

# WAY BEYOND GOOD

Corporate Responsibility  
Performance Update  
2019



**so+ma vantagens**

**COMO FUNCIONA:**

- 1 ENTREGUE**  
Traga os recicláveis separados e limpos.
- 2 ACUMULE PONTOS**  
Os materiais serão pesados e transformados em pontos.
- 3 ESCOLHA A RECOMPENSA**  
Com os pontos acumulados você pode escolher entre as várias recompensas.
- 4 TROQUE**  
Troque seus pontos pelas recompensas escolhidas.

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# MESSAGE FROM OUR CEO

## At SIG, we're used to going further than most.

Our packaging has delivered food safely to billions of people all over the world. Most of the material we use comes from forests where trees are continually replanted, absorbing carbon as they grow. We produce our packs using renewable energy where we can and offset emissions where we can't. And our highly efficient filling systems enable our customers to deliver more nourishment with less food waste.

But that's still not enough for us – or the planet. Today, the world is facing its biggest challenges in history as the population continues to grow, competition increases for finite resources, and the planet struggles to cope with emissions and waste.

We want to help shape a sustainable food system that gets the most from what it uses and gives more than it takes. To do this, we need to go further than we've ever gone before.

We need to grow more trees than we use, take more carbon out of the air than we add, help recycle as many cartons as we sell, and bring millions more people affordable, safe nutrition.

We're developing an ambitious plan to take us there. It will take innovation and determination, considered steps and giant leaps. Some of it we've already begun, some of it we won't finish for a decade. But we know we will get there.

This year, we took some big steps forward.

We launched the world's first aseptic carton packs with all three key materials from certified sources – FSC™ paperboard, ISCC PLUS plant-based polymers and, for the first time, ASI aluminium. And we saw increased uptake of our most sustainable products among big brands, major retailers and start-ups. This shows not only how sustainability contributes to business growth, but how we're using growth as a driver for good.

Events of 2019 drove home the urgent need for ambitious global action on climate. I joined other business leaders and policymakers at the Responsible Business Forum in China to share how our packs can be part of the solution. We are also accelerating our timeline to cut emissions from our business, with a new 1.5°C target approved by the Science Based Targets Initiative.

We want to go even further by creating positive change for the communities we touch – where we source, make and sell our products. We remain committed to the United Nations Global Compact and Sustainable Development Goals. And we continue to support and engage our people, who will make all of this happen.

Together, we will create a future we can all look forward to.



**Rolf Stangl**  
Chief Executive Officer

## About this report

This Corporate Responsibility (CR) Update for 2019 supplements our full CR reporting every two years. It highlights our recent activities and performance, covering the same focus areas and most material social and environmental issues as the 2018 CR Report, which has been prepared in accordance with the GRI Standards. For more on how we manage these issues, see our 2018 CR Report and our 2019 UN Global Compact Communication on Progress at [www.waybeyondgood.com](http://www.waybeyondgood.com). We welcome your feedback at [waybeyondgood@sig](mailto:waybeyondgood@sig).



SIG Leadership Meeting 2019

# INTEGRATING EXTERNAL PERSPECTIVES

**Our independent Responsibility Advisory Group (RAG) met with SIG's C-suite twice this year to provide strategic input to our Group Executive Board and Responsibility Steering Group.**

The RAG met in March to review our progress and provide input to support the development of our strategy beyond 2020. In December, the group discussed how we have responded to their feedback.



## RAG FEEDBACK

### **SHARPENING FOCUS ON THE 'SWEET SPOT'**

**The RAG felt our strategy was heading in the right direction and challenged us to sharpen our focus on the connection with the business purpose and the 'sweet spot' where SIG can use its core capabilities to deliver what customers need and help meet the world's needs.**

### **ENGAGING KEY STAKEHOLDERS**

**The RAG highlighted the importance of engaging employees to help them connect personally with our ambition to go *Way Beyond Good*; demonstrating the value our focus on sustainability brings to customers; and communicating effectively with investors about our sustainability impact.**

### **DEFINING NET POSITIVE**

**The RAG recognised SIG's achievements to date, particularly in addressing environmental impact, but they want to see the definition of net positive impact – both environmental and societal – become more tangible.**

## SIG RESPONSE

In developing the next phase of *Way Beyond Good* beyond 2020, we are evolving our strategy to focus on the areas where our solutions can make the biggest difference to tackling major global challenges and add value to our customers in doing so.

We have defined key action areas (see [page 5](#)) and we are developing bold targets for 2025 and beyond to drive progress and deliver a strong net positive impact in these areas. We are also committed to maintaining high standards and best practices across all our other material issues, and we are creating a roadmap to take us beyond 2020 in these foundation areas.

We have increased our efforts to engage employees on *Way Beyond Good* with our first Global Engagement Day and major campaigns on forests and recycling. We encouraged teams from different functions and markets across the business to take ownership of their role in helping SIG go *Way Beyond Good* by developing stretching new targets to support our strategy.

We have introduced regular sustainability updates for sales teams and, in our sales and marketing, we are highlighting the added value that our solutions can offer by helping customers improve the sustainability of their packaging and filling lines.

Since SIG became a publicly listed company in September 2018, sustainability has played a big part in our communications with investors. For example, we highlighted the sustainability of our solutions and the role they play in meeting customer needs at a Capital Markets Day we hosted in November 2019. SIG was also ranked as a leader with an AA rating in an environmental, social and governance assessment by responsible investment agency, MSCI.

As we develop the next phase of our *Way Beyond Good* strategy, we aim to define what the technical terms around 'net positive' mean for SIG in more tangible terms. We are also continuing efforts to define and measure net positive impact. We are piloting a methodology to measure our value chain environmental footprint, building on previous work to measure our value chain carbon footprint and focusing on our most material impacts. We are exploring how to measure our wider societal impact, having established a way to measure the impact of our community engagement programmes last year. And we are collaborating with others on ways to measure net positive impact through our participation in the Sustainability and Health Initiative for NetPositive Enterprise (SHINE) programme and the Net Positive Project.

# VIEWS FROM OUR RESPONSIBILITY ADVISORY GROUP

We asked each member of our Responsibility Advisory Group to share their views on our progress.

## Greg Norris *Chair*

*Co-Director of Sustainability and Health Initiative for NetPositive Enterprise (SHINE)*



## Gail Klintworth

*Non-Executive Director and Board Advisor of Shell Foundation, Integrity Action, GlobeScan, Tiger Brands, MAS Holdings, SYSTEMIQ*



## Erin Meezan

*Vice President and Chief Sustainability Officer at Interface, Inc*



## Matt Sherwood

*Chief Investment Officer, Responsible Capital Management, LLC*



**“I appreciate the seriousness with which SIG’s leadership takes their *Way Beyond Good* commitment.**

Without a doubt, SIG’s net positive approach is ambitious. There isn’t yet a company in the world that has clearly demonstrated net positivity. That alone shows that SIG has blazed a trail with a front-running commitment.

SIG is showing leadership by engaging partners in the co-creation of positive impacts – what we call their ‘handprint’. Now we need to see a timetable for achieving a handprint that is bigger than their footprint in specific impact categories.

Product innovation is key and **SIGNATURE PACK** is a good example of how SIG can create a positive handprint by shifting the market towards more sustainable packaging. There is also an opportunity to further strengthen SIG’s approach by identifying concrete metrics on societal footprint.

The net positive story is simple – to measure the bad and the good, and to take creative positive action inside and outside the company until the good outweighs the bad. But the metrics can be quite technical, so a challenge for SIG is to make these easy to understand for non-specialists.”

**“SIG has truly embraced the idea of giving more than they take and they are beginning to embed their net positive commitment into what they are actually doing in the business.**

There are very few companies where the whole executive team are in support of ambitious commitments on sustainability and the fact that the Chief Financial Officer is leading a lot of the strategy is really special. For SIG, this is not just a risk management or corporate social responsibility programme. They really understand how critical it is to their future growth.

SIG has made good progress on their own environmental footprint, their flagship green pack (**SIGNATURE PACK**) is a great solution and they have taken steps to energise their people on **Way Beyond Good** through engagement campaigns.

Looking ahead, I would like to see them do something significant on product innovation. SIG has a unique opportunity to disrupt the market by commercialising a solution to package goods in a way that creates less waste and does less harm.”

**“SIG is one of a small percentage of companies globally that have made an ambitious commitment to become a net positive business.**

They have done a huge amount to create specific goals and targets around that lofty commitment – and they have been impressively transparent in reporting their progress along the way.

The executive team has been very engaged in interacting with the RAG, in setting the **Way Beyond Good** strategy, and in bringing that strategy to life with employees and outside stakeholders.

SIG is taking responsibility for impacts across the lifecycle, with aggressive goals for products and sourcing that will require continued engagement with raw material suppliers to create change in their own organisations. It’s this leadership in the supply chain that will have the most positive impact on the planet.

As we enter what is being called a decade of action, SIG is well positioned to create positive impacts, not only within their operations but across the supply chain. They are showing other companies what a pathway to becoming a net positive business looks like.”

**“SIG is driven by an ambition to be a leader not only in packaging, but sustainable packaging.**

They are leading the charge by investing in sustainable technology that is disrupting the industry. It’s so different from what others are doing. SIG is really showing how packaging should be done.

This leadership approach will help the company gain market share and deliver sustainable growth. Multi-billion dollar investors have cited SIG to me as a great example of an extremely sustainable business that they have invested in because they believe it will offer shareholders great value in the long term.

From our RAG meetings, it’s clear that the C-Suite is extremely engaged. They really understand that non-financial factors will influence SIG’s financial performance. They are not just focused on the next quarter’s profits, but the next decade and beyond.

SIG has made incredible strides on corporate responsibility, but they always want to be better. They don’t just listen to ideas for improvement, they act on them. They are genuinely not satisfied unless they are going **Way Beyond Good.**”

# WAY BEYOND GOOD: OUR AMBITION

## **We're going further to help nourish people and regenerate nature.**

We want our packaging to get nutritious food and drink to millions more people every day. To revitalise and restore our natural world. And to help shape a truly sustainable food system.

This doesn't mean simply using less resource, creating less waste, and causing less harm. We must replace what we use, give more than we take, and make a healthier planet.

That's why our ambition is to go *Way Beyond Good* – to have a net positive impact by putting more into society and the environment than we take out. To get there, we're driving progress in the areas where we can make the biggest difference:

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### **HELPING FORESTS THRIVE**

*By sourcing our main raw material from sustainably managed forests, we aim to help preserve and increase productive and valuable forestland, which also acts as one of the world's most effective carbon sinks.*

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### **TACKLING CLIMATE CHANGE**

*We've set bold targets for climate action in line with the latest science and we're partnering to create a carbon positive value chain.*

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### **DRIVING SUSTAINABLE PRODUCT INNOVATION**

*We're building on our strong track record of industry firsts to design and develop the packaging solutions of tomorrow.*

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### **CONTRIBUTING TO A CIRCULAR ECONOMY**

*We're innovating to use even more renewable materials, and partnering to help implement or improve collection and recycling systems.*

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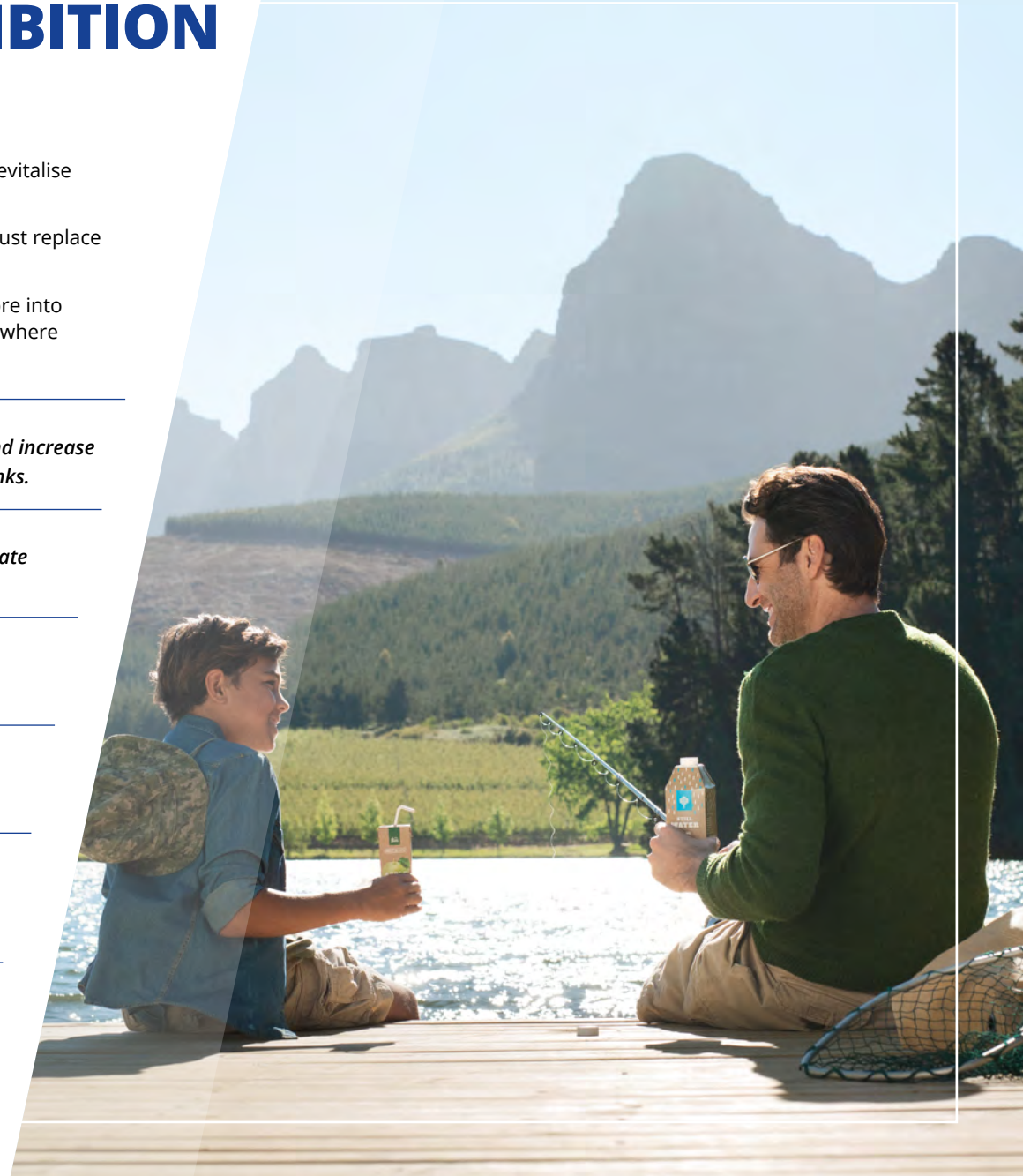
### **DELIVERING SAFE NUTRITION**

*Our purpose is to work with partners to bring affordable, safe nutrition to consumers around the world, and we're creating new models to help deliver safe nutrition and hydration where it's most needed.*

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To pursue these opportunities, we're building on strong foundations. We're committed to doing business ethically, buying responsibly, supporting our people and keeping them safe, and partnering with communities to help them thrive.

In doing so, we're contributing to a more sustainable future for people, for the planet and for our business. That's not just good, it's *Way Beyond Good*.



# HOW WE'RE GOING FURTHER

We set out on our journey *Way Beyond Good* four years ago. Since then, we've achieved some major milestones on the way towards our 2020 ambitions (see [page 19](#)).

This year, we saw our efforts start to pay dividends – for people, for the planet and for our business – as more of our customers chose our most sustainable solutions to package their products. We continued to push the boundaries with more firsts for the industry. And we're now creating a new plan to go even further.



## HELPING FORESTS THRIVE

Our packs are made mainly from renewable paperboard that comes from sustainably managed forests. This means we're regenerating rather than depleting scarce natural resources.

Forest Stewardship Council (FSC™) certification helps to drive responsible forestry practices. Harvested trees must be replaced. Areas of natural forest and key habitats must be protected. And a host of other steps must be taken to support local communities and wildlife (see [page 11](#)).

We source all our paperboard from mills that are certified to the FSC™ Chain of Custody standard. Over the last five years, we have more than doubled the proportion of SIG packs sold that carried the FSC™ label – to over 98% – and we're targeting 100% by the end of 2020.

Our packs are made from 70-80% paperboard on average. And we're finding ways to replace fossil feedstock for polymers and finite aluminium with naturally renewable materials from forests too.

Our SIGNATURE PACK 100 is already linked to 100% forest-based materials through an innovative mass balance system that supports the use of renewable feedstock in mainstream polymer production – and cuts carbon emissions too. SIG chose tall oil – a residue extracted from wood in the paper making process – as the forest-based feedstock because it's a by-product from another industry rather than an agricultural crop requiring land and resources that could be used to produce food.

## TACKLING CLIMATE CHANGE

Our low-carbon solutions help to reduce the climate impact of food packaging. That's because they mainly use materials from forests that absorb carbon as they grow. Their lightweight, efficient design reduces transport emissions. And they preserve food without the need for refrigeration.

Beverage cartons have a much lower carbon footprint than other types of packaging. The latest state-of-the-art, independent lifecycle assessment confirmed that beverage cartons compare favourably with reusable glass bottles – and outperform single-use PET bottles, including those with recycled content – across the UHT milk and soft drink market segments. Our most sustainable solutions have an even lower carbon footprint – up to 58% lower than our standard packs.<sup>1</sup>

Much of our climate impact comes from the polymers and aluminium foil we buy. We're innovating to use more plant-based polymers and remove the need for a foil barrier layer. We already offer some aluminium-free packs, but an ultra-thin layer of aluminium foil is still needed to protect some food products. We're working with suppliers to reduce the related environmental impact by sourcing foil certified to the Aluminium Stewardship Initiative (ASI) standard – an industry first (see [page 10](#)).

We also need to keep a lid on the greenhouse gas emissions we generate from making our packs and we're accelerating the timeline to cut carbon from our operations.

## New 1.5°C science based target

By 2030, we will reduce Scope 1 and 2 greenhouse gas emissions by 60% and Scope 1, 2 and 3<sup>2</sup> greenhouse gas emissions per litre of food packed by 25%.



We're now targeting a 60% reduction in Scope 1 and 2 emissions by 2030 (from a 2016 baseline). Our climate goals have been approved by the Science Based Targets Initiative as in line with the latest science to keep global warming below 1.5°C. Our new scope 1 and 2 reduction target builds on our previous one which was already approved as keeping well below 2°C.

Switching to 100% renewable electricity for production has already got us part of the way there. We offset the rest of the energy needed to make our packs, but we're looking to source more directly from renewable sources. We're also expanding on-site renewables, including our rooftop solar array at Rayong that won the 2019 Thailand Energy Award Global-Warming Reduction Label.

<sup>1</sup> See our [website](#) for the results of independent lifecycle assessments.

<sup>2</sup> Target covers the three most material Scope 3 categories: from goods and services, use of our products (filling machines) and end of life treatment (cartons).

## DRIVING SUSTAINABLE PRODUCT INNOVATION

**The world is under pressure to feed more people with less and faces a climate emergency that demands a rapid transition away from fossil resources.**

Our packs are already mostly renewable and we design our packs to minimise the amount of materials needed to protect the food inside – our innovative RS structure has saved more than 6,500 tonnes of polymer since 2016.

But we want to go further. Innovation is the key that will open the door to the fossil-free, 100% renewable SIG packs of the future.

Going *Way Beyond Good* has fuelled our thirst for innovation. We've fast-tracked major sustainable product launches and achieved a host of industry firsts along the way.

This year, we kept up the momentum. We launched the first ASI-labelled packs and, when they hit the market, we became the first in the industry to offer packs with all three main materials certified as responsibly sourced – paperboard, plant-based polymers and aluminium foil. We were the first to introduce paper straws for carton packs – first straight and then U-shaped too. And we announced a partnership with our supplier, SABIC, that will enable us to offer the world's first beverage cartons made with recycled polymers produced using post-consumer plastic waste.<sup>3</sup>

**SIGNATURE PACK**, launched for dairy products in 2017, is still the only aseptic carton linked to 100% renewable plant-based materials – using mass balancing to link to forest-based feedstock for the polymers. We're now working to create a pack that's made out of 100% renewable materials, without mass balancing

or aluminium. One that can be used not just for dairy, but other products like juices too.

All these innovations can deliver big benefits for the planet. But only if they are used. And used widely.

We're putting a strong focus on the value that our sustainable solutions add in our conversations with customers and our training for sales teams. More customers are choosing our most sustainable packs, like **SIGNATURE PACK** (see [page 12](#) and [page 13](#)) and combibloc EcoPlus (see [page 14](#)), as they strive to meet rising consumer demand for more sustainable packaging.

We're also building better eco-efficiency into our next generation filling machines and using technical service solutions to deliver sustainability improvements for more of our customers. Our new Fill Beyond Good marketing campaign is highlighting the environmental benefits of technical upgrades to drive increased uptake.



## First paper straw for beverage cartons

SIG is the first in the industry to offer a paper straw solution for use with beverage cartons to help customers address growing concerns about the environmental impact of plastic straws.

In early 2019, we introduced a straight paper straw that was robust enough to pierce the closed straw hole of aseptic cartons and we followed this with a U-shaped option later in the year.

The paper used to produce the straws comes from FSC™-certified sources, the wrapper for the straw is designed to remain attached to the pack to prevent litter, and both the straw and the wrapper can be recycled with the pack.

## CONTRIBUTING TO A CIRCULAR ECONOMY

**A circular economy will cut greenhouse gas emissions and reduce stress on natural resources by turning waste into resource. Going circular is also about doing more with less. And making sure the materials we do use can be renewed.**

Our packs support a circular economy right from the start. Unlike most packaging alternatives, they're made mainly from renewable wood fibres. When we make our cartons, trees are already regrowing to replenish the fibres we've used. And we make sure that all our packs are fully recyclable after use.

We're part of the new 4evergreen alliance that aims to boost the contribution of fibre-based packaging in a circular and sustainable economy. We've teamed up with others in our industry to fund a new plant in Germany

to recover polymers and aluminium foil from used cartons. And together we have created a Global Recycling Alliance for Beverage Cartons and the Environment (GRACE) to drive recycling efforts around the world.

Because we sit at the heart of the food distribution system, we're well placed to partner with customers, communities and others to create a more circular economy. We're working together to build effective systems for collecting and recycling used beverage cartons, and to encourage consumers to recycle more.

This year, we partnered with customers in Indonesia and Mexico to offer consumers new collection points for their used cartons and raise awareness of the need to recycle. Our innovative so+ma partnership in Brazil is bringing added social benefits by offering rewards for recycling in low-income communities (see [page 15](#)).

<sup>3</sup> Polymers will be linked to post-consumer waste via a mass balance system.



## DELIVERING SAFE NUTRITION

**We work in partnership with our customers to bring food products to consumers around the world in a safe, sustainable and affordable way. That's our purpose.**

Our aseptic packs keep food fresh without the need for preservatives or refrigeration. They are ideally suited to nutritious products like milk, fruit juice and soup – and for water products as a more sustainable alternative to plastic bottles for hydration on the go and at home.

This ability to deliver nourishment and hydration offers huge potential to support people's health, particularly in areas of the world where malnutrition is rife.

We produced more than 38 billion SIG packs this year, around 3 billion more than last year. As our business continues to grow, we'll reach more people around the world.

We also preserve nutrition by preventing food from being wasted. Our packs give food a much longer shelf life than various other forms of packaging and our filling systems have the lowest waste rate in the industry.

And we're going further. We're working with partners to bring quality nutrition to those most in need.

Our flagship Cartons for Good project (pictured above) is underway in Bangladesh, using SIG packs and our specially designed filling machine to turn farmers' surplus crops into school meals for children in deprived areas (see [page 16](#)).

## BUILDING ON STRONG FOUNDATIONS

**Our business touches people and communities around the world – where we source, make and sell our products. We have an impact on all their lives at some level. And we want to make sure it's a positive one.**

We source responsibly. That means only working with suppliers that share our commitment to treat people and planet with respect, meeting strict standards on ethical, labour and environmental standards. Certifications like FSC™ and ASI reinforce these standards to support communities where our raw materials come from.

Regular SEDEX audits of our own factories assure customers that SIG packs are

made responsibly and our Platinum rating from EcoVadis puts us in the top 1% of businesses participating in its assessment on sustainability.

Supporting our own people is an important part of this. We aim to offer an inclusive working environment that enables everyone to develop and thrive, and we strive to lead the packaging industry on health and safety. Our people make SIG shine and help us go *Way Beyond Good*. We introduced the SIG Shine awards this year to recognise their efforts.

Wherever we sell our products, we're helping to deliver nutrition and hydration to consumers. We also encourage our employees to get involved in local projects to create positive change for communities around the world (see [page 17](#) and [page 18](#)).

**EcoVadis ranks SIG in top 1% for sustainability**

We continued to rank among the top 1% of participating businesses in the latest independent assessment on sustainability by EcoVadis.

We achieved a Platinum rating and increased our overall score based on a detailed assessment of our policies, processes and performance on environment, labour and human rights, ethics and sustainable procurement criteria.

To date, EcoVadis has assessed over 50,000 trading partners worldwide. We first achieved our top percentile position in 2017.



# OUR STORIES OF THE YEAR

World first for  
**RESPONSIBLE  
ALUMINIUM**

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Forests for all forever  
**FSC™ AND  
SUSTAINABLE  
FORESTRY IN  
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The natural  
choice for  
**SUSTAINABLE  
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solutions  
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Rewarding  
recycling to  
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Empowering  
communities  
through  
**CARTONS  
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Engaging our  
people through  
**COMMUNITY  
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Engaging our  
people to  
**HELP FORESTS  
THRIVE**

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# World first for RESPONSIBLE ALUMINIUM

**SIG is leading the way on responsible aluminium sourcing by pioneering the use of ASI certification through the value chain. The first ASI-labelled cartons were launched this year.**

We're working on more aluminium-free solutions in our quest to offer 100% renewable packs. But an ultra-thin layer of aluminium foil is still needed in many market segments to protect the food inside. And as long as we can't take the aluminium out, we want to make it better.



The Aluminium Stewardship Initiative (ASI) standards help us ensure that the aluminium foil in our packs is sourced responsibly. This in turn enables SIG customers to show consumers that they are making a responsible choice on packaging.

B-Better®, a start-up brand from Unilever's Future Platform, was the first to launch its products in ASI-certified cartons. Its range of water

products went on sale in Belgium this year in SIG's combidome packs.

The packs have a low carbon footprint, are fully recyclable, use FSC™-certified paperboard and, with our innovative SIGNATURE solution, the polyethylene and polypropylene are linked to 100% plant-based materials.<sup>4</sup> Aluminium from ASI-certified sources completes the list of sustainability benefits that fits perfectly with B-Better's message: Be good to yourself and better for the planet (see [page 13](#)).

Other brands such as WATER<sup>3</sup> (see [page 13](#)) and Riedel (see [page 12](#)) are also early adopters of ASI-labelled packs.

ASI certification aims to enhance traceability and responsibility in the aluminium supply chain through audits against strict standards on ethical, environmental and social criteria. SIG was the first in the industry to achieve ASI certification. We have extended Chain of Custody certification to cover five of our six production plants worldwide – including all our plants across Europe in 2019, and our plants in China and Thailand in early 2020.

We have also added a requirement for aluminium foil suppliers that they must strive to fulfil the requirements of the ASI standards by 2020.

One of our suppliers in China, Nanshan, has enhanced its focus on sustainability to achieve ASI certification this year. It is avoiding 163,000 tonnes of greenhouse gas emissions per year by using more renewable energy and recycling more scrap aluminium from manufacturing. All the ASI-certified foil we buy from Nanshan will now be linked to pre-consumer recycled scrap material.

As more suppliers work towards ASI certification, this will help to drive higher standards on responsibility through the aluminium supply chain.

*"Nanshan has partnered with SIG to implement ASI certification through the supply chain and we believe this will offer business benefits for both companies. We fully support SIG's requirement for aluminium foil from responsible sources and the ASI certification process has helped us strengthen our approach for environmental protection. For example, we have established strict environmental controls, we recycle 100% of production scrap and we have set targets to reduce our greenhouse gas emissions."*

**Abner Xie** Marketing and Sales Director, Nanshan

*"SIG's ASI certification demonstrates that the aluminium in its packs comes from responsible sources. Referring to ASI on our packs, we're showing consumers that we are making a responsible choice on packaging."*

**Hélène Esser**  
Brand Manager Future Platforms, Co-founder B-Better

**THIS PACK LOOKS DIFFERENT BECAUSE IT IS.**

PROTECTED FROM LIGHT, FULLY RECYCLABLE, FSC®-CERTIFIED CARDBOARD, PLANT-BASED MATERIALS, ASI-CERTIFIED ALUMINIUM AND A REDUCED CARBON FOOTPRINT. IT'S A START FOR LESS PLASTIC AND A BETTER PLANET. 1% OF OUR REVENUES GOES TO LOCAL ACTIONS FOR THE ENVIRONMENT.

<sup>4</sup> Linked to wood residues from paper making via an independent certified mass balance system.

*Forests for all forever*

# FSC™ AND SUSTAINABLE FORESTRY IN PRACTICE



**Sustainably managed forests certified to FSC™ standards are supporting our efforts to create a net positive contribution to the environment and society. We're working with Stora Enso, one of our biggest suppliers of liquid packaging board, to explore what sustainable forestry means in practice.**

SIG was the first in the industry to enable customers to include the Forestry Stewardship Council™ (FSC™) label on any of our packs. Our customers chose to put the FSC™ label on 96% of the packs we sold during 2019 – rising to 98% of the packs sold in December 2019 – to show consumers that they source paperboard responsibly.

But what does this really mean for the forests and people who produce the paperboard that goes into our packs? Here, we take a look at [Stora Enso's](#) operations in China as an example of sustainable forest management.



Of the 83,000 hectares of forest that Stora Enso manages in the Guangxi region, over a third is leased directly from local people. The company has an ongoing dialogue with communities to ensure their rights are protected, and runs community projects to provide a wide range of benefits.

These projects range from improving local roads, drinking water and sanitation to education on preventing forest fires. A recent pilot saw the introduction of more than 20,000 chickens, ducks and geese on the forest land managed by Stora Enso to boost livelihoods for over 1,000 people from collecting and selling eggs.

The Guangxi region is on an important route for migratory birds and a seven-year study by Fauna & Flora International found that Stora Enso's plantations there are well suited for birdlife. No natural forests or protected areas have been converted to plantations, and buffer zones have been established to help reintroduce native species.

Stora Enso is helping to introduce more efficient, modern ways of

working in its Chinese forestry operations. By focusing on safety and mechanising harvesting and site preparation, the company has not only cut the time between harvesting and re-planting trees to regrow habitats quickly, but also helped to reduce accident rates among contractors who previously did this work by hand.

Safety is also a priority at Stora Enso's paperboard mill near the city of Beihai in Guangxi, which had zero recordable incidents in 2019. The mill has completed regular SEDEX audits since it opened in 2016, and it is certified to the OHSAS 18001 and ISO 14001 standards for safety and environmental management. Environmental initiatives include recycling 97% of water used in production and generating renewable energy on site from waste and rooftop solar panels.

We are partnering with Stora Enso through the Net Positive Project to better understand how to measure the social and environmental benefits of our paperboard supply chain.

*"Our commitment to sustainable forest management in China forms a foundation for our ambition to replace fossil-based materials with our renewable solutions and to help our customers with their sustainability efforts. Our collaboration with SIG is built on a common foundation that sustainable business needs to create long-term societal value. Partnering with SIG on net positive value creation is groundbreaking in many ways and will set new benchmarks for sustainability measurement."*

**Eija Hietavuo**  
SVP Sustainability, Stora Enso's Consumer Board division



## Spotlight on SUSTAINABLE PACKAGING

### Major brands are adopting SIG's sustainable packaging solutions to show consumers how they are reducing the environmental footprint of their products.

Prominent campaigns on climate change and plastic waste have got more people thinking about the environmental impact of the products they buy. Purchasing attitudes are changing and, globally, 73% of consumers now say they would change their consumption habits to reduce their environmental impact.<sup>5</sup>

For food and beverage companies, choosing more sustainable packaging is a way to visibly demonstrate that they are responding to this demand.



Candia, part of a leading French dairy cooperative, took this message directly to consumers this year. The brand chose our **SIGNATURE PACK 100** for its organic milk and clearly labelled the pack as an 'eco-designed carton'.

A high-profile segment on morning television talk show, *Télématin*, highlighted the sustainability credentials of the pack. Aluminium-free. Made out of FSC™-certified renewable paperboard and polymers linked to forest-based materials.<sup>6</sup> Recyclable.

Candia's communications campaign sparked over 19,000 reactions on social media and consumer reviews of the product recognised the innovative packaging as a way to consume responsibly. **SIGNATURE PACK** also won the brand a prestigious French packaging award in the environmental category.

Other major brands are choosing **SIGNATURE PACK Full Barrier** for juice products. The Full Barrier option uses the same FSC™-certified paperboard and polymers linked to forest-based materials as **SIGNATURE PACK 100**.

But it also includes an aluminium foil barrier layer to protect products like orange juice that are more sensitive to light and oxygen. Its carbon footprint is 45% lower than a standard SIG carton pack and **SIGNATURE PACK 100** has a 58% lower footprint than a standard SIG carton pack.<sup>7</sup>

Riedel used **SIGNATURE PACK Full Barrier** to relaunch two of its popular juice brands in the Netherlands this year, CoolBest Juice and Appelsientje Biologisch. The latter was the first product in the country to use ASI-certified aluminium (see [page 10](#)) and carries the ASI label on the pack.

Increased uptake of our most sustainable solutions by major brands is good for the environment and good for our business. It shows that our investment in sustainable product innovation is helping to differentiate our packaging and add value for customers by helping them satisfy changing consumer demands.

"At Riedel we are committed to using responsibly-grown fruit and promoting sustainable fruit cultivation, production, filling and distribution. Using **SIGNATURE PACK** for our popular Appelsientje range, and for the first time in the Netherlands with ASI-Certification, enables us to offer the most sustainable yet premium quality packaging for our loyal consumers. **SIGNATURE PACK** has been a resounding success for our CoolBest range and we are expecting a similar enthusiastic response from consumers for Appelsientje in this format."

**Bas Boswinkel** Managing Director, Riedel



"Candia has always set itself apart through innovation and now we are taking a major step on our roadmap for sustainable food products. By working with SIG we have succeeded in launching a new organic milk in the first aluminium-free UHT milk carton onto the French market. Candia is offering a new solution to consumers who want to cut the use of fossil fuels and buy organic milk in a more sustainable packaging." **Yves Legros** General Manager, Candia

<sup>5</sup> Nielsen, 2018 report. <sup>6</sup> Linked to wood residues from paper making via a mass balance system. <sup>7</sup> Based on a Europe-wide LCA, available on our [website](#).

## The natural choice for **SUSTAINABLE BRANDS**

### Brands targeting eco-conscious millennials are choosing SIG's solutions to support their brand messaging.

The strong environmental credentials of our packs are helping us increase our presence in the water market, with innovative brands like B-Better® and WATER<sup>3</sup> using SIG packs to stand out from the crowd.

Both B-Better® (a start-up brand from Unilever's Future Platform) and WATER<sup>3</sup> are tapping into growing demand for more sustainable products and for packaged water. Their products are aimed at consumers who care about their own health and the health of the planet.

*"At DRINKS<sup>3</sup> we know that consumers around the world are seeking more natural and ethically-produced products, which is why we believe in providing products that are good for the mind, body and planet. Choosing the carton bottle for our new WATER<sup>3</sup> therefore was a natural choice – offering consumers responsible product packaging that's innovative within the premium mineral water market."*

**Ravinder Sandhu** Co-Founder DRINKS<sup>3</sup>



B-Better®'s purpose is encompassed in its strapline: 'It's a start for less plastic and a better planet'. And DRINKS<sup>3</sup> (owner of WATER<sup>3</sup>) aims to become the UK's lowest carbon footprint drinks brand by 2022. Packaging is central to both these missions and SIG's unique combidome pack offered the natural solution.

**combidome** combines the convenience of a bottle with the superior environmental performance of a carton. It's shaped like a bottle. It pours like a bottle. And it allows for easy drinking straight from the pack like a bottle.

But, unlike a plastic bottle, combidome has all the environmental benefits of a carton. Its carbon footprint is significantly lower than a conventional multi-layered PET plastic bottle.

That's because combidome is made mainly from renewable paperboard. The design and light weight of the pack also cut emissions from distribution by enabling more efficient transport.

Both B-Better® by Unilever and WATER<sup>3</sup> chose to enhance the environmental performance of their packaging even further by opting for SIG's innovative **SIGNATURE PACK** solution that uses polymers linked to plant-based materials.<sup>8</sup> This means their packs are made from over 90% plant-based, renewable materials.

The paperboard is FSC™-certified. The polyethylene and polypropylene are linked to plant-based materials via a mass balance system that's certified to ISCC PLUS. And the ultra-thin layer of aluminium foil is certified to the new ASI standard for responsible aluminium (see [page 10](#)).

Like all our cartons, the packs are fully recyclable, supporting our own and our customers' objectives to contribute to a circular economy.

*"The strong name for our young caring brand says it all – Be good to yourself and better for the planet. It was vital that with combidome we found the most sustainable packaging solution for our water products, not just in its unmatched environmental profile, but also its appeal and convenience for the forward thinkers looking for healthy refreshment. Our messages are clearly conveyed at first sight, mirroring B-Better's strapline 'It's a start for less plastic and a better planet.'"*

**Hélène Esser** Brand Manager Future Platforms, Co-founder B-Better



<sup>8</sup> Linked to wood residues from paper making via a mass balance system.

## Low-carbon solutions

# ADDRESS CLIMATE CONCERNS

**Climate change has become a mainstream topic for consumers. Our low-carbon solutions are helping customers respond. Sales of combibloc EcoPlus have now surpassed the 1 billion mark.**

Climate change topped the list of environmental concerns in 2019, with 37% of global citizens spontaneously citing it as one of the top environmental issues.<sup>9</sup>

Our packs have a 28% to 70% lower lifecycle carbon footprint than alternative packaging such as glass, HDPE or PET bottles, pouches and cans – for a range of products including long-life food, UHT milk and non-carbonated soft drinks. And our combibloc EcoPlus pack cuts the carbon footprint by a further 28% compared with our standard packs.

Uptake of this solution has increased among brands and private labels across Europe. This year, ALDI, one of the main discount supermarket chains in Europe, chose combibloc EcoPlus as a sustainable packaging solution for its Milsani long-life milk range in Spain.

combibloc EcoPlus uses an innovative material composition to eliminate the need for an

aluminium foil barrier layer and cut the carbon footprint of the pack. FSC™-certified, renewable paperboard makes up 82% of the carton (excluding the closure). An ultra-thin polyamide layer acts as a barrier to protect the product from flavour loss and external odours. And fine polyethylene layers contain the liquid inside and keep moisture out.

The packs are fully recyclable after use and consumers can do their bit for the environment by separating their cartons, together with other types of used packaging, for recycling.

By offering combibloc EcoPlus and other innovative low-carbon products like **SIGNATURE PACK**, we're supporting our customers' climate goals and helping them demonstrate to consumers that they are taking action on climate.

These low-carbon solutions are also supporting our own ambitious target to reduce greenhouse gas emissions across our value chain (Scope 1, 2 and 3<sup>10</sup>) by 25% per litre of food packed by 2030. By the end of 2019, we had achieved a 9% reduction from the 2016 baseline.

*"ALDI Spain is based on the principle of 'avoid, reuse and recycle' to help combat the issue of packaging waste, while also promoting the circular economy. Sustainability is also very important to our consumers, who expect high quality but also packaging solutions with minimal impact on the planet. By choosing SIG's combibloc EcoPlus solution for our Milsani milk range, we're offering one of the most eco-conscious and premium carton packaging options available."*

**Paloma Cainzos**

National Dairy Buyer from ALDI Spain



<sup>9</sup> Ipsos MORI survey, 2019. <sup>10</sup> Target covers the three most material Scope 3 categories: from goods and services, use of our products (filling machines) and end of life treatment (cartons).

# Rewarding recycling to **BENEFIT PEOPLE AND PLANET**

## **Our innovative so+ma partnership is changing attitudes to recycling by turning waste into rewards for low-income communities in Brazil.**

The premise is simple: collect used packaging, bring it to the so+ma house drop point and earn loyalty points that can be exchanged for food and other useful products and services.

It's a great example of how we're supporting collection and recycling of beverage cartons by working in partnership with local stakeholders. We're working with social enterprise so+ma to run the programme with support from local government and waste collection cooperatives. SIG customers are also getting involved by donating products for people to 'buy' with their points – adding value to their brands and strengthening our relationship with them.

The pilot programme in the city of Curitiba celebrated its first anniversary in December 2019. It has already delivered real benefits for people and the planet. And this novel approach has also raised

awareness of the importance of recycling across the country by attracting attention in the national media.

In its first year, more than 380 families signed up to the reward scheme and over 81 tonnes of waste have been collected for recycling. This has also helped to save an estimated 570 tonnes of CO<sub>2</sub> emissions. Litter is disappearing from the streets. And people are spending their loyalty points on things that matter to them.

For some low-income people, the so+ma programme is giving them a 'credit card' for the first time – with their loyalty points giving them credit to spend on training courses (from IT to childcare), supplies to support their businesses or groceries to supplement their weekly shopping. Anyone who doesn't need these things themselves can choose to pass their rewards on to others.

The so+ma programme was named **Way Beyond Good** engagement initiative of the year at our first annual SIG Shine Awards. We are now looking to expand this model – initially with two more so+ma drop points in Curitiba.



*"We believe recyclable things are waste, but actually, they are not. so+ma gave me a training course for free and I'm very happy."*

**Cristiane**

*"I redeem my so+ma points mostly for wheat flour, vegetable oil and sugar. It's a saving to my business and this helps me a lot."*

**Ceição**

*"It helps us take waste off the streets and keeps it out of the environment. It's good for everyone."*

**Andrei**



*"The city of Curitiba has always led innovation in the treatment of urban waste. And now we are starting with these innovative spots that reward recyclers. We will have a much better city when we have many spots like this that will help raise ecological awareness in Curitiba. Our tradition as a clean, eco-friendly city now gains the wings of innovation and we will fly with them into the future."*

**Rafael Greca**

Mayor of Curitiba, Brazil

## Empowering communities through **CARTONS FOR GOOD**

**Through Cartons for Good, we're using our expertise in packaging and filling to help communities preserve surplus crops locally – and turn it into nutritious school meals.**

In just two years, we have turned a bold idea into a practical solution to help communities prevent food loss and malnutrition.

The SIG Way Beyond Good Foundation is piloting the project in Bangladesh, where almost half the children are malnourished.

The way it works is that farmers bring surplus crops that they can't otherwise sell – or when there is no food loss in the fields, we use vegetables from wholesale markets that would otherwise go to waste.

Members of the community boost their livelihoods by lending a hand to prepare and cook the vegetables into meals. SIG experts on site use our specially designed Cartons for Good food filling unit to preserve the meals in our long-life carton packs.

Together with our NGO partner, BRAC, we then distribute the filled packs to schools, where the contents are heated up to provide meals for underprivileged children. And the empty packs are recycled after use.

With Cartons for Good, everyone wins. Communities prevent food going to waste. Farmers get income

from crops they wouldn't otherwise be able to sell. And children get a healthy, hot meal every day so they can stay in school and get an education.

The pilot began in the region of Balia this year. Over 9,200 packs of food have been distributed to six schools supporting 180 children in impoverished areas of Dhaka, where many children drop out of school because they need to work to feed themselves and their families. One of the teachers noted that fewer children are dropping out now that they get a meal at school.



The SIG Way Beyond Good Foundation is now exploring how to develop a sustainable model to bring this innovative solution to more communities – across Bangladesh and around the world.

Find out more about our Cartons for Good journey on our [website](#).



*"The Cartons for Good project has given me a good employment opportunity to support my family and provided jobs for other locals too. The farmers are also benefiting. They sometimes face a huge loss from the vegetables they grow and now they are getting reasonable value for their produce."*

**Md. Nahiduzzaman** supervises the Cartons for Good project in Balia



*"This job is improving life for my family. I don't need to go far away anymore to work. I am able to do many things with my earnings, including arranging education for my children."*

**Kulsum** prepares the vegetables for Cartons for Good meals

*"The children come from very poor families and often come to school without even having breakfast. When they attend the class with an empty stomach, they become tired. I am very happy to be able to serve them a meal at noon when they are hungry."*

**Ferdousi** (above left) teaches at a BRAC school where children receive Cartons for Good meals



# Engaging our people through COMMUNITY MEALS

We held our first annual Global Engagement Day in April 2019, inviting SIG teams around the world to celebrate our connection with delivering food and nutrition by organising a meal for their local communities. Employees responded with creativity and enthusiasm.



## Whakatane **New Zealand**

SIG volunteers (above) prepared a 'Hangi', a traditional Maori meal cooked using hot stones, for around 100 homeless people and families in crisis in the local Salvation Army Hall.

## São Paulo **Brazil**

SIG volunteers prepared a typical Brazilian barbecue for Venezuelan refugees and listened to the struggles they have had to overcome.

## Chester **USA**

Our employees visited an underprivileged school to organise lunch for the teachers and an ice cream truck serving water-ice treats for the students.

## Cluj **Romania**

Members of our team in Cluj demonstrated their culinary skills by preparing a three-course meal for 130 people to be distributed to those in need in nearby communities.

## Linnich **Germany**

A group of employees brought coffee and homemade cakes to share with people waiting in line at the local food bank.

## Cape Town **South Africa**

The SIG team donated 50 bags of flour, bread, juices and other basic foodstuffs to the aid organisation, Hadassah Love Society, for people in need in the townships of Cape Town (right).

## Suzhou **China**

SIG colleagues visited a local nursing home to cook and share a meal with the elderly residents, listening to their stories and offering companionship over dinner.



*"I was looking for a way to do some good in my community so I jumped at the chance to help prepare a meal for people in a poor area of Cluj, and thought, hey, maybe I can learn how to cook too! I helped prepare the food and do quality checks as we packed it up ready to deliver. It was fun working as a team in the kitchen. We ended up with lots of food and too much dessert (if that's possible!). Afterwards, I started thinking about other things we could do to make a real change for communities. It really helped me to open my mind."*

**Catalin Rusu**  
CIS Manager and GQ Specialist, Cluj



# Engaging our people to HELP FORESTS THRIVE

**Our Way Beyond Good** Champions set out to inspire employees to help us support thriving forests in 2019. Teams around the world rolled up their sleeves and planted trees.

## Saalfelden Austria

SIG colleagues planted 1,000 trees in the protected Schroffen forest, with the support of the Salzburg state forestry directorate and students at a local college.

## Linnich Germany

SIG volunteers planted trees at a kindergarten and built an 'insect hotel' to encourage biodiversity and get children interested in nature (below).



## Cluj Romania

25 employees joined a group of 1,000 volunteers to plant around 20,000 trees as part of a reforestation event run by local NGO, CERT Transilvania.

## Suzhou China

SIG colleagues brought their families to celebrate Father's Day by learning about nature and trees through fun activities, including making bird nests out of used beverage cartons.

## São Paulo Brazil

SIG volunteers worked together with children from a local school to plant 150 trees in a public park in Osasco, a suburb of the city.

## Mexico City Mexico

Employees and their families used an SIG family day to help plant more than 500 trees in the city of Huitzilac, around 50km away from our site in Mexico City.

## Rayong Thailand

80 'SIG Rangers' worked with the local Rayong Mangrove Forest Resource Development Station to plant 1,500 mangrove trees over a 2,500m<sup>2</sup> area in the Rayong Province.



## Whakatane New Zealand

14 SIG volunteers planted over 1,000 trees in one day along the Motu mountain bike trail to replant native species and restore natural habitats.



*"My family and I joined others from the local SIG site for a day of tree planting at the Mangrove Forest Conservation Center in the Rayong province. Other people brought their families along too. We care about the environment. It's very important to our lives and we were happy to help. Taking part in this activity helped us understand why we need to protect forests and plant more trees to help reduce emissions and tackle global warming. It was also very fun!"*

**Santi Phalchai**  
Head of Extrusion, Rayong, Thailand



# OUR PERFORMANCE IN 2019

## RESPONSIBLE COMPANY

We're accelerating action to cut our emissions with a new 1.5°C target approved by the Science Based Targets Initiative



Our Platinum rating from EcoVadis puts us in the top 1% of businesses participating in its latest sustainability assessment



380+ families joined our so+ma recycling rewards programme in Brazil, collecting 81 tonnes of waste

9,200+

Cartons for Good turned food loss into over 9,200 school meals in Bangladesh



Employees around the world celebrated our first Global Engagement Day with community meals



Our first annual SIG Shine Awards recognised employee contributions to the business and *Way Beyond Good*

## RESPONSIBLE SOURCING

We launched the world's first aseptic carton packs with all three key materials from certified sources – FSC™ paperboard, ISCC PLUS plant-based polymers and, for the first time, ASI aluminium



ASI Chain of Custody certification is now in place at all SIG production sites in Europe, China and Thailand<sup>11</sup>



100%

of energy for production in 2019 came from renewable sources, either directly or indirectly through GoldPower®-certified projects



We announced a partnership to offer the first beverage cartons made with recycled polymers from post-consumer plastic waste<sup>12</sup>

98%

By the end of 2019, 98% of SIG packs being sold carried the FSC™ label



## RESPONSIBLE PRODUCTS

We were the first to introduce paper straws for carton packs – first straight and then U-shaped too



Uptake of SIGNATURE PACK increased with new product launches from major brands and start-ups

1 billion

Our low-carbon, aluminium-free combibloc EcoPlus surpassed 1 billion packs sold



35%

of customers have seen sustainability improvements from SIG technical service solutions since 2016

SIGNATURE PACK won the prestigious WorldStar Packaging Award from the World Packaging Organisation



<sup>11</sup> Certification in China and Thailand was achieved in early 2020. <sup>12</sup> Polymers will be linked to post-consumer waste via a mass balance system.

# RESPONSIBLE COMPANY ROADMAP PROGRESS IN 2019

FOCUS AREA	2020 TARGET	PROGRESS TRACKER	2019 PERFORMANCE
	<b>Define a methodology to measure our environmental footprint and societal benefits across our value chain to establish a baseline for our 2030 goal</b>		We are piloting a methodology to measure our value chain environmental footprint, exploring how to measure societal impact and collaborating on how to measure net positive impact through our participation in the Sustainability and Health Initiative for NetPositive Enterprise programme and the Net Positive Project.
<b>ENVIRONMENTAL FOOTPRINT</b>	<b>Put a science-based CO<sub>2</sub> reduction target in place covering our entire value chain (by 2018)</b>		We are accelerating the timeline to cut carbon from our operations, with a stretching new 60% goal for 2030. Our climate goals have been approved by the Science Based Targets Initiative as in line with the latest science to keep global warming below 1.5°C (see below).
	<b>Reduce Scope 1, 2 and 3* greenhouse gas emissions by 25% per litre of food packed (by 2030)</b>		We have reduced our Scope 1, 2 and 3* emissions per litre of food packed by 9% from the 2016 baseline.
	<b>Reduce Scope 1 and 2 greenhouse gas emissions by 60% (by 2030)** (market-based approach)</b>		We have reduced our Scope 1 and 2 emissions by 47% from the 2016 baseline to 106 thousand tonnes*** of CO <sub>2</sub> -equivalent and brought forward our deadline to achieve a 60% reduction by 10 years to 2030.
	<b>Cut operational greenhouse gas emissions rate**** (Scope 1 and 2) by more than 50% (from 2014)</b>		We achieved this target early through the transition to 100% renewable energy in 2017 and 2018. By the end of 2019, we had reduced our operational greenhouse gas emissions rate by 75% since 2014.
	<b>Reduce energy rate**** by more than 35% (from 2014)</b>		Our energy rate decreased by 4.8% during 2019 with savings from energy efficiency projects, such as our combined heat and power plant at Linnich. However, our energy rate has increased by 4.9% overall since 2014.
	<b>Reduce waste rate**** by more than 45% (from 2014)</b>		We have reduced our waste rate by 5.7% in 2019 – and by 5.2% since 2014. We conducted a detailed analysis this year to identify opportunities to reduce waste in our production processes.
	<b>Achieve compliance with ISO 50001 at our European production plants and revised ISO 14001 standard at all production plants</b>		Our three European sleeve production plants demonstrated further year-on-year energy reductions to maintain their certification to ISO 50001. We maintained our global ISO 14001 certification with audits of our production plants in Brazil, Switzerland and Thailand in 2019.
<b>EMPLOYEES</b>	<b>Increase employee net promoter score year by year</b>		We will measure progress towards our goals on employee net promoter score and engagement through our next employee engagement survey in 2020. This year, we responded to feedback from the 2018 survey by enhancing our focus on diversity, introducing new development opportunities and launching the SIG Shine Awards to recognise individual contributions to SIG's success.
	<b>Achieve a sustainable engagement score above industry benchmark</b>		












\* Target covers the three most material Scope 3 categories: from goods and services, use of our products (filling machines) and end of life treatment (cartons).

\*\* Timeline for 60% target brought forward from 2040 to 2030.

\*\*\* Emissions calculated using market-based approach, following the methodology set out on page 82 of our 2018 CR Report. Location-based emissions based on the electricity grid average amount were 94.9 thousand tonnes of CO<sub>2</sub> equivalent in 2019.

\*\*\*\* Energy, emissions and waste rates are per million square metres of sleeves produced and exclude energy use at our closure production plant in Switzerland and our paper mill in New Zealand.

KEY: MORE WORK TO DO ON TRACK COMPLETED

FOCUS AREA	2020 TARGET	PROGRESS TRACKER	2019 PERFORMANCE
<b>EMPLOYEES</b>	<b>Maintain voluntary turnover below 5%</b>		The voluntary turnover rate was 4% in 2019, the same as the year before.
	<b>Make our training and development investment above industry benchmark</b>		We exceeded the industry benchmark of 24.0 hours by providing an average of 24.3 hours of training per employee in 2019, including a new development programme for operations leaders.
	<b>Establish a diversity and inclusion strategy and steering group</b>		We have increased our focus on diversity and inclusion in 2019 with a communications campaign to raise awareness and a new tool to help specific regions or functions focus on the aspects of diversity and inclusion that are most relevant to them.
<b>HEALTH &amp; SAFETY</b>	<b>Zero lost-time case rate</b>		Our total lost-time case rate decreased by 14% to 0.42 and five production sites achieved a zero lost-time case rate in 2019. Sites where behaviour-based safety is fully implemented perform well and we are embedding this programme globally. We have also further integrated safety into business processes, such as our excellence system and development programme for operations leaders.
	<b>Achieve a life-critical safety elements score of 100% at all production sites</b>		All our production sites achieved a minimum score of 97% for management of life-critical safety elements and we ran a global engagement programme targeting a key safety topic each month.
	<b>Maintain a health rate of more than 97%</b>		The health rate in 2019 was 95.2%.* Ergonomics is being integrated into our behaviour-based safety systems worldwide to tackle musculoskeletal problems and we have introduced local programmes to improve wellbeing, including lunchtime walking, exercises at the start of meetings and access to counselling.
<b>GOVERNANCE &amp; ETHICS</b>	<b>Mandatory annual Code of Conduct training for all employees</b>		We are developing new compliance training that will include a module on the Code of Conduct. It will be rolled out to all employees in 2020.
	<b>In-depth training on specific areas of compliance for high-risk roles every two years</b>		We provided in-depth training on areas of compliance for more than 200 employees in high-risk roles in 2019, covering topics such as the Code of Conduct, Gift Policy, insider trading, antitrust, communication and sexual harassment.
	<b>SEDEX Members Ethical Trade Audit (SMETA) at all production sites**</b>		We completed SMETA audits at all our production sites in 2019. We have decided not to audit low-risk office sites, focusing instead on programmes that can have a bigger social and environmental impact.
<b>COMMUNITIES</b>	<b>Double the impact of community engagement programmes</b>		We have nearly tripled the annual impact of our community engagement programmes from the 2016 baseline and we held our first Global Engagement Day to encourage employees to support their communities in 2019.
	<b>Launch a global flagship project using our expertise to support communities</b>		We launched Cartons for Good in Bangladesh in 2018 and over 9,200 packs of food were delivered to six schools in 2019. Through the Way Beyond Good Foundation, we are now exploring how to scale up this pilot project to empower more communities.

\*Based on a sickness absence rate of 4.8%. \*\*Target revised to focus on production sites only.

KEY: MORE WORK TO DO  ON TRACK  COMPLETED 

# RESPONSIBLE SOURCING ROADMAP PROGRESS IN 2019

FOCUS AREA	2020 TARGET	PROGRESS TRACKER	2019 PERFORMANCE
<b>RESPONSIBLE SUPPLIERS</b>	<b>Include new social responsibility requirements in 100% of contracts with suppliers of our key raw materials</b>		We included social responsibility requirements in 100% of contracts with suppliers of key raw materials in 2019, either through the SIG Business Ethics Code for Suppliers or an equivalent code.
	<b>Audit 10% of high-risk suppliers each year</b>		Of the six high-risk suppliers identified at the beginning of 2019, one is no longer a SIG supplier and the remaining five are no longer considered high-risk because they have since signed our ethics code or provided evidence of EcoVadis assessments, SEDEX audits or equivalent third party programmes.
	<b>Provide regular training (at least every two years) on ethical supplier standards and sustainable sourcing to all employees who interact frequently with suppliers</b>		In 2019, we provided training on our updated responsible sourcing directive and accompanying risk assessment process for everyone in our global, regional and local procurement teams.
<b>SUSTAINABLE RAW MATERIALS</b>	<b>100% FSC™ labelled packs (work with customers to include the FSC™ logo on 100% of the packs we sell)</b>		During the year, 96% of the packs we sold had the FSC™ logo on them and this rose to 98% in December 2019.
	<b>100% A-materials* from certified sources</b>		In 2019, 47% (by spend) of A-materials we purchased came from certified sources. We became the first in the industry to offer packs with aluminium from ASI-certified sources and launched the world's first aseptic carton packs with all three key materials (liquid packaging board, polymers and aluminium) from certified sources. The minimum supply of liquid packaging board made with wood from FSC™-certified forests and other controlled sources was 84%, and all the plant-based polymers used for our SIGNATURE PACK** are certified to ISCC PLUS or REDcert <sup>2</sup> .***
<b>ENERGY SOURCING</b>	<b>100% renewable energy and Gold Standard CO<sub>2</sub> offset for all non-renewable energy (at production plants)</b>		We completed the switch to 100% renewable energy for production in 2018. Where it is not feasible to source renewable energy from the grid, we invest in on-site renewables and in GoldPower®-certified projects to offset CO <sub>2</sub> . Our 3.3MWp rooftop solar array at Rayong won a Thailand Energy Award in 2019 and we have increased it by a further 0.5MWp.
<b>SUSTAINABLE LOGISTICS</b>	<b>Increase the rate of full truck loads delivered to customers</b>		The rate of full truck loads delivered continued to decline slightly to 90% due to customer demand for urgent deliveries of smaller loads.
	<b>Ensure logistic partners use trucks that meet Euro 6 emissions standards for 100% of outbound road transport from our production plants in Europe</b>		Euro 6 trucks were used for 80% of outbound road transport from our European production plants (up from 75% in 2018) and we have included a requirement to use Euro 6 trucks in our requests for tender for road transport in 2020.

\*Our A-materials are those that go directly into our packs – paperboard, polymers, aluminium foil and ink. \*\*Via a mass balance system. \*\*\* Formerly TÜV SÜD CMS 71.

KEY: MORE WORK TO DO ON TRACK COMPLETED

# RESPONSIBLE PRODUCTS ROADMAP PROGRESS IN 2019

FOCUS AREA	2020 TARGET	PROGRESS TRACKER	2019 PERFORMANCE
<b>OUR PACKS</b>	<b>Create a 100% renewable aseptic pack</b>		<b>SIGNATURE PACK 100</b> eliminates the need for aluminium foil and uses a mass balance approach to link the polymers to 100% renewable forest-based materials (residues from the paper making process). This solution for dairy products has been launched by major brands and marked a big step towards our target to create a pack made directly from 100% renewable materials. We are now planning to extend the scope and the timeline for this target to pursue an even more challenging goal to create a high-barrier aseptic solution that is made directly from 100% renewable materials and is suitable for juices and non-carbonated soft drinks as well as dairy.
	<b>Offer a carton made of 50% recycled content</b>		We are working with suppliers to explore ways to integrate more recycled materials into our packs. In 2019, we announced a partnership with SABIC that will enable us to offer the world's first beverage cartons made with recycled polymers produced from post-consumer plastic waste.* Some of the aluminium foil we source also uses pre-consumer recycled scrap material.
	<b>Ensure environmental performance is one of the core value drivers of our product innovations</b>		Environmental performance is one of six core value drivers we apply to all our product innovations. We have also begun to monitor which of our projects are delivering more sustainable innovations.
	<b>Partner with stakeholders to support collection and recycling of beverage cartons</b>		We have engaged in new recycling partnerships with NGOs in Brazil, customers in Indonesia and Mexico, and industry associations in India, the USA and Vietnam. We established a new Global Recycling Alliance for Beverage Cartons and the Environment (GRACE) with industry partners, we are a founding member of the 4evergreen alliance to boost the role of fibre-based packaging in a circular economy, and building has begun on a new industry-funded facility for recycling polymers and aluminium foil from used beverage cartons in Germany.
<b>FILLING MACHINES &amp; TECHNICAL SERVICE</b>	<b>Reduce energy use by 20% per hour of runtime in our next generation filling machine</b>		We have re-designed the concept for our next generation filling machine to better align with market demand and help us achieve our targets to reduce energy, hydrogen peroxide and water use. We aim to have a prototype ready for testing in 2020.
	<b>Reduce hydrogen peroxide use by 35% per hour of runtime in our next generation filling machine</b>		
	<b>Reduce water use by 25% per hour of runtime in our next generation filling machine</b>		Our technical service solutions have supported sustainability improvements for 35% of our customers since 2016. Our new 'Fill Beyond Good' marketing campaign is driving increased uptake of technical upgrades by highlighting the environmental benefits. These upgrades have helped customers in Europe save over 115 tonnes of CO <sub>2</sub> emissions and 25,000m <sup>3</sup> of water over the last two years.
	<b>Support sustainability improvements for at least 50% of our customers through technical service</b>		
<b>PRODUCT SAFETY</b>	<b>All production plants certified based on ISO 9001:2015 and all sleeves and spout production plants certified based on BRC Packaging Issue 5 with AA Grade</b>		We maintained our group-wide certification to the revised ISO 9001:2015 standard in 2019. All our sleeves production plants have now achieved AA Grade certification to BRC Packaging Issue 5. Our spout production plant achieved A Grade and is working to reach AA Grade in 2020.

\* Via a mass balance system.

KEY: MORE WORK TO DO ON TRACK COMPLETED

# KEY PERFORMANCE INDICATORS

The table below provides a summary of the key performance indicators we use to measure our performance on our most material issues.

Except where otherwise noted, data covering 2015 to 2018 has been assured with limited assurance by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft for the publication of our full corporate responsibility reports in 2016 and 2018. KPI data will be assured again for our next full report in 2020.

	MATERIAL ISSUES	METRIC	2015	2016	2017	2018	2019	
<b>RESPONSIBLE COMPANY</b>	<b>Tackling climate change</b>	Scope 1 greenhouse gas emissions (thousand tonnes CO <sub>2</sub> equivalent) <sup>1</sup>	21.3	29.0	34.5	30.9	<b>31.4</b>	
		Scope 2 greenhouse gas emissions (market based) (thousand tonnes CO <sub>2</sub> equivalent) <sup>1</sup>	80.7	78.4	0	0	<b>0</b>	
		Scope 1 and 2 greenhouse gas emissions rate (tonnes CO <sub>2</sub> equivalent/million m <sup>2</sup> of sleeves produced) <sup>2</sup>	70	72	24	21	<b>20</b>	
		Change in Scope 1 and 2 greenhouse gas emissions rate (% change from 2014 baseline) <sup>2</sup>	-11.3	-8.9	-69.4	-73.4	<b>-75.0</b>	
		Scope 3 greenhouse gas emissions (million tonnes CO <sub>2</sub> equivalent) <sup>3</sup>	-	1.4	1.3	1.4	<b>1.5</b>	
		Scope 1, 2 and 3 greenhouse gas emissions rate (grams CO <sub>2</sub> equivalent/litre of food packed) <sup>4</sup>	-	105	96	95	<b>96</b>	
		Operational energy use (GWh) <sup>1</sup>	276	312	323	324	<b>329</b>	
		Energy rate (MWh/million m <sup>2</sup> of sleeves produced) <sup>2</sup>	181	203	217	210	<b>200</b>	
	<b>Minimising production waste</b>	Change in energy rate (% change from 2014 baseline) <sup>2</sup>	-4.2	7.2	14.8	11.1	<b>4.9</b>	
		Waste rate (tonnes non-product output/million m <sup>2</sup> of sleeves produced) <sup>2</sup>	37	35	37	35	<b>33</b>	
		Change in waste rate (% change from 2014 baseline) <sup>2</sup>	5.7	0	4.0	-1.6	<b>-5.2</b>	
	<b>Occupational health and safety</b>	Lost time cases	23	26	16	20	<b>17</b>	
		Lost time case rate (per 200,000 hours worked)	0.55	0.62	0.38	0.49	<b>0.42</b>	
	<b>Employee engagement</b>	Sustainable engagement score (% favourable responses)	-	74	-	78	<b>-<sup>6</sup></b>	
		Employee Net Promoter Score (% promoters minus % detractors)	-	-16	-	-1	<b>-<sup>6</sup></b>	
	<b>Talent development</b>	Training and development investment (average training hours/employee)	37.5	34.6	32.1	30.4	<b>24.3</b>	
	<b>Fair labour practices</b>	Plants completed SEDEX Members Ethical Trade Audit	-	7	8	9	<b>9</b>	
	<b>Diversity &amp; equal opportunity</b>	Diversity of governance bodies and employees	-	-	-	See 2018 CR Report p34	<b>-<sup>7</sup></b>	
	<b>RESPONSIBLE SOURCING</b>	<b>Sustainable raw materials</b>	A-materials <sup>5</sup> from certified sources (% by spend)	27	39	47	45	<b>47</b>
			Energy in production plants from renewable sources or compensated using Gold Standard CO <sub>2</sub> offset (%) <sup>1</sup>	23.1	22.6	58.4	100	<b>100</b>
		<b>Thriving forests</b>	Packs sold labelled with FSC™ logo (%)	42	56	80	93	<b>96</b>
		<b>Responsible suppliers</b>	New suppliers screened using social responsibility criteria (%)	-	100	100	100	<b>100</b>
<b>RESPONSIBLE PRODUCTS</b>	<b>Sustainable product innovation</b>	Impact mitigation potential of innovations related to current standard product	See 2016 CR Report p45	See 2017 CR Update p20-22 <sup>8</sup>	See 2018 CR Report p57-65 <sup>8</sup>	See pages 7, 12, 14, 23		
	<b>Recycling and circular economy</b>	SIG packaging portfolio that is recyclable (%)	100	100	100	100	<b>100</b>	
	<b>Efficient filling machines</b>	Sustainability improvements through technical service products (% of SIG customers supported since 2016)	-	-	-	20	<b>35</b>	
	<b>Safe nutrition</b>	Significant product and service categories for which health and safety impacts are assessed for improvement (%)	100	100	100	100	<b>100</b>	
		Non-compliance concerning the health and safety impacts of products and services (number of incidents)	-	0	0	0	<b>0</b>	

<sup>1</sup> Excludes emissions from our paper mill in New Zealand.

<sup>2</sup> Sleeves production only. Excludes our paper mill in New Zealand and our closures plant in Neuhausen.

<sup>3</sup> See page 82 of our 2018 CR Report for a breakdown of Scope 3 categories.

<sup>4</sup> Includes most material Scope 3 categories only: goods and services, use of our products (filling machines) and end of life treatment (cartons).

<sup>5</sup> Our A-materials are those that go directly into our packs – paperboard, polymers, aluminium foil and ink.

<sup>6</sup> The next biennial employee survey will be in 2020.

<sup>7</sup> This KPI will be reported in our next full corporate responsibility in 2020.

<sup>8</sup> Not assured.

**Scope of data:** Unless otherwise stated, data covers all our global operations except our joint ventures in the Middle East and Japan, and our operations in Australia which were recently acquired in November 2019. Our Whakatane paper mill in New Zealand is excluded from our reporting on responsible sourcing.