

# Ardagh Group Modern Slavery and Human Trafficking Statement

## Introduction

This statement is made by Ardagh Group pursuant to its obligations under both section 54(1) of the Modern Slavery Act 2015 and the California Transparency in Supply Chains Act. This statement sets out the steps we have taken to combat modern slavery in both our own organisation and our supply chains.

Ardagh Group is a leading global supplier of value-added, infinitely-recyclable, metal and glass packaging solutions for the world's leading brands. As at 31 December 2019, we operate more than 50 metal and glass production facilities in 12 countries (Europe, the US and Brazil), employ approximately 16,000 people, and have global sales of about \$7bn. Respect for human rights is an integral part of our core values and business principles, as outlined in our Code of Conduct, which is available for viewing on our website. We foster a culture that respects dignity and human rights and we believe that conducting business with high ethical trading standards is fundamental to this culture.

In 2019, Ardagh combined our Food & Specialty metal packaging business with the business of Exal Corporation to form Trivium Packaging BV, in which Ardagh has a 42% share. This statement applies to all the activities of the Food & Specialty Packaging business until 31 October 2019.

In this statement, the term "modern slavery" is inclusive of all forms of modern slavery, including human trafficking, forced labour, and child labour.

## Our business and supply chains

We are committed to ensuring that there is no modern slavery in our business. In accordance with our Employment Policy we are committed to acting ethically and with integrity in all our business dealings and relationships with our employees and to implementing and enforcing effective systems and controls to ensure that no form of slavery takes place in our business.

As a large glass and metal packaging manufacturer, we purchase a significant volume of materials and services. Our main inputs include: energy, raw materials, moulds, consumables, components packaging and logistics. Supply chains for these key inputs are critical to our business and are carefully managed, with each having a specialised global commodity manager who relates strategy to regional managers for execution. For each of these inputs we chose a limited number of suppliers to serve our business. The majority of our inputs are sourced within the European Union and US.

Most of our supply chains are, by design, relatively short and stable. Our strategy is where possible to conduct business directly with suppliers and manufacturers. Doing business directly with suppliers helps us to ensure that the materials and services we source are ethical from origin.

## **Our policies**

We are committed to ensuring that there is no modern slavery in our supply chains or in any part of our business. We have two key documents which support this commitment:

- 1) our Code of Conduct; and
- 2) our Responsible Procurement Policy.

### *Code of Conduct*

Our Code of Conduct is based around our core values of Trust, Teamwork and Excellence. It sets out the framework of how we do business and emphasises our commitment to acting in an ethical and honest way. The Code of Conduct is signed off by Ardagh's Board of Directors and it is available to all employees in local languages, as well as on Ardagh's website.

The Code of Conduct includes a Corporate Social Responsibility Policy, detailing our commitment to human rights issues including modern slavery, and an Employment Policy, which sets out our fundamental principles and rights for employees (including rights of freedom of association and collective bargaining). Our Code of Conduct encourages staff to report any concerns relating to non-compliance with laws, either directly to management or through our Compliance Hotline. The hotline, which is available to all staff, is designed to make it easy to report any concerns (including in relation to issues of modern slavery) and is accessible online or by telephone. The hotline enables concerns to be raised on an anonymous basis, without fear of retaliation or discrimination.

### *Responsible Procurement Policy*

Our Responsible Procurement Policy is the foundation of our responsible procurement program. It outlines the standards we require of our suppliers, in particular regarding key social, ethical and environmental topics, including modern slavery, discrimination and diversity, and workplace conditions. The policy sets out how we monitor adherence to our requirements and the consequences of a supplier not adhering to all requirements. The policy is available on Ardagh's website. We review the effectiveness of our policy and its associated procedures on an annual basis.

In addition to these two key documents, we also have other policies, procedures and documentation that seek to minimise the risk associated with modern slavery. For example, our hauliers and logistics providers are required to follow set procedures to ensure that goods are secured and sealed, reducing the risks of human trafficking and migrant smuggling.

## **Our approach to supply chain verification and audit**

We have implemented a risk-based management system, which helps us identify and manage potential social, ethical, and environmental risk, including modern slavery risks, across our supply chain. Below we set out the detail of how we seek to verify our supply chains, audit suppliers and obtain supplier certifications of compliance with modern slavery laws.

### *Desktop risk assessment*

Each year we choose a selection of suppliers to conduct an in-depth risk assessment on. We take multiple factors into consideration when deciding which suppliers to focus on, including their industry, geography and the risk of human rights abuses (such as modern slavery). We also continually monitor media sources to ensure that we remain alert to potential risks within our supply chains.

When completing the risk assessment, we combine information from multiple sources including Verisk Maplecroft risk indices and information provided by suppliers via a mandatory online questionnaire. Suppliers are reassessed on a rotational basis. The frequency of reassessment, which is between 1 to 3 years, is determined by the outcome of the previous risk assessment.

### *Onsite Assessments & Third-Party Audits*

Based on the outcome of the desktop risk assessment, a supplier may be required to undergo either an on-site assessment conducted by one of our representatives or an ethical audit (SMETA 4 Pillar) by a 3rd party. Both the audit and assessment include content related to modern slavery.

We consider third-party audits to be preferential for suppliers within higher risk geographies, as local auditors are often best equipped to understand the local regulatory landscape and challenges. We do not currently conduct unannounced audits.

In addition to our standard risk assessment and audit process, where we are aware of heightened potential for human rights breaches, we introduce additional requirements. For example, in sourcing cobalt, we are aware of the risk associated with the operation of illegal mines, unacceptable working conditions, and destruction of the environment. The cobalt used in our production process is secured from a supply chain with full traceability, back to the origin mine. Our supplier is committed to conducting at least two ethical checks per year on the mines and related facilities in high risk countries and is subject to an annual 3rd party audit of their due diligence practices.

### *Certification*

To ensure that our suppliers respect and enforce our standards, including as regards ethical trading, our key supply contracts require suppliers to comply with all applicable laws and regulations and take appropriate steps to ensure there is no modern slavery in their business. Our key contracts also reference both our Code of Conduct and Responsible Procurement Policy.

We also have additional certification requirements for suppliers of certain products. For example, to ensure that no conflict-based tin enters our production processes, in accordance with our legal obligations, we require suppliers of tin products to provide relevant declarations. If there is evidence that there may be conflict-based tin in a supplier's process, we require them to provide us with appropriate due diligence regarding the mineral supply chain.

### **Our approach to accountability**

Our Code of Conduct, and all its accompanying policies, apply to all our staff worldwide, all Ardagh Group companies, all joint ventures in which we are involved, and all third parties working on our behalf.

All our staff are aware of our Code of Conduct and their obligations, and certify that they have read, understood and agree to comply with the Code of Conduct on employment. In addition, we require certain staff to participate in an annual certification process, including a quiz to raise awareness of specific topics covered by the Code of Conduct.

As noted above, we encourage all staff to report any concerns, including those regarding modern slavery, either to local management or through our Compliance Hotline.

We do not tolerate any violations of our Code of Conduct. In the event of violations, we take appropriate disciplinary actions in accordance with applicable law, which may include termination of employment. In addition, we may bring violation of criminal laws to the attention of the appropriate law enforcement authorities.

Our Responsible Procurement Policy applies to all our procurement activities. As noted above, our employees and suppliers are made aware of this policy and their obligations to comply with it. Non-adherence may result in cancellation or non-renewal of contracts with suppliers. Serious misconduct, including the use of child labour and inhumane working conditions, is classified as a material breach of our contracts.

### **Training**

Our responsible procurement program, and its associated policy, has developed significantly over the last few years. With the introduction of new processes, such as detailed onsite assessments, we have increased our focus on socially responsible and environmentally sustainable sourcing, including in relation to modern slavery issues. This had led to an increased awareness across the business at all levels, including through presentation of such issues to senior management.

Topics related to modern slavery are presented to our key procurement managers and we are currently developing online training for all employees responsible for procurement decisions and we strive to further educate our suppliers on modern slavery issues.

### **Responsibility and Effectiveness**

We remain committed to upholding human rights and safety in our supply chain and we review our progress and effectiveness in combatting slavery and human trafficking on an annual basis.

This statement is made for the financial year ending 31 December 2019.

During the period covered by this statement, we have found no evidence, nor received any allegations, of modern slavery either within Ardagh or within our suppliers.

### **Digitally signed by:**

Shaun Murphy

On behalf of Ardagh Group S.A.