

<p><b>Contact officer:</b> Lotte Mastwijk</p> <p><b>Function:</b> Head of Sustainability</p>	<p><b>Sustainable Consumption Policy</b></p> <p><b>GRI 302:</b> 103-1, 103-2, 103-3  <b>GRI 303:</b> 103-1, 103-2, 103-3  <b>GRI 305:</b> 103-1, 103-2, 103-3  <b>GRI 306:</b> 103-1, 103-2, 103-3  <b>GRI:</b> Sustainable production 2023</p>	<p><b>Issue date:</b> 11 December 2018</p> <p><b>Last review date:</b> 10 November 2022 (V4.0)</p> <p><b>Next review date:</b> 10 November 2024</p>
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## Introduction

**Sustainable consumption is about doing more with less. It is also about decoupling economic growth from environmental degradation, increasing resource efficiency and promoting sustainable lifestyles (UN).**

**Royal LC Packaging International B.V.** (LC Packaging) is committed to being a driver of sustainable practices and wants to actively contribute to the **United Nations Sustainable Development Goal (SDG) 12 - Responsible Consumption and Production**. LC Packaging intends to not only ensure sustainable consumption in its operations but also to promote sustainable consumption towards its stakeholders.

In May 2022, LC Packaging has launched its [2030 Ambition](#). The company's purpose is to contribute to a world without waste: The waste of valuable products during storage and transportation, and packaging waste. LC Packaging 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**, of which two goals directly apply to this policy.

- At least 80% of turnover comes from packaging that delivers the circular economy > [More information](#)
- 50% emission reduction from the value chain > [More information](#)

## Purpose

The aim of this policy is to increase the sustainability of consumption among employees, customers, and production partners.

## Scope

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

## Policy objectives

(Partly) through this policy, LC Packaging aims to realise the following objectives:

- Comply with European Union **regulations** regarding (misleading) advertising:
  - EU Directive 84/450/EEC concerning misleading advertising;
  - EU Directive 97/55/EC concerning misleading advertising so as to include comparative advertising.
- Take and live up to the **Sustainable Consumption Pledge**, initiated by the European Commission, to support sustainable consumption beyond what is required by law.
- Promote sustainable consumption in line with Sustainable Development Goals, especially [SDG 12 - Responsible Consumption and Production](#).
- Educate employees, Production Partners, and customers on the necessity and benefits of sustainable consumption and provide advice and tools to consume more sustainably.
- Create a corporate culture encouraging sustainable consumption at LC Packaging locations.
- Establish partnerships that contribute to achieving sustainable consumption ambitions.
- Have the Sustainable Consumption Awareness Training completed by at least **80%** of employees.
- Have the 2030 Ambition Training Series completed by at least **80%** of employees.

### Greenhouse gas emissions and environmental footprint

- **50%** greenhouse gas emission reduction from the value chain by 2030.
- Have LC Packaging's Science Based Targets validated by the [Science Based Targets Initiative \(SBTi\)](#) as being aligned with the Paris Climate agreement by March 2023.
- **80%** of renewable electricity sourced or produced by 2025, and 100% by 2028 across all entities.
- **Net zero**-status for all LC Packaging offices, warehouses, and LCSH by 2030.
- **50%** emission reduction at DBPL by 2030.
- **50%** emission reduction on (local) transportation by 2030.
- **Zero** waste in own operations by 2030
- More objectives as described in the dedicated [Energy Consumption and Greenhouse Gas Emission Policy](#).

### **Circular economy**

- At least **80%** of turnover to come from packaging that delivers the circular economy by 2030.
- Achieve [Plastic Pact NL goals](#) for 2025.
- Encourage sustainable consumption through eco-design, by prolonging (selected) products' lifecycle, reduce the products emissions, reduce the use of (virgin and fossil fuel based) material and reduce packaging waste.
- Replace virgin fossil fuel-based materials used in packaging, with either renewable materials or recycled content materials
- Ensure all packaging is technically recyclable or compostable by 2030\*.

\* Except for packaging that is subject to legal regulations regarding reuse or recycling, such as some packaging applications in food, chemical, and hazardous products.

## Policy measures

### General

- LC Packaging has applied to take the [EU Sustainable Consumption pledge](#) in November 2022. Taking responsibility for supporting sustainable consumption, beyond what is required by law, and annually report on progress in meeting the commitments made. LC Packaging's CEO is responsible for signing and supporting the pledge.
- LC Packaging's Sustainability Manager is responsible for creating a **corporate culture encouraging sustainable consumption** and promoting sustainable lifestyles, by launching initiatives such as the 'Green Office Campaign', the '[Footprint Challenge](#)' or the 'No-Waste Campaign'. For these initiatives, support is required from among others the Board of Directors, affiliate and site management, Marketing and Communications and HR.
- LC Packaging employees, interns and contractors must complete the online mandatory **Sustainable Consumption Awareness Training** and all **2030 Ambition Training Courses** on LC Packaging's emission reduction, circular packaging and living wage goals, within the first 3 months of employment or within 3 months of publishing a new mandatory course.  
> [More on the goals](#)
- LC Packaging affiliates, sites and support departments must seek to **establish sustainable partnerships** to achieve sustainable consumption-related KPIs.
- LC Packaging's Marketing and Communications department is responsible for creating and updating a dedicated **policy on sustainability communication** (greenwashing), and educate employees on the purpose of this policy, the meaning of greenwashing and the responsibility of employees.  
> [Read the Sustainability Communication Policy](#)
- LC Packaging's Sustainability Manager is responsible for transparent **reporting** on sustainable consumption and **communication on progress** towards the company's internal and external stakeholders.
- LC Packaging's Product Managers are responsible for clearly **communicating expectations** regarding sustainable consumption towards production partners, during (bi)annual meetings, evaluations, and through the Global Supplier Code of Conduct.

## Greenhouse gas emissions and environmental footprint

- All LC Packaging affiliates and sites must ensure **quality data** is made available at least annually on water, waste, energy and CO<sub>2</sub><sup>e</sup> emissions (Scope 1, 2 and 3) to be able to accurately report on progress and in accordance with relevant reporting standards.
- The Sustainability Manager is responsible for reporting on the company's **environmental footprint**. This report is made available via LC Packaging's annual Sustainability Report.  
> [View Environmental Report](#)
- As laid down in detail in the [Energy Consumption and Greenhouse Gas Emission Policy](#), among others, the following measures will be taken to reduce emissions in LC Packaging's value chain:
  - As a signatory of the **Science Based Targets initiative (SBTi)**, LC Packaging will submit its Science Based Targets (SBTs) for validation before March 2023, based on the outcomes of the GHG Inventory 2021.
  - **CO<sub>2</sub><sup>e</sup> footprint lifecycle analysis (LCA)** for all [main products](#) that are placed on the market will be finalised by the end of 2022, of which the data is used to define annual product group specific and affiliate-specific targets to achieve ambitions on circularity and emission reduction.
  - LC Packaging's affiliates and sites 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 the renewable electricity goals, and achieve an annual emission reduction of 4.2% on average.
  - LC Packaging's affiliates and sites are expected to set a 2030 target on the **reduction of energy use** as part of their net-zero action plan.
  - **Key production partners** are expected to join the SBTi – or a similar initiative – by the end of 2023 and set SBTs in line with a 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 duly justified and approved by the management.
  - 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.

- Affiliates and sites with an extensive use of water, are expected to set a target on the **reduction of water consumption** by 2030. Additionally – as laid down in detail in the [Water, Biodiversity and Local Pollution Policy](#) - they must perform a **water assessment**, install **smart tools**, and prevent **water pollution**. Furthermore, LC Packaging’s production facilities must invest in **wastewater treatment** and the **re-use of water**.
- All LC Packaging affiliates and sites are expected to achieve **zero waste** in own operations by 2030.

### Circular Economy

Based on internationally accepted standards and guidelines, we have defined circular packaging as follows: packaging made out of **renewable materials** or **recycled content materials**, is **reusable** if possible, and 100% **recyclable (preferably closed-loop)** or **compostable**.

- Product Group Directors are responsible for
  - ensuring at least 80% of turnover comes from circular packaging by 2030;
  - ensuring a 50% emission reduction on average related to the lifecycle of their products;
  - achieving Plastic Pact NL goals for 2025.

In this the Product Group Director is supported by its Product Managers, the Circular Economy Lead, the Innovation Manager and the Quality Team.

- LC Packaging’s Product Managers are responsible for translating global goals into specific **product group sales targets** and **targets per affiliate**, based on e.g., up to date product lifecycle assessment data, expected growth prognose and the available responsible packaging alternatives. These targets must be monitored at least twice a year and adjusted when e.g., new market or product developments have occurred.
- Sustainable consumption must be included in **quality management systems** & KPI’s for **product development** and **innovation** projects, so that any innovation is measured based on the impact of the materials used, the reusability and (closed-loop) recyclability or compostability and its potential to save energy and reduce emissions.
- LC Packaging’s Product Managers must accurately **report on progress** on circularity indicators, such as the % of turnover from circular packaging.  
> [View Solutions Report](#)

## Approval of the policy

**Name:** Lucas Lammers, CEO LC Packaging

**Date:** 10 November 2022

**Signature:**

