UN Global Compact Communication on Progress 2020 Advanced



LC Packaging International B.V.

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Statement of continuous support by CEO

GRI: 102-14

As an international manufacturer and distributor of flexible packaging solutions, active in so many countries and industries, we believe we can and have to contribute to the well-being of people around the globe, while at the same time minimising our environmental impact to leave a better world for future generations.

While at the start of our company almost 100 years ago, natural products and reconditioning were the norm, we now feel the necessity to further formalise our policies and strategies, to create a solid foundation for the next 100 years. That is why, in January 2017, LC Packaging

launched its first <u>Sustainability Vision</u>: <u>No time to Waste</u>. We have set ourselves 14 5-year goals to improve the well-being of people and planet. Our vision and strategy are based, among other things, on the UN Ten Principles and contribute to the Global Sustainable Development Goals.

In 2019, our efforts have been rewarded by EcoVadis with a Gold CSR-rating. The Gold certificate applies to all LC Packaging International B.V. affiliates as well as our own production facilities Dutch-Bangla Pack Ltd. and LC Shankar.

I am pleased to confirm that LC Packaging actively supports the ten principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-corruption.

In this annual Communication on Progress we further describe

our actions to continually improve the integration of the UN Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication. We continue to step up as an ambassador to promote the principles and create awareness in our supply chain and beyond.

Please refer to our <u>Sustainability Update 2020</u> (including our GRI Report 2019) for more information on our stakeholders, materials and initiatives.

Yours Sincerely,

Lucas Lammers CEO, LC Packaging



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1. Sustainable Development Goals

Through our sustainability strategy and related activities, we are committed to contributing to the UN Global Sustainable Development Goals. With our core business, daily activities and our so-called 'areas of commitment' we will be making a direct contribution to 4 of the 17 goals: numbers **8**, **9**, **12** and **17**. In addition, we actively contribute to the other goals via activities to improve our environmental footprint (Goal 13), our involvement in community development projects and by establishing sustainable partnerships for the goals.











2. Areas of Commitment

In our sustainable business strategy, LC Packaging has identified four areas of commitment: people, supply chain, solutions and environment. These four areas are divided in areas of focus, as shown in the figure below. We believe that by adding these areas of commitment to our daily business agenda, we can improve our environmental, economic and social impact, while making profit along the way. At LC Packaging we invest all our profit back into the company to secure its future and the future of our employees.



For 2022, LC Packaging has identified 14 targets related to these topics, including a specific target related to SDG 17, Partnership for the goals:

'By 2022, we will have increased and strengthened our sustainable partnerships with our stakeholders and together will have made a significant contribution to achieving our goals.'

More on our Sustainability Vision and 14 5-year targets:

<u>Video LC Packaging Sustainability Vision</u> <u>LC Packaging Sustainability Vision 2022</u>



3. Human Rights Principles

GRI Job Creation 2019: 103-3 GRI 401, 403, 404, 412, 413, 414: 103-3

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;

Principle 2: make sure that they are not complicit in human rights abuses.

As an international employer with offices, warehouses and production locations in 16 countries in Africa, Asia and Europe, LC Packaging has a direct impact on and feels responsible for the well-being of our more than **1,680** employees, our Partners and the local communities in which we operate. Improving people's well-being is one of our four so-called 'areas of commitment', and the protection of the internationally proclaimed human rights forms the base of this welfare. As a family company, we consider all our employees part of the LC Family, and we make sure we treat them as such.

With our initiatives related to the human rights principles we actively contribute to the following Global Sustainable Development Goals (SDGs), set by the United Nations:











3.1 Related policies

Human Rights Policy
Working conditions policy
Employee Occupational Health & Safety Policy
Performance and Career Development Policy
Sustainable Supply Chain Policy



3.2 Our employees

LC Packaging is expanding and that means our family is growing. Compared to 1 January 2019, our workforce has expanded by about **8.3%** on 1 January 2020, to 1,680 employees of which **47%** female. **26%** of management positions within he LC Packaging Group* are held by women.

*Group: All LC Packaging International B.V. subsidiaries in which we have more than 50% ownership; LC Packaging affiliates, Hagens Verpakkingen B.V. and WorldBag B.V. LC Packaging Group does not include production facilities.

3.2.1 Health & Safety

By 2022, 85% of our employees will feel that he/she is working in a safe and healthy working environment and will be satisfied with the working conditions we provide.

Source: LC Packaging Sustainability Vision 2022

To protect the human rights of all employees according to the global human rights proclamation and standards, these rights are captured in the LC Packaging Global HR Manual and Internal Code of Conduct, including the right to safe and healthy working conditions, equal pay for equal work and the right to form and join trade unions (Article 23). We take care of a healthy work-life balance, with 8-hour workdays (article 24) and pay an above average salary (always above living wage). This means all our employees and their families have access to food, clothing, housing, medical care and education for their children. 100% of our employees has received an employment contract and everyone is granted paid annual vacation. 100% of our operations is covered by a human rights risk assessment. More data: People Report 2019.

3.2.2 Talent & Development

By 2022, 80% of our employees will be satisfied with the internal development opportunities provided by LC Packaging.

Source: LC Packaging Sustainability Vision 2022

In 2016, **65.3%** of our colleagues said that they were satisfied with the internal development opportunities provided by LC Packaging. In early 2019, this number increased to **70%.** A few months later, and after the launch of TalentLMS, our online learning platform that offers colleagues all types of training related to their job and personal development, **83%** of our colleagues say they are satisfied with the current development opportunities LC Packaging offers regarding their personal development. A significant increase we are very proud of.

LC Packaging employees have access to training to expand both their knowledge and skill levels and receive regular performance and career development reviews. On average, employees spent **18.5** training hours, of which **3.5** hours are dedicated to Sustainability Awareness Training courses, which have been completed by at least **90%** of our employees.

More data: People Report 2019.



3.2.3 Developing countries

By 2022, we will have created at least 300 additional high quality full-time jobs in developing countries.

Source: <u>LC Packaging Sustainability Vision</u> 2022

LC Packaging makes it a priority to contribute to the economic environment of the countries we operate in, as well as the community and our own people. In total, we added **1,300** FTE in developing countries to our workforce. **474** were hired in the last **3** years.

In developing countries we make sure we offer secondary employment conditions that improve the well-being of our employees. For example, all our employees in developing countries have access to proper health care by health insurance or a medical plan. **More data**: People Report 2019.

In 2020, our efforts have been rewarded by Sedex, who shortlisted our Employee Commitment Programme for their Responsible Business Award in the category 'Best Health & Safety Labour Programme'. This programme tackles a number of health and safety challenges for employees at Dutch-Bangla Pack Ltd. (DBPL) – LC Packaging's SA 8000 certified production facility in Bangladesh.

DBPL is an advanced member of the UN Global Compact and offers, among other things:

- Payment increase of 10% after 6 months of continued employment
- Free medical services and other health care services
- Life insurance
- Group insurance
- Housing facilities
- Day-care facilities

Read more: <u>Dutch-Bangla Pack Ltd. CoP 2019</u>



3.3 Our Production Partners

By 2022, 100% of our key Production Partners will have signed our Supplier Code of Conduct and is acting accordingly.

Source: LC Packaging Sustainability Vision 2022

At LC Packaging, we aim to set industry leading standards for responsible and sustainable supplier selection, delivering our commitment to sustainable growth.

Since both LC Packaging and its Production Partners have developed strongly in recent years when it comes to labour standards and human rights, ethics and environmental efforts, the standard and conditions for cooperation have evolved. Therefore, in 2019, we launched our new and improved <u>Global Supplier Code of Conduct</u>. This document prescribes values and principles to which LC Packaging has committed worldwide: non-negotiable standards that we ask our Production Partners to respect and adhere to when conducting business.

3.3.1 Supplier selection

Our new and existing Production Partners are all screened on social and environmental criteria. In 2019, we introduced our new <u>Supplier Selection and Assessment Process</u> to help us and our Production Partners to uphold the highest labour standards and human rights, ethics and environmental efforts. We are proud to announce that **100%** of our key suppliers has now signed our Supplier Code of Conduct.

More data on suppliers: Supply chain Report 2019

3.3.2 Extensive risk assessment

Additionally, an extensive socio-political and geo-location risk assessment is performed annually, based on Amfori, World Risk Index and the Sedex Risk Assessment, to identify highrisk locations in countries where LC Packaging is active, as well as countries where our production partners are active. The risk assessment includes topics such as corruption and bribery and the risk of human rights violations, such as child labour and forced labour. This type of risk assessment allows us to identify suppliers with a potential negative social and environmental impact and take appropriate steps.

More information on risk assessment: Supply chain Report 2019



3.4 Community development

By 2022, we will have made a significant contribution to the well-being and development of the local communities in which we operate.

Source: LC Packaging Sustainability Vision 2022

In 2017, LC Packaging established the <u>LC Supports Foundation</u>. The objective of our foundation is to contribute to improving the welfare and environment of countries where LC Packaging is directly or indirectly active, in the broadest sense of the word. With this foundation we support sustainable projects that have a clear connection to the activities and the hearts of LC Packaging and our stakeholders. The themes of the projects depend on the needs of the local communities and can contribute to any of the 17 Global Sustainable Development Goals.



3.4.1 New projects

To support its employees and their families, Dutch-Bangla Pack Ltd. (DBPL) – LC Packaging's SA 8000 certified production facility in Bangladesh – partnered with Sporsho Daycare and set up 'Happy Kids'. The day-care centre offers a safe, playful and educational environment for children from the age of 6 months until 4 years. It is located on the factory premises with a trained supervisor and a nanny who have been hired to run the centre. The day-care service is free of charge for the DBPL employees who bring their children to Happy Kids. The LC Supports Foundation donated €5,000,- to this project as a contribution towards financing the salaries of Happy Kids employees.

More on our community development activities:

Annual Report and Statement of Income and Expenses 2019



3.4.2 Project Managers

To bring further attention to the projects supported by the LC Supports Foundation, two project managers have been appointed to involve and engage our internal and external stakeholders. They have visited the projects early 2020.





3.5 Measurement of outcomes

- Membership of the UN Global Compact
- EcoVadis Gold CSR rating, SA 8000 certificate and Sedex membership
- Certificates, policies and statements
- All targets are mentioned in our Sustainability Vision 2022
- All outcomes are mentioned in our Annual Sustainability Update
- LC Packaging GRI Content Index 2019
- People Report 2019
- Supply chain Report 2019
- Outcomes Flow Measurements 2019 and T&D survey
- HR Manual and Internal Code of Conduct
- Global Supplier Code of Conduct 2019
- Internal audits, SMETA audits and Customer audits
- LC Supports Foundation projects
- Public commitment to the SDGs
- LC Packaging has been identified as an example company by the Dutch Minister of Foreign Trade and Development Cooperation
- LC Packaging has been recognised as an example company by the Dutch Ambassador to Bangladesh <watch video>



4. Labour

GRI 401, 406, 408, 409: 103-3

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour;

Principle 6: the elimination of discrimination in respect of employee and occupation.

By 2022, 85% of our employees will feel that he/she is working in a safe and healthy working environment and will be satisfied with the working conditions we provide.

Source: LC Packaging Sustainability Vision 2022

LC Packaging upholds the freedom of association and the effective recognition of the right to collective bargaining. We eliminate all forms of forced and compulsory labour, child labour and discrimination, and expect our Production Partners to do the same. We are committed to responsible business practices with absolute regard for conventions of the ILO, UN and national labour laws.

With our initiatives related to the labour principles we actively contribute to the following Global Sustainable Development Goals (SDGs), set by the United Nations:









4.1 Related policies

Employee Occupational Health & Safety Policy
Discrimination & Harassment Policy
Performance and Career Development Policy
Working conditions policy



4.2 Freedom of association and collective bargaining

As stated in our HR Manual and our <u>Internal Code of Conduct</u>, all our employees have the right to form, join and organise trade unions of their choice and to bargain collectively on their behalf with the company. We expect this right in every office, warehouse or production facility and in every country and continent. LC Packaging will not interfere with their establishment, operation and organisation. We expect the same from our suppliers as stated in our <u>Supplier Code of Conduct</u>.

LC Packaging:

- respects the right of all employees to form, join, and organise trade unions of their choice and to bargain collectively on behalf of their organisation;
- informs personnel that they are free to join a worker organisation of their choosing without any negative consequences or retaliation;
- does not interfere with the establishment, functioning, or administration of workers' organisations or collective bargaining;
- communicates to workers within operations of LC Packaging, such as in Dutch-Bangla Pack Ltd., through a "Worker representative". This is a worker who is chosen to facilitate communication with senior management on matters related to SA8000, elected by non-management personnel for that purpose;
- allows workers to freely elect their own representatives;
- ensures that representatives of workers and any personnel engaged in organising workers are not subjected to discrimination, harassment, intimidation, or retaliation for being union members, representatives of workers or engaged in organising workers;
- production sites, such as LC Shankar, have agreements with trade unions regarding wages and other conditions of employment.

4.3 Elimination of forced and compulsory labour

LC Packaging does not engage in or support the use of forced or compulsory labour as defined in ILO Convention 29, nor shall personnel be required to pay "deposits" or lodge "identification papers" with the company upon commencing employment. We do not withhold any part of any employee's salary, benefits, property, or documents in order to force him or her to continue working for the company. Everyone is free to leave the working place and overtime hours are fully voluntary.



So far we have had zero confirmed cases of child and forced labour in our own operations or the operations of our Partners.

One of the measures taken to eliminate forced and compulsory labour was the launch of our Child & Forced Labour awareness training, conducted by 94.6% of our employees.

All LC Packaging operations and supplier operations are subject to an extensive risk assessment, which includes topics such as forced and compulsory labour. (See Chapter: 3.3.2 Extensive Risk assessment)

More data on forced and compulsory labour: Business Ethics Report 2019

4.4 Abolition of Child Labour

LC Packaging does not engage in child labour at any level of the organisation. No employee is employed under the minimum age established by national law (Labour Law 2006). According to the Company Policy of LC Packaging, including its own production facilities and Production Partners, the employment age is at least 18 years.

So far we have had zero confirmed cases of child and forced labour in our own operations or the operations of our Partners.

One of the measures taken to eliminate forced and compulsory labour was the launch of our Child & Forced Labour awareness training, conducted by 94.6% of our employees.

All LC Packaging operations and supplier operations are subject to an extensive risk assessment, which includes topics such as child labour. (See Chapter: 3.3.2 Extensive Risk assessment)

More data on child labour: Business Ethics Report 2019



4.5 Elimination of discrimination

LC Packaging does not engage in or support any type of discriminating practices and we do not engage in or support activities that would interfere with an employee's right to exercise, observe tenets or practices, or to meet needs relating to race, caste, national origin, religion, disability, sexual orientation, union membership, or political affiliation. LC Packaging does not allow behaviour from its employees that are discriminative or harassing in nature. Gestures, language and physical contact that are sexually coercive, threatening, abusive, or exploitive are prohibited. Employees are informed of this policy during new employee orientation and it is covered in the HR Manual and the Internal Code of Conduct. All allegations of discrimination or harassment are immediately brought to the attention of the Human Resources Department and are investigated immediately and resolved.

In 2019 there were zero incidents reported of discriminatory and intimidating behaviour.

One of the measures taken to eliminate discrimination was the launch of our Discrimination and Harassment awareness training, conducted by **93.4%** of our employees.

More data on discrimination: Business Ethics Report 2019

4.6 Measurement of outcomes

- Membership of the UN Global Compact
- EcoVadis Gold Medal, SA 8000 certified and Sedex
- Certificates, policies and statements
- All targets are mentioned in our Sustainability Vision 2022
- All outcomes are mentioned in our <u>Annual Sustainability Update</u>
- LC Packaging GRI Content Index 2019
- Business Ethics Report 2019
- Outcomes Flow Measurements 2019
- HR Manual and Internal Code of Conduct
- Global Supplier Code of Conduct 2019
- ZERO employees under the age of 18
- Internal audits, SMETA audits and Customer audits



5. Environment

GRI Innovation 2019: 103-3 GRI Sustainable solutions 2019: 103-3 GRI 301, 302, 303, 305, 306, 308:103-3

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; Principle 9: encourage the development and diffusion of environmentally friendly technologies.

LC Packaging commits to minimising its impact on the environment, by reducing its waste production and carbon footprint and by decreasing its use of water and energy. In addition, we will improve efficiencies on finite natural resources in all of our company's greater environmental responsibility, encourage the development and diffusion of environmentally friendly technologies and take the lead in forming partnerships and infrastructures to establish sustainable solutions.

LC Packaging has set multiple targets for 2022 related to the environmental topic:

- By 2022, we will have undertaken important steps to significantly improve the sustainability of our in-house FIBC manufacturing.
- By 2022, we will have minimised the waste associated with our packaging.
- By 2022, we will have significantly reduced the waste of (food) products during storage and transport, with our packaging.
- By 2022, sustainability will be fully integrated into our innovation processes, leading to sustainable operations and new packaging solutions.
- By 2022, our carbon footprint will have been reduced by 25%.
- By 2022, the amount of waste generated in our daily operations will have been reduced by 40%.
- By 2022, the amount of water used in our daily operations will have been reduced by at least 10%.
- By 2022, the energy use in our daily operations will have been reduced by at least 10%.

Source: LC Packaging Sustainability Vision 2022

With our initiatives related to the environmental principles we actively contribute to the following Global Sustainable Development Goals (SDGs), set by the United Nations:









5.1 Related policies

Water, biodiversity and Local Pollution Policy
Sustainable Consumption Policy
Materials, Chemicals and Waste Policy
Energy Consumption and Greenhouse Gas Emission Policy
Customer Health & Safety Policy

5.2 Environmental footprint

In 2020, LC Packaging, with the help of <u>Except Integrated Sustainability</u>, conducted comprehensive corporate environmental footprint research of our CO₂ emissions, waste generation and water and energy use.

LC Packaging conducted its very first environmental footprint research in 2016. Based on the outcomes of this research, we finalised our environmental targets for 2022. Since 2016, we have increased our workforce by **59%**, added an extension to our production facility in Bangladesh and scaled up our production worldwide. Naturally, all of this caused our CO_2 emissions, energy use and water consumption to increase. The reductions brought about by our initiatives to minimise our water and energy use and CO_2 emissions so far do not outweigh these developments. Our initiatives related to reducing our waste production, however, means we have achieved our target already. In particular, our GREENBangla inhouse process waste recycling initiative made a huge impact. **38%** of all our waste produced worldwide is recycled in-house.

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Goals to improve	CO ₂ footprint	Water consumption	Waste production	Energy use
Target for 2022	-25%	-10%	-40%	-10%
Absolute: Reduction needed	51%	64%	-15%	41%
FTE: Reduction needed	24%	43%	-80%	8%



With the help of many sustainable initiatives, we aim to reduce our total environmental footprint in all areas, meaning we will continue our journey to find and implement ways to minimise our footprint for all LC Packaging offices, warehouses and production facilities

More environmental data: Environmental Report 2019

5.3 Laws, regulations and permits

LC Packaging complies with applicable environmental laws, regulations and permits and implements programmes and procedures to ensure compliance, following the environmental guidelines such as ISO 14001. LC Packaging is ISO 14001 and FSC certified among others.

5.4 Awareness

LC Packaging communicates its commitment to environmental protection to its employees, Production Partners, customers and other stakeholders via its annual <u>Sustainability Update</u>, as well as educating its stakeholders by working together to help them meet their goals. In 2019 and 2020, LC Packaging renewed and extended its environmental policies and translated these policies into training materials for its employees. **95.5%** of our employees has conducted our Sustainable Consumption Awareness training. In 2019, our <u>Supplier Code of Conduct</u> was also updated, based on our policies.

5.5 Projects and activities

LC Packaging initiated a lot of projects and initiatives to improve the well-being of people and planet in 2019 and 2020. Below is an overview of the most impactful projects and investments.

5.5.1 Circular after-use solutions

In 2019, LC Packaging distributed more than **337 million** packaging solutions, of which **98,2%** was reusable and/or recyclable. LC Packaging's plastic packaging solutions are responsible for **70%** of turnover. When sustainably designed, produced, distributed and handled and with a suitable after-use solution in place, flexible packaging can be re-used, reconditioned and/or recycled and transformed in a high value next use application. Together with <u>Veolia</u>, LC Packaging is creating a circular programme that focuses on optimising the recovery and upcycling of flexible packaging after-use. LC Packaging and Veolia Netherlands have already commenced upon the implementation of this circular programme in a test pilot phase, in cooperation with a selected number of highly motivated and sustainably-minded LC Packaging customers.

More on the environmental impact of our packaging solutions: Solutions Report 2019



5.5.2 Reusable and recyclable solutions

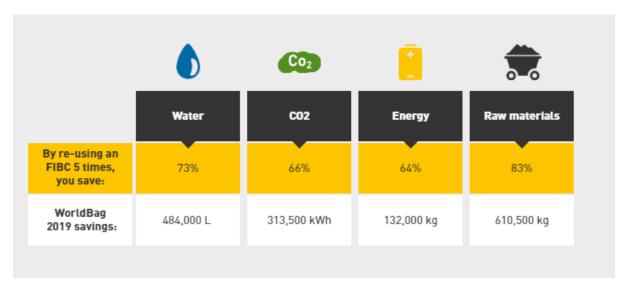
LC Packaging is actively testing the use of recycled materials (rPP) for the manufacturing of new big bags. A bag containing **20%** rPP from LC Packaging process waste has already been successfully produced and ordered for testing by one of our customers. Together with partner <u>Starlinger</u>, LC Packaging has also produced at **50%** rPP bag, including rPP made out of used LC Packaging FIBCs.

5.5.3 Waste recycling in Bangladesh

With the GREENBangla recycling initiative LC Packaging has, again, recycled 80% of its virgin PP process waste in 2019. This adds up to **737 mt.** With a state-of-the-art Starlinger Recycling Machine, 20 additional high quality jobs were created for the purpose of upcycling our process waste.

5.5.4 FIBC reconditioning

LC Packaging offers its customers an <u>FIBC reconditioning service</u>. Certain types of FIBCs can be reused up to six times. In 2017, LC Packaging conducted CO² footprint lifecycle research of its FIBCs. The aim was to measure the difference between a single-use FIBC bag produced at LC Packaging's production location in Bangladesh and the same FIBC that is reconditioned and reused with the help of our WorldBag reconditioning service. The result: Reconditioning leads to a reduction of **43%** to **66%** in carbon footprint. Not to mention, reducing a lot of waste. To help customers calculate the sustainable advantages and savings in the areas of waste, water, energy and CO² and to promote this after-use application, LC Packaging introduced a so-called calculation dashboard in 2019.



In 2019, LC Packaging reconditioned over **55,000** FIBCs through our affiliate, WorldBag Reconditioning Service, saving up to **484,000L** of water, **313,500 kWh** of energy, **132,000 KG** of raw materials and **610,500 KG** of CO₂.



5.5.5 Sustainable packaging materials

In 2019, LC Packaging introduced **100%** cardboard sleeves as an alternative for plastic wrapping. Unique sleeves for each calibre apple or pear were created to prevent damage and enhance the shelf life of the product. Cardboard sleeves are also suitable for other fruits and vegetables.

Because plastic is not just waste, but a valuable resource, LC Packaging worked together with one of its customers to design a Woven PP bag that is made up of **98%** polypropylene, significantly increasing its <u>recyclability</u>.

5.5.6 Sustainable infrastructure

In September 2020, the construction of LC Packaging's state-of-the-art office and warehouse in Waddinxveen will be completed. The new building is being built with the highest sustainability standards in mind, certified with BREEAM Outstanding. We have already received the so-called 'design certificate' and are expected to receive the final BREEAM certificate once the built is officially finished. The new building will also host for our cloud technology that not only minims the need for local servers, but makes working together without commuting easily accessible via corporate VPN (Virtual Private Network). This technology is part of our Microsoft 365 application package.

More information on our initiatives and projects: <u>Sustainability Update 2020</u>

More environmental reporting data: Environmental Report 2019

More on the environmental impact of our packaging solutions: Solutions Report 2019

5.6 Measurement of outcomes

- Membership of the Un Global Compact
- EcoVadis Gold CSR rating
- Certificate of ISO 14001 for Environmental Management System
- FSC Certificate
- Environmental Footprint Research 2020
- FIBC Lifecycle Research
- Certificates, policies and statements
- All targets are mentioned in our Sustainability Vision 2022
- All outcomes are mentioned in our Annual Sustainability Update
- Environmental Report 2019
- Solutions Report 2019
- LC Packaging has been recognised as an example company by the Dutch Minister of Foreign Trade and Development Cooperation
- LC Packaging has been recognised as an example company by the Dutch Ambassador to Bangladesh <<u>watch video</u>>
- The waste recycling project is also subsidised by DEG (German Development Finance) and the FMO (Dutch Development Bank) and recognised in the Dutch <u>UN</u> Global Compact SDG Progress Report
- Global Supplier Code of Conduct 2019



6 Anti-Corruption

GRI 205, 2016: 103-3

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

LC Packaging has a zero-tolerance approach to corruption in all its forms, including extortion and bribery and we are committed to always conducting our business in an honest and ethical manner. We distance ourselves from political preferences and collaborations, and only work with partners approved by governmental agencies, such as for example, the Dutch Embassy in Bangladesh. LC Packaging has adopted this policy to communicate the message of zero-tolerance and assist those working for us to uphold it.

With our initiatives related to the anti-corruption principle we actively contribute to the following Global Sustainable Development Goals (SDGs), set by the United Nations:







5.1 Related policies

Business ethics policy

5.2 Implementation

Corruption, including bribery is clearly stated as a no-go area in LC Packaging's Internal Code of Conduct. This is signed by all LC Packaging employees and strictly complied with. This topic applies to dealing with customers, Production Partners, competitors and other (governmental) organisations. In addition, this subject is also included in LC Packaging's Supplier Code of Conduct, signed by all key Production Partners.

In 2019, LC Packaging was awarded the prestigious EcoVadis Gold CSR Rating. EcoVadis is an international organisation that monitors and provides CSR and sustainability ratings for organisations across the supply chain. Included in this audit is measuring the performance standard of a company in the areas of:

- Corruption and bribery
- Anti-competitive practices
- Fair marketing

LC Packaging's books and accounts are audited externally annually by Grant Thornton.



In 2019, there have been zero confirmed incidents of corruption within LC Packaging's operatons. One of the measures taken to eliminate forced and compulsory labour was the launch of our Business ethics awareness training, conducted by 90% of our employees.

Anti-corruption reporting: Business ethics Report 2019

5.4 Measurement of outcomes

- Membership of the UN Global Compact
- EcoVadis Gold CSR Rating, SA 8000 certificate and Sedex membership
- Audit <u>Grant Thornton</u>
- LC Packaging has never been involved in any legal cases, rulings or other events related to corruption and bribery
- Corruption, including bribery is clearly stated as a no-go area in LC Packaging's
 <u>Internal Code of Conduct</u> and <u>Supplier Code of Conduct</u>. This is signed by all
 employees and Production Partners and strictly complied with.
- LC Packaging has a very strong connection with (local) embassies and other trustworthy organisations for mentoring and advisory role in the proceeding and rules