

IT'S ALL IN THE BAG

INVESTING IN BANGLADESH'S ECONOMIC GROWTH

COMPANY

Dutch-Bangla Pack Ltd

SECTOR

Packaging industry

FMO INVESTMENT

US\$ 1.5 mln debt

Dutch-Bangla Pack Ltd (DBPL), is a leading producer of large flexible industrial containers used for storing and transporting products including foodstuffs, pharmaceuticals, and speciality chemicals. With support from FMO it is realising its commercial and CSR objectives.

LIMITED PRIVATE SECTOR

With roughly 160 million inhabitants, Bangladesh is densely populated. Although about half of the population is employed in the agricultural sector, the privately owned textile industry is the backbone of the economy. It employs over 4 million people and accounts for the vast majority of total exports. The Bangladesh economy has enjoyed over 6% annual growth between 2011-2014.

The financial sector is still small and underdeveloped. As such access to long-term financing is challenging. This has been one of the main reasons behind Bangladesh's limited private sector and infrastructural development. FMO was able to provide the financial backing needed to grow DBPL.

STATE-OF-THE-ART FACILITIES

DBPL is a Dutch-Bangladeshi joint venture established in 2007 by Bangladeshi shareholders and LC Packaging International BV, one of the world's leading traders of packaging materials. It all started in 1923, with trading in used hessian bags. Today, DBPL is a leading producer of Flexible Intermediate Bulk Containers (FIBCs) or big bags. FIBCs are made of flexible polypropylene.

DBPL has an annual production capacity of 3,850 tons, or about 1.75 million FIBCs. In 2010, the company introduced a state-of-the-art "clean room" production plant, to manufacture big bags for food and pharmaceuticals packaging. To emphasize its commitment to quality, safety and efficiency, the company has achieved numerous certification standards, namely ISO 9001, OHSAS 18001, ISO 14001, FSSC 22000 and SA 8000. It is the world's first and only FIBC manufacturer to have achieved these certificates in unison.

"AS WELL AS A LOAN ARRANGEMENT, FMO HAS BEEN A STIMULATING AND SUPPORTING FACTOR TOWARDS OUR SA 8000 CERTIFICATION"

**Marcel Schouten, FIBC
Director, Dutch-Bangla Pack**



IMPROVING HEALTH, SAFETY AND ENVIRONMENT

DBPL is committed to preventing environmental pollution as well as work related safety. All the potential environmental impacts and occupational risks are identified and control measures have been established accordingly. The employees are at the heart of the organization, the company adheres to the UN Declaration on Human Rights, International Labour Organisation conventions and national laws which are applicable to its business practices. DBPL is also a signatory to the United Nations Global Compact - a global platform which convenes companies together with UN agencies, labour and civil society to support fundamental principles in the areas of human rights and workplace safety. Through DBPL, LC packaging implements its social responsibility throughout the whole supply chain and sets an example in the industry.

"Through FMO, LC Packaging could realize its commercial and CSR objectives in a country where these aspects do not automatically go hand in hand and are not obvious. Through the SA 8000 certification our implemented standards and infrastructure are strictly controlled, secured and proven. Not only today but on a structural long term basis," said Marcel Schouten, FIBC Director, Dutch-Bangla Pack.

SUSTAINABILITY LEADERSHIP

The company has adopted the 3R (*Reduce, Reuse, Recycle*) principle in its operations to ensure the optimum utilization of all resources. As such, next to the current expansion plans to double the production capacity over the next three years, LC Packaging is exploring additional investments in the sustainable recycling of production waste from DBPL itself as well as other PP and PE waste. This in turn will considerably reduce the company's environmental footprint.

The current recycled resin is produced in poor recycling facilities, which effects the quality of the re-granulate and hence limits its usage. Through applying latest technology and implementing responsible management practices DBPL has become a frontrunner in Bangladeshi industry in the recycling area as well. FMO's goal as an impact investor is to promote sustainable development. Through its investment in this innovative company, FMO is supporting the development of Bangladesh's private sector.

FMO is the Dutch development bank. FMO has invested in the private sector in developing countries and emerging markets for more than 45 years. Our mission is to empower entrepreneurs to build a better world. We invest in sectors where we believe our contribution can have the highest long-term impact: financial institutions, energy and agribusiness. Alongside partners, we invest in the infrastructure, manufacturing and services sectors. With an investment portfolio of EUR 8 billion spanning over 85 countries, FMO is one of the larger bilateral private sector development banks globally.
www.fmo.nl

COUNTRY: BANGLADESH

COMPANY

NAME
Dutch-Bangla Pack Ltd
SECTOR
Packaging industry
EMPLOYEES
750

FMO INVESTMENT

INVESTMENT AMOUNT
US\$ 1.5 mln
YEAR OF INVESTMENT
2007
PRODUCT
Subordinated Loan

IMPACT AND PERFORMANCE



750 employees (65 % of which are female) are currently employed.



Minimum salary is 10-15 % higher than the legal minimum wage.



In total, over 300 individual training sessions are administered annually.



Factory production:
1.75 million FIBCs per year



Capacity utilization increasing from:
60% (360 metric tons of recycled granulate) in 2016 to
90% (540 metric tons of recycled granulate) in 2019



- High focus on Occupational Health and Safety;
- In house medical doctor and Nurse;
- regular fire and accident drills;
- regular training on Health and Safety;
- monthly meetings between employees and top management.



Environmental policies/recycling: ISO 14001
Certificates: ISO 9001, OHSAS 18001, ISO 14001, FSSC 22000, SA 8000.