

<p><b>Contact officer:</b> Corina 't Hoen</p> <p><b>Function:</b> HR Manager</p>	<p align="center"><b>Working Conditions Policy</b></p> <p><b>GRI 401:</b> 103-1, 103-2, 103-3 <b>GRI 403-3</b></p>	<p><b>Issue date:</b> 17 December 2018</p> <p><b>Last review date:</b> 17 October 2024 (V6.0)</p> <p><b>New review date:</b> 17 October 2026</p>
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## Introduction

**Royal LC Packaging International B.V.** (LC Packaging), constantly strives to improve upon working conditions and support the employee's voice. LC Packaging strives to do this in a transparent and sustainable manner. Every year, it takes additional measures and tries to improve upon its current measures.

## Purpose

The purpose of this policy is to communicate and set out LC Packaging objectives and measures towards all employees with regards to working conditions.

## Scope

The contents of this policy are intended for all employees, interns, and contractors of LC Packaging International B.V., its affiliates and the administration office of production facilities Dutch-Bangla Pack Ltd. (DBPL) and LC Shankar (LCSH). For employees working in production at DBPL and LCSH, we refer to the local factory policies.

## Policy objectives

The objectives for LC Packaging's Working Conditions Policy are:

- Comply with:
  - UN Guiding Principles on Business and Human Rights;
  - Universal Declaration of Human Rights;
  - ILO Convention 1 (Hours of Work – Industry);
  - ILO Convention 116 (Reduction of Hours of Work);
  - ILO Conventions 100 (Equal Remuneration);
  - ILO Convention 131 (Minimum Wage Fixing);
  - ILO Convention 102 (Social Security – Minimum Standards);
  - ILO Convention 159 (Vocational Rehabilitation and Employment - Disabled Persons);
  - ILO Convention 183 (Maternity Protection);
  - ILO Convention 177 (Home Work);
  - National Labour Law 2006;
  - Minimum Wages Law 2010;
- comply with all other relevant rules and (local) regulations regarding working conditions;
- raise awareness among employees regarding working conditions in a transparent manner;

- Ensure employee satisfaction/enthusiasm and engagement, and a bi-annual dialogue for all employees to discuss working conditions in a safe environment.
- Ensure fair and transparent remuneration procedures.
- Ensure support is provided for employees who have children to care for.
- Ensure flexibility in work schedules with time and location.
- Have **100%** of employees to receive a living wage
- Have **100%** of employees who received an employment contract
- Have **100%** of employees being granted with paid annual vacation.
- Have **100%** of employees in developing countries covered with a healthcare coverage or medical plan.

## Policy measures

LC Packaging strives to achieve its objectives with the following measures.

### General

LC Packaging's affiliates and production facilities must:

- Ensure employees receive a written contract before the start of the employment, and agree with the new employee on working conditions as written within the **employment contract**, read and signed by both the employee and the employer.
- ensures **clear communication regarding working conditions** topics with the use of the Global HR Manual and SharePoint. Topics include for example performance management, talent management, health and safety and the internal code of conduct.
- Provide employees with **working benefits** in line with their job requirements, such as laptops, vehicles and office equipment.
- Nominate an employee for the **HR Learning Circle**, so this employee can support the affiliate management in understanding, implementing, and communicating good working conditions;
- Ensure **annual data collection and transparent reporting** on workforce and working conditions topics. LC Packaging's affiliates and production sites are responsible for the timely and complete delivery of data to the HR department. All data is publicly enclosed according to Global Reporting Initiative Standard (GRI) in LC Packaging's annual [Sustainability Report](#).
- foster a work environment where employees feel secure in their employment status, contributing to their overall well-being and productivity.

### Remuneration, overtime and atypical working hours

LC Packaging's affiliates and production facilities must:

- comply with all applicable national laws concerning working hours, wages, benefits and other working conditions;
- ensure that the wages paid to employees at least meets living wage standards according to the SA8000 standard [Anker Methodology] or a local living wage standard, such as the 'Real Living Wage' in the UK;
- ensure that employees' wages and benefits composition are detailed clearly and regularly in writing for each payment period;
- ensure communication on remuneration by providing a presentation on job structure and pay policy;
- allow overtime work to be voluntary and shall not exceed 12 hours per week, nor be requested on a regular basis;
- ensure wage equality by reporting on salaries earned;
- reimburse for overtime at a premium rate as defined by national law and established by a collective bargaining agreement [DBPL];
- implement time tracking at production facilities to ensure all time worked is properly recorded and remunerated.

Never may labour-only contracting arrangements, consecutive short-term contracts, and/or false apprenticeship or other schemes be used, to avoid meeting obligations to personnel under applicable laws and regulations.

### Holidays, additional leave and rest

LC Packaging's affiliates and production facilities must:

- grant employees additional leave days for special occasions and circumstances including engagements, weddings, to attend examinations, and moving home;
- grant employees emergency leave in order to give space and time to deal with unforeseen events which require immediate attention;
- allow employees to take compassionate leave to enable to cope with the death of a close relative, make necessary arrangements and attend the funeral;
- grant employees with maternity leave and paternity leave [where the law prescribes] to enable the employee to spend quality time with the new child;
- grant care leave in order to look after those with a close relationship who require care;
- provide extra days of leave for senior employees;
- ensure employees receive at least one day off within a time frame of seven-consecutive days.

### **Flexible working**

LC Packaging allows employees to request for flexible working, under the following conditions:

- Reduce or vary the times required to work (for example to work on different days, or to start earlier or later in the day);
- Work from home instead of from the usual workplace or at another LC Packaging location, for some of the working time.

### **Healthcare, insurance and pension**

LC Packaging's affiliates and production facilities must:

- provide healthcare benefits or a medical plan to all employees at its production facilities in developing countries;
- provide its employees with social insurance, business travel insurance and liability insurance;
- organise pension plans for all its employees arranged per country or location.

### **Bonus schemes**

- LC Packaging affiliates and production facilities must provide bonuses in the form of intrinsic and extrinsic rewards based on positive work performance.
- LC Packaging production facilities must motivate employees with the use of e.g., 'Star Allowances' and/or Attendance allowances.

### **Employee enthusiasm, communication and engagement**

LC Packaging's HR department must ensure an employee engagement programme is in place, which enables employee engagement at least twice a year, creating an environment in which working conditions are discussed openly and freely, facilitating and improving employee engagement.

### **Childcare**

LC Packaging's affiliates and sites must:

- Provide a transition period for mothers who are returning to work after maternity leave to initially work part-time before transitioning to full time;
- Grant employees permission to attend important events such as parent-teacher conferences, child medical appointments, and any other events by allowing employees to leave during the day as long as this is discussed with their management;
- Enables breastfeeding at work through paid breastfeeding breaks, adequate lactation facilities and a supportive breastfeeding environment in the workplace;
- Provide (on-site) childcare services in case there are no or unaffordable childcare services in the area leading to unemployment of woman, like at LC Packaging's production facility in Bangladesh.

## Sanctions

This policy must be strictly followed by all employees, contractors, and management. If there is any intentional disregard of the contents of this policy, LC Packaging will take disciplinary actions. Depending on the severity, and consequences of the breach of policy, appropriate disciplinary actions will be implemented. Please refer to the [Sanctions Policy](#) for more details regarding potential disciplinary actions.

## Evaluation and review

The contact officer in place for this policy is responsible for the bi-annual evaluation and review of this policy. This should be with regard to any legislation changes, or any changes in the company's operations. Assistance on collecting necessary information such as changes in legislation in different regions can be obtained from the contact officer and employees from local locations. The contact officer is also responsible for communicating the changes made to this policy to all employees and management.

## Approval of policy

**Name:** Lucas Lammers, CEO LC Packaging

**Date:** 17 October 2024

**Signature:**



## Definitions

**Compassionate leave** is leave that allows you time off to enable you to cope with the death of a close relative, make necessary arrangements and attend the funeral. It may also be granted where a close relative is seriously or critically ill. By 'close relative' we mean a spouse or partner, child (including a child in respect of whom you are the adoptive parent or legal guardian or carer), step-child, parent, step-parent, parent-in-law, brother, sister, step-brother, step-sister, brother-in-law or sister-in-law, grandparent, grandchild, son-in-law or daughter-in-law.

**False apprenticeship scheme** refers to the practice of hiring workers under apprenticeship terms, frequently in the guise of — training, without stipulating the duration of the apprenticeship and the wages under this type of contract. The apprenticeship is — false if, through these practices or others, the chief purpose is to underpay people or to avoid legal obligations otherwise required for formal employees. It is commonly applied to child labour and young workers, who can be easily exploited by naming them, apprentice in an apprentice scheme that extends far beyond any skill acquiring or practical learning period and frequently pays no wage or the lowest wage possible.

**Labour-only contracting arrangements** refer to the practice of hiring workers without establishing a formal employment relationship for the purpose of avoiding payment of regular wages or the provision of legally required benefits, such as health and safety protections and statutory social security and redundancy payments. Additionally, this definition also applies to homework situations.

**Living wage** means one that enables workers, for their labour during a standard workweek, to support half the basic needs of an average-sized family, based on local prices near the workplace.

**Premium rate** refers to a higher rate of pay than the regular workweek rate.