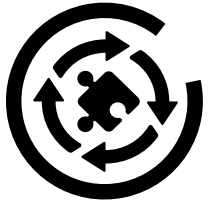




2021

Solutions
Report



2021 Solutions Report

This **LC Packaging 2021 Solutions 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: 'Sustainable materials and 'Innovation'.

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:

- > Packaging solutions
- > Materials used
- > Circular economy
 - a. Renewable materials
 - b. Recycled content materials
 - c. Reusable packaging
 - d. Recyclable packaging
 - e. Compostable packaging

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.

Packaging solutions*

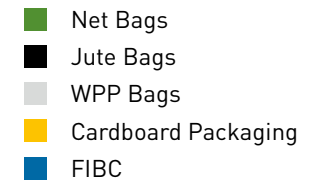
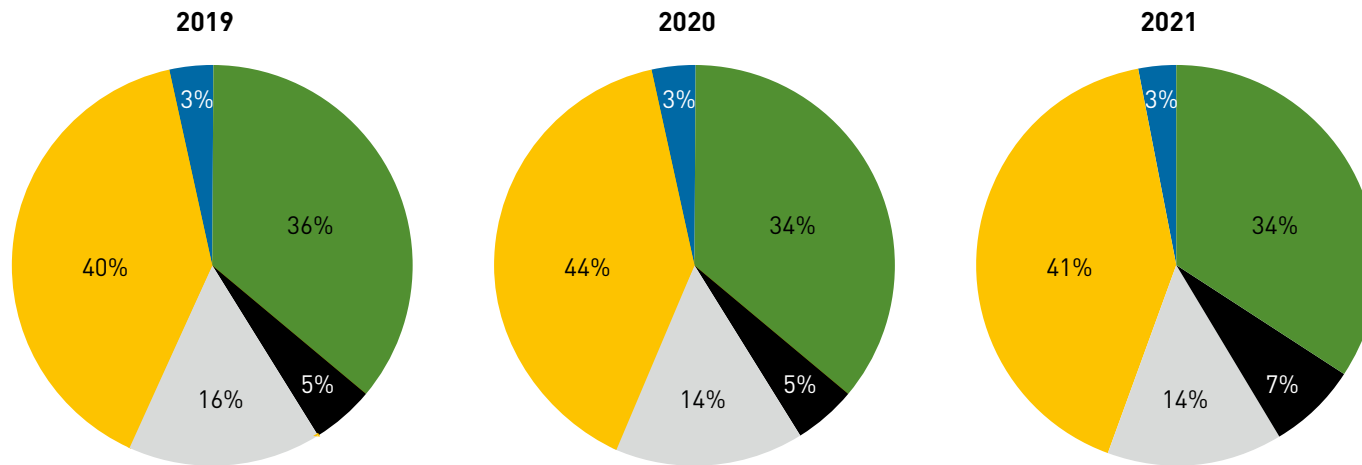
➤ Packaging distributed

# of solutions		
2019	2020	2021**
337 million	360 million	382 million

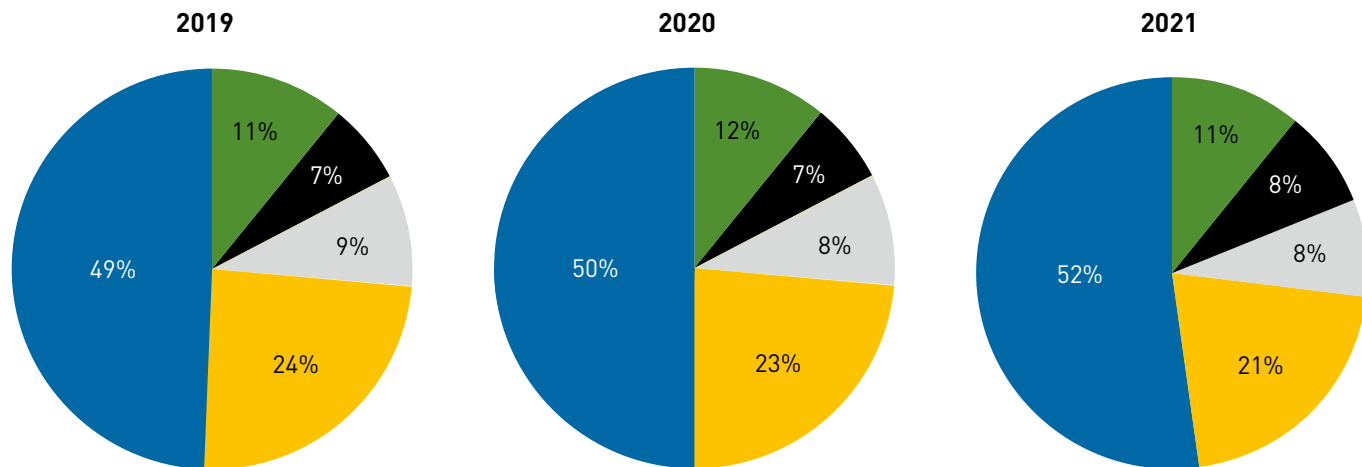
* This calculation includes 90.4% of LC Packaging's product portfolio, representing its primary products and product categories and 95.5% of the total turnover.

** In this report, 90.4% of all distributed packaging solutions is included (345,731,066 million pcs).

> Packaging distributed by product category (pcs)



> Product category as a percentage of turnover



Materials used*

GRI 301-1 Materials used by weight or volume

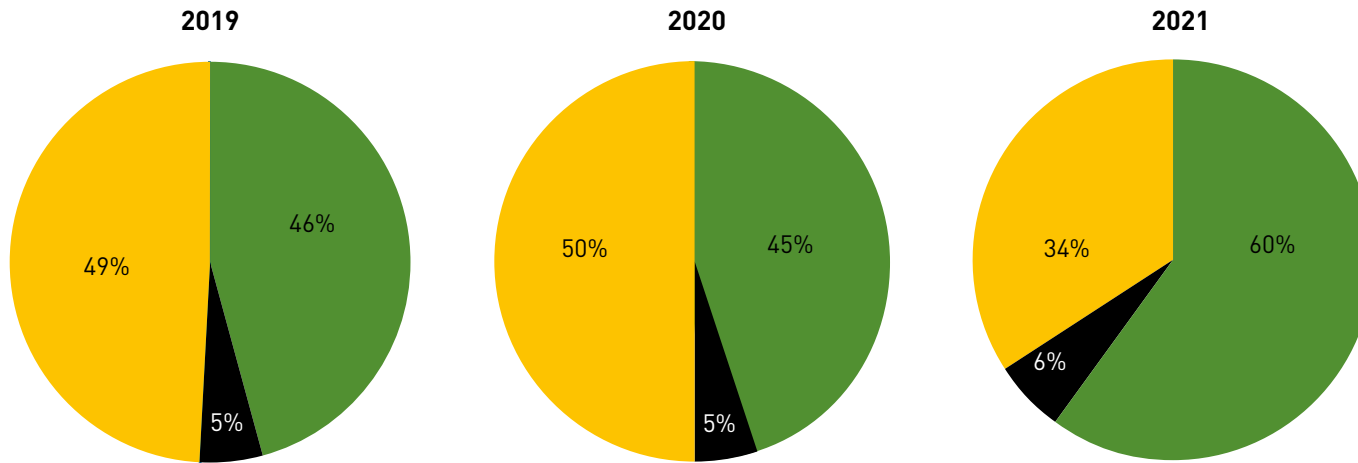
➤ Materials used in KG**

Material	Kilos		
	2019	2020	2021
Cardboard	43,658,836	43,653,503	25,571,8636
Jute	4,408,156	4,485,928	4,481,489
PP/PE	40,408,412	39,266,485	45,033,172
Total kg of materials used	88,475,505	87,365,916	73,406,714

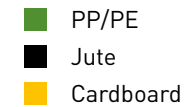
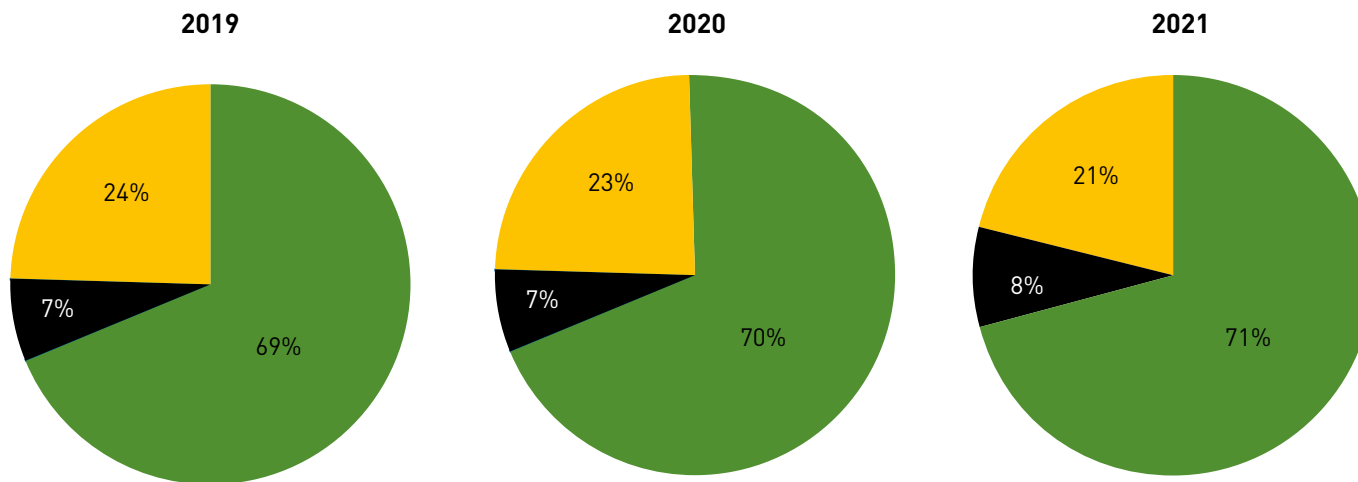
* This calculation includes 72.2% of materials used by LC Packaging, representing 95.5% of turnover and 90.4% of all pcs sold.

** In 2019 and 2020 we have calculated the weight of our packaging by – per product type - multiplying the number of distributed packaging products by the average kilos of material used in that type of product. In 2021, this is still the case for our FIBCs. For our other packaging we have extracted more accurate data from our SAP system. This explains decrease in the use of cardboard materials compared to 2019 and 2021. The 2021 calculations are much more accurate compared to the years before. In 2022, we aim to report on weight data even more accurately.

> % of total material use



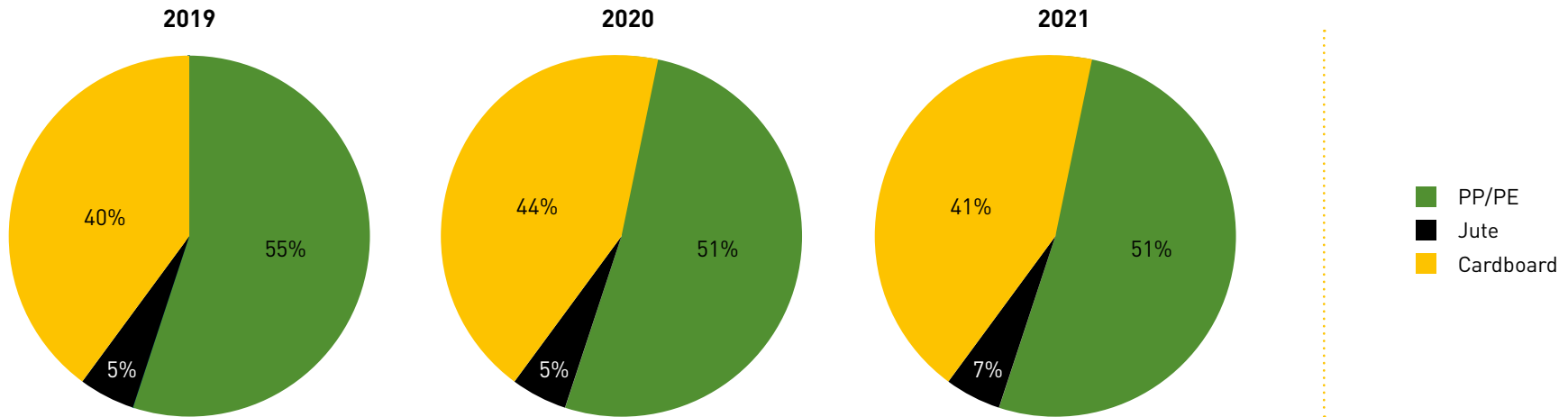
> % of turnover per used material



* This calculation includes 72.2% of materials used by LC Packaging, representing 95.5% of turnover and 90.4% of all pcs sold.

** In 2019 and 2020 we have calculated the weight of our packaging by – per product type - multiplying the number of distributed packaging products by the average kilos of material used in that type of product. In 2021, this is still the case for our FIBCs. For our other packaging we have extracted more accurate data from our SAP system. This explains decrease in the use of cardboard materials compared to 2019 and 2021. The 2021 calculations are much more accurate compared to the years before. In 2022, we aim to report on weight data even more accurately.

> % of total distributed packaging solutions (pcs)



* This calculation includes 72.2% of materials used by LC Packaging, representing 95.5% of turnover and 90.4% of all pcs sold.

** In 2019 and 2020 we have calculated the weight of our packaging by – per product type - multiplying the number of distributed packaging products by the average kilos of material used in that type of product. In 2021, this is still the case for our FIBCs. For our other packaging we have extracted more accurate data from our SAP system. This explains decrease in the use of cardboard materials compared to 2019 and 2021. The 2021 calculations are much more accurate compared to the years before. In 2022, we aim to report on weight data even more accurately.

Circular Economy

GRI 301-2 Recycled input materials used
 Innovation 2021; 103-3

Based on internationally accepted standards and guidelines, we have defined circular packaging as follows: Packaging made out of **renewable materials (a)** or **recycled content materials (b)**, that is **reusable (c)** if possible, and **100% recyclable (d)** (preferably closed-loop) or **compostable (e)**. By 2030 we aim for at least 80% of our turnover to come from packaging that delivers the circular economy. [Read more on our 2030 Ambition.](#)

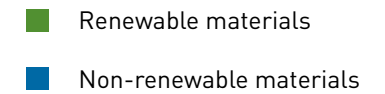
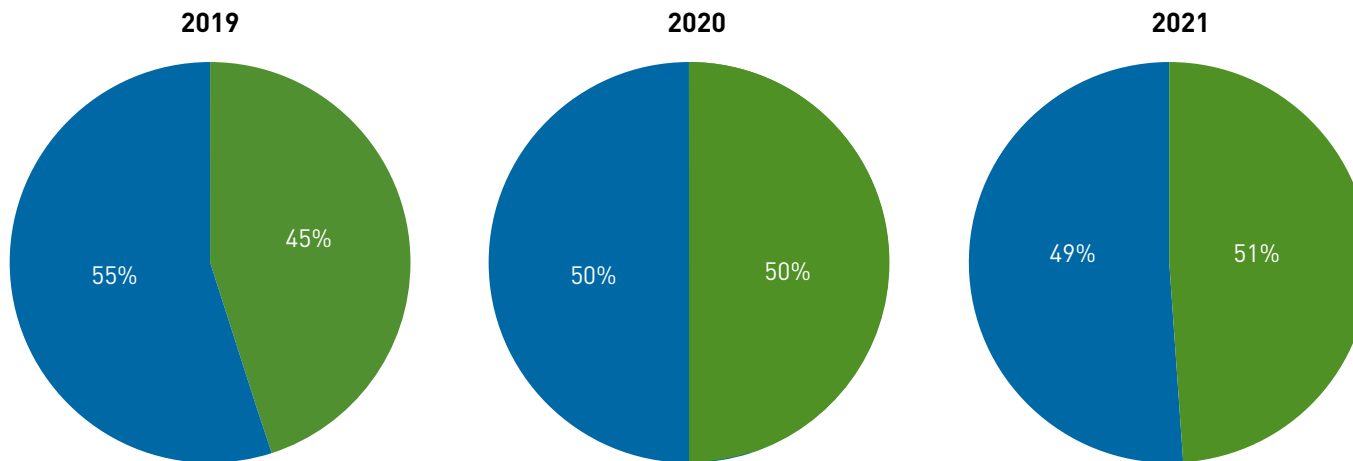
> % of turnover from circular packaging*



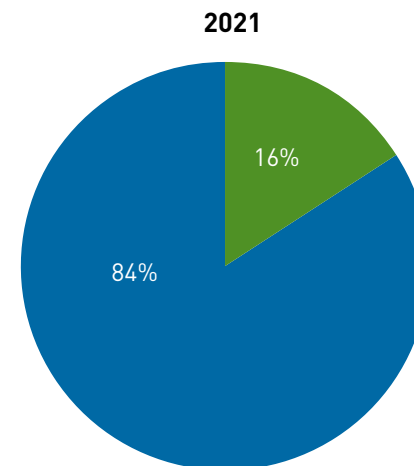
*9.9% of total turnover in 2021 comes from circular packaging. 10.4% of the part of turnover included in this report comes from circular packaging.

a. Renewable materials

➤ Distributed packaging made out of renewable materials*



➤ % of turnover from packaging made out of renewable materials



*Renewable materials: Jute and cardboard.

b. Recycled content materials

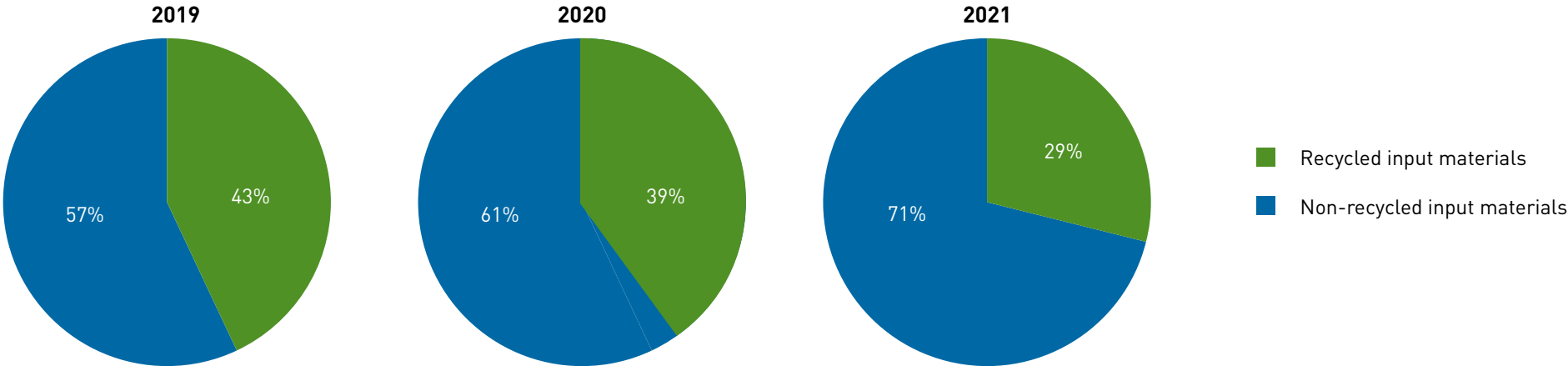
> Distributed packaging including recycled content materials



> % of turnover from packaging including recycled content materials



> % Recycled content materials used in packaging*



➤ Recycled content materials by product category*:

Category	2019		2020		2021**	
	% recycled content	recycled content (KG)	% recycled content	recycled content (KG)	% recycled content	recycled content (KG)
Raschel bags (net bags)	25%	811,050	0%	0	0%	0
Jute bags	0%	0	0%	0	0%	0
WPP bags	0%	0	0%	0	0%	0
Cardboard	85%	37,110,010	85%	37,105,477	85%	21,571,836
FIBCs	0%	0	0	0	0%	0
Total		37,921,060		37,105,477		21,571,836

* Many of our packaging solutions are food-safe and pharma-clean and comply with that legislation. This means that it must contain no recycled content. In the case of our Raschel bags, we had to go back to virgin material due to food-safe regulations. Other than performing tests with recycled content in FIBCs, we have not produced a customer order for rPP bags in 2021, however we have distributed our first 30% rPP bags in 2022.

** Percentage of recycled input materials used = (total KG recycled input materials used / total KG input materials used) * 100. (21,571,836 KG / 75,086,498 KG) * 100 = 29%. This data is based on estimations (average 85% of recycled content material in cardboard packaging). As we have established more accurate reporting on materials weight for cardboard in 2021, the reported materials in kilos decreased and therewith also the percentage of recycled input materials used decreased. Starting 2022, we will report on exact percentage of recycled content materials per packaging product, to ensure more accurate reporting.

c. Reusable packaging

> Distributed packaging that are reusable*



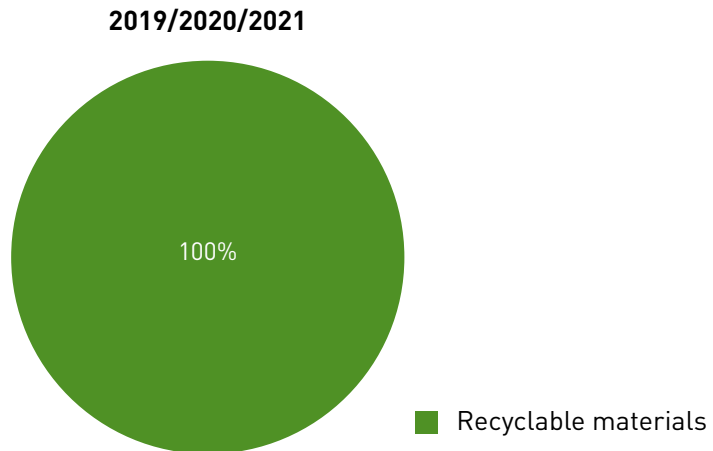
> % of turnover from reusable packaging*



* We consider packaging reusable if we have knowledge of the fact that the packaging is actually reused by our (end)customer. Meaning, the bag was purchased for reuse.

d. Recyclable packaging

- > Distributed packaging made out of recyclable materials*



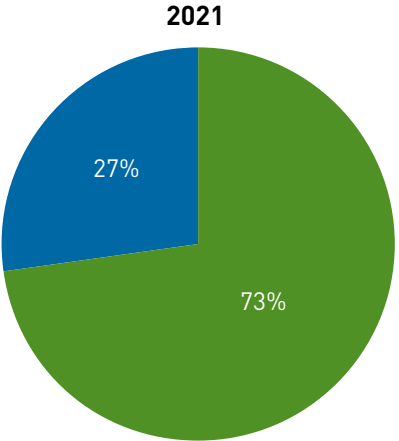
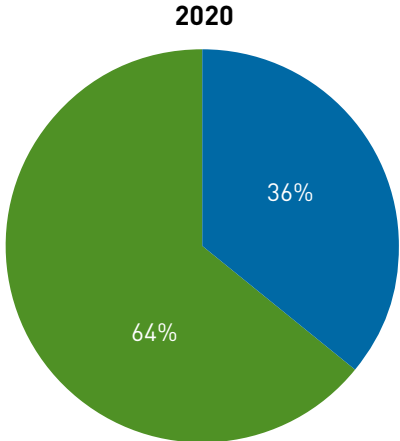
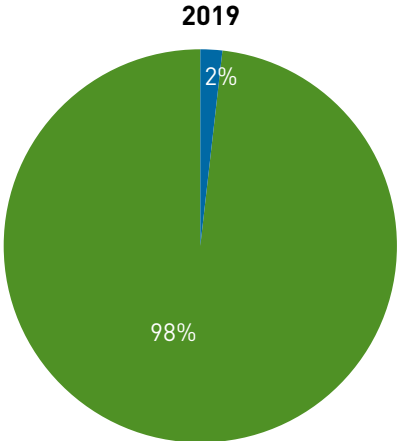
*For our packaging we make use of the recyclable materials PP/PE, jute and cardboard. However, the combination of materials used, such as jute and PE, or cardboard and PE, and the products that are packed in our packaging, determine whether the packaging is actually recyclable after use. More information in graphic 'Distributed packaging that are recyclable'.

Explanation

Throughout the years, we have evolved the definition for recyclable packaging twice – in 2020 based on input through our partnership with Veolia, and in 2021 based on a deep-dive analysis of our packaging portfolio in cooperation with the [Netherlands Institute for Sustainable Packaging \(KIDV\)](#). This metric was measured based on different standards over the years, explaining the increase of non-recyclable packaging. In the 2021 calculation, the following packaging solutions are identified as non-recyclable: FIBCs with liner, Conductive FIBCs, net bags (Rachel bags and Leno bags), Jute bags with a PE strip and cardboard packaging with a PE coating.

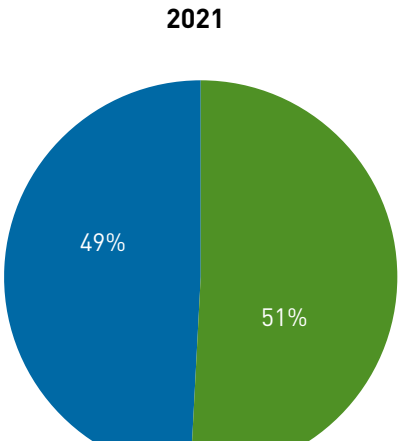
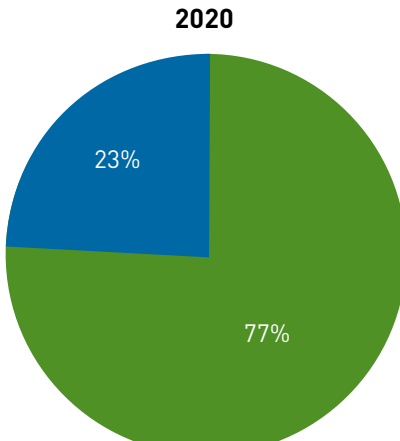
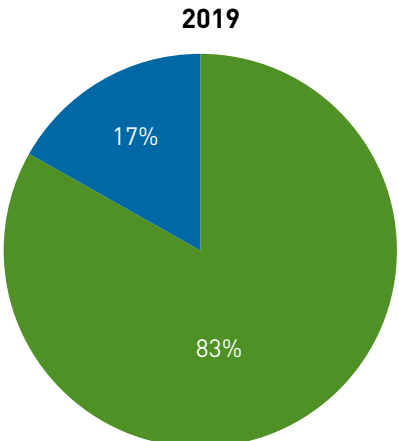
In 2019 calculations, the net bag was identified as recyclable; in 2020 calculations the net bag is identified as non-recyclable. In 2019 and 2020 calculations, cardboard packaging with a PE coating was identified as recyclable. In 2021 calculations, we identified that same type of packaging as non-recyclable. In theory, these types of packaging are sometimes recycled, but are identified as non-recyclable, as recycling these products is not a common market practice due to e.g., extra handling costs (costs vs benefits) or insufficient recycling infrastructure available on locations where the bag ends up after use.

> Distributed packaging that are recyclable



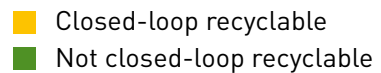
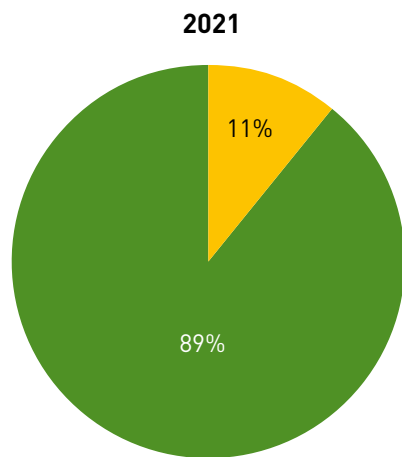
■ Non-Recyclable
■ Recyclable

> % of turnover from recyclable packaging

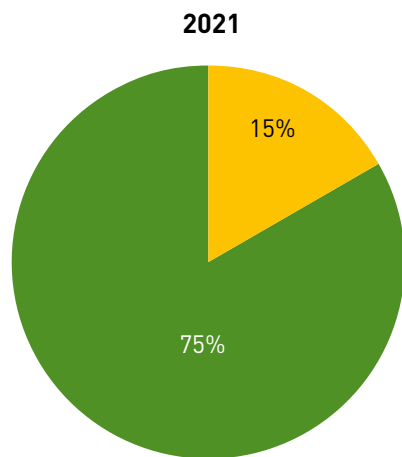


■ Recyclable packaging solutions
■ Non-recyclable packaging solutions

> Distributed packaging that are closed-loop recyclable



> % of turnover from closed-loop recyclable packaging



e. Compostable packaging

> Distributed packaging that are compostable*



> % of turnover from compostable packaging*



* Jute is both 'industrial compostable' and 'home-compostable'; made of components and materials that fully decompose into the soil. Cardboard packaging and plastic packaging are not compostable.