

<p>Contact officer: Lotte Mastwijk</p> <p>Function: Manager Sustainability & Communications</p>	<p>Sustainable Supply Chain Policy</p> <p>GRI 308: 103-1, 103-2, 103-3 GRI 414: 103-1, 103-2, 103-3</p> <p>Sustainable Partnerships 103-1, 103-2, 103-3</p> <p>Sustainable Production 103-1, 103-2, 103-3</p>	<p>Issue date: 22 February 2019</p> <p>Last review date: 12 September 2022 (V5.0)</p> <p>Next review date: 12 September 2024</p>
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Introduction

LC Packaging International B.V.'s (LC Packaging) most significant impact on the environment, society, and economy occurs in its supply chain. LC Packaging takes responsibility for the social and environmental impact of its **Products** and for the social, ethical, and environmental practices of its suppliers (**Production Partners**).

In May 2022, LC Packaging has launched its [2030 Ambition](#). The company's purpose is to contribute to a world without waste: The waste of valuable products during storage and transportation, and packaging waste. LC Packaging wants to work in such a way, it does not limit the next generation in the choices they want to make and the resources they have available. LC Packaging believes it can make that impact by making it its mission to be a leader in sustainable packaging. To become that leader, it aims to meet all [sustainable packaging criteria](#) to ensure its packaging is good for people and the environment, and foster collaboration with its Production Partners, among others, to advance its sustainable transition.



To increase the social and environmental value of its packaging and to ensure a sustainable supply chain, LC Packaging has set itself three ambitious **goals for 2030**:

- **100%** of key production partners' employees earn at least a **living wage**, instead of the legal minimum wage.
> [More information](#)
- At least **80%** of turnover comes from packaging that delivers the **circular economy**.
> [More information](#)
- An absolute **50%** reduction of its direct and indirect **greenhouse gas emissions** from the entire value chain (Scope 1, 2 and 3), compared to base year 2021.
> [More information](#)

Purpose

To understand and manage the impact of its products and risks in its supply chain, LC Packaging has made sustainable sourcing an integral part of its procurement and supply chain management process. The aim of this policy is to provide the necessary guidelines for ensuring a sustainable supply chain. It specifies the objectives and measures LC Packaging takes in order to realise its ambition. This policy is in line with the company's **2030 Ambition** sustainability strategy.

Scope

The contents of this policy are intended for all employees, interns, and contractors of LC Packaging International B.V., its affiliates, and production facilities Dutch-Bangla Pack Ltd. (DBPL) and LC Shankar (LCSH).

Policy objectives

LC Packaging identifies the following objectives to ensure a sustainable supply chain:

- Comply with international standards such as:
 - ISO 9001;
 - ISO 14001;
 - SA 8000;
 - ISO 45001;
 - FSC®.
- Comply with the OECD Guidelines for Multinational Enterprises in the areas of procurement of raw materials.
- Commit towards Sustainable Development Goals (SDGs) 8 – decent work and economic growth, 12 – responsible consumption and production, 13 – climate action, and 17 – partnerships for the goals.
- Comply with applicable laws and regulations.
- Set industry leading standards for responsible and sustainable supplier selection to deliver commitment to sustainable growth.
- Develop an effective integrated quality management system to ensure consistent quality and safe products are manufactured.
- Raise awareness with trainings on the topic of Sustainable Procurement to relevant stakeholders.
- **100%** of key Production Partners' employees earn at least a living wage by 2030.
- **80%** of turnover comes from packaging that delivers the circular economy by 2030
- **50%** greenhouse gas emission reduction in key Production Partners' operations (Scope 1 and 2)
- **100%** of key Production Partners assessed on an annual basis on social, ethical and environmental performance from 2023.
- **100%** of key Production Partners have committed to LC Packaging's 2030 Ambition by September 2023 and have signed the Global Key Supplier Code of Conduct.
- **100%** of key Production Partners in risk areas have joined the 'LC Packaging Living Wage Programme' by 31 December 2023.
- **100%** of LC Packaging employees involved in purchasing or sales have completed an e-course on the Decent Work and Labour Standards in Global Supply Chains by 2023.
- Achieve [Plastic Pact NL goals](#) for 2025 on the use of plastics.
- At least **80%** of LC Packaging employees has completed the Sustainable Procurement Awareness Training.

Policy measures

LC Packaging strives to achieve its sustainable procurement objectives with the following measures:

Partner selection and assessment

LC Packaging has established a supplier selection and assessment process, to ensure a social and environmental sustainable supply chain in the short-term, and raise social and environmental standards in the long-term.

- All (new) Production Partners are expected to sign the **Global (Key) Supplier Code of Conduct**, become a **Sedex member**, complete the Sedex **Self-Assessment Questionnaire (SAQ)** and provide **proof of compliance** for sustainable business practices in the form of certifications, audit reports, memberships, and company policies. LC Packaging's Product Managers and Quality Department are responsible for monitoring this process.
- All LC Packaging's key Production Partners are expected **to commit to LC Packaging's 2030 Ambition** and sign and comply with the Global (Key) Supplier Code of Conduct. In case a key supplier does not commit, it will at least lose the position of key supplier, potentially resulting in termination of the partnership by 2030 latest.
- LC Packaging's Product Managers and Top Management are responsible for **educating (key) Production Partners** on LC Packaging's 2030 ambition, including setting measurable goals for Production Partners to contribute to this ambition. Product Managers are responsible for annually monitoring on progress. Additional social and environmental expectations from Production Partners and goals are described in the 'Energy Consumption and GHG emissions policy', 'Materials, Chemicals and Waste policy', and 'Working Conditions Policy'.
>[View policies](#)
- LC Packaging's Quality Department is responsible for **keeping record** of all Production Partners and their proof of compliance with all social, environmental and product quality standards.
- LC Packaging's Quality Department is responsible for annually updating and scoring Production Partners in terms of risk, based on socio-political and geolocation **risk assessments**, Sedex risk scores, and type of products. Medium risk locations are required to deliver up-to-date proof of compliance, such as certifications. High-risk locations may be required to conduct additional SMETA audits, completed by certified independent auditors, and are required to provide proof of compliance on additional (risk) topics, such as child labour and forced labour.
- LC Packaging's Product Managers are responsible for visiting all key Production Partners at least on an annual basis to perform an **internal audit** and monitor the product quality, compliance with Global (Key) Supplier Code of Conduct, and progress towards achieving 2030 goals.

Product testing and quality management

- All LC Packaging's Production Partners are required to conduct **tests to ensure compliance** to applicable safety regulations such as the REACH Regulation.
- All Production Partners are required to provide **Declaration of Compliance documents** to ensure they are actively complying with applicable safety regulations.
- LC Packaging's Quality department is responsible for following a set procedure to inspect whether products meet **quality and compliance specifications**.
- LC Packaging's Quality department is responsible for the production and updating of **flowcharts** visualising all steps necessary to maintain quality controls.
- LC Packaging's Quality department is responsible for conducting strict **quality controls** in the following situation:
 - 1st delivery from new Production Partner;
 - 1st delivery for new client;
 - 1st delivery of new product;
 - 1st delivery after a complaint;
 - Sampling.
- DBPL and LCSH are responsible for **testing raw materials** to ensure they are up to par and approved by the Quality team who follow the Quality Control Routine Work Schedule.

Responsible material use

- LC Packaging's Production Partners must share **detailed information** on each product in terms of the type of materials used, and the origin of materials used – e.g., post-consumer recycle (PCR) or post-industrial recycle (PIR) - for each component of the packaging and the weight of the materials used.
- LC Packaging's Product Managers and Quality team must keep **specification sheets** for each product manufactured by the company and its production partners, including dimensions, certification data, technical data, and fabrics/materials used.
- All LC Packaging employees in sales related positions are expected to accurately enter data on material use in LC Packaging's SAP system, in order to be able to **report** on the types and KGs of materials used by LC Packaging and the reusability, recyclability and compostability of the packaging. Product Managers are responsible for monitoring data quality and the quality of the reports.
- LC Packaging's Product Managers must collaborate with Production Partners to research and implement the use of more **responsible materials** and **material combinations** in order to meet LC Packaging's ambitions on circular packaging and emissions reduction.
> [More on 2030 Ambition](#)
- Where possible, LC Packaging's production facilities (DBPL and LCSH), and its Production Partners must procure raw materials from **sustainable sources**, such as FSC® certified cardboard.
- LC Packaging's production facilities (DBPL and LCSH) and its Production Partners are expected to **establish partnerships** with suppliers of responsible raw materials – such as recycled PP (rPP) or biobased plastics - to ensure a continuous supply of high-quality raw materials and to minimise the risk of contamination.

Training

- All LC Packaging employees, interns, and contractors must complete the online mandatory **Sustainable Procurement Awareness Training** and a course on LC Packaging's **2030 Ambition** within the first 3 months of employment or within 3 months of publishing a new mandatory course.
> More on [LC Packaging's 2030 Ambition](#)

Approval of policy

Name: Lucas Lammers, CEO LC Packaging

Date: 12 September 2022

Signature:

A handwritten signature in black ink, appearing to read 'L. Lammers', written diagonally across the page.