

Environment, Health and Safety Policy

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1 Preamble

SIG strives to be a leader in environment, health, and safety (EHS) in the packaging industry. We are leading the industry by pioneering sustainable innovations to deliver scalable, systemic net positive impacts – for society, the environment, and our business.

The SIG Global Environment, Health, and Safety (EHS) Policy has been developed to outline our commitments, goals and approaches for sustainability topics identified as strategic or material. In this sense, it defines the basis for our sustainability approach.

2 Scope

The principles and commitments outlined in this Policy apply to SIG Group AG, all of its subsidiaries and controlled entities ("SIG") The policy addresses both operational environmental and occupational health and safety topics, as well as all topics in the full value chain identified as material or strategic in the materiality assessment and the development of the Corporate Responsibility Strategy of SIG.

3 Core principles

- Ensure rigorous compliance with all applicable laws on EHS issues, along related corporate policies, wherever the company operates.
- Clearly allocate roles and responsibilities within the company for managing material EHS topics.
- Identify, systematically analyze, regularly review, and responsibly manage all relevant (material and strategic) EHS topics as well as risks and hazards.
- Define a corporate policy position on all relevant EHS topics.
- Set goals on relevant EHS topics, measure performance against SMART targets and ensure continuous improvement.
- Implement effective measures to achieve targets, to protect the environment and the health and safety of people working on behalf of SIG, as well as neighbor communities that could be affected by any SIG activity, and to prevent or minimize the risk of negative impacts and incidents.
- Establish emergency and contingency plans to deal with residual risks.
- Responsibly and transparently engage with all relevant stakeholders. This also includes, for example, the active involvement and consultation of employees in developing, managing, and communicating on corporate EHS standards. Employees are asked for feedback to new and reviewed processes and activities and can raise issues via complaints and grievance mechanisms.

4 Topics: Environment

4.1 Tackling climate change

4.1.1 Relevance

Climate change resulting from man-made greenhouse gas emissions (GHGs) is a global challenge for the living conditions on our planet. Tackling climate change requires bold action from governments, businesses, and individuals. Climate change because of global warming is associated with a variety of impacts on the environment and on people. This can be acute or chronic physical impacts or related impacts through transition measures which may increase inequalities amongst other aspects.

As a global leading provider of aseptic food packaging solutions, impacts of our industry on climate change mainly relate to greenhouse gas (GHG) emissions, which are primarily caused by our production (electricity and gas) and by our value chain. A major share of our GHG emissions (roughly 80–90%) is created outside our direct operational control through business partners and customers (sourcing, production, transportation, operation of filling machines).

Our direct emissions mostly relate to the energy we consume. Being an important buyer of paper board made from wood, SIG can help to build resilient forest ecosystems globally, which are important carbon stocks and sinks, by strengthening and expanding sustainable forest management, protection and landscape restoration. The consequences of climate change have an impact on people and on their human rights. The increase of extreme weather events and the deterioration of ecosystems, for instance, can affect people's health and restrict access to resources which in turn impacts livelihoods.

Changes to the climate can also impact our business and strategy, posing climate-related risks and opportunities. In line with the TCFD recommendations, we regularly assess impacts related to the transition to a lower-carbon economy – which can pose policy-, legal-, technology- and market-related transition risks – and physical risks related to the acute and chronic physical impacts of a changing climate. Our assessments show that, overall, SIG's business strategy is well positioned for the transition towards a more sustainable, low carbon, circular economy. Our packaging materials are largely made from renewable resources, and we actively reduce the footprint of our products and services. Supplying these environmentally friendly packaging solutions to customers from the FMCG-sector (Fast Moving Consumer Goods) with a strong sensitivity to consumer expectations for climate friendly products helps us to differentiate in the market.

4.1.2 Overarching commitment

We are committed to tackle climate change and reduce our impact on the climate through both mitigation and adaptation solutions at every stage of our value chain in line with climate science. We are committed to reducing our greenhouse gas emissions to the levels demanded by science to keep global warming below 1.5°C. Our goal is to achieve Net Zero greenhouse gas emissions by 2050. We are supporting the transition to a lower-carbon economy by reducing the environmental impact of our company, our sourcing, and our products. Additionally, we aim to further decouple emissions and production growth. To further mitigate climate-related risks, we strive to improve climate resilience in our value chain. This gives SIG a valuable competitive advantage in the industry. In addition to our clear commitment to decarbonize our value chain we are committed to increase climate positive impacts in our sector by the way we source, design, produce and deliver our products.

4.1.3 Targets

SIG's publicly stated goals for tackling climate change are:

- Net Zero value chain greenhouse gas emissions by 2050
- Reduce Scope 1 and 2 greenhouse gas emissions by 42% by 2030 – and by 90% by 2050 (from 2020)
- Reduce Scope 3 greenhouse gas emissions 51.6%¹ per liter packed by 2030 – and by 97% by 2050 (from 2020)
- Continue sourcing 100% renewable electricity through 2030
- Reduce CO₂ emissions from inbound and outbound logistics by 18% (from 2020)²

4.1.4 Implementation approach

We have implemented an integrated approach to tackling climate change. We have developed a series of workstreams to support progress on our path to Net Zero – including a strong alignment with other sustainability approach, such as sustainable innovation and supply chain, that support our Climate+ targets. Together, these workstreams will help us meet our science-based targets and expand our positive impact by delivering greenhouse gas emissions reductions across the value chain and beyond.

Our approach is informed by climate related risks and opportunities that are identified in line with established techniques such as the GHG-protocol (relevance), ISO 14040 (performance) and ISO 14001 (operations) and the recommendations of the Task Force for Climate related Financial Disclosures (TCFD).

This approach follows major trajectories for value chain de-carbonization covering physical and transition risks and opportunities for our own operations and our value chain:

- Reducing direct GHG emissions and emissions from electricity demand (Scope 1 and 2), including activities related to employee behavior. Accompanying training helps employees understand how they can play their part in cutting our environmental impacts, including energy use and greenhouse gas emissions.
- Reducing GHG emissions in our supply chain within our responsible sourcing approach and our Forest+ action area (see Responsible sourcing policy)
- Sustainable product innovation to further reduce the carbon footprint of our beverage cartons along the life cycle (see Product stewardship policy)
- Sustainable product innovation to further reduce utility demand of our existing filling machines and new machine generation (see product stewardship policy)
- Contribute to a more circular economy by effectively increasing the amount of beverage cartons being collected and recycled in our markets and delivered by the Resource + action area (see Consumer Waste, Recycling and Circular Economy in this policy).
- Reducing GHG emissions from outbound transportation (sustainable logistics), (see Responsible sourcing policy).

Our GHG targets are approved by the Science Based Targets initiative, and we are regularly reviewing the ambition and coherence with latest climate science. Considering a best case "Net Zero by 2050" scenario, as well as a worst-case scenario, we assess and monitor potential impacts occurring over the short (1-3 years), medium (3-5 years) and long (over 5 years) term.

Additionally, we identify value chain related opportunities resulting from climate change for SIG and develop methodologies to measure positive climate impacts as outcomes of our responsibility strategy.

¹ Target wording changed in line with SBTi-approved target.

² Target revised to include the bag-in-box, spouted pouch, and chilled carton businesses we acquired in 2022.

4.1.5 Specific responsibilities

The GHG emission reduction program is a cross cutting program directly established under SIGs CTO (Chief Technology Officer). Progress and achievements of projects with an impact on climate change are reviewed quarterly. Global Corporate Responsibility (GCR) is responsible for reporting GHG data and coordinating program action.

Direct GHG emissions (Scope 1 and 2) of our operations are addressed in the focus area environmental footprint in the SIG Sustainability Strategy and are managed under the EHS management system for ISO 14001, ISO 50001, and ISO 42001 where available. This includes also physical risks from climate change for our operations.

The reduction of GHG-emissions of our products is addressed in the focus area of the design of our packs and filling lines by the department Global Technology with support of Global Sourcing and Procurement in their focus area sustainable raw materials. This includes the assessment of transition risks and opportunities for low carbon footprint solutions in our markets. Increasing the share of our products with better environmental performance is addressed in within sustainable product innovation and product stewardship in close cooperation between Global Marketing and GCR.

Increasing collection and recycling of used beverage cartons is likewise addressed in our packs and led by the GCR team, with support from regional and local sales representatives. Increasing collection and recycling relates to prevent used beverage cartons ending on land which contributes to the carbon footprint of our products. Working with our important suppliers to reduce GHG-emissions in our supply chains is addressed in our responsible sourcing program. This includes transition risks in our supply chain, but also physical risks related to renewable raw materials. Improving the sustainability of outbound logistics as response to transition risks in the transportation sector is managed in the focus area sustainable logistics led by SIG Supply Chain Management.

4.2 Energy consumption

4.2.1 Relevance

The planet's finite energy resources are being used heavily by industries around the world. Countries and companies are increasingly held accountable for a sustainable energy management, meaning the shift to source renewable energy, and hereby preserving the finite energy resources as well as reducing the emissions induced therefrom.

The most significant environmental impact of SIG's operations used to be the greenhouse gas emissions from the energy we use in production. Switching to 100% renewable energy in our production plants worldwide in 2017 has significantly cut the carbon footprint and effectively eliminated greenhouse gas emissions from manufacturing our packs. We can tackle climate change and set a strong example for others to also target 100% renewable energy. The use of innovative and clean technologies is a further lever to reduce energy consumption in production, for example the use of FSC labelled and plant-based polymer materials for our Terra packaging materials. Another opportunity to contribute to the reduction in energy use and emissions lies in establishing energy efficient green buildings, which also have positive impacts on other environmental topics like emissions.

4.2.2 Overarching commitment

We are committed to consciously using energy resources by reducing our energy consumption, increasing the degree of renewable sources for the energy used and saving the energy that is being created. This commitment is supported by our ambition to lead the industry in sourcing 100% of the energy for production from renewables, increasing energy efficiency and cutting the environmental footprint of our packs.

4.2.3 Targets

SIG's goals for energy consumption are:

- Continue sourcing 100% renewable electricity through 2030
- Maintain 100% renewable electricity³ and Gold Standard CO₂ offset for all non-renewable energy (at production plants)
- Expand use of on-site solar power to meet at least 10% of our global electricity use as part of overall renewable power purchase agreements (PPAs) to meet 25% of our global electricity use
- Transition to 100% bioethanol or other bio-materials for printing our aseptic cartons⁴
- Reduce energy use by 20% per hour of runtime in our next-generation filling machine for mid-size format aseptic carton packs (by 2024)

4.2.4 Implementation approach

To ensure responsible energy consumption, we address different aspects, from sustainable energy sourcing to the efficient use of various energy carriers (gas, electricity, fuels). Whenever the local market allows it, we increase the use of Renewable Power Purchase Agreements (PPAs). In markets where renewable energies are not yet available, we source them indirectly by buying EACs (Energy Attributed Certificates) and ERCs (Emission Reduction Certificates) to compensate for any remaining non-renewable energy required for production. Moreover, we invest in our own on-site renewable energy plants, like rooftop solar installations. Additionally, we are constantly striving to reduce energy use and improve energy efficiency by applying innovative clean technologies in our production methods. Therefore, we are implementing heat recovery systems across our sites and integrating environmental considerations into the design and development of new facilities ("green buildings"). Accompanying training helps employees understand how they can play their part in cutting our environmental impacts, including energy use and greenhouse gas emissions.

4.2.5 Specific responsibilities

Energy sourcing is addressed in the focus area responsible sourcing in the SIG Sustainability Strategy. The management of the topic and realization of corresponding goals is led by the Vice President of Global Sourcing and Procurement, executed by his team, and supported by the Global Corporate Responsibility and Global Environmental Health & Safety teams. The Global Technology department holds the responsibility for the innovation of clean technologies aiming to increase energy efficiency and to promote green buildings.

4.3 Water

4.3.1 Relevance

SIG identified water as an important resource in our processes. Although in our operations we use process water for cooling the machines in closed circles, a potential negative impact can arise through leakages which increase the consumption of fresh water.

The filling machines we produce require water for start-up, cleaning, test runs and cooling. Water loss can be a negative impact in the event of inefficient use.

³ Target wording changed in line with SBTi-approved target.

⁴ Target wording amended to clarify that this applies to our aseptic cartons only.

To ensure an optimized water use we implement water management systems, especially at our sites in water-stressed areas.

Another key focus for reducing water use is on improving the efficiency of our SIG filling machines, which use water in the sterilization and packaging processes that are usually operated by customers.

4.3.2 Overarching commitment

We are committed to conservative water use throughout the product supply chain and business operations. Furthermore, we strive to consciously use water resources by considering water quantity, quality aspects and water stress risks. Our engagement to address water scarcity and stress in certain regions focuses on reducing the water use and consumption of our filling machines. Additionally, we aim to pass on our commitment to our customers by supporting them in improving their water-efficiency and water stewardship.

4.3.3 Targets

SIG's goal for the responsible handling of water resources is:

- Reduce water use by 25% per hour of runtime in our next-generation filling machine for mid-size format aseptic carton packs⁵ (by 2024)
- In terms of our sustainability topic Resource+, a target, and accompanying KPI, for the newly identified material issue of water is in development
- Track monthly water consumption and water withdrawal data at all plants, including withdrawal of fresh surface water (lakes, rivers, etc.), fresh groundwater, and water discharge (water returned to the source of extraction at similar or higher quality as raw water extracted)
- Implementation of quantitative water management, all plants install flow meter to track specific water use in plant areas to identify areas with high consumption.

4.3.4 Implementation approach

SIG is focusing on water use and consumption within its own production as well as during the customer's use of SIG filling machines. This is why SIG constantly improves the water efficiency of its next-generation filling machines and offers specific machine maintenance services, which inevitably reduce the water consumption of machines currently installed with customers. We provide user guidance on target water use to ensure efficient operation at the customer stage. We in addition assess the water stress risk for our production sites' locations. For production sites located in regions with high water stress risk we develop and implement a local water consumption reduction management plan, which also includes measures helping to reduce the stress level.

In particular, the following measures have been implemented:

- Tracking of changes in regulation and tariff schemes through regular contact of the respective plant EHS team with local authorities.
- Stakeholder engagement with local parties sharing the same water resource and/or the same wastewater treatment facility.
- Monthly performance review of the EHS dashboard by the Global EHS manager, changes to the previous month are analyzed, explained, and reported.
- Proactive engagement through water saving projects at plant level.

⁵ Targeted reductions compared with our previous generation filling machines. Target wording changed to clarify this refers to filling of aseptic cartons.

- Business impact evaluation of possible shortages or allocation of water supply to production capacity of plants.
- As water stewardship is included in the Forest Stewardship™ (FSC™) principles and in the Aluminium Stewardship Initiative (ASI) Performance Standard certification, water impacts are addressed for both raw materials.

Any new risk or complaint is followed up directly. Regular evaluations are implemented:

- By applying the WWF Risk Filter, we have begun to evaluate the nature and conditions of the basins in which we operate, to better understand potential impacts on water security. Water risks are assessed annually for the next 1-3 years in an environmental risk assessment. We develop action plans for water management at each of these plants, in addition to their existing water management systems.
- Business impact evaluation of possible shortages or allocation of water supply to production capacity of plants
- Annual evaluation and plant classification in water stress areas by the central CR team, including lessons learned.
- We engage with our stakeholders on water as a shared resource, including exchange with local parties and water utilities sharing the same water resource and/or the same wastewater treatment facility in water-stressed areas, and consider water in our internal risk analysis.

4.3.5 Specific responsibilities

Water efficiency of filling machines is addressed in our sustainable innovation approach in the focus area efficient filling machines in the SIG Sustainability Strategy and is managed by the department Global Technology.

4.4 Raw materials

4.4.1 Relevance

Sourcing more renewable, forest-based materials that are certified as responsibly managed contributes to our efforts to mitigate and adapt to climate change, all while supporting thriving forests. Through sustainable raw material sourcing we mitigate nature-related risks, such as limited availability of wood raw materials. If forests are not responsibly managed, liquid paperboard sourcing might be linked to deforestation and potentially soil degradation. We have positive impacts on suppliers and on customers by setting standards, using quality labels, and enhancing environmental and social responsibility, stewardship, traceability, and product labelling. We ensure that these renewable raw materials are replenished responsibly by using certification. This has a positive impact within our own value chain and beyond by enhancing environmental and social responsibility, stewardship, and traceability, and raising consumer awareness as well as demand for certified products through recognized product labelling.

Furthermore, wherever the replacement of virgin materials is possible and makes sense, we try to use recycled (pre- and post-consumer) or circular (residue material streams) materials. We are enhancing the environmental credentials of our packs and creating broader net positive effects by increasing demand for recycled feedstocks. This in turn can lead to suppliers making them more widely available for our industry and beyond. In this sense, we are mitigating the risk of losing a reliable source of supply for materials by sourcing them sustainably in the long term. In this sense, we aim to meet customer needs now and in the future by offering sustainable solutions and products. Where we cannot avoid using non-renewable raw materials such as aluminum, we move supply to the best available technologies with reduced footprint.

4.4.2 Overarching commitment

Our ambition is to make all our packs exclusively with renewable or recycled materials, using only renewable energy, and make sure every carton is recycled – all to help create more resources for future generations. We are committed to sourcing our main raw materials from certified responsible sources. We aim to increasingly substitute our consumption of non-renewable resources, including fossil and mineral feedstocks, with renewable resources. For renewable resources, we are ensuring that they are replenished responsibly by using certification. Where substitution of non-renewables cannot be achieved, product stewardship approaches support us in fulfilling our commitment.

4.4.3 Targets

SIG's goals for the responsible handling of renewable and non-renewable raw materials are:

- 100% A-materials⁶ from certified sources by 2025
- Maintain 100% FSC™-certified supply of paperboard for our cartons⁷
- Partner to create, restore, protect, or improve management of at least 650,000 additional hectares of forest beyond what we need to make our products by 2030⁸
- Partner with a non-governmental organization (NGO) to develop a methodology to measure the impact of FSC™ certification by 2025
- Work with customers to include the FSC™ label on 100% of the cartons we sell (up from 97% in 2020)⁹
- Transition to 100% bioethanol or other bio-materials for printing our aseptic cartons¹⁰ by 2025

4.4.4 Implementation approach

SIG uses raw materials from renewable as well as non-renewable resources, including liquid packaging board (LPB), polymers, aluminum, ink, colorants, nylon film, metallized pet film solvents, mineral and fossil feedstock. We aim to move from fossil-based to renewable raw materials. In sourcing our materials, we opt for such with third-party verified certifications that enable us to trace them to responsible sources, while independent auditors check for compliance. The environmental and social requirements for our main raw materials are defined in our purchasing policies for LPB, aluminum and polymers). Furthermore, we apply strict social, environmental and ethical standards to every supplier we work with, and we have strengthened our procedures to check compliance among our significant suppliers. At the same time, , our aseptic carton business is ASI Performance Standard certified, all associated SIG manufacturing facilities are ASI Chain of Custody certified, and all aluminum foil for our aseptic cartons is purchased as ASI Certified. In the upcoming years, we aim to increase the supply of responsibly sourced ink used in our production.

⁶ A-materials are the raw materials that go directly into our packs: paperboard, polymers, aluminum foil, ink, and solvents for aseptic cartons; paperboard, polymers, ink, and solvents for chilled cartons; and polymers and films for bag-in-box and spouted pouches. (SIG does not manufacture or sell the cardboard box of our bag-in-box solutions.)

⁷ Target wording revised to clarify that it only applies to our cartons (aseptic and chilled). Our cartons use paper-based liquid packaging board, referred to throughout as "paperboard". Our supply chains for bag-in-box and spouted pouch solutions are not connected to forest-based materials as we do not manufacture or sell the cardboard box of our bag-in-box solutions.

⁸ Based on the equivalent forest area needed to continually regenerate the wood needed to produce all the SIG cartons made in 2020 (the year we set the commitment) all over again.

⁹ Target wording amended to clarify that this target refers only to cartons (as our other packs do not use paperboard) and to clarify the baseline figure SIG is working from.

¹⁰ Target wording amended to clarify that this applies to our aseptic cartons only.

4.4.5 Specific responsibilities

The responsible handling of raw materials is addressed in the action areas Forest+ and Resource+ in the SIG Sustainability Strategy. It is managed by the Vice President of Global Sourcing and Procurement with support of the Global Corporate Responsibility team. Together, they edit half-yearly reports, which are submitted to the Responsibility Steering Group (RSG). The Responsible Sourcing Directive as well as the purchasing policies for LPB, aluminum and polymers provide further guidance on this topic.

4.5 Production waste and pollution

4.5.1 Relevance

Our operations contribute to our environmental impact through the generation of production waste and pollution to air, land, and water. We consider waste and pollution an unnecessary cost to our business and the environment. Not correctly disposed waste can have negative impacts on the environment. At the same time valuable raw material can be recovered if product waste is collected and recycled. Waste disposal in landfills may have negative impacts on biodiversity and soil and may also cause air pollution.

We aim to make our manufacturing processes lean and efficient. The amount of material waste generated from our aseptic production plants has remained flat over the past few years, with a total of 64724 tons of waste produced in 2022. Most of this waste is made up of offcuts of the raw materials we use to manufacture our packs. For hazardous and electronic waste, we have implemented a responsible disposal to avoid putting the ecological and social environment at risk.

4.5.2 Overarching commitment

We are committed to reducing materials waste, including from electronics. To tackle environmental pollution, we minimize emissions to air, land, and water from our operations applying the BAT principle (Best Available Technology). We are equally committed to keeping hazardous waste at a minimum by adhering to legal regulations and to eliminating hazardous waste that is non-recyclable or non-reusable to zero.

4.5.3 Targets

SIG's goal for responsible handling of waste and pollution is:

- 25% reduction in grams of waste per m2 of packaging material (from 2016) by 2025
- Zero landfill – all waste to be recycled or used as renewable biofuel by 2025.
- Maintain legal compliance through hazardous waste management and strive to reduce hazardous waste that is non-recyclable or non-reusable to zero.

4.5.4 Implementation approach

We have a range of projects to reduce waste at our production plants by using more efficient processes and increasing opportunities to reuse and recycle materials. Where it is not feasible to reuse or recycle waste, we work with our waste management service providers to choose the next best option, such as energy recovery. In our efforts to elaborate policies for the reduction of material waste during production, we also include guidelines for the responsible disposal of hazardous waste, such as inks, oil and contaminated cans.

Pollution, in the form of emissions to air, land and water, is managed within the scope of legal compliance and conformity. We are developing and implementing internal standards which are applicable throughout the whole company to provide standardized protection levels that at least match, if not exceed the local requirements of the various countries. We monitor regulatory requirements and consider necessary changes, including for legal

permits and authorizations. In case thresholds are exceeded, an escalation process is induced and followed by the Global EHS as well as Legal and Compliance departments. For any new production plant, we strive to achieve the LEED (Leadership in Energy and Environmental Design) certification to further pursue our vision for outstanding EHS performance.

4.5.5 Specific responsibilities

Production waste and pollution is addressed within the focus area environmental footprint in the SIG Responsibility Strategy. The overall management of waste and pollution from our production sites lies with the Global EHS department in close cooperation with the Global Sourcing and Procurement department. With respect to hazardous waste and emissions to air, water and land, the Global Legal and Compliance department is additionally responsible for addressing this topic within the scope of legal compliance and conformity. Production waste and pollution is managed under the EHS management system for ISO 14001 (and ISO 50001) where available. Dedicated environmental teams at each production plant are responsible for raising awareness and promoting initiatives to improve energy efficiency and reduce waste, with support and oversight from the Group Corporate Responsibility team.

4.6 Biodiversity

4.6.1 Relevance

Biological diversity, or biodiversity, encompasses the diversity of ecosystems, including the interaction between animals, plants, and microorganisms. This is an essential characteristic of nature, which can be defined as a construct of the realms of land, ocean, freshwater and atmosphere. Protecting, restoring, enhancing, and promoting the variety of genes, species, habitats, and ecosystems is central for maintaining the quality, resilience and quantity of ecosystem functions and the provision of ecosystem services that businesses and society rely upon.

As a packaging systems provider to the food industry and one of the leading producers of beverage cartons, SIG uses ecosystem services in its supply chain mainly by sourcing wood-based materials. Forest-based liquid packaging board makes up around 70-80% of each SIG pack on average. Thus, our main exposure to biodiversity topics relates to the forests in which our raw materials are sourced from.

Our operations are situated mainly in cultural landscapes and industrial parks. Our production sites and buildings as well as the traffic for logistics can cause noise and light pollution which might disturb surrounding ecosystems. Impacts on biodiversity have not been identified as material in our regular site audits (ISO14001, SEDEX/SMETA 4 Pillar).¹¹ Downstream, the use and disposal of our products without proper collection infrastructure, may lead to packaging items being carried into the environment (small- and large-scale littering), which may threaten wild and marine life and pollute ecosystems. These risks inform our circular economy activities as described in 4.7 Consumer Waste, Recycling and Circular Economy in this policy.

4.6.2 Overarching commitment

We are committed to ensure that biodiversity is maintained and healthy ecosystems, high conservation values and responsible management practices exist across our value chain.

We are committed to achieve this:

¹¹ Once our bag in box and spouted pouch business units have undergone the relevant audits, we will review the results for any biodiversity impacts and revise our statements, if required.

- upstream, by implementing responsible raw material sourcing practices (see Responsible sourcing policy) supporting thriving forest ecosystems and deforestation free supply chains and maintaining biodiversity.
- in our own operations, by assessing and responsibly managing our own sites' exposure to critical biodiversity, to avoid operational activities near sites containing globally or nationally important biodiversity; and
- downstream, through our recycling and circular economy commitment (see Consumer Waste, Recycling and Circular Economy in this policy).

Moreover, we are committed to make a positive impact on biodiversity within dedicated projects and programs.

4.6.3 Targets

Our targets for maintaining and promoting biodiversity are:

- Maintain 100% FSC™-certified supply of paperboard for our cartons¹²
- 100% A-materials¹³ from certified sources
- Partner to create, restore, protect, or improve management of at least 650,000 additional hectares of forest beyond what we need to make our products by 2030¹⁴
- Partner with a non-governmental organization (NGO) to develop a methodology to measure the impact of FSC™ certification by 2025
- Work with customers to include the FSC™ label on 100% of the packs we sell by 2025 (up from 97% in 2020)¹⁵

4.6.4 Implementation approach

We consider potential biodiversity-related risks within our enterprise risk management and have started to assess our exposure to sensitive biodiversity areas. We assess our exposure to sensitive biodiversity areas, critical natural conservation areas and habitat loss around own facilities and deduct necessary measures to safeguard biodiversity following the mitigation hierarchy (avoid, minimize, restore and offset) related to product use and end-of-life (see section see 4.7 Consumer Waste, Recycling and Circular Economy in this policy. Our exposure self-assessment follows a location-specific approach, using insights from the WWF risk filters self-assessment as well as ISO 14001 and SMETA audits. For plants which, based on the assessment, are in higher risk areas, we are initiating dialogues on action plans and local environmental management programs where necessary.

We minimize any potential impacts through our environmental management systems. By sourcing Liquid Packaging Board, a wood-based material, we use and depend on ecosystem services in our supply chain. We manage our impact on biodiversity in our supply chain, e.g., by setting strict standards for suppliers through FSC certification.

¹² Target wording revised to clarify that it only applies to our cartons (aseptic and chilled). Our cartons use paper-based liquid packaging board, referred to throughout as "paperboard". Our supply chains for bag-in-box and spouted pouch solutions are not connected to forest-based materials as we do not manufacture or sell the cardboard box of our bag-in-box solutions.

¹³ A-materials are the raw materials that go directly into our packs: paperboard, polymers, aluminum foil, ink, and solvents for aseptic cartons; paperboard, polymers, ink, and solvents for chilled cartons; and polymers and films for bag-in-box and spouted pouches. (SIG does not manufacture or sell the cardboard box of our bag-in-box solutions.)

¹⁴ Based on the equivalent forest area needed to continually regenerate the wood needed to produce all the SIG cartons made in 2020 (the year we set the commitment) all over again.

¹⁵ Target wording amended to clarify that this target refers only to cartons (as our other packs do not use paperboard) and to clarify the baseline figure SIG is working from.

FSC provides strong principles for maintaining and protecting forest biodiversity and ecosystem services in sourcing countries of SIG, helping to ensure that neither forest conversion nor forest destruction takes place.

Through our engagement for thriving forests (see Responsible sourcing policy), SIG is contributing to healthy forest ecosystems and no-deforestation supply chains, while responsibly managed forests help to store carbon, regulate the climate, and provide a renewable alternative to fossil-based feedstocks. To further help secure threatened ecosystems, SIG launched a project with WWF Switzerland which will help support some of Mexico's richest natural landscapes. The Central Pacific Landscape on the country's western coast holds key ecosystems and biodiversity and provides a critical corridor for jaguars to move across forest and mangrove habitats. Through Forests Forward, SIG and WWF will work with local communities to improve the management of 100,000 hectares of forest landscape and restore 750 hectares of degraded forest.

The quality and environmental management systems of all our sites, production plants and development centers are certified by Intertek to ISO90001:2015 and ISO 14001:2015. In addition, all carton production sites and sales organizations have FSC Chain-of-Custody certification. Every two years all our operations are audited with a SEDEX SMETA 4 pillar audit covering also environmental practices including biodiversity related activities.

Next to forestry also aluminum sourcing is associated with biodiversity impacts along bauxite mining. The Aluminum Stewardship Initiative (ASI) Performance Standard contains strong principles and requirements to address biodiversity impacts. We require ASI Certification for all aluminum foil suppliers for our aseptic cartons.

With Life Cycle Assessment studies which we regularly conduct, we deepen our understanding of further implication of our product's life cycle and potential biodiversity impacts. LCAs following ISO 14040 typically cover all relevant environmental aspects along the product life cycle and within this assessment we also address ecosystems, including biodiversity, as important area of protection. Additionally, we partner with peers to develop recommendations on how life-cycle assessment can be used to better address land use impacts on biodiversity.

Our product portfolio is single use packaging which contributes to marine litter where waste management systems are not established or allow for leakage. Preventing any packaging from entering the waste system by establishing effective collection and recycling infrastructures is a major activity area for SIG in all markets served. With the Resource+ program we work towards reducing the potential of used packaging entering the environment. Moreover, we are continuously working towards a circular economy – be it with our use of FSC-certified paperboard for all our packs, our commitment to being net positive, or our recycling and circular economy commitment (see Consumer Waste, Recycling and Circular Economy in this policy).

We are enhancing our positive social and environmental impacts in communities through our engagement program and, with Cartons for Good, we are leading the industry with an innovative model that has the potential to deliver disruptive change and strengthen our contribution to the SDGs.

In sourcing our materials, we opt for such with third-party verified certifications that enable us to trace them to responsible sources, while independent auditors check for compliance. In line with our Responsible Suppliers Commitment (see Responsible sourcing policy), we are committed to monitor and assess our supply chain risks as well as actual or potential impacts on the environment and society.

4.6.5 Specific responsibilities

Biodiversity is addressed in the focus area sustainable raw materials in the SIG Sustainability Strategy and is managed by our departments for Global Sourcing and Procurement as well as Global Corporate Responsibility.

4.7 Consumer waste, recycling and circular economy

4.7.1 Relevance

A transition to a circular economy is necessary to address global resource scarcity and the planet's limited capacity to absorb waste, as well as to minimize negative effects on biodiversity and the environment with its diverse ecosystems more generally. As a packaging systems provider to the food industry and one of the leading producers of beverage cartons, SIG has an important role to support the transition to a circular food packaging system. With growing stakeholder expectations, regulation, and public debate, we set waste reduction, recycling, and circular economy as our core priorities in maintaining sustainability leadership in the industry. By designing our packaging to be recycled and by engaging in associations on developing a supportive regulatory framework for packaging to be collected and recycled. We take a proactive lead in supporting a Circular Economy by setting up projects to raise awareness and collaborate with stakeholders/partner to set up collection and recycling systems. By doing so, we see a strong opportunity to support our customers in achieving their circularity targets. Additionally, we can bring societal benefits through the development of recycling programs that support people in need and improve the living standards of the waste workers involved.

4.7.2 Overarching commitment

We are committed to further strengthening the good environmental performance of our products and we aim at moving our value chain toward the circular economy of the future. We ensure all our packs are fully recyclable and, because recycling is outside our direct control, we work with industry and NGO partners to increase the number of aseptic cartons – and other packaging – collected from consumers and recycled after use.

4.7.3 Targets

SIG's goals for addressing consumer waste, recycling and circular economy are:

- Maintaining our standard procedures which mandate that all new carton packs must be fully recyclable by design. Evaluation of recyclability is based on the relevant EN643 standard
- Launch a full-barrier carton linked to 100% renewable materials¹⁶
- Partner with stakeholders to implement dedicated and country-specific roadmaps to support increased collection and recycling of beverage cartons bag-in-box, and spouted pouches in priority countries that account for more than 90% of our global packaging sales (by weight)
- Develop a full barrier aseptic carton with at least 85% paper content (excluding closure) by 2025 – and at least 90% paper content (including closure) by 2030
- Offer a recycle-ready¹⁷ bag-in-box and spouted pouch solution in all our relevant market segments

4.7.4 Implementation approach

SIG is systematically integrating environmental factors, alongside product safety and commercial considerations, as core value drivers in product development to promote sustainable product innovation and support the principles of the circular economy. Thereby, we are also following our ambition to take responsibility for our products and their environmental impacts through product stewardship.

We are engaging with stakeholders across our value chain to support the development of appropriate infrastructure and raise awareness on the need to recycle. Through the European Alliance for Beverage Cartons and the

¹⁶ Excluding negligible constituents, such as inks and pigments.

¹⁷ In line with Design for Recycling criteria developed by APR (Association of Plastic Recyclers) and Recyclclass.

Environment (ACE), we monitor rates of recycling for beverage cartons across Europe and launched the EXTR:ACT platform together with industry partners to coordinate and drive solutions to enhance collection, sorting and recycling of beverage cartons throughout Europe. In Europe, we are fully committed to the 2030 roadmap of ten industry commitments set out by ACE. We are also supporting our customers in finding ways to improve their products' packaging and implementing recycling programs worldwide.

We have established a system to work with teams in each of our regions to identify which individual countries are most in need of support to boost recycling rates, based on criteria such as national recycling rates, business volume and market share, risk assessments and customer requirements. Our tailored Going Circular roadmaps are designed to catalyze collection and recycling in priority countries that together account for around 90% of our global packaging sales (by weight). We work with local stakeholders, either directly or indirectly through industry organizations, to develop a strategy to implement tailored solutions. We have created a mapping questionnaire and we have begun to provide online training for local teams to help them do this.

4.7.5 Specific responsibilities

Consumer waste, recycling and circular economy are addressed in the focus area responsible products in the SIG Sustainability Strategy. Since this topic extends beyond our own operations, we recognize that we have a shared responsibility with other actors along the value chain to ensure that the defined goals are achieved.

Our Regional Presidents for Americas, Asia Pacific, and Europe, who sit on our Group Executive Board, are responsible for driving and monitoring progress on supporting collection and recycling of used beverage cartons. The development and rollout of this approach is led by the Regional President for Europe.

4.8 Environmental product performance

4.8.1 Relevance

With growing stakeholder interest in the impacts of packaging, the strength of SIG's packs' environmental credentials is an increasingly important differentiator across our markets. Our sustainable product innovation enables us to help customers respond to new regulatory requirements and meet their own targets for sustainable packaging. With our requirements for the environmental performance of our products, we raise the bar in the industry for reducing climate impacts and supporting a transition to a circular economy. Customers in several markets are already using our latest innovations to enhance the sustainability credentials of their own products.

4.8.2 Overarching commitment

We aim to be the leader in sustainable packaging. We are committed to investing in research and development to better meet the needs of consumers and customers, including enhancing the environmental credentials and performance of the company's packaging products and filling machines.

4.8.3 Targets

SIG's goals for environmental product performance are:

- 100% A-materials¹⁸ from certified sources

¹⁸ A-materials are the raw materials that go directly into our packs: paperboard, polymers, aluminum foil, ink, and solvents for aseptic cartons; paperboard, polymers, ink, and solvents for chilled cartons; and polymers and films for bag-in-box and spouted pouches. (SIG does not manufacture or sell the cardboard box of our bag-in-box solutions.)

- Work with customers to include the FSC™ label on 100% of the cartons we sell (up from 97% in 2020)¹⁹
- Maintain 100% FSC™-certified supply of paperboard for our cartons²⁰
- Launch a full-barrier carton linked to 100% renewable materials²¹
- Reduce energy use by 20%, hydrogen peroxide use by 35% and water use by 25% per hour of runtime in our next generation filling machine for mid-size format packs²² (by 2024)
- Reduce use of consumables by 25% for the next-generation filling machine for small format aseptic packs by 2025²³
- Develop a full barrier aseptic carton with at least 85% paper content (excluding closure) by 2025 – and at least 90% paper content (including closure) by 2030
- Offer a recycle-ready²⁴ bag-in-box and spouted pouch solution in all our relevant market segments

4.8.4 Implementation approach

We are systematically integrating environmental factors as core value drivers in our product development to promote sustainable product innovation and support the principles of the circular economy. The latter are addressed within our approach to consumer waste, recycling, and circular economy.

As part of our responsible sourcing and sustainable raw material approaches, we produce a large part of our cartons from renewable materials, and we are exploring ways to increase our use of renewable content further. An example is our SIG Terra pack²⁵, the first aseptic carton that is 100% linked to plant-based materials. Some of the content in our packs uses waste materials from other industries and, to promote further use of materials, we make sure all our packs are fully recyclable by design. These considerations are reflected in our sustainable product innovations such as SIG Terra Alu free packs or Heat & Go, both aluminum-free and with a 28% lower life-cycle climate impact than our standard packs. SIG is also the first in the industry to offer a market-ready alternative to plastic straws to be attached to beverage cartons.

4.8.5 Specific responsibilities

Environmental product performance is addressed in the focus area our packs as part of our material topic sustainable product innovation in the SIG Sustainability Strategy. Our Global Technology department leads this topic along with our approach towards design for recycling and recycled content. Within the latter, support is provided by our Global Marketing team and our Chief Market Officer, who sits on the Group Executive Board.

¹⁹ Target wording amended to clarify that this target refers only to cartons (as our other packs do not use paperboard) and to clarify the baseline figure SIG is working from.

²⁰ Target wording revised to clarify that it only applies to our cartons (aseptic and chilled). Our cartons use paper-based liquid packaging board, referred to throughout as “paperboard”. Our supply chains for bag-in-box and spouted pouch solutions are not connected to forest-based materials as we do not manufacture or sell the cardboard box of our bag-in-box solutions.

²¹ Excluding negligible constituents, such as inks and pigments

²² Targeted reductions compared with our previous generation filling machines. Target wording changed to clarify this refers to filling of aseptic cartons.

²³ Target wording changed to clarify this refers to filling of aseptic cartons

²⁴ In line with Design for Recycling criteria developed by APR (Association of Plastic Recyclers) and Recyclass.

²⁵ Formerly SIGNATURE

4.9 Advocacy

4.9.1 Relevance

Advocacy is a means for us to engage and partner with external stakeholders to create knowledge, awareness and broader recognition of sustainability topics that are important to SIG. Furthermore, we aim to co-create conditions under which our system can perform even better and where systemic change and broader measures to combat climate change beyond our own business are promoted. Regulators, for example, deal with a range of topics relevant to our business, including e.g., responsible production, sustainable consumption, waste and recycling, and contributions to broader global goals, such as the United Nations Sustainable Development Goals. Effectively increasing knowledge and awareness of and engagement for these issues to support the transition to a net positive food supply system is critical for SIG.

One area of focus for advocacy is circularity. As a packaging systems provider to the food industry, and as one of the leading producers of beverage cartons, SIG has an important role to support the transition to a circular food packaging system. Therefore, when new regulations on packaging products or recycling thereof are considered, it is important for us to ensure that meaningful provisions for the collection and recycling of our packaging products are included in these regulations.

4.9.2 Overarching commitment

We are committed to engaging and partnering with relevant stakeholders to strengthen the environmental performance of our products and support the collection and recycling of beverage cartons. Our aim is to seek opportunities for systemic change by driving the net positive agenda beyond our own business, in line with our sustainability approach. This includes our commitment to the Paris Agreement, which is manifested by our Climate-positive strategy, including our 1.5°C SBTi commitment, underpinned by a comprehensive work package with numerous sub-workstreams to foster and implement measures to combat climate change throughout the value chain. We strive to base our approach on scientific knowledge and transparency.

4.9.3 Targets

SIG's goals for advocacy are:

- Disseminate scientific knowledge and provide transparency to our external stakeholders on our approach to relevant sustainability topics, e.g., through our annual sustainability reporting.
- Work with stakeholders such as customers, trade associations and industry initiatives to drive the net positive agenda.
- Partner with stakeholders to implement dedicated and country specific roadmaps to support increased collection and recycling of our packaging products by 2025.
- Work with national producer responsibility organizations (PROs), industry associations and other interest groups that seek to promote recycling in countries such as Australia, India, Indonesia, Malaysia, New Zealand, South Korea, Thailand, Vietnam, and the USA.
- In Europe, we are also fully committed to the ten industry commitments set out in the ambitious 2030 roadmap set by the Alliance for Beverage Cartons and the Environment (ACE), of which SIG is a member.²⁶
 - produce beverage cartons only from renewable materials.
 - and/or produce beverage cartons from recycled materials.
 - use more fiber and less plastic.
 - decarbonize our value chain in line with 1.5°C target.

²⁶ See also: <https://www.beveragecarton.eu/wp-content/uploads/2021/03/The-Beverage-Carton-Roadmap-to-2030-1.pdf>

- deliver the lowest carbon footprint packaging.
- design for circularity
- achieve a 90% collection rate of beverage cartons for recycling.
- achieve at least a 70% recycling rate verified by third parties.
- meet the highest sustainability sourcing standards for all materials.
- increase carbon sequestration, enhance biodiversity, and increase forest growth.

4.9.4 Implementation approach

Our approach to advocacy relates to issues such as waste / end-of-life management, collection, and recycling (e.g., targets, Extended Producer Responsibility (EPR) schemes, deposit return systems etc.), low-carbon circular economy including recycled content, renewables, and climate, as far as relevant for packaging and materials.

SIG typically engages with policymakers and regulators via trade associations and industry initiatives. These include e.g. the Alliance for Beverage Cartons and the Environment (ACE); 4evergreen; Aluminium Stewardship Initiative (ASI); The Circular Economy for Flexible Packaging (CEFLEX) initiative; The Consumer Goods Forum; European Bioplastics Association; European Organization for Packaging and the Environment (EUROPEN); Flexible Packaging Europe (FPE); Forum for the Future; Forest Stewardship Council (FSC) International; The Net Positive Project; The Science Based Targets Initiative; and the Technical Association of the Pulp and Paper Industry (TAPPI). In addition, SIG is member of numerous national alliances and initiatives in our core markets, for example, in China, we are part of the Alliance of Technological Innovation in Compulsory Resources Recycling Industry (ACTRR) Lightweight Packaging Recycling Association to gain a better understanding of the recycled plastics standards system in preparation for standardized recycling. We regularly monitor the key associations, where we are member, on their positions towards our global objectives, such as our commitment to the Paris Agreement and towards other key issues important for implementing our net-positive approach. In case of misalignment, we either seek to convince the organization to change their stance, or if unsuccessful within a timeframe we consider appropriate, and based on the gravity of the misalignment, we consider ceasing our membership (case-by-case assessment).

Participation in external multi-stakeholder initiatives are further ways to speak up with the aim of driving systemic change in line with our net-positive strategy. We support the United Nations Global Compact and the United Nations Sustainable Development Goals and are a member of the Supplier Ethical Data Exchange (SEDEX). We are also members of certification initiatives run by the Forest Stewardship Council (FSC) and Aluminium Stewardship Initiative (ASI) and engaged in the International Sustainability and Carbon Certification (ISCC) to support the transition to a net positive food supply system.

Opportunities for improving recycling in the regions vary from one country to another. That is why we manage this issue, including advocacy, at a local level and in partnership with other stakeholders such as industry organizations, public authorities, NGOs etc. By working together, we aim to enhance the rate of SIG packaging being recycled overall in each region by strengthening programs for collecting and segregating household waste for recycling and raising awareness of the need to recycle. In priority countries, we will work with local stakeholders to develop a strategy to implement tailored solutions.

4.9.5 Specific responsibilities

Advocacy is addressed in the regional and national implementation of our corporate strategy and targets. Accountability for regional and national engagement on relevant topics in line with our corporate commitments and targets lies with the regional presidents for the different SIG regions. Regular global / regional meetings (at least once per year) help to oversee and align implementation.

5 Topics: Health & Safety

5.1 Workplace safety

5.1.1 Relevance

Workplace safety is a vital prerequisite for any responsible company to protect employees from occupational injuries and empower them to adopt safer behaviors both at work and home. SIG, as a global employer operating in more than 60 countries, has an impact on the health and safety of its employees. These are the key assets of our company.

By focusing on safe behavior and adopting a "Take Care" culture, we will create a positive work-life experience for all our employees and contractors to enhance performance.

In maintaining an environment that values safety and health, we will reduce occupational incidents and additionally achieve positive spill-over effects in other areas (e.g., production efficiency, energy efficiency, lower cost, better quality). Consequently, our efforts to reduce lost time, enhance productivity and improve employee engagement will help us to support the success of our business, outperform competitors and meet stakeholder expectations.

5.1.2 Overarching commitment

Fundamental to our "Take Care" culture and mentality is that we look after ourselves and each other. We ensure a working environment to our employees, contractors, and other stakeholders on premises that values safety and health to prevent all accidents and work-related illnesses. In addition to our commitment to investigate and correct any workplace safety violations complaints on an ad hoc basis, we also commit to regularly conduct workplace and task-based risk assessments as part of our proactive approach to the workplace safety protocol.

5.1.3 Targets

SIG's goals for providing workplace safety are:

- Zero recordable cases²⁷ by 2025

5.1.4 Implementation approach

The SIG safety program focuses on addressing safe and unsafe behaviors to prevent accidents and promote workplace safety through two pillars: First, life-saving rules, applicable when working under unsafe conditions or adopting unsafe behavior. Second, supporting adoption of safe behavior to avoid future incidents. To support our employees to take care of their safety, we provide regular safety trainings and coaching. Complementary to these people safety programs, we address process safety, e.g., by establishing a fire reduction team responsible for all global fire incidents. We partner with our customers to extend our engagement for workplace safety to their operations. Our life-saving rules are also applicable for contractors and visitors at each SIG site. All our production plants, including all our newly acquired production sites, complete SEDEX SMETA audits – which include health and safety as one of the four pillars – in a two-yearly cycle.

²⁷ Total recordable cases include lost-time, medical treatment, and restricted work cases.

5.1.5 Specific responsibilities

Workplace safety is addressed in our Responsible Culture approach in the SIG Sustainability Strategy. It is managed through health and safety management systems, which are aligned with the OHSAS 18001 and ISO 45001 standards at all sites, our safety programs run by steering committees composed of management and employees, and subject matter expert groups for key safety risks (e.g., working at height, maintenance and testing of safety devices, isolation of dangerous energy sources).

The governance role is with Global EHS who reviews the performance with the local EHS leads, monitors, and manages the sustainable implementation of safety projects and EHS alerts, and provides a report to the Global Executive Board. The Board reviews a dashboard of health and safety metrics each month. Safety performance is highlighted by the CEO on a quarterly call with executives.

5.2 Chemical safety

5.2.1 Relevance

To provide a safe work environment while working and handling hazardous chemical substances, SIG recognizes its responsibility to inform and instruct its employees on chemical hazards at the workplace. Thereby, we intent to prevent and minimize incidents and health risks and ultimately.

5.2.2 Overarching commitment

We are committed to eliminating hazardous chemicals that are non-recyclable or non-reusable to zero. Furthermore, safe handling of chemicals is ensured by high global standards.

5.2.3 Target

SIG's goal for providing chemical safety is:

- Maintain legal compliance through chemical safety management and strive to reduce hazardous chemicals that are non-recyclable or non-reusable to zero.

5.2.4 Implementation approach

Our risk assessments and corresponding operating instructions form the basis of our approach towards chemical safety at the workplace. They provide relevant information on the safe use, storage and disposal of chemical substances. We do not permit to bring or order chemical substances without previous examination by our EHS department. Additionally, we demand correct labelling of all chemicals. We inform our employees by disseminating instructions in the relevant workplaces and train them to ensure all issues and requirements are understood and can consequently be met.

5.2.5 Specific responsibilities

Chemical safety is addressed within the scope of legal compliance and conformity, in the Responsible Culture approach in the SIG Sustainability Strategy. The responsibility lies with the Global EHS and Legal and Compliance department.

5.3 Employee health and wellbeing

5.3.1 Relevance

As a responsible company, SIG recognizes health and wellbeing as key topics for its employees and the success of its business. Taking care of our employee's wellbeing is an essential part of SIG's culture. By placing great emphasis on our employee's health and wellbeing we not only seek to improve our employee satisfaction and productivity but also decrease SIG's reputational risks and operational costs. Our health and wellbeing approach covers the mental, social, and physical wellbeing of our employees. One focus is on musculoskeletal health issues, such as back problems, as these can be an indicator of wider health and wellbeing with root causes ranging from poor ergonomics to workload and stress. By adopting this holistic approach, we enable our employees to lead fuller, more productive lives both at work and at home. Employee wellbeing has also been identified as a key driver to improve employee engagement levels.

5.3.2 Overarching commitment

We are committed to improving the physical, mental, and social health of our employees and the surrounding community. We aim to shape a work environment where our employees feel more connected and healthier and in consequence improve our employee's satisfaction. To promote this target, we aim to extend our offer to flexible working hours and working from home opportunities to improve the work-life balance of our employees. We also aim to supporting ergonomics and preventing work-related chronic illnesses.

5.3.3 Target

SIG's goal for employee health and wellbeing is:

- Define a holistic strategy and roadmap to foster wellbeing at SIG

5.3.4 Implementation approach

Our approach on employee's wellbeing is based on three dimensions: mental, social, and physical wellbeing. The mental dimension covers the way an individual can cope with the normal stresses in life and can work productively and fruitfully. The social dimension includes the ability to form satisfying interpersonal relationships, to adapt comfortably to different social situations and to act appropriately in a variety of settings whereas the physical dimension of employee wellbeing focuses on workplace safety and ways to protect the physical health of employees. As part of our net positive approach, we focus on improving employee health and wellbeing by addressing the root causes for occupational illness with greater emphasis on work-life balance, a healthy work environment, mindfulness, happiness, and smart time management to combat stress. We are applying the behavior-based model we use for employee safety to musculoskeletal health issues, with an initial focus on ergonomics. We are also developing advanced training on ergonomics to help people improve their posture. Further, we offer access to resources on wellbeing topics, such as stress management, mindfulness, and work-life balance, through the Bookboon e-library. To better understand employee needs and perceptions, and to establish a baseline, we will include one or more question(s) about wellbeing in the employee survey and hold focus groups. Our holistic approach will inform the development of a leading indicator to monitor the health rate of our employees. We implemented our guidelines on ways of working for office workers, and developed new guidelines on ways of working specifically for employees working in production roles and in the field as service engineers. These set out clear guidance and tangible steps to support wellbeing and work-life balance. Moreover, we rolled out a toolkit for managers on how to create a healthy workplace to support their teams, as well as launching a new series of podcasts on our SIGer internal social platform in which senior leaders talk about leadership and wellbeing.

5.3.5 Specific responsibilities

Employee health and wellbeing are addressed together with workplace safety in the Responsible Culture approach in the SIG Sustainability Strategy. Overall, the responsibility lies jointly with Global HR and EHS. The responsible entities are defined accordingly under our approach to workplace safety.

6 Changes to this policy

The Global Environment, Health and Safety Policy will be regularly reviewed by the respective policy owner. Any changes or updates will be communicated. This policy was last updated on February 27, 2024.