



**United Nations Global Compact**  
**Communication on Progress 2021**  
Advanced



**LC Packaging International B.V.**

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The Netherlands

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## Statement of continuous support by CEO

GRI: 102-14

In 2020, LC Packaging has been rewarded by EcoVadis with the Platinum CSR rating, making us belong to the top **1%** of the **65,000** companies assessed. More importantly, it shows we are well on our way to successfully pass on the company to the next generation. Hopefully without limiting the choices they have to make or the resources available.

The latter is the responsibility of every country, every company and every individual. But even if some decide not to act, we commit to do. Every little bit helps, and every example inspires others to act. Step by step we learn to understand more about our impact on the environment and society at large and the opportunities we have to make a change.

Taking action always brings challenges. As we are almost entering 2022 – the year we want to have achieved our goals outlined in our '[Sustainability Vision 2022](#)' – we already have (over)achieved some, but face difficulties achieving others.

I am pleased to confirm that LC Packaging actively supports the ten principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-corruption.

In this annual Communication on Progress we further describe our actions to continually improve the integration of the UN Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication. We continue to step up as an ambassador to promote the principles and create awareness in our supply chain and beyond.

**Please refer to our [Sustainability Update 2021](#) (including our GRI Report 2020) for more information on our stakeholders, materials and initiatives.**

Yours Sincerely,



**Lucas Lammers**  
CEO, LC Packaging

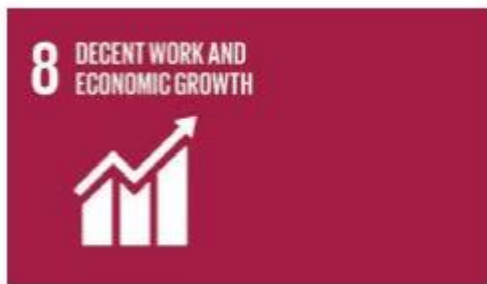


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# 1. Sustainable Development Goals

Through our sustainability strategy and related activities, we are committed to contributing to the UN Global Sustainable Development Goals. With our core business, daily activities and our so-called 'areas of commitment' we will be making a direct contribution to 4 of the 17 goals: numbers **8**, **9**, **12** and **17**. In addition, we actively contribute to the other goals via activities to improve our environmental footprint (Goal **13**), our involvement in community development projects and by establishing sustainable partnerships for the goals.



## 2. Areas of Commitment

In our sustainable business strategy, LC Packaging has identified four areas of commitment: people, supply chain, solutions and environment. These four areas are divided in areas of focus, as shown in the figure below. We believe that by adding these areas of commitment to our daily business agenda, we can improve our environmental, economic and social impact, while making profit along the way. At LC Packaging we invest all our profit back into the company to secure its future and the future of our employees.



For 2022, LC Packaging has identified 14 targets related to these topics, including a specific target related to SDG 17, Partnership for the goals:

**'By 2022, we will have increased and strengthened our sustainable partnerships with our stakeholders and together will have made a significant contribution to achieving our goals.'**

**More on our Sustainability Vision and 14 5-year targets:**

[Video LC Packaging Sustainability Vision](#)

[LC Packaging Sustainability Vision 2022](#)

### 3. Human Rights Principles

GRI Job Creation 2020: 103-3

GRI 401, 403, 404, 412, 413, 414: 103-3

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights;

**Principle 2:** make sure that they are not complicit in human rights abuses.

As an international employer with offices, warehouses and production locations in **16** countries in Africa, Asia and Europe, LC Packaging has a direct impact on and feels responsible for the well-being of our more than **1,700** employees, our Partners and the local communities in which we operate. Improving people’s well-being is one of our four so-called ‘areas of commitment’, and the protection of the internationally proclaimed human rights forms the base of this welfare. As a family company, we consider all our employees part of the LC Family, and we make sure we treat them as such.

With our initiatives related to the human rights principles we actively contribute to the following Global Sustainable Development Goals (SDGs), set by the United Nations:



#### 3.1 Related policies

[Human Rights Policy](#)

[Working conditions policy](#)

[Employee Occupational Health & Safety Policy](#)

[Performance and Career Development Policy](#)

[Sustainable Supply Chain Policy](#)

### 3.2 Our employees

Compared to 1 January 2020, our workforce has expanded by about **1.2%** on 1 January 2021, to 1,700 employees of which **47%** female. **18%** of the management positions within LC Packaging and **19%** of management positions within the LC Packaging Group\* are held by women.

In 2020, we hired **799** new colleagues, of which **54%** was female. **715** employees have left the company, of which **44%** was female. Within LC Group the main reasons to leave the company are better career opportunities (**39%**) and under performance (**32%**). **15.9%** of employees within the company was promoted, of which 44% was female.

**More data:** [2020 People Report](#)

\*Group: All LC Packaging International B.V. subsidiaries in which we have more than 50% ownership; LC Packaging affiliates, Hagens Verpakkingen B.V. and WorldBag B.V. LC Packaging Group does not include production facilities

#### 3.2.1 Health & Safety

**By 2022, 85% of our employees will feel that he/she is working in a safe and healthy working environment and will be satisfied with the working conditions we provide.**

Source: [LC Packaging Sustainability Vision 2022](#)

To protect the human rights of all employees according to the global human rights proclamation and standards, these rights are captured in the LC Packaging Global HR Manual and [Internal Code of Conduct](#), including the right to safe and healthy working conditions, equal pay for equal work and the right to form and join trade unions (Article 23). We take care of a healthy work-life balance, with **8-hour** workdays (article 24) and pay an above average salary (always above living wage). This means all our employees and their families have access to food, clothing, housing, medical care and education for their children. **100%** of our employees has received an employment contract and everyone is granted paid annual vacation. **100%** of our operations is covered by a human rights risk assessment and a H&S management procedure that is internally audited.

According to our employees we are well on our way to create a safe and healthy workplace. **94%** of our employees say that they are proud to work for LC Packaging and **89%** says that they feel free to share their own thoughts and ideas.

In 2020, **93.6%** of LC Packaging employees has conducted a mandatory Occupational Health and Safety Training, which explained our [Employee Occupational Health & Safety Policy](#), objectives and measures, followed by a short assessment. Compared to 2019, the total amount of sick hours decreased by **15%**. However, the hours of sick leave due to injury increased with **66%**, making our global lost time injury (LTI) rate\* increase slightly from **0.04%** to **0.06%** – this is still within our objective to have LTI rate below **0.2%**.

**More data:** [2020 People Report](#)

\*(total hours of sick leave due to injury events/total hours worked)\*100

### 3.2.2 Talent & Development

**By 2022, 80% of our employees will be satisfied with the internal development opportunities provided by LC Packaging.**

Source: [LC Packaging Sustainability Vision 2022](#)

**100%** of our employees has access to learning and development opportunities. Learning fosters creativity, innovation and inspiration. It helps keep up with a continuously changing world and it has also proven to make people more happy when we continue to learn and developing oneself. As we aim to offer the best workplace in the packaging industry, happy people are our top priority. In 2020, **87%** of LC Packaging employees thought that their work was challenging and **91%** was proud of what they achieve in their work.

When it comes to the development of our employees, we believe we shouldn't waste any talent and aim to offer great development opportunities to all. In 2016, **65.3%** of LC Packaging employees was satisfied with their development opportunities. The last numbers show that number has risen to **83%**, topping our **80%** target.

To make learning and development even more accessible, in October 2020, we have launched the **LC Academy** for our employees working in sales, support and distribution. LC Academy is a one-stop-shop to personal and professional growth and development; A platform where employees can find all available online and offline courses, webinars and training opportunities. LC Academy is also a place to interact and connect with colleagues and get inspired by readings that broaden ones horizon and for example TED Talks on leadership, innovation and so on. Since its first introduction, approximately 50 courses have been added with a participation rate of **95.8%**. The course completion rate is **79.2%** and the pass rate is **99.6%**.

In the second quarter of 2021 we have started our very first **Leadership Programme** for our young present and future leaders. During two years, a selected group of employees from different affiliates will go on this LC leadership journey. During four different modules, the participants will work on topics such as Financial Management, Sales & Account Management, Innovation & Change and Cross-Cultural Communication.

**More data:** [2020 People Report](#)



### 3.2.3 Developing countries

**By 2022, we will have created at least 300 additional high quality full-time jobs in developing countries.**

Source: [LC Packaging Sustainability Vision 2022](#)

LC Packaging makes it a priority to contribute to the economic environment of the countries we operate in, as well as the community and our own people. In total, we added **1,444** FTE in developing countries to our workforce. **582** were hired in the last **4** years.

In developing countries we make sure we offer secondary employment conditions that improve the well-being of our employees. For example, all our employees in developing countries have access to proper health care by health insurance or a medical plan.

Our manufacturing site in Bangladesh, Dutch-Bangla Pack Ltd. (DBPL) has launched an [Employee Commitment Programme](#) which tackles a number of health and safety challenges for its employees.

DBPL is an advanced member of the UN Global Compact and offers, among other things:

- Payment increase of 10% after 6 months of continued employment;
- Free medical services and other health care services;
- On-site medical assistance;
- Vaccination programme;
- Life insurance;
- Group insurance;
- Housing facilities;
- Fair priced shop;
- Day-care facilities.

Also DBPL got [SA8000 recertified](#) in 2020. DBPL is one of only four manufacturers in Bangladesh in possession of an SA8000 certification. SA8000 is an international auditable certification standard that monitors whether companies apply socially acceptable practices in the workplace. It is the highest level of accreditation achievable. DBPL first obtained the SA8000 certificate in 2012.

Additionally, LC Shankar – our production facility in South Africa – in 2020 has been welcomed as a member of Sedex and has just successfully conducted its first SMETA audit, which means they are now part of the world's leading community for responsible business, sourcing and improving ethical standards and working conditions within the supply chain.

Watch the following video '[Commitment to our people](#)', explaining more about the working conditions at our production facility in Bangladesh.

**Read more on:** [Dutch-Bangla Pack Ltd. CoP 2020](#)

**More data:** [2020 People Report](#)

### 3.3 Our Production Partners

**By 2022, 100% of our key Production Partners will have signed our Supplier Code of Conduct and is acting accordingly.**

Source: [LC Packaging Sustainability Vision 2022](#)

A sustainable supply chain is the integration of social, ethical and environmental performance factors into the process of selecting suppliers, producing products and delivering to customers. At LC Packaging, we train our employees to understand and make better-informed decisions that lead to more sustainable procurement and consumption. Next to its own manufacturing facilities, LC Packaging has approximately **80** Tier 1 suppliers (packaging producers), which we call our production partners. With these key partners – covering **80%** of the sales – we have an average partnership of at least **25** years. **100%** of our production partners is screened using environmental and social criteria.

#### 3.3.1 Supplier selection

The Supplier Selection and Assessment Process that was introduced in 2019, has been further implemented in 2020. In 2019 we were proud to share that **100%** of our key suppliers have signed and comply with our code of conduct. This is still the case in 2020. At this moment, the final few suppliers are being administered to the programme. We aim to have all production partners aligned with our Global Supplier Code of Conduct by 2022.

#### 3.3.2 Extensive risk assessment

**100%** of our suppliers' operations are covered by a risk assessment performed by LC Packaging. When it comes to risks occurring in regions or countries, we annually conduct a socio-political and geo location risk assessment based on the Amfori-BSCI [Countries' Risk Classification](#) and the [WorldRiskReport 2020](#). The risk assessment looks at the risks in a specific region or country. If a country is identified as high risk, it does however not automatically mean that the supplier is high risk as well. This of course also works the other way around: a high risk supplier could be located in a low risk country. However, the risk assessment does provide valuable insights in the specific challenges our suppliers face. Additionally, a supplier's specific risk score is calculated based on the risk score provided by the [Sedex Supplier Risk Assessment Tool \(Radar\)](#). Based on our risk assessment, **9** locations in which LC Packaging or its partners have operations are identified as a high risk location, being: Bangladesh, China, India, Indonesia, Ivory Coast, Pakistan, Sri Lanka and Vietnam. In 2020, **0%** of our suppliers was identified as having a negative social or environmental impact.

*Curious how LC Packaging attempts to eliminate human rights violations and ensure good working conditions in the supply chain? Please watch the webinar ['Human Rights: Preparing Business for What is to Come'](#), organised by the UN Global Compact and KPMG.*

**Read** the LC Packaging [Supplier Code of Conduct](#)

**More information:** [2020 Supply Chain Report](#) and [2020 Business Ethics Report](#)

### 3.4 Community development

**By 2022, we will have made a significant contribution to the well-being and development of the local communities in which we operate.**

Source: [LC Packaging Sustainability Vision 2022](#)

In January 2017, LC Packaging founded the [LC Supports Foundation](#) (LCSF) to contribute to the improvement of the environment and well-being of communities in which our company operates, and contribute to the Global Sustainable Development Goals (SDGs) set by the United Nations. With the help of local partners, we have set up wonderful projects. In this chapter you will find a selection of our activities in the past year. For a full overview, please read our [Statement of Income and Expenses](#).



#### 3.4.1 New project

LCSF and the LC Packaging South Africa team have started a new partnership with the [Wilderness Foundation Africa \(WFA\)](#), a conservation organisation working to protect and sustain wildlife, wilderness and youth empowerment – among others- through integrated conservation and education programmes. Together, we will work on empowering vulnerable young people from the local community with skills to help them with pathways to various livelihood opportunities. Next to financial support through LCSF, the local LC Packaging team in South Africa will be strongly involved throughout the year. [Read more about our partnership.](#)

### 3.4.2 Implications Covid-19

The COVID-19 pandemic has a major effect on our daily lives. This is no different for projects supported by the LC Supports Foundation. This year, donations were often used for COVID-19 related initiatives. To keep students and their families as safe as possible, the Waste Pickers of Dhaka programme organised awareness sessions on COVID-19 and occupational health and safety. In Sri Lanka, donations were used to support the families of children attending the Warapitiya Junior School in Mahaoya. They were provided with food parcels and essential clothing to help them get by after losing their already limited income due to COVID-19.

#### **More on our community development activities:**

[Statement of Income and Expenses 2020](#)

### 3.5 Measurement of outcomes

- Advanced membership of the UN Global Compact
- Membership of the UN Women Empowerment Principles
- EcoVadis Platinum CSR rating, SA 8000 certificate and Sedex membership
- [Certificates, policies and statements](#)
- All targets are mentioned in our [Sustainability Vision 2022](#)
- All outcomes are mentioned in our [Annual Sustainability Update](#)
- [LC Packaging GRI Content Index 2020](#)
- [2020 People Report](#)
- [2020 Supply Chain Report](#)
- [2020 Business Ethics Report](#)
- Outcomes Flow Measurements 2020
- Outcomes Talent & Development Survey 2019
- HR Manual and [Internal Code of Conduct](#)
- [Global Supplier Code of Conduct 2019](#)
- Internal audits, SMETA audits and customer audits
- [LC Supports Foundation projects](#)
- Public commitment to the SDGs
- Participation in United Nations Global Compact [SDG Ambition Accelerator](#)
- LC Packaging has been identified as an example company by the Dutch Minister of Foreign Trade and Development Cooperation
- LC Packaging has been recognised as an [example company](#) by the Dutch Ambassador to Bangladesh

## 4. Labour

GRI 401, 406, 408, 409: 103-3

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

**Principle 4:** the elimination of all forms of forced and compulsory labour;

**Principle 5:** the effective abolition of child labour;

**Principle 6:** the elimination of discrimination in respect of employee and occupation.

**By 2022, 85% of our employees will feel that he/she is working in a safe and healthy working environment and will be satisfied with the working conditions we provide.**

Source: [LC Packaging Sustainability Vision 2022](#)

LC Packaging upholds the freedom of association and the effective recognition of the right to collective bargaining. We eliminate all forms of forced and compulsory labour, child labour and discrimination, and expect our Production Partners to do the same. We are committed to responsible business practices with absolute regard for conventions of the ILO, UN and national labour laws.

With our initiatives related to the labour principles we actively contribute to the following Global Sustainable Development Goals (SDGs), set by the United Nations:



### 4.1 Related policies

[Employee Occupational Health & Safety Policy](#)

[Discrimination & Harassment Policy](#)

[Performance and Career Development Policy](#)

[Working conditions policy](#)

## 4.2 Freedom of association and collective bargaining

As stated in our HR Manual and our [Internal Code of Conduct](#), all our employees have the right to form, join and organise trade unions of their choice and to bargain collectively on their behalf with the company. We expect this right in every office, warehouse or production facility and in every country and continent. LC Packaging will not interfere with their establishment, operation and organisation. We expect the same from our suppliers as stated in our [Supplier Code of Conduct](#).

LC Packaging:

- respects the right of all employees to form, join, and organise trade unions of their choice and to bargain collectively on behalf of their organisation;
- informs personnel that they are free to join a worker organisation of their choosing without any negative consequences or retaliation;
- does not interfere with the establishment, functioning, or administration of workers' organisations or collective bargaining;
- communicates to workers within operations of LC Packaging, such as in Dutch-Bangla Pack Ltd., through a "Worker representative". This is a worker who is chosen to facilitate communication with senior management on matters related to SA8000, elected by non-management personnel for that purpose;
- allows workers to freely elect their own representatives;
- ensures that representatives of workers and any personnel engaged in organising workers are not subjected to discrimination, harassment, intimidation, or retaliation for being union members, representatives of workers or engaged in organising workers;
- production sites, such as LC Shankar, have agreements with trade unions regarding wages and other conditions of employment.

## 4.3 Elimination of forced and compulsory labour

LC Packaging does not engage in or support the use of forced or compulsory labour as defined in ILO Convention 29, nor shall personnel be required to pay "deposits" or lodge "identification papers" with the company upon commencing employment. We do not withhold any part of any employee's salary, benefits, property, or documents in order to force him or her to continue working for the company. Everyone is free to leave the working place and overtime hours are fully voluntary.

So far we have had zero confirmed cases of child and forced labour in our own operations or the operations of our Partners.

One of the measures taken to eliminate forced and compulsory labour was the launch of our Child & Forced Labour awareness training, conducted by **94.4%** of our employees.

All LC Packaging operations and supplier operations are subject to an extensive risk assessment, which includes topics such as forced and compulsory labour. (See Chapter: 3.3.2 Extensive Risk assessment)

**More data on forced and compulsory labour:** [2020 Business Ethics Report](#)

## 4.4 Abolition of Child Labour

LC Packaging does not engage in child labour at any level of the organisation. No employee is employed under the minimum age established by national law (Labour Law 2006). According to the Company Policy of LC Packaging, including its own production facilities and Production Partners, the employment age is at least 18 years.

So far we have had zero confirmed cases of child and forced labour in our own operations or the operations of our Partners.

One of the measures taken to eliminate forced and compulsory labour was the launch of our Child & Forced Labour awareness training, conducted by **94.4%** of our employees.

All LC Packaging operations and supplier operations are subject to an extensive risk assessment, which includes topics such as child labour. (See Chapter: 3.3.2 Extensive Risk assessment)

**More data on child labour:** [2020 Business Ethics Report](#)

## 4.5 Elimination of discrimination

LC Packaging does not engage in or support any type of discriminating practices and we do not engage in or support activities that would interfere with an employee's right to exercise, observe tenets or practices, or to meet needs relating to race, caste, national origin, religion, disability, sexual orientation, union membership, or political affiliation. LC Packaging does not allow behaviour from its employees that are discriminative or harassing in nature. Gestures, language and physical contact that are sexually coercive, threatening, abusive, or exploitive are prohibited. Employees are informed of our [Discrimination and Harassment Policy](#) during new employee orientation and it is covered in the HR Manual and the [Internal Code of Conduct](#). All allegations of discrimination or harassment are immediately brought to the attention of the Human Resources Department and are investigated immediately and resolved.

LC Packaging strongly believes in the empowerment of our employees and is proud to have become a member of the [7 Women's Empowerment Principles](#), committing to working collaboratively to foster business practices that empower women especially. Over the years, LC Packaging has already introduced many initiatives to improve the wellbeing of and promote equality for women, such as a [digital payroll system](#) in Bangladesh.

In 2020 there were zero incidents reported of discriminatory and intimidating behaviour.

One of the measures taken to eliminate discrimination was the launch of our Discrimination and Harassment awareness training, conducted by **94.4%** of our employees.

**More data on discrimination:** [2020 Business Ethics Report](#)

## 4.6 Measurement of outcomes

- Membership of the UN Global Compact
- Membership of the UN Women Empowerment Principles
- EcoVadis Platinum CSR rating, SA 8000 certificate and Sedex membership
- [Certificates, policies and statements](#)
- All targets are mentioned in our [Sustainability Vision 2022](#)
- All outcomes are mentioned in our [Annual Sustainability Update](#)
- [LC Packaging GRI Content Index 2020](#)
- [2020 Business Ethics Report](#)
- Outcomes Flow Measurements 2020
- HR Manual and [Internal Code of Conduct](#)
- [Global Supplier Code of Conduct 2019](#)
- ZERO employees under the age of 18
- Internal audits, SMETA audits and Customer audits



## 5. Environment

GRI Innovation 2020: 103-3

GRI Sustainable solutions 2020 : 103-3

GRI 301, 302, 303, 305, 306, 308 :103-3

**Principle 7:** Businesses should support a precautionary approach to environmental challenges;

**Principle 8:** undertake initiatives to promote greater environmental responsibility;

**Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

LC Packaging commits to minimising its impact on the environment, by reducing its waste production and carbon footprint and by decreasing its use of water and energy. In addition, we will improve efficiencies on finite natural resources in all of our company's greater environmental responsibility, encourage the development and diffusion of environmentally friendly technologies and take the lead in forming partnerships and infrastructures to establish sustainable solutions.

LC Packaging has set multiple targets for 2022 related to the environmental topic:

- **By 2022, we will have undertaken important steps to significantly improve the sustainability of our in-house FIBC manufacturing.**
- **By 2022, we will have minimised the waste associated with our packaging.**
- **By 2022, we will have significantly reduced the waste of (food) products during storage and transport, with our packaging.**
- **By 2022, sustainability will be fully integrated into our innovation processes, leading to sustainable operations and new packaging solutions.**
- **By 2022, our carbon footprint will have been reduced by 25%.**
- **By 2022, the amount of waste generated in our daily operations will have been reduced by 40%.**
- **By 2022, the amount of water used in our daily operations will have been reduced by at least 10%.**
- **By 2022, the energy use in our daily operations will have been reduced by at least 10%.**

Source: [LC Packaging Sustainability Vision 2022](#)

With our initiatives related to the environmental principles we actively contribute to the following Global Sustainable Development Goals (SDGs), set by the United Nations:



## 5.1 Related policies

[Water, biodiversity and Local Pollution Policy](#)

[Sustainable Consumption Policy](#)

[Materials, Chemicals and Waste Policy](#)





[Energy Consumption and Greenhouse Gas Emission Policy](#)

[Customer Health & Safety Policy](#)

## 5.2 Environmental footprint

Every year, an environmental footprint research is conducted by [Except Integrated Sustainability](#) to understand more about our impact, monitor our use of resources and identify areas in which we can improve or use resources more efficiently. LC Packaging conducted its very first environmental footprint research in 2016. Based on the outcomes of this research, we finalised our environmental targets for 2022. Since 2016, we have increased our workforce by **59%**, added an extension to our production facility in Bangladesh and scaled up our production worldwide. In 2020, we have started the construction of a third extension. Naturally, all of this has caused our CO<sub>2</sub> emissions, energy use and water consumption to increase.

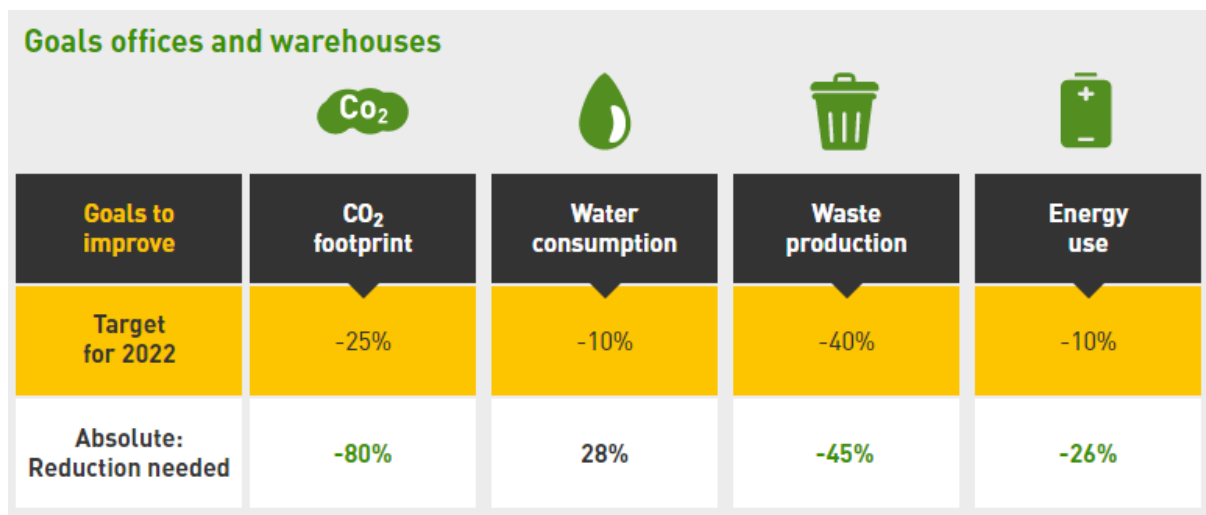
The reductions brought about by our initiatives to minimise our water and energy use and CO<sub>2</sub> emissions so far do not outweigh these developments. Our initiatives related to reducing our waste production however, have contributed to us already reaching our 2022 target. Our GREENBangla in-house process waste recycling initiative in particular has made a huge impact. **29%** of all our waste produced worldwide is recycled in-house.

Global Goals				
				
Goals to improve	CO <sub>2</sub> footprint	Water consumption	Waste production	Energy use
Target for 2022	-25%	-10%	-40%	-10%
Absolute: Reduction needed	18%	56%	-36%	49%
FTE: Reduction needed	-30%	30%	-60%	19%

There are several impactful initiatives on the calendar for the upcoming year. A co-generation system and a high capacity solar plant for example. In 2020, LC Packaging’s production facility in Bangladesh Dutch-Bangla Pack Ltd. (DBPL) also became a signatory of the Science Based Targets Initiative (SBTi) to further reduce its emissions in line with climate science.

### 5.2.1 Three goals achieved

When we look at the environmental footprint of solely LC Packaging offices and warehouses, we have (over)achieved 3 of the 4 goals we have set; CO<sub>2</sub> footprint, waste production and energy use. Of course we are fully aware that LC Packaging’s environmental impact lies largely at our production facilities. However, we do also feel that every bit helps and many colleagues put time, effort and dedication into achieving local goals. Reducing water consumption remains a challenge. Even though most of our employees have not been at the office much in the past year due to the COVID-19 regulations, we still used more water compared to 2016. We need at least a **28%** decrease by 2022 to reach our **10%** reduction goal.



### 5.2.2 HQ Carbon negative

Today, **55%** of electricity used by LC Packaging is coming from renewable sources, of which **36%** is self-generated. **19%** is purchased renewable electricity from the grid. This has a positive impact on our CO<sub>2</sub> emissions. However, if we look at our overall energy use - which does not solely include electricity but also fuel (mostly gas) and company owned vehicles - we only make use of renewable recourses for **7.5%** of which **4.9%** is self-generated. We are already looking at improvements we can make in these areas.

### 5.2.3 Renewable energy and electricity

LC Packaging's new head office in Waddinxveen was built with sustainability in mind. Innovative measures have been taken to minimise CO<sub>2</sub> emissions and the consumption of energy and water. On the roof for example, **3,032** solar panels have been installed, generating enough energy to supply **386** households for a full year. Rainwater is collected and cleaned using a special roof-membrane and used by nearby horticultural businesses so no water is wasted unnecessarily.

In 2020, the new office reached a carbon negative status, because it produces more renewable energy with the help of its solar panels than it uses. That renewable energy is delivered to the grid. With this negative CO<sub>2</sub> footprint, it compensates the CO<sub>2</sub> emissions of many other affiliates.

**More environmental data:** [2020 Environmental Report](#)

## 5.3 Laws, regulations and permits

LC Packaging complies with applicable environmental laws, regulations and permits and implements programmes and procedures to ensure compliance, following the environmental guidelines such as ISO 14001. LC Packaging is ISO 14001 and FSC certified among others.

## 5.4 Awareness

LC Packaging communicates its commitment to environmental protection to its employees, Production Partners, customers and other stakeholders via its annual [Sustainability Update](#), as well as educating its stakeholders by working together to help them meet their goals. In 2020 and 2021, LC Packaging renewed and extended its environmental policies and translated these policies into training materials for its employees. **94.8%** of our employees has conducted our Sustainable Consumption Awareness training. In 2019, our [Supplier Code of Conduct](#) was also updated, based on our policies.

## 5.5 Projects and activities

LC Packaging initiated a lot of projects and initiatives to improve the well-being of people and planet in 2020 and 2021. Below is an overview of the most impactful projects and investments.

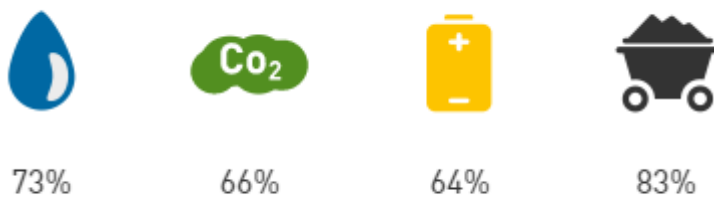
### 5.5.1 LC Green Office Campaign

In 2020 we have launched our Green Office Campaign with the ultimate goal to further reduce our joint consumption of water, waste and energy and our CO<sub>2</sub> footprint and to contribute to our 2022 environmental goals. LC Packaging offices, warehouses and production facilities participate in the campaign and have each received their own targets, tailor-made to its situation.

When all locations achieve their goals, it will show a huge impact on our environmental footprint. Additionally, a maximum amount of **€20,000,-** will be donated to local initiatives and organisations benefitting the environment by the [LC Supports Foundation](#).

### 5.5.2 WorldBag Reconditioning Service

[WorldBag](#) specialises in the reconditioning of big bags (FIBCs) and making them fit for reuse. WorldBag collects used big bags all over Europe at our customers' or end-users' locations. We are reconditioning (cleaning and repairing) them and deliver them back to our customers to be reused again; filled with products, emptied and picked up again for reuse. With this closed-loop formula, WorldBag offers a unique, efficient and 100% sustainable solution with the right balance between a long lifespan and low costs. It leads to a **43% - 66%** reduction in the carbon footprint of the FIBC, depending on the number of reuse cycles. When reusing an FIBC 5 times, you save:



By reconditioning **50,000** FIBCs in 2020, we were able to save up to **440,000** L of water, **285,000** kWh of energy, **120,000** kg of raw materials and **555,000** kg of CO<sub>2</sub>.

**More information:** [2020 Solutions Report](#) and [2020 Environmental Report](#)

### 5.5.3 Sustainable infrastructure

In September 2020, LC Packaging International, LC Packaging Netherlands and LC Packaging Global moved into a newly build, state-of-the-art facility that combines office, warehouse and bag printing equipment. The building was built with a strong focus on the well-being of employees, quality and sustainability and has been BREEAM Outstanding certified. This is the ultimate sustainability label for buildings with minimal environmental impact. Innovative measures have been taken to minimise CO<sub>2</sub> emissions and the consumption of energy and water. On the roof, **3,032** solar panels have been installed, generating enough energy to supply **386** households for a full year. Rainwater is collected and cleaned using a special roof-membrane and used by nearby horticultural businesses so no water is wasted unnecessarily.

In Pietermaritzburg, South Africa, we are building a new factory for our own production facility LC Shankar. The opportunity to further green our production was one of the main drivers for the build. Besides the use of solar energy, rain water will be harvested for the use of ablution facilities, such as flushing the toilet. Additionally, LC Packaging's FIBC production facility Dutch-Bangla Pack Ltd. (DBPL) has started construction on its third factory in 2020. The facility provides **4,000** square meters additional floor space and is being built with measures to reduce energy use and water use through extensive insulation and sensors among others.

### 5.5.4 After use solutions and circularity

We believe plastic packaging is a valuable resource. When sustainably designed, produced, distributed and handled, and with a suitable after-use solution in place, flexible packaging can be re-used, reconditioned and/or recycled and transformed into a high-value next-use application. That is why we focus on establishing a solid after-use infrastructure in partnership with Veolia. Together with a selected group of customers, we are creating and testing a circular programme that focuses on optimising the recovery and upcycling of flexible packaging after-use. To turn used big bags into big bags once more, we have joined forces with Starlinger & Co. GmbH to develop the concept of circular packaging for big bags made from polypropylene fabric. In a laboratory environment, we have been able to create fabric with up to **50%** recycled polypropylene granulate (rPP) that can be used to produce 'new' big bags. The big bags with the rPP content show the same quality as big bags made from virgin materials in terms of tensile strength, weight and safety factor. At DBPL, we can produce big bags with **15%** rPP of which we have already sold the first batches.

When treated right, big bags can be used up to six times. With our WorldBag reconditioning service, we make a unique contribution to reducing waste streams. WorldBag collects used big bags at our customer's or their end-user's location all over Europe, cleaning and repairing them, making them fit for reuse. In 2020, **50,000** big bags were reconditioned by WorldBag. With this closed-loop formula, we offer a unique, efficient, sustainable **100%** solution, ensuring the right balance between a long life span and low costs.



### 5.5.5 Product development

After introducing **100%** recyclable cardboard sleeves in 2019 as an alternative for plastic wrapping, we have expanded our portfolio in 2020 with punnets especially designed for banding paper, also known as paper bands. Paper bands are sure to hold the product together once packaged and an increasing amount of customers in the fruit and vegetable market are nowadays installing banding paper machinery at their own locations. We have created punnets with flaps, fit for our customer’s machinery, further diminishing the need for plastic wrapping.

We also continue optimising our plastic packaging. We have decreased the size of our mesh bag labels by half. By reducing the **20** cm labels to **10** cm labels, we have managed to remove 6 gr of plastics per bag. The new label also prevents the packed product from ‘sweating’ behind the label, better preserving the product inside.

### 5.5.6 Reducing process waste

With our GREENBangla recycling initiative, we once again recycled **80%** of our virgin PP process waste in 2020. This adds up to **425 mt.** Thanks to a state-of-the-art Starlinger Recycling Machine, **20** high-quality jobs were created for the purpose of upcycling our process waste. In total we recycled **29%** of our total global waste production in-house in 2020.

**More information on our initiatives and projects:** [Sustainability Update 2020](#)

**More environmental reporting data:** [2020 Environmental Report](#)

**More on the environmental impact of our packaging solutions:** [2020 Solutions Report](#)

## 5.6 Measurement of outcomes

- Membership of the UN Global Compact
- EcoVadis Platinum CSR rating
- [Certificates, policies and statements](#)
- Certificate of ISO 14001 for Environmental Management System
- FSC Certificate
- Environmental Footprint Research 2020
- FIBC Lifecycle Research
- All targets are mentioned in our [Sustainability Vision 2022](#)
- All outcomes are mentioned in our [Annual Sustainability Update](#)
- [LC Packaging GRI Content Index 2020](#)
- [2020 Environmental Report](#)
- [2020 Solutions Report](#)
- [Global Supplier Code of Conduct 2019](#)
- Internal audits, SMETA audits and Customer audits
- Public commitment to the SDGs
- Participation in United Nations Global Compact [SDG Ambition Accelerator](#)
- LC Packaging has been recognised as an example company by the Dutch Minister of Foreign Trade and Development Cooperation
- LC Packaging has been recognised as an [example company](#) by the Dutch Ambassador to Bangladesh
- The waste recycling project is also subsidised by DEG (German Development Bank) and the FMO (Dutch Development Bank) and recognised in the Dutch [UN Global Compact SDG Progress Report](#)



## 6 Anti-Corruption

GRI 205, 2016: 103-3

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

LC Packaging has a zero-tolerance approach to corruption in all its forms, including extortion and bribery and we are committed to always conducting our business in an honest and ethical manner. We distance ourselves from political preferences and collaborations, and only work with partners approved by governmental agencies, such as for example, the Dutch Embassy in Bangladesh. LC Packaging has adopted this policy to communicate the message of zero-tolerance and assist those working for us to uphold it.

With our initiatives related to the anti-corruption principle we actively contribute to the following Global Sustainable Development Goals (SDGs), set by the United Nations:



### 6.1 Related policies

[Business ethics policy](#)

### 6.2 Implementation

Corruption, including bribery is clearly stated as a no-go area in LC Packaging’s [Internal Code of Conduct](#). This is signed by all LC Packaging employees and strictly complied with. This topic applies to dealing with customers, Production Partners, competitors and other (governmental) organisations. In addition, this subject is also included in LC Packaging’s [Supplier Code of Conduct](#), signed by all key Production Partners.

In 2020, LC Packaging was awarded the prestigious EcoVadis Platinum CSR Rating. EcoVadis is an international organisation that monitors and provides CSR and sustainability ratings for organisations across the supply chain. Included in this audit is measuring the performance standard of a company in the areas of:

- Corruption and bribery
- Anti-competitive practices
- Fair marketing

LC Packaging's books and accounts are audited externally annually by [Grant Thornton](#).

In 2020, there have been zero confirmed incidents of corruption within LC Packaging's operations. One of the measures taken to eliminate forced and compulsory labour was the launch of our Business ethics awareness training, conducted by **93.6%** of our employees.

**Anti-corruption reporting:** [2020 Business Ethics Report](#)

### 6.3 Measurement of outcomes

- Membership of the UN Global Compact
- EcoVadis Platinum CSR Rating, SA 8000 certificate and Sedex membership
- Audit [Grant Thornton](#)
- LC Packaging has never been involved in any legal cases, rulings or other events related to corruption and bribery
- Corruption, including bribery is clearly stated as a no-go area in LC Packaging's [Internal Code of Conduct](#) and [Supplier Code of Conduct](#). This is signed by all employees and Production Partners and strictly complied with.
- LC Packaging has a very strong connection with (local) embassies and other trustworthy organisations for mentoring and advisory role in the proceeding and rules