



supporting your products

Code of Conduct for Production Partners

V3.0 © 2023

www.lcpackaging.com



Introduction

At LC Packaging International BV (LC Packaging), we are committed to high standards of social and environmental responsibility and ethical conduct. We make sure that we take good care of our employees and treat them with dignity and respect, provide safe and healthy working conditions, act fairly and ethically, and use environmentally responsible, sustainable practices. We take responsibility in the supply chain and we expect our partners to share the same values and to follow the same principles.

Our suppliers or, to be more precise, our partners are integral to our combined success; whether they are the actual producers, agents or suppliers of services. Therefore, we choose our partners carefully and aim for a long-term partnership. We are loyal to our partners, we have a transparent and open communication process and we ensure on-time payment, according to the agreement. Our goal is mutual growth and development while maintaining our humanity.

In return, we ask our partners to actively contribute to [LC Packaging's 2030 Ambition](#) and be more ambitious on social and environmental topics than required by (local) law.

Additionally, we ask our Partners to transparently share data on their social and environmental impact and actions, that can be used by LC Packaging to report on progress on its sustainability KPIs and goals, and meet its ESG reporting obligation according to the EU Corporate Sustainability Reporting Directive (CSRD).

To this end, we have created the LC Packaging Code of Conduct for Production Partners. This Code prescribes certain values and principles to which LC Packaging is committed worldwide. These principles are non-negotiable minimum standards and targets that we ask our production partners, their employees, agents and subcontractors to respect and to adhere to when conducting business. It is the Partner's responsibility to educate its employees accordingly. This Code is, among other things, based on and inspired by the Ten Principles on Business and Human Rights of the UN Global Compact* and references internationally accepted principles, such as SA 8000, ISO 14001, ISO 45001 and ETI.

By accepting this Code of Conduct, the Partner declares that all existing and future agreements and business relationships with LC Packaging will be subject to the principles contained in this document.

The signee is committed to following the example set by LC Packaging CEO, Mr Lucas Lammers by becoming a member of SEDEX, provide proof of compliance with this Code, performing SMETA audits (SEDEX Members Ethical Trade Audit), and annually transparently reporting on energy use and GHG emissions and wages when requested by LC Packaging.

* The UN Global Compact principles are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at work, the Rio Declaration on Environment and Development and the United Nations Convention Against Corruption.



Labour Standards and Human Rights

LC Packaging expects its partners to support and respect the protection of internationally proclaimed human rights and to ensure that they are not complicit in human rights abuses. If human rights are found to be violated, LC Packaging will take immediate action, which may result in the termination of the partnership.

Child labour and young workers

The use of child labour – any work performed by any person under 15 years of age, unless the minimum age for work or mandatory schooling is higher by local law – is strictly prohibited.

Our partners may employ young workers – under the age of 18 but over the age of a child – but where such young workers are subject to compulsory education laws, they shall work only outside of school hours. Young workers may not work during night hours and may not be exposed to any situations – inside or outside the workplace – that are hazardous or unsafe to their physical and/or mental health and development.

Forced and compulsory labour

Our partners shall under no circumstances use forced, compulsory or indentured labour or modern slavery in any of its forms, or be involved in human trafficking. This comprises all work or services that a person has not offered to do voluntarily and is made to do under the threat of punishment or retaliation, or that is demanded as a means of repayment of debt.

Additionally, the Partner shall not require its employees to hand over government-issued identification, passports or work permits as a condition of employment.

Employees should receive a written employment contract/appointment letter signed voluntarily, entailing terms and conditions of employment. This contract should mention the employee is free to leave employment with a notice period.



Non-discrimination

LC Packaging does not tolerate unlawful harassment, discrimination or retaliation of any kind under any circumstance.

Our partners undertake actions to ensure equality of opportunity and treatment in respect of employment and occupation, without discrimination on the grounds of race, age, skin colour, sex, sexual orientation, religion, political opinion, union membership, national extraction and social origin, or such other grounds as may be recognised under the national law of the country or countries where the execution, in whole or in part, of the contract takes place.

Anti-harassment and abuse

The Partner shall commit to a workplace free of harassment and abuse. The Partner shall create and maintain an environment that treats all employees with dignity and respect and will not use any threats of violence, sexual exploitation, verbal or psychological harassment or any form of abuse or retribution.

Fair wages and benefits

The Partner's employees shall be provided with a living wage and benefits that at least comply with applicable national laws and binding collective agreements. The remuneration received for a standard working week by an employee should be sufficient to afford a decent standard of living for the worker and his or her family.

Elements of a decent standard of living include food, water, housing, education, health care, transport and clothing for the whole family, and other essential needs, including provision for unexpected events. [Global Living Wage Coalition]

Proof of a living wage has to be available in the form of e.g., an SA 8000 certificate.

Read more on [LC Packaging's Living Wage Ambition](#)

If the Partner does not currently pay a living wage or cannot provide proof of paying a living wage at the time of signing this Code, the Partner will, by signing this Code, commit to paying at least a living wage by 2030 and provide proof.

Partners should provide written and understandable information about wages before a person enters employment; including information on how the wage has been calculated, e.g. payslips. This information should be included in the job contract/appointment letter.

Freedom of association and the right to collective bargaining

The Partner shall grant its employees:

- the right to Freedom of Association and Collective Bargaining;
- the right to form, join and organise trade unions of their choice and to bargain collectively on their behalf with their company.

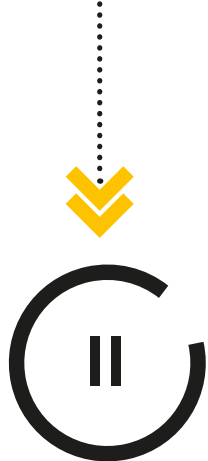
If the right of freedom of association is restricted by law, the Partner will consider facilitating development of an alternative means to implementation of free association.

Working hours and documents

The Partner shall ensure that its employees work in compliance with all the applicable national laws and mandatory industry standards pertaining to the number of working hours and public holidays. The regular working week, overtime not included, should be as defined by local or other laws, but shall not exceed 48 hours a week. Overtime shall be on a voluntary basis and incentivised through the payment of a premium rate of compensation. The provision of a living wage does not include overtime. Only employees with legal authorisation shall be employed.

Employees shall be provided with at least one day off following every six consecutive days of working.





Health and Safety

LC Packaging is committed to providing safe and healthy working conditions for its employees and values the quality of its products highly. LC Packaging expects its partners to monitor, identify, test and improve health and safety risks within the workspaces continuously and comply with the ISO 45001 Occupational Health & Safety Standard. Partners should audit on an annual basis to assess health and safety in the workplace and implement appropriate corrective and preventive actions.

Workplace environment

The Partner shall provide employees with safe and healthy working conditions and, where provided, safe housing conditions. This includes, as a minimum, the provision of safe drinking water, adequate sanitation, emergency exits and essential safety equipment, access to emergency medical care and appropriately lit and equipped working stations.

Workplaces, machinery, equipment and processes under the Partner's control shall be safe and without any risk to physical or mental health. Where necessary, adequate protective clothing and protective equipment shall be provided to prevent risk or accidents with adverse effects to health.



All workers shall receive adequate training prior to commencing their duties. This training shall also include fire drills and evacuation drills.

Product quality & safety

The Partner shall provide LC Packaging and its subsidiaries with high-quality products and services. All products and services delivered by the Partner shall meet the quality, safety and food safety standards required by applicable law and shall comply with the LC Packaging quality requirements.

LC Packaging aims to have at least 80% of its turnover to come from packaging that delivers the circular economy. In that light, we expect our partners to research opportunities to meet this aim. As part of this process, the Partner will guarantee the quality and safety of packaging that uses less material, and more sustainable materials (recycled content materials or renewable materials). The Partner will also commit to identify easy recyclable or compostable material combinations, preferably mono materials.

Read more on [LC Packaging's Circular Economy ambition](#).

The Partner shall provide proof of quality and safety consisting of test results and process and product certifications. The Partner shall immediately report to LC Packaging any concerns about product safety and/or product quality.



Environment

LC Packaging believes all businesses have the responsibility to ensure that activities within their own organisation do not cause any harm to the environment. We also believe greening operations is an ongoing process and operations and activities must be made more sustainable every year.

LC Packaging believes all businesses have the responsibility to ensure that activities within its own organisation do not cause any harm to the environment. We also believe greening operations is an ongoing process and operations and activities must be made more sustainable every year.

The Partner shall have an effective environmental policy, pursuant to which it undertakes to operate with care for the environment and to ensure compliance with all applicable laws and regulations regarding the protection of the environment in the country where products or services are manufactured or delivered. Partners will operate a precautionary approach to environmental matters (prevention rather than remediation), undertake initiatives to promote greater environmental responsibility and encourage the diffusion of environmentally friendly technologies that implement sound lifecycle practices.

The Partner shall support LC Packaging's environmental sustainability commitments by implementing operational practices and technologies that take the environment into consideration and that are sustainable. The Partner shall strive to reduce or optimise its use of energy and the generation of air emissions, waste water and solid waste.

Energy and greenhouse gases

LC Packaging aims to reduce the greenhouse gas (GHG) emissions in its value chain by 50% by 2030. To be able to achieve this goal, our partners must annually reduce their scope 1 and scope 2 emissions in line with the Paris agreement's goals in limiting global warming. This includes the direct and indirect emissions in the Partner's own operations.

Read more on [LC Packaging's Emission Reduction Ambition](#).

If requested, the Partner shall report on its annual energy consumption and GHG emissions (Scope 1 and 2). Acceptable reporting methods will be either in a reporting template/tool provided by LC Packaging, or an own pre-approved by LC Packaging template containing all requested information.

It is highly appreciated and recommended for a Partner to join the [Science Based Target initiative \(SBTi\)](#) – or a similar initiative – and set its own science based emission reduction targets (SBTs) in line with the 1.5°C pathway.

Water management

The Partner shall comply with local water regulations, undertake actions to prevent water pollution and identify opportunities for more sustainable use of water (e.g. recycled water over protected natural waters such as lakes).

Waste management

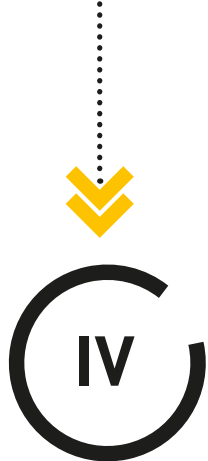
The Partner shall comply with local waste regulations and take actions to prevent environmental damage from waste through the production process.

Hazardous substances

The Partner shall comply with local regulations regarding hazardous substances, take action to minimise the usage of hazardous substances and minimise potential environmental risk due to leaks or spills.

Biodiversity

The Partner shall comply with local regulations regarding biodiversity and take action to minimise the damage to biodiversity as a result of the production process (e.g. sound/noise, pollution causing harm to local/endangered species).



Fair Business Practices (Ethics)

LC Packaging expects its partners to uphold the highest standards of fair business practices and ethics.

Fraud, corruption and bribery

The Partner shall not be involved in fraudulent practices, money laundering, corruption, bribery-related activities or financing terrorism in any way and shall comply with applicable local laws and regulations and all applicable international anti-corruption conventions.

The Partner shall annually conduct audits to ensure there is no such involvement.

Information security

The Partner shall comply with local laws regarding information security.

Whistle-blower procedure

The Partner should implement a whistle-blower procedure that allows for the notification of wrongdoings from employees or stakeholders. Partners will report wrongdoings in relation to this Code of Conduct.

Responsible sourcing of raw materials

LC Packaging is committed to using raw materials of legal and sustainable origin, with the interests of human beings, animals and the environment in mind. LC Packaging wants to avoid raw materials that contribute to e.g. the financing of armed conflicts, enable human rights abuses, cause severe environmental damage, and expects its partners to fully support LC Packaging in this respect.

The Partner shall have a written policy that addresses the aforementioned fair business practices.





Documentation, monitoring and auditing

In order to ensure and demonstrate compliance with the Code of Conduct for Key Production Partners, LC Packaging expects its partners to keep record of all relevant 'documentation of proof', and to provide supporting documentation upon request. Additionally, LC Packaging requires SEDEX membership from its partners and – when requested – that they perform a SMETA audit in order to meet our requirements.

In order to ensure and demonstrate compliance with the Code of Conduct for Production Partners, LC Packaging expects its partners to keep record of all relevant 'documentation of proof', and to provide supporting documentation upon request. Additionally, LC Packaging requires SEDEX membership from its partners and – when requested – that they perform a SMETA audit in order to meet our requirements.

This Code of Conduct forms an integral part of LC Packaging's partner relationship management and evaluation procedure. Monitoring shall involve the regular Partner Assessment and may involve self-assessments, site visits, the SMETA audit and follow-up on remediation plans.

If the Partner is not able to fully comply with this Code of Conduct, they must indicate this in advance to LC Packaging. Similarly, when there are unforeseen circumstances causing the Partner to be temporarily or permanently unable to meet the Code; both parties can discuss this and establish an improvement plan whereby they are still able to meet the Code within an agreed period of time. Where possible, LC Packaging will assist the Partner to address these matters.

In cases where LC Packaging becomes aware of any actions, infractions or conditions not in compliance with this Code, of which the Partner has not informed LC Packaging in advance, LC Packaging reserves the right to demand corrective measures or to consider the termination of the partnership.

The undersigned hereby declares and accepts:

- To adhere to the principles of the LC Packaging Code of Conduct for Production Partners
- To report annually on required data as stated in this Code
- To provide 'documentation of proof' upon request
- To become a member of SEDEX and perform a SMETA audit to meet our requirements as requested





Declaration of Compliance

I hereby declare that I have read and understood the principles set forth in the LC Packaging Code of Conduct for Production Partners and will fully comply with these principles. I accept responsibility to report exceptions to LC Packaging.

Company name

Date

Name

Position

Company stamp

Signature



Declaration of Non-Compliance

I hereby declare an explanation for non-compliance.

Non-compliance issue

Explanation of non-compliance

Corrective actions planned and timeline

Company name

Date

Name

Position

Company stamp

Signature



worldwide

LC Packaging International BV

Otto Matseweg 9
2742 JW Waddinxveen
The Netherlands

T+31 180 39 38 37

info@lcpackaging.com
www.lcpackaging.com

lc packaging®