



## VENDOR POLICY

# CODE OF CONDUCT FOR BUSINESS PARTNERS

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**Owner:** Legal Affairs department

**Public:** all third parties acting on behalf of Paccor (agents, consultants, contractors,...)

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## I. SCOPE AND OBJECTIVE

PACCOR aims to form fair, sustainable and ethical relationships with all our Business Partners, including suppliers, consultants, distributors and all other third parties acting in the name or on behalf of a PACCOR company, collectively known for the purposes of this document as “Business Partners”.

PACCOR has made responsible, sustainable sourcing practices an integral part of the strategy. PACCOR aims to promote decent working conditions, environmentally responsible practices, and ethical behavior as part of our ongoing commitment to developing a sustainable supply chain.

The Sustainability Principles apply to all PACCOR Business Partners.

PACCOR’s Sustainability Principles include: *Social Principles, Environmental Principles and Business Ethics Principles*.

These Principles define PACCOR ’s sustainable and ethical conduct expectations of the Business Partners.

Acceptance and adherence to these Principles (or provision of equivalent principles) is mandatory for all Business Partners of PACCOR.

PACCOR’s Vendor Policy contributes to the implementation of our commitment to the Core Conventions of the International Labor Organization (ILO), the United Nations Sustainable Development Goals (SDGs) and our [CARE Sustainability Strategy](#).

## II. IMPLEMENTATION

The Business Partner warrants that the Social Principles and the Business Ethics Principles or equivalent principles are already in place in its own organization and that its employees, agents, suppliers and sub-contractors comply with them, throughout all stages during the commercial relationship. The Business Partner shall also strive to continuously work on the implementation of the Environmental Principles.

To inform PACCOR of relevant information about the Sustainability Principles implementation, the Business Partner is asked to provide updates on all its geographical company locations upon request as well as its Sustainability Principles performance by means of regular publication or communication according to widely accepted standards for transparency, e.g. GRI, Ecovadis.

The Business Partner also agrees that PACCOR shall have the right at any time to monitor the permanent adherence and implementation by the Business Partner of the Sustainability Principles. For this, PACCOR shall have free access to audit at any time the manufacturing and/or warehousing sites

of the Business Partner, including without limitation, the premises, the plants, the company records, and the complete process of production.

If any commitment is found to be breached, the Business Partner shall meet at PACCOR's request and discuss the reasons leading to the breach. The Business Partner shall then envisage and set up corrective actions with an appropriate time schedule to solve the breach of the commitment.

The Sustainability Principles of this Policy are all classified as either Urgent or Important to give the Business Partner and other readers a notion of time adherence versus the requirement:

- o Requirements classified as **Urgent** shall be implemented within 6 months after being found as non-fulfilled
- o Requirements classified as **Important** shall be implemented within 18 months after being found as non-fulfilled.

In both cases the continuous improvement mindset shall prevail and guide PACCOR in assisting suppliers to meet the Policy in full.

If the corrective actions are not implemented to PACCOR's satisfaction in accordance with the agreed time schedule or if the breach by the Business Partner of any of the Sustainability Principles recurs, PACCOR shall be entitled to cancel the purchase orders in force and/or to terminate the contract or the relationship for breach in accordance with its terms.

Acceptance and adherence to these Principles is understood to be confirmed by the Business Partners when they accept to undertake business with PACCOR, including signature of a contract and/or acceptance of performance of a purchase order.

### III. SOCIAL PRINCIPLES

The eight (8) material Social Principles identified and described below follow the international work norms established by the International Labor Organization (ILO). They have been identified as material for PACCOR business based on a risk-based approach involving internal and external stakeholders and reflected in our employees pillar of PACCOR Sustainability Strategy CARE.

#### **Human Rights (Urgent)**

The Business Partner respects and supports the observance of internationally recognized human rights and ensures not to participate in human rights violations.

### **Child Labor (Urgent)**

The Business Partner shall not employ children aged under fifteen (15). If the law sets a higher minimum working age or compulsory schooling is to a higher age, this limit applies. Educational programs and training are not included in this limitation.

### **Forced Labor (Urgent)**

The Business Partner does not use forced or compulsory labor, meaning any work or service performed under threat or that is not consented to by the person concerned. This refers to the following principles:

- o Every worker should have freedom of movement and freedom to leave employment subject to normal contractual provisions. The ability of workers to move freely shall not be restricted by the Business Partner through physical restriction (confinement) abuse, practices such as retention of passports and valuable possessions, threat of reporting illegal workers to the authorities or the menace of any form of penalties.
- o No worker shall pay for a job. Fees and cost associated with recruitment and employment shall be paid by the employer, not the employee (Employer Pays Principle).
- o No workers shall be indebted or coerced to work. Workers shall work freely, aware of the terms and conditions of their work in advance and paid regularly as agreed.

The Business Partner shall not participate in human trafficking.

### **Discrimination (Urgent)**

The Business Partner promotes equal opportunities and equal treatment. The Business Partner refuses to engage in any discriminatory practices, e.g. in hiring & promotion of employees, granting of education and training. Discrimination means any distinction, exclusion or preference limiting equality of opportunity or treatment. It may be based on race, color, sex, sexual orientation, religion, political opinion, age, nationality, family obligations or other considerations.

### **Freedom of Association and Right to Collective Bargaining (Urgent)**

The Business Partner recognizes and respects employees' freedom of association and their right to freely choose their representatives. The Business Partner also recognizes employees' right to collective bargaining. The Business Partner ensures that employee representatives do not suffer any discrimination.

### **Health and Safety at Work (Urgent)**

The Business Partner ensures that the workplace and its environment do not endanger the physical integrity or health of employees. Actions to reduce the causes of accidents and improve working conditions is the focus of ongoing programs. Sanitary equipment, canteens and housing provided to

employees are built and maintained in accordance with applicable legal requirements. As a minimum, the Business Partner must provide employees with drinking water, clean toilets in adequate number, adequate ventilation, acceptable noise level according to local legislation thresholds, emergency exits, proper lighting and access to medical care.

### **Working Hours (Urgent)**

The Business Partner ensures that national applicable legal restrictions on working hours, including overtime, are complied with. Employees have at least one (1) day off each week, apart from exceptional circumstances and for a limited period.

### **Wages and Social Services (Urgent)**

The Business Partner ensures that:

- o No wage and no social services are lower than the applicable legal minimum.
- o All employees receive a pay slip.
- o Employees receive a decent wage, as compared to standard pay practices and laws in their country.
- o Wage rates for overtime are in all cases higher than for normal hours.

## **IV. ENVIRONMENTAL PRINCIPLES**

In line with PACCOR's vision to become the circular economy leader for the packaging sector and PACCOR's Sustainability Strategy CARE and its resource targets, PACCOR expects the Business Partner, its agents and its sub-contractors, to be familiar with and comply with the below Environmental Principles.

### **Preservation of Resources (Urgent)**

The Business Partner shall:

- o Work on minimizing the consumption of energy coming from all the sources, including fuel consumption during transportation of goods to PACCOR's premises;
- o Make use of renewable energy;
- o Minimize product's packaging for optimizing the product service (Eco-conception). To do so, the Business Partner shall privilege the recycled raw materials, contribute to developing recycling and recycling loops;

- o Minimize the water consumption and proactively manage risks related to unsustainable fresh water management;
- o Measure and minimize its hazardous and landfilled waste streams, according to the Basel Convention.

#### **Chemicals and other Hazardous Substances (Important)**

The Business Partner shall reduce the use of chemicals and exclude the use of chemicals and other hazardous substances which are hazardous to people's health. The Business Partner also implements a hazardous materials management system that ensures safe use and transport, as well as safe storage, reprocessing, reuse and disposal.

#### **Climate Change & Greenhouse Gases Emissions (Urgent)**

The Business Partner shall measure direct and indirect greenhouse gases emissions of its different activities, according to the Green House Gas Protocol, on a regular (annual basis). The Business Partner shall work at continuously minimizing its overall greenhouse gases emissions and its related climate change risks to guarantee business continuity.

#### **Environmental Management (Important)**

The Business Partner shall work at measuring and controlling its environmental risks. The Business Partner shall put in place an environmental management system recognized by national/international authorities.

## **V. ETHICAL PRINCIPLES**

PACCOR expects the Business Partner, its agents and its sub-contractors, to be familiar with and comply with all applicable legal and contractual obligations relating to their business activities, including the following Ethical Principles.

#### **Business Partner Selection Process and Conflict of Interest (Urgent)**

The Business Partner shall cooperate with PACCOR and provide PACCOR with background accurate and complete information for integrity and compliance screenings (prior and during the selection, contracting and/or monitoring process).

The Business Partner shall declare and avoid any potential conflict of interest to PACCOR prior to the start of the selection process and at any time during the business relationship. A conflict of interest is a situation in which there is a risk that secondary interests of a personal or institutional nature will compromise primary interests. The Business Partner makes its decisions related to business activities with PACCOR exclusively on the basis of objective criteria.

### **Anti-Bribery and Corruption, Anti-Money Laundering, Competition Law and International Trade Sanctions (Urgent)**

The Business Partner shall abide by all applicable anti-corruption, anti-money laundering, international trade sanctions, data privacy and competition laws. The Business Partner shall not engage in any form of bribery or corruption to obtain an unfair or improper advantage, whether actual or perceived. The Business Partner shall not participate in activities which could prevent competition. The Business Partner shall not have dealings with restricted parties (in accordance with international trade sanctions law).

### **Gift and Hospitality (Urgent)**

The Business Partner is prohibited from offering gifts or hospitality (e.g. favours, entertainment, services) above a modest value to PACCOR employees, PACCOR customers or other relevant stakeholders (such as government officials) when working on behalf of PACCOR. Any gift offered must be of a purely modest value and must not be intended (or able to be perceived as such) to influence a business decision. Hospitality offered must be linked to business purposes, must be of an appropriate value and must not be intended (or able to be perceived as such) to influence a business decision. No gift or hospitality may be offered during tender or contractual negotiations.

The following situations are strictly prohibited:

- o Bribes or kickbacks;
- o Cash or cash equivalents;
- o Lavish or excessive gifts and entertainments;
- o Entertainment at clubs or organisations that discriminate on the basis of race, colour, gender, national origin, religion or sexual orientation;
- o Entertainment at sexually oriented establishments;
- o Entertainment that places a risk of physical harm.

### **Product Quality and Safety (Urgent)**

Products and services of the Business Partner do not endanger people and the environment and meet the agreed or legally required standards regarding product safety. The Business Partner shall communicate information on safe use accordingly.

### **Protection of Intellectual Property (Urgent)**

The Business Partner respects the intellectual property of PACCOR and of third parties.

### **Confidential Information (Urgent)**

The Business Partner will safeguard PACCOR's confidential information by keeping it secure, limiting access to those who have a need to know in order to do their job, and avoiding discussion of confidential information in public areas (e.g. planes, trains, elevators, restaurants), either directly or on mobile phones.

Confidential information means facts, data and knowledge which are not generally disclosed including, without limitation, business plans, names, designs, documents, drawings, engineering information, financial analysis and information, inventions, market information, marketing plans, processes, methods, formulas, forecasts, prices, costs, sales information, products, product plans, research, services, specifications, trade secrets (as defined by applicable law) or any other information.

## VI. RAISING A CONCERN

Any concern from the Business Partner, its agents or its sub-contractors, regarding these Sustainability Principles or their application shall be reported to the usual contact at PACCOR.

To report a concern, there is a dedicated and secured reporting tool available called [PACethics Helpline](http://www.convercent.com) (www.convercent.com) that may be used. This reporting tool can be used anonymously.

An email to PACCOR's Compliance team can be also directly sent to: [Legal@paccor.com](mailto:Legal@paccor.com)

Or a concern can be addressed to PACCOR Legal Affairs

Anyone who genuinely reports a concern shall be protected from any retaliation.

## VII. ANNEX: CONFIRMATION OF THE BUSINESS PARTNER

The Business Partner warrants that the principles described in the Paccor Group Code of Conduct for Business Partners are already implemented and respected by the Supplier and its own contractors, suppliers and business partners. The Business Partner acknowledge that compliance with the standards set in Code of Conduct for Business Partners are of the utmost importance to Paccor, and that non-compliance with these requirements may cause the termination of all commercial relationships between any member of PACCOR Group and the Business Partner with immediate effect and without any liability to Paccor.

Company: .....

Signatory Name: .....

Function: .....

Date: .....

Signature: .....

## ABBREVIATIONS

**GRI** Global Reporting Initiative