \$1,249.2 million. EBITDA increased 5.3% to \$208.7 million, and net profit after tax (NPAT) before significant items increased 42.7% to \$85.2 million, compared to the prior year. Operating cash flow was up by 56.7% to \$312 million, compared to the prior year, and cash flow conversion was 150% including the benefits of the debtor's securitisation program.

Further detail on financial results for the year can be viewed in our 2014-2015 Annual Report which can be referenced at www.pactgroup.au/investors/investor-relations/reports.

Key risks to our economic sustainability

There are various internal and external risks that may have a material impact on the Group's future financial performance and economic sustainability. The Group makes every effort to identify material risks and to manage these effectively.



The material risks to economic sustainability include:

Customer risks:

Customers are fundamental to the success of the business and, in recognition of this, Pact invests in strong relationships with key material customers and producing quality products to customers required specification and standard. The loss of key material customers or a reduction in their demand for the Group's products can have a negative effect on the future financial performance of the Group.



Competitor risks:

Pact operates in a highly competitive environment as a result of factors including actions by existing or new competitors, price, product selection and quality, manufacturing capability, innovation and the ability to provide the customer with an appropriate range of products and services in a timely manner. Any deterioration in the Group's competitive position as a result of actions from competitors or customers may result in a decline in sales revenue and margins, and an adverse effect on the Group's future financial performance.

Consumer preferences:

Changes in consumer preference for the Group's products or adverse activities in key industry sectors which the Group and its customer service may be influenced by various factors. These industry sectors include consumer goods (e.g. food, dairy, beverages, personal care and other household consumables) and industrial (e.g. surface coatings, petrochemical, agriculture and chemicals) industry sectors. Factors which may influence these sectors include climate conditions, seasonality of foods and an increased focus in Australian and New Zealand supermarket chains on private brands. Demand for the Group's products may materially be affected by any of these factors which could have an adverse effect on the Group's future financial performance.

Strategic acquisitions:

Pact's strong growth over time has been aided by the acquisition of numerous businesses and assets. This growth has placed, and may continue to place, significant demands on management, information reporting systems and financial and internal control systems. Effective management of Pact's growth, including identification of suitable acquisition candidates and effective management of integration costs will be required on an ongoing basis. If this does not occur then there may be an adverse effect on the Group's future financial performance.

Foreign exchange rates:

Pact's financial reports are prepared in Australian dollars. However, a substantial proportion of Pact's sales revenue, expenditures and cashflows are generated in, and assets and liabilities are denominated in, New Zealand dollars.

Pact is also exposed to a range of other currencies including the US dollar, China's yuan, the Philippines peso, the Indonesian rupiah and the Thai baht in relation to Pact's business operations. Any depreciation of the Australian dollar and adverse movement in exchange rates would have an adverse effect on the Group's future financial performance.

Supply chain:

The ability for the supply chain to meet the Group's requirements including the sourcing of raw materials, is reliant on key relationships with suppliers. The price and availability of raw materials, input costs, and future consolidation in industry sectors could result in a decrease in the number of suppliers or alternative supply sources available to Pact. Additionally Pact may not always be able to pass on changes in input prices to its customers. Any of these factors may have an adverse effect on the Group's future financial performance.

Interruption to operations:

Pact operates across a diverse geographical footprint and situations may arise in which sites are not able to operate. Factors include emergency situations such as natural disasters, failure of information technology systems or security, or industrial disputes. Any of these factors may lead to disruptions in production or increase in costs, and may have an adverse effect on the Group's financial performance.

Pact has established a Risk Management Framework and business strategy to help offset and strengthen our economic sustainability through:

- Capital investment in innovation and technology.
- Diversity of facilities and operations.
- Material substitution (plastic alternatives and recycling / recycled content).
- Entry in new markets and customers to increase diversity.
- Enhanced safety processes and monitoring.
- Standardised financial systems and processes.
- The operation of a financial shared service model to deliver standard operating systems and processes.



Managing risk and creating a positive work culture

Pact fosters a culture that values integrity and respect.

WE BELIEVE THAT ADOPTING AND OPERATING UNDER HIGH STANDARDS OF CORPORATE GOVERNANCE IS ESSENTIAL FOR SUSTAINABLE LONG-TERM PERFORMANCE AND VALUE CREATION.

Board composition

The Board is responsible for the overall corporate governance of Pact. The Board seeks to ensure that:

- Pact is properly managed to protect and enhance shareholder interests.
- The Company, its Directors, officers and personnel operate in an appropriate environment of corporate governance.

The Board of Directors has been appointed to ensure a highly experienced and complementary skill set exists for the benefit of the Group.

Board members have extensive relevant experience in operations, manufacturing, finance, information technology and public company experience.

The Board comprises a Non-Executive Chairman, one Executive Director, and four Independent Non-Executive Directors.

Biographies of the Board members are available on the Pact website.

Governance committees

The Board has delegated specific responsibilities to governance committees. These committees are the Nomination and Remuneration Committee and the Audit, Business Risk and Compliance Committee.

Both committees are chaired by Independent Directors and have a specific set of responsibilities. The Charter for each Committee is available on the Pact website.

Risk management

Pact promotes a risk-aware culture and we are committed to managing all risks in a proactive and effective manner. This requires the identification and mitigation of risk in a way that protects business continuity and reputation, informs management decisions and drives competitive advantage.

We encourage reporting of newly identified risks that may impact our operations across all areas of the Group, this includes but is not limited to, operational, environmental, sustainability, compliance, strategic, ethical conduct, reputation or brand, technological product or service quality, human capital, financial reporting and market related risks.

Our Risk Management Framework (the Framework) sets out the principles and approach for risk analysis including identifying, assessing, responding to and monitoring risks. The Framework is based on ISO31000 Risk Management Principles.

The Risk Management Policy is available on the Pact website.

Code of conduct

Pact is committed to ethical behaviour and operating with integrity in all business practices.

Our Code of Conduct outlines how we expect our representatives to behave and conduct business in the workplace. It includes legal compliance and guidelines on appropriate ethical standards.

The objectives of the Code of Conduct are to:

- Provide a benchmark for professional behaviour throughout the Group.
- Support the Group's business reputation and corporate image within the community.
- Encourage reporting of unethical behaviour and breaches of the policy.

The Code of Conduct is designed to ensure Pact delivers on its commitment to corporate responsibility and sustainable business practice and covers key topics including conflicts of interest; facilitation payments; political contributions; bribes, gifts and commissions; and securities trading.

The Code of Conduct is supported by a suite of Group Policies, which have been designed to ensure compliance with laws and regulations. The Code and related Policies are available on the Pact website.

Whistleblower Policy

Pact has a Whistleblower Policy with the purpose of encouraging employees to raise concerns about misconduct, malpractice, irregularities or any other behaviour which is dishonest, corrupt, illegal or inconsistent with any of the Company's values or policies. The policy also sets out how Pact intends to make sure that whistleblowers are not being personally disadvantaged or discriminated against for reporting unacceptable behaviour. This policy is available on the Pact website.



Ethics and compliance

Pact is committed to upholding high standards of business integrity and honesty in all its dealings. We seek to comply with all applicable laws and strive to act consistently with international good practice. Pact endeavours to act in a manner consistent with the spirit of the 10 principles of the United Nations Global Compact.

Anti-bribery and corruption

Bribery and corruption is a risk that has been identified at Group level as an area of focus.

Pact has an Anti-Bribery and Corruption Policy which outlines the standard for the Group. Training on the applicable laws and policy has been provided to the Executive and relevant Senior Managers. The Group will continue to focus on this risk and continue to develop and enhance tools and procedures to seek to minimise this risk.

During the reporting period, we have not had any incidents in which employees or contracts with business partners have been investigated or terminated due to corruption.

Political contributions and activities

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.

Political activity by any employee in his or her individual, private capacity is not prohibited, 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:

- The 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.

Competition Consumer Act Compliance

Pact is committed to ensuring that all staff understand, and act in accordance with, the obligations under the *Competition and Consumer Act 2010 (CCA)* and *Commerce Act 1986*. This impacts how we deal with our competitors, suppliers, and customers.

CCA compliance and awareness is important because a breach of the CCA can result in significant penalties (to both the Company and individuals) and significant damage to the Company's goodwill and reputation in the marketplace.

All of our Executives, Senior Managers, Sales team and other relevant employees have completed online Self-Administered Legal Training (SALT), which highlights the CCA and related legislation compliance. In addition face-to-face training has been provided in 2014–2015 to those employees considered to require a greater understanding of these obligations.

During the reporting period, we have not had any legal action pending or completed regarding anti-competitive behaviour in which the Group has been identified as a participant.

During the reporting period, there have been no significant fines or non-monetary sanctions for non-compliance with laws and regulations in relation to competition law.

If you would like further information or would like to provide us with any comments relating to the Report please contact us at info@pactgroup.com.au or visit our website www.pactgroup.com.au

GLOBAL REPORTING INITIATIVE SUMMARY INDEX

Pact's 2014-2015 Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (G4 version). The following table summarises Pact's performance against "core" GRI guidelines.

General Standard Disclosures

Standard Disclosure	Description	Reporting status	Report heading	Page
Strategy and Analysis				
G4-1	Statement from the most senior decision-maker in the organisation	Fully	A word from our CEO	1
G4-2	Impacts and Risks summary	Fully	Materiality, Governance & Compliance	6,34
Organisational profile				
G4-3	Organisation name	Fully	About this report	b
G4-4	Primary products, services	Fully	Who we are and what we do	3
G4-5	Head office location	Fully	Who we are and what we do	4
G4-6	Countries of operation	Fully	Who we are and what we do	4
G4-7	Ownership and legal form	Fully	About this report	b
G4-8	Markets served	Fully	Who we are and what we do	3
G4-9	Scale of organisation	Fully	Who we are and what we do	4
G4-10	Employee structure / breakdown	Fully	Who we are and what we do, Diversity	3,16
G4-11	Employees covered by bargaining power	Fully	Labour relations	17
G4-12	Supply chain description	Fully	Who we are and what we do	5
G4-13	Significant changes to organisation	Fully	About this report	b
G4-14	Overall approach to managing operational risk	Fully	Managing risk and creating a positive work culture	36
G4-15	External charters, principles, initiatives subscribed to	Fully	Stakeholder engagement	7
G4-16	Active in external memberships	Fully	Stakeholder engagement	7
Identified material aspects and boundaries				
G4-17	Who is covered by this report	Fully	About this report	b
G4-18	Boundaries of this report	Fully	About this report, Materiality	b,6
G4-19	Material aspects identified	Fully	GRI Index - Specific Standard Disclosures	39
G4-20	Aspect boundaries - relevancy to entities inside organisation	Fully	Materiality	6
G4-21	Aspect boundaries - relevancy to entities outside organisation	Fully	Materiality	6
G4-22	Any restatements of previously reported information	Fully	About this report	b
G4-23	Any significant changes since last report	Fully	About this report	b
Stakeholder engagement				
G4-24	List of stakeholders	Fully	Stakeholder engagement	7
G4-25	Reason stakeholders chosen	Fully	Stakeholder engagement	7
G4-26	Approach to stakeholder engagement	Fully	Stakeholder engagement	7
G4-27	Issues raised by stakeholder groups	Fully	Materiality	6
Report profile				
G4-28	Reporting period	Fully	About this report	b
G4-29	Date of previous report (if any)	Fully	About this report	b
G4-30	Reporting cycle (such as annual, biennial)	Fully	About this report	b
G4-31	Contact for any questions regarding this report	Fully	About this report	b
G4-32	In accordance with	Fully	About this report	b
G4-33	Approach to external assurance	Fully	About this report	b
Governance				
G4-34	Governance structure	Fully	Managing risk and creating a positive work culture	36
G4-35	Process for delegating authority - economic, environmental & social	Fully	Managing risk and creating a positive work culture	36
Ethics and integrity				
G4-56	Organisation's values, principles and standards e.g. code of conduct	Fully	Managing risk and creating a positive work culture	36

Specific Standard Disclosures

Standard Disclosure	Description	Reporting status	Report heading	Page
Category: Economic				
Material Aspect: Economic performance				
G4-DMA	Why economic performance is material	Fully	Materiality	6
G4-EC1	Local economic value - revenue, employees, community	Fully	Governance & compliance or 2014-2015 Annual Report	34
Category: Environmental				
Material Aspect: Materials				
G4-DMA	Materials policy	Fully	Materials and waste	20
G4-EN1	Materials used by weight - non-renewable, renewable	Partially	Materials and waste	20
G4-EN2	Percentage recycled input	Fully	Materials and waste	20
Material Aspect: Energy				
G4-DMA	Energy policy	Fully	Energy and emissions	19
G4-EN3	Energy consumption within organisation	Fully	Energy and emissions	19
Material Aspect: Emissions				
G4-DMA	Emissions policy	Fully	Energy and emissions	19
G4-EN15	Scope 1 Direct GHG emissions	Fully	Energy and emissions	19
G4-EN16	Scope 2 Indirect GHG emissions	Fully	Energy and emissions	19
G4-EN17	Scope 3 other Indirect emissions	Fully	Energy and emissions	19
G4-EN18	GHG emissions intensity	Partially	Energy and emissions	19
G4-EN19	Reduction in GHG emissions	Partially	Energy and emissions	19

GLOBAL REPORTING INITIATIVE SUMMARY INDEX

Specific Standard Disclosures (continued)

Standard Disclosure	Description	Reporting status	Report heading	Page
Material Aspect: Effluents and Waste				
G4-DMA	Effluents and waste policy	Fully	Materials and waste	20
G4-EN24	Number and volume of spills	Fully	Incidents	22
Material Aspect: Products and Services				
G4-DMA	Environmental impacts policy from product & services	Fully	Packaging & the journey towards holistic sustainability	29
G4-EN27	Impacts and mitigation of impacts from product & services	Fully	Packaging & the journey towards holistic sustainability	29
Material Aspect: Compliance				
G4-DMA	Environmental compliance policy	Fully	Managing our potential impacts	18
G4-EN29	Non-compliance fines value	Fully	Managing our potential impacts	18
Material Aspect: Environmental grievance mechanisms				
G4-DMA	Environmental grievance policy	Fully	Managing our potential impacts	18
G4-EN34	Number of grievances reported and acted upon	Fully	Managing our potential impacts	18
Category: Social				
Sub-category: Labour practices and decent work				
Material Aspect: Employment				
G4-DMA	Workforce & labour practices and policies	Fully	Labour relations	17
G4-LA1	Employment rates and numbers by demographics, region	Partially	Labour relations	17
G4-LA3	Return to work after parental leave and retention rates	Fully	Diversity	14
Material Aspect: Labour/Management relations				
G4-DMA	Labour / management relations policy	Fully	Labour relations	17
G4-LA4	Notice periods for significant operational changes	Fully	Labour relations	17
Material Aspect: Occupational Health & Safety				
G4-DMA	OHS policy	Fully	Safety	8
G4-LA6	Injuries, rates, days lost	Fully	Safety	8
G4-LA7	Workers with high risk jobs	Fully	Safety	8
Material Aspect: Diversity and Equal opportunity				
G4-DMA	Diversity & equal opportunity policy	Fully	Diversity	14
G4-LA12	Governance and workforce breakdown	Partially	Diversity	14
Material Aspect: Equal remuneration				
G4-DMA	Equal remuneration policy	Fully	Diversity	14
G4-LA13	Gender remuneration breakdown by job category	Partially	Diversity	14
Material Aspect: Labour practices grievance mechanisms				
G4-DMA	Policy for labour practices grievance mechanism	Fully	Labour relations	17
G4-LA16	Total number of labour practices grievances, resolutions	Partially	Labour relations	17
Sub-category: Human Rights				
Material Aspect: Investment				
G4-DMA	Human rights policy	Fully	Human rights and community engagement	26
G4-HR2	Percentage and number of hours employees trained in human rights	Fully	Human rights and community engagement	26
Material Aspect: Non-discrimination				
G4-DMA	Non-discrimination policy	Fully	Human rights and community engagement	26
G4-HR3	Number of discrimination incidents, resolutions	Fully	Human rights and community engagement	26
Material Aspect: Freedom of association and Collective bargaining				
G4-DMA	Freedom of association & collective bargaining policy	Fully	Labour relations	17
G4-HR4	Operations and suppliers violating this right	Fully	Labour relations	17
Material Aspect: Child labour				
G4-DMA	Child labour policy	Fully	Human rights and community engagement	26
G4-HR5	Operations and suppliers with incidents of child labour	Fully	Human rights and community engagement	26
Material Aspect: Forced or Compulsory labour				
G4-DMA	Forced or compulsory labour policy	Fully	Human rights and community engagement	26
G4-HR6	Operations and suppliers with incidents of forced labour	Fully	Human rights and community engagement	26
Material Aspect: Supplier human rights grievance mechanisms				
G4-DMA	Policy for human rights grievance mechanism	Fully	Human rights and community engagement	26
G4-HR12	Percentage and number of supplier human rights grievances	Fully	Human rights and community engagement	26
Sub-category: Society				
Material Aspect: Local communities				
G4-DMA	Community investment and engagement policy	Fully	Community	24
G4-SO1	Percentage operations with community engagement & development	Partially	Human rights and community engagement	26
Material Aspect: Anti-corruption				
G4-DMA	Anti-corruption policy	Fully	Ethics & compliance	38
G4-SO3	Percentage and number of operations assessed for corruption risks	Fully	Ethics & compliance	38
G4-SO4	Communication and training on anti-corruption	Fully	Ethics & compliance	38
G4-SO5	Confirmed incidents of corruption, resolution	Fully	Ethics & compliance	38
Material Aspect: Public policy				
G4-DMA	Political contribution policy	Fully	Ethics & compliance	38
G4-SO6	Value of political contributions, broken down	Fully	Ethics & compliance	38
Material Aspect: Anti-competitive behaviour				
G4-DMA	Anti-competitive behaviour policy	Fully	Ethics & compliance	38
G4-SO7	Number of legal actions from anti-competitive behaviour	Fully	Ethics & compliance	38
Material Aspect: Compliance				
G4-SO8	Value of fines from non-compliance	Fully	Ethics & compliance	38
Sub-category: Product Responsibility				
Material Aspect: Marketing communications				
G4-DMA	Marketing communications policy	Partially	Packaging & the journey towards holistic sustainability	29
G4-PR6	Sales of banned/disputed products	Partially	Packaging & the journey towards holistic sustainability	29
G4-PR7	Number of incidents of marketing non-compliance	Partially	Packaging & the journey towards holistic sustainability	29





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