

European Commission Sustainable Consumption Pledge LC Packaging International BV

LC Packaging International BV (LC Packaging) is a manufacturer and distributor of flexible transport packaging, with over **1,700** employees spread over offices, warehouses and production facilities in Africa, Asia and Europe. Sustainable consumption commitments have been made on an organisational level, as well as product level, which include the company's five main product categories*. Together, these product categories represent **86.1%** of the weight of materials used, and **94.5%** of LC Packaging's total turnover (2022).

In addition to the sustainable consumption targets mentioned in this pledge, LC Packaging has set itself the (social) goal to have **100%** of its key production partners' employees to earn at least a living wage by 2030. LC Packaging's key production partners represent over **80%** of the company's procurement spend in both 2021 and 2022, and employ around **25,000** employees of which most are located in developing countries, such as Bangladesh, India, Indonesia, Sri Lanka, and South Africa. More on target

Pledge

Carbon footprint reduction

- Measurable target: Reduce absolute scope 1, 2, and 3 purchased goods and services, upstream transportation and distribution, and end-of-life treatment of sold products GHG emissions by 50% by 2030 from base year 2021. > More on target
 For scope 1 and 2 this includes:
 - Net zero status for all offices and warehouses, and production facility LC Shankar (PTY) Ltd. by 2030
 - **50%** GHG emission reduction at production facility Dutch-Bangla Pack Ltd. by 2030
- Target year: 2030
- Milestones:
 - **80%** of renewable electricity sourced or produced by 2025, and **100%** by 2028 across all affiliates.
 - Scope 3 milestones are in the making. These will be based on the CO_2e Lifecycle Assessments LC Packaging currently conducts for its five main product categories*. Once finalised, these milestones will be added to the pledge.
- Baseline year: 2021. Total gross GHG emissions: 226,138 MT CO₂e. Meaning that by 2030, not more than 113,069 MT CO₂e must be emitted in our value chain.

^{*} Main product categories: Flexible Intermediate Bulk Containers (FIBCs), Woven Polypropylene bags (WPP bags), Jute bags, Net bags and Cardboard packaging

^{**} To define circular packaging milestones, LC Packaging has translated its emission reduction goal and circular economy goal into goals per product category, covering its five main product categories (FIBCs, WPP bags, Jute bags, Net bags and Cardboard packaging). Together, the product category goals form a recipe to achieve circularity and reduce GHG emissions in late with the company's ambition. Based on market developments this recipe can change throughout the years, making the product category goals and related milestones organic.



Methodology: LC Packaging is signatory of the Science Based Targets initiative (SBTi) and is in the process of its Near Term Science Based Targets validation. A 2021 GHG Inventory is created by an independent third party, based on the GHG Protocol Corporate Value Chain Accounting Standard. Scope 3 emissions are calculated in accordance with the GHG Protocol Standard, including at least 'minimum boundaries'. LC Packaging is in the process of having its Science Based Targets validated by the SBTi by January 2024. The GHG Inventory will be reviewed and approved by the SBTi as part of the target validation process. LC Packaging is obliged by the SBTi to report companywide GHG emissions and progress against targets through its annual sustainability report and the company website. As LC Packaging must report according to EU Corporate Sustainability Reporting Directive (CSRD) by 2025, reporting data and progress on the goal will be audited by an external auditor.

Increase of circularity

- Measurable target: Have at least 80% of LC Packaging's turnover to come from
 packaging that delivers the circular economy. To deliver the circular economy,
 packaging must be made out of renewable materials or recycled content materials,
 is reusable if possible, and 100% recyclable (preferably closed-loop) or compostable.
 More on target
- Target year: 2030
- Milestones: Circular packaging milestones** are in the making, as they are based on LC Packaging's sustainable product innovation roadmap, which will be defined based on the CO₂e Lifecycle Assessments the company currently conducts for its five main product categories*. Once finalised, these milestones will be added to the pledge. Additionally, LC Packaging is a member of <u>Plastic Pact Netherlands</u> and committed to the Plastic Pact NL goals for 2025:
 - **20%** less use of plastic (1,238t) distributed in The Netherlands, compared to base year 2022
 - Of the total kgs of plastic distributed in The Netherlands in 2025, at least:
 - 70% must be high-quality recycled
 - 35% must be recycled content
 - 100% must be reusable/recyclable plastic
- Baseline year: 2021. 10.4% of turnover from circular packaging.
- Methodology: To achieve this goal, LC Packaging (re)designs its packaging in such a
 way that it is made out of renewable materials or recycled content materials, is
 reusable if possible, and 100% recyclable (preferably closed-loop) or compostable.
 As LC Packaging must report according to EU Corporate Sustainability Reporting
 Directive (CSRD) by 2025, reporting data and progress on the goal will be audited by
 an external auditor.

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Reporting and communications

The results and progress on the pledge made by LC Packaging is reported in the company's annual Sustainability Report in accordance with the GRI Standards: Core Option. All data is made publicly available on www.lcpackaging.com, and is made easily accessible, accurate, and clear. Additionally, results and progress are reported to the European Commission for publication on its website.

Date: 16 March 2023

Place: Waddinxveen, The Netherlands

Name: Lucas Lammers

Position: CEO, LC Packaging International BV

Signature:

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