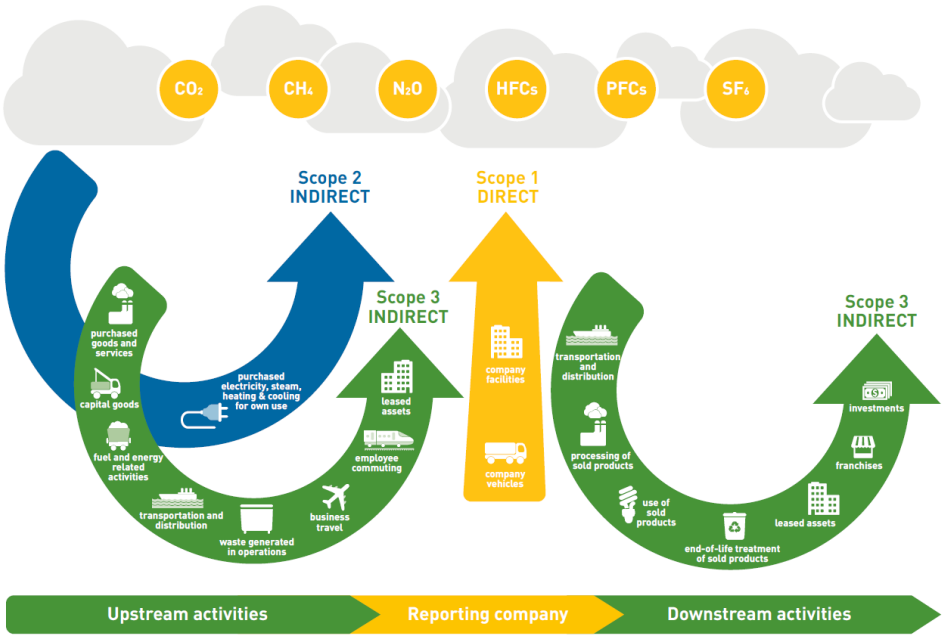
Contact officer: Lotte Mastwijk **Function:** Manager Sustainability & Communication	**Energy consumption & GHG emissions policy** **GRI 302:** 103-1, 103-2, 103-3 **GRI 305**: 103-1, 103-2, 103-3 **GRI:** Sustainable production	**Issue date:** 1 March 2019 **Last review date:** 20 August 2022 (V5.0) **Next review date:** 20 August 2024

Introduction

LC Packaging International B.V. (LC Packaging) has launched its 2030 Ambition in May 2022. LC Packaging's purpose is to contribute to a world without waste: The waste of valuable products during storage and transportation, and packaging waste. The company wants to work in such a way, it does not limit the next generation in the choices they want to make and the resources they have available. LC Packaging believes it can make that impact by making it its mission is to be a leader in sustainable packaging. To become that leader it aims to meet all sustainable packaging criteria, foster collaboration to advance its sustainable transition, and ensure recognition by the highest ranked institutions and its stakeholders. LC Packaging has set itself three ambitious goals, that it aims to achieve no later than by 2030.

One of LC Packaging's goals is an absolute reduction of its direct and indirect greenhouse gas emissions from the entire value chain (Scope 1, 2 and 3) by 50% by 2030, compared to base year 2021.

> More information



The achievement of organisational success is accompanied by a resolute commitment towards this policy.

Purpose

The aim of this policy is to provide the necessary guidelines for sustainable energy consumption and the reduction of greenhouse gas emissions in LC Packaging's value chain. The following policy specifies the objectives and measures the company takes in order to realise its ambition. This policy is in line with the company's **2030 Ambition** sustainability strategy.

Looking at its Scope 1 and 2 emissions, LC Packaging's production facility Dutch-Bangla Pack Ltd. (DBPL) stands out as a key establishment. Its energy use and CO_2^e emissions respectively contribute to 70% and 75% of all LC Packaging's operations. In scope 3, designated highly emitting areas are for example 'raw material harvesting' and the 'production process' of the company's packaging, 'transportation' – sea freight in particular – and the 'end-of-life treatment' of its sold products. These emission categories represent about 80% of the greenhouse gas (GHG) emissions in the lifecycle of LC Packaging's products.

Scope

The contents of this policy are intended for all employees, interns, and contractors of LC Packaging International B.V., its affiliates, and production facilities Dutch-Bangla Pack Ltd. (DBPL) and LC Shankar (LCSH).

Policy objectives

LC Packaging identifies the following objectives for its energy consumption and greenhouse gas emissions:

- Comply with relevant regulations, policies, and procedures with regard to sustainable energy consumption and the reduction of greenhouse gas emissions.
- Commit towards Sustainable Development Goals (SDGs) 12 – responsible consumption and production, and 13 – climate action.
- Strengthen the commitment towards SDG 17, by intensifying existing partnerships and establishing new partnerships to reduce GHG emissions in the value chain.
- Develop tools to generate, manage, and measure data regarding energy consumption and CO_2^e emissions and improve data quality to comply with relevant (upcoming) reporting standards.
- Calculate and report on the CO_2^e footprint of LC Packaging's main product categories.
- Involve and educate key stakeholders on energy consumption and greenhouse gas emissions.
- Participate in initiatives and cooperate with partners to create awareness on the urgency and benefits of reducing energy consumption and CO_2^e emissions.
- Finalise GHG Inventory over baseline year 2021 by 2022.
- Have Science Based Targets validated by the Science Based Targets Initiative (SBTi) as being aligned with the Paris Climate agreement by March 2023.
- 50% GHG emission reduction in the value chain by 2030.
- 80% of renewable electricity sourced or produced by 2025, and 100% by 2028 across all entities.
- Net zero-status for all LC Packaging offices and warehouses and LCSH by 2030.
- 50% emission reduction at DBPL by 2030.
- 50% emission reduction on (local) transportation by 2030.

Policy measures

- LC Packaging is a signatory of **the Science Based Targets initiative (SBTi)** since November 2021 and has made a public commitment to set Science Based Targets (SBTs). To define the highly emitting areas in its value chain, LC Packaging is creating a GHG Inventory and expects to submit its SBTs for validation by 2022. These SBTs include all LC Packaging's sales operations (affiliates) and its production facilities DBPL and LCSH.
  > More information

- LC Packaging will maintain up-to-date **CO_2 footprint lifecycle analysis** (LCA) for all main products that it places on the market by the end of 2022 at the latest, which will be updated at least every 3 years, or when material changes occur to the emissions footprint of the product. LC Packaging aims to further refine the accuracy of LCAs over time to the specific sub-categories of each product group.

- Based on the GHG Inventory and product LCAs, LC Packaging will finalise an **GHG action plan** to reduce its emissions with 50% by 2030 in February 2023, and create and implement associated policies and processes. This action plan will be reviewed every year and where necessary adjusted based on e.g., product, market and regulatory developments and progress made on emission reduction targets.

- All LC Packaging employees, interns and contractors must complete the online mandatory **Sustainable Consumption Awareness Training** and a course on LC Packaging's **50% emission reduction goal for 2030** within the first 3 months of employment or within 3 months of publishing a new mandatory course.
  > More on the goal

- LC Packaging will continue to **create awareness** among its employees on the importance of responsible energy use and emission reduction, by introducing tailored programmes and initiatives, such as the **Footprint Challenge**, and the **Green Office Campaign**.

- All LC Packaging's affiliates and LCSH must achieve **net-zero** scope 1 and 2 operations by 2030. DBPL must reduce its emissions by 50% compared to baseline year 2021. All affiliates and sites must have defined an **action plan** by 2023, to achieve this goal and its renewable electricity goals, and achieve an annual emission reduction of 4.2% on average. LC Packaging's BREAAM-NL Outstanding HQ must serve as an example at all times.

- All LC Packaging affiliates and sites must ensure **high quality data** is available on waste, energy and CO_2e emissions (Scope 1 and 2) to be able to accurately report on progress and in accordance with relevant reporting standards.

- LC Packaging's global 50% emission reduction goal is translated into specific long-term and short-term **product group targets and affiliate targets**. Annually these targets must be reviewed and updated where necessary, based on progress made towards the goals and e.g., product and market developments, and changes in regulatory environment. Annually all affiliate for the coming year must be defined no later than by December.

- LC Packaging's Management and Product Managers must **educate our production partners** on the importance and added value of energy reduction and CO_2e emission reduction, and provide tools and support to achieve a significant reduction in line with LC Packaging's ambitions.

- LC Packaging's **key production partners** are expected to join the Science Based Targets initiative – or a similar initiative - before the end of 2023 and set **SBTs** in line with the 1.5C pathway (>42% reduction by 2030) OR commit to a relevant emission reduction and present a well-founded action plan. Any exemptions must be approved by the management and duly justified.

- As of reporting year 2023, all LC Packaging's **key production partners** must **report on annual energy consumption and GHG emissions** (scope 1 and 2). Either in a reporting template provided by LC Packaging, or an own template containing all requested information and approved by LC Packaging.

- LC Packaging's sales teams must **educate our customers** on the importance and added value of energy and CO_2e emission reduction in the value chain, while making use of well-founded data and proof, such as lifecycle assessments and – if requested - provide inside in CO_2e emissions related to customer specific products.

- LC Packaging has been **reporting** annually on energy consumption and Scope 1 and 2 CO_2 emissions since 2016. In 2023 (reporting year 2022) the company will include its scope 3 emissions. The reporting data is made publicly available via its annual Sustainability Report. > View report

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- To ensure data availability, high quality data, and reporting in compliance with relevant reporting standards, LC Packaging will appoint a dedicated **Coordinator Data-driven Reporting** (CDDR) by 2023.

- Based on thorough **research** on the possibilities to reduce sea freight related emissions by 50% by 2030, LC Packaging will develop a sea freight emission reduction strategy, as part of its global emission reduction strategy by 2023. In this strategy, its Partnership with the BICEPS Network and the BICEPS Rating System for carriers plays an important role.
  > More information

Approval of policy

Name: Lucas Lammers, CEO LC Packaging
Date: 20 August 2022
Signature: