

Ethical Sourcing

1. Purpose

As a global company, we are very conscious of our economic, social and environmental responsibility. Therefore we consider corporate responsibility as an integral part of all our business activities including ethical sourcing of raw materials, goods and services. Constantia Flexibles does not engage or enter into any relationship with suppliers whose presence in the market and attitude towards their employees and subcontractors conflict with general ethics, principles and ecological standards.

This policy together with our Code of Conduct for Suppliers set out our expectations regarding human and labor rights, health and safety, environment and sustainability, as well as business integrity. It is oriented along the 10 principles defined by United Nations Global Compact and the UN Sustainable Development Goals (supporting goals 8 and 12):

The Ten Principles of the United Nations Global Compact

HUMAN RIGHTS

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

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

LABOUR

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; and

Principle 6 the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

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

Principle 8 undertake initiatives to promote greater environmental responsibility; and

Principle 9 encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

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

Figure 1 Supply Chain Sustainability, 2nd edition, UN Global Compact, June 2015



Figure 2 Sustainable Development Goals

2. Scope

This policy is concerning Constantia Flexibles Group and its subsidiaries. Therefore we expect all suppliers and contractors of any of our legal entities to comply with this policy as well as with our code of conduct for suppliers. As our supply chain is complex and cannot be monitored in its entirety, we require our suppliers to cascade these principles and requirements down into their own organization and supply chain.

Should there be an inconsistency between local legislation or regulations and this policy it is understood, that the instrument imposing the higher standard will be followed.

3. Terms, definitions, abbreviations

- COC – Code of Conduct for Suppliers
- CR – Corporate Responsibility
- Suppliers – Suppliers, contractors, third-party labor hire service
- SVP – Senior Vice President
- UN – United Nations

4. Responsibilities

All our suppliers and contractors are required to adhere to the principles of this policy as well as those outlined in our code of conduct for suppliers (COC). They must strive for continuous improvement of their performance in relation to Corporate Responsibility (CR). We expect them to comply with all applicable laws, rules and regulations as well as standards relevant for their business. Systematic documentation and records are required and non-conformities have to be identified and addressed through appropriate controls.

Suspected breaches of our ethical sourcing policy should be reported to our Whistleblower Hotline (phone: + 43 1 907 8308; email: compliance.cflex@phh.at) and will be treated confidentially.

Where we are made aware of issues or non-compliance, we will first engage with our suppliers to support suitable corrective measures to rectify such issues, fairly and in consideration of individual circumstances. However if suppliers continuously fail to demonstrate compliance or show no progress we will cease business until their performance has improved.

Our employees are expected to clearly communicate our expectations and address issues identified when dealing with our suppliers at any time.

5. Procedure

Ethical business practices must be ensured to foster corporate responsibility by implementing policies, management systems and dedicated targets. Systematic documentation and records are required and non-conformities have to be identified and addressed through appropriate controls.

The key elements of ethical business practices are:

5.1. Fair working conditions

Fair working conditions must be ensured for all employees and workers, including those provided by third party hire agencies. This includes the right to rest and recuperate, fair compensation and benefits as well as freedom of assembly and association. No worker should be indebted or coerced to work nor should pay for a job. Child labor as defined in ILO Convention No. 138 is prohibited. Discrimination relating to, but not limited to, race, color, gender, sexual orientation, religion, political affiliation, trade union membership, disability, nationality and social origin or age is unacceptable.

5.2. Health and safety

Production plants and processes must be safe for employees, the public and surrounding communities. Assessments and thorough analyses must be carried out to identify risks and hazards. Appropriate procedures and measures such as protective gear, must be in place to mitigate risks identified. This also includes the handling, storage and transportation of materials, which must be conducted in a manner that is safe for human health and the environment.

5.3. Fair competition and anti-corruption

We require our suppliers to be honest in their dealings with others, obeying all applicable laws and corresponding regulations governing fraud, bribery and corruption. They must be committed to the principles of fair competition and comply with all relevant antitrust and fair competition laws of the countries in which they conduct business.

5.4. Environmental impact reduction

Constantia Flexibles has set itself high targets to reduce the company's environmental impact and we expect the support of our suppliers in order to achieve these. In addition, our suppliers should themselves aim for as little environmental impact as possible regarding raw materials, emissions, effluents and waste, water and biodiversity, considering the widely varying nature of industries and operations.

5.5. Conflict free materials and supply chain

Constantia Flexibles has zero tolerance for sourcing from regions in which military conflicts are taking place. On request we require our suppliers to provide documentary evidence that all of the materials we source from them are conflict-free and that they do not obtain or process metals from critical regions.

We will monitor the implementation of our policy and as a condition of doing business with Constantia Flexibles, selected suppliers will be asked to partake in certain activities such as but not limited to:

- On-site or desktop audits performed by Constantia Flexibles
- Self-evaluation in specified areas via appropriate tools
- Provision of information about ethical sourcing performance upon request either manually or through an online supplier portal such as Supplier Ethical Data Exchange (SEDEX)

6. Further applicable documents

Please use this [Link](#):

- Code of Conduct for Suppliers,
- Modern Slavery and Human Trafficking Statement

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