



# Huhtamaki Modern Slavery and Human Trafficking Statement

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## Huhtamaki Modern Slavery and Human Trafficking Statement

Huhtamaki is committed to respecting human rights in our own operations, supply chains and the local communities we operate in, as set forth in our [Global Human Rights Policy](#). We recognize that each entity within our value chain has its own independent duty to respect human rights. We expect our business partners and stakeholders to adhere to ethical business conduct consistent with our own and are committed to working with them to fulfill this common goal.

This statement describes Huhtamaki's policies related to modern slavery and human trafficking and the actions taken during the financial year 2022 to mitigate the risks for modern slavery in our business and supply chain, in accordance with the UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018.

### **Our business and supply chain**

Huhtamaki is a leading global player in sustainable food-on-the-go and food-on-the-shelf packaging solutions. Our innovative products help billions of consumers around the world make responsible lifestyle choices every day. Our ambition is to become the first choice in sustainable packaging solutions. We operate in 37 countries and 116 operating locations around the world. Our values Care Dare Deliver guide our decisions and help our team of around 19 000 employees make a difference where it matters. Huhtamaki Group is headquartered in Espoo, Finland and our parent company, Huhtamäki Oyj, is listed on Nasdaq Helsinki Ltd.

Our value chain covers thousands of suppliers, as well as other business partners and stakeholders. We have an estimated 20,000 suppliers ranging from the very small local supplier to the very large global supplier, supplying us locally as well as globally with raw materials and other products and services.

### **Policies in relation to modern slavery and human trafficking**

Consistent with the principles set forth in our Employee Code of Conduct and the Code of Conduct for Huhtamaki Suppliers, Huhtamaki prohibits forced labor, child labor and any discrimination. Huhtamaki is committed to complying with existing laws and regulations and to acting in accordance with commonly accepted global best practices, including but not limited to the California Transparency in Supply Chains Act of 2010, the UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018.

Our Working Conditions Requirements and our Global Human Rights Policy set standards for our company, suppliers and partners globally, with regards to the protection of human rights. These standards are based, in part, on the United Nations' (UN) Universal Declaration of Human Rights and the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. Specifically, Huhtamaki standards include, but are not limited to, proper verification of identity, prohibition of recruitment fees, and clear communication in the terms and conditions of employment.

## **Mitigating modern slavery risk in our business operations and activities**

The management of human rights risk and impact in our global business operations is embedded into our existing management systems and processes. Risks for human rights issues are identified via the global Enterprise Risk Management system, the global Ethics and Compliance program and by following incidents reported through our Speak Up channel and grievance system. Our Global Working Conditions Requirements are implemented at all our sites and cover areas such as employment contracts, required work permits, identity verification, voluntary employment and human trafficking due diligence, young worker protection and prohibition of child labor, working hours, grievances, and supplier management. Our performance in these areas is audited through SMETA audits at many of our manufacturing sites. Engaging with local communities gives us valuable feedback from key local stakeholders. Also, with regards to mergers and acquisitions, environmental and social impact assessments are part of the standard due diligence process.

In addition to the ongoing processes mentioned above, we have conducted a global, high-level human rights impact analysis, as well as human rights impact assessments at two of our operating sites. The first assessment was conducted as a pilot at our Flexible Packaging site in Egypt in late 2021, followed by a second assessment at our Flexible Packaging site in Thailand in 2022. The assessments have proven to be very valuable for us, as they contribute to building overall awareness of human rights and have demonstrated concretely what type of human rights impacts our activities might have. Going forward, we will continue to use a combination of methods to better understand our impacts, including modern slavery, and to further refine our list of salient human rights issues.

In 2022, we continued building on efforts launched in 2021 to strengthen our existing processes to better integrate human rights considerations into our processes and operating model. We established a cross-functional working group to drive initiatives and to follow up on the findings from the impact assessments. We worked together with the mergers and acquisitions team to look for ways to strengthen the due diligence process related to mergers and acquisitions from a human rights perspective. We also continued developing the framework to enhance monitoring our own sites, using an external human rights expert to identify gaps in our current auditing practices and looking for ways to incorporate human rights assessments more comprehensively.

Huhtamaki provides all employees annual training on the Huhtamaki Code of Conduct and related employment policies. In 2022, we also launched two e-learning courses related to sustainability and human rights. The first is a global, sustainability e-learning course that is mandatory for indirect employees and recommended to all employees, which includes the topic of human rights. The second is a separate e-learning course on Modern Slavery and Human Trafficking, mandatory for all managers and experts in the supply chain and human resources functions globally, and available to all other Huhtamaki employees as well. Furthermore, training programs, local policies and control points are required from all Huhtamaki sites to raise awareness on human rights and prevent human trafficking and modern slavery.

We actively encourage employees to raise questions and concerns related to ethical business practices. Huhtamaki employees are, under the terms of employment, expected to follow all applicable laws and all Huhtamaki policies, including the Huhtamaki Code of Conduct. If an

employee finds out that another employee has violated the rules, the employee is expected to report the violation by contacting his or her manager, over manager or a local Human Resources representative. Alternatively, the employee can report any suspected violation to the Global Compliance function or through the Huhtamaki Speak Up channel, which is a global, web-based whistleblowing system available for Huhtamaki employees, suppliers, customers and other stakeholders. The Huhtamaki Speak Up channel can be accessed by visiting the website: <https://report.whistleb.com/Huhtamaki>. Additionally, in some countries, reports can also be submitted through local reporting channels. Any negative action or retaliatory behavior against an employee who reports a possible violation is explicitly prohibited.

Employees who violate the Huhtamaki Code of Conduct or any Huhtamaki employment policies are subject to disciplinary action, up to and including dismissal.

## Mitigating Modern Slavery Risk in our Supply Chain

Responsible sourcing is defined in our Code of Conduct for Huhtamaki Suppliers and prohibits all forms of modern slavery. It states:

“All labor must be voluntary. Under no circumstances will you use forced or involuntary labor, whether in the form of prison, compulsory or trafficked labor, indentured labor, bonded labor or other forms. Mental and physical coercion, slavery and human trafficking are strictly prohibited. You, or any labor agency used by you, will not withhold passports or other identification documents or request employees to pay any recruitment fees.”

Adherence to our Code of Conduct for Huhtamaki Suppliers or equivalent is expected for suppliers globally. The Code of Conduct for Huhtamaki Suppliers is posted on our website and referred to in the Huhtamaki General Terms and Conditions of Purchasing. All suppliers, including labor agencies and recruiters, are expected to have processes in place to ensure that they do not take part in human trafficking or modern slavery.

Huhtamaki evaluates certain key suppliers, prioritized by Huhtamaki based on defined risk attributes and importance to our business operations. This due diligence process is designed to evaluate and address specific risks, including those of human trafficking and modern slavery, and will be reviewed continuously. The process is built on three pillars:

1. **Code of Conduct** for Huhtamaki Suppliers;
2. **Screening assessments** for sanctions, watch lists and adverse media reports, as well as supplier-completed questionnaires;
3. **Third party corporate responsibility audits** for selected suppliers, primarily utilizing Sedex tools.

This systematic supplier evaluation is completed for new key suppliers and for existing key suppliers. We measure and report the number of key suppliers that have gone through the process.

We are committed to working with suppliers to ensure they have appropriate ethical and responsible policies and practices in place and support them in closing gaps these self-assessments may identify. Business relationships with suppliers that fail to perform according to the requirements stated in the Code of Conduct for Huhtamaki Suppliers will be re-evaluated and the relationship may eventually be terminated if the supplier does not demonstrate enough willingness and effort to improve.

While Huhtamaki uses its contractual right to conduct on-site audits of selected suppliers, those on-site audits do not currently include a specific assessment of human trafficking and modern slavery. Such an approach is currently being developed as part of our overall human rights due diligence process, and was piloted at one site in Egypt in 2022. Other than contractual obligations and Huhtamaki's right to monitor, Huhtamaki does not have a specific supplier assessment process for human trafficking at this moment. We aim to increase the number of suppliers, in certain high-risk geographical areas, to be audited through a third party.

To date, we have not identified any significant breaches of the Code of Conduct for Huhtamaki Suppliers related to modern slavery.

## **Looking Forward: Our Commitment**

We have taken significant steps in formalizing our human rights due diligence practices for our employees, suppliers, customers, communities and other stakeholders. This work is high priority and is ongoing. Huhtamaki is dedicated to developing its human rights due diligence processes and to taking action to close identified gaps. These steps shall help us to uncover, prevent and mitigate any potential incidences of human rights abuse, such as forced labor and human trafficking, in our operations and supply chain.

Our work in recognizing the risks, mitigating impact and training our staff and suppliers specifically on topics associated with human trafficking and modern slavery is a continuous process. We work hard to establish robust processes. Based on our findings to date, we have no evidence that suggests any incidences of human trafficking or modern slavery within Huhtamaki's own operations or its supply chain.

This statement has been prepared in relation to financial year ending 31st December 2022. Further details of our activities and ongoing commitment are available in the Huhtamaki Annual Report available at [www.huhtamaki.com](http://www.huhtamaki.com)