



2020 Business Ethics Report



This **LC Packaging 2020 Business Ethics Report** includes all data from 2020 (1 January 2020 – 31 December 2021) relating to LC Packaging International B.V.* and is part of the [Sustainability Update 2021](#). The information provided in this document serves as a supplement to the chapters: 'Working environment', 'Job quality' and 'Sustainable sourcing' ([read more](#)).

This report is part of a set of themed reports (People, Business ethics, Supply chain, Solutions and Environment) that present data aligned with multiple reporting requirements - such as the UN Global Compact Advanced Communication on Progress requirements - and is produced in accordance with the GRI Standards: Core Option.

This document provides LC Packaging's stakeholders with detailed information on the following topics:

- Ethical Procedures
- Ethical Incidents
- Product Quality
- Information Security

In accordance with the GRI Standards, this report shows data from both 2019 and 2020.

*LC Packaging International B.V. includes all subsidiaries of which we have more than 50% ownership; LC Packaging affiliates, Hagens Verpakkingen B.V., WorldBag B.V. and production facilities Dutch-Bangla Pack Ltd. (DBPL) and LC Shankar (PTY) LTD. When referred to 'LC Group', the production facilities are excluded from the calculation.

Ethical procedures

102-17 Mechanisms for advice and concerns about ethics

Procedures	2019	2020
Whistleblowing procedure	✓	✓
Grievance procedure	✓	✓
Sensitive Transaction procedure	✓	✓
Due Diligence procedure	✓	✓

Ethical incidents

205-3 Confirmed incidents of corruption and actions taken

206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices

406-1 Incidents of discrimination and corrective actions

417-2 Incidents of non-compliance concerning product and service information and labelling

417-3 Incidents of non-compliance concerning marketing & communications

Incidents	2019	2020
Reported incidents of discriminatory and intimidating behaviour	0	0
Confirmed incidents of child labour or forced labour	0	0
Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	0	0
Confirmed incidents of corruption	0	0
Incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling	0	0
Incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications	0	1*

* a minor incident of non-compliance with FSC regulations was identified during the FSC surveillance audit on 6 May 2020, concerning the following requirement: "The organisation shall either have an approved trademark use management system in place or submit all intended uses of FSC trademarks to its certification body for approval." The use of the FSC trademark on the LC Packaging website had not been submitted for approval, and it was unclear which LC organisation uses the FSC trademark. This has been resolved by adding our FSC license code to the trademark icon and to textual references to the trademark on the website and in other publications (Annual Report 2019 and Sustainability Update 2019). These actions have been approved by our certification body, resolving the incident of non-compliance.

Product quality

416-1 Assessment of the health and safety impacts of product and service categories

416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

	2019	2020
Percentage product and service categories for which health and safety impacts are assessed for improvement	100%	100%
Total number of customer complaints	392	328
Incidents of non-compliance concerning the health and safety impacts of products and services	0	0

Product Group	FIBCs		Cardboard		WPP Bags		Net bags		Jute bags	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Number of customer complaints	291	238	32	20	22	31	14	31	1	8
Corrective Action Rate (CAR)*	2.96	2.16	0.03	0.02	0.09	0.04	0.02	0.02	0.01	0.04
Order Reliability Rate (ORR)**	98.26	99.04	99.48	99.63	97.88	97.56	98.21	99.05	100	97.50

*CAR measures customer complaints per 100,000 packaging products produced.

**ORR defines the rate of failure between orders produced and estimates non-compliance with voluntary codes. No regulatory failures or resultant fines have been identified.

Information security

418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

	2019	2020
Number of substantiated complaints received concerning breaches of customer privacy	0	0
Number of spam emails received*	48	86
% of employees that had internal spam and phishing training**	72%	74.6%

*Based on the amount of Topdesk tickets (service requests) related to this topic.

** Training was launched in November 2019.