

# Westpack Code of Conduct



Westpack A/S & Westpack Ltd.

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**Contents**

Introduction ..... 3

Compliance with Westpack Code of Conduct..... 3

General Principles ..... 3

Specific Requirements ..... 4

    Child Labor ..... 4

    Forced and Compulsory Labor ..... 4

    Health and Safety ..... 5

    Freedom of Association & Right to Collective Bargaining ..... 6

    Discrimination ..... 6

    Disciplinary Practices ..... 6

    Working Hours ..... 6

    Remuneration ..... 7

    Management System..... 7

    Environment..... 7

Anti Corruption ..... 7

    Anti-Bribery..... 8

    Supplier Alert ..... 8

Closing Statement from Westpack's CEO ..... 8

Supplier Signature ..... 10

## Introduction

The Westpack Code of Conduct is anchored in the values that Westpack was built on. We are committed to these values which include reliability, community and not least responsibility. These values are well in line with the standards of SA8000. Westpack is therefore committed to complying with these standards as well as to holding our suppliers up to the same high standards.

These standards are fully supported by our senior management and therefore constitute the way we do business.

## Compliance with Westpack Code of Conduct

The Westpack Code of Conduct not only serves as a guideline for the business conduct which is expected of Westpack's suppliers but it also serves as a means of evaluating our suppliers on a continuous basis.

The supplier shall allow Westpack and/or anyone representing Westpack unhindered access to production facilities, employees and to all relevant data needed to audit the supplier after the principles of SA8000. Audits may be conducted with or without prior notice.

The supplier shall ensure that the content of this Code is communicated to the employees. A copy of Westpack Code of Conduct in all appropriate languages shall be made available in a place accessible to all employees.

If a supplier cannot document compliance with this Code in a reliable manner, Westpack is entitled to demand that the supplier implements a corrective action plan to remedy the non-compliance. If Westpack has recommended such a corrective action plan, and it is not implemented, Westpack is entitled to terminate its business relation, and if necessary, cancel production or delivery in progress without prior notice.

Westpack is constantly developing and improving its CSR-program and suppliers may therefore be required to adopt amendments to this Code.

The term supplier covers both suppliers, sub-suppliers and sub-contractors.

## General Principles

The supplier shall comply with national and all other applicable laws, prevailing industry standards, other requirements to which the supplier subscribes and this standard. When such laws, standards or other requirements to which the supplier subscribes and this standard address the same issue, the provision most favorable to workers shall apply. The supplier shall also respect the principles of SA8000 which include the following international instruments:

- ILO Convention 1 (Hours of Work – Industry) and Recommendation 116 (Reduction of Hours of Work)
- ILO Conventions 29 (Forced Labour) and 105 (Abolition of Forced Labour)
- ILO Convention 87 (Freedom of Association)
- ILO Convention 98 (Right to Organise and Collective Bargaining)

- ILO Conventions 100 (Equal Remuneration) and 111 (Discrimination – Employment and Occupation)
- ILO Convention 102 (Social Security - Minimum Standards)
- ILO Convention 131 (Minimum Wage Fixing)
- ILO Convention 135 (Workers' Representatives)
- ILO Convention 138 and Recommendation 146 (Minimum Age)
- ILO Convention 155 and Recommendation 164 (Occupational Safety and Health)
- ILO Convention 159 (Vocational Rehabilitation and Employment - Disabled Persons)
- ILO Convention 169 (Indigenous and Tribal Peoples)
- ILO Convention 177 (Home Work)
- ILO Convention 181 (Private Employment Agencies)
- ILO Convention 182 (Worst Forms of Child Labour)
- ILO Convention 183 (Maternity Protection)
- ILO Code of Practice on HIV/AIDS and the World of Work
- Universal Declaration of Human Rights
- The International Covenant on Economic, Social and Cultural Rights
- The International Covenant on Civil and Political Rights
- The United Nations Convention on the Rights of the Child
- The United Nations Convention on the Elimination of All Forms of Discrimination Against Women
- The United Nations Convention on the Elimination of All Forms of Racial Discrimination
- UN Guiding Principles on Business and Human Rights

Central to this Code is that the supplier shall treat all his employees with respect and dignity.

## Specific Requirements

### Child Labor

The supplier is not allowed to employ persons aged younger than 15 years. The definition of a "child" is based on ILO's (International Labour Organization) Convention no. 138 and ILO's Recommendation no. 146 (Minimum Age and Recommendation), which states that a child is a person at an age younger than 15 unless national law stipulates an age greater than that or requires completion of compulsory education. For China the legal working age limit of 16 years must be enforced without exception.

The supplier must at any time be able to verify the age of all employees.

Young workers defined by SA8000 as "Any worker under the age of 18 but over the age of a child(...)" shall be given special care and attention cf. SA8000:2014 IV. 1.

### Forced and Compulsory Labor

The supplier must not use any illegal workers nor any kind of forced, bonded or prison labour. Any infringement of this principal will constitute a critical non-compliance.

The employee shall be entitled to refuse overtime work without being exposed to threats of disciplinary measures.

## Health and Safety

The supplier shall ensure a healthy and safe working environment where sources of noise and pollutants are under control. Applicable laws and regulations for a good working environment, including the safety and health of the employees, must be complied with.

The employees shall have access to drinking water and toilet facilities in reasonably sanitary conditions.

The supplier shall ensure that production facilities have adequate air circulation. Indoor work areas should be fitted with windows that can be opened. Fans, air-conditioning and/or radiators should be available depending on local conditions.

Machines operated in the production facilities shall be equipped with proper operational safety devices and shall be subject to regular safety inspection and maintenance. The supplier shall ensure sufficient lighting in the areas used for e.g. sewing, weaving, pressing and cutting activities. The supplier will provide safe working conditions for all employees and will not subject them to dangerous working practises.

Employees shall be provided with protective equipment free of charge where necessary, including but not limited to earmuffs, masks, protective goggles, safety boots and safety gloves.

In case of emergency the supplier shall keep at least 1 well-stocked first aid kit in each production unit. The supplier shall select and train a number of employees to take on the responsibility of giving first aid. The supplier shall have procedures in place for serious accidents that require treatment outside the premises of the supplier.

The supplier shall maintain clear passage at all time by ensuring that stairways and exits are unobstructed to facilitate any emergency evacuation. Raw materials, machinery or other objects may at no point be placed in passages, stairways or near the exits. Escape routes shall be clearly indicated with e.g. yellow stripes facilitating simple and quick evacuation. The main exits shall not be locked during working hours. Fire alarms should be placed in each production unit and in offices areas along with fire extinguishers that are regularly checked and maintained. A fire drill is to be held at least twice per year and shall include all shifts where applicable.

The supplier shall store dangerous and/or toxic substances safely in locations that are adequately ventilated and ensure that handling of these materials is safe. Waste from use of dangerous and/or toxic substances should be treated in accordance with applicable law. The supplier should be able to give an account of (a) storage of toxic substances (b) protective measures in connection with handling of toxic chemicals (c) procedures in case of accidents involving chemicals and finally (d) access to first aid and hospital treatment.

The supplier should be able to give an account of the chemical composition of the chemicals used in production such as dyes, glues etc. The supplier shall always have a declaration of the content of the chemicals which are stored in the factory. Any content declarations shall be verifiable by an internationally recognised laboratory.

If the supplier provides housing facilities for the employees the following requirements should be fulfilled:

- a) facilities should be well maintained and kept in clean condition

- b) sleeping facilities should be separated by gender and each worker should be provided with his/her own bed as well as storage space for his/her personal belongings
- c) the space per worker should meet the minimum legal requirements
- d) sufficient number of toilettes and showers
- e) access to drinking water
- f) sufficient air ventilation, windows which can be opened, fans and/or air-conditioning and radiators depending on local conditions
- g) sufficient lighting
- h) basic laundry facilities
- i) clean canteen facilities/eating rooms. Areas for food storage and food preparation should also be kept in clean condition

### **Freedom of Association & Right to Collective Bargaining**

The supplier shall comply with ILO Convention no. 87 on Freedom of Association and Protection of the Right to Organise and Convention no. 98 on Right to Organise and Collective Bargaining.

The supplier shall have a worker representation policy.

### **Discrimination**

Employment with the supplier shall be based on the employee's ability to perform the job in question and shall not be subject to discrimination on the basis of race, colour, nationality, religion, gender, age, sexual orientation or marital status. This includes recruiting, compensation, access to training, promotion, termination of employment or retirement.

### **Disciplinary Practices**

The supplier shall treat his employees with respect and dignity.

Employees shall not in any way be subjected to force or violence. Nor shall physical abuse or discipline, the threat of physical abuse, sexual or other type of harassment, as well as verbal abuse or other forms of intimidation be permitted.

### **Working Hours**

Working hours must be organised in such a way that the employees can have a reasonable amount of leisure time. In each 7-day cycle the employee is entitled to at least one day off. Working hours should be in accordance with current law. This applies both to daily and weekly working hours. If no current law applies in the field, Westpack stipulates a maximum working day of 8 hours per day and 48 hours per week.

If overtime is necessary to meet production deadlines the supplier shall comply with local regulation regarding overtime work, however the working week may never be in excess of 60 hours per week.

## Remuneration

The supplier shall comply with current law concerning wages, compensation for overtime and payment procedures. The employees are entitled to at least a statutory minimum wage or the standard rate in the industry. If these rates differ, the employee is entitled to the highest rate. The employee must be able to explain the composition of his earnings to a third party.

The supplier may not withhold wages as a disciplinary measure.

## Management System

The supplier shall maintain a management system that enables the supplier to monitor and follow its efforts on CSR compliance in general and possible corrective action plans.

The supplier shall register the occurrence of accidents at work. These statistics are to be kept by the production management.

## Environment

All environmental laws and regulations should be followed. The supplier shall promote environmentally friendly production. The supplier shall develop a system for environmental management.

A basis for environmental management is available in the international Standard ISO 14001: Environmental Management Systems - Specifications with guidelines for use. Westpack recommends that the supplier follows the proposals and guidelines stated in the ISO 14000 series.

## Anti Corruption

Corrupt arrangements with suppliers, government officials, or other third parties are strictly prohibited, meaning that Westpack enforces a zero tolerance policy. "Corruption" generally refers to obtaining, or attempting to obtain, a personal benefit or business advantage through improper or illegal means. Corruption may involve payments or the exchange of anything of value and includes the following activities:

- Bribery (bribery of a government official or commercial bribery)
- Extortion
- Kickbacks

Corrupt activities are not only a policy violation, they can also be a serious violation of criminal and civil anti-bribery and anti-corruption laws in various countries. Should you become aware of any potential or actual corrupt arrangement or agreement, speak up and report it.

## Anti-Bribery

To comply with anti-bribery laws, no employee or supplier should ever offer, directly or indirectly, any form of gift, entertainment or anything of value to any government official or his or her representatives to obtain or retain business, influence business decisions, or secure an unfair advantage. Not all government payments are problematic. For example, payments may be made to a government entity in the normal course of business, such as to pay taxes or when the government entity is a customer or supplier. All payments, both direct and indirect, made to government officials must be accurately recorded.

## Supplier Alert

Westpack makes our expectations and compliance standards clear and encourages suppliers to contact us if an associate ever asks you to do anything that infringes upon the standards set forth above. Westpack is always at your disposal for reports on violations of Westpack's policy pertaining to receiving or soliciting gifts, bribes or kickbacks, disclosure of confidential information or a conflict of interest.

If you are aware of a situation where you think there may be a violation of Westpack's policy pertaining to receiving or soliciting gifts, bribes or kickbacks, disclosure of confidential information or a conflict of interest, immediately notify Westpack, China's management or if deemed necessary directly to Westpack Denmark.

If you are uncomfortable taking the issue to Westpack in person you are welcome to bring it forth anonymously.

## Closing Statement from Westpack's CEO



At Westpack providing quality solutions to our customers is our bread and butter. Not just the quality of the product itself, but also everything pertaining to our products. We invest a lot of resources both material, financial and human, in all parts of our value chain to meet high quality standards. To this end, our Code of Conduct (CoC) is a very important tool. It guarantees that we and our business partners are constantly kept on guard concerning quality, including Corporate Social Responsibility (CSR). If only a single link in our value chain fails, the whole chain fails. Therefore, this should never happen.

When Westpack refers to quality it shall be understood in a broader sense, as do our customers. Quality in our understanding is not only the physical characteristics of a product. Quality is just as much an

assessment of the physical and psychological conditions our products and solutions are produced in. Moreover it is an assessment of the ethics and morals that set the framework for the cooperation between Westpack and our suppliers. It is a safeguard for compliance with all laws, rules and regulations in connection with the development and production of our products and solutions. In short: CSR.

When our customers choose to do business with Westpack, they take several of the above parameters into account. They do so in confidence that Westpack and our suppliers live up to the above. A breach of the Westpack CoC is a serious violation of trust between not only Westpack and our suppliers, but also between Westpack and our customers. At large, a breach of the Westpack CoC is in effect a violation of trust in relation to our community.

Westpack has been in the packaging business for over 60 years. We believe in long term relationships with customers, business partners, suppliers and employees. Therefore, we have a philosophy that says:

"Good business is always coupled with good behavior". And the Westpack CoC is in effect a description and guideline for good behavior .

Morten Dalsgaard

Chief Executive Officer  
Westpack A/S

## Supplier Signature

With this signature the supplier hereby testifies that the supplier understands and will strive to comply with the Westpack Code of Conduct as set forth in the above.

Date: \_\_\_\_\_

Supplier Company Name: \_\_\_\_\_

Name of Signatory: \_\_\_\_\_