

United Nations Global Compact
Communication on Progress 2022
Advanced



LC Packaging International B.V.

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The Netherlands

www.lcpackaging.com/sustainability

Statement of continuous support by CEO

GRI: 102-14

In 2021, LC Packaging has been rewarded for the second consecutive year by EcoVadis with the Platinum CSR rating, making us belong to the top **1%** of the **85,000** 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. We have entered 2022 – the year we aimed to have achieved our goals outlined in our [‘Sustainability Vision 2022’](#). We have (over)achieved some goals, but faced 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 2022](#) (including our GRI Report 2021) for more information on our stakeholders, materials and initiatives in the past years. Additionally, please take a look at our brand new sustainability strategy for 2030: [LC Packaging 2030 Ambition](#).



Yours Sincerely,

A handwritten signature in blue ink, which appears to be 'Lucas Lammers'. The signature is fluid and stylized, written on a white background.

Lucas Lammers
CEO, LC Packaging

Content

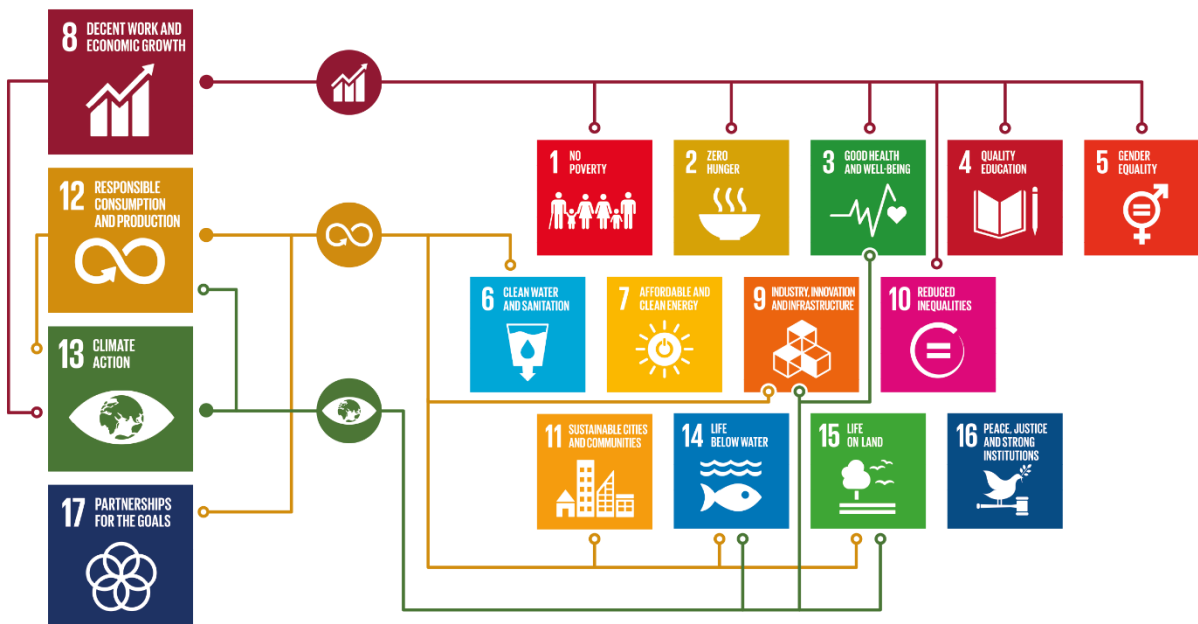
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1. Sustainable Development Goals

LC Packaging's [2030 Ambition](#) has been mapped against the **United Nations 2030 Agenda for Sustainable Development**. In our daily operations, we directly contribute to 4 of the 17 Global Sustainable Development Goals (SDGs), defined by the United Nations in 2015. Indirectly, we touch upon 16 out of 17 SDGs.



SDG impact mapping



2. Areas of Commitment

In our sustainable business strategy for 2022, LC Packaging had identified four areas of commitment: **people, supply chain, solutions** and **environment**. These four areas were divided in areas of focus. In the past five years we have added these areas of commitment to our daily business agenda with the aim to 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 had 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.’

2030 Sustainability strategy

As a worthy and more ambitious successor to the [2022 Sustainability Vision](#), LC Packaging launched its [2030 Ambition](#) in June 2022.

3. Human Rights Principles



GRI Job Creation 2021: 103-3
 GRI 308: 103-1, 103-2, 103-3
 GRI 401, 403, 404, 412, 413, 414: 103-3
 GRI 414: 103-1, 103-2, 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 facilities in **17** 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. In the past five years, improving people’s well-being was 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 **4%** on 1 January 2021, to **1,769** employees of which **49%** female. **14%** of the management positions within LC Packaging and **27%** of management positions within the LC Packaging Group* are held by women.

In 2021, we hired **969** new colleagues, of which **47%** was female. **733** employees have left the company, of which **47%** was female. Within LC Group the main reasons to leave the company are under performance (**30%**), other** (**30%**), and better career opportunities (**22%**). **11%** of employees within the company was promoted, of which **47%** was female.

More data: [LC Packaging 2021 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

** No reason given

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 and 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.

In October 2021, **91%** of our employees says that they feel they are working in a safe and healthy working environment. Additionally, **86%** says to be satisfied with the working conditions LC Packaging provides.

Initiatives

To ensure a safe and healthy working environment with satisfying working conditions, we have put in place many programmes and procedures. Please read more in our [Sustainability Update 2022 \[Working conditions\]](#).

Future ambitions

Overall, the **total amount of sick hours** in 2021 increased compared to 2020. The hours of sick leave due to injury decreased, making our global lost time injury (LTI) rate* decrease from **0.06** to **0.05**. This is well within our objective to have an LTI rate below **0.2**.

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

More data: [LC Packaging 2021 People Report](#)

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 2019, **83%** of employees that filled out a dedicated survey on personal development opportunities said they are satisfied with the current development opportunities. In October 2021, during our bi-annual flow survey (**92%** participation rate), **76%** of our employees says to be satisfied with the development opportunities provided by LC Packaging. Additionally, **75%** says to have enough possibilities to develop within the company and **90%** answered there is still enough to learn at LC Packaging. **94%** convey to be proud of what they achieved in their work. In March 2022, **79%** says to be offered training and/or development opportunities to grow professionally.

Initiatives

To stimulate employee development, several actions have been taken. As a result of these, **100%** of employees now have access to learning and development opportunities. Please read more on our initiatives and actions in our [Sustainability Update 2022 \[Employee development\]](#).

Future ambitions

Already several programmes and other initiatives have been put in place to further stimulate employee development within LC Packaging. In April 2022, **Young LC**, a programme for young talents kicked off a one-year programme during which colleagues of 30 years and younger from all affiliates work together on business cases to stimulate the LC Packaging business. Additionally, **Learning Circles** have been introduced in the company. A learning circle is a group of colleagues from across the entire LC Packaging organisation exchanging knowledge, experiences, and best practices with regards to a certain discipline. Two learning circles are up and running at the moment. Additionally, the LC leadership programme will be continuing its second year in 2022. With the help of these initiatives, we aim to reach the **80%** satisfaction rate with regards to development opportunities in 2022.

Finally, when we celebrate our 100 year anniversary in 2023, we want to be able to call ourselves the Best Employer in the Packaging Industry. We have good hopes to achieve this goal as in October 2021, **93%** of our colleagues said to enjoy their work and to be proud to work for LC Packaging.

More data: [LC Packaging 2021 People Report](#)

3.2.3 Job quality

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

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

Since open unemployment tends to be relatively low in most emerging economies, the main challenge is not a lack of jobs. Rather, it is the lack of quality jobs that raises greatest concerns (OECD). Today, LC Packaging employs **1,484** employees (Jan 2022) in developing countries, such as Bangladesh, South Africa and Ivory Coast.

Since 2017, we have created **622** fulltime high-quality jobs in developing countries, of which **118** in South Africa and Ivory Coast and **504** in Bangladesh.

To ensure job quality, LC Packaging takes into account three areas that contribute to ‘job quality’ worldwide, identified by the OECD: **quality of the working environment, earnings quality and labour market security.**

Initiatives

Read more on the measures we have implemented over the last 5 years to ensure high job quality in our [Sustainability Update 2022 \[Job quality\]](#).

Future ambitions

We will continue to improve job quality and increase standards worldwide. In our own production facilities, but also by helping our partners reach the same level, specifically when it comes to ‘earnings quality’: paying employees a living wage, rather than a minimum wage. Together with partners such as [SAI](#), the [Global Living Wage Coalition](#) and [Sedex](#) we aim to set up a research that investigates if all workers of our key production partners earn a living wage, and if not, how we can help our partners to reach that standard. The research, and the actions that will follow will impact over **25,000** workers in Africa, Asia, and Europe. We have adopted job quality in our [2030 Ambition](#) with the following goal:

By 2030, 100% of key production partners’ employees earn at least a living wage.

Learn more about the working conditions at our production facility in Bangladesh by watching the video ‘[Commitment to our people](#)’



Read more on: [Dutch-Bangla Pack Ltd. CoP 2022](#)

More data: [LC Packaging 2021 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 production facilities, LC Packaging has approximately **80** Tier 1 suppliers (packaging producers), which we call our production partners. With our key partners – covering **80%** of our procurement spend – we have an average partnership of at least **25** years. **100%** of our production partners is screened using environmental and social criteria.

Already since 2019, **100%** of LC Packaging’s key production partners have signed and comply with the LC Packaging Supplier Code of Conduct (updated in 2019). During our latest EcoVadis Assessment (platinum CSR rating), we have scored an **8** out of **10** on the sustainable procurement topic, which is a score far beyond the industry average. In 2021, **0%** of our production partners was identified as having a negative social or environmental impact.

Initiatives and actions

Read more on our initiatives and actions to ensure sustainable sourcing in our supply chain in our [Sustainability Update 2022 \[Sustainable sourcing\]](#).

Future ambitions

At LC Packaging we are increasing our environmental and social standards, and expect the same of our key production partners. Looking forward to 2030, we ask our partners to minimise emissions related to the production of our packaging with at least **50%**. We are also increasing our wage standards from the legal minimum wage standards to living wage standards in order to eliminate ‘working poverty’ from our supply chain and improve the livelihoods of at least **15,000** families in developing countries. We expect to launch a new Version of our Supplier Code of Conduct by 2022. Read more about our ambitions in our [2030 Ambition](#) magazine.

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

More information: [LC Packaging 2021 Supply Chain Report](#) and [LC Packaging 2021 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.

Initiatives and actions

Since 2017, we have taken many actions and set up new initiatives. Read more about these efforts in our [Sustainability Update 2022 \[Community development\]](#).

Future ambitions

The future is bright, and the aim is to do so much more to enrich the lives of the communities in which we (in)directly operate. We are working with our partners to keep evolving current projects, and by positioning the LC Supports Foundation more prominent, we intend to have all our community development activities contribute to our purpose; contribute to a world without waste. We plan to do so through awareness creation, education, and for example the sponsoring resource-saving initiatives among others.

More on our community development activities:

[Projects and donations](#)

[Statement of Income and Expenses](#)

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](#)
- New targets for 2030 are mentioned in our 2030 Am
- All outcomes are mentioned in our [Annual Sustainability Update](#)
- [LC Packaging GRI Content Index 2021](#)
- [LC Packaging 2021 People Report](#)
- [LC Packaging 2021 Supply chain report](#)
- [LC Packaging 2021 Business ethics report](#)
- Outcomes Flow Measurements 2021 and 2022
- 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 a [leading 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;

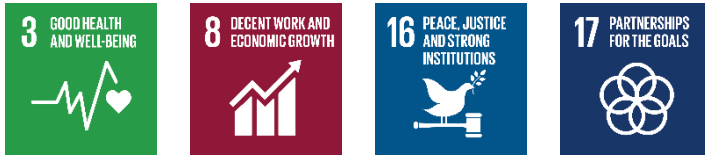
Principle 6: the elimination of discrimination in respect of employee and occupation.

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 **87.3%** 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.

More data on forced and compulsory labour: [LC Packaging 2021 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 **87.3%** 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: [LC Packaging 2021 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 **86.9%** of our employees.

More data on discrimination: [LC Packaging 2021 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 2021](#)
- [LC Packaging 2021 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 2021: 103-3

GRI Sustainable solutions 2021 : 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.

In the last five years, LC Packaging aimed 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 aimed to improve efficiencies on finite natural resources in all of our operations, 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

- 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%.

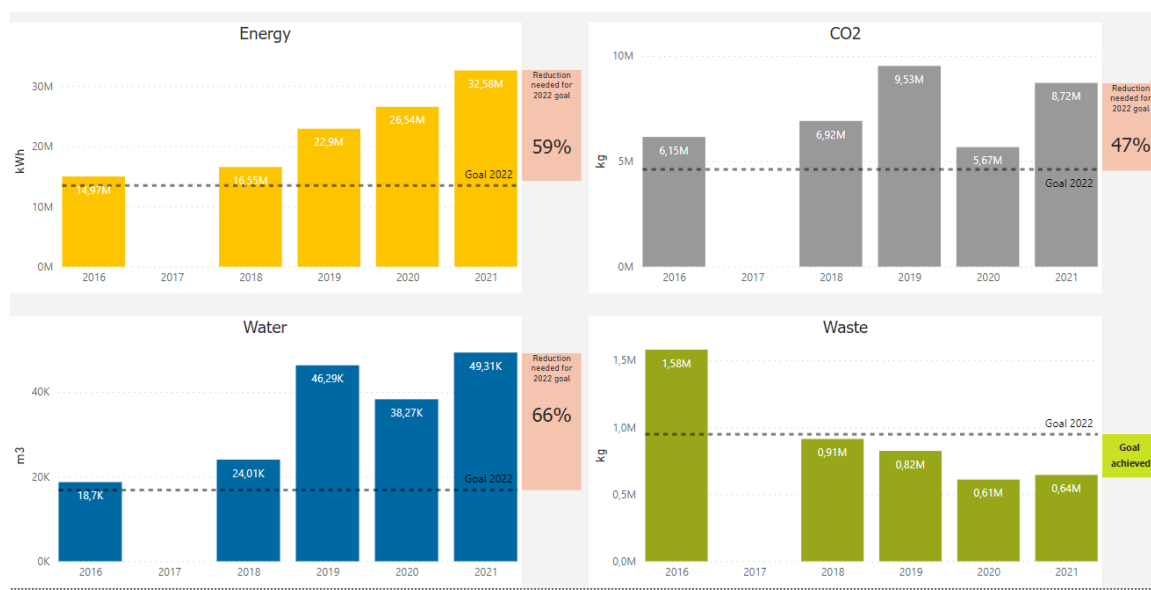
Source: [LC Packaging Sustainability Vision 2022](#)

Every year, an environmental footprint research is conducted by an external agency, 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.

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.

Absolute overall performance

This figure shows the absolute reduction needed to achieve our 2022 goal.



Initiatives and actions

Several initiatives and actions were taken to reduce our corporate footprint. Please read more on our initiatives in our [Sustainability Update 2022 \[Environmental footprint\]](#).

Future ambitions

We have far-reaching ambitions in greening our offices, warehouses, and production facilities, especially related to reducing energy consumption and greenhouse gas emissions. We have committed to set a science-based target aligned with the target-setting criteria defined by the Science Based Targets initiative (SBTi), and were one of the first companies to complete the UN Global Compact Climate Ambition Accelerator Programme. Being ambitious, by 2030, our offices, warehouses and FIBC production facility in South Africa will have achieved a net-zero status, starting with **100%** renewable electricity use by 2025. Our FIBC manufacturing site in Bangladesh will reduce its emissions by **50%** by 2030 compared to baseline year 2021, regardless of the growth of our business. Our ambitions lie beyond our own operations, as we aim for a **50%** emission reduction in our entire value chain by 2030, which will largely be achieved by making our packaging deliver the circular economy. Read more on our [2030 Ambition](#) magazine.

More environmental data: [LC Packaging 2021 Environmental Report](#)

5.3 Sustainable production

By 2022, we will have undertaken important steps to significantly improve the sustainability of our in-house FIBC manufacturing.

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

Overall 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 enormous extension of our production capacity in the past five years. At Dutch-Bangla Pack Ltd. (DBPL) we have added two new factory buildings and LC Shankar (LCSH) has expanded its production lines and has added extra shifts. Additionally, our workforce has increased by **60%**. Because of this, compared to 2016, we globally experience an increase in water consumption, energy use, and CO₂ emissions. Compared to 2016, we have reduced our global absolute waste production by **72%**, which is largely due to our GreenBangla waste recycling initiative at DBPL in Bangladesh. Additionally, by finding alternative energy sources, DBPL has decreased its CO₂ emissions per FTE by **7%**.

Initiatives and actions

Several initiatives and actions were taken green our operations. Please read more on our initiatives in our [Sustainability Update 2022 \[Sustainable production\]](#).

Future ambitions

We have far-reaching ambitions in greening our production facilities, especially related to reducing energy consumption and greenhouse gas emissions to reduce the emissions and impact throughout the value chain. By 2030, the emissions related to DBPL must be reduced by at least **50%** compared to baseline year 2021 and regardless of the growth of our business. For LCSH we aspire a net-zero status. Also, for the FIBCs (big bags) produced at these facilities we have set the goal to make these bags deliver the circular economy. A new, extensive lifecycle assessment has been conducted, a [reuse service](#) is in place and we have sold our first so-called [rPP bags](#), including **30%** recycled polypropylene (rPP).

More environmental data: [LC Packaging 2021 Environmental Report](#)

5.4 Sustainable solutions

By 2022, we will have significantly reduced the waste of (food) products during storage and transport, with our packaging.

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

Back in 2017, we were already working on several initiatives to prevent the waste of products during storage and transportation, such as, for example, the ventilated big bag, that allows its cargo, like potatoes or wood logs, to breathe and prevents contamination. Also, we provided special bags for transport, and storage, for example, safe and clean food packaging to safely transport milk powder.

Looking back, this goal should not be a goal, because this is what we do at the core of our business: protect valuable goods from going to waste during its journey through the supply chain. Furthermore, this target was unclearly formulated and is therefore not directly measurable. We have therefore decided to measure the achievement of this goal by the number of developments that have taken place to protect the products we package even better: our efforts to go above and beyond.

Initiatives and actions

Several initiatives and actions were taken to go above and beyond in protecting valuable goods from going to waste. Please read more on our initiatives in our [Sustainability Update 2022 \[Sustainable solutions\]](#).

Future ambitions

We aim to continue to excel in our core business of deliver safe and reliable (transport) packaging for dry bulk goods with sustainability at the top of our agenda.

5.5 Innovation

By 2022, sustainability will be fully integrated into our innovation processes, leading to sustainable operations and new packaging solutions.

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

Looking at the number of initiatives and projects deployed over the past five years; we have innovated and optimised our products, infrastructure, and services, and we have started partnerships to reach our goals, which have led to innovative solutions. In all initiatives and projects, sustainability is a key factor in the decision-making process.

Initiatives and actions

Several initiatives and actions were taken for more sustainable operations and packaging solutions. Please read more in our [Sustainability Update 2022 \[Innovation\]](#).

Future ambitions

We have set ourselves 3 very ambitious and measurable goals for 2030 in which innovation and optimisation are key factors for success. By 2030, **80%** of our revenue should come from products that deliver the circular economy, and we aim to have achieved a **50%** emissions reduction from our value chain. These goals can only be achieved when sustainability, in addition to quality, plays a leading role in all our innovation activities, and when innovation itself becomes a top priority on our corporate agenda. When we do so we can, for example, create our circular packaging portfolio, make production processes more sustainable, and optimise and innovate our activities and services. Soon, we will expand our Research & Development activities by bringing missing knowledge in-house, and by seeking out new partnerships and external initiatives. Read more about our future ambitions in our [2030 Ambition](#) magazine.

More environmental data: [LC Packaging 2021 Solutions Report](#)

5.6 Sustainable materials

By 2022, we will have minimised the waste associated with our packaging.

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

To minimise the waste related to our packaging, together with our partners, we analyse, experiment with, and optimise:

- the **materials** we use for our packaging products;
- the **reusability** and **recyclability** of our packaging solutions;
- the possibility to use **recycled content materials** in our packaging solutions;
- minimising our **process waste**;
- **after-use solutions** and **circularity**.

Since 2016, we have seen an annual increase in turnover. Since 2019, we annually report on the number of distributed packaging products, which has increased by **6%** per year on average to **382 million** products in 2021. The number of packaging products reused with the help of our in-house WorldBag reconditioning service has remained roughly the same over the past years. Based on these data, we assume that the total number of kilograms of materials used for our packaging has increased compared to baseline year 2016.

This year we reported a decrease of the **total KGs of materials used** in our packaging of **18%** since 2019 (first year of reporting). However, as our reporting data has become more accurate in 2021 and as some of the calculations made are still based on rough calculations, we choose not to draw conclusion from this.

Compared to 2016 we have reduced the **waste produced in our own operations** with **72%**. Over 38% of our waste is recycled with the help of our in-house waste recycling initiative GreenBangla, recycling up to **80%** of our process waste at our FIBC production facility in Bangladesh.

Additionally, in the past years we learned that there are many more elements impacting the waste related to our packaging, such as the **reusability and recyclability** of our packaging and the use of **recycled content materials**. Especially in these areas, we have made important steps and achievements.

Initiatives and actions

Several initiatives and actions were taken to minimise the waste related to our packaging. Please read more in our [Sustainability Update 2022 \[Sustainable materials\]](#).

Future ambitions

We have set ourselves 3 very ambitious and measurable goals for 2030 in which innovation and optimisation are key factors for success. By 2030, **80%** of our revenue should come from products that deliver the circular economy, and we aim to have achieved a **50%** emissions reduction from our value chain. Soon, we will expand our Research & Development activities by bringing missing knowledge in-house, and by seeking out new partnerships and external initiatives. Read more about our future ambitions in our [2030 Ambition](#) magazine.

More data in our [LC Packaging 2021 Solutions Report](#).

5.7 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's production facility in Bangladesh is ISO 14001 and its cardboard operations is partly FSC certified among others.

5.8 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. **87.5%** of our employees has conducted our **Sustainable Consumption Awareness training**. In 2019, our [Supplier Code of Conduct](#) was also updated, based on our policies.

More information on our initiatives and projects: [Sustainability Update 2022](#)

More environmental reporting data: [LC Packaging 2021 Environmental Report](#)

More on the environmental impact of our packaging solutions: [LC Packaging 2021 Solutions Report](#)

5.9 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 2021](#)
- [LC Packaging 2021 Environmental Report](#)
- [LC Packaging 2021 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, 206: 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 2021, LC Packaging was awarded the prestigious EcoVadis Platinum CSR Rating for the second consecutive year. 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 2021, 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 **88.3%** of our employees.

Anti-corruption reporting: [LC Packaging 2021 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 2021 Business ethics Report](#)
- 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.