



2021

Environmental
Report



2021 Environmental Report

This **LC Packaging 2021 Environmental Report** includes all data from 2021 (1 January 2021 – 31 December 2021) relating to LC Packaging International B.V.* and is part of the **Sustainability Update 2022**. The information provided in this document serves as a supplement to the chapters: 'Working environment', 'Job quality' and 'Sustainable sourcing'.

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 2019, 2020 and 2021.

*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	2021
0	0	0

- Results of 2021 Environmental footprint and process on goals*:

	CO ₂ (KG)			Energy (kWh)			Water (L)			Waste (KG) **		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Total outcome	9,500,876	5,640,992	8,717,509	22,856,430	26,544,074	32,575,162	46,294	38,273	49,311	823,541	605,603	644,086
Goal 2022*	-25%			-10%			-10%			-40%		
Absolute reduction needed	51%	18%	47%	41%	49%	59%	64%	56%	66%	-15%	-36%	-32%
Reduction needed per FTE	24%	-30%	10%	8%	19%	30%	43%	30%	42%	-80%	-60%	-60%

* 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.

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

Goals 2022	Achieved by affiliates in 2019 (%)	Achieved by affiliates in 2020 (%)	Achieved by affiliates in 2021 (%)
Reduce CO2 emissions by 25%	39%	67%	56%
Reduce energy use by 10%	44%	56%	56%
Reduce water use by 10%	33%	33%	33%
Reduce waste production by 40%	47%	33%	44%

Explanation

Many initiatives have been implemented and actions have been taken to green our operations, and with these initiatives a significant impact has been made. However, most initiatives taken cannot compete with the significant and unpredicted expansion of our production capacity over the past five years, which was not considered in our target setting back in 2017. At our FIBC manufacturing site in Bangladesh (DBPL) we have built two new expansions on top of the existing building, and LC Shankar (LCSH) – our FIBC manufacturing site in South Africa - has expanded its production capacity by adding extra shifts. Additionally, our workforce has increased by more than **60%**. In 2019, 2020 and 2021 construction work for the built of the new factories has also increased the use of resources significantly, especially the use of water. Furthermore, last year LCSH has experienced a severe underground water leak which resulted in the highest peak of water use in the past 5 years. Because of this, compared to 2016, we globally experience an increase in water consumption, energy use, and CO2 emissions. Fortunately, we can report that compared to 2016, we have globally reduced our absolute waste production by **72%**. This is largely achieved through our GreenBangla waste recycling initiative at DBPL in Bangladesh.

Water

GRI 303-5 Water consumption

➤ Water consumption*

Type of water	Water use (m³)		
	2019	2020	2021
Drinking water (tap)	11,734	3,703	9,560
Rainwater	30	Unknown	Unknown**
Ground water	34,560	34,570	39,751
Total	46,324	38,273	49,311***

* 2022 Target for annual usage is 16,828 m3. A 66% reduction is still needed to achieve our 2022 goal.

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

*** Large increase in water consumption due to the construction of a third production facility in Bangladesh in 2020 and 2021 and the construction of the new factory of our manufacturing site in South Africa. Both in 2019 and in 2021, a severe underground water leak at our site in South Africa increased the consumption of water significantly. Both leaks were fixed after discovery.

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	2021
Electricity fossil	10,672,821	1,628,046	4,721,826
Electricity renewable, grid & own generation	445,151	1,996,464	1,916,451
Fuel	10,431,932	21,058,569	24,320,942
Company-owned vehicles**	1,306,527	1,680,995	1,615,942
Total	22,856,430	26,544,074	32,575,162***

* 2022 Target for annual energy usage is 13,471,745 kWh. A 59% reduction is still needed to achieve our 2022 goal.

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

*** We increased energy use compared to 2020 by 23%. This is mainly due to an increase in energy use of 18% at our production facility in Bangladesh, due to the construction of our third factory.

➤ Renewable energy purchased/produced across all entities

Renewable energy use		
2019	2020	2021
4%	7.5%	28.9%

Explanation

Today, 28.9% of energy used is renewable, of which 19.6% is self-generated, and 9.3% is from renewable electricity in electricity grid.

➤ CO2 emissions related to electricity, fuel and transport*

Type	Emissions in KG CO2		
	2019	2020	2021
Purchased electricity	7,106,128	1,165,651	3,289,239
Renewable electricity	0	0	0
Fuel	2,040,091	3,948,073	5,022,748
Company owned vehicles**	354,656	527,268	405,522
Total	9,500,876	5,640,992	8,717,509***

* 2022 Target for annual CO2 emissions is 4,615,237 KG. A 47% reduction is still needed to achieve our 2022 goal.

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

*** Compared to 2020, LC Packaging increased its CO2 emissions by 54%. This is mainly due to an increase in energy use at our production facility in Bangladesh, due to the construction of our third factory.

Waste

GRI 306-2 Waste by type and disposal method

GRI 306-4 Transport of hazardous waste

GRI: Sustainable production 2021

➤ Total weight of non-hazardous and hazardous waste*

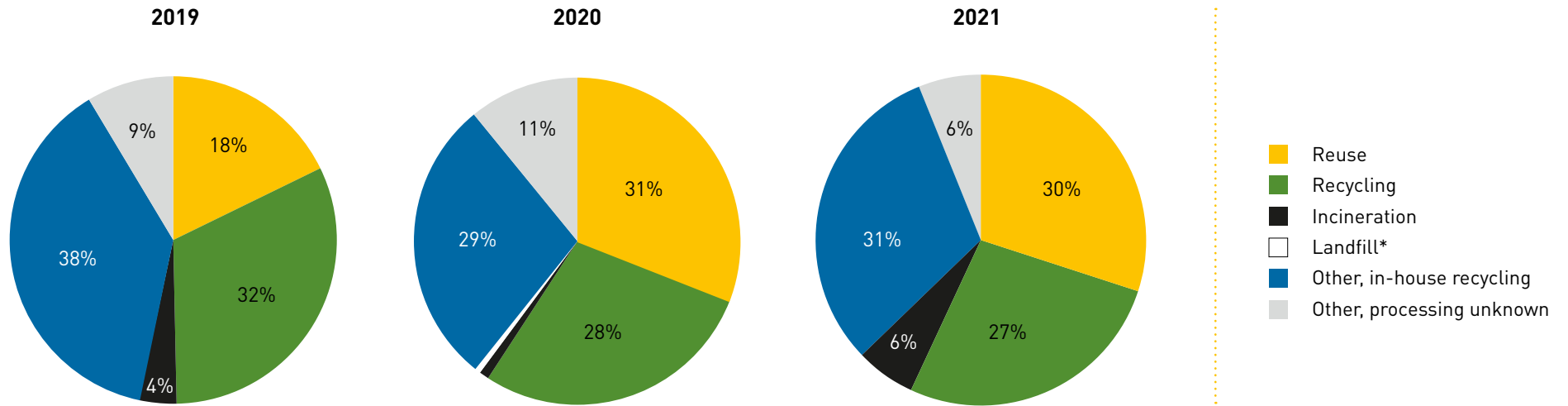
Disposal method	Non-hazardous waste (KG)			Hazardous waste (KG)		
	2019	2020	2021	2019	2020	2021
Reuse	330,343	462,543	494,774	0	0	0
Recycling	592,805	420,452	436,734	0	0	1,550
Composting	0	0	0	0	0	0
Recovery, including energy recovery	0	0	0	0	0	0
Incineration (mass burn)	65,644	14,528	97,940	0	0	3,000
Deep well injection	0	0	0	0	0	0
Landfill	1,424	7,400	0	0	0	500
On-site storage	0	0	0	0	0	0
Other, in-house recycling initiative**	709,230	425,863	503,606	0	0	100
Other, processing unknown	161,668	159,363	104,262	2,000	3,860	0
Total	1,861,114	1,490,149	1,637,316	2,000	3,860	5,150
Total waste production***	823,541	605,603	644,086			

* 2022 Target for annual waste production is 947,275 KG. This goal is achieved.

** With our GreenBangla in-house recycling initiative, in 2021 we recycled 503,606 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



*Landfill: 0%

➤ Total weight of hazardous waste treated (KG)

Hazardous waste treated		
2019	2020	2021
2,000	3,860	5,150

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

Hazardous waste transported		
2019	2020	2021
0	0	Unknown

➤ Percentage of hazardous waste shipped internationally

hazardous waste shipped		
2019	2020	2021
0	0	Unknown