

# DS Smith Global Supplier Standards

This section describes the general requirements that all suppliers must comply with in order to sustain any business relationship with DS Smith. Our supplier requirements are based on the Ethical Trade Initiative (ETI) Base Code ([www.ethicaltrade.org](http://www.ethicaltrade.org)).

## Sourcing and purchasing ethically

DS Smith conducts business activities ethically and with integrity. Suppliers shall be honest and straightforward with all their business processes. This means suppliers shall engage in fair dealings and truthfulness by ensuring the fundamental standards are met (see points 1 - 18).

### **Supplier standards:**

1. Employment is freely chosen
2. Freedom of association and the right to collective bargaining is respected
3. Working conditions are safe and hygienic
4. Child labour is not used
5. As a minimum, living wages are paid (a living wage is the minimum, national legal standard or industry benchmark standard, whichever is higher)
6. Working hours are not excessive
7. No discrimination is practiced
8. Regular employment is provided
9. No harsh or inhumane treatment is permitted

### **Suppliers shall also:**

10. Conduct business in a manner that respects and protects the environment
11. Eliminate and combat bribery and corruption
12. Promote free and open competition
13. Protect confidential information
14. Establish grievance procedures
15. Be compliant with laws and regulations
16. Permit no tax evasion
17. Comply with sanctions regimes
18. Respect the rights of indigenous people

Suppliers shall have documentation verifying their ethical sourcing and purchasing activities and may use the Ethical Trading Initiative (ETI) Base Code or any other similar standard as a guideline for implementing ethical sourcing and purchasing. Suppliers shall provide this information to DS Smith upon request.

In addition, suppliers of recycled materials shall ensure that such materials are supplied to European Standard EN643. Such materials must have been sourced and moved in accordance with waste legislation as required by the revised EU Waste Framework Directive and in-country waste legislation as laid out by the in-country environmental agencies.

### **1. Employment is freely chosen**

Forced labour includes all work or service which is imposed on any person under the threat of any penalty and for which the person did not offer voluntarily. It is a fundamental human right for no person

to be subject to forced or compulsory labour. Therefore, suppliers shall prohibit the practice or use of any form of forced labour.

The statement should disclose the steps the organization is taking during the financial year to ensure that slavery and human trafficking is not taking place in its own operations and in its supply chains or that no such steps have been taken.

DS Smith is fully supportive of the Act and we are committed to driving the highest ethical standards within our supply chains. Read more about our policy [here](#).

## **2. Employees' right to freedom of associations and bargaining is respected**

It is a fundamental right of employees to have the freedom of association and collective bargaining. Suppliers shall respect this by providing the right of its employees to freely establish or join labour organizations of their choice and freely bargain. This practice should be based on national regulations and laws and internationally recognized labour standards.

## **3. Working conditions are safe and hygienic**

Suppliers shall provide a safe and healthy working environment for their employees. Suppliers shall establish a system or methods to monitor and report health and safety incidents and performance.

Occupational health and safety incidents and performance shall be managed and continuous improvement actions shall be established by suppliers. Responsibility for the management of employees' health and safety shall be appointed to a management representative. Suppliers shall comply with the International Labour Organization (ILO) convention or similar national law. In general, DS Smith expects that its suppliers will provide safe and humane working conditions for all their employees.

## **4. Child labour is not used**

Suppliers shall not engage in any form of child labour directly or indirectly (by the use of sub-contractors). Suppliers shall ensure that employees are at least of minimum age according to national or international law. Suppliers shall establish systems to ensure there is no child labour present within their own organisation or within their supply chains.

## **5. Living wages are paid**

Suppliers shall ensure wages and benefits paid to employees for a standard working week meet minimum national legal standard or industry benchmark standards (or whichever is higher). In any event, wages should always be enough to meet basic needs and to provide some discretionary income.

All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

In addition, suppliers shall not permit deduction from wages as a disciplinary measure, nor shall any deduction from wages not provided for by national law be permitted without the express permission of the worker concerned.

## **6. Working hours are not excessive**

Working hours must comply with national laws, collective agreements and the stipulations of the ETI Base Code.

## **7. No discrimination is practiced**

Suppliers shall not practise or tolerate any form of discrimination on the grounds of race, colour, sexual orientation, gender, political opinion, religious belief, age or disability. Suppliers are required to establish anti-discrimination policies and systems to monitor compliance throughout their organization. Suppliers shall comply with national anti-discrimination laws and regulations, or in situations where there is no national law present, suppliers shall comply with international laws and regulations.

## **8. Regular employment is provided**

To every extent, work performed must be on the basis of recognised employment relationships established through national law and practice.

## **9. No harsh or inhumane treatment is tolerated**

Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

## **10. Business is conducted in a manner that respects and protects the environment**

DS Smith conducts business in a manner that respects and protects the environment. We emphasise the importance of assessing and managing the environmental impact caused by our products during their lifecycle. From sourcing to delivery, suppliers shall conduct business activities that contribute to a sustainable environment with respect to all applicable laws and regulations. Service suppliers are required to supply services in a manner that contributes to a sustainable environment.

## **11. Eliminating and combating bribery and corruption**

Bribery is defined as a specific offence which concerns the practice of offering or receiving something, usually money, to gain an illegal advantage or with the intention of influencing the recipient in a way favorable to the provider. Corruption is an abuse of a position of trust or the misuse of power for private gain.

Suppliers shall prohibit engagement in any form of bribery, corruption, extortion and embezzlement. Suppliers shall establish and implement policies and solid systems to combat all forms of corruption, bribery, extortion and embezzlement.

Suppliers comply with international and national acts on anti-corruption and bribery. Not, directly or indirectly, either in private business dealings or in dealings with the public sector, offer, promise or give (or agree to offer, promise or give) any financial or other advantage with respect to any matters which are the subject of any agreement between DS Smith and the Suppliers and/or to obtain any benefit for DS Smith which would violate any anti-corruption laws applicable to the Supplier or DS Smith.

## **12. Promoting free and open competition**

DS Smith believes and promotes free and open competition. Suppliers shall prohibit any activities involving anti-competitive agreements, anti-competitive unilateral conduct that exploits market dominance or market power, cartels, anti-competitive mergers and acquisitions and any other form of anti-competitive activity. Suppliers shall comply with all applicable national and international anti-trust and anti-competitive laws and regulations.

## **13. Protecting confidential information**

Suppliers must secure DS Smith private and confidential information in their possession, use it only as per DS Smith's instructions and safeguard the confidential information from unapproved or unintended disclosure. The obligation to safeguard DS Smith's confidential information is ongoing and continues even after the supplier's business relationship with DS Smith ends.

## **14. Establishing grievance procedures**

Suppliers shall establish formal grievance mechanisms. This should allow employees to report any dispute that occurs, for example, in connection with employment practices, corruption or human rights. Suppliers shall document and report such instance, the number of grievances reported and the number resolved. Suppliers shall record and document procedures followed and/or measures taken to resolve any grievance reported by employees.

**15. Compliance with laws and regulations**

Suppliers are fully accountable for their supply chains and shall ensure their supply chains are compliant with all applicable laws and regulations. DS Smith reserves the right to investigate any alleged noncompliance by suppliers. Noncompliance with the GSS may result in DS Smith terminating any business relationships with suppliers.

**16. Permit no tax evasion**

During their business operation, Suppliers are fully compliant with all applicable laws and regulations regarding the tax evasion regulations both in EU or in non EU operations.

**17. Comply with sanctions regimes**

Supplier shall not, directly or indirectly (a) sell, export, distribute, transfer or otherwise provide the Goods/Services to any country, entity or person or (b) conduct business of behalf od DS Smith in contravention of any current economic or trade sanctions, laws or regulations of the European Union, the United Nations or any other applicable sanctions authority, as amended from time to time.

**18. Respect the rights of indigenous people**

Suppliers must respect the rights of indigenous people and their traditional livelihoods. Suppliers must seek free, prior and informed consent of stakeholders affected by resettlement, offer adequate compensation and avoid complicity in forced evictions. Suppliers must respect the right to water and other vital resources essential to all stakeholders.

If the Supplier becomes aware of any breach or suspected breach of this Commitment, the Supplier shall promptly notify DS Smith and DS Smith may immediately suspend operation of the Agreement by giving written notice to the Supplier, pending an investigation into the breach or suspected breach. The Supplier shall assist DS Smith in any such investigation, including by providing DS Smith with documents and systems information.

If, in the reasonable opinion of DS Smith, the Supplier has breached this Commitment, DS Smith may immediately terminate any or all agreements between DS Smith and the Supplier by giving written notice to the Supplier.

Notwithstanding anything in any Agreement, in the event of any conflict between this Commitment and any provision of any Agreement, this Commitment shall prevail.

**Accepted and agreed** for and on behalf of the Supplier:

Dated, 2021. ....

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(name + signature) :