



2020 Environmental Report



This **LC Packaging 2020 Environmental Report** includes all data from 2020 (1 January 2020 – 31 December 2021) relating to LC Packaging International B.V.* and is part of the **Sustainability Update 2021**. The information provided in this document serves as a supplement to the chapters: 'Sustainable production', 'Environmental Footprint' and 'WorldBag Reconditioning Service' ([read more](#)).

This report is part of a set of themed reports (People, Business ethics, Supply chain, Solutions and Environment) that present data aligned with multiple reporting requirements - such as the UN Global Compact Advanced Communication on Progress requirements - and is produced in accordance with the GRI Standards: Core Option.

This document provides LC Packaging's stakeholders with detailed information on the following topics:

- > Environmental goals
- > Water
- > Energy and CO₂
- > Waste

In accordance with the GRI Standards, this report shows data from both 2019 and 2020.

*LC Packaging International B.V. includes all subsidiaries of which we have more than 50% ownership; LC Packaging affiliates, Hagens Verpakkingen B.V., WorldBag B.V. and production facilities Dutch-Bangla Pack Ltd. (DBPL) and LC Shankar (PTY) LTD. When referred to 'LC Group', the production facilities are excluded from the calculation.

Environmental goals

GRI 307-1 Non-compliance with environmental laws and regulations

GRI 303-5 Water consumption

GRI 302-1 Energy consumption within the organisation

GRI 302-4 Reduction of energy consumption

➤ Reported incidents of non-compliance with environmental laws and regulations:

| Reported incidents | |
|--------------------|------|
| 2019 | 2020 |
| 0 | 0 |

➤ Results of 2020 Environmental footprint and process on goals*:

| | CO ₂ (KG) | | Energy (kWh) | | Water (L) | | Waste (KG)*** | |
|----------------------------------|----------------------|-----------|--------------|------------|-----------|--------|---------------|---------|
| | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 |
| Total outcome | 9,500,876 | 5,640,992 | 22,856,430 | 26,544,074 | 46,294 | 38,273 | 823,541 | 605,603 |
| Goal 2022* | -25% | | -10% | | -10% | | -40% | |
| Absolute reduction needed | 51% | 18% | 41% | 49% | 64% | 56% | -15% | -36% |
| Reduction needed per FTE | 24% | -30% | 8% | 19% | 43% | 30% | -80% | -60% |

➤ Percentage of affiliates who have achieved their absolute environmental goals:

| Goals 2022 | Achieved by affiliates 2019 (%) | Achieved by affiliates 2020 (%) |
|---|---------------------------------|---------------------------------|
| Reduce energy use by 10% | 44% | 56% |
| Reduce water use by 10% | 33% | 33% |
| Reduce CO ₂ emissions by 25% | 39% | 67% |
| Reduce waste production by 40% | 47% | 33% |

Explanation

LC Packaging’s waste reduction target (-40%) has been largely achieved due to initiatives such as on-site recycling of process waste. However, our energy use, CO₂ emissions and water consumption have increased compared to 2016. This is largely explained by a workforce that has increased by 59% since 2016, a second production facility in Bangladesh opened since 2016 as well as the **third under construction**. The reductions brought about by our initiatives to minimise water and energy use and CO₂ emissions so far do not outweigh these developments.

*In 2017, LC Packaging has set four 5-year environmental goals focused on improving its environmental footprint. Results of the 2016 environmental footprint research act as a baseline. By 2022, we want to reduce our water consumption, energy consumption, waste production and CO₂ emissions within our operations. The environmental footprint calculation includes all LC Packaging International B.V. affiliates, except LC Packaging Nordics and Hagens Verpakkingen.
 ** Total waste production, excluding resold/internal recycling/reused.

Water

GRI 303-5 Water consumption

➤ Water consumption*

| Type of water | Water use (m3) | |
|----------------------|----------------|------------------|
| | 2019 | 2020 |
| Drinking water (tap) | 11,734 | 3,703 |
| Rainwater | 30 | Unknown** |
| Ground water | 34,560 | 34,570 |
| Total | 46,324 | 38,273*** |

*2022 Target for annual usage is 16,828 m3.. Reduction is needed to achieve our 2022 goal: 56%.

**Rain water use is not measured. Two locations use rain water. Their drinking water use is lower because they use rain water for flushing the toilets.

***Large increase in water consumption due to the construction of a third manufacturing facility in Bangladesh in 2020. However, there is a decrease in water consumption compared to 2019, due to the active detection of two water leakages that have been fixed.

Energy and CO₂

GRI 302-1 Energy consumption within the organisation

GRI 302-4 Reduction of energy consumption

GRI 305-1 Direct (Scope 1) GHG Emissions

GRI 305-2 Energy indirect (scope II) GHG Emissions

➤ Energy use related to electricity, fuel and transport*

| Type | Energy use in kWh | |
|--|----------------------|-------------------|
| | 2019 | 2020 |
| Electricity fossil | 10,672,821 | 1,628,046 |
| Electricity renewable, grid & own generation | 445,151 | 1,996,464 |
| Fuel | 10,431,932 | 21,058,569 |
| Company-owned vehicles** | 1,306,527 | 1,680,995 |
| Total | 22,856,430*** | 26,544,074 |

*2022 Target for annual energy usage is 13,471,745 kWh. Reduction is needed to achieve our 2022 goal: 49%.

**Electric vehicles are excluded to avoid double counting the use of electricity.

***Large increase in energy consumption due to opening of second production facility in Bangladesh and the construction of the third.

➤ Renewable energy purchased/produced across all entities

| Renewable energy use | |
|----------------------|------|
| 2019 | 2020 |
| 4% | 7.5% |

Explanation

Today, 55% of electricity used by LC Packaging is coming from renewable sources, of which 36% is self-generated at our production facility in Bangladesh and at our Head Office in the Netherlands. 19% is purchased renewable electricity from the grid. Looking at our overall energy use, including fuel (mostly gas) and company owned vehicles, we make use of renewable resources for 7.5%, of which 4.9% is self-generated.

➤ CO2 emissions related to electricity, fuel and transport*

| Type | Emissions in KG CO ₂ | |
|--------------------------|---------------------------------|------------------|
| | 2019 | 2020 |
| Purchased electricity | 7,106,128 | 1,165,651 |
| Renewable electricity | 0 | 0 |
| Fuel | 2,040,091 | 3,948,073 |
| Company owned vehicles** | 354,656 | 527,268 |
| Total | 9,500,876*** | 5,640,992 |

*2022 Target for annual CO₂ emissions is 4,615,237 KG. Reduction is needed to achieve our 2022 goal: 18%.

**Electric vehicles are excluded to avoid double counting the use of electricity.

***Compared to 2019, LC Packaging decreased its CO₂ emissions by 59%. This due to the purchase of green electricity and the generation of solar energy at our headquarters in the Netherlands.

Waste

GRI 306-2 Waste by type and disposal method

GRI 306-4 Transport of hazardous waste

GRI: Sustainable production 2019

➤ Total weight of non-hazardous and hazardous waste*

| Disposal method | Non-hazardous waste (KG) | | Hazardous waste (KG) | |
|--|--------------------------|------------------|----------------------|--------------|
| | 2019 | 2020 | 2019 | 2020 |
| Reuse | 330,343 | 462,543 | 0 | 0 |
| Recycling | 592,805 | 420,452 | 0 | 0 |
| Composting | 0 | 0 | 0 | 0 |
| Recovery, including energy recovery | 0 | 0 | 0 | 0 |
| Incineration (mass burn) | 65,644 | 14,528 | 0 | 0 |
| Deep well injection | 0 | 0 | 0 | 0 |
| Landfill | 1,424 | 7,400 | 0 | 0 |
| On-site storage | 0 | 0 | 0 | 0 |
| Other, in-house recycling initiative** | 709,230 | 425,363 | 0 | 0 |
| Other, processing unknown | 161,668 | 159,363 | 2,000 | 3,860 |
| Total | 1,861,114 | 1,490,149 | 2,000 | 3,860 |
| Total waste production*** | 823,541 | 605,603 | | |

*2022 Target for annual waste production is 947,275 KG. Goals achieved. In 2020, we reached a reduction of 60% compared to 2016!

**With our GreenBangla in-house recycling initiative, in 2020 we recycled 425,863 KG of virgin PP process waste at our FIBC production facility in Bangladesh.

***Total waste production = waste production - (resold/internal recycling/reused)

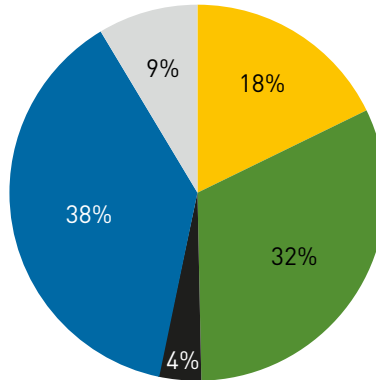
➤ Percentage of waste per disposal method

Disposal method

- Reuse
- Recycling
- Incineration
- Landfill*
- Other, in-house recycling
- Other, processing unknown

*Landfill: 0.07%

% of total waste production



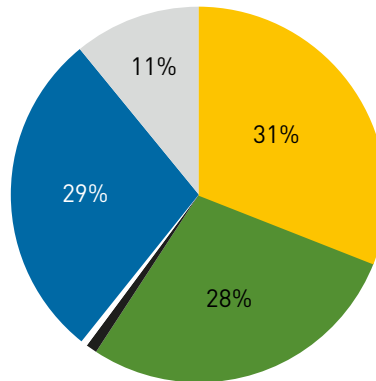
2019

Disposal method

- Reuse
- Recycling
- Incineration*
- Landfill*
- Other, in-house recycling
- Other, processing unknown

*Incineration: 0,97% | Landfill: 0,5%.

% of total waste production



2020

➤ Total weight of hazardous waste treated (KG)

| Hazardous waste treated | |
|-------------------------|-------|
| 2019 | 2020 |
| 2,000 | 3,860 |

➤ Total weight of hazardous waste transported, imported or exported (KG)

| Hazardous waste transported | |
|-----------------------------|------|
| 2019 | 2020 |
| 0 | 0 |

➤ Percentage of hazardous waste shipped internationally

| Hazardous waste shipped | |
|-------------------------|------|
| 2019 | 2020 |
| 0 | 0 |