

Tetra Pak Modern Slavery Statement 2017

This statement is intended to meet Tetra Pak's obligations pursuant to the Modern Slavery Act and states the steps we have taken during financial year 2016 to ensure that slavery and human trafficking is not taking place in our supply chains or in any part of our business.

1 Our company

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

Tetra Pak is a leading food processing and packaging solutions group. With more than 24,000 employees around the world, we believe in responsible industry leadership and a sustainable approach to business. Our products are divided into several categories: Packaging, Processing, and Services. Each day we meet the needs of hundreds of millions of people in more than 175 countries around the world. Our supply chains are global, numbering more than 25,000 suppliers in more than 170 countries.

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

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

2 Code of Business Conduct

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

All Tetra Pak employees must comply with our Code of Business Conduct, which sets out common rules of business behaviour. The Code of Business Conduct covers working conditions, discrimination, confidentiality, conflicts of interest, financial reporting, obeying the law, bribery and corruption, human rights, including child exploitation, and environmental issues.

The Code is fully reflected in our Supplier Code, which we require our suppliers to follow when engaging in activities for the benefit of our company.

3 External partnerships

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

Tetra Pak has been a participating and signatory company to the [United Nations Global Compact](#) since 2004 and is committed to its 10 principles on human rights, labour, the environment, and anti-corruption.

Specifically, in relation to human rights, our commitment to the UN Global Compact means that we support and respect activities to safeguard international human rights within our sphere of influence, and strive to ensure that neither we, nor any of our suppliers, is an accomplice to human rights abuses.

Regarding labour, we uphold freedom of association and the effective recognition of the right to collective bargaining, and support the elimination of forced and compulsory labour, the abolition of child labour and the elimination of discrimination in respect of employment and occupation.

To build trust and transparency with our customers and as part of our approach to responsible sourcing with suppliers, we are members of Sedex, the Supplier Ethical Data Exchange. Sedex is a not-for-profit membership organisation dedicated to driving improvements in responsible and ethical business practices in supply chains.

4 Due diligence and supplier engagement

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

Our Supplier Code

Our procurement policy has a strong focus on responsible sourcing. Our Code of Conduct for Suppliers (Supplier Code) is an integral part of our contracts with suppliers. As well as setting out mandatory requirements, the Supplier Code encourages suppliers to strengthen their own sustainability and corporate social responsibility efforts.

Our Supplier Code defines our requirements in the areas of labour practices, occupational health and safety, environmental management, ethical behaviour and business integrity.

Under the Supplier Code, our suppliers commit to adhere to certain fundamental principles and business rules, which reflect our own Code of Business Conduct, including:

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

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

Responsible Sourcing Organization

Tetra Pak has an established Responsible Sourcing organisation, with experts appointed in each relevant area of its supply chain operations, and in each geographic cluster, to ensure responsible sourcing is an integral part of the supplier management process.

The activities of this network are coordinated by a team within the Global Supplier Management Process Office, which also defines Key Performance Indicators for the organisation related to Supplier Code signatories, supplier self-assessment questionnaires and supplier audits performed by independent third parties.

Our risk assessment process

Responsible sourcing forms an integral part of our risk management procedures for suppliers. This means that risks related to health and safety, human rights, labour rights, corruption and the environment will now be assessed alongside traditional supplier management risks.

As part of our efforts to ensure that our supply chain meets our commitments towards our corporate citizenship aspirations, we perform supply chain risk assessments focused on specific risk areas including - human rights, slavery and human trafficking – and using information gathered by our employees and from third party service providers.

The risk assessment process with respect to our suppliers includes the following:

- **Sourcing:** Prior to entering the supplier base, new suppliers are asked to sign the Supplier Code. Due diligence of the supplier is also carried out and a set of questions relating to human rights, labour rights, the environment and anti-corruption practices are asked and assessed.
- **Current supplier base:** All key suppliers are asked to complete periodically a Sedex Self Assessment questionnaire which includes questions specifically related to slavery and forced labour. An annual risk assessment of existing suppliers is performed by our Global Supplier Management Process Office based on reports from independent external advisor Verisk Maplecroft (an organization which integrates global risk analytics, expert insight and user-centric platforms). This helps Tetra Pak identify inherent risks related to the type of product or service being bought and the risk rating of the geographical location from where the service is being performed or product is being produced. This is evaluated together with the supplier's self assessment questionnaire response and the input from our organization in order to conclude the actions that need to be taken.
- **Event-driven:** A risk assessment can also be performed by Tetra Pak designated employees when certain key events happen, e.g. when a supplier introduces a new site or production process.
- **Continuous risk assessment:** All employees in contact with suppliers can report on an ongoing basis any findings associated with specific risks. Findings are reported to top management, and actions decided and taken as appropriate.

Compliance monitoring

Tetra Pak reserves the right to verify any supplier's compliance with the Supplier Code through one, or a combination, of several assurance processes. Such assurance processes can include a requirement for the supplier to report relevant data into a third party data-exchange system and/or pre-announced inspections by Tetra Pak or third party auditors.

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

In addition to our supplier audit programme, we have introduced a self-assessment tool to help us gather more information about our suppliers. A large number of suppliers have been made aware of our responsible sourcing activities and requirements.

5 Training

To help ensure that our employees properly understand the behaviours and ethical standards we require across the company, we have a mandatory online training programme focused on our Code of Business Conduct.

In addition, all Tetra Pak employees with responsibility for supplier relations, and those undertaking audits, are trained in Risk Management, including how to perform risk assessments and the use of our risk assessment guidelines, and specifically on our Responsible Sourcing frame and assurance system.

6 Accountability

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

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

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

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



Stefan Fageräng

Managing Director

Tetra Pak Limited and Tetra Pak (Ireland) Limited