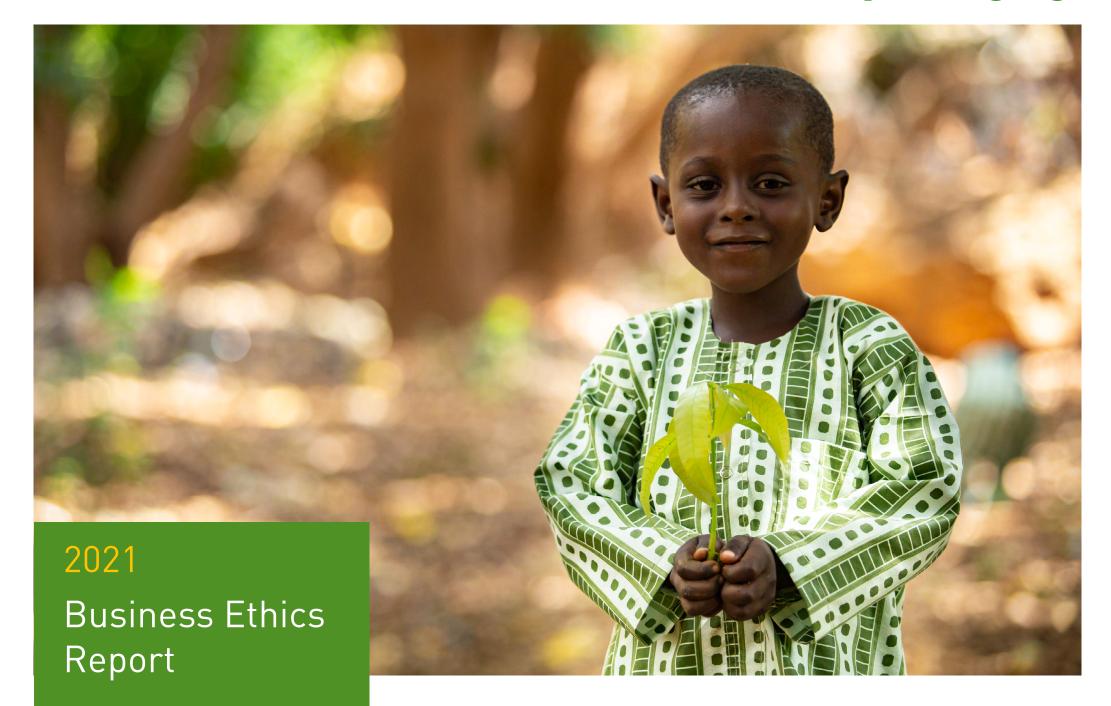lc pack‹aging®

2021

Business Ethics Report

2021 Business Ethics Report

This **LC Packaging 2021 Business Ethics Report** includes all data from 2021 (1 January 2021 – 31 December 2021) relating to LC Packaging International B.V.* and is part of the Sustainability Update 2022. The information provided in this document serves as a supplement to the chapters: 'Working environment', 'Job quality' and 'Sustainable sourcing'.

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 2019, 2020 and 2021.

*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.

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Ethical procedures

102-17 Mechanisms for advice and concerns about ethics

Procedures	2019	2020	2021
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	2021
Reported incidents of discriminatory and intimidating behaviour	0	0	1
Confirmed incidents of child labour or forced labour	0	0	0
Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	0	0	0
Confirmed incidents of corruption	0	0	0
Incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling	0	0	0
Incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications	0	1*	0

* a minor incident of non-compliance with FSC® regulations were 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 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	2021
Percentage product and service categories for which health and safety impacts are assessed for improvement	100%	100%	100%
Total number of customer complaints	392	328	308
Incidents of non-compliance concerning the health and safety impacts of products and services	0	0	0

	FIBCs			Cardboard			WPP Bags			Net bags			Jute bags		
Product Group	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Number of customer complaints	291	238	199	32	20	37	22	31	33	14	31	39	1	8	0
Corrective Action Rate (CAR)*	2.96	2.16	1.87	0.03	0.02	0.04	0.09	0.04	0.01	0.02	0.02	0.07	0.01	0.04	0.00
Order Reliability Rate (ORR)**	98.26	99.04	98.72	99.48	99.63	99.50	97.88	97.56	99.26	98.21	99.05	99.15	100	97.50	100

* 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	2021
Number of substantiated complaints received concerning breaches of customer privacy	0	0	0
Number of spam emails received*	48	86	38
% of employees that had internal spam and phishing training**	72%	74.6%	65.2%
% of employees that has internal 'meet the hacker' training	-	-	100%

*   Based on the amount of Topdesk tickets (service requests) related to this topic.
**   Training was launched in November 2019.
***   Training was held on-site in 2021. All employees joined. 40% of employees also completed online test.