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| <p>Contact officer: Lotte Mastwijk</p> <p>Function: Head of Sustainability</p> | <p>Water, Biodiversity & Local Pollution Policy</p> <p>GRI 303: 103-1, 103-2, 103-3 GRI: Sustainable production 2020</p> | <p>Issue date: 04 February 2019</p> <p>Last review date: 14 September 2022 (V5.0)</p> <p>Next review date: 14 September 2024</p> |
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Introduction

As one of the market leaders in the production and distribution of agricultural packaging and FIBCs, **Royal LC Packaging International B.V.** (LC Packaging) strongly believes that the achievement of organisational success and sustainability must be accompanied by a resolute commitment towards the environment. In making this commitment, LC Packaging wants to go further than merely complying with applicable laws and legislation. Currently, the world is experiencing unseen rates of animal species extinction all over the planet, water crisis remains one of the top risks with global impact, and local communities are often negatively impacted by industries practices. LC Packaging operates production facilities in, amongst others, Bangladesh and South Africa, and aims to combat these negative tendencies by committing to minimise the environmental impact of its production.

Purpose

This policy aims at establishing, communicating and distributing LC Packaging's commitment to environmental protection regarding **water usage, biodiversity and local pollution** to all stakeholders involved. By means of this policy, LC Packaging strives to minimise the environmental impact in the field of water, biodiversity, and local livelihood protection.

Scope

The contents of this policy are intended for all employees, part time workers, interns, 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 aims to:

- comply with relevant international and local legislation;
- take ISO 14001 on environmental management as a guideline;
- communicate its commitment to environmental protection and actions to all relevant partners. This includes employees, production partners, customers and other relevant stakeholders;
- use water only for basic necessities and providing training to employees on how to consume less water;
- prevent water contamination;
- consider and conserve biodiversity in the proximity of LC Packaging's production facilities;
- reduce threats to biodiversity throughout its operations;
- limit environmental damage in the proximity of its production facilities;
- prevent soil contamination as a result of operations performed by our production sites;
- regulate air quality in the direct environment of our production facility;
- collaborate with stakeholders and local communities to work together to address environmental challenges;
- have an annual environmental emergency rate of 0% for all LC Packaging offices, warehouses, and production facilities, to ensure no environmental damage due to spills or water distress.

Policy measures

To attain the abovementioned policy objectives regarding water, biodiversity, and local pollution, LC Packaging takes the following concrete steps;

Water

LC Packaging's operations are spread over three continents: Africa, Asia and Europe. According to the World Resources Institute ([WRI](#)) most LC Packaging operations are located in 'low-medium' baseline water stress areas. LC Packaging's main production facility is located in Bangladesh, which is categorised as a 'low-baseline' water stress area. Operations in France and Germany and the company's production facility in South Africa are categorised as 'medium-high', and Belgium and Spain as 'high' water stress. LC Packaging acknowledges the importance of water management strategies. Therefore, we aim to minimise negative impact on water in the close environment of our production facilities and throughout our operations.

- All LC Packaging employees, interns, and contractors must complete the online mandatory **Sustainable Consumption Awareness Training**, including information on water stress and efficient water use, within the first 3 months of employment or within 3 months of publishing a new (or updated) mandatory course.
- All LC Packaging affiliates and production facilities must monitor and **report on water use** on an annual basis. The reporting data is made publicly available via LC Packaging's annual Sustainability Report. > [View report](#)
- All LC Packaging affiliates and production facilities must perform a **water assessment** at least every three years to counteract possible water leaks and to identify opportunities to reduce the amount of water required for business activities, increase reuse and recycle, and improve efficiency.
- LC Packaging's production facilities must perform **water risk assessments** at least every three years, by monitoring wastewater streams on possible hazardous compounds.
- All LC Packaging affiliates and production facilities are expected to **install smart tools** to reduce the use of water, re-use water, and avoid the spillage of water.
- LC Packaging's production facilities must **prevent water pollution** by refraining from inputting pollutants into water used throughout the production process that is returned to surface water, ground water and/ or inland water.

- LC Packaging’s production facilities must invest in **wastewater treatment** and the **re-use of water** in direct operations or within their ecosystem where required.
- LC Packaging’s production facilities must make use of rainwater instead of drinking water where possible, and when large amounts of water are required for e.g., construction, must **avoid depleting precious drinking water** or groundwater, by using other sources of water, such as river water.
- LC Packaging’s production facilities must ensure factory operations do **not comprise the right to (clean) water** of local communities, by e.g., not using clean drinking water for industrial purposes and by connecting with local organisations and NGOs to investigate a potential impact on ‘the right to clean water’.

Biodiversity

LC Packaging aims to minimise negative impact on biodiversity throughout its operations, by:

- promoting **sustainable wood procurement** by using certified wood produced by sustainable forest resources (FSC®);
- refraining from using **palm-oil** in products produced and from working with Partners that make use of palm-oil.
- refraining from working with Partners that use products from **endangered, vulnerable, and/or rare species**.
- refraining from using, and collaborating with Partners that work with, **animal products** obtained by illegal practices such as poaching.

Because of a lack of information and knowledge, LC Packaging aims to have researched the impact of its operations on biodiversity by 2024.

Local pollution

LC Packaging currently enjoys physical presence in 15 countries worldwide and aims to work together in cooperation with local stakeholders to diminish industrial local pollution generated in direct operations and across the supply chain.

- Every five years, all off LC Packaging's production facilities must perform a **soil testing** around production sites for contamination by pollutants and heavy metals.
- LC Packaging must **diminish greenhouse gas emissions** with 50% in its value chain by 2030 and expands the use of renewable energy at its operations as described by the [Energy Consumption and Greenhouse Gas Emission Policy](#);
- LC Packaging's production facilities must **prevent water pollution** and wastewater as described in paragraph: **3.1 Water**.
- All LC Packaging operations must dispose of waste produced in a responsible manner, as described in the [Materials, Chemicals and Waste Policy](#), and in the [Sustainable Consumption Policy](#).
- LC Packaging's production facilities must reduce emissions of **dust, particles, and other emissions** that could negatively affect residents in the proximity of its production sites by installing dust and particle filters.

Approval of policy

Name: Lucas Lammers, CEO LC Packaging

Date: 14 September 2022

Signature:

