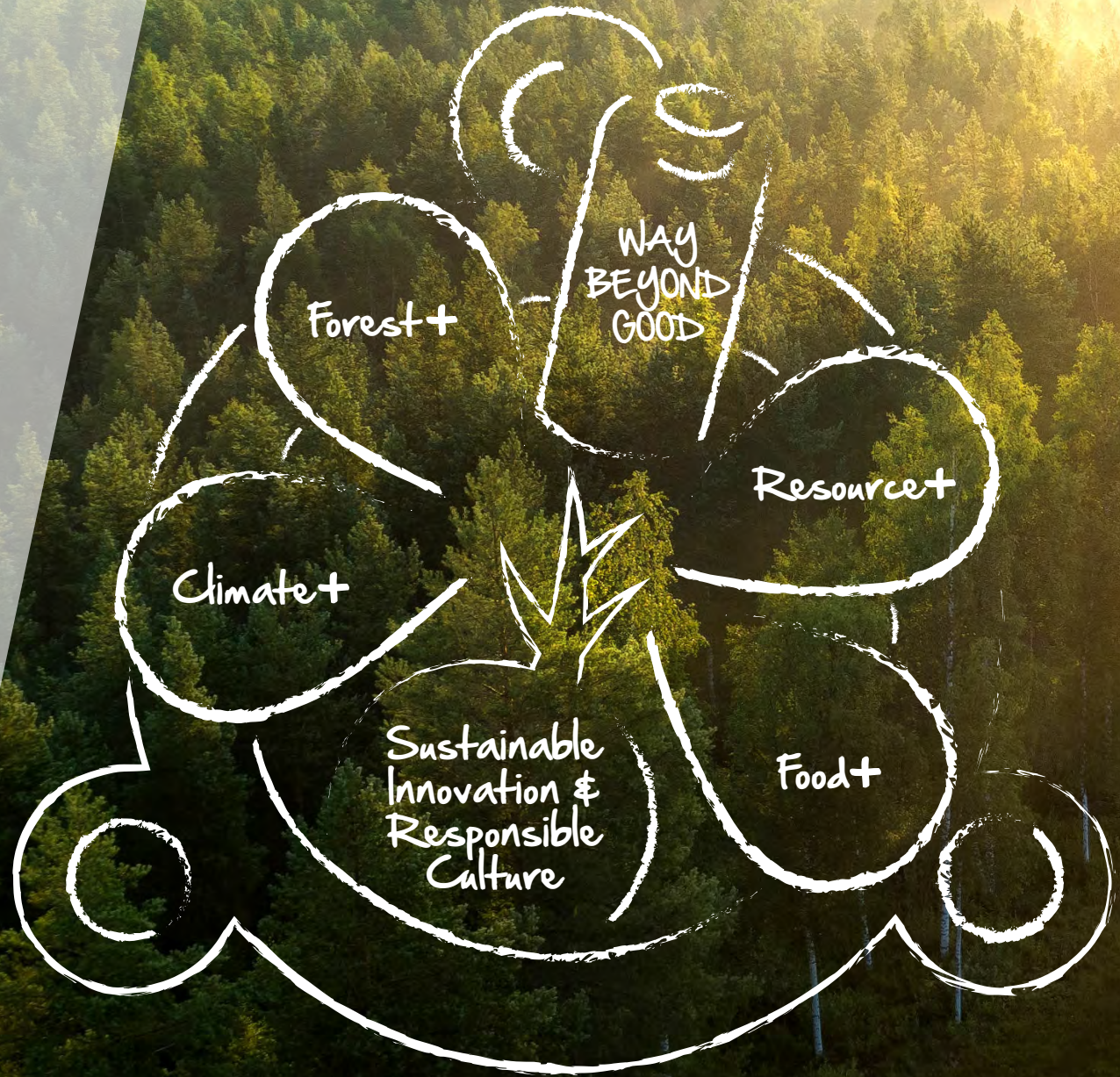


WAY BEYOND GOOD

Corporate Responsibility
Report 2020



INTRODUCTION

Welcome to SIG's Corporate Responsibility (CR) Report for 2020.

SIG is a leading systems and solutions provider for aseptic packaging. We work in partnership with our customers to bring food products to consumers around the world in a safe, sustainable and affordable way.

This is our third full CR Report. The first section introduces our ambitions for 2025 and beyond, and provides an overview of our progress to date on our journey *Way Beyond Good*. Subsequent sections of the report provide further detail on our governance of sustainability, and describe our management approach, performance and targets for our most material environmental and social issues.

This report is prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. We publish a full GRI report every two years and performance updates in the interim years. Details on our materiality process and reporting boundaries can be found on [page 35](#) and an index of conformance with the GRI Standards starts on [page 89](#).

Our CR Report acts as our Communication on Progress in relation to the 10 principles of the United Nations Global Compact (see [page 86](#)) and describes how we are contributing to the United Nations Sustainable Development Goals (SDGs) (see [page 31](#)).



WE SUPPORT



SIG supports the SDGs

Scope of report

Unless otherwise stated, data covers the 2020 calendar year and all our global operations except our joint ventures in the Middle East (which we took full ownership of in 2021) and Japan, and our new production site in China which is not yet operational. It includes our paper mill in New Zealand (which we announced the closure of in 2021) and our newly acquired business in Australia.

We want to hear from you

We welcome stakeholder feedback on our CR approach, performance and reporting. Please contact:

Ingo Büttgen,
Head of Corporate Communication, at waybeyondgood@sig.biz

EXTERNAL RECOGNITION

EcoVadis Platinum

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

MSCI AA

Our AA rating from MSCI places SIG as a leader in the industry on environmental, social and governance (ESG) criteria.

Sustainalytics

Our ESG Risk Rating score of 18.8 (out of 100) from Sustainalytics positions SIG as low-risk for investors.

edie Sustainability Leaders Award

Our last full CR Report for 2018 won the edie Sustainability Leaders Award for Sustainability Reporting and Communications.

CDP Supplier Engagement Leaderboard

SIG was named among the leaders with an A rating from CDP for engagement with suppliers on climate change.

Global Water Drinks Awards

WATER³ in SIG's combidome carton bottle with SIGNATURE Full Barrier won Best in Carton for its design and sustainable approach.

Polish Golden Innovation Retail Awards

SIGNATURE 100 won the innovative packaging award for its positive environmental impact in a survey of 4,000 consumers.

Thailand Greenhouse Gas Awards

Our low-carbon commitment was recognised for the fourth year running by Thailand's Ministry of Natural Resources and Environment.

Key for icons



Data points related to our key performance indicators have been externally assured with limited assurance by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft. See their assurance statement on [page 101](#).



Specific achievements where SIG is leading the industry are highlighted with this icon.



Key challenges are signposted with this icon.

CONTENTS

Our story in brief...

Introduction

MESSAGE FROM OUR CEO	4
EXTERNAL PERSPECTIVES	5
STANDING UP TO COVID-19	6

Going Way Beyond Good

GOING WAY BEYOND GOOD	7
OUR MISSION	8
FOREST+: OVERVIEW	9
CLIMATE+: OVERVIEW	11
RESOURCE+: OVERVIEW	13
FOOD+: OVERVIEW	15
SUSTAINABLE INNOVATION: OVERVIEW	17
RESPONSIBLE CULTURE: OVERVIEW	19
KEY PERFORMANCE INDICATORS	21

... and in more detail

Strategy & governance

OUR BUSINESS	23
RESPONSIBILITY BUILT IN	25
DRIVING THE NET POSITIVE AGENDA	29
OUR CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS	31
LISTENING AND RESPONDING TO STAKEHOLDERS	33
OUR PRIORITIES	35

Approach & performance





FOREST+	40
CLIMATE+	42
RESOURCE+	49
FOOD+	53
SUSTAINABLE INNOVATION	56
RESPONSIBLE CULTURE	
Our supply chain	60
Our people	65
Health, safety and wellbeing	71
Environmental management	75
Communities	77
Governance & ethics	79
2020 ROADMAP PERFORMANCE SUMMARY	81

About our reporting

UNITED NATIONS GLOBAL COMPACT: COMMUNICATION ON PROGRESS 2020	86
GLOBAL REPORTING INITIATIVE INDEX	89
GREENHOUSE GAS EMISSIONS BASIS FOR REPORTING	99
ASSURANCE STATEMENT	101

How to navigate the report

Use the tabs at the bottom of each page to move between the main sections of the report. The navigation buttons enable you to:

			
Return to last page viewed	Go back one page	Move forward one page	Return to the Contents page



MESSAGE FROM OUR CEO

I have the privilege to step into my new role as CEO at a time when SIG is stronger than ever before. Our outstanding team, robust supply chain and industry-leading sustainable solutions have delivered proven resilience in what has been an extraordinary and trying year.

The COVID-19 pandemic has been a challenge for all of us and I would like to thank everyone at SIG for their role in meeting this challenge. Our teams have gone the extra mile to help keep essential food supplies going for people around the world. Indeed, many of our customers have expressed their gratitude for this vital support throughout the crisis.

Sustainability and responsibility remain at the heart of our company, deeply embedded in the way we do business. We stepped up our commitment five years ago with a bold ambition to go *Way Beyond Good*, and this net positive concept has become a guiding principle and core value driver in everything we do.

Five years on, we are a publicly listed business with outstanding scores in investor and customer ESG ratings, and we have secured financing that's explicitly linked to sustainability performance. We are committed to the United Nations Global Compact. We have a stretching carbon reduction target in line with the latest 1.5°C climate science and we're on track to achieve it. And we're the only aseptic carton provider to source 100% of its paperboard as FSC™-certified, use ASI-certified aluminium and offer packs with all three main materials certified as responsibly sourced.

Through our relentless thirst for sustainable innovation, we have made the environmental credentials of our low-carbon packaging system even stronger with a host of industry-firsts. Our **SIGNATURE** Portfolio includes several world firsts for aseptic cartons: the first to be aluminium-free, the first to be linked to 100% renewable materials and, most recently, the first to use post-consumer recycled content.

Our commitment to going *Way Beyond Good* for people and the planet is also adding value for our stakeholders. For our customers – by helping them become better businesses, meet emerging regulatory requirements

and respond to growing consumer demand for sustainable packaging. For our people – by offering a great sense of fulfilment and motivation to believe in more, as witnessed by significantly improved employee engagement levels. And for our shareholders – we delivered a total shareholder return of over 35% in 2020.

We also see tremendous potential for our business and packaging to create a wider positive impact. By fulfilling our purpose – to partner with customers to bring food to consumers around the world in a safe, sustainable and affordable way – we are contributing to several of the United Nations Sustainable Development Goals (SDGs).

Programmes like our so+ma recycling partnership and the SIG Way Beyond Good Foundation's Cartons for Good project further enhance our contribution to the SDGs by showcasing innovative models for tackling global challenges while delivering tangible benefits for local communities.

All of this forms a great base as we write the next chapter of our *Way Beyond Good* story. Now, we want to go further and faster. To realise new opportunities and deliver even more sustainable solutions. To overcome obstacles. To accelerate growth through sustainability – and sustainability through growth.

Our vision is to produce food packaging that greatly expands sustainable forests, takes carbon from the atmosphere, creates more resources for future generations, and ensures nutrition and hydration are safely delivered to ever more people.

Put simply: every time you pick an SIG pack off the shelf, you make the world a little better. I look forward to reporting more on our progress towards this vision next year.

Samuel Sigrist

Chief Executive Officer



EXTERNAL PERSPECTIVES

We invited each member of our independent 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
*Chair, Non-Executive Director
and Board Advisor: Shell
Foundation, Integrity Action,
GlobeScan, Tiger Brands, MAS
Holdings, Al-Dabbagh Group,
ThirdWay Africa, Savo Project
Developers, SYSTEMIQ*



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



Matt Sherwood
*Chief Investment Officer,
Responsible Capital
Management, LLC*



"I often cite SIG as leaders of the net positive movement. Some companies have aspirations in the net positive space, but SIG has gone further with concrete implementation. Also, they are leaders not just in the pursuit of net positive, but in its rapid advancement and implementation.

Net positive is still the realm of an elite group of companies, which makes SIG's role as a leader all the more vital. They are providing a powerful service to the world by being a visible trailblazer of the net positive movement and an inspiration to others.

Net positive is about having a handprint bigger than their footprint. The next challenge for SIG is to quantify progress towards its net positive milestones. Their work with us in SHINE @ MIT has yielded clarity about their positive impact – their handprint – and they have come to see handprinting as a strong management tool to guide decisions on where to go next.

SIG's leadership team has firmly embraced net positive. Engaging more employees throughout the business will help SIG further build their momentum."

"*Way Beyond Good* is not a sustainability programme, it's a business programme. The whole leadership team has embraced it not only as the right thing to do, but as the way to grow the business.

They see *Way Beyond Good* as a key differentiator for their customers – many of whom have set their own big ambitions for sustainable packaging. And they understand that sustainability is what drives growth and investor interest. Obtaining refinancing that's linked to sustainability performance shows just how deeply engrained this is in the business.

SIG have already made superb progress and they are continually raising their level of ambition. The action areas they are focusing on are perfect: forests, climate, circular resources and food. It's these four systems, where they can make a big difference, that are going to determine our futures.

Other packaging companies have significant ambitions on sustainability, but SIG is one that I think can actually achieve theirs. They are showing the way for others through innovation and partnerships that can deliver positive impact for people and the planet."

"SIG have been unwavering in their very high level of ambition since the inception of *Way Beyond Good*. They have successfully transformed this lofty ambition into specific goals. And they have made progress towards those goals.

2020 has taught us that new competing pressures will continually arise. Over the last five years, SIG have done a really good job of managing emergent concerns and incorporating them into their plan, while staying focused on their long-term ambitions and the issues that are most important to the business.

As a pioneer in the net positive movement, SIG understand that achieving this level of ambition demands a genuine transformation of the business and they are willing to do the hard work to operationalise their goals.

The entire leadership team is fully engaged in *Way Beyond Good* and takes ownership of specific issues to share responsibility for driving progress. It's clear from our interaction on the Responsibility Advisory Group that they really want to be challenged and that's rare."

"The immense amount of progress that SIG have made on their journey *Way Beyond Good* is a testament to the tremendous buy-in within the company.

One area they have really prioritised is governance and everything they do is based on recognised standards. Their new ESG policy manual makes it really clear for investors what they are doing on each topic. It has also provided a focal point to help SIG rethink and strengthen their approach in some areas, such as diversity and inclusion.

They are responding very thoughtfully to the recommendations of the Responsibility Advisory Group and I really appreciate the opportunity to be a part of the amazing work SIG are doing. It's so much bigger than just a business model for a packaging company. I believe it will truly have a positive impact on future generations.

SIG really are steps ahead of their competitors and their approach is very forward-looking. They have a well-defined path for success and I look forward to seeing them hit more milestones along this path."

STANDING UP TO COVID-19

The COVID-19 pandemic has created unprecedented challenges around the world. In 2020, we focused on staying safe, keeping food supplies running, serving our communities and supporting a low-carbon recovery.

Staying safe and well

The health and safety of employees is always our highest priority. With strict hygiene control measures in place, our production teams quickly adapted to the coronavirus challenge. We also introduced new wellbeing initiatives and additional support for people working from home.

Keeping global food supplies running

Our production and supply chain has remained resilient throughout the pandemic in 2020. Together with our suppliers, we've managed to ensure a constant supply of raw materials. And thanks to the extraordinary efforts of our teams, we've been able to operate at full capacity to ensure our customers can provide a continuous supply of food and beverages to consumers around the world.

Serving our communities

Now more than ever, local communities need our support. The feature (right) shows just a few of the ways our *Way Beyond Good* Champions and teams around the world have been helping their communities through the COVID-19 crisis.

Recovering better

Immediate and decisive action is crucial in a pandemic, and it is also vital to tackle the ongoing climate emergency. Together with other leading companies, we called on governments around the world to ensure that COVID-19 recovery efforts support the transition to a zero-carbon economy and deliver on the climate goals of the Paris Agreement.



Austria

Employees at Saalfelden ran a campaign to sew masks for key workers and raise money for local charities.

Bangladesh

The SIG Way Beyond Good Foundation delivered more than 1,000 regular aid packages to the families of the 180 children who normally receive school meals through our Cartons for Good project (pictured below).



Brazil

Employees raised funds to buy food and cleaning products for two orphanages in Curitiba and provide over 2,000 meals to people in need in São Paulo.

China

We teamed up with dairy producers Yili and Mengniu to donate milk products to support pandemic efforts in the Jiang'an District in Wuhan.

Germany

The Linnich team donated food to a local organisation that provides meals for disadvantaged people, which had run out of supplies.

UK

We donated combidome cartons to our customer DRINKS³ so they could deliver 33,000 packs of water to health workers.

USA

We donated 1,000 children's masks and 100 FDA-certified face shields to Chester Upland School of the Arts.

Vietnam

We partnered with Lothamilk Joint Stock Company to donate 1,000 boxes of UHT milk for healthcare workers at five hospitals (pictured below).



Romania

The Cluj team prepared hot meals for people in need and we contributed funds for a ventilator at the local hospital.

Thailand

We provided masks for the hospital in Rayong and employees donated food for around 200 people in the community (pictured top).



GOING WAY BEYOND GOOD

Choosing an SIG carton is like planting a tree – it makes the world a better place. That's our vision and our *Way Beyond Good* ambitions will help us make it a reality.



OUR MISSION

It's our mission to create food packaging that makes the world a better place by:

- **expanding forests across the world**
- **taking carbon from the atmosphere**
- **creating more resources for future generations**
- **ensuring nutrition and hydration come safely to ever more people.**

These far-reaching ambitions focus on four action areas that together will produce the biggest positive impact – for the environment, society and our business. All four action areas are interconnected. Each nurtures the others and all are needed to achieve sustainable change.

Building on strong foundations

We started many years ago developing fully recyclable carton packs made mostly from renewable materials. These are part of a highly efficient and versatile filling system that cuts food loss and helps customers meet fast-changing consumer needs.

Five years ago, we committed to become a net positive company – giving more to society and the environment than we take out. We call this going *Way Beyond Good*. In 2020, we completed the first phase of our roadmap. Now, we're setting new targets to 2025 and beyond.

Our approach covers all aspects of sustainability: social, environmental, economic and governance. It affects everything we do – on our own and with our suppliers, customers and stakeholders. *Way Beyond Good* is an integral part of our business strategy, our Compass, and senior managers are responsible for implementing specific workstreams and targets.

Accelerating progress

With sustainability firmly embedded at the heart of our business, we continue to drive systemic change to become a net positive business and help create a net positive, regenerative food packaging system.

We will build on our responsible culture and industry-leading sustainable innovation to push forward with *Way Beyond Good*. We're developing a clear roadmap to get us there. And we'll partner with stakeholders to accelerate positive change.

Throughout this journey, our bold ambitions will help us maintain our momentum as we learn along the way and evolve our approach to overcome challenges and maximise impact as we get ever-closer to our vision.





FOREST+ Overview

Today, all our raw paperboard is sourced from sustainably managed forests. Next, we're focused on greatly expanding sustainable forestry across the world.

Sustainably managed forests help to preserve vital ecosystem functions, support biodiversity and provide a wide range of essentials – from renewable raw materials to oxygen in the air we breathe. Worldwide, one in five people depend on forests for their livelihoods. Forests also have a critical role to play in tackling climate change because trees store carbon as they grow. The United Nations aims not only to prevent further deforestation but to expand global forest area by 3% – or around 120 million hectares – by 2030.

By sourcing renewable raw materials from sustainably managed forests, we're helping forests – and the communities that depend on them – thrive.

Our progress

Around 75% of every SIG pack is made from forest-based liquid packaging board. Our combibloc **ECOPLUS** solution increases this to 82% and **SIGNATURE 100** is the only aseptic carton in the world that's linked to 100% forest-based materials.¹

Our Forest Stewardship Council™ (FSC™) Chain of Custody certification (licence code FSC™ C020428) enables us – and



our customers – to trace our raw materials back through the supply chain to sustainably-managed forests. FSC™ standards require forest management that supports biodiversity, prevents deforestation and degradation, and respects the rights of workers, local communities and indigenous peoples.

Over the last decade, we've led the industry in driving progress on FSC™ certification (see [page 10](#)). Since 2009, all our liquid packaging board has come from FSC™-certified mills and – as of January 2021 – 100% of it is now purchased with FSC™ certification. This means that all our board is made with fibres sourced from FSC™-certified sustainable forests and other FSC™-controlled sources.

We achieved this milestone by engaging with our board suppliers – large and small – to embrace the wide-reaching benefits of FSC™ certification. And we are extending our Forest+ impact even further by calling on our customers to include the FSC™ logo on their packs to raise consumer awareness of responsible sourcing and encourage them to buy more certified products. In 2020, 97%² of the packs we sold carried the logo.

“Greatly expanding sustainable forestry will demand new, collaborative approaches. SIG supports Brainforest Venture Studio’s mission to develop game-changing solutions that unlock the full climate potential of forests. Our first venture is ready to help SIG find the right forest projects.”

Susanne Wittig Co-Founder, Brainforest

² Excludes SIG Australia.

¹ Linked to wood residues from paper making via an independently certified mass balance system.



97%²

of SIG packs sold in 2020 carried the FSC™ label



100%

of our liquid packaging board comes with FSC™ certification

(as of January 2021)



FOREST + in action

Our FSC™ journey



We have led the industry in adopting and promoting FSC™ certification for more than a decade. Now, customers expect this as standard. Almost all of them choose to put the FSC™ label on their products to show their packaging is sourced sustainably.

"SIG has led the market with bold ambitions for FSC™ certification and I'm impressed they have been able to do it on a global scale.

The company is showing the way for others by making a commitment not just to meeting requirements with 100% FSC™-certified board, but to using FSC™ labelling on its packs as a platform for consumer awareness.

We know from research that seeing the FSC™ logo on a product leads to a consumer

preference for that product. And if we can get more people to prefer products that come from well managed forests, it's good for the world. It means that workers are treated better, indigenous communities get better opportunities, and carbon and ecosystems are protected.

The next challenge is to measure these positive outcomes and I would like to take that journey with leading companies like SIG."

Kim Carstensen Executive Director, FSC



% SIG packs sold with FSC™ label

2009

2011

2012

2014

2015

2016

2017

2018

2020

2021

0.3%

10%

15%

34%

42%

56%

88%

93%

97%¹

SIG was first in the industry to establish FSC™ Chain of Custody certification for all the paper mills we source from as well as all our production plants, our procurement organisation and our sales units worldwide.

We were first to introduce the FSC™ label in high volumes for dairy and non-carbonated soft drink cartons – starting in Germany in 2009, followed by China in 2010 and Thailand in 2011.



SIG became the first carton provider to secure a sufficient supply of FSC™-certified paperboard to guarantee that customers can choose to include the FSC™ label on any of our packs.

We helped launch the FSC™'s Vancouver Declaration encouraging companies to pledge support for the United Nations Sustainable Development Goals through FSC™ certification.

We passed the milestone of 100 billion SIG packs sold with FSC™ label.

Almost all our packs are now sold with the FSC™ label.

As of January 2021, 100% of our liquid packaging board is purchased with FSC™ certification.



Forest Stewardship Council™



¹ Excludes SIG Australia



CLIMATE+ Overview

Today, our packs offer the lowest carbon solutions available. Next, we're combining sustainable innovation with our Forest+ actions to make food packaging like a tree - taking carbon from the atmosphere and making the world a better place.

We've just witnessed the warmest decade on record and greenhouse gas levels rose to new records in 2019¹ despite the Paris Agreement to significantly reduce emissions globally. Changing weather patterns and more frequent extreme weather events are already affecting lives and livelihoods around the world.

Urgent action is needed to tackle the climate emergency and we joined other leading companies in calling on governments to Recover Better by aligning COVID-19 recovery efforts with the Paris goals.

Our progress

We've set bold targets, approved by the Science-Based Targets Initiative, to cut the carbon footprint of our own operations by 60% in line with the latest climate science to keep global warming below 1.5°C and reduce our value chain footprint per litre packed by 25% - both by 2030.

By switching to 100% renewable electricity and using Gold Standard® offsets for other energy needed to manufacture our packs, we have achieved carbon neutral production since 2018 (see [page 12](#)). We're also encouraging suppliers to use renewable energy and take steps to reduce their climate impacts (see box). This helps to cut our own value chain footprint and has a wider positive impact by decarbonising supply chains in our industry and beyond.

Our low-carbon packaging solutions are helping to reduce the climate impact of the global food supply system. With a resource-efficient design, a high proportion of renewable material and no need for refrigeration, our packs have a life-cycle carbon footprint that's up to 70% lower than alternative types of packaging such as plastic and glass bottles, cans and pouches.

The latest innovations in our **SIGNATURE** Portfolio cut the carbon footprint of our standard packs by a further 27% to 58% (see [page 18](#)). We're also helping customers cut emissions from using our filling machines in their factories. For example, our new upgrade kit can cut energy use by around 85% in standby mode.

See [page 42](#) for more on our *Climate+* approach.

Decarbonising our aluminium supply chain



We're working with suppliers to reduce our value chain carbon footprint and foster a lower-carbon global aluminium supply chain through certification to the Aluminium Stewardship Initiative (ASI) standard.

Suppliers representing over 60% of our global aluminium foil supply are already certified to the ASI standard, which sets strict limits for greenhouse gas emissions from the energy-intensive aluminium production process.

58%

reduction in operational emissions since 2016

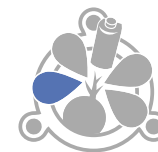
(2030 target: 60%)

17%

reduction in Scope 1, 2 and 3 emissions per litre of food packed since 2016

(2030 target: 25%)

¹ www.un.org/sustainabledevelopment/climate-change/



CLIMATE+ in action

Investing in renewable energy



We are the only beverage carton producer to make all our packs with 100% renewable energy.

In doing so, we have achieved carbon neutral production since 2018 – an industry first – and avoided over half a million tonnes of CO₂-equivalent over the last four years.

First in the industry to make packs with 100% renewable energy

We switched to 100% renewable electricity at all our production plants in 2017 – either through guarantees of origin or GoldPower®-certified international renewable energy certificates.

In 2018, we completed the transition to 100% renewable energy for production by sourcing renewable alternatives for the natural gas we use at our production sites. With no viable option to source renewable biogas directly, we are instead sourcing it indirectly by investing in Gold Standard®-certified projects that capture methane – a powerful greenhouse gas – from landfill sites and use it to produce renewable energy.

This year, we extended our renewable energy commitment to our newly acquired production plant in Australia – where the

electricity comes from 100% wind power – and to our paper mill in New Zealand.

Expanding on-site solar generation

Now, we're working to expand capacity to generate our own renewable energy through solar installations at our sites. We have a total of 4.8MWp installed so far.

Our state-of-the-art technology centre in Suzhou, China, was built with a 1MWp rooftop solar array in 2018 and we installed a 3.8 MWp system at our production plant in Rayong, Thailand in 2019. This year, we began work to expand the Rayong solar array, already one of the largest in the country, by a further 1MWp.

With a further total of 4MWp in construction in China and Brazil, together with a contract agreed to install 8MWp in Germany in 2021, our on-site arrays will soon have a capacity of around 18MWp.

We are leading by example and aim to extend our positive climate impact through the value chain by encouraging our suppliers to make the switch to renewable energy too.



Rooftop panels in Suzhou, China



Planned solar arrays in Brazil

100%
renewable energy
for production
since 2018





RESOURCE+ Overview

Today, all our packs are recyclable, with some linked entirely to renewable raw materials. Next, we're working 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.

The traditional take-make-waste economy is putting too much pressure on the planet's finite resources and limited capacity to absorb waste. A circular economy – one that designs out waste, regenerates natural systems and keeps products and materials in circulation – can help to relieve this pressure, prevent environmental impacts of packaging waste and halve carbon emissions by 2030 in Europe alone.¹

Unlike most packaging alternatives, our cartons are made mainly from renewable materials (around 75% on average). This means they are already contributing to the circular economy at the start of their life by using renewable materials that support the regeneration of natural resources (see [page 50](#)).

Our progress

SIGNATURE 100 is linked to 100% renewable material² and our paper straw solution offers the first renewable alternative to plastic straws for use with aseptic carton packs.

Some of our raw materials are made from by-products from other industries – such as wood chips, papermaking residues and scrap aluminium – and we have launched the world's first aseptic carton packaging material made with post-consumer recycled material (see box).

All our packs are designed to be fully recyclable and we're working with others to boost recycling rates and keep high-quality materials in circulation – including renewable fibres for paper and board products, polymers and aluminium (separately or combined as PolyAl for rooftiles and furniture).

Through industry partnerships, such as the Global Recycling Alliance for Beverage Cartons and the Environment (GRACE), EXTR:ACT and 4evergreen, we are advocating for enabling regulations and collaborating on specific projects to support collection and recycling not only of beverage cartons but other types of packaging too.

We also partner with NGOs, customers and industry on local projects in priority countries – including the innovative so+ma and Cidade+Recicleiros waste collection initiatives in Brazil (see [page 14](#)), collection points in India, Indonesia and Thailand, and a new recycling facility in Germany that will enable the recovery of polymers and aluminium from PolyAl.



The world's first aseptic carton pack with recycled plastics



In a groundbreaking partnership with SABIC, we have introduced post-consumer recycled content in aseptic cartons for the first time (via a certified mass balance system).

Using recycled materials is challenging due to the high quality and food safety requirements for aseptic cartons. By using chemical recycling, we're able to eliminate contaminants during processing so it's safe for food

packaging. Unlike mechanical recycling, this method transforms low-quality mixed plastic packaging waste into feedstock for polymers that offer the same high quality as virgin plastics.

Both chemical recycling and the mass balance system are endorsed by The Ellen MacArthur Foundation as valid ways to advance the circular economy.³

¹ [The Ellen MacArthur Foundation](#).

² The polymers in **SIGNATURE 100** are linked to wood residues from paper making via an independently certified mass balance system.

³ The Ellen MacArthur Foundation on [mass balance](#) and [chemical recycling](#).

RESOURCE+ in action

Partnering for recycling in Brazil



A strong focus on recycling in Brazil has inspired businesses, cities and communities to come together to create exciting new models for recycling. Our Cidade+Recicleiros and so+ma partnerships to collect used beverage cartons and other packaging for recycling are bringing tangible benefits for people and the environment.

“Our ambition is to have 100% of our packaging to be reusable or recyclable by 2025. But it is also important that the infrastructure is in place to allow recycling to happen. The Cidade+Recicleiros partnership between Nestlé and SIG is the basis for the development of a lasting infrastructure that will deliver positive impact for the environment, communities and business.”

Cristiani Viera

Environment Sustainability Manager,
Nestlé

Sharing responsibility and benefits

The Cidade+Recicleiros programme enables cities, companies and communities to share both the responsibility and the benefits of recycling by helping to establish effective municipal systems to collect and separate consumer waste.

The model is approved by the country's environment agencies – and by the Brazilian food and beverage association as a way for its members to meet their regulatory requirement to support recycling of packaging in a sustainable way.

SIG is leading business support for the project and more than 400 businesses are now contributing. Sixteen municipalities are participating so far and six now have selective collection programmes up and running.

The first two programmes in Naviraí and Jijoca de Jericoacoara have already collected over 2,000 tonnes of recyclable material, reached over 60,000 citizens and created more than 60 jobs for waste pickers – giving many of them training, security and a reliable income for the first time.

Rewarding recycling

Our so+ma partnership in the city of Curitiba is delivering further benefits for people and planet by turning waste into rewards for low-income communities. People can collect used packaging, bring it to the so+ma drop point and earn reward points. In its first two years, the so+ma partnership has collected over 170 tonnes of waste, earning rewards such as food products and training courses for over 530 participating families.

When the COVID-19 crisis hit in 2020, collection and processing of recyclable waste was temporarily suspended. Together with so+ma and Cidade+Recicleiros partners, we stepped in to support waste pickers who were unable to work. We also increased so+ma reward points to give families more to spend on essentials.

To keep up the momentum on recycling, so+ma ran a campaign encouraging people to adopt the habit of recycling as part of their ‘new normal’. We’re exploring how to expand the so+ma model in Latin America and Asia through the SIG Way Beyond Good Foundation.

Read more in the Recycling in Action series on our [SIGnals blog](#).



“It’s a real comfort knowing we have the support of the programme and the safety of not being alone. We get a warm welcome from people when the truck passes by and some residents make a point of bringing their recyclable material directly to us.”

Marcela Ajala

President of the wastepickers' cooperative in Naviraí



FOOD+ Overview

Today, our filling technology minimises food loss, and our packs keep food safe for months without the need for refrigeration. Next, we continue to innovate and work with partners and communities to deliver safe, affordable nutrition and hydration to ever more people while further reducing food loss.

Nearly 690 million people are hungry and a further 2 billion do not have regular access to safe, nutritious and sufficient food.¹ At the same time, a third of food globally is lost or wasted¹ which has knock-on effects for climate and land use. The United Nations has called for a profound change in the global food and agriculture system to feed the world's growing population.¹ And the COVID-19 pandemic has shown how critical a resilient supply chain is to keep food supplies going.

Our aseptic packaging solutions are ideally suited to help customers preserve and deliver nutritious food like milk, fruit juice and soup to consumers.

Take milk, for example. It's full of essential vitamins, calcium and protein. But fresh milk is perishable, only lasting a few days in the refrigerator or less. Our aseptic packaging system preserves the milk – and its nutrients – for six months or more in a cost-effective way. And it can be transported and stored safely without needing to keep it cold which requires a lot of energy and can be challenging in developing countries.

Our progress

In 2020, the packs we sold helped customers deliver 15.5 billion litres of food and beverages to consumers

around the world, up from 14.5 billion in 2019. We maintain robust quality and safety management systems certified to recognised standards at all our plants.

With our highly-efficient machines, less than 0.5% of packs are lost during filling, helping to reduce any associated waste of food on our customers' production lines. We are continually looking for ways to reduce this even further as we design new machines and upgrade kits for existing ones. Through our new **SIGCUBATOR** programme, we are making our highly-efficient machines available for start-ups by enabling them to use spare filling capacity to help them deliver nutritious new products.

We're creating innovative models to get food to the people who need it most through the SIG Way Beyond Good Foundation – and exploring how to scale these models to expand our positive impact.

Cartons for Good, the Foundation's flagship project, is helping to prevent food loss and malnutrition in Bangladesh by using a down-sized filling unit to help communities preserve surplus crops in SIG packs. Every month of full production turns up to two tonnes of food that would otherwise be lost into 6,000 meals for underprivileged school children. During COVID-19 school closures, we maintained our support with regular aid packages for the children and their families (see quote).

See [page 53](#) for more on our **Food+ approach**.



<0.5%
industry-leading
waste rate for
filling machines

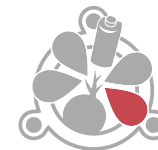
"We are very happy with our new partnership with SIG. The high flexibility and speed of the SIG filling machines, as well as low waste rates, were the main reasons for implementing this project with SIG."

Roberto Adabo CEO of Shefa, dairy customer in Brazil

"During this COVID-19 time, I have lost my job, no one is hiring and it's a challenge just to survive. The aid packages are so helpful to me. It is a great support for me to have food for my family."

Hazera Cartons for Good beneficiary in Bangladesh

¹ Source: United Nations Sustainable Development [website](#).



FOOD+ in action

Spotlight on nutrition

The latest campaign from our *Way Beyond Good* Champions focused on the role SIG cartons play in delivering nutritious, healthy food.

They invited employees from across the business to get involved with interactive quizzes, nutrition webinars and virtual cooking competitions to present their favourite recipe using food from SIG cartons. Teams around the world also donated food to support people in need in their local communities.



Austria

The Saalfelden team collaborated with a local caterer to donate meals to a local women's shelter.

Brazil

Colleagues took part in a competition to share photos and descriptions of their favourite recipes using products in SIG cartons. The winning chicken risotto recipe received 246 interactions on social media.

Germany

Colleagues at Wittenberg and Linnich joined an online quiz and a webinar on the importance of a balanced diet for physical and mental health. The team at Linnich donated 87 parcels of food to an organisation



that provides meals for disadvantaged members of the community.

Mexico & USA

Webinars with a qualified nutritionist reinforced the benefits of a good diet and provided ideas for healthy recipes using fresh and packaged foods. Colleagues also created videos presenting their favourite recipes using products in SIG cartons.

New Zealand

Colleagues took part in an online quiz about nutrition and SIG packaging, donated 29 hampers of food to The Salvation Army (pictured right) and shared recipes through a video cooking competition.



Romania

Employees competed in a team-based online quiz about nutrition, organised donations of nutritious non-perishable foods to 40 elderly people and shared recipes through a cooking competition (pictured far left).

Thailand

Seventeen volunteers from our Rayong plant (pictured above) visited a local school to run a cooking class for 150 students showing the benefits of healthy eating and how SIG cartons protect nutrients in food. Colleagues in Bangkok took part in a video cooking competition.



"The campaign has been an educational experience and has sparked my interest for trying new dishes! I became more aware of the foods I consume and how many options there are for those looking for an alternative to the 'normal' or 'standard' ingredients. I am proud that SIG offers many nutritious items in our packaging and was enthused to explore our own products on the shelves."

Phuong

winner of the cooking competition in the USA



SUSTAINABLE INNOVATION

Overview

Our focus on sustainable innovation is driving progress in all four of our Way Beyond Good action areas.

Sustainability is one of the core value drivers for all our product development. We're guided by independent ISO-compliant life-cycle assessments to ensure we take into account environmental impacts – from sourcing raw materials to making, filling, distributing our packs, and disposal by consumers after use.

Our mainly renewable, fully recyclable, low-carbon packaging solutions can support the transition to a low-carbon, circular economy. Over the last decade, we have been innovating to cut their life-cycle impacts even further, raising the bar with a host of industry firsts (see [page 18](#)).

Our progress

This year, we led the industry once again with the launch of **SIGNATURE Circular**, the first aseptic carton solution made with post-consumer recycled material¹ (see [page 13](#)).

Uptake of our most sustainable solutions – our **SIGNATURE Portfolio** – continues to grow. We have now sold over 1.3 billion packs with combibloc **ECOPLUS** and 199 million packs with **SIGNATURE 100** or **SIGNATURE Full Barrier** packaging materials that use polymers linked to 100% renewable material.¹

Customers such as Riedel (see quote), Hartung Nahrungsmittel Productions and nutpods have extended **SIGNATURE Full Barrier** to further products in their

portfolios. Finnish start-up Juustoportti chose our **SIGNATURE Full Barrier** solution for its new range of oat-based drinks. And Ste Laitière des Volcans d'Auvergne switched to our **SIGNATURE 100** packaging material for its Les Fayes organic UHT milk in France.

Several customers are now using our paper straw solutions – the first in the industry – for small format on-the-go packs: Nestlé in Brazil and Ecuador, Tofusan in Thailand and seven customers in Europe, including Intermarché. This will save 10 tonnes of plastic a year for Intermarché alone (see quote).

We're also continuing to improve the efficiency of our new filling machines and introducing technical upgrades to help customers reduce resource use from existing machines in their factories. Our latest upgrade cuts water consumption by up to 50% and can be combined in a 'green bundle' with a kit that can cut energy use by around 85% during production stoppages.

Our technical service solutions have supported sustainability improvements for 37% of our customers since 2016.

See [page 56](#) for more on our approach to sustainable innovation.



"SIGNATURE enables us to offer the most sustainable packaging solution, which at the same time guarantees the premium quality expected by our valued CoolBest customers. Switching to this new carton underlines our leading role in sustainability within the fruit juice industry."

Sabine Blom Marketing Manager CoolBest at Riedel

"At Intermarché, our commitment to sustainable development is a priority. We decided early on to introduce SIG's paper straw solution for aseptic carton packs to offer consumers a more sustainable alternative to plastic straws, while maintaining the on-the-go convenience of small-size packs."

Alain Plougastel Adhérent Intermarché

¹ Via an independently certified mass balance system.



SUSTAINABLE INNOVATION in action

Our SIGNATURE Portfolio



All our beverage cartons have a significantly lower environmental footprint than alternative types of packaging. The groundbreaking sustainable innovations in our SIGNATURE Portfolio have cut the impact of our packs even more over the last decade. And we've set goals to go even further.



¹ Results based on ISO-compliant [life-cycle assessment](#) CB-100732c for Europe.

² Via an independently certified mass balance system.



RESPONSIBLE CULTURE

Overview

Our commitment to go *Way Beyond Good* for people and the planet is underpinned by our responsible culture.

We take a responsible approach across the value chain – sourcing certified materials from responsible suppliers, supporting our own employees and keeping them safe, managing environmental impacts from our operations, engaging communities, and acting with integrity in everything we do.

In doing so, we are not only supporting our business and *Way Beyond Good* ambitions, we can also have wider positive impacts. For example, by training employees to adopt safe behaviours at work they also take those safe behaviours home to their families.

Our progress

Transparency is part of our responsible culture. We've published detailed disclosures on our commitments and approach to [environmental, social and governance \(ESG\) topics](#) and our last full CR Report for 2018 won the edie Sustainability Leaders Award for Sustainability Reporting and Communications in recognition of its transparent approach.

We train employees on our Code of Conduct and all our production sites complete regular SEDEX SMETA audits on ethics, labour rights, safety and environmental criteria. We expect suppliers to meet similar high standards and those supplying key raw materials are required to meet the requirements of relevant certifications. We offer the only aseptic cartons with all three key materials from certified sources – FSC™ liquid packaging board, ASI aluminium foil and ISCC PLUS polymers linked to 100% renewable materials.¹

¹ Via an independently certified mass balance system.

Keeping our people safe and well is always a priority, and we increased our focus on health and wellbeing to support them through COVID-19. Our lost-time case rate further decreased in 2020 and two plants were recognised by our CEO Safety Excellence Award for reaching significant milestones without lost-time cases.

Engagement levels have significantly improved in this year's employee survey and outperform the industry benchmark in every category. We continued to provide extensive training and development opportunities, including more online options for those working remotely during the pandemic, and we established an employee-led focus group to drive our diversity and inclusion strategy (see [page 20](#)).

We also continued to engage with communities, with a particular focus on COVID-19 support (see [page 6](#)). Since 2016, we've increased the cumulative impact of our community engagement programmes nearly tenfold.

Our responsible approach is recognised by leading independent raters and rankers, with a Platinum rating from EcoVadis (see box), an AA ranking from MSCI and a low risk score of 18.8 from Sustainalytics. In 2020, we entered into new sustainability-linked loan facilities.

See [page 60](#) for more on our approach to responsible culture.



87

employee engagement
SCORE (up nine points from 2018)

8

sites completed
SEDEX audits

28%

reduction in lost-time
case rate from 2019

All 3

key materials certified
responsibly sourced

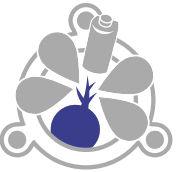
EcoVadis Platinum:
Top 1% for sustainability



We retained our position among the top 1% of participating businesses with a Platinum rating in the latest assessment on sustainability by EcoVadis. This recognised assessment helps us demonstrate our credentials to customers and drive leading sustainability practices within our business. Our new sustainability-linked loan is also tied to our EcoVadis score.

Through focused action and proven results, we maintained strong performance and increased our score this year. The rating is based on a detailed independent assessment of our policies, processes and performance on environment, labour and human rights, ethics and sustainable procurement criteria.





RESPONSIBLE CULTURE in action

Fostering diversity and inclusion

Our new employee-led focus group will help define our approach on diversity and inclusion.

We invited all SIG employees to apply to be part of this group by telling us why diversity is important to them and an inclusive culture is essential at SIG. Fourteen members were chosen from diverse backgrounds and locations to represent employees across the business.

"Diversity can make SIG stronger."

"Diversity can help us absorb new ideas and good habits, and help others gain diverse experiences from us."

"Awareness of diversity can help everyone feel respected, connected, engaged and empowered."

"We are not a team because we work together. We are a team because we respect, trust, and care for each other."

"Everyone is unique. Respect and inclusion are essential for success."

"It's important to encourage people to come as they are and to accept them the way they are."



KEY PERFORMANCE INDICATORS

Data on this page has been assured with limited assurance by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, except where otherwise noted.



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

MATERIAL ISSUES	METRIC	2015	2016	2017	2018	2019	2020
Tackling climate change	Total Scope 1 and 2 greenhouse gas emissions (thousand tonnes CO ₂ equivalent)	-	197.8	123.5	109.2	105.8	84.1
	Total Scope 3 greenhouse gas emissions (million tonnes CO ₂ equivalent) ^{3,4}	-	1.4	1.4	1.4	1.5	1.5
	Scope 1, 2 and 3 greenhouse gas emissions rate (grams CO ₂ equivalent/litre of food packed) ^{4,5}	-	108	98	98	97	90
	Scope 1 greenhouse gas emissions for pack production (thousand tonnes CO ₂ equivalent) ¹	21.3	29.0	34.5	31.0 ⁴	31.4	27.7
	Scope 2 greenhouse gas emissions for pack production (market based) (thousand tonnes CO ₂ equivalent) ¹	80.7	78.4	0	0	0	0
	Scope 1 and 2 greenhouse gas emissions rate for pack production (tonnes CO ₂ equivalent/million m ² of sleeves produced) ²	70	72	24	21	20	17
	Change in Scope 1 and 2 greenhouse gas emissions rate for pack production (% change from 2014 baseline) ²	-11.3	-8.9	-69.4	-73.4	-74.9 ⁴	-78.7
	Energy in production plants from renewable sources or compensated using Gold Standard CO ₂ offset (%) ¹	23.1	22.6	58.4	100	100	100
	Operational energy use for pack production (GWh) ¹	276	312	323	324	329	333
	Energy rate for pack production (MWh/million m ² of sleeves produced) ²	181	203	217	210	200	193
Minimising production waste¹⁰	Change in energy rate for pack production (% change from 2014 baseline) ²	-4.2	7.2	14.8	10.5 ⁴	4.9	1.2
	Waste rate for pack production (tonnes non-product output/million m ² of sleeves produced) ²	37	35	37	35	33	32
	Change in waste rate for pack production (% change from 2014 baseline) ²	5.7	0	4.0	-1.6	-5.2	-8.7
Health, safety & wellbeing	Lost-time cases	23	26	16	20	17	13
	Lost-time case rate (per 200,000 hours worked)	0.55	0.62	0.38	0.49	0.43 ⁴	0.31
Employee satisfaction	Sustainable engagement score (% favourable responses)	-	74	-	78	-	87
	Employee Net Promoter Score (% promoters minus % detractors)	-	-16	-	-1	-	21
Talent development	Training and development investment (average training hours/employee) ⁴	33.5	29.0	25.1	23.4	24.3	19.4
Fair labour practices	Plants completed SEDEX Members Ethical Trade Audit	-	7	8	9	9	8⁶
Diversity & equal opportunity	Diversity of governance bodies and employees (women in management)	-	-	-	See 2018 CR Report p34	-	See page 67
Sustainable raw materials	A-materials from certified sources (% by spend) ⁷	27	39	47	45	47	50
Thriving forests	Packs sold labelled with FSC™ logo (%) ⁷	42	56	80	93	96	97
Responsible suppliers	New suppliers screened using social responsibility criteria (%) ⁸	-	100	100	100	100	100
Sustainable packaging innovation	Impact mitigation potential of innovations related to current standard product (cumulative polymer savings from RS structure, tonnes)	-	-	750 ⁹	4,850 ⁹	6,500	7,800
	Sustainability improvements through technical service products (% of SIG customers supported since 2016)	-	-	-	20	35 ⁹	37⁹
Recycling and circular economy	SIG packaging portfolio that is recyclable (%)	100	100	100	100	100	100
	Significant product and service categories for which health and safety impacts are assessed for improvement (%)	100	100	100	100	100	100
Safe food supply	Non-compliance concerning the health and safety impacts of products and services (number of incidents)	-	0	0	0	0	0

¹ Excludes our paper mill in New Zealand (see [page 48](#)).

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

³ See [page 100](#) for a breakdown of Scope 3 categories.

⁴ Data for previous years adjusted in line with latest methodologies (Scope 3 emissions)

or restated to resolve inaccuracies.

⁵ Includes most material Scope 3 categories only: goods and services, use of our products (filling machines) and end of life treatment (cartons).

⁶ The number of sites completing SEDEX audits declined by one in 2020 because the planned 2020 audit of our office site in Mexico was delayed due to COVID-19 and not

completed until February 2021.

⁷ Excludes raw materials for our new production plant in Australia.

⁸ Excludes suppliers of our new production plant in Australia and our paper mill in New Zealand.

⁹ Not assured.

¹⁰ Additional strategic topic (no longer considered material).

STRATEGY & GOVERNANCE

We work in partnership with our customers to bring food products to consumers around the world in a safe, sustainable and affordable way. Our *Way Beyond Good* ambitions are built into our business strategy and governance. We engage with internal and external stakeholders to identify priorities and drive progress.

OUR BUSINESS	23
RESPONSIBILITY BUILT IN	25
DRIVING THE NET POSITIVE AGENDA	29
OUR CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS	31
LISTENING AND RESPONDING TO STAKEHOLDERS	33
OUR PRIORITIES	35

"SIG Combibloc, the innovative packaging specialists, deliver exactly what consumers and, increasingly, legislators want – certified, sustainable materials."

Karim Serrar *Schweizeraktien.net (the Swiss investment blog)*



OUR BUSINESS

SIG is a leading systems and solutions provider for aseptic packaging.

Our organisation

SIG Combibloc Group AG is listed on the SIX Swiss Exchange. Founded in 1853, SIG is headquartered in Neuhausen, Switzerland.

We have over 5,700 employees and serve customers in more than 60 countries, with production plants in Europe, Latin America, and Asia Pacific (see map).

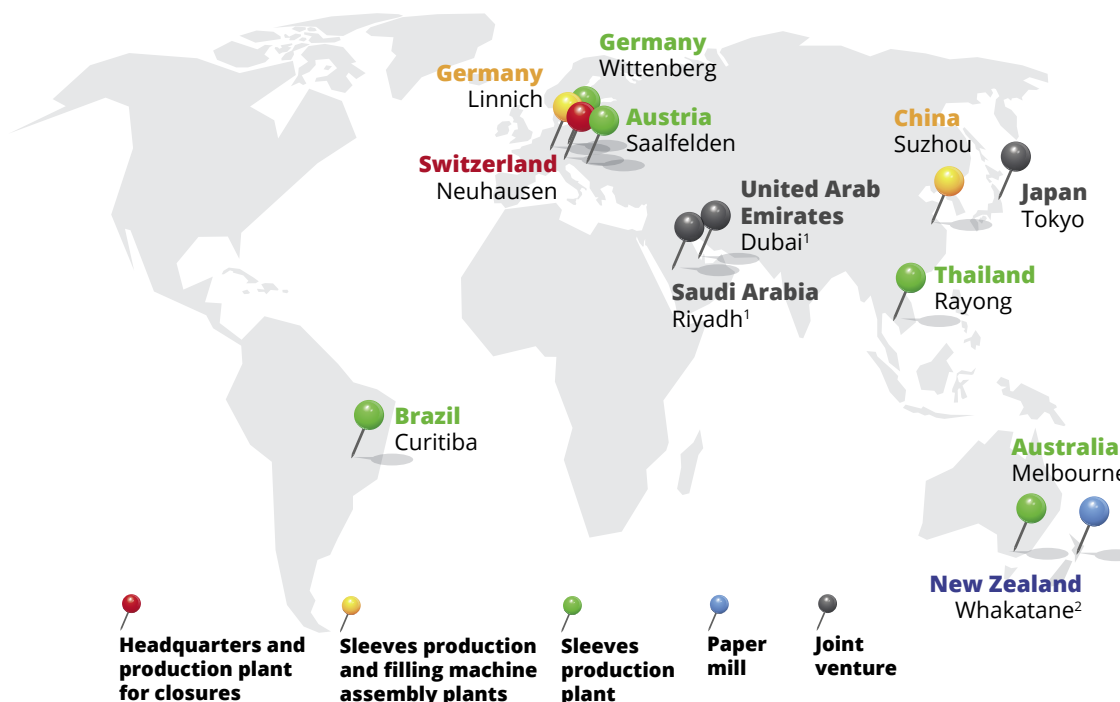
Our products and services

Our products and services include sleeves, spouts and caps for our packs, filling machines and technical service.

We serve major food and beverage brands and contract packers in the Americas, Asia-Pacific, Europe and the Middle East and Africa. Our packaging is primarily used for liquid dairy products as well as non-carbonated soft drinks such as fruit juices, and liquid foods such as soups and sauces.

See our [Annual Report](#) for more information on the business and financials.

OUR MAIN SITES



REVENUE



¹ We took full ownership of our joint venture in the Middle East in 2021, but it remained a joint venture in 2020 and is therefore excluded from the scope of this report.

² We announced the closure of the Whakatane paper mill in 2021, but it remained operational in 2020 and is included in the scope of this report.

OUR BUSINESS MODEL

Our unique technology and outstanding innovation capacity enable us to provide our customers with end-to-end solutions for differentiated products, smarter factories and connected packs, all to address the ever-changing needs of consumers.

Inputs

PEOPLE

~5,500
employees with
>60 nationalities

111,556
hours of training


Focus on diversity
& inclusion

ENVIRONMENT

100%
100% paperboard
from FSC™ Chain
of Custody-
certified mills

100%
of energy for
production from
renewable sources


ASI-certified
aluminium
available in all
regions

FINANCIAL

€987m
property, plant &
equipment

€68m
net filler capital
expenditure

€51m
investment in R&D

OPERATIONS

9
sleeve production
plants including
joint ventures

2
filler assembly
plants

1,266
fillers in the field

The SIG difference

1. Engineering know-how

Our unique sleeve-based filling technology offers our customers unmatched volume and format flexibility, enabling them to meet the rapidly changing demands of consumers. The breadth of our filling capabilities is complemented by consumer-centric innovation and a focus on sustainability. Our superior system reliability, supported by over 600 service engineers worldwide, ensures that our customers are part of a safe and efficient supply chain.

2. Broad geographic base

Originally a European business, SIG has steadily expanded its international presence, realising 55% of its sales outside the EMEA region in 2020. This expansion has contributed to the resilience of the business by diversifying the drivers of growth. We operate sleeve factories in each of our regions. With our globally integrated footprint and supply chain, we are able to support customers locally and to meet their needs quickly and efficiently.

3. Partnerships with customers

Our filling and packaging technology is at the heart of our customers' operations. We work in close collaboration with our customers to develop innovative product and packaging solutions that meet consumer demand for differentiation, convenience and sustainability. We enable customers to increase their efficiency with solutions for intelligent, automated and fully integrated plants. All this results in customer relationships that span many years or even decades.

Outputs

PEOPLE

+21
Employee Net
Promoter Score


0.3
Lost-time case
rate

4%
voluntary turnover
rate

ENVIRONMENT


All packs fully
recyclable

97%
of packs sold with
FSC™ label¹


Fillers with
reduced water
and energy use

FINANCIAL

5.5%
core revenue
growth at constant
currency

29.5%
return on capital
employed

€233m
free cash flow

OPERATIONS

~38bn
packs produced
in 2020

>270
different
packaging options

>10,000
different products
filled

¹ Excludes SIG Australia.

RESPONSIBILITY BUILT IN

Our purpose, values and commitment to go *Way Beyond Good* for society and the environment are built into our Corporate Compass and the way we do business.

Strategy

Our Corporate Compass guides our business decisions at every level. SIG's purpose and values are at the core of this strategy.

We are in the process of updating the Compass to integrate our renewed *Way Beyond Good* ambitions. These are encompassed in four action areas: Forest+, Climate+, Resource+ and Food+. Our focus on sustainable innovation and our continued commitment to a responsible culture will support progress in our action areas. See [page 8](#) for an overview of our ambitions. Targets on each issue are included in the Approach & Performance section.

See [pages 81-84](#) for a summary of our performance against our previous roadmap of 2020 targets to go *Way Beyond Good* by being a responsible company, sourcing responsibly and creating responsible products.

All our long-term *Way Beyond Good* ambitions support our goals around business growth, people and customer.

Embedding corporate responsibility in core business processes

Corporate responsibility (CR) is built into the way we do all aspects of our business. For example:

- **Solutions selling** – The sustainability credentials of our packaging solutions are an increasingly important selling point for customers. We train our sales teams to make sustainability part of every conversation with our customers and we include solutions from our **SIGNATURE Portfolio** in our marketing globally.
- **Product innovation** – Our *Way Beyond Good* ambitions are driving specific sustainable innovation workstreams and environmental performance is one of the core value drivers for all our product innovation, alongside product safety and commercial considerations.
- **Manufacturing** – The safety of our people and our products is critical to our manufacturing operations and quality controls, as well as managing environmental impacts from production.
- **Procurement** – Working with responsible suppliers and sourcing raw materials sustainably is central to procurement at SIG and forms part of our training for everyone involved in this function.
- **Human resources** – Our Human Resources strategy to foster a winning team is closely aligned with our targets to engage and develop employees, and promote diversity and inclusion, as part of our responsible culture. CR is also integrated in employee engagement through our *Way Beyond Good* engagement programme and regular internal communications on CR-related topics.
- **Risk management** – We are working to ensure that our most material CR risks are fully integrated into our corporate risk management process (see Annual Report). CR topics are integral to our key business risks. Our approach to managing these risks is outlined in the relevant sections of this report. Each key risk has an owner at executive management level who is responsible for the implementation of risk management measures in his or her area of responsibility, as well as a mitigation action owner within the relevant global function supported by regional teams to ensure local implementation.
- **Investor relations** – Environment, social and governance (ESG) topics are increasingly important in the investment community and we are increasing our engagement with investors on ESG. We created a dedicated space on our website to enhance disclosure with public commitments on specific [ESG topics](#) (see box on next page). SIG has scored well in recognised ESG ratings (see [page 2](#)) and we entered into new sustainability-linked loan facilities in 2020.

Key business risks related to CR topics

Environment – risks of environmental regulations on recycling of beverage cartons, aseptic carton packaging systems, closures, straws or raw materials; shift in public opinion of carton packaging.

Supply – risks of disruptions in the supply chain or slowdowns, strikes or similar employee actions, resulting in the inability to supply our customers.

Compliance – risks of non-compliance with applicable laws, regulations and internal policies in areas such as the environment, health and safety, anti-harassment, tax, fraud/embezzlement, unfair competition, insider trading, money laundering, employment.

Information security – risks of hacking and breach of data privacy.

Quality – risks of supplying faulty products or non-compliance with product and safety regulations.

Human resources – risks of loss of key personnel, inability to attract new talent and inability to drive diversity and inclusion.

Governance

Ultimate accountability for our performance and progress on our *Way Beyond Good* commitments lies with our CEO and Group Executive Board (GEB).

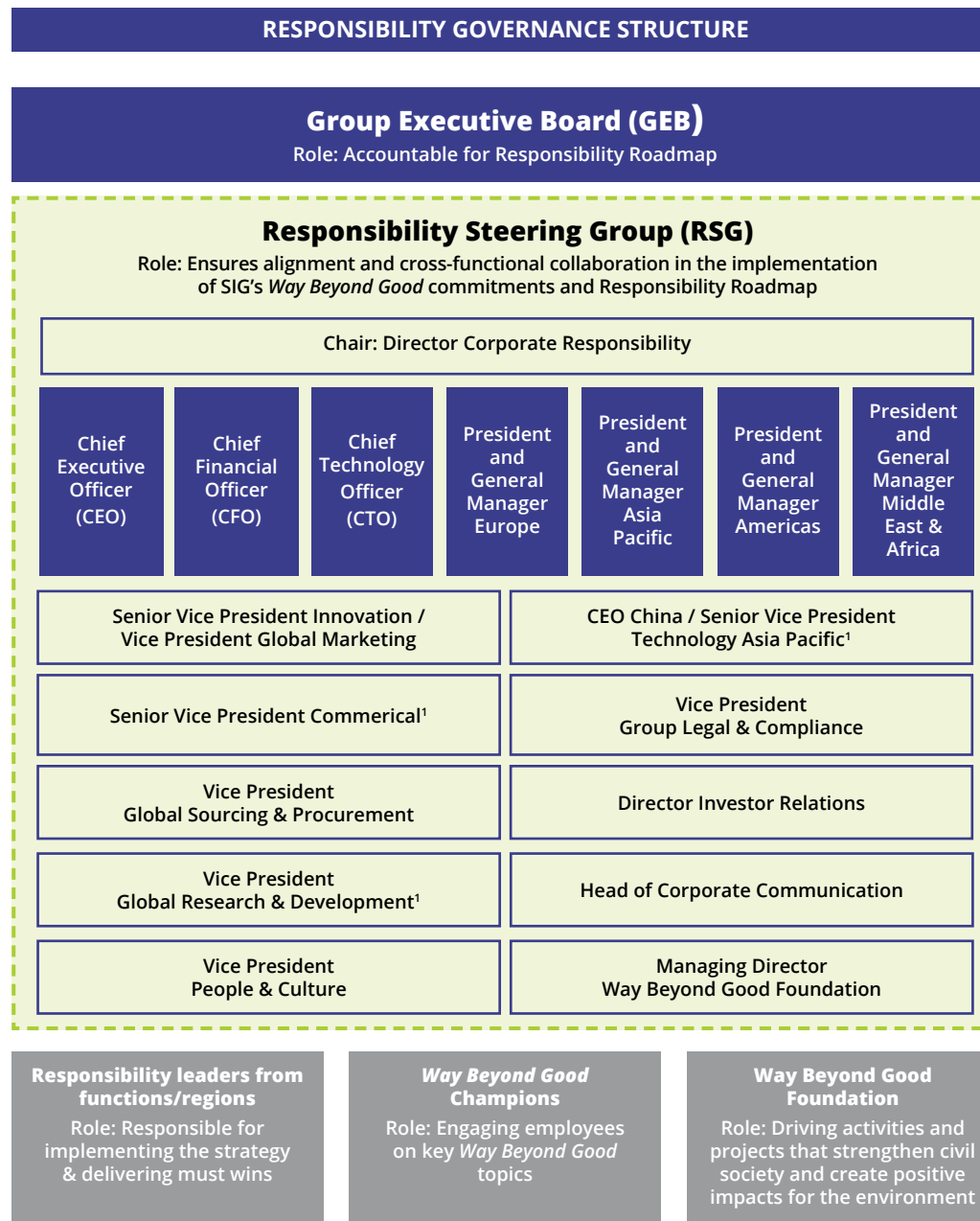
Every GEB meeting includes standing items on responsibility topics. GEB members sit on our Responsibility Steering Group (RSG) together with senior representatives of key functions and each region. The GEB also engages directly with our independent Responsibility Advisory Group to gain valuable external input (see [page 27](#)).

Each of our *Way Beyond Good* action areas and enablers is owned by a member of our Responsibility Steering Group who is accountable for setting stretching goals and delivering progress through targeted workstreams.

Responsibility leaders from relevant functions and regions are responsible for implementing our *Way Beyond Good* targets, with support from relevant experts across the business.

From 2021 onwards, we have introduced an additional measure related to ESG performance in our Short-Term Incentive Plan, which covers GEB members and all managers with a variable income component.

The RSG meets twice a year to review progress towards our *Way Beyond Good* commitments and ensure alignment and collaboration across the business.



¹ Joined the Responsibility Steering Group in the second quarter of 2021.

Integrating external insight

Our independent Responsibility Advisory Group was established in 2018 to support the development of our *Way Beyond Good* approach by providing external perspectives and challenging us to improve.

The Group of external CR experts meets formally twice a year with members of our C-suite to provide strategic input to our Responsibility Steering Group and Group Executive Board.

In 2020, RAG meetings were held virtually due to COVID-19 restrictions. The RAG met in April for two half-day workshops with our Chief Executive Officer, Chief Financial Officer, Chief Market Officer and Chief Supply Chain Officer (now our Chief Technology Officer) to provide input into the development of our *Way Beyond Good* ambitions and targets for 2025 and beyond.

They met again in December to discuss how we have integrated their recommendations into our approach. The RAG meetings were facilitated by members of our Group CR team.

The table provides a summary of the RAG's key recommendations and our response. We also invited each member of the RAG to provide direct feedback in our CR Report (see [page 5](#)).

RESPONDING TO RAG FEEDBACK

RAG RECOMMENDATION

Focus on positive impact

The RAG reinforced the need for sustainability leaders to enable positive impact, not just reduce negative impact on society and the environment. They also recommended focusing efforts on having a positive impact rather than on overengineering the net positive concept itself.

Link to external and business opportunities

The RAG welcomed the focus on external opportunities for SIG to have a significant positive impact on sustainable development through the new *Way Beyond Good* action areas. They also emphasised the need for clear connections with business opportunities.

Clear goals and systemic action

The RAG wanted to see SIG develop clear aspirations to deliver positive impact, supported by a rigorous approach and systemic action.

SIG RESPONSE

Our renewed *Way Beyond Good* approach emphasises our ambitions to have a positive impact in four key action areas: Forest+, Climate+, Resource+ and Food+. We are also determined to minimise any negative impact from our business in these areas through our focus on sustainable innovation and responsible culture.

We remain committed to partnering to create a food supply system that has an overall net positive impact. However, the net positive concept can be difficult to quantify so we are focusing on developing new ways to better measure our positive impacts, while being mindful of avoiding potential trade-offs.

See our net positive approach on [page 29](#).

The action areas defined in our renewed *Way Beyond Good* approach focus on the opportunities for SIG to have the most significant impact on sustainable development.

They also align closely with opportunities for the business to grow by meeting and creating demand for more sustainable packaging and partnering with customers to bring food to more people around the world in a safe, sustainable and affordable way.

See the results of our materiality assessment on [page 35](#).

We have set out bold new ambitions in four far-reaching action areas. These ambitions were defined through a rigorous process with input from executive sponsors and subject matter experts across the business, as well as external input from the RAG.

The ambitions are supported by specific actions to drive progress towards our *Way Beyond Good* mission and support systemic change beyond our own business. As we learn along the way, we will evolve our approach to overcome challenges and maximise impact as we get ever-closer to our vision.

Getting our people involved

Employees play an important role in informing, inspiring and driving progress towards our ambitions.

Our *Way Beyond Good* engagement programme aims to engage employees across the business and encourage them to get involved. It is led by a network of local *Way Beyond Good* Champions who run themed campaigns to raise awareness of responsibility topics, and get employees and communities involved.

The results of our 2020 employee engagement survey (see [page 68](#)) showed that engagement in our *Way Beyond Good* commitments has significantly increased since we started the engagement programme:

- 92% agreed the company is exceptionally committed to environmental production (up six points)
- 91% of participating employees believe that SIG is exceptionally engaged regarding sustainable products (up seven points from 2018)
- 81% are pleased with our contribution to society and communities (up 13 points).

The Champions paused their planned campaigns this year to focus on ways to support employees and communities through the early months of the COVID-19 crisis. As the world began to adjust to a new normal, they came up with new ways to engage people, often virtually, with an innovative campaign on nutrition (see [page 16](#)).

In 2021, we will harness the power of the champions network to support the rollout of our new *Way Beyond Good* action areas and targets among employees worldwide.

Innovating for good through the SIG Way Beyond Good Foundation

The SIG Way Beyond Good Foundation, set up in 2018, supports our *Way Beyond Good* ambitions through targeted charitable projects and partnerships.

Together with partners, the Foundation's purpose is to identify, drive and promote activities and projects that strengthen civil society and create positive impacts for the environment. Members of our GEB and senior management sit on the Foundation's Board of Trustees.

EMPLOYEE VIEWS ON OUR COMMITMENT TO SOCIETY AND THE ENVIRONMENT

% employees who agree with the statement in our biennial employee survey	2018	2020
I believe the company is exceptionally committed to environmental production	86%	92%
I believe the company is exceptionally engaged regarding sustainable products	84%	91%
I am pleased with the contribution the company is making to communities and society	68%	81%

The Foundation runs our flagship Cartons for Good project (see [page 54](#)). After a successful pilot in Bangladesh, the Foundation is exploring how to scale this project up. It has also begun a second workstream to develop a project following a similar model to our so+ma partnership in Brazil that will support recycling and the circular economy, while delivering benefits for communities in other regions (see [page 14](#)).

DRIVING THE NET POSITIVE AGENDA

SIG has made the bold commitment to become net positive by putting more into society and the environment than we take out.

Net Positive Principles

Material:
Focusing on what matters most

Systemic:
Influencing change across entire system

Regenerative:
Creating long-term, sustained and absolute impact

Transparent:
Sharing progress openly and honestly

We are part of a dedicated group of pioneering companies and non-governmental organisations working together to drive the net positive agenda through our membership of the Net Positive Project. By working with partners and inspiring others to join the movement, we are catalysing change and creating more benefits for people and the planet.

Accelerating our net positive ambition

Our *Way Beyond Good* mission is to create food packaging that makes the world a better place by expanding forests across the world, taking carbon from the atmosphere, creating more resources for future generations, and ensuring nutrition and hydration come safely to ever more people.

We are developing a roadmap for 2025 and beyond to help us accelerate progress to deliver transformational change at the pace and scale needed to deliver this net positive mission.

The Net Positive Principles (see box, left) are a useful tool to help us fulfil our mission by making a significant contribution to tackling major global challenges and supporting systemic change that will deliver an overall positive impact.

With input from our Responsibility Advisory Group and Net Positive Project partners, such as Forum for the Future, we have developed a series of targeted action areas that focus on what's most material to our business and where we can make the most significant impact by supporting systemic change in the context of sustainable development challenges and opportunities.

Measuring environmental footprint

We use established practices and protocols to measure our value chain greenhouse gas emissions and we have also developed a methodology to measure our wider value chain environmental footprint.

This methodology builds on the life-cycle assessment (LCA) approach that we already use to measure the environmental performance of our products. The benefit of using an LCA approach is that it looks across a range of different impact areas to help

identify potential trade-offs where an action may reduce our impact in one category but increase our impact in another.

Analysing our value chain environmental footprint helped to inform the development of our *Way Beyond Good* ambitions and is supporting us in defining what net positive means for each action area.

Quantifying societal impacts

Metrics and methodologies are less well defined for measuring social impact. We have established a methodology to measure the impact of our community engagement programmes and we are exploring the potential to use an LCA model to better understand social impact across our value chain.

In 2020, we tested the revised guidelines for social LCAs developed by the United Nations Environmental Life Cycle Initiative and the Social Life Cycle Alliance. With support from a researcher at RWTH Aachen University, we applied the guidelines in a case study to identify potential social impacts – positive and negative – associated with the transition from fossil-based to renewable feedstock for polymers.

This exercise showed that social LCAs could add a valuable additional layer of information to support decision-making by identifying social impacts and potential trade-offs along the life-cycle – particularly

in our supply chain. However, more detailed data is required to implement the guidelines effectively.

Measuring handprints

As well as developing methodologies to measure our footprint as a powerful tool for decision-making in product design and corporate priority setting, we are also working to better understand and measure handprints (positive impact) to help us quantify and enhance positive outcomes.

To achieve a net positive impact, our footprint should be exceeded by our handprint when assessed together. In line with the Net Positive Principles, in practice this means we must both reduce our footprint and increase our handprint. Transparent and credible methodologies are essential to measure both.

We define a handprint as causing a reduction in another actor's footprint (outside our own value chain footprint) or creating positive outcomes (measured in the same physical units as footprints). This enables us to take a broader perspective in addressing positive systemic and transformative outcomes outside our own value chain. See box (top right) for an example of how this works in practice in our aluminium foil supply chain.

We are currently exploring how to measure handprint impacts and the potential to use an LCA-based approach. This year, we partnered with the Sustainability and Health

Initiative for NetPositive Enterprise (SHINE) to pilot the SHINE HandPrint method in relation to use of our packs and our SIGNATURE 100 solution in the dairy market (see box, bottom right).

We also worked together with NGOs Forum for the Future, SHINE and BSR, and our liquid packaging board supplier Stora Enso – all partners in the Net Positive Project – to better understand how net positive approaches could add value to inform recycling activities for used beverage cartons, including use of recycled materials and the potential roles of different actors to achieve systemic changes.

The output is a guide to help companies understand how to apply the net positive principles for product end-of-life processes to support and measure positive outcomes outside corporate or product system boundaries and stimulate lasting systemic change. We will continue our collaboration to share our learnings and test further application areas for the net positive principles.

Cutting our carbon footprint and creating a positive handprint with ASI

We expect our aluminium foil suppliers to achieve certification to the Aluminium Stewardship Initiative (ASI), which includes requirements for smelters to keep the greenhouse gas emissions from producing aluminium within specific limits. This in turn supports us in cutting our own value chain carbon footprint from the aluminium foil we purchase to go into our packs – as measured through our established greenhouse gas accounting methodologies.

By encouraging suppliers to meet ASI standards, we are also contributing to delivering a positive outcome (handprint) because the same suppliers will deliver

carbon reductions for other companies purchasing aluminium foil for use in our sector and beyond.

In addition, we are creating a wider handprint by increasing consumer awareness and demand for responsibly sourced aluminium by enabling our customers to include the ASI label on their products. This on-pack labelling enhances visibility of ASI-certified materials in the food and drink supply system.

Modelling handprints from increasing uptake of SIGNATURE 100

We piloted the SHINE HandPrint method in 2020 to better understand the positive role our packaging system can play in reducing consumer footprints. The pilot looked specifically at all the dairy markets we serve and mapped potential savings by introducing our SIGNATURE 100 solution in these markets.

For example, by using simplified data and focusing on consumers' carbon footprints, the pilot offered some useful illustrative findings related to climate impact. The scale of potential handprints varies significantly between markets.

The pilot estimated the total potential handprint from introducing SIGNATURE 100 as a replacement for our standard packs as 260,000 tonnes of CO₂-equivalent per year. And if we assume that all milk currently delivered in plastic bottles was delivered using our cartons with SIGNATURE 100, consumers' total footprint would shrink by an estimated 500,000 tonnes of CO₂-equivalent per year.

Based on the pilot, this methodology shows potential as a useful tool to inform decision-making alongside our established footprint metrics.

OUR CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Governments, businesses and others must all do their part to achieve the United Nations Sustainable Development Goals (SDGs) for 2030. We are determined to do ours.

We are focusing our support on the SDGs where we see opportunities for our business and partnerships to make a meaningful contribution by supporting systemic change at scale (see table, right). These are closely aligned with the areas where we have the most significant impact on sustainable development (see [page 35](#)) and we are driving progress through our *Way Beyond Good* action areas.

This targeted approach – focusing on the biggest risks to people or the environment, and the greatest benefits our products and partnerships can have – is in line with the guidelines for business reporting on the SDGs from the Global Reporting Initiative and the United Nations Global Compact.

TARGETED SUPPORT FOR THE SDGs




















SDG	MOST RELEVANT SDG TARGETS WHERE OUR ACTION CONTRIBUTES ¹	WAY BEYOND GOOD ACTION AREAS	OUR APPROACH AND PROGRESS
	<p>2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round</p> <p>2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous people, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment</p> <p>2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality</p>	<p>■ Food+</p> <p>■ Food+</p> <p>■ Climate+ ■ Food+ ■ Resource+</p>	<p>See page 53.</p> <p>See page 53.</p> <p>See page 42. See page 53. See page 49.</p>
	<p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix</p>	<p>■ Climate+ ■ Resource+</p>	<p>See page 42. See page 49.</p>
	<p>12.1 Implement the 10-year framework of programmes on sustainable consumption and production, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries</p> <p>12.2 By 2030, achieve the sustainable management and efficient use of natural resources</p>	<p>■ Resource+ ■ Forest+</p> <p>■ Resource+ ■ Forest+</p>	<p>See page 49. See page 40.</p> <p>See page 49. See page 40.</p>

Table continued on next page.

¹ Relevant targets identified through an analysis based on the methodology outlined in the UNGC/GRI publication "Business Reporting on the SDGs: An Analysis of Goals and Targets".

We also contribute to several other SDGs through our commitments to sustainable innovation, responsible culture and wider ambitions to go *Way Beyond Good* for society and the environment. For example:

- our commitment to health, safety and fair labour practices for employees and people in our supply chain (through responsible sourcing) aligns with SDG 8
- by promoting the use of Forest Stewardship Council™ (FSC™) certification, we are supporting progress towards 11 of the SDGs (and 35 of the accompanying targets)¹
- by scaling up our Cartons for Good project (see [page 54](#)), we can strengthen our support for additional global goals such as SDG 1 on poverty, SDG 3 to promote good health and wellbeing, and SDG 10 to reduce inequalities (as well as SDGs 2, 12 and 17)
- our methodology for measuring the impact of our community engagement programmes considers their alignment with the full range of SDGs (see [page 77](#)).

TARGETED SUPPORT FOR THE SDGs			
SDG	MOST RELEVANT SDG TARGETS WHERE OUR ACTION CONTRIBUTES	WAY BEYOND GOOD ACTION AREAS	OUR APPROACH AND PROGRESS
	12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses	 Food+	See page 53 .
	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	 Resource+	See page 49 .
	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	 Climate+  Forest+	See page 42 . See page 40 .
	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	 Climate+	See page 42 .
	14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution	 Resource+	See page 49 .
	15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally	 Forest+	See page 40 .
	17.16 Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries	 Climate+  Food+  Resource+  Forest+	See page 42 . See page 53 . See page 49 . See page 40 .

¹ Based on analysis by the FSC™ in 2018.

LISTENING AND RESPONDING TO STAKEHOLDERS

We engage with stakeholders to understand what matters most to them and we respond to their feedback.

In 2020, much of the dialogue that we would normally have in person was conducted virtually to maintain our engagement with stakeholders safely during the COVID-19 pandemic.

HOW WE ENGAGE WITH STAKEHOLDERS			
STAKEHOLDER	HOW WE ENGAGE	KEY TOPICS AND CONCERNS	OUR RESPONSE
Customers	<ul style="list-style-type: none"> ■ Customer questionnaires ■ Regular interactions with customers through sales and service 	Customers want us to meet their requirements on a broad range of responsibility issues and help them achieve their social and environmental goals. Recyclability of products, recycling infrastructure, and increased use of renewable and recycled materials remained high on our customers' agendas in 2020.	<p>We use established industry platforms, such as SEDEX and EcoVadis, to demonstrate compliance with customer requirements and we support their goals through product innovation (see page 56).</p> <p>In 2020, we engaged closely with customers to understand their needs and partnered with several customers on recycling initiatives (see page 52).</p>
Employees	<ul style="list-style-type: none"> ■ Biennial global employee survey ■ Regular day-to-day dialogue ■ Formal appraisals ■ Consultation with employee representatives 	Feedback from our employee survey in 2020 showed a significant increase in employee engagement, with improved scores across all 13 categories. It also highlighted several areas where employees feel there is still room for improvement.	<p>We are responding to employee feedback to help us make SIG a better place to work (see page 68).</p> <p>We also took steps to support our employees' health and wellbeing through the COVID-19 pandemic (see page 73).</p>
Industry	<ul style="list-style-type: none"> ■ Industry associations such as ACE and GRACE (see page 51) ■ Consumer Goods Forum ■ Common industry platforms such as EXTRA:CT and 4evergreen 	Industry peers are keen to work together towards common goals and meet shared industry challenges, such as increasing recycling rates of used beverage cartons.	<p>We are working through industry associations and partnering directly with others in our industry to drive progress on recycling initiatives around the world (see page 51). We have also joined the Consumer Goods Forum's Coalition of Action on Plastic Waste to enhance dialogue among leading companies and drive action.</p>
Investors	<ul style="list-style-type: none"> ■ Annual report ■ Annual General Meeting ■ Quarterly reporting and investor calls ■ Regular dialogue with existing and prospective investors <i>(286 meetings with 214 investors in 2020)</i> ■ Investor conferences <i>(12 in 2020)</i> 	Investors seek sustainable, long-term returns. The main environmental, social and governance (ESG) topics they asked about in 2020 are recycling and circularity, how to make SIG's most sustainable products more mainstream, and how to leverage the sustainability credentials of cartons compared with other types of packaging.	<p>We are driving progress on recycling and circularity, increasing uptake of our most sustainable products, and integrating sustainability credentials in our marketing and sales materials.</p> <p>We have achieved strong ESG ratings from MSCI and Sustainalytics (see page 2) and our robust approach enabled us to access sustainability-linked refinancing in 2020.</p>

HOW WE ENGAGE WITH STAKEHOLDERS

STAKEHOLDER	HOW WE ENGAGE	KEY TOPICS AND CONCERNS	OUR RESPONSE
Suppliers	<ul style="list-style-type: none"> ■ Regular engagement ■ Compliance assessments and audits 	Suppliers want to know what our requirements are on responsibility so they can understand how to meet them.	We communicate our ethical supplier standards and work with suppliers to source raw materials from responsible sources (see page 60).
Sustainability experts	<ul style="list-style-type: none"> ■ Responsibility Advisory Group (RAG) ■ Regular conversations with experts from academia, institutes, government and non-governmental organisations ■ Participation in multi-stakeholder initiatives, including the Net Positive Project and Science Based Targets Initiative ■ Engagement with the Institute for Energy and Environmental Research (IFEU) 	<p>Experts want us to show we are managing our most material issues, setting ambitious targets and reporting transparently on our performance, following recognised international standards.</p> <p>Independent experts on our RAG met twice in 2020 to provide feedback on our approach (see page 27).</p>	<p>We refreshed our materiality assessment in 2020 and we have set bold new ambitions for 2025 and beyond. We have built responsibility into our Corporate Compass and key business processes, and have a clear governance structure in place.</p> <p>We use international protocols and standards in the management of specific focus areas. We engage IFEU to conduct third-party life-cycle assessments (LCAs) of our products and we are collaborating with others to drive the net positive agenda (see page 29).</p> <p>We report in accordance with the Global Reporting Initiative Standards and we obtain external assurance for key data to enhance transparency.</p> <p>See page 27 for our response to the RAG's feedback in 2020.</p>
Policymakers and regulators	<ul style="list-style-type: none"> ■ Engagement through trade associations 	The range of topics covered by regulators is broad. Hot topics include responsible production, sustainable consumption, recycling and circular economy, and contributions to broader global goals, such as the United Nations Sustainable Development Goals.	Existing and emerging regulations feed into our identification of material issues and we address topics relevant to public policy through our <i>Way Beyond Good</i> action areas and enablers. See relevant issue sections for our response to specific regulatory priorities.
Local communities around SIG production sites	<ul style="list-style-type: none"> ■ <i>Way Beyond Good</i> engagement programme ■ Family days and open days at our sites ■ Recycling initiatives 	Issues raised by communities are generally locally specific. COVID-19 created an increased need for support among many of our local communities in 2020.	<p>We have continued to increase the positive impact we have on communities through our <i>Way Beyond Good</i> engagement programme (see page 28), with a particular focus on supporting them through the COVID-19 crisis.</p> <p>We are enhancing our social impact in communities through the SIG Way Beyond Good Foundation and flagship Cartons for Good project (see page 54).</p>

OUR PRIORITIES

Our new *Way Beyond Good* action areas are closely aligned with the biggest opportunities for SIG to have an impact on sustainable development.

We defined these action areas, and the accompanying enablers of sustainable innovation and responsible culture, based on an assessment of the issues that are most important to our stakeholders and our business. These are our material issues.

Materiality process

In 2020, we worked with expert sustainability consultants to refresh our materiality assessment.

The first step was to conduct research into external trends to update the list of issues to be assessed. In some cases, issues have been regrouped or redefined to better reflect current trends and the close connections between certain issues (see issue list with definitions on [page 37](#)). One emerging issue, clean air, was added to

the list as a result of increased external focus on air pollution.

We then assessed the relative importance of each issue to external stakeholders using inputs representing a range of stakeholder groups, and to our business, based on our strategic business priorities, values and principles, risk management and customer requirements.

The results were plotted on a materiality matrix (see next page) and we set a threshold of 80% or above on either or both axes to identify our most material issues.

We also analysed where we have the most significant impacts on the environment, society and/or economy that can have a positive or negative contribution to sustainable development (see below).

The results were validated internally by our Group Executive Board and externally by informed sustainability experts, including the members of our Responsibility Advisory Group.

Key trends

Some material issues have shifted slightly in their relevant importance, but SIG's most material issues remain broadly similar to the previous assessment in 2018.

The COVID-19 pandemic has dominated global trends in 2020. It has had an immense impact, not just on public health, but on wider social and economic issues around the world. It feeds into and adds weight to many other material issues for SIG:

- employee health, safety and wellbeing – these topics are seen as increasingly interconnected and a priority through the pandemic
- safe food supply – issues with availability during COVID-19 lockdowns has brought the global food supply system into sharp focus
- tackling climate change – activists have kept this issue high on the agenda and stakeholders expect corporate action to help economies recover better
- diversity and inclusion – race and gender diversity have become hot topics as

TARGETING ACTION WHERE WE CAN HAVE THE MOST SIGNIFICANT IMPACT

SIGNIFICANT IMPACT	WAY BEYOND GOOD ACTION AREA / ENABLER
Safe food supply	■ Food+
Recycling & circular economy	■ Resource+
Tackling climate change	■ Climate+
Thriving forests	■ Forest+ ■ Climate+
Sustainable raw materials	■ Forest+ ■ Resource+ ■ Responsible culture
Sustainable packaging innovation	■ Sustainable innovation

a result of global campaigns, and the pandemic has further highlighted racial and gender inequalities

- biodiversity (part of thriving forests) – United Nations reports have highlighted the need for radical action to conserve the Earth’s resources and underlined the link between biodiversity and the spread of pathogens.

The issue of recycling and circular economy has also continued to rise up the agenda as more countries adopt regulations in this area. Minimising production waste is no longer considered a material issue, although it remains high on the agenda for our production teams.

Our most significant environmental, societal and economic impacts remain the same.

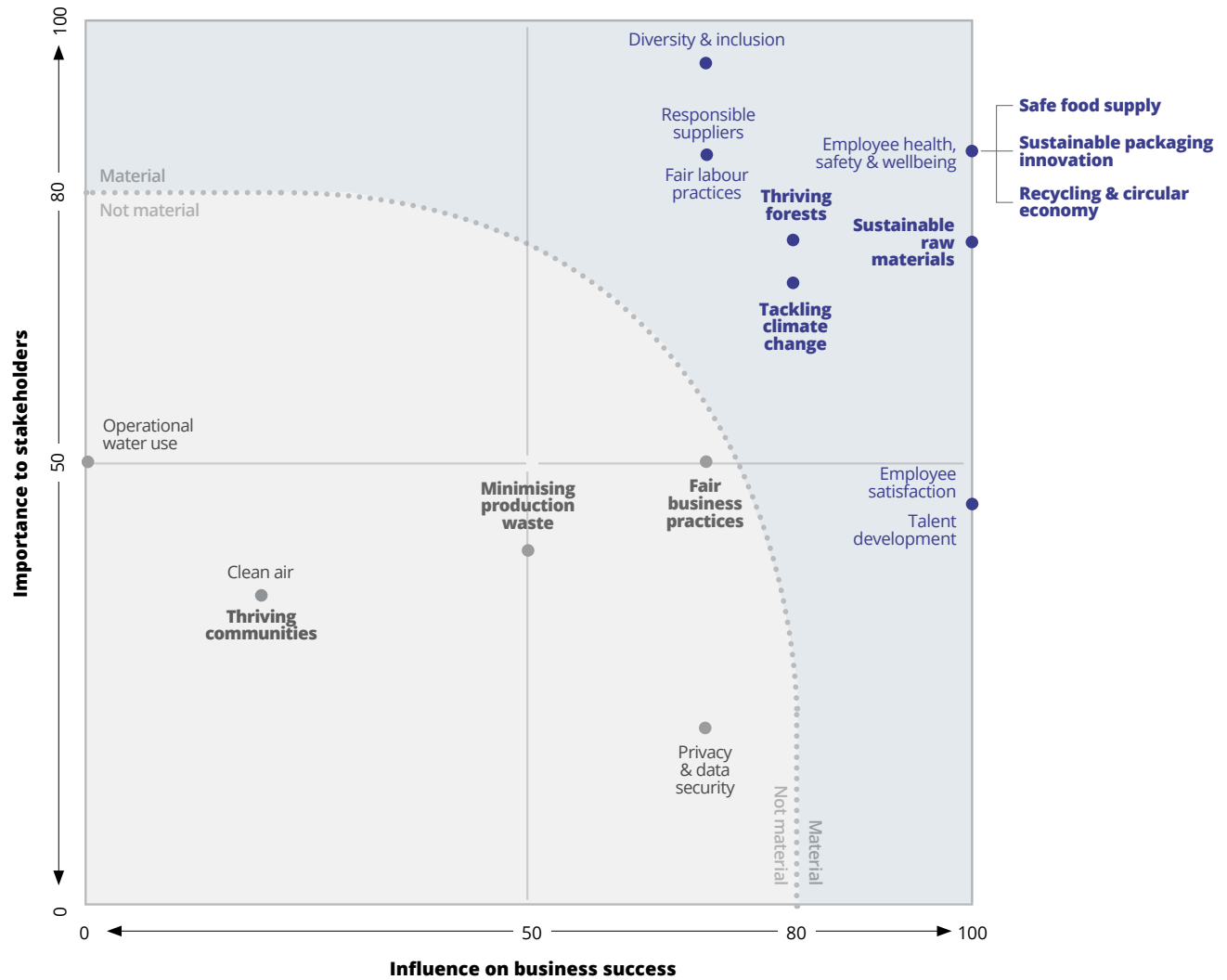
Defining reporting boundaries

The table on the following pages defines our most material issues and the boundaries of where each impact occurs within or outside the organisation. It also highlights the six material issues where we can have the most significant environmental, societal and/or economic impact.

Our material issues determine the content of our reporting, including which of the GRI Standards we report on (see [page 89](#)) and the level of coverage and boundaries for each. We also report on some additional strategic topics that are part of our responsible business approach. These are also indicated in the table.

OUR MATERIAL ISSUES

Key ● Material issues ● Significant impacts ● Additional strategic topics



ISSUES DEFINITIONS AND BOUNDARIES

ISSUE	DEFINITION	MATERIAL ISSUE	BOUNDARIES			SIGNIFICANT IMPACT	ADDITIONAL STRATEGIC TOPIC	
			WITHIN ORGANISATION	OUTSIDE ORGANISATION				
				SUPPLIERS	CUSTOMERS			CONSUMERS
Safe food supply	Efforts to contribute to a sustainable food supply system by: supporting the delivery of safe nutrition and hydration through the provision of high-quality products that ensure the quality, hygiene and safety of the food contained in the company's packaging; contributing to the prevention of food loss by ensuring that the company's filling machines operate efficiently; and supporting customers' efforts to reduce food waste through packaging design.	●	●		●	●	●	
Thriving forests	Efforts to use pulp and paper products from responsible and sustainable sources that support biodiversity, promote thriving forest ecosystems and support the people who depend on these.	●	●	●	●		●	
Tackling climate change	Efforts to mitigate climate change by reducing greenhouse gas emissions associated with the company's value chain (through, for example, energy efficiency and use of renewable energy), to support carbon sequestration, and to adapt to a changing climate to ensure continuity of production and supply.	●	●	●	●	●	●	
Recycling & circular economy	Efforts to support the principles of a circular economy by designing out waste, ensuring that the company's products are easily and fully recyclable, ensuring/improving recyclability of plastics, supporting the establishment of appropriate infrastructure to collect and recycle the company's products after consumer use, preventing single-use plastic items such as straws from leaking into the environment, keeping products and materials in use by using recycled content, transitioning to renewable sources and regenerating natural systems.	●	●	●	●	●	●	
Sustainable packaging innovation	Innovation in the company's packaging solutions (including packs, filling machines and technical service) to better meet the needs of customers, consumers, society and the environment.	●	●		●		●	
Sustainable raw materials	Efforts to ensure that raw materials are produced in a responsible and sustainable way, including upholding the rights of indigenous communities, and to ensure a security of supply.	●	●	●			●	
Diversity & inclusion	Efforts to increase diversity in the workforce, create an inclusive workplace, and ensure equal opportunities regardless of race, religion, national origin, political affiliation, gender, sexual orientation, disability, age or any other relevant category.	●	●					
Talent development	Investing in and developing employees to help them achieve their goals and create a workforce that meet the needs of the business now and in the future.	●	●					
Employee satisfaction	Listening to employees, responding to their feedback, recognising the work they do and rewarding them based on performance to sustain strong levels of job satisfaction, motivation and engagement in the business.	●	●					

ISSUES DEFINITIONS AND BOUNDARIES

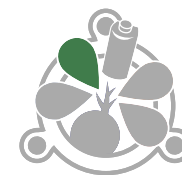
ISSUE	DEFINITION	MATERIAL ISSUE	BOUNDARIES			SIGNIFICANT IMPACT	ADDITIONAL STRATEGIC TOPIC	
			WITHIN ORGANISATION	OUTSIDE ORGANISATION				
				SUPPLIERS	CUSTOMERS			CONSUMERS
Employee health, safety & wellbeing	Efforts to keep employees safe at work by managing occupational health and safety risks, and to support their wellbeing by enabling a good work-life balance, promoting healthy lifestyles, building their resilience and creating an open environment where people feel able to ask for help.	●	●					
Fair labour practices	Efforts to uphold labour rights in the company's own operations, including providing fair pay and decent working conditions, recognising the right to freedom of association and collective bargaining, and preventing discrimination, child labour and modern slavery (human trafficking, forced and compulsory labour, bonded labour and slavery).	●	●					
Responsible suppliers	Efforts to ensure that all suppliers uphold appropriate standards on sustainability issues such as ethical conduct, labour practices and environmental and health and safety management.	●		●				
Thriving communities	Efforts to maintain good relationships with and support the communities where the company operates (through, for example, local employment and sourcing, and charitable giving and employee volunteering).	NOT MATERIAL					●	
Fair business practices	Efforts to ensure the company conducts business fairly and ethically, including efforts to prevent anti-competitive practices and bribery and corruption, to ensure openness and transparency in public policy activities, and to ensure the company contributes to the economies it operates in (for example, by paying an appropriate amount of tax).	NOT MATERIAL					●	
Minimising production waste	Efforts to reduce and recycle waste from the company's operations.	NOT MATERIAL					●	
Privacy & data security	Efforts to ensure that data is captured, stored and transferred in a secure way that protects the privacy of personal and business information.	NOT MATERIAL						
Operational water use	Efforts to reduce water use in the company's operations, particularly in water stressed regions.	NOT MATERIAL						
Clean air	Efforts to prevent local air pollution associated with the company's operations and logistics.	NOT MATERIAL						

APPROACH & PERFORMANCE

We provide detailed disclosures on our commitment, management approach, performance and goals for each of our material topics as part of our reporting in accordance with the Global Reporting Initiative guidelines. Disclosures on material issues are reported within the structure of our *Way Beyond Good* action areas and enablers: Forest+, Climate+, Resource+, Food+, Sustainable Innovation and Responsible Culture.

FOREST+	40
CLIMATE+	42
RESOURCE+	49
FOOD+	53
SUSTAINABLE INNOVATION	56
RESPONSIBLE CULTURE	
Our supply chain	60
Our people	65
Health, safety and wellbeing	71
Environmental management	75
Communities	77
Governance & ethics	79
2020 ROADMAP PERFORMANCE SUMMARY	
Responsible Company	81
Responsible Sourcing	83
Responsible Products	84





FOREST+

MATERIAL ISSUE

- Thriving forests

SIGNIFICANT IMPACT

Thriving forests (environmental, societal, economic)

KEY PERFORMANCE INDICATORS

% packs sold labelled with FSC™ logo

KEY POLICIES

- Responsible Sourcing Policy & Directive
- [Liquid Packaging Board](#) Purchasing Policy

RELEVANT SDGS



RESPONSIBLE

VP of Global Sourcing and Procurement

EVALUATION OF MANAGEMENT APPROACH

Quarterly reviews by the VP of Global Sourcing and Procurement who reports to the Responsibility Steering Group twice a year

GRIEVANCE MECHANISM

Ethics & Compliance Hotline

Why is this material for SIG?

The world's forests play a critical role in regulating the climate as well as supporting biodiversity, ecosystem functions and communities. If managed sustainably, they can provide a wealth of resources and materials that can be continually renewed – offering sustainable alternatives to fossil-based materials.

We depend on forests to provide the wood fibres used to make liquid packaging board, the main material that goes into our packs. Sustainably-managed forests offer natural, renewable and recyclable raw materials with excellent attributes for our packaging, including stiffness and protection from light. Trees are harvested incrementally to maintain ongoing benefits of thriving forests, including ecosystem services and carbon storage as trees absorb CO₂ emissions when they grow through photosynthesis. This is why supporting thriving forests not only supports biodiversity but also plays an essential role in tackling climate change.

With our strong connection to forests through our supply chain, we have an opportunity to make a significant positive contribution to thriving forests by engaging with our suppliers and sourcing raw materials from sustainably-managed forestry operations.

Our commitment to sourcing certified responsible liquid packaging board helps us

to ensure a sustainable supply of our main raw material now and in the future, to meet customer and investor requirements for sustainable sourcing, and to enable customers to demonstrate to consumers that their packaging is responsible and does not contribute to deforestation or forest degradation.

Our commitment

We are committed to sourcing our liquid packaging board from certified responsible sources that use sustainable forestry practices to help forests – and the communities that depend on them – thrive.

To do this, we promote the use of Forest Stewardship Council™ (FSC™) certification, which is supported by non-governmental organisations such as WWF and the Rainforest Alliance, among our suppliers – large and small. We also aim to have an even wider positive impact by calling on our customers and others to support FSC™ certification to help transform the market.

With all our liquid packaging board sourced from sustainably managed forests, our next focus is on greatly expanding sustainable forestry across the world.

Helping forests thrive will also help us meet our Climate+ and Resource+ ambitions.

2025+ TARGETS

- Add an additional hectare of sustainable forests for every hectare of sustainable forests we sourced from in 2020 – that's at least 650,000 additional hectares of forests we will restore or create – by 2025.
- Establish a partnership with Brainforest, an NGO, to contribute to restoring or creating resilient and sustainable forests by 2025
- Partner with an 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, closing the remaining 3% gap by 2025
- Maintain 100% FSC™-certified supply of liquid packaging board for our packs

Management overview

We require our suppliers to source wood for our liquid packaging board from forests that are managed sustainably.

FSC™ Chain of Custody certification enables the liquid packaging board used in our packs – and the fibres used in our paper straw solution – to be traced through the supply chain to sustainably-managed forests.



All our liquid packaging board comes from paper mills certified to the FSC™ Chain of Custody standard and we have maintained FSC™ Chain of Custody certification at our production sites and sales offices worldwide since 2009. We were the first in the industry to achieve this milestone.

To become FSC™-certified, forest owners must meet strict standards for sustainable forestry management that include supporting biodiversity and ecosystem functions, preventing deforestation and degradation, and respecting the rights of workers, local communities and indigenous peoples.



As of January 2021, 100% of the liquid packaging board used in our packs is purchased with FSC™ certification – another industry first. This means that all our liquid packaging board is made with fibres sourced from FSC™-certified sustainable forests and other FSC™-controlled sources.



Since 2016, customers have been able to put the FSC™ label on any of our packs – another industry

first. The FSC™ label on a product shows consumers that the paper or board used in the packaging comes from sustainably-managed forests and other controlled sources. Through our sales and marketing, we encourage customers to put the FSC™ label on their packs to raise awareness of sustainability and increase consumer demand for other FSC™ certified paper and wood products.

By promoting the use of FSC™ certification we are supporting progress towards 11 of the United Nations Sustainable Development Goals (SDGs) and 35 of the accompanying targets.¹ This includes SDG 13 on climate action and our support for thriving forests will play an essential role in our Climate+ action area (see [page 42](#)).

SIG supports and helped to launch the FSC™ Bonn initiative to quantify the positive contribution that FSC™-certified forests can make to mitigating climate change. Through the Alliance for Beverage Cartons and the Environment (ACE), we also collaborated with the United Nations Environment Programme (UNEP) Life Cycle Initiative and WWF to develop the Gimo Recommendations. These aim to empower decision-makers across the value chain to protect and restore life on land by providing clear guidance for enhancing life-cycle assessment modelling for the biodiversity impact of forestry.

We are exploring opportunities for partnerships that will help us support the growth of sustainable forests worldwide – beyond the amount we need to make our packs – and measure the environmental

and social impact, including associated carbon capture.

We also aim to reduce pressure on forest resources by designing our packs to minimise use of materials and by fostering recycling of packs after use to reclaim the fibres so they can be used again to create new paper and board products (see [page 49](#)).

Performance in 2020

Supporting thriving forests through FSC™ certification

- As of January 2021, 100% of the liquid packaging board used in our packs is purchased with FSC™ certification – an industry first. The supply of our liquid packaging board with this FSC™ claim has remained high – over 80% – for several years and we have reached 100% through continued close collaboration with suppliers.
- We have now sold almost 165 billion FSC™-labelled packs and customers can put the FSC™ label on any SIG pack.
- 97%² of the packs we sold in 2020 carried the FSC™ label and we are continuing to promote the benefits of FSC™ labelling to our customers.

Partnering to expand sustainable forestry

- We have set a bold new ambition to support the growth of sustainable forests beyond our own needs and greatly

PROGRESS AGAINST TARGETS

2020 TARGET

100% FSC™ labelled packs
(work with customers to include the FSC™ logo on 100% of the packs we sell)

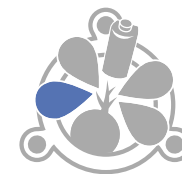
PROGRESS TRACKER



expanding sustainable forestry across the world.

- We began exploring opportunities for partnerships and signed a memorandum of understanding with Brainforest, a Swiss-based non-profit association co-founded by WWF Switzerland. Brainforest identifies science-based projects that create resilient forest ecosystems to improve biodiversity and store carbon to unlock the full climate potential of forests.

¹ Based on an analysis by the Forest Stewardship Council™. ² Excludes SIG Australia.



CLIMATE+

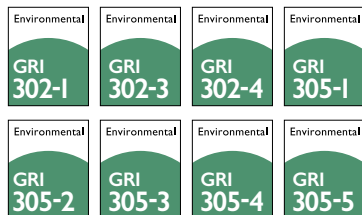
MATERIAL ISSUE

- Tackling climate change

SIGNIFICANT IMPACT

Tackling climate change (environmental)

KEY PERFORMANCE INDICATORS



KEY POLICIES

- Responsible Sourcing Policy & Directive
- [Global Environment, Health and Safety Policy](#)
- Global R&D Process Handbook
- Standard Operating Procedure to improve used beverage carton collection and recycling in regions

RELEVANT SDGS



RESPONSIBLE

- Raw materials and energy sourcing: Global Sourcing and Procurement
- Production: Group Corporate Responsibility and local environmental teams at production plants
- Pack design: Global Technology with support from Global Marketing

- Filling machines: Global Research and Development and Global Engineering & Application teams
- Logistics: Global Supply Chain Management
- Recycling: Local teams, overseen by Regional Presidents

EVALUATION OF MANAGEMENT APPROACH

- Quarterly review of raw materials and energy sourcing by VP of Global Sourcing and Procurement who reports to the Responsibility Steering Group
- Monthly review of production metrics by the Group Executive Board
- Independent, critically-reviewed life-cycle assessments
- Internal audits and regular review of performance against *Way Beyond Good* targets by the Group Executive Board
- SEDEX site audits and EcoVadis assessments

GRIEVANCE MECHANISM

Ethics & Compliance Hotline

Why is this material for SIG?

Climate change resulting from manmade greenhouse gas emissions is one of the biggest global challenges we face, with wide-reaching implications for people and the planet. Tackling the climate emergency requires bold and urgent action – and stakeholders expect businesses to play their part.

We have an opportunity to contribute to global climate efforts by reducing

greenhouse gas emissions across our value chain and by supporting thriving forests as important carbon sinks through our procurement of liquid packaging board from certified sustainable sources.

Tackling climate change also helps us mitigate risks for our business. These include physical risks from changes to the climate that could impact the long-term availability of our raw materials and transition-related risks from regulations designed to promote a low-carbon economy.

We are well positioned to grow our market share in a low-carbon economy. Our packs are made using renewable energy and mainly from renewable materials. They have a relatively low carbon footprint compared with alternative types of packaging and we are cutting their life-cycle carbon footprint further through sustainable innovation. Our low-carbon packaging solutions offer a strong differentiator for customers seeking to meet growing consumer demand for climate-friendly products.

Customers and investors also increasingly expect us to demonstrate strong performance on climate action in our own operations. By doing so, we also have an opportunity to have a wider positive impact by setting a leading example to others, for example by setting science-based climate targets and switching to 100% renewable energy for production.

2025+ TARGETS

- Reduce Scope 1, 2 and 3¹ greenhouse gas emissions by 25% per litre of food packed by 2030 (from 2016)
- Reduce Scope 1 and 2 greenhouse gas emissions by 50% by 2025 and by 60% by 2030 (from 2016)
- Maintain 100% renewable energy 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 to meet 25% of our global electricity use by 2025
- Transition to 100% bioethanol or other bio-materials for printing by 2025
- Reduce CO₂ emissions from inbound and outbound logistics by 25% (from 2016)

¹ The value chain target covers our most significant Scope 3 emissions – from our supply chain, use of our filling machines and recycling or disposal of packs.

Our commitment

We are committed to offering the lowest carbon solutions available and cutting emissions at every stage of our value chain – from sourcing of raw materials to production, transport, filling and recycling of our packs.

To support the transition to a low-carbon economy, we have set bold targets to cut the carbon footprint of our operations and decouple emissions from production growth. Our targets are approved by the Science-Based Targets Initiative as in line with the latest science to keep global warming below 1.5°C to prevent the worst effects of climate change.

And we are going further by combining sustainable innovation with our Forest+ actions (see [page 40](#)) to make food packaging like a tree – taking carbon from the atmosphere and making the world a better place.

We are also committed to mitigating our exposure to climate-related risks through adaptation measures. For example, our support for sustainable forestry practices is improving resilience in our value chain, and our efforts to use more renewable and recycled materials help to reduce reliance on virgin fossil resources.

Management overview

We take a holistic approach to tackling climate change at every stage of our value chain. While we have the most direct influence over our own operations, they account for just 5% of our value chain carbon footprint. By contrast, an estimated

69% of greenhouse gas emissions lie in our supply chain from the extraction, processing and transport of raw materials. A further 8% comes from energy used to operate our filling machines in our customers' factories, 12% comes from disposal of our packs after use (where they are not recycled) and the remaining 6% relates to other categories (see [page 99](#)).

Cutting carbon from production

Environmental management systems certified to ISO 14001 at all our production facilities (except our newly acquired plant in Australia), and energy management systems certified to ISO 50001 at our European plants, support continuous reductions in energy use and emissions.



We have achieved carbon neutral production by using 100% renewable energy (electricity and gas) to manufacture our packs since 2018 – an industry first – and we have now extended this to cover energy use at our paper mill in New Zealand as well.

Scope 2 greenhouse gas emissions from production are reduced to zero by switching to 100% renewable electricity. We purchase renewable electricity through guarantees of origin or GoldPower®-certified international renewable energy certificates (I-RECs) that verify the energy is generated from renewable sources.

With no viable option to source renewable biogas directly, we are instead sourcing it indirectly by investing in Gold Standard®-certified projects to construct and operate waste-to-energy systems that capture

methane – a powerful greenhouse gas – from landfill sites and use it to produce renewable energy.

The GoldPower® and Gold Standard® certifications verify that the energy projects we invest in deliver measurable emissions reductions to offset our Scope 1 emissions from the gas and solvents used in production. The projects also create benefits for local communities.

We are also investing in solar installations to generate renewable energy at our own sites.

Designing low-carbon packs

Our packs are made up of around 75% renewable liquid packaging board from certified responsible sources. Almost all the energy used to produce this board comes from renewable sources – wood residues created in the production process.

The high proportion of renewable board in our carton packs, together with their resource efficient design, makes their life-cycle carbon footprint 28% to 70% lower than alternative types of packaging such as plastic and glass bottles, pouches and cans – for a range of products including long-life food, UHT milk and non-carbonated soft drinks (see charts on next page).

Polymers and aluminium foil make up the remaining 25% of our packs on average, providing barrier layers to contain the food inside and prevent moisture, oxygen and light getting in.

The extraction and production of fossil-based polymers and aluminium are carbon-

intensive processes. That's why we are focusing on reducing or eliminating the need for these materials by exploring innovative ways to use more renewable or recycled alternatives, and partnering with suppliers to cut their emissions.

Using renewable or recycled polymers

The polymers in our **SIGNATURE 100** and **SIGNATURE Full Barrier** packaging materials are linked to 100% renewable, forest-based material (via an independently certified mass balance system) – and our aluminium-free **SIGNATURE 100** for dairy products is the world's first aseptic packaging material to be linked to 100% renewable materials.

An independent critically-reviewed ISO-conformant life-cycle assessment – the first to take into account the inclusion of renewable materials via a mass balance system – showed that **SIGNATURE Full Barrier** can reduce the carbon footprint of a standard 1 litre SIG pack by 45% and **SIGNATURE 100** by 58% (see table on next page).¹

Addressing climate impacts from aluminium

Aluminium foil makes up just 4% of our standard packs on average, but accounts for a significant portion of their life-cycle carbon footprint. Sourcing aluminium foil makes up around 27% of our value chain footprint.



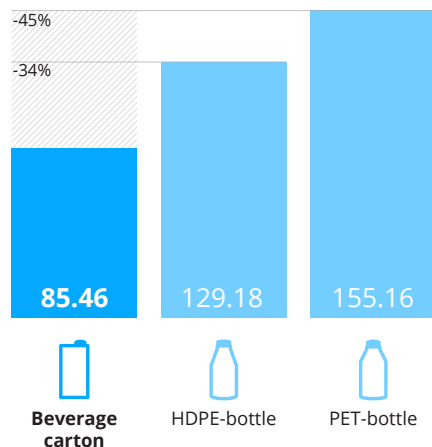
We already offer the world's only aluminium-free packaging materials for aseptic cartons: combibloc **ECOPLUS** and **SIGNATURE 100**.

¹ Results based on ISO-compliant [life-cycle assessment](#) CB-100732c for Europe.

HOW OUR STANDARD CARTON PACKS COMPARE WITH OTHER PACKAGING SOLUTIONS¹

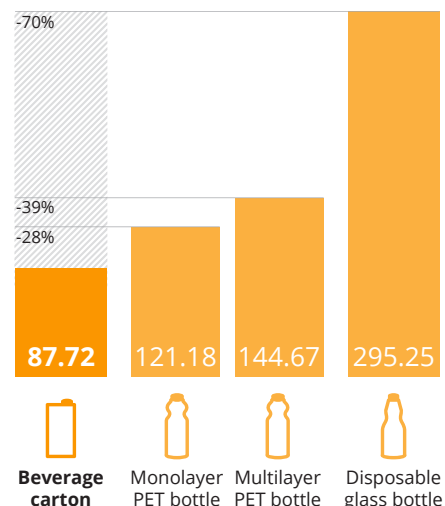
Liquid dairy

kg CO₂ equivalent per packaging required for 1,000L UHT milk



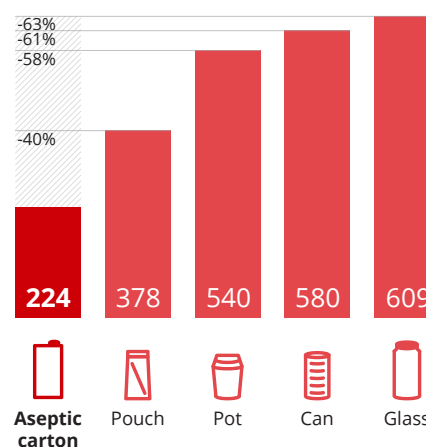
Non-carbonated soft drinks

kg CO₂ equivalent per packaging required for 1,000L non-carbonated soft drinks



Food

kg CO₂ equivalent per packaging required for 1,000L food



However, these solutions are for use with dairy products only. Developing a 100% renewable pack that maintains the full barrier properties required to preserve other more sensitive food products, such as juices, is much more challenging because it is difficult to find a renewable material to replace the ultra-thin layer of aluminium foil that protects contents from light, oxygen and odours over a shelf life of around 12 months.



Our microwavable Heat&Go packs for dairy products use an enhanced barrier film to protect the contents from oxygen, flavour migration and moisture, and a pigmented laminated layer to block light. We continue to explore options for developing a 100% renewable full-barrier solution. In the meantime, we are working with suppliers to reduce the carbon footprint of the aluminium foil we source through certification to the Aluminium Stewardship Initiative (ASI) standard for responsible aluminium sourcing.

HOW OUR SIGNATURE PORTFOLIO COMPARES WITH OUR STANDARD CARTON PACKS

	For milk – in a 1 litre cb3 pack (with cSwift) ²				For fruit juice – in a 1 litre cb2 pack (with cSwift) ³	
	Standard SIG packaging material	combibloc ECOPLUS packaging material	SIGNATURE Full Barrier packaging material	SIGNATURE 100 packaging material	Standard SIG packaging material	SIGNATURE Full Barrier packaging material
Life-cycle carbon footprint in grams of CO ₂ equivalent	63	45	35	26	65	41
% reduction in carbon footprint compared with standard SIG pack	n/a	-27%	-45%	-58%	n/a	-36%



We are the first in the industry to offer aseptic cartons with ASI-certified aluminium foil and our aluminium foil suppliers are expected to meet ASI requirements. These include strict limits for emissions from smelting, the most energy intensive part of aluminium production. ASI-certified smelters must limit their emissions to no more than 8 tonnes of CO₂-equivalent per tonne of aluminium produced by 2030 (or immediately for new smelters). This is a significant reduction from the current global average of 12 tonnes of CO₂-equivalent per tonne of aluminium produced.

¹ Based on ISO-compliant life-cycle assessments for Europe for UHT milk, non-carbonated soft drinks and long-life food.

² Results based on ISO-compliant life-cycle assessment CB-100732c for Europe. ³ Results based on ISO-compliant life-cycle assessment CB-100733 for Europe.

Driving more sustainable logistics

We deliver billions of carton sleeves to our customers every year. Sending our sleeves in flat-pack format significantly reduces the amount of space – and therefore journeys, fuel and emissions – required to transport our packs compared with glass bottles or cans. We aim to further reduce the number of journeys required by filling each truck as fully as possible.

We work with logistics providers to balance costs and environmental considerations with the need to deliver our products to customers when they need them – whether it is by truck or by sea.

Environmental criteria, including greenhouse gas emissions, are included in our selection process for logistics providers and we encourage them to use more fuel-efficient vehicles and utilise intermodal transport (using multiple modes of transportation such as rail) where feasible to improve efficiency.

Making our filling machines more energy-efficient

We aim to improve the efficiency of each new generation of filling machine to help customers reduce energy use and associated greenhouse gas emissions in their factories.

Our technical service solutions also include energy reduction kits that can be retrofitted to existing machines, which often remain in operation for decades. Customers can cut emissions from their filling machines by installing our range of upgrade kits for reducing energy, water and compressed air.

We also offer remote and digital service solutions that help to prevent downtime and reduce greenhouse gas emissions from our technical service engineers travelling to customer sites.

Reducing end-of-life climate impacts

Recycling beverage cartons contributes to the circular economy by keeping high-quality materials in circulation and reducing the demand for virgin materials. Although recycling does not make a significant difference to the overall life-cycle impact of our packs because their performance is already so good, there is a climate benefit to recycling cartons or incinerating them to create energy compared with sending them to landfill where additional emissions may occur.

All our packs are designed to be fully recyclable and we are committed to partnering with stakeholders to improve collection and recycling of used beverage cartons (see [page 49](#)).

Removing carbon from the atmosphere

We will fulfil our Climate+ ambition through our initiatives to support thriving forests that act as carbon sinks (see [page 40](#)).

Performance in 2020

Advocacy

- Together with other leading companies committed to science-based climate action, we called on governments around the world to align COVID-19 economic aid and recovery efforts with the latest

climate science. The Recover Better statement, convened by the Science Based Targets Initiative together with the United Nations Global Compact and the We Mean Business coalition, is the largest ever UN-backed CEO-led climate advocacy effort.

Value chain emissions

- We have cut our total Scope 1 and 2 emissions by 11% in 2020 and by 58% from the 2016 baseline. Based on the year-on-year projections we have modelled, we are on track to meet our 60% science-based reduction target by 2030. For production of our packs alone, we have cut Scope 1 and 2 emissions by 12% this year and 74% since 2016.
- We kept our Scope 3 value chain emissions static at 1.5 million tonnes of CO₂-equivalent in 2020, even as we increased the amount of food our packs helped customers deliver by 7% to 15.5 billion litres in 2020.
- We have reduced our Scope 1, 2 and 3¹ emissions per litre of food packed by a further 7% in 2020 – and by 17% overall from the 2016 baseline.
- We developed a series of workstreams designed to meet our science-based targets by delivering greenhouse gas emissions reductions across the value chain.
- We entered into sustainability-linked loan facilities that are directly linked to our progress in reducing Scope 1 and 2 greenhouse gas emissions from our operations.

Identifying climate-related risks and opportunities










Climate-related risks to our business include transitional risks – such as regulations (existing and emerging), availability of technology, reputation, changes in market demand – as well as physical risks, such as more frequent extreme weather that could disrupt our supply chain and logistics.

We also see climate-related opportunities for our business, including growing demand for our low-carbon packaging solutions and helping customers meet that demand through our existing solutions and sustainable innovations.

We disclose further information on climate risks and opportunities for our business through the CDP.

¹ Includes our most significant Scope 3 emissions – from our supply chain, use of our filling machines and recycling or disposal of packs.

PROGRESS AGAINST TARGETS

2020 TARGET	PROGRESS TRACKER	2020 TARGET	PROGRESS TRACKER
Put a science-based CO ₂ reduction target in place covering our entire value chain (by 2018)		100% renewable energy and Gold Standard CO ₂ offset for all non-renewable energy (at production plants)	
Reduce Scope 1, 2 and 3 ¹ greenhouse gas emissions by 25% per litre of food packed (by 2030)		Reduce energy use by 20% per hour of runtime in our next generation filling machine	
Reduce Scope 1 and 2 greenhouse gas emissions by 60% (by 2030) ²		Increase the rate of full truck loads delivered to customers	
Cut operational greenhouse gas emissions rate ³ (Scope 1 and 2) by more than 50% (from 2014)		Ensure logistic partners use trucks that meet Euro 6 emissions standards for 100% of outbound road transport from our production plants in Europe	
Reduce energy rate ³ by more than 35% (from 2014)			

¹ The value chain target covers our most significant Scope 3 emissions – from our supply chain, use of our filling machines and recycling or disposal of packs.

² Timeline for 60% target brought forward from 2040 to 2030.

³ Energy and emissions 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. Energy and emissions data in 2020 includes our new plant in Melbourne for the first time.

Operations

- We continued to use 100% renewable energy at our production plants, including for our newly acquired plant in Australia where the electricity comes from 100% wind power. We also extended our commitment to 100% renewable energy to cover our paper mill in New Zealand.
- Our switch to renewable energy for production has avoided over half a million tonnes of CO₂-equivalent over the last four years and contributed to a 74% reduction in emissions from production of our packs since 2016.
- We expanded our on-site renewable energy generation. We now have a total of 4.8MWp of rooftop solar arrays in China and Thailand. A further 5MWp are in construction in Brazil, China and Thailand. In addition, we have agreed a contract to install 8MWp capacity at our Wittenberg site in Germany in 2021.
- SIG Combibloc Thailand's low-carbon commitment was recognised for the fourth year running with awards for Carbon Footprint of Products and Carbon Footprint Reduction granted by the Thailand Ministry of Natural Resources and Environment.
- Our new, fully automated 24-hour AutoStore[®] warehouse for filling machine spare parts uses highly efficient robots that consume just 0.1 kW/h, cutting energy by more than 90% compared with conventional warehouses.
- The energy rate from our sleeve production decreased by a further 4% in

2020 but it has increased by 1.2% overall since 2014, despite energy efficiency measures across the business. This is mainly due to continued delays in optimising the operation of our combined heat and power plant in Linnich.

Raw materials

- We engaged with suppliers of our main raw materials – liquid packaging board, polymers and aluminium foil – to request data on the proportion of their greenhouse gas emissions related to production of the materials used in our products. This will enable us to focus our efforts where we can make the biggest difference to reducing our footprint.
- Three of our main aluminium foil suppliers in Brazil, China and Germany have achieved ASI certification. Together, they represent over 60% of our global aluminium foil supply.
- We have switched from fossil-based solvents to plant-based bioethanol for our printing processes at five of our production plants and we are working with suppliers to complete this switch worldwide. The plant-based ethanol we use is made from agricultural residues, not food crops.

Packs

- Our packs now come with ASI certification as standard in Europe and North America.
- Uptake of our low-carbon solutions continued to increase. We have now sold over 1.3 billion packs with combibloc **ECOPLUS** packaging material

and 199 million cartons using SIGNATURE Full Barrier or SIGNATURE 100. Together, these products have saved nearly 28,000 tonnes of CO₂-equivalent emissions so far compared with our standard packs. As sales of these sustainable innovations grow, so will the associated carbon reductions.

- A new life-cycle assessment commissioned by SIG in partnership with Unilever for its B-Better water brand showed that our combidome carton with SIGNATURE Full Barrier packaging material has a 66% lower carbon footprint than a PET bottle for water products.¹

Logistics

- Emissions from our outbound logistics decreased by 28% in 2020 to 8,133 tonnes of CO₂-equivalent.
- The rate of full truck loads delivered increased to 94% despite some customer demand for urgent deliveries of smaller loads.
- Fuel-efficient Euro 6 trucks were again used for 80% of outbound road transport from our European production plants and we no longer use any Euro 4 trucks.
- We conducted an analysis of our logistics to help us focus our efforts on ways to use more multi-modal transport and other opportunities to achieve more significant emissions reductions.

Filling machines

- We completed the design for our next generation filling machine in 2020. A prototype will be tested in 2021 to confirm whether we have achieved our target to reduce energy use by at least 20% compared with the previous generation.
- We launched an energy reduction kit that can cut energy use of our existing filling machines by around 85% during production stoppages by reducing the temperatures of heaters in standby mode.

Recycling

See [page 49](#) for information on how we are supporting efforts to increase recycling of used beverage cartons.

Removing carbon from the atmosphere

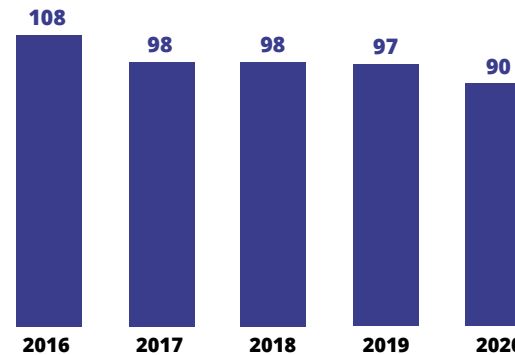
See [page 40](#) for information on how we are taking carbon out of the atmosphere by supporting thriving forests.

OUR VALUE CHAIN FOOTPRINT

Thousand tonnes of CO ₂ -equivalent	2016	2017	2018	2019	2020
Scope 1	99.5	103.6	92.5	92.5	84.1
Scope 2 (market based)²	98.3	19.9	16.7	13.3	0
<i>For production (excluding paper mill)</i>	78.4	0	0	0	0
Scope 3³	1,432.6	1,353.0	1,416.9	1,503.8	1,479.5
Total	1,630.4	1,476.5	1,526.1	1,609.6	1,563.7

VALUE CHAIN EMISSIONS RATE^{3,4}

Scope 1, 2 and 3 grams CO₂-equivalent/litre of food packed



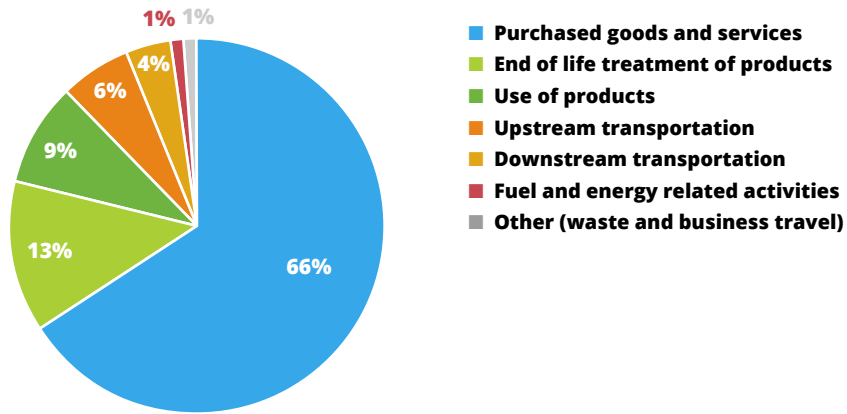
¹ B-Better [website](#).

² Our location-based emissions (based on the electricity grid average amount) totalled 95.2 thousand tonnes of CO₂-equivalent in 2020.

³ Scope 3 data for previous years adjusted in line with latest methodologies.

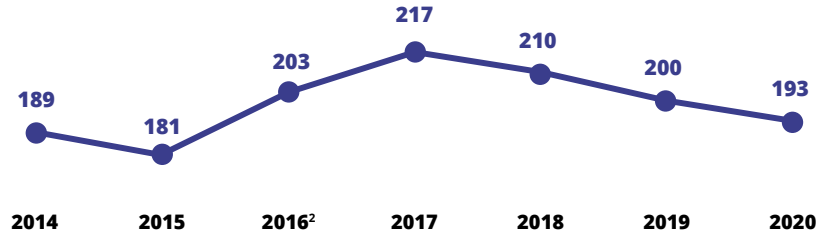
⁴ The value chain emissions rate and associated target covers our most significant Scope 3 emissions – from our supply chain, use of our filling machines and recycling or disposal of packs. See [page 99](#) for more on the basis of reporting for greenhouse gas emissions and a detailed list of what is included in each Scope 3 category.

SCOPE 3 EMISSIONS BY CATEGORY IN 2020



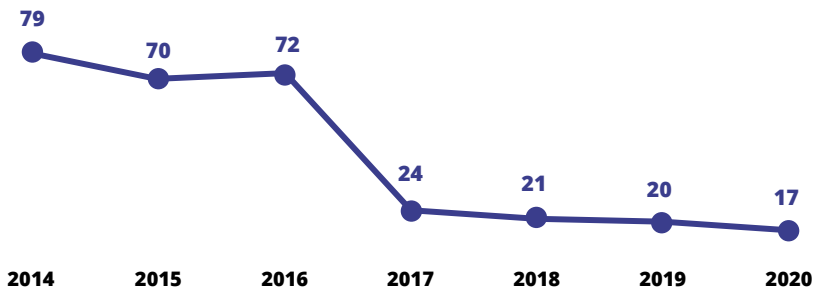
ENERGY RATE¹

MWh/million m² of sleeves produced



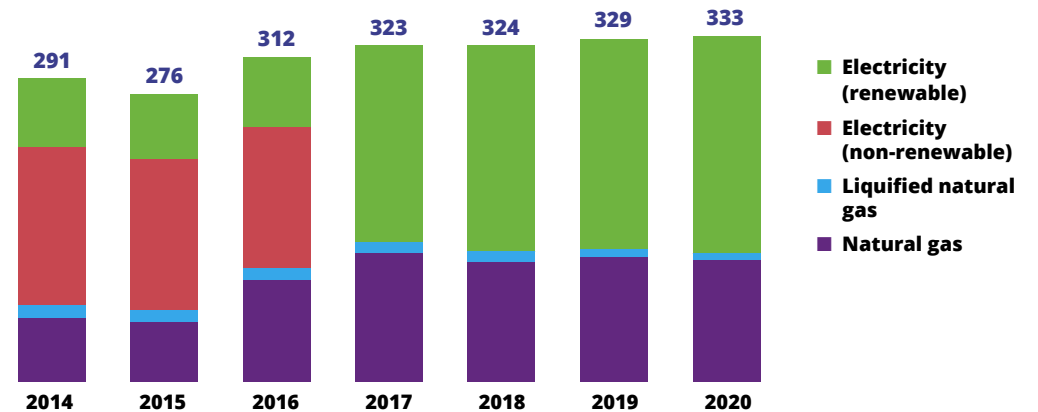
SCOPE 1 AND 2 GREENHOUSE GAS EMISSIONS RATE FROM PRODUCTION¹

Tonnes CO₂ equivalent/million m² of sleeves produced



OPERATIONAL ENERGY USE FROM PRODUCTION

GWh, by type



¹ Energy and emissions 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. Energy and emissions data in 2020 includes our new plant in Melbourne for the first time.

² Some figures for 2016 restated to correct inaccuracies in previous reports.



RESOURCE+

MATERIAL ISSUE

- Recycling and circular economy

SIGNIFICANT IMPACT

Recycling and circular economy (environmental, economic)

KEY PERFORMANCE INDICATORS

% SIG packaging portfolio that is recyclable

KEY POLICIES

- Global R&D Process Handbook
- Standard Operating Procedure to improve used beverage carton collection and recycling in regions

RELEVANT SDGS



RESPONSIBLE

Design for recycling and recycled content is jointly led by Global Technology and Global Marketing. Local teams are responsible for helping to drive progress on collection and recycling, with oversight from Regional Presidents.

EVALUATION OF MANAGEMENT APPROACH

Internal audits and regular review of performance against *Way Beyond Good* targets by the Group Executive Board

GRIEVANCE MECHANISM

Grievance mechanisms set up as part of local collection and recycling partnerships, or Ethics & Compliance Hotline

Why is this material for SIG?

Natural resources are increasingly scarce and the planet has limited capacity to absorb waste. Our mainly renewable and fully recyclable packaging solutions can help to regenerate and preserve resources and support the transition to a circular economy that's needed to address these global challenges.

Stakeholder expectations and regulations are growing, and high-profile campaigns have shone a spotlight on the environmental impact of packaging waste, including the potential to harm marine wildlife when discarded as litter.

Major consumer brands are responding by setting ambitious goals to improve the recyclability of their packaging. Our packs, together with sustainable innovations such as our paper straw solution, enable us to support our customers in meeting their goals and complying with new regulations on packaging.

Recycling our cartons keeps high-quality renewable materials from certified sources in circulation and we see a strong opportunity to support our customers and the environment by collaborating with stakeholders to enhance the rate of cartons that are collected and recycled across our markets.

Many of the programmes we support have a wider impact by increasing collection and recycling of other types of packaging too.

We can also bring additional societal benefits by adopting models for recycling programmes that support underprivileged people.

Our 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. Our packs are already made mainly with renewable raw materials and we are continually innovating to further increase use of renewable content that regenerates natural resources.

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. This preserves resources by enabling materials to be used again to create new products and helps to prevent packaging and litter from polluting the world's oceans.

Regeneration of natural resources and recycling of materials are essential to support the transition from a take-make-waste model to a circular one. The Ellen MacArthur Foundation sets out three

2025+ TARGETS

- Launch a pack made of 100% renewable materials by 2025
- Launch a pack made with 100% recycled content by 2025
- Partner with stakeholders to implement dedicated and country specific roadmaps to support increased collection and recycling of beverage cartons by 2025

principles for a circular economy and we are committed to each of them:

- **Design out waste** – We strive to minimise production waste and optimise use of materials through the design of our packs, including through innovations such as our RS structure, which optimises use of materials while improving the robustness of our packs during processing and distribution.
- **Regenerate natural systems** – All our beverage cartons are made mainly from renewable paperboard that originates from certified sustainably managed forests, and we are committed to increasing this through sustainable innovations, such as combibloc **ECOPLUS**, **SIGNATURE 100** and **SIGNATURE Full Barrier**.
- **Keep products and materials in circulation** – All our packs are designed to be fully recyclable and we are committed to partnering with stakeholders to improve collection and recycling of used beverage cartons. We have also introduced post-consumer recycled content into aseptic cartons for the first time with our **SIGNATURE Circular solution**.

The circular economy model is underpinned by the transition to renewable energy sources and we are committed to using 100% renewable energy for production (see [page 43](#)).

Management overview

Designing out waste

Our standard procedures mandate that new packaging designs must demonstrate optimised resource use compared with previous models, while continuing to deliver the high quality required for aseptic food packaging and the functionality that customers and consumers demand. We also aim to minimise waste in our production processes (see [page 75](#)).

Sourcing sustainably

We use certifications to rigorous external standards to ensure the resources we purchase are produced responsibly (see [page 60](#)).

Using renewable and recycled materials

Unlike most packaging alternatives, our cartons are made mainly from renewable materials (around 75% on average). This means that cartons are already contributing to the circular economy at the start of their life by using renewable materials that support the regeneration of natural resources.



combibloc **ECOPLUS**, the world's first aluminium-free packaging material for aseptic cartons, increases the renewable content of packs to 82% and **SIGNATURE 100** is the world's first packaging material for aseptic cartons linked to 100% renewable material¹. Our paper straw solution, the first available for use with aseptic carton packs, offers a renewable alternative to plastic straws for our small format on-the-go packs.

Some of the materials used to make our packs are produced from by-products from other industries, such as wood chips and tall oil (wood residue from paper making) that might otherwise be used as fuel to generate energy. Using these materials to create new products supports the circular economy by retaining their natural and economic value as a resource for longer – particularly as cartons can then be recycled into new products again after use. In addition, some of the aluminium foil that goes into our packs is made from recycled industrial scrap, including 100% of the aluminium foil provided by our main supplier in China.

We are exploring ways to further increase our use of renewable content and have set an ambitious target to create a full-barrier aseptic solution made from 100% renewable materials.

We are also looking for ways to include recycled materials in our packs that can help us reduce our environmental footprint and continue to deliver food safely, as well as increasing demand for materials that might otherwise go to waste.



Including recycled materials in our packs is particularly challenging due to lack of availability of recycled content that meets the high quality and food safety requirements for aseptic cartons that must keep food safe for long periods of time without refrigeration.



In a groundbreaking partnership with SABIC, we have been able to include post-consumer recycled content in aseptic packs for the first time.

Using chemical recycling, low-quality mixed plastic packaging waste is broken down into material that can be transformed into polymers that offer the same high quality as those made from virgin raw materials. Any contaminants are eliminated during processing, making the recycled material completely safe for food packaging.

The polymers used in our **SIGNATURE Circular** packaging material are linked to these recycled plastics through a certified mass balance system. Both chemical recycling and the mass balance system are endorsed by The Ellen MacArthur Foundation as valid ways to advance the circular economy.²

Designing for recyclability

To enable materials to be used again, we make sure all our packs are fully recyclable by design.³ The raw materials from used cartons can be separated and recycled to make new products.

The high-quality paper fibre that makes up around 75% of beverage cartons can be separated and recycled relatively easily for reuse at paper mills. The remaining polymer and aluminium mix (PolyAl) can be reused together as a robust material for roof tiles or furniture. Separating the PolyAl into polymers and aluminium enables wider applications for the recycled materials.

¹ Linked to wood residues from paper making via an independently certified mass balance system. ² The Ellen MacArthur Foundation on [mass balance](#) and [chemical recycling](#). ³ Our evaluation of recyclability is based on the relevant EN643 standard.

Partnering to support collection and recycling of used beverage cartons



Although beverage cartons are fully recyclable, not all of them are currently recycled because:

- consumers may be unaware that cartons are recyclable or do not separate them for recycling
- infrastructure for segregated collection of household waste is not always available locally
- sufficient facilities for recycling used beverage cartons may not be available.

Recycling of packaging is an industrywide issue and we partner on this with many different stakeholders, including industry peers, our customers, consumers, national and local governments. We also take a locally tailored approach as recycling rates, regulations and infrastructure vary widely in different countries and municipalities.

We have identified 20 priority countries across our three regions that 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. Together, these countries represent around 90% of our global market share, and 90% of our market share in each region.

This structured approach is designed to help us target our efforts where we can make the most impact. We have developed tailored local strategies and roadmaps to catalyse collection and recycling in each priority

country and we are partnering with local stakeholders to implement these.

We aim to partner with stakeholders to increase recycling rates by:

- advocating through industry associations to ensure an enabling regulatory framework for collection and recycling of beverage cartons, including extended producer responsibility legislation for packaging
- partnering with customers and local stakeholders to raise consumer awareness and support collection and recycling of beverage cartons to help increase recycling rates
- developing innovative models for programmes to support recycling and provide additional societal benefits, such as the so+ma model in Brazil which we aim to expand in Latin America and Asia
- driving advancements in technology and improving availability of recycling infrastructure through collaboration platforms together with industry partners, with a particular focus on new facilities to process PolyAl into polymers and aluminium
- increasing demand for recycled materials from used beverage cartons by demonstrating their use, for example through the school eco-canteen we built entirely from recycled cartons in Thailand which we are looking to replicate elsewhere.

PROGRESS AGAINST TARGETS

2020 TARGET

Partner with stakeholders to support collection and recycling of beverage cartons

PROGRESS TRACKER



Performance in 2020

Designing for circularity

- 72% of the 594,000 tonnes of our main raw materials we sourced in 2020 came from renewable sources.
- SIG became the first to offer aseptic carton packs with post-consumer recycled content, with the launch of our **SIGNATURE** Circular packaging material made with 100% recycled plastics.¹
- We have now sold over 1.3 billion packs with aluminium-free combibloc **ECOPLUS** packaging material and 199 million cartons using **SIGNATURE** 100 or **SIGNATURE** Full Barrier with polymers linked to 100% renewable material.
- We have begun developing several potential tethered cap solutions for our packs to ensure the cap is kept together with the carton for recycling. We aim to launch a solution well ahead of EU regulatory requirements that are due to come into force in 2024.
- Our RS structure has reduced the amount of polymers used in our packs by more than 7,800 tonnes since it was introduced

in 2016. It optimises use of materials while improving stability for our customers during processing and distribution.

Driving recycling through industry collaboration and advocacy

- We joined leading manufacturers and retail companies as part of the Consumer Goods Forum's Coalition of Action on plastic waste, and supported the development of joint principles and guidelines for the design of extended producer responsibility programmes for packaging. We also joined a dedicated country workstream in Indonesia that aims to establish a local producer responsibility organisation (PRO), enhance collection and recycling of packaging, and develop best practices that can be used elsewhere.
- We initiated various local action groups to catalyse collection and recycling in countries such as Australia, Russia, South Africa and Thailand through the [Global Recycling Alliance for Beverage Cartons and the Environment](#) (GRACE), which we co-founded in 2019 to drive recycling efforts around the world.
- SIG retained the presidency of the [Alliance for Beverage Cartons and the Environment](#) (ACE) in 2020. ACE developed best practice guidelines for beverage carton recycling and design for recycling this year, as well as developing a new roadmap for the industry in Europe that includes commitments on recycling, collection and design for recycling.

¹ Via an independently certified mass balance system.

- The latest annual research from ACE shows the recycling rate for used beverage cartons in the EU increased to 51% in 2019 (from 49% in 2018). ACE, in cooperation with [EXTR:ACT](#), has also refined its methodology and will introduce a third-party verification process in 2021 to enhance the accuracy of the Europe-wide recycling rates it measures and publishes annually.
- As an ACE member we supported the ACE [‘We’re not just square, we’re circular’](#) campaign highlighting how beverage cartons contribute to the circular economy. The campaign website has had over 11,000 visitors so far.
- The ACE campaign included a call to action asking EU countries to introduce targets for separate collection of beverage cartons for recycling. ACE has also extended representation across Europe to support advocacy for beverage cartons and recycling.
- Membership of [4evergreen](#), which brings together companies across the fibre-based value chain with the aim to increase recycling rates for all fibre-based packaging, has grown this year and we are involved in all of its workstreams on circularity.
- We are part of national PROs and industry associations that seek to promote recycling in countries such as India, Taiwan, Vietnam and the USA.

Partnering on local collection and recycling programmes

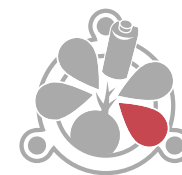
- **Brazil:** In its first two years, our so+ma partnership collected over 170 tonnes of waste, earning rewards such as food products and training courses for over 530 participating families. Sixteen cities are now participating in our Cidade+ Recicleiros partnership to boost municipal recycling programmes – six had programmes up and running by the end of 2020 – and Nestlé became the first SIG customer to join the programme. Both programmes increased their support for communities and wastepickers facing hardship due to COVID-19 restrictions. See case study on [page 14](#).
- **China:** We introduced recycling collection bins to promote recycling of beverage cartons and other packaging at the industrial park where our Suzhou plant is located. The bins are made out of recycled cartons and decorated with fun characters to raise awareness.
- **Indonesia:** When schools were closed due to COVID-19, we converted our school milk carton collection programme into household waste collection to enable families to recycle when they are consuming more food at home during lockdown. In 2021, we will launch a customer partnership to collect used beverage cartons by offering collection boxes in retail stores. Our team in Indonesia also ran a competition for employees and their families to create a video to inform and educate audiences about how to flatten and separate used beverage cartons to enable more efficient collection and recycling.
- **Mexico:** We ran a competition for schools to collect as many used beverage cartons as possible and used the PolyAl from the cartons collected to make benches and school desks that we donated to an orphanage. Even during the pandemic, one of the schools exceeded its target and the programme has helped to recycle around 2.7 tonnes of cartons.
- **Russia:** Through GRACE, we identified and planned a new industry partnership to promote segregation of household waste through a pilot in Moscow to introduce clear labelling on bins and to promote collection of used beverage cartons.
- **Thailand:** We continued to support carton collection programmes in public schools and communities, and launched a recycling programme for private schools. We also set an example by introducing recycling bins made from used beverage cartons in our own operations.
- **UK:** Through ACE UK, we partnered with Tesco and Kellogg to launch a five-month trial to collect used cartons and Pringles containers at recycling points in 11 Tesco stores and return them to the UK recycling mill to raise consumer awareness of recyclability and to help address gaps in kerbside collection services in some parts of the country.

Recycling through the COVID-19 crisis

- Although some services were temporarily suspended during the height of lockdown in certain countries, and some new projects were delayed, waste collection and sorting services generally continued to operate as essential services.

Supporting better recycling infrastructure

- The [Palurec](#) facility in Germany, in which SIG is a major investor together with two industry partners, is close to completion and will begin operating in 2021. The facility will enable the recovery of polymers and aluminium from PolyAl. It’s expected to process over 18,000 tonnes of material per year.
- Through EXTR:ACT and ACE, we are scouting and promoting new recycling technologies and facilities being developed independently and through industry associations – including initiatives in the Czech Republic, Italy and the Netherlands.



FOOD+

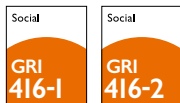
MATERIAL ISSUE

- Safe food supply

SIGNIFICANT IMPACT

Safe food supply (societal, economic)

KEY PERFORMANCE INDICATORS



KEY POLICIES

- Product Safety and Quality Policy

RELEVANT SDGS



RESPONSIBLE

Site quality management and product safety teams, overseen by the Head of Global Quality Management Responsibility, R&D team

EVALUATION OF MANAGEMENT APPROACH

- Global quality and product safety management reporting system
- Monthly reports to Group Executive Board and escalation of customer complaints to management

GRIEVANCE MECHANISM

- Integrated customer complaint and claim management system
- Ethics & Compliance Hotline

Why is this material for SIG?

Our aseptic packaging solutions conserve food quality and support sustainable development by helping customers deliver nutrition and hydration in a safe, sustainable and affordable way to people around the world.

Customers and consumers expect and rely on us to ensure the safety and quality of their packed goods. The food industry is also subject to strict regulations. Ensuring the safety and quality of our packaging solutions is therefore fundamental to maintain stakeholder trust and our licence to operate.

Food is preserved in our packs for long periods of time without refrigeration or preservatives and our highly-efficient machines also help to prevent food loss during the filling process. We see opportunities to support wider efforts to use our technology and expertise to tackle food loss in the value chain, reduce consumer food waste and deliver nutrition to more people.

The scalability and flexibility of our technology is particularly well suited to deliver food to people in developing countries, to increasingly urbanised populations and to certain groups such as children, the elderly or those with specific dietary requirements. The COVID-19 pandemic has exposed the fragility of supply chains for essential food and our long-life aseptic packaging

can play a role in overcoming short-term food supply challenges.

Our commitment

We work in partnership with our customers to deliver food to consumers around the world in a safe, sustainable and affordable way. That's our purpose and it underpins our ambition in the Food+ action area.

We are committed to ensuring high standards for product safety and quality, innovating to improve food preservation, contributing to a more robust food supply chain, preventing food loss and waste, and partnering to ensure good nutrition for all.

Our filling technology already minimises food loss and our packs keep food safe for months without the need for refrigeration. Next, we will continue to innovate and work with partners and communities to deliver safe, affordable nutrition and hydration to ever more people while further reducing food loss.

Management overview

Delivering nutrition

Delivering nutrition and hydration is our core business. We work continually to develop the most sustainable packaging system that can provide safe and affordable nutrition in countries around the world, including those with a risk of food or water

2025+ TARGETS

- Use SIG's position within a more sustainable food supply system to create demonstrable positive impacts on nutrition and hydration by 2025
- Support two start-ups per year through our SIGCUBATOR programme to share unused aseptic filling capacity to deliver nutritious food safely and efficiently
- Maintain certification to ISO 9001:2015 at all production plants
- Maintain BRC AA Grade certification at all sleeves and spout production plants
- Achieve certification to BRC Packaging Issue 7 at all sleeves and spout production plants by 2025

scarcity as well as limited refrigeration possibilities.

Our aseptic carton packs store high-quality food for long periods of time without the need for refrigeration or preservatives – and they do so in a cost-effective way. Aseptic processing helps to retain more colour, flavour and nutrients in food products than other sterilisation techniques. This makes our packs ideally suited to nutritious foods like milk, fruit juice and soup. They also offer a more sustainable alternative to plastic bottles for water products to provide hydration on the go and at home.

We drive progress through product innovation in our packs, filling machines and technical service, taking into account the diverse needs of customers and consumers in different regions of the world – from extending access to affordable nutrition in developing countries to tapping into healthy living trends in developed countries.

Teams at our tech centres in Europe and Asia also work together with our customers to develop new, more nutritious recipes for their products. Our new [SIGCUBATOR](#) programme enables start-ups to use spare capacity of our filling machines to help them deliver nutritious new food and beverage products.

Maintaining food quality and safety

We regularly assess the health and safety impacts of all our products and services. Our integrated quality and product safety management systems help us identify, mitigate and eradicate risks throughout the value chain, and support continuous improvement.

The robust quality management systems at all our production plants – and research and development centres – are certified to the international ISO 9001 standard. All our production plants are also certified according to the British Retail Consortium (BRC) packaging standard, except for our newly acquired plant in Australia which is certified to the FSSC 22000 standard that is recognised by the Global Food Safety Initiative as equivalent to BRC. Plants undergo independent audits to retain their certifications each year.

Our production teams complete annual training and we reinforce a culture of quality and product safety through regular communication, monitoring and internal audits. We also apply recognised methods such as hazard analysis and critical control points (HACCP) and risk analysis tools, such as failure mode and effects analysis (FMEA).

We extend quality requirements to suppliers of the materials that go into our packs and machines, and we monitor their compliance through our supplier audit and evaluation process (see [page 60](#)). We also work with customers to make sure product safety and quality are maintained when our packs are assembled and filled in their factories.

Our integrated complaint and claim management process provides clear guidance on how customer complaints are managed and our CEO is kept informed about customer complaints, critical incidents or internal quality issues should they arise. We also have procedures in place to manage any potentially major incidents or product recalls.

Minimising food loss from filling our packs

Our robust quality standards help to prevent food loss by minimising the risk of faulty packs that cannot be sold because any defects in our packs could lead to contamination of the food inside.

The biggest impact we can have on reducing food loss is by minimising the amount of packs wasted and food products lost during the filling process at our customers' factories.



Our highly efficient filling machines have a waste rate of 0.5% or less. This is the lowest waste rate in the industry and we aim to reduce this further with each new generation of our machines. The waste rate relates to the amount of packs going to waste during the filling process, for example during testing at the start of production runs.

When the packs cannot be used, this means the food products inside may be lost too because they can't always be resterilised. With customers filling billions of our packs every year, our low waste rate can prevent a substantial amount of food loss compared with our competitors.

Our technical service solutions support further reductions in food loss at our customers' factories by making our existing machines even more efficient. These include:

- Regular preventative maintenance that helps to reduce waste of packs and loss of the food products that go into them by helping identify and fix potential faults that could generate faulty packs that can't be sold.
- A sterile product changeover upgrade kit that keeps the filling machine sterile during changeovers from one product to another, reducing downtime and maximising filling of the residual product in the tank into saleable packs. This can reduce food loss by up to 80% during changeovers.
- Product flowmeters that increase precision to reduce overfilling and prevent up to 100,000 litres of product being

overfilled per machine per year.¹

We are also in the early stages of exploring ways to redesign our packs to reduce the amount of food waste from the residue left inside our packs when consumers empty them, which varies depending on the viscosity of the product inside.

Partnering to turn food loss into safe nutrition for those most in need

Through the SIG Way Beyond Good Foundation, we are creating innovative models to extend our support for delivering quality, safe nutrition to the people who need it most.

Cartons for Good, the Foundation's flagship project, helps to prevent food loss and malnutrition by using our expertise in packaging and filling to help communities preserve surplus crops locally – and turn them into nutritious school meals.

The project is being piloted in Bangladesh, where almost half the children are malnourished. After harvest time, we buy surplus crops from farmers that they can't otherwise sell – or when there is no post-harvest 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.

Trained local teams 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

¹ Based on a mid-size machine filling 50 million packs/year with 2 grammes less deviation.

up to provide meals for underprivileged children to keep them well nourished and enable them to stay in school rather than going out to work to pay for food. The empty packs are then recycled after use.

In a full month of operation, the Cartons for Good filling unit can turn up to two tonnes of food that would otherwise have been lost into 6,000 meals preserved in SIG packs.

We are providing the technology and expertise for Cartons for Good. For the pilot, we are also funding the purchase of food from farmers and paying the wages of local people supporting the project through the SIG Way Beyond Good Foundation. We are exploring how to develop a self-sustaining model to bring this innovative solution to more communities across Bangladesh and around the world.

OUR CARTONS FOR GOOD MODEL



Delivering nutrition

- The packs we sold helped customers deliver 15.5 billion litres of food and beverages to consumers around the world in 2020 (up from 14.5 billion in 2019).
- Two start-ups used our new **SIGCUBATOR** programme to access our filling machines to pack nutritious new products on a small scale – a plant-based coconut milk drink with plant proteins from GROUNDED in the UK and unflavoured pea protein-based drinks from vlyFoods in Germany.
- Our *Way Beyond Good* Champions ran a campaign to raise awareness of the importance of nutrition among employees and communities, and improve understanding of the essential role our cartons play in delivering healthy food and beverages to people around the world. The campaign included interactive quizzes, nutrition webinars and virtual cooking competitions to present their favourite recipe using food from SIG cartons. Some teams also reached out to communities by donating food to people in need and the Rayong team in Thailand ran a cooking class on healthy eating at the local school (see [page 16](#)).

Maintaining food quality and safety

- We maintained our group-wide certification to the revised ISO 9001:2015 standard in 2020.
- All our production plants have achieved AA Grade certification to BRC Packaging

Issue 5, except our newly acquired plant in Australia which is certified to the FSSC 22000 standard that is recognised by the Global Food Safety Initiative as equivalent to BRC.

- With the robust hygiene measures in place at our production plants and the sterilisation processes involved in filling our packs, our aseptic packaging solutions enabled customers to remain confident in the safety of their products as they kept up vital supplies of food and beverages to consumers during the COVID-19 pandemic.
- There were no incidents of non-compliance concerning the health and safety impacts of products and services in 2020.

Minimising food loss from filling our packs

- We maintained the industry-leading waste rate of our filling machines – 0.5% or less – and completed the design of our next generation machine that will cut this even further.

Partnering to turn harvest food loss into safe nutrition for those most in need

- The pilot of Cartons for Good, the SIG Way Beyond Good Foundation's flagship project, continued in Bangladesh.
- Due to school closures and restrictions during COVID-19, we could not use our Cartons for Good packs for school meals. However, we maintained our support by delivering more than 1,000 regular aid packages of food and other essentials

PROGRESS AGAINST TARGETS

2020 TARGET

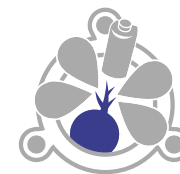
All production plants certified based on ISO 9001:2015 and all sleeves and spout production plants certified based on BRC Packaging Issue 5 with AA Grade

PROGRESS TRACKER



to the families of the 180 children who normally receive school meals through Cartons for Good.

- Since its launch in early 2019, and despite several months not operating in 2020, Cartons for Good has turned four tonnes of food loss into more than 20,000 meals that are preserved and distributed in SIG packs.
- Through the SIG Way Beyond Good Foundation, we have begun exploring ways to scale up Cartons for Good and make the project self-sustaining.



SUSTAINABLE INNOVATION

MATERIAL ISSUE

- Sustainable packaging innovation

SIGNIFICANT IMPACT

Sustainable packaging innovation (environmental, societal, economic)

KEY PERFORMANCE INDICATORS



- Impact mitigation potential of innovations related to current standard product
- % customers supported with sustainability improvements through technical service

KEY POLICIES

- Global R&D Process Handbook
- Policy on Reuse and Disposal of Used Equipment

RELEVANT SDGS



RESPONSIBLE

Global Technology, Global Research and Development, Global Engineering & Application and Global Marketing teams, with support from our Chief Technology Officer who sits on the Group Executive Board

EVALUATION OF MANAGEMENT APPROACH

Independent life-cycle assessments, internal audits and regular reviews of progress by our Responsibility Steering Group and our Group Executive Board

GRIEVANCE MECHANISM

Ethics & Compliance Hotline

Why is this material for SIG?

Sustainable innovation in packaging can support the transition to a low-carbon, circular economy. As stakeholder interest in the environmental impacts of packaging grows, our packs' strong sustainability credentials also offer an increasingly important differentiator across our markets.

Through our sustainable product innovation, we are raising the bar for the industry while helping customers and retailers respond to new regulatory requirements and achieve their own targets on sustainable packaging.

By innovating to make our filling machines more efficient, we can also enable customers to reduce resource consumption, emissions and running costs from packing products in their factories.

Our 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 customers and consumers, including enhancing the environmental performance of our packaging solutions.

Our sustainable product innovation supports our commitments to reduce the carbon footprint of our packs and filling machines (see [page 42](#)), regenerate resources and contribute to a circular economy (see [page 49](#)), use more materials from sustainably-managed forests (see [page 40](#)) and minimise food loss and

waste (see [page 53](#)).

Management overview

Sustainability criteria are systematically integrated as core value drivers in our product development, alongside product safety and commercial considerations.

We consider the environmental impacts of our packaging innovations through robust life-cycle assessments (LCAs) carried out by independent experts using the ISO 14040 international standard and critically reviewed by an independent panel. See life-cycle graphic on next page.

Taking a life-cycle approach

Independent LCAs show that beverage cartons – made from around 75% renewable liquid packaging board – offer significant reductions in life-cycle environmental impacts compared with other types of packaging, such as glass, plastic bottles or cans. Our most sustainable product innovations – our **SIGNATURE** Portfolio – offer significant further improvements to the life-cycle impacts of our packs (see [page 44](#)).

All our packs are designed to be fully recyclable (see [page 49](#)).

Leading the industry on sustainable innovation



Our strong focus on sustainable innovation has enabled us to achieve a host of industry firsts:

2025+ TARGETS

- Launch a pack made of 100% renewable materials by 2025 (also a target for our Resource+ action area, see [page 49](#))
- Launch a pack made with 100% recycled content by 2025 (also a target for our Resource+ action area, see [page 49](#))
- 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 packs by 2021
- Reduce use of consumables by 25% for the next generation filling machine for small format packs by 2025

- The world's first aluminium-free packaging material for aseptic cartons, combibloc **ECOPLUS**, made with 82% renewable liquid packaging board, for use with dairy products.
- The world's first bottle-shaped aseptic carton, combidome, which looks and pours like a bottle with the environmental benefits of a carton.
- The world's first aseptic carton packaging material linked to 100% renewable materials, the aluminium-free **SIGNATURE** 100, made with polymers linked to forest-based residues from papermaking.¹ The **SIGNATURE** Full Barrier option includes an ultra-thin aluminium barrier layer for use with products such as orange juice that are more sensitive to light and oxygen.

¹ Via an independently certified mass balance system.

REDUCING OUR CARBON FOOTPRINT AT EVERY STAGE OF THE LIFE-CYCLE

% of life-cycle
carbon footprint¹

60%

8%

16%

6%

10%

Design

Minimising the life-cycle impacts of our packaging solutions starts with design. Environmental factors are core value drivers in our product development, all our new packaging designs must demonstrate optimised resource use compared with previous models and we are cutting carbon further through sustainable innovation.

Sourcing

Our packs are made mainly from renewable liquid packaging board from certified sources that support sustainable forestry. We partner with suppliers on innovative solutions for renewable and recycled polymers, and we aim to source all our main materials from certified responsible sources including aluminium foil certified to the ASI standard that requires smelters to limit their carbon emissions.

See pages 43 and 61.

Manufacturing

We make our sleeves, spouts and caps using 100% renewable energy and our ISO 14001 certified environmental management systems support continuous improvement in energy use and emissions at our plants.

See pages 43 and 75.

Transport

We reduce transport emissions by delivering our carton sleeves in flat-packed form and filling trucks fuller for fewer journeys and less fuel use. Our lightweight packs also help customers cut emissions from distributing their products and avoid the need for refrigeration.

See page 45.

Filling

We improve the efficiency of our filling machines with every new generation, and our technical service teams help customers minimise the energy needed to operate our existing machines.

See page 45.

Recycling

We make sure all our packs are designed to be fully recyclable, and we partner with stakeholders to raise consumer awareness and support efforts to improve local collection and recycling.

See page 49.



- The world's first paper straw solution for use with aseptic carton packs – both straight and U-shaped. It's made with FSC™-certified paper.
- The world's first aseptic carton packaging material made with post-consumer recycled content, **SIGNATURE Circular** with recycled plastics.²

Going 100% renewable

The polymers used in our **SIGNATURE 100** and **SIGNATURE Full Barrier** packaging

materials are linked to renewable materials via an innovative mass balance approach that ensures the amount of forest-based raw materials we need are mixed in with conventional fossil-based feedstock to produce polymers to the required grade.

The mass balance system supports a transition from fossil to renewable raw materials within the conventional and highly efficient polymer industry. It is endorsed by The Ellen MacArthur Foundation as a valid way to support the circular economy.³

We are going further with our target to create an aseptic carton pack that is made directly with 100% renewable materials by 2025. And we want customers to be able to use this pack not just for dairy but other nutritious foods, such as juices, too.



Our existing aluminium-free solutions – combibloc **ECOPLUS** and **SIGNATURE 100** – are for use with dairy products only. Developing a 100% renewable pack that maintains the full barrier properties required to preserve

other more sensitive food products, such as juices, is much more challenging because it is difficult to find a renewable material to replace the ultra-thin layer of aluminium foil that protects contents from light, oxygen and odours.



Our microwavable Heat&Go packs reduce the aluminium content by using an enhanced barrier film to protect the contents from oxygen, flavour migration, moisture, and a pigmented laminated layer to block light. We are

¹ Indicative figures referring to the climate impact of an average 1 litre SIG pack in EU28 based on our LCA tool. ² Via an independently certified mass balance system. ³ The Ellen MacArthur Foundation on [mass balance](#).


continuing to explore options for developing a 100% renewable full-barrier solution.

Optimising use of materials

Our standard procedures mandate that new packaging designs must demonstrate optimised resource use compared with previous models, while continuing to deliver the quality and functionality that customers and consumers demand.

One innovation coming out of this requirement is the combibloc RS structure, which not only reduces the amount of polymer required to make our packs but improves robustness during processing and distribution by our customers. It's also lighter to transport.

Maximising efficiency of our filling machines

 Our highly-efficient filling machines offer the lowest waste rate in the industry. On average, just 0.5% of packs or less are wasted during the filling process, which also helps to minimise loss of the food products inside.

We aim to improve efficiency with each new generation by reducing the amount of resources needed to run the machines at our customers' factories. This includes energy for heating and sealing the packs, and compressed air, hydrogen peroxide and water used in the sterilisation and packaging process.

Filling machines often remain in use for decades at customer facilities. Our technical service teams offer a range of options to

THE FILLING PROCESS

Our flat-packed cartons ('sleeves') are pushed into shape and the base is sealed using heat to melt the polymer layers together.

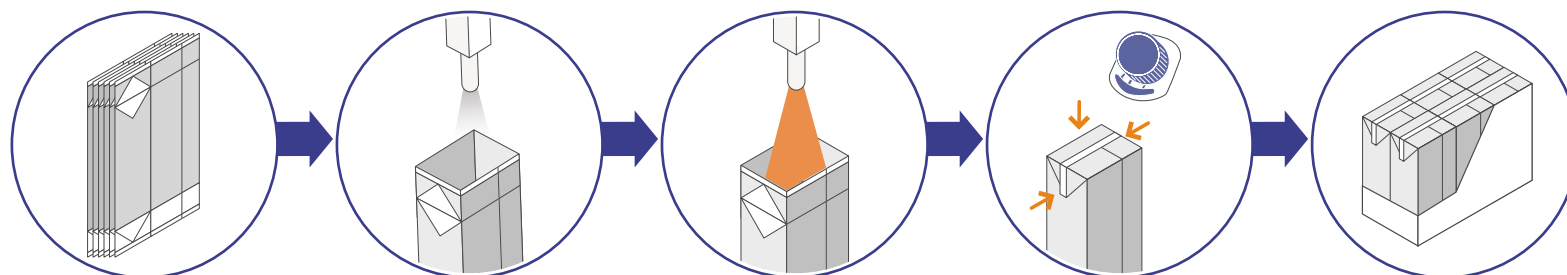
The formed cartons are sterilised with a small amount of vaporised hydrogen peroxide (35% concentration in water) and then dried.

Our customers' food product, sterilised using ultra-high temperature (UHT) equipment, is pumped in to fill the sterilised cartons inside the aseptic zone of the machine.

Filled cartons are sealed above the product level to reduce the risk of contamination from food getting caught in the sealed seam.

Optional closures, such as caps or spouts, may be applied to the filled cartons.

The filled cartons are bundled in secondary packaging ready for distribution to retail outlets.



help optimise the operational and resource efficiency of existing machines, and minimise downtime for repairs. These range from regular preventative maintenance to upgrade kits that can be retrofitted to existing machines, for example to reduce their energy or water use.

Many of our technical service solutions help customers improve environmental performance at their factories. We monitor how many we help through sustainability criteria in our customer relationship management tool. We also work with customers to ensure that our filling machines and their parts are recycled or disposed of responsibly at end of life.

In addition, our remote and digital service solutions help to prevent downtime and reduce greenhouse gas emissions from our technical service engineers travelling to customer sites.

Driving uptake of our most sustainable solutions

Marketing and sales teams also have an important role to play to help increase customer uptake of our most sustainable solutions – packs, filling machines and technical service. As uptake of our **SIGNATURE** Portfolio grows, this will help us reduce the overall impact of the solutions we sell.

Driving sustainable innovation in our packs

- Environmental considerations informed all our product development and were the main value driver for 38% of our innovation projects in 2020.
- We launched the groundbreaking **SIGNATURE** Circular, the world's first aseptic carton packaging material made with post-consumer recycled materials. This solution is made with 100% recycled plastics, linking around 28% of each mid size pack to recycled materials.¹

¹ Via an independently certified mass balance system.

- We have begun developing several potential tethered cap solutions for our packs to ensure the cap is kept together with the carton for recycling. We aim to launch a solution well ahead of EU regulatory requirements that are due to come into force in 2024.

Growing uptake of our SIGNATURE Portfolio

- With more than 329 million produced in 2020, we have now sold over 1.3 billion combibloc **ECOPLUS** packs.
- We have sold 199 million packs with **SIGNATURE 100** or **SIGNATURE Full Barrier** packaging materials with polymers linked to 100% renewable material.¹ Sales of these packaging materials more than doubled this year and they are now available globally.
- Riedel and Hartung Nahrungsmittel Productions in Europe, and nutpods in the USA, have extended use of our **SIGNATURE Full Barrier** packaging material to further products in their portfolios. Finnish start-up Juustoportti chose our **SIGNATURE Full Barrier** solution for its new range of on-the-go premium oat-based drinks, launched in early 2021.
- **DRINKS³** won Best in Carton at the 2020 Global Drinks Awards for its **WATER³** in our combidome carton bottle with **SIGNATURE Full Barrier** packaging material. Judges were convinced that it 'covers all the eco-bases'.

- Ste Laitière des Volcans d'Auvergne switched to our **SIGNATURE 100** packaging material for its Les Fayes organic UHT milk in France.
- **SIGNATURE 100** won the Polish Golden Innovation Retail 2020 award in the category of innovative packaging in recognition of its positive impact on the environment, based on a survey of more than 4,000 consumers.
- Several customers are now using our paper straw solution for small format on-the-go packs: Nestlé in Brazil and Ecuador, Tofusan in Thailand and seven customers in Europe, including Intermarché. Intermarché alone will save 10 tonnes of plastic a year by offering the paper straw solution across its three brands – Paquito, Look and top Budget.
- Our RS structure has reduced the amount of polymers used in our packs by more than 7,800 tonnes since it was introduced in 2016.








Making our filling machines more efficient

- We completed the design for our next generation filling machine in 2020. A prototype will be tested in 2021 to confirm whether we have achieved our targets to reduce energy, hydrogen peroxide and water use.
- Our latest technical upgrade reduces water consumption during production by up to 50% on current third generation

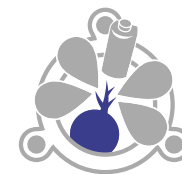
filling machines. It is now included in all our new filling machines and can be retrofitted to most existing machines.

- Following a customer pilot, we launched an energy reduction kit that can cut energy use by around 85% by creating a standby mode to reduce the temperatures of heaters in the machines during production stoppages. This will also be offered as a 'green bundle' together with the water reduction kit.
- More customers have installed our semi-automated SureBrite cleaning machine that can cut water use by 54% and energy use by up to 82% compared with manual cleaning of our filling machines, as well as reducing labour time.
- Our technical service solutions have supported sustainability improvements for 37% of our customers since 2016.

PROGRESS AGAINST TARGETS

2020 TARGET	PROGRESS TRACKER
Create a 100% renewable aseptic pack	
Offer a carton made of 50% recycled content	
Ensure environmental performance is one of the core value drivers of our product innovations	
Reduce energy use by 20% per hour of runtime in our next generation filling machine	
Reduce hydrogen peroxide use by 35% per hour of runtime in our next generation filling machine	
Reduce water use by 25% per hour of runtime in our next generation filling machine	
Support sustainability improvements for at least 50% of our customers through technical service	

¹ Via an independently certified mass balance system.



RESPONSIBLE CULTURE *OUR SUPPLY CHAIN*

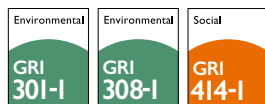
MATERIAL ISSUES

- Responsible sourcing
- Sustainable raw materials

SIGNIFICANT IMPACT

Sustainable raw materials (environmental, societal and economic)

KEY PERFORMANCE INDICATORS



- % A-materials from certified sources

KEY POLICIES

- [SIG Business Ethics Code for Suppliers](#)
- Responsible Sourcing Directive
- [Liquid Packaging Board](#), Polymer and Aluminium Purchasing Policies
- Supplier Qualification (Equipment) Process

RELEVANT SDGs



RESPONSIBLE

VP of Global Sourcing and Procurement and, for Global Assembly suppliers, the Global Equipment Team

EVALUATION OF MANAGEMENT APPROACH

- Quarterly reviews by the VP of Global Sourcing and Procurement who reports to the Responsibility Steering Group twice a year
- SEDEX audits and EcoVadis assessments

GRIEVANCE MECHANISM

Ethics & Compliance Hotline

Why is this material for SIG?

We spend over €1 billion a year with approximately 6,000 suppliers around the world on the materials, goods and services we need to make our packs and filling machines and to run our business.

Making sure that all our suppliers uphold high standards on ethical, labour, safety and environmental issues is an important part of our responsibility culture and one of the ways we can have a positive impact on society and the environment across our value chain.

Demonstrating that we work with responsible suppliers also enables us to meet customer and investor sustainability requirements – which increasingly reach beyond our own operations – and avoid ethical breaches in our supply chain that could affect our reputation or cause disruptions to supply.

Around 56% of our purchasing spend goes on the raw materials for our packs: liquid packaging board, polymers, aluminium, ink and solvents. Sourcing these 'A-materials' sustainably enhances the environmental credentials of our packs and helps us secure supplies to meet the needs of our customers now and in the future.

Our efforts to source more sustainable raw materials also play a critical role in driving progress in our *Way Beyond Good* action areas of Forest+, Resource+ and Climate+,

and our overarching ambition to have a net positive environmental impact across the value chain.

Our commitment

We are committed to working with suppliers that meet our responsibility requirements, and to monitoring their compliance to assess and mitigate social and environmental risks in our supply chain. We are committed to sourcing our A-materials from certified responsible sources, and we strive to increase use of renewable and recycled materials to replace virgin and fossil-based materials.

Where feasible, we also aim to source locally within each region to support local economies and communities, and reduce environmental impacts from transporting goods over long distances.

Management overview

Working with responsible suppliers¹

The SIG Business Ethics Code for Suppliers, based on the Ethical Trading Initiative Code, sets out our requirements on business integrity, labour, safety and environmental management. We expect all suppliers to comply with the Code, or have an equivalent code in place, and we screen all suppliers on social and environmental criteria as part of our onboarding process.

2025+ TARGETS

- Ensure 100% of significant suppliers accept our Business Ethics Code or have an equivalent code in place
- Audit 50% of high-risk suppliers each year
- Provide regular training (at least every two years) on ethical supplier standards and sustainable sourcing to all employees who interact frequently with suppliers
- 100% A-materials from certified sources by 2025
- Maintain 100% FSC™-certified supply of liquid packaging board for our packs (*also a target for our Forest+ action area, page 40*)
- Transition to 100% bioethanol or other bio-materials for printing by 2025 (*also a target for our Climate+ action area, page 42*)

¹ Our Whakatane paper mill in New Zealand and our newly acquired business in Australia are excluded from reporting on our responsible sourcing programme.

Around 500 suppliers are considered the most significant to our business based on their potential to affect our ability to meet customer needs, the high volumes we purchase from them, or sustainability risks identified in the supply chain. Together, these significant suppliers account for around 67% of our total spend. They include:

- direct suppliers that provide raw materials for our packs and secondary packaging, and manufacture the spouts used on our packs
- indirect suppliers of facilities management, HR and logistics services.

We conduct more in-depth assessments of significant suppliers at least every three years through self-assessments, external audits or assessments such as SEDEX and EcoVadis, and our own on-site audits of high-risk suppliers.

Certain categories of suppliers for our filling machine production are also identified as key and they are managed through a similar but separate supplier management process run by our Global Assembly business.

If any non-compliance is identified, we engage with suppliers to help them improve through corrective action plans. If a supplier fails to respond to our requests or shows no willingness to improve, we reserve the right to terminate our business relationship with them in accordance with our contracts.

Our procurement teams are trained on our Responsible Sourcing Directive and we have a team of experts to conduct in-depth on-site audits.

Sourcing sustainable raw materials

In addition to signing up to the SIG Business Ethics Code (or equivalent code) as part of their contracts with us, our A-material suppliers must also meet specific social and environmental requirements set out in our purchasing policies for liquid packaging board, aluminium foil and polymers.

Certifications to rigorous external standards, audited by independent third parties, are central to our approach to sourcing sustainable raw materials. The following certification standards enable us – and our customers – to trace our raw materials back through the supply chain to responsible sources:



Forest Stewardship Council™ (FSC™)

We have maintained FSC™ Chain of Custody certification at our production sites and sales offices since 2009 and, as of January 2021, 100% of the liquid packaging board used in our packs is purchased with FSC™ certification. This means that all our board is made with fibres sourced from FSC™-certified sustainable forests and other FSC™-controlled sources. FSC™ certification is an important element of our support for thriving forests through our Forest+ ambition (see [page 40](#)).



Aluminium Stewardship Initiative (ASI)

We were the first in the industry to achieve certification to the ASI Performance Standard for responsible aluminium sourcing in 2018, soon after it was introduced. All our plants (except the new acquired plant in Melbourne, Australia) have achieved ASI Chain of Custody certification. We also

require all our aluminium foil suppliers to meet ASI requirements and complete ASI certification. This also supports our Climate+ ambition as aluminium makes up a significant portion of our supply chain emissions and ASI sets strict limits for greenhouse gas emissions from smelters (see [page 43](#)).

International Sustainability & Carbon Certification (ISCC) PLUS:

The polymers used for our **SIGNATURE 100** and **SIGNATURE Full Barrier** solutions are linked back to renewable forest-based materials covered by the ISCC PLUS certification (or REDcert² in some cases) via a mass balance system. All our plants (except Melbourne) are now certified to control ISCC PLUS materials. The same certification will be used for tracing, controlling and mass-balancing the recycled polymers used in our new **SIGNATURE Circular** solution.

Our support for these certifications – in their development and uptake – has a wider positive impact by encouraging our suppliers and others in our industry and beyond to adopt the certifications and the rigorous standards on which they are based. We also encourage our customers to include certification labels on their packs to demonstrate to consumers that their packs are made from responsibly-sourced materials, and raise awareness of and demand for such materials in other packaging or products.



Having certifications in place for our liquid packaging board, aluminium foil and renewable polymers means that, using our **SIGNATURE**

Full Barrier solution, we are able to offer the only aseptic cartons available with the three main raw materials made entirely from certified responsible sources.



However, there are currently no suitable recognised certifications for the fossil-based polymers used in many of our packs or for the inks we use to print customers' designs on our packs. We are instead focusing on extending the use of renewable alternatives.

The polymers used in our **SIGNATURE 100** and **SIGNATURE Full Barrier** solutions are linked to renewable materials via an independently certified mass balance approach. To avoid competition for use of limited agricultural land, we chose tall oil for the renewable feedstock as it is a by-product of the paper industry rather than a crop grown on land that could otherwise be used for growing food.

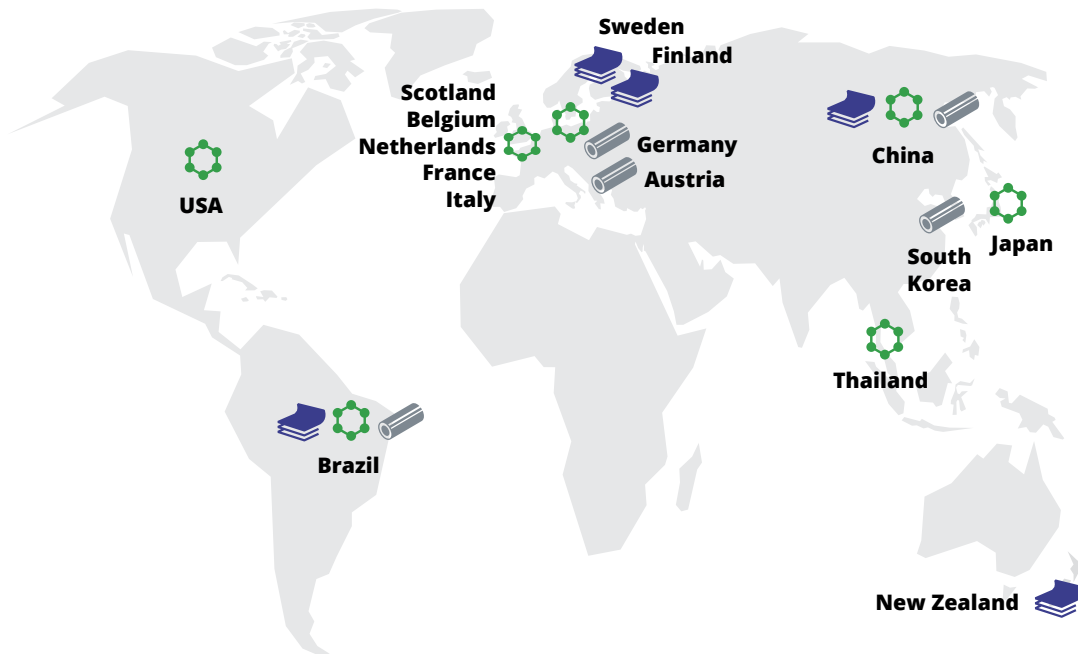
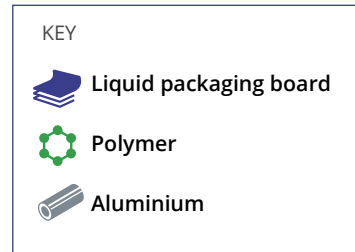
Forest-based raw materials are mixed in with conventional fossil-based raw materials to produce polymers to the grade we need. External certifications ensure that enough renewable material is fed into the mix to make the amount of polymers we use in our **SIGNATURE 100** and **SIGNATURE Full Barrier** solutions.

We opted for a mass balance approach because it supports a broader transition from fossil to plant-based raw materials within the conventional and highly efficient polymer industry that offers security of supply, leaner production and reliable quality for our customers. An independent ISO-conformant life-cycle assessment – the world's first for a mass balance product –

OUR SUPPLY CHAIN

Our supply chain

We source A-materials from around 45 suppliers, ranging from local paper mills that source wood from their own forests to major multinational mining and chemical companies. Our own paper mill in New Zealand also supplies some of our liquid packaging board.



showed that the environmental benefits of the renewable feedstock are maintained through this approach.

We also use a mass balance system to link the polymers used in our **SIGNATURE** Circular solution to post-consumer recycled plastic.

Performance in 2020

Working with responsible suppliers

- We included social responsibility requirements in 100% of contracts with suppliers of key raw materials in 2020, either through the SIG Business Ethics Code for Suppliers or an equivalent code.
- We asked 503 significant suppliers (224 direct and 279 indirect) to respond to a self-assessment on our responsibility requirements – 168 (75%) of the direct suppliers responded and 149 (53%) of the indirect suppliers responded (see charts on next page for results).
- No suppliers were identified as high-risk in 2020 as they have all signed our ethics code or provided evidence of EcoVadis assessments, SEDEX audits or equivalent third-party programmes.
- We updated our Responsible Sourcing Directive, including introducing specific requirements for each supplier category and a new advanced rating for suppliers showing particularly strong performance that is valid for up to three years from their last SEDEX audit or EcoVadis assessment.

PROGRESS AGAINST TARGETS

2020 TARGET

PROGRESS TRACKER

Include social responsibility requirements in 100% of contracts with suppliers of our key raw materials



Audit 10% of high-risk suppliers each year



Provide regular training (at least every two years) on ethical supplier standards and sustainable sourcing to all employees who interact frequently with suppliers



100% A-materials from certified sources



- We communicated the updated Responsible Sourcing Directive to our global, regional and local procurement teams, following their training on the Directive in 2019.
- Of the 77 global equipment key suppliers supporting our Global Assembly function in 2020, 69 have signed up to our Business Ethics Code or equivalent. Two of them have achieved certification to recognised external standards (SEDEX) and six new identified key suppliers were under review at the end of 2020.

Sourcing sustainable raw materials

- We continued to offer the world's first and only packaging material (**SIGNATURE Full Barrier**) for aseptic cartons with all three key materials – liquid packaging board, polymers and aluminium – from certified sources.
- We have achieved Chain of Custody certification for FSC™, ASI and ISCC PLUS – covering all three of our A-materials – across all our production plants in Europe, Brazil, China and Thailand. Our newly acquired plant in Australia also has FSC™ Chain of Custody certification in place.
- We increased the proportion of A-materials from certified sources to 50% (by spend) in 2020 and we expect this to grow in 2021 with the further supplies of ASI-certified aluminium foil we have secured.
- 72% of our A materials (by volume) came from renewable sources in 2020

(compared with 73% in 2019), mostly liquid packaging board.

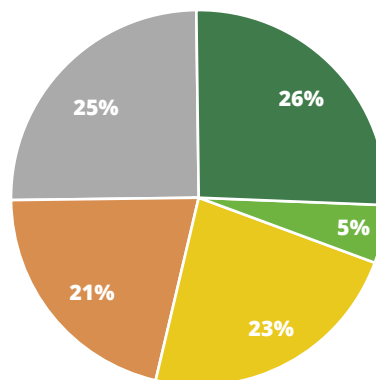
Liquid packaging board

- As of January 2021, 100% of the liquid packaging board used in our packs is purchased with FSC™ certification – an industry first. This means that all our board is made with fibres sourced from FSC™-certified sustainable forests and other FSC™-controlled sources. The supply of our liquid packaging board purchased with FSC™ certification has remained high – over 80% – for several years and we have reached 100% through continued close collaboration with suppliers.
- We have now sold almost 165 billion FSC™-labelled packs and customers can put the FSC™ label on any of our packs.
- 97%¹ of the SIG packs sold in 2020 carried the FSC™ label and we are continuing to promote the benefits of FSC™ labelling to our customers.

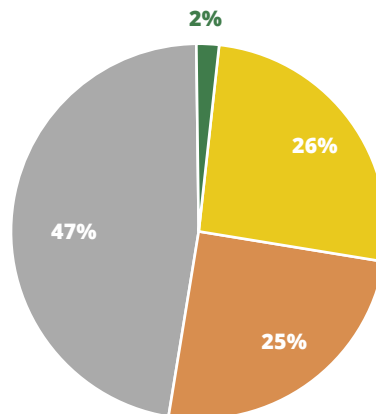
Polymers

- Growing customer demand for our **SIGNATURE 100** and **SIGNATURE Full Barrier** solutions has enabled us to increase our supply of ISCC PLUS-certified polymers linked to 100% renewable materials,² although the overall amount is so far still low compared with the amount of fossil-based polymers we source.
- Our plants in China and Thailand achieved ISCC PLUS certification in 2020. All our

RATING DIRECT SIGNIFICANT SUPPLIERS ON ETHICAL STANDARDS



RATING INDIRECT SIGNIFICANT SUPPLIERS ON ETHICAL STANDARDS



Key

Advanced

Demonstrated strong performance through SEDEX audit findings, EcoVadis Silver/Gold or equivalent evidence (status valid for up to three years)

Compliant

Demonstrated compliance through SEDEX audit, or EcoVadis Bronze or equivalent evidence (status valid for one year)

Accepted

Signed up to the SIG Business Ethics Code and achieved minimum standard in our assessment. Depending on the type of supplier, some are expected to submit plans to achieve certification to recognised standards or third-party assessments (status valid for one year)

CSR re-assessment running

Currently undergoing re-assessment

Under review

Currently undergoing initial CSR assessment

High risk (none in 2020)

Failed to sign up to the SIG Business Ethics Code (or equivalent code) or provide evidence of third-party assessments (status valid for one year)

¹ Excludes SIG Australia. ² Linked to wood residues from paper making via an independently certified mass balance system.

plants (except Melbourne) are now certified to control ISCC PLUS materials.

- Our new **SIGNATURE** Circular solution (page 50) – the world’s first aseptic carton packaging material made with post-consumer recycled materials¹ – is made with chemically recycled polymers via certified mass balancing covered by ISCC PLUS certification.

Aluminium foil

- We remain the only carton producer to offer packs with the ASI label, supporting responsible sourcing of aluminium.
- ASI now comes as standard for all SIG packs in Europe, starting from June 2020 with customers launching new products or designs, and in North America.
- In 2020, our plants in Brazil, China and Thailand joined our European plants in gaining ASI certification.
- Three of our main aluminium foil suppliers in Brazil, China and Germany

– representing over 60% of our global aluminium foil supply – have achieved ASI certification. Our main supplier in China has been supplying 100% ASI-certified aluminium foil since April 2020 – all linked to industrial scrap – and our main supplier in Europe has committed to do so from 2021.

Inks

- We have switched from fossil-based solvents to plant-based bioethanol for our printing processes at five of our production plants and we are working with suppliers to complete this switch worldwide.

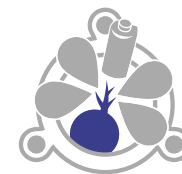
Secondary packaging

- We sourced 100% of the corrugated cardboard boxes we use in Europe – and 77% globally – from FSC™-certified sources.

SOURCING OUR A-MATERIALS

	2016	2017	2018	2019	2020
Raw materials purchased (tonnes of liquid packaging board, aluminium and polymers)	550,000	533,000	550,000	582,000	594,000
% from renewable sources (by volume)	70%	71%	72%	73%	72%
% from certified sources (by spend)	39%	47%	45%	47%	50%

¹ Via an independently certified mass balance system.



RESPONSIBLE CULTURE *OUR PEOPLE*

MATERIAL ISSUES

- Diversity & inclusion
- Talent development
- Employee satisfaction
- Fair labour practices

SIGNIFICANT IMPACT

No

KEY PERFORMANCE INDICATORS



- Sustainable engagement score
- Employee net promoter score
- Number of plants with SEDEX Members Ethical Trade Audit

ADDITIONAL GRI INDICATORS REPORTED



KEY POLICIES

- [SIG Code of Conduct](#)
- Labour, Human Rights and Community Engagement Policy
- Human Resources Framework

RELEVANT SDGs



RESPONSIBLE

Global Human Resources, supported by local Human Resources teams

EVALUATION OF MANAGEMENT APPROACH

Biennial companywide engagement survey, regular dialogue with employees, SEDEX site audits and EcoVadis assessments

GRIEVANCE MECHANISM

Via line managers, the Global Legal & Compliance team or Ethics & Compliance Hotline

Why is this material for SIG?

Fostering a winning team is one of the three main business goals in our Corporate Compass. We employ more than 5,700 employees globally. Their success – and ours – depends on:

- **Diversity and inclusion** – Creating an inclusive culture helps to engage our people. Building a diverse workforce supports our customers in diverse markets and fosters innovation by bringing different perspectives and new ideas to our business. Investors and other stakeholders also increasingly expect companies to demonstrate a strong commitment to diversity.
- **Talent development** – Investing in and developing employees to help them achieve their goals and build their careers with SIG helps us support them and

create a workforce that meets the needs of our business now and in the future.

- **Employee satisfaction** – Listening and responding to our people, recognising the work they do and rewarding them based on performance helps us sustain strong levels of job satisfaction, motivation and engagement. This helps us recruit and retain the best people and maintain a productive workforce.
- **Fair labour practices** – Upholding labour rights and providing fair working conditions is a fundamental responsibility as an employer and part of our commitment to respecting human rights. It is critical to maintain the trust of our employees and other stakeholders, and to comply with regulations.

Our commitment

We strive to have a positive impact on our employees through our commitment to:

- **Diversity and inclusion** – We are committed to providing an inclusive working environment for our employees. We do not tolerate discrimination based on race, religion, national origin, political affiliation, gender, sexual orientation, disability, age or any other relevant category. Improving gender balance, particularly at senior levels of the business, is a priority and we aim to do so through enhanced efforts to attract and develop female employees and leaders.

2025+ TARGETS

- Sustain our training and development investment above industry benchmark by 2025
- Ensure 100% of key talent (current and future business leaders for critical positions) have a defined development plan by 2025
- Achieve engagement level above industry benchmark by 2025
- Increase % of employees who feel we have responded to their feedback based on the last survey by 2025
- Increase percentage of women in leadership positions to 30% by 2025
- Increase % of employees who feel SIG makes adequate use of recognition and reward other than money by 2025
- Maintain SEDEX Members Ethical Trade Audit (SMETA) at all production sites

- **Talent development** – We are committed to providing opportunities for career development, and strive to lead the industry in our investment in training and development. We are continually working to improve the frequency and quality of feedback and appraisal sessions to support engagement, development and performance of employees.
- **Employee satisfaction** – We are committed to creating an open, engaging and energising work environment where our people feel that their ideas, needs and concerns are heard and valued, they are recognised for what they do and they understand how their work contributes to the success of the business.
- **Fair labour practices** – We are committed to promoting fair labour practices and upholding labour rights for our employees. This includes the provision of fair pay and decent working conditions, recognising the right to freedom of association and collective bargaining, and preventing discrimination, child labour and modern slavery (human trafficking, forced and compulsory labour, bonded labour and slavery). We are committed to adhering to the labour standards encompassed within the International Bill of Human Rights, the ILO core labour standards, the ETI Base Code and the UN Global Compact. We also extend these requirements to our suppliers to protect supply chain workers (see [page 60](#)).

Management overview

Embracing diversity and inclusion

The SIG Code of Conduct includes a strict policy against discrimination on any grounds and we strive to create an inclusive workplace where a range of nationalities and cultures are represented, and where everyone is treated with respect and has equal opportunities regardless of their age, gender, ability or cultural background.

We have publicly committed to promote diversity throughout our organisation as a signatory of the German Diversity Charter (Charta der Vielfalt). Our employee-led Diversity & Inclusion Focus Group – made up of a diverse group of employees from across the business – helps to inform and drive our strategy in this area.

Our leaders are trained on diversity and inclusion to increase awareness and drive behaviour change. Diversity criteria are also included in management tools that support employee retention, development and engagement.

One of our main priorities is to improve gender balance in our traditionally male-dominated industry by attracting and developing more women, particularly in leadership roles. We are doing this by cooperating with universities to attract female engineers, engaging women and minorities better in our recruitment processes, and defining requirements in our internal career development processes to help us select the best candidates from a diverse pool of internal and external applicants. In addition, we are creating

a working environment that strengthens our ability to attract and retain women, for example by offering more flexible working options where feasible (see [page 71](#)).

We also encourage employees to take international roles to enhance the diversity of perspectives and experiences in our teams.

Enabling talent development

Employees create individual development plans and review their goals and progress as part of their twice-yearly performance reviews with managers. We monitor the number of employees with an agreed development plan in place, and have a tool to support people in asking for additional feedback from colleagues and managers outside their formal reviews. We also encourage individuals, including managers, to gain more personal insights from others through a 360° feedback tool.

Our approach to learning and development is built on the 70/20/10 formula: 70% from on-the-job experiences, 20% from mentoring, coaching and interactions with colleagues, and 10% from formal training. Our online Learning Centre offers access to in-person and virtual training courses on topics including leadership, professional, technical, functional and language skills.

We identify and support people with high potential through our talent and succession management programme to build our leadership pipeline. Leadership programmes include our Transformational Leaders programme to develop the right leadership mindset for developing others, as well as

our Operational Leaders Development and Commercial Excellence programmes to enhance development opportunities for leaders in specific functions.

Fostering employee satisfaction

Our employer value proposition, 'Believe in More', sets out the difference SIG makes for existing and prospective employees. It emphasises that SIG is a place where they can feel free to believe in more – more for them, more for us, and more for our customers, consumers and the planet. We also engage employees in the business through virtual Q&As with our CEO, townhall meetings and smaller group sessions with SIG executives.

In addition to engagement in the business, an inclusive working environment and development opportunities, reward and recognition also play an important role in overall satisfaction. We benchmark salaries and benefits with other companies to check we offer competitive reward packages in each of our markets. Employee benefits vary by region and include parental benefits and leave, retirement benefits, and life and health insurance.

We want to make sure our people feel that their individual efforts are recognised. Our reward structure is based on grading of roles and corresponding salary bands, but includes performance-based incentives too. We also recognise employees' achievements and contributions to the business through our global Shine Awards.

Employees can provide feedback through regular dialogue with their managers. We run a global employee engagement survey every two years to gauge levels of employee satisfaction and understand how we can improve as an employer. We are committed to act on the results.

Upholding fair labour practices

Employees are trained on the SIG Code of Conduct, which includes our requirements on fair labour practices. We take any reports of unfair labour practices very seriously and investigate all issues reported (see [page 79](#)).

We respect the right to collective bargaining and consult with employees and their representatives (according to local regulations) on issues such as pay, health and safety, and working conditions. Terms and conditions of employment, including pay, are negotiated through collective bargaining with recognised trade unions for a significant portion of our employees.

We check compliance on fair labour practices through regular SEDEX Members Ethical Trade Audits at our production sites, which include human and labour rights criteria, and assessments of our global policies and performance by EcoVadis. Fair labour practices also form part of our supplier assessments and audits of high-risk suppliers as we extend our commitment through our supply chain through the SIG Code of Business Ethics (see [page 60](#)).

Performance in 2020

Embracing diversity and inclusion

- We established a Diversity & Inclusion Focus Group with 14 employee representatives from across the business to drive our diversity and inclusion strategy. Membership was open to all SIG employees and the members were chosen based on their diverse backgrounds and their personal presentations on why they believe diversity and inclusion is important both personally and for the business.
- Women represented 18% of our leaders (approximately 350 management positions across the business) in 2020 and we have set a target to increase women in leadership to 30% by 2025. We welcomed our first female member of the Group Executive Board in January 2021.
- We began collaborating with RWTH Aachen University in Germany on activities to attract more female engineering students to join SIG, beginning with a speed talk event for around 40 female students to introduce them to our company.
- We began rolling out our new mandatory diversity and inclusion training on unconscious bias and inclusion, and 224 leaders across the business had completed it by the end of the year.
- We joined other companies in making a public commitment to promoting diversity throughout our organisation

WOMEN IN MANAGEMENT

	2018	2019 ¹	2020
Senior management (approximately 80-90 employees)	17%	16%	16%
Management (approximately 550 employees)	17%	19%	20%
All employees	18%	19%	19%

by signing up to the German Diversity Charter.

- We developed a new mentoring programme for female leaders, which will be launched in 2021.

Talent development

- We provided an average of 19.4 hours of training per employee (down from 24.3 hours in 2019), falling below the previous industry benchmark of 24.0 hours. This decline is due to constraints on training programmes due to COVID-19 with many employees choosing to wait for face-to-face training to resume rather than completing online alternatives.
- We refreshed the training options available via the SIG Learning Centre to respond to employee feedback and better meet the learning and development needs of our people throughout their careers.
- With COVID-19 restrictions making in-person training difficult, we took the opportunity to strengthen our online training offerings, as well as preparing to give employees access to over 15,000 courses through the LinkedIn Learning platform from January 2021. An important

PROGRESS AGAINST TARGETS

2020 TARGET	PROGRESS TRACKER
Increase employee net promoter score year by year	
Achieve a sustainable engagement score above industry benchmark	
Maintain voluntary turnover below 5%	
Make our training and development investment above industry benchmark	
Establish a diversity and inclusion strategy and steering group	
SEDEX Members Ethical Trade Audit (SMETA) at all production sites	

¹ Data not assured.

focus this year was on virtual training specifically designed to help employees adapt to working from home by focusing on skills for presenting online, collaborating virtually and leading teams remotely.

- We introduced a tool to monitor how many employees have a formal development plan and nearly 600 recorded that they had a plan in place by the end of 2020. We also launched a tool that empowers employees and managers to ask for feedback from colleagues to incorporate multi-perspective feedback within their twice-yearly appraisals.
- More than 345 people have completed our Transformational Leaders training programme since 2015. This year, we strengthened the programme by integrating more mentoring and hands-on experience, and helping participants to put what they have learned into practice within their own teams. We have begun piloting the new programme with two teams that have a combined total of 75 employees. Due to social distancing restrictions the rollout of Transformational Leadership workshops was postponed and relaunched later in the year in a virtual format.
- The first 13 participants have completed our 18-month Operations Leaders Development Programme, which is designed to support a career development programme for leaders in areas of our business related to production. It includes individual coaching, international experience and

intensive training in entrepreneurial and leadership skills. A second cohort of 17 participants from our plants around the world began the programme this year.

- We have increased our focus on mentoring and individual coaching to support employee development by creating a new learning offer, which supplements and supports our development programmes through social learning experiences.
- Our series of 14 virtual SIG Talks in Brazil covered a range of topics, from emotional intelligence to effective collaboration, to promote the exchange of knowledge and experience. Around 70 employees joined each talk on average, despite some of the talks being postponed due to COVID-19.

Fostering employee satisfaction

- Nearly 4,500 (85%) of our employees responded to our biennial engagement survey in 2020 and we achieved an overall engagement level of 87%, up nine points compared with the previous survey in 2018. This is significantly higher than the industry benchmark of 80%.
- Our employee net promoter score has significantly improved from -1 to 21 in 2020.² This score is based on 44% of respondents saying that they would strongly recommend SIG to friends and family as a good place to work and 23% saying that they would not.
- The survey results showed strong improvements across all 13 categories, significantly outperforming industry

AVERAGE HOURS OF TRAINING¹

Employee category	2015	2016	2017	2018	2019	2020
Management	39.4	37.9	33.5	31.7	35.5	26.3
Non-management	32.8	28.0	24.1	22.4	22.7	18.4
Total	33.5	29.0	25.1	23.4	24.3	19.4

BIENNIAL EMPLOYEE SURVEY RESULTS

	2016 survey	2018 survey	2020 survey
Sustainable engagement score	74	78	87
Employee net promoter score ²	-16	-1	21

peers in all categories. We saw the most significant improvements in areas such as communication between top management and employees, development towards an open-minded organisation with a broad diversity of employees, making our people feel confident about job security and appreciating their contribution to the company's success.

- There are always ways we can improve further. Priorities identified from employee feedback include making more use of non-monetary recognition, communicating long-term goals better, clarifying possible career paths and improving physical working conditions in some countries.
- The global survey results were reviewed at the highest level of the business, including by our Group Executive Board, to consider Group-wide measures to help us respond to feedback and improve in

key areas. Results have also been shared locally to enable managers to discuss and implement improvement measures together with their teams through Result to Action workshops.

- 61% of participating employees agreed that significant actions have been taken to address priorities identified through the previous survey in 2018, following over 200 Result to Action workshops across the business in 2019 that were used to address feedback and implement concrete improvements (see employee quotes below).
- We launched our new employee value proposition, Believe in More, through internal communications and on our new careers [website](#) to engage existing and prospective employees.
- We brought together the entire production team from our plants in Latin America for the first time at a

¹ Data from 2015 to 2018 has been restated to correct previous inaccuracies. ² The employee net promoter score is based on the question: 'On a scale from 0 (not at all likely) to 10 (extremely likely), how likely is it that you would recommend SIG to your friends and family as a good place to work?' The score is calculated by subtracting the total detractors (responding with 0-6) from the total promoters (responding with 9-10).

teambuilding day in January 2020 (before COVID-19). Around 250 employees took part in activities designed to strengthen collaboration and teamwork within and between operational functions.

- We welcomed around 170 new employees to the business through our acquisition of Visy Beverage Cartons in Australia at the end of 2019 and helped them become part of the SIG family during 2020.
- Our annual Shine Awards were postponed to early 2021 due to COVID-19 restrictions.
- SIG employees working from home shared pictures and thank you messages
- We introduced standardised pay bands for employees above grade 10 in the five countries where the majority of our employees are based – Brazil, China, Germany, Switzerland and Thailand – and a new equity investment plan for our top leaders.
- We maintained a voluntary turnover rate of 4% in 2020.

to express their gratitude to our SIG Heroes who have continued working in production and technical service roles to help our customers keep up global food supplies.

Upholding fair labour practices

- All our production sites have completed SMETA audits, with the exception of our newly acquired business in Australia which will be included in the three-year SMETA audit cycle by 2022. In addition, our office site in Mexico completed its planned 2020 audit in February 2021 due to COVID-19 delays.
- Globally, around 58% of our employees were covered by collective bargaining agreements in 2020.
- There were no reported incidents of discrimination in 2020.

HOW WE HAVE RESPONDED TO EMPLOYEE FEEDBACK IN OUR 2018 ENGAGEMENT SURVEY

“The survey was a great instrument for constructive feedback. In Rayong, the management was very open, listened, and took improvement measures. Something has also changed in the long term. The management communicates more, has more understanding of employees’ concerns and also gives feedback why certain measures cannot be implemented. That we are moving in the right direction is demonstrated, for example, by employees motivating their friends to apply for a job at SIG.”

Parichart

Head of Quality Management, Rayong, Thailand

“For me the workshop on the survey results was very lively and inspiring. There were many good thoughts and ideas that now want to be implemented. Communication and the flow of information have already been improved. I think SIG is well on its way to becoming the best employer.”

Jeffrey

Automation Software Engineer,
Linnich, Germany

“The survey made employees feel that their opinion is valued. This was followed by concrete improvements here in Cluj. For example, job descriptions were revised, a new time and attendance system was introduced, the medical service provider was changed and there were many trainings in 2019. In my opinion, SIG is on the right track. Employees are listened to and their opinions are taken into account.”

Maria

HR Payroll & Admin Specialist, Cluj, Romania

OUR WORKFORCE

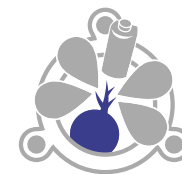
	Asia Pacific	Americas	Europe	Total
Total number of employees:	2,153	686	2,908	5,747
Male	1,736	509	2,414	4,659
Female	417	177	494	1,088
Employees with a permanent contract:	1,639	659	2,687	4,985
Male	1,362	493	2,231	4,086
Female	277	166	456	899
aged up to 30	175	212	302	689
aged 31 to 50	1,234	410	1,339	2,983
aged 50 +	230	37	1,046	1,313
Full-time employees:	1,632	657	2,567	4,856
Male	1,362	491	2,190	4,043
Female	270	166	377	813
Part-time employees:	7	2	120	129
Male	0	2	41	43
Female	7	0	79	86
Employees with a fixed-term contract:	514	27	221	762
Male	374	16	183	573
Female	140	11	38	189
thereof Apprentices	0	14	130	144

NEW HIRES

	Asia Pacific	Americas	Europe	Total
Total number of new hires:	66	108	120	294
Male	45	80	81	206
Female	21	28	39	88
aged up to 30	14	46	49	109
aged 31 to 50	46	61	63	170
aged 50 +	6	1	8	15
Rate of new hires:	4%	16%	4%	6%
Male	3%	16%	9%	5%
Female	8%	17%	18%	10%
aged up to 30	8%	22%	16%	16%
aged 31 to 50	4%	15%	5%	6%
aged 50 +	3%	3%	1%	1%

EMPLOYEE TURNOVER

	Asia Pacific	Americas	Europe	Total
Total employee turnover	7%	11%	6%	7%
Voluntary employee turnover rate	5%	5%	3%	4%
Total employee turnover:	120	75	159	354
aged up to 30	7	19	36	62
aged 31 to 50	72	50	65	187
aged 50 +	41	6	58	105
Male	88	57	125	270
Female	32	18	34	84



RESPONSIBLE CULTURE *HEALTH, SAFETY AND WELLBEING*

MATERIAL ISSUE

- Employee health, safety & wellbeing

SIGNIFICANT IMPACT

No

KEY PERFORMANCE INDICATOR



ADDITIONAL GRI INDICATORS REPORTED



KEY POLICIES

- [Global Environment, Health and Safety Policy](#)

RELEVANT SDGs



RESPONSIBLE

Group Corporate Responsibility team and Group Human Resources

EVALUATION OF MANAGEMENT APPROACH

- Monthly review of health and safety metrics by Group Executive Board
- Safety performance highlighted on quarterly CEO calls with executives
- Annual site self-assessments (based on OHSAS 18001) and internal audits
- SEDEX site audits and EcoVadis assessments

GRIEVANCE MECHANISM

Via line managers or Ethics & Compliance Hotline

Why is this material for SIG?

Enabling employees to stay safe and healthy at work is a prerequisite for any responsible company. Empowering our people to adopt safe behaviours at work can also have a wider positive impact when they take the same safe behaviours home to their families.

By preventing injuries and promoting health and wellbeing, we are not only supporting our people but also the success of our business by reducing lost time, enhancing productivity and improving employee engagement.

Our commitment

Nobody comes to work to get hurt or ill, and we strive to ensure everyone can go home

safe and well every day. We aim to prevent work-related incidents and illnesses by adopting a preventative health and safety strategy. We also take a holistic approach to supporting health and wellbeing to enable our employees to lead fuller, more productive lives both at work and at home.

Management overview

Everyone at SIG is expected to take responsibility for their own health and safety – and the health and safety of those around them – as part of our Take Care culture.

Managing key risks

We have robust health and safety management systems that follow similar criteria to the internationally recognised OHSAS 18001 and ISO 45001 standards at all our production sites (except for our newly acquired plant in Melbourne, Australia) as well as our global assembly, global technology and technical service functions.

These systems help us identify and manage risks, and promote continuous improvement. To support implementation, our health and safety teams, and other key personnel, are trained in ISO 45001.

We conduct risk assessments across our global operations and implement the STOP

2025+ TARGET

- Zero lost-time cases
- Achieve a lost-time case rate in the top 20% of industry peers by 2025

Our life-saving rules

- 1 Work with a valid work permit when required
- 2 Check equipment is isolated before work begins
- 3 Obtain a permit for entry into a confined space
- 4 Use fall protection when working at height
- 5 Wear a seatbelt in motor vehicles when provided

The Golden Rule

Intervene to stop work if conditions or behaviour are unsafe.

(substitute – technical – organisational – personal protection) hierarchy of control measures. Line managers are required to update risk assessments annually. Workers at our production sites, where our biggest risks lie, are encouraged to report unsafe working conditions via safety opportunity cards and at-risk behaviours through our behaviour-based safety process.

Our life-saving rules target the biggest risks to our people, including working with electricity, at height or in confined spaces, and road safety (see [page 71](#)). They apply to everyone working with us or visiting our sites. The Golden Rule empowers employees to stop any at-risk behaviour or situation.

We also convene subject matter expert groups, each led by a different site, to identify, manage and educate employees about key safety risks and share best practices with colleagues around the world.

All new employees are trained on health and safety as part of their induction. We also provide training to ensure our people understand how to manage risks relevant to their specific roles – from using fall protection measures for production teams working at height to ensuring appropriate ergonomics for office workers. Our Technical Service teams also receive training relevant to their work at our customers' sites.

Embedding safe behaviour

Unsafe behaviour is the root cause of most incidents at our sites. Our behaviour-based safety programmes encourage colleagues to recognise and report at-risk behaviours. The aim is to raise awareness and remove

potential barriers to people working safely through constructive feedback. These programmes are run by health and safety steering committees that include management and employee representatives. Local workers' councils or committees meet regularly to discuss health and safety matters, and we encourage employees to make suggestions for improvements.

We conduct regular training on behaviour-based safety. Each production plant must ensure that at least 15% of employees (and up to 100% at smaller sites) have completed the training and we track progress as part of our monthly health and safety metrics. As well as encouraging employees to observe each other's behaviour, managers also look out for unsafe behaviours as part of their regular plant walks.

We monitor incidents and near misses, analyse their root causes and target improvements through local corrective action plans. All incidents must be reported following our standard operating procedure. For incidents that have a high potential to cause severe injury, we issue a global alert across the business to raise awareness and prevent similar incidents occurring elsewhere.

Our annual CEO Safety Excellence Awards recognise sites that have achieved exceptionally strong safety performance.

Promoting employee health and wellbeing

We are extending the behaviour-based model we use for safety to occupational health issues. Our initial focus is on

ergonomics and musculoskeletal health issues, such as back problems, which can be an indicator of wider health and wellbeing issues such as workload and stress. Many of our larger sites offer access to medical professionals, such as doctors and physiotherapists, for employees.

Our wider support for employee health and wellbeing includes programmes to promote work-life balance, healthy lifestyles, mindfulness and smart time management to combat stress and build resilience. We also aim to create an open environment where people feel able to ask for help.

Support and benefits vary locally depending on the regional, legal and cultural context. Examples include health insurance, health check-ups, subsidised gym membership, on-site fitness programmes, healthy dietary options in staff canteens, flexible working arrangements, parental benefits and leave, and access to counselling services to address problems at work or at home through employee assistance programmes.

Performance in 2020

Preventing lost-time cases

- Our total lost-time case rate decreased by 28% to 0.31 per 200,000 hours worked during 2020, mainly as a result of get well programmes launched by senior management at two of our sites in Europe. There were a total of 13 lost-time cases worldwide.
- Five production sites achieved a zero lost-time case rate in 2020: Melbourne

PROGRESS AGAINST TARGETS

2020 TARGET

PROGRESS TRACKER

Zero lost-time case rate



Achieve a life-critical safety elements score of 100% at all production sites



Maintain a health rate of more than 97%



(Australia), Neuhausen (Switzerland), Rayong (Thailand), Suzhou (China) and Wittenberg (Germany).

- We continued to update risk assessments and share best practices between sites, with a particular focus on risks of injury to hands and fingers (61% of lost-time cases in 2020) and head (31% of lost-time cases).
- All our production sites achieved a minimum score of 98% for management of life-critical safety elements, up from 97% in 2019. We aim to maintain high scores across the business.
- We conducted extensive risk assessments at our Linnich and Wittenberg sites in Germany, and our Saalfelden site in Austria, and plan to roll out these in-depth risk assessments to further sites.
- We have established behaviour-based safety programmes at all our production sites except our newly acquired plant in Melbourne, Australia. However, social distancing due to COVID-19 has hampered efforts to observe colleagues' unsafe behaviours and provide feedback to correct them.
- We began training key personnel to support a pilot of a new advanced behaviour-based safety process at our Linnich site in Germany in early 2021. It aims to establish a list of specific behaviours to focus on at each site based on previous incidents and near misses, and set targets for safe behaviour.
- We developed a new behaviour-based safety training that focuses on the

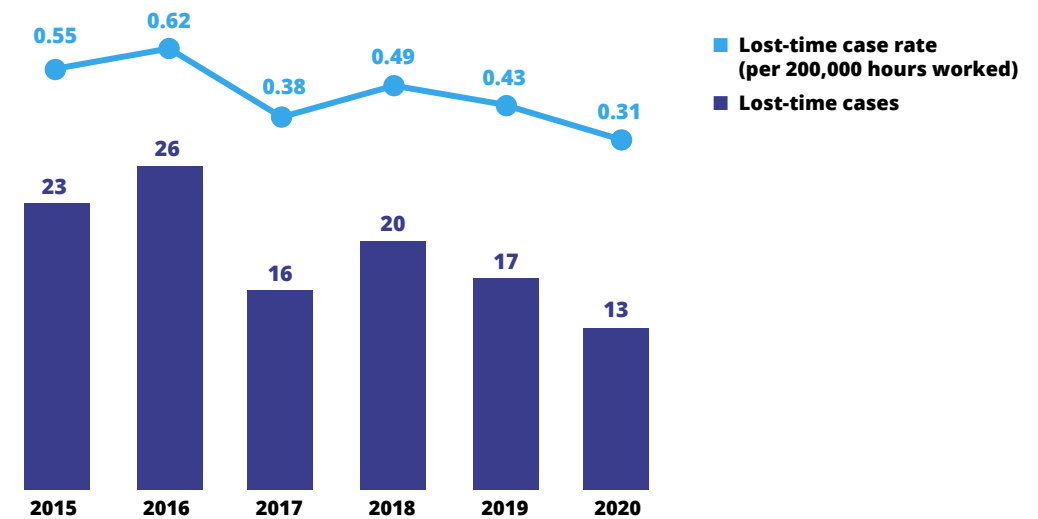
role that emotions can play in at-risk behaviour due to distraction or lack of due care and attention. The aim is to improve self-awareness and enable teams to support each other more. We piloted this training at our Whakatane site in New Zealand.

- Our Suzhou global assembly plant in China and our Rayong production plant in Thailand were recognised with our CEO Safety Excellence Award this year. Suzhou has operated for 10 years without a single lost-time case and Rayong celebrated more than 1.5 million hours without a lost-time case this year.
- Everyone at our Rayong plant in Thailand – together with our CEO, Chief Technology Officer and President & General Manager, Asia Pacific – signed a commitment to continue to work safely and follow our Life-Saving Rules.

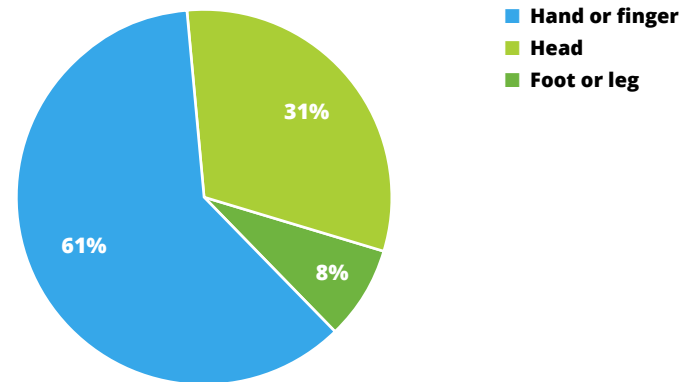
Promoting good health

- Our health rate improved to 96.4%¹ in 2020 (up from 95.2% in 2019) with our continued emphasis on ergonomics and an increased focus on health and wellbeing to support employees across the business through the challenges of the COVID-19 pandemic.
- We have had very few cases of COVID-19 at SIG and robust measures helped to prevent it spreading among our employees (see below).
- We encouraged employees to get the winter flu jab, paid for by SIG, to prevent illness.

TOTAL LOST-TIME CASES (AND LOST-TIME CASE RATE)



INJURIES BY TYPE IN 2020



¹ Based on a sickness absence rate of 3.6% (sick days per total days worked). Sickness absence and health rates are based on available data covering approximately 67% of employees (mainly in production roles).

Responding to COVID-19

- In response to COVID-19, we acted quickly to implement health controls and established a global task force, supported by regional risk management teams, to implement measures in line with our pandemic preparedness plan, evolving national regulations and World Health Organization guidelines.
- When the first signs of the pandemic emerged, we immediately stopped international business travel in affected regions and, based on a pandemic simulation, worked to ensure appropriate personal protective equipment (PPE), such as masks, was available at sites where the pandemic was likely to spread to first.
- With strict hygiene measures already in place at our plants, our production teams adapted quickly to the coronavirus challenge and, thanks to their extraordinary efforts, we were able to keep production going throughout to help customers maintain essential food supplies.
- Additional measures at our plants to prevent the spread of COVID-19 included access restrictions, health questionnaires, temperature checks, monitoring of indoor CO₂ concentrations to ensure adequate ventilation and fresh air intake, physical distancing, more frequent handwashing, additional PPE, segregating teams and regular communications on guidance. We also made it clear that we expect employees to behave safely and follow external health guidelines when outside work

to help them stay safe at home and avoid bringing the virus to their colleagues.

- By using advanced tracking systems, we were able to identify who had been in close contact and ask them to quarantine if a case of COVID-19 was reported by one of their colleagues. We enabled employees needing to quarantine – as a result of contracting the virus or being in close contact with someone testing positive either at work or at home – to do so without loss of pay.
- We encouraged employees to work from home if their role allowed them to do so, and we introduced wellbeing initiatives to support them (see below). Before returning to the office, they received training on the new health and safety guidelines to prevent the spread of COVID-19 in the workplace.

Promoting wellbeing

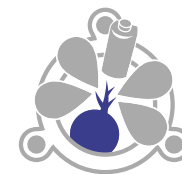
- We are developing a new homeworking policy and guidelines to support more flexible working, to be rolled out initially in Austria, Germany and Switzerland, with input from a survey of around 800 employees working in roles that could be eligible for homeworking following COVID-19. We also introduced a policy enabling a switch to more home working for office workers in the Americas.
- We adapted our More Health for You programme in Latin America to provide virtual support for physical and mental health through ergonomic exercises, mindfulness sessions to combat stress,

workouts to do at home and with the whole family, and yoga classes.

- We developed a new integrated health and company sports programme at the Linnich site in Germany to make it easier for employees to get involved in sports and fitness activities. It will be launched in 2021.
- SIG employees working from home shared pictures and thank you messages to express their gratitude to our SIG Heroes in production who continued working on site to help keep up food supplies.

Local support for employees working from home during COVID-19 included:

- Encouraging them to schedule meetings with colleagues, take virtual coffee breaks together, share funny stories about working from home, and engage in teambuilding quizzes and games to feel connected.
- Online fitness, yoga and mindfulness classes, positive psychology sessions to help manage stress, live healthily, maintain a healthy immune system and eat well, and online Q&A sessions with doctors on COVID-19.
- Support through external counselling and coaching hotlines.
- Regular check-ins and surveys to monitor employee wellbeing.



RESPONSIBLE CULTURE ENVIRONMENTAL MANAGEMENT

MATERIAL ISSUE

N/A

ADDITIONAL STRATEGIC TOPIC

Minimising production waste

KEY PERFORMANCE INDICATORS

■ Plants with ISO 14001 certification



KEY POLICIES

■ [Global Environment, Health and Safety Policy](#)

RELEVANT SDGS



RESPONSIBLE

Group Corporate Responsibility team

EVALUATION OF MANAGEMENT APPROACH

ISO certification audits, annual internal environment, health and safety audits, SEDEX site audits and EcoVadis assessments

GRIEVANCE MECHANISM

Via line managers or Ethics & Compliance Hotline

Why is this strategic for SIG?

Our environmental responsibility starts with our own operations. In addition to our strong focus on operational greenhouse gas emissions, climate risks and opportunities (see [page 42](#)), we strive to have a positive impact in other areas related to environmental management.

In particular, we aim to lead by example by using resources efficiently, minimising waste and reusing or recycling materials wherever possible in our production operations to conserve natural resources. This also delivers business benefits by reducing costs and supporting lean and efficient production.

Demonstrating strong environmental management is also important to meet customer requirements and ensure compliance with relevant regulations.

Our commitment

We are committed to monitoring and managing environmental impacts from our operations, including minimising energy use, greenhouse gas emissions and waste (including raw materials, hazardous and electronic waste). Environmental management in our operations also supports our wider Climate+ (see [page 42](#)) and Resource+ (see [page 49](#)) ambitions.

Management overview

We have robust environmental management systems in place that promote continuous improvement. All our production, assembly and research and development sites, and our paper mill in New Zealand, have environmental management systems certified to the international ISO 14001 standard, except for our newly acquired production site in Melbourne, Australia.

In addition, our sites in Linnich, Wittenberg and Saalfelden have energy management systems certified to ISO 50001 that support improvements in energy efficiency. This is just one of the ways we are reducing the carbon footprint of our operations (see [page 42](#)).

We use the Bee platform from Manufacture 2030 to accelerate greenhouse gas emissions reductions and minimise environmental impacts in collaboration with our customers. The shared platform supports forecasting of greenhouse gas emissions savings at plant or company level, enhances visibility of energy and carbon-saving projects, and enables monthly monitoring and performance management.

A range of initiatives are in place 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

2025+ TARGETS

- 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 certification to ISO 14001:2015 at all production plants

See [page 42](#) for targets on operational greenhouse gas emissions.

service providers to choose the next best option, such as energy recovery, to avoid sending waste to landfill wherever possible.

We also implement responsible disposal options for hazardous and electronic waste to avoid environmental harm and ensure hazardous waste does not end up in landfills.

Maintaining environmental management certifications

- 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 key business functions and our Wittenberg production plant in plant in Germany 2020, and we will work towards

PROGRESS AGAINST TARGETS

2020 TARGET

PROGRESS TRACKER

Achieve compliance with ISO 50001 at our European production plants and with revised ISO 14001 standard at all production plants



Reduce waste rate by more than 45% (from 2014)



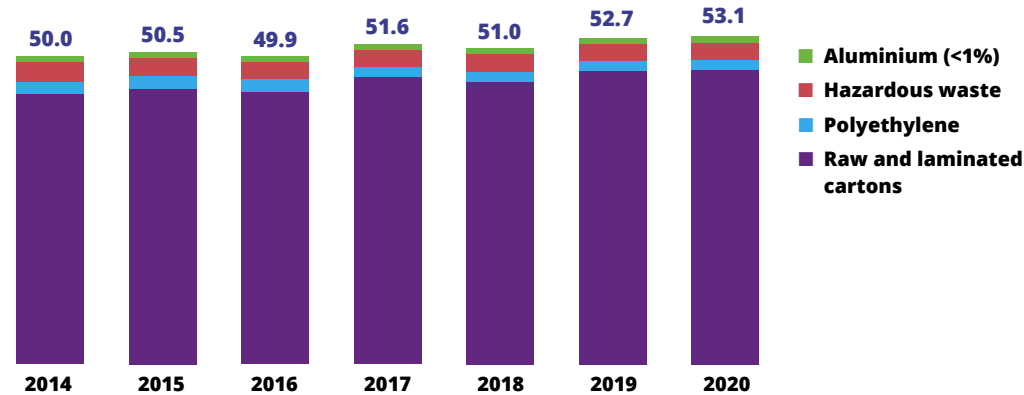
certification at our newly acquired production site in Melbourne, Australia.

Minimising production waste

- We have reduced our waste rate by 4% in 2020 – and by 8.7% since 2014. This falls short of our 2020 target of 45% and we are now pursuing a more realistic, but still challenging, approach as we continue to seek ways to minimise production waste.
- Our focus is increasingly on eliminating waste to landfill by either reusing or recycling waste, or converting it to renewable biofuel. In 2020, 99% of waste was reused or recycled, and only around 0.6% of waste went to landfill. No hazardous waste was sent to landfill.
- We have achieved zero waste to landfill at several of our plants, including Linnich and Wittenberg in Germany, Saalfelden in Austria and Melbourne in Australia.

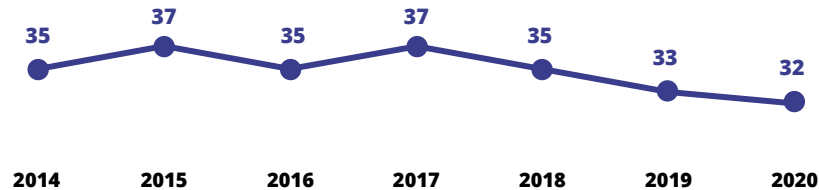
PRODUCTION WASTE BY TYPE¹

Thousand tonnes, by type

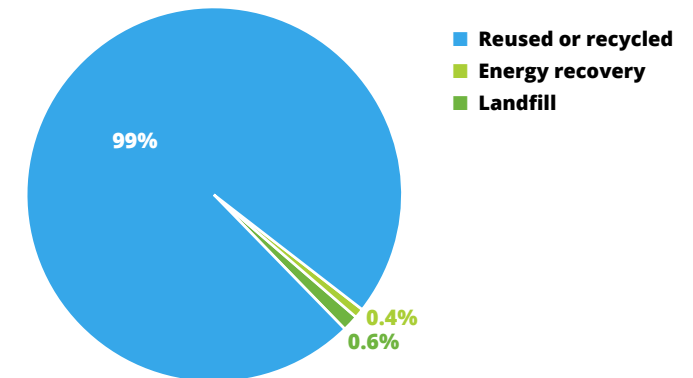


WASTE RATE¹

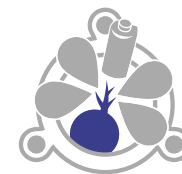
Tonnes of non-product output/million m² of sleeves produced



PRODUCTION WASTE BY DISPOSAL METHOD IN 2020¹



¹ Production waste and waste rate are for sleeves production only and exclude our paper mill in New Zealand and our closures plant in Switzerland. Waste rate from production is per million square metres of sleeves produced. Waste data in 2020 includes our new plant in Melbourne for the first time.



RESPONSIBLE CULTURE COMMUNITIES

MATERIAL ISSUE

N/A

ADDITIONAL STRATEGIC TOPIC

Thriving communities

KEY PERFORMANCE INDICATORS

Impact of community engagement programmes

KEY POLICIES

- Labour, Human Rights and Community Engagement Policy

RELEVANT SDGS



RESPONSIBLE

Way Beyond Good Champions and SIG Way Beyond Good Foundation

EVALUATION OF MANAGEMENT APPROACH

Annual community engagement impact assessment and quarterly review by the Board of Trustees (including members of our Group Executive Board and senior management) of Foundation activities

GRIEVANCE MECHANISM

Ethics & Compliance Hotline

Why is this strategic for SIG?

Supporting thriving communities helps us strengthen our business by being a good neighbour and an employer of choice, enhancing our corporate image, and exploring new models and markets. Support for local communities is just one of the ways we have a positive impact on people's lives. Delivering societal benefits is inherent in our purpose to partner with our customers to bring food products to consumers around the world in a safe, sustainable and affordable way.

Our commitment

We are committed to engaging with local communities where we operate to understand how we can make a meaningful positive impact to help them thrive. We contribute through local partnerships and employee volunteering. We channel our support for wider communities through the SIG Way Beyond Good Foundation, which focuses on projects that strengthen civil society and create positive impacts for the environment.

Management overview

Our *Way Beyond Good* engagement programme is led by our network of *Way Beyond Good* Champions who run themed campaigns to raise awareness of responsibility topics with the help of local

action groups of employee volunteers. The Champions in each location have an allocated budget each year to run community projects. We focus on projects that meet the needs of local stakeholders, harness the skills of our people and have a positive impact within our communities.

We measure the impact of our community programmes based on an assessment by the employees and communities involved. Impact is assessed based on who benefits from the project, the type of impact it has and its potential to contribute to the United Nations Sustainable Development Goals. The resulting score enables us to consistently measure and track the overall impact of our community engagement programmes worldwide.

The SIG Way Beyond Good Foundation is focusing initially on piloting and exploring ways to scale up our flagship project, Cartons for Good, an innovative model which uses our expertise in packaging and filling to help communities preserve surplus crops locally and turn them into nutritious school meals for underprivileged children (see [page 54](#)).

The Foundation's next area of focus will draw on learnings from our successful so+ma partnership in Brazil (see [page 14](#)) to create and expand innovative partnerships to increase recycling of used beverage cartons while delivering social benefits for underprivileged people.

2025+ TARGETS

- Increase the impact of community engagement programmes by 50% by 2025 (from 2020)

PROGRESS AGAINST TARGETS

2020 TARGET

PROGRESS TRACKER

Double the impact of community engagement programmes



Launch a global flagship project using our expertise to support communities



communities in some countries. In Thailand, 17 volunteers from our Rayong plant ran cooking classes for 150 students at a local school to teach them about the benefits of healthy food and how SIG cartons protect the nutrients of food products. Employees in Austria, Germany, Romania and New Zealand also donated food parcels and meals for local people in need.

Supporting communities through COVID-19

Local examples include:

- **Austria:** Employees at the Saalfelden site ran a campaign to sew masks to donate to key workers and raise money for local charities.
- **Brazil:** In Curitiba, employees raised more than R\$1,400 to buy food and cleaning products for two local orphanages and raised funds (with matched donations from SIG) to help a local charitable organisation provide over 450kg of food for families in need. Employees in São Paulo also raised funds and provided over 2,000 meals to homeless people.
- **China:** We teamed up with dairy producers Yili and Mengniu to donate milk products to support pandemic efforts in the Jiang'an District in Wuhan.
- **Germany:** The Linnich team donated 87 food parcels and partnered with a customer to donate three pallets of fruit juice to a local organisation that provides meals for disadvantaged members of the community, which had run out of supplies due to the pandemic.
- **Romania:** The Cluj team prepared and sponsored over 750 hot meals for local people in need and ran a campaign encouraging people to support local farmers by buying food directly from them. We also contributed funds to procure a ventilator for the local hospital.
- **Thailand:** We donated over 200 boxes of masks to the hospital in Rayong and employees from our Bangkok and Rayong sites worked together to donate food for around 200 people in need in the Phuket province.
- **UK:** We provided combidome cartons to our customer DRINKS³ free of charge so they could deliver 33,000 packs of water to health workers.
- **USA:** We donated 1,000 children's masks and 100 FDA-certified face shields to Chester Upland School of the Arts through a certified supplier of personal protective equipment that also donated respirators and face masks to leading local organisations and hospitals on our behalf.
- **Vietnam:** We partnered with SIG customer Lothamilk Joint Stock Company to donate 1,000 boxes of UHT milk to five hospitals to support healthcare workers.

Contributing through the SIG Way Beyond Good Foundation and Cartons for Good

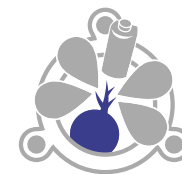
- We contributed €244,000 in grants to support the work of the SIG Way Beyond Good Foundation in 2020, building on our initial grant of €330,000 in 2018 and further grant of €310,000 in 2019.

- The pilot of Cartons for Good continued in Bangladesh and, through the SIG Way Beyond Good Foundation, we are exploring ways to scale this up.
- Due to school closures and restrictions during COVID-19, we maintained our support by delivering more than 1,000 regular aid packages of food and other essentials to support the families of the 180 children who normally receive school meals through Cartons for Good. We also extended food parcels to the local workers who usually support Cartons for Good and have temporarily lost this source of income.
- We directed our annual corporate festive donation via the SIG Way Beyond Good Foundation to Bidyanondo, an NGO in Bangladesh that supports vulnerable people to provide food for street children.

Performance in 2020

Delivering positive impact through community engagement

- We achieved an impact score of 17,096 through 32 community engagement programmes in 2020, despite a decline in the number and impact of programmes compared with 2019 due to COVID-19. The cumulative impact of our community engagement programmes to date is nearly 10 times that of 2016, when we achieved an impact of 9,879 the first year we used our methodology to measure their impact.
- Our annual Global Engagement Day was cancelled this year due to COVID-19. Instead, our *Way Beyond Good* Champions and employees around the world refocused engagement activities to support local communities through the pandemic (see examples, right).
- Local activities as part of our *Way Beyond Good* Champions campaign on nutrition (see [page 16](#)) included engaging with



RESPONSIBLE CULTURE GOVERNANCE & ETHICS

MATERIAL ISSUE

N/A

ADDITIONAL STRATEGIC TOPIC

Fair business practices

ADDITIONAL GRI INDICATORS REPORTED



KEY POLICIES

- [SIG Code of Conduct](#)

RELEVANT SDGS



RESPONSIBLE

General Counsel and Chief Compliance Officer

EVALUATION OF MANAGEMENT APPROACH

Regular review by Audit and Risk Committee, SEDEX site audits and EcoVadis assessments

GRIEVANCE MECHANISM

Via line managers, Human Resources partners, global and regional Legal & Compliance officers or Ethics & Compliance Hotline

Why is this strategic for SIG?

Acting with integrity and implementing fair business practices is fundamental to our responsible culture, essential to comply with regulations, and critical to protect our reputation and maintain stakeholder trust.

Our commitment

We are committed to act professionally and with integrity in everything we do, abiding by the ethical principles set out in our Code of Conduct which include:

- Ethical and legal behaviour
- Fair, courteous and respectful treatment of fellow employees and others with whom we interact
- Fair and appropriate consideration of the interests of other stakeholders (customers, other commercial partners, government authorities and the public) and of the environment
- Professionalism and fair business practices.

We have a zero tolerance policy on bribery or corruption in any form.

Management overview

We expect everyone working with us to be guided by our values and comply with the SIG Code of Conduct. The Code includes fair business practices such as anti-bribery and anti-corruption, avoidance of conflicts

of interest and anti-trust, as well as human rights topics such as anti-discrimination and anti-harassment. It is available in 14 languages.

Our anti-corruption policy is included in our Code of Conduct and reinforced through training. All employees are trained on the Code as part of their induction when they join the business and are expected to complete a refresher on the Code every year.

We also offer in-depth training for people working in high-risk roles (such as sales, purchasing and finance) to help them understand how to apply the SIG Code of Conduct to real-life dilemmas they may face. Further guidance is provided in our accompanying Gifts Policy, and people working in management and high-risk roles must report any potential conflicts of interest.

We encourage people to speak up if they have any concerns about unethical behaviour without fear of retaliation. Employees can seek advice or raise concerns through their line managers, Human Resources teams, global and regional Legal and Compliance officers, or our confidential Ethics & Compliance Hotline. Concerns can be raised via the hotline by email or phone 24 hours a day in local languages and anonymously (where permitted by local legislation). We investigate all concerns and take appropriate action including, but not limited to, disciplinary measures.

2025+ TARGETS

- **Mandatory annual Code of Conduct training for all employees by 2025**

PROGRESS AGAINST TARGETS

2020 TARGET

PROGRESS TRACKER

Mandatory annual Code of Conduct training for all employees



In-depth training on specific areas of compliance for high-risk roles every two years



Performance in 2020

Training our people

- Mainly due to the COVID-19 pandemic, not all employees were able to complete their mandatory annual refresher on our Code of Conduct in 2020. However, around two-thirds of our employees have done so.
- We conducted additional face-to-face training (mainly virtually) on the Code of Conduct for around 1,300 employees in specific parts of the business, including employees at our business centre in Cluj, Romania, and those joining SIG through our recent acquisition in Australia.
- We provided in-depth training on areas of compliance for employees in high-risk roles in 2020, covering topics such as anti-










bribery, data privacy, anti-trust, insider trading and anti-harassment.

- We rolled out an awareness campaign on ethics and compliance topics to all our employees globally and encouraged people to Speak Up with prominent advertising of the Ethics & Compliance Hotline through various communication channels, including our internal newsletter.

Investigating and acting on concerns

- Concerns reported via our Ethics & Compliance Hotline and other channels in 2020 mainly related to human resources issues and potential conflicts of interest.
- We investigated all concerns and took disciplinary action, including reprimands and dismissals, where appropriate.

2020 ROADMAP PERFORMANCE SUMMARY *RESPONSIBLE COMPANY*













FOCUS AREA	2020 TARGET	PROGRESS TRACKER	2020 PERFORMANCE
	Define a methodology to measure our environmental footprint and societal benefits across our value chain to establish a baseline for our 2030 goal		We have evolved our strategy to focus on four <i>Way Beyond Good</i> action areas where we can make the most significant impact. The methodology we developed to assess our value chain environmental footprint helped us identify these areas and will support us in defining what net positive means for each. We have established a methodology to measure the impact of our community engagement programmes and we are exploring the potential to use social life-cycle analysis models to better understand and measure social impact. These methodologies will also help us identify and avoid potential environmental or social trade-offs.
Environmental footprint	Put a science-based CO ₂ reduction target in place covering our entire value chain (by 2018)		We set our first science-based target in 2017 and revised it in 2019 to accelerate the timeline to cut carbon from our operations in line with the latest science to keep global warming below 1.5°C. The Science-Based Targets Initiative approved our targets and in 2020 we supported its call on governments to Recover Better by aligning COVID-19 recovery efforts with climate science.
	Reduce Scope 1, 2 and 3 ¹ greenhouse gas emissions by 25% per litre of food packed (by 2030)		We have reduced our Scope 1, 2 and 3 ¹ emissions per litre of food packed by a further 8% in 2020 – and by 17% overall from the 2016 baseline.
	Reduce Scope 1 and 2 greenhouse gas emissions by 60% (by 2030) ²		We have reduced our Scope 1 and 2 emissions by 11% in 2020 – and by 58% from the 2016 baseline. We are on track to meet our 2030 target based on the year-on-year projections we have modelled.
	Cut operational greenhouse gas emissions rate ³ (Scope 1 and 2) by more than 50% (from 2014)		We achieved this target early through the transition to 100% renewable energy in 2017 and 2018. By the end of 2020 we had reduced our operational greenhouse gas emissions rate by 79% since 2014.
	Reduce energy rate ³ by more than 35% (from 2014)		Our energy rate decreased by a further 4% in 2020 but it has increased by 1.2% overall since 2014, despite energy efficiency measures across the business. This is mainly due to continued delays in optimising the operation of our combined heat and power plant in Linnich. Since this target was set, our focus has shifted to the implementation of renewable power which has had a much greater impact on greenhouse gas emissions.
	Reduce waste rate ³ by more than 45% (from 2014)		We have reduced our waste rate by 4% in 2020 – and by 8.7% since 2014. While we will continue to seek to minimise waste, our focus is now on eliminating waste to landfill, and increasing reuse and recycling of the waste we produce.
	Achieve compliance with ISO 50001 at our European production plants and with revised ISO 14001 standard at all production plants		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 key business functions and our Wittenberg production plant in Germany in 2020, and we will work towards certification at our newly acquired production site in Melbourne, Australia.
Employees	Increase employee net promoter score year by year		Our employee net promoter score has significantly improved from -1 in our last employee survey in 2018 to 21 in 2020. ⁴ This score is based on 44% of respondents saying that they would strongly recommend SIG to friends and family as a good place to work and 23% that they would not.

¹ 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).

² Timeline for 60% target brought forward from 2040 to 2030.









³ 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.

⁴ The employee net promoter score is based on the question: 'On a scale from 0 (not at all likely) to 10 (extremely likely), how likely is it that you would recommend SIG to your friends and family as a good place to work?' The score is calculated by subtracting the total detractors (responding with 0-6) from the total promoters (responding with 9-10).

FOCUS AREA	2020 TARGET	PROGRESS TRACKER	2020 PERFORMANCE
Employees	Achieve a sustainable engagement score above industry benchmark		We achieved an overall engagement level of 87%, up nine points compared with the previous survey in 2018. This is significantly higher than the industry benchmark of 80%.
	Maintain voluntary turnover below 5%		We have maintained a voluntary turnover rate of 4% every year since the target was set in 2016.
	Make our training and development investment above industry benchmark		We introduced several new development programmes in 2020 but the average training per employee fell below the previous industry benchmark of 24.0 this year to 19.4 hours as a result of constraints on face-to-face training programmes due to COVID-19.
	Establish a diversity and inclusion strategy and steering group		We established a Diversity & Inclusion Focus Group, made up of employee representatives, to drive our diversity and inclusion strategy across the business. We also defined a target to increase the proportion of women in leadership.
Health & safety	Zero lost-time case rate		Our total lost-time case rate decreased by 28% to 0.31 lost time cases per 200,000 hours worked and five production sites achieved a zero lost-time case rate in 2020. We continue to target zero lost-time cases globally.
	Achieve a life-critical safety elements score of 100% at all production sites		All our production sites achieved a minimum score of 98% for management of life-critical safety elements, up from 97% in 2019. We aim to maintain high scores across the business.
	Maintain a health rate of more than 97%		The health rate increased to 96.4% ¹ in 2020 (up from 95.2% in 2019), with continued emphasis on ergonomics and increased focus on health and wellbeing to support employees across the business through the challenges of the COVID-19 pandemic. There were very few cases of COVID-19 at SIG and robust measures helped to prevent it spreading among our employees.
Governance & ethics	Mandatory annual Code of Conduct training for all employees		Mainly due to the COVID-19 pandemic, not all employees were able to complete their mandatory annual refresher on our Code of Conduct in 2020. However, around two-thirds of our employees have done so. In addition, we conducted face-to-face training (mainly virtually) on the Code of Conduct for around 1,300 employees in specific parts of the business.
	In-depth training on specific areas of compliance for high-risk roles every two years		We provided in-depth training on areas of compliance for employees in high-risk roles in 2020, covering topics such as anti-bribery, data privacy, anti-trust, insider trading and anti-harassment.
	SEDEX Members Ethical Trade Audit (SMETA) at all production sites		All our production sites have completed SMETA audits, with the exception of our newly acquired business in Australia which will be included in the three-year SMETA audit cycle by 2022.
Communities	Double the impact of community engagement programmes		We completed this target two years early in 2018 and the cumulative impact of our community engagement programmes is now nearly 10 times that of the 2016 baseline year.
	Launch a global flagship project using our expertise to support communities		We launched Cartons for Good in Bangladesh in early 2019 and, through the SIG Way Beyond Good Foundation, we are now exploring how to scale up this pilot project to prevent food loss and deliver nutrition in more communities.

¹ Based on a sickness absence rate of 3.6% (sick days per total days worked). Sickness absence and health rates are based on available data covering approximately 67% of employees (mainly in production roles).

2020 ROADMAP PERFORMANCE SUMMARY *RESPONSIBLE SOURCING*








FOCUS AREA	2020 TARGET	PROGRESS TRACKER	2020 PERFORMANCE
Responsible suppliers	Include social responsibility requirements in 100% of contracts with suppliers of our key raw materials.		We included social responsibility requirements in 100% of contracts with suppliers of key raw materials in 2020, either through the SIG Business Ethics Code for Suppliers or an equivalent code.
	Audit 10% of high-risk suppliers each year		No suppliers were identified as high-risk in 2020 as they have all signed our ethics code or provided evidence of EcoVadis assessments, SEDEX audits or equivalent third-party programmes.
	Provide regular training (at least every two years) on ethical supplier standards and sustainable sourcing to all employees who interact frequently with suppliers		We provided training on our updated Responsible Sourcing Directive and accompanying risk assessment process for everyone in our global, regional and local procurement teams in 2019.
Sustainable raw materials	100% FSC™ labelled packs (work with customers to include the FSC™ logo on 100% of the packs we sell)		By the end of 2020, the share of packs sold with the FSC™ logo on them was 97%. ¹ We will continue to encourage customers to include the FSC™ logo on their packs and aim to close the remaining 3% gap to reach 100% by 2025.
	100% A-materials ² from certified sources		50% (by spend) of A-materials we purchased in 2020 came from certified sources, up from 47% in 2019. We offer the only packaging material (SIGNATURE Full Barrier) for aseptic cartons with all three key materials – liquid packaging board, polymers and aluminium – from certified sources. As of January 2021, 100% of the liquid packaging board used in our packs is purchased with FSC™ certification – another industry first. We now offer packs made with ASI-certified aluminium as standard in Europe and North America. And all the forest-based polymers used for our SIGNATURE 100 and SIGNATURE Full Barrier solutions ³ are certified to ISCC PLUS or REDcert ² .
Energy sourcing	100% renewable energy and Gold Standard CO ₂ offset for all non-renewable energy (at production plants)		We completed the switch to 100% renewable energy (electricity and gas) for production in 2018, and in 2020 we extended this to cover our new plant in Australia and our paper mill in New Zealand. We purchase renewable electricity through guarantees of origin or GoldPower®-certified international renewable energy certificates that verify the energy is generated from renewable sources, and we source renewable biogas indirectly by investing in Gold Standard®-certified projects that capture methane gas generated at landfill sites to produce renewable energy. We are also investing in on-site renewables, which we continued to expand in 2020.
Sustainable logistics	Increase the rate of full truck loads delivered to customers		The rate of full truck loads delivered increased to 94%. The percentage of Euro 6 trucks used for outbound road transport from our European production plants remained stable at 80% and we no longer use Euro 4 trucks. Based on an analysis of our logistics in 2020, we are refocusing our efforts on ways to use more multi-modal transport and other opportunities to achieve more significant emissions reductions.
	Ensure logistic partners use trucks that meet Euro 6 emissions standards for 100% of outbound road transport from our production plants in Europe		

¹ Excludes SIG Australia.

² Our A-materials are those that go directly into our packs – paperboard, polymers, aluminium foil and ink.

³ Via an independently certified mass balance system.

2020 ROADMAP PERFORMANCE SUMMARY *RESPONSIBLE PRODUCTS*

FOCUS AREA	2020 TARGET	PROGRESS TRACKER	2020 PERFORMANCE
Our packs	Create a 100% renewable aseptic pack		SIGNATURE 100 eliminates the need for aluminium 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 extending 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 by 2025.
	Offer a carton made of 50% recycled content		Using post-consumer recycled content in our packs is challenging due to the high-quality requirements for food-grade materials used in aseptic cartons. In 2020, we became the first in the industry to offer aseptic cartons made with post-consumer recycled material when we launched our SIGNATURE Circular packaging material made with 100% recycled plastics, linking around 28% of each medium format pack to recycled materials. ¹ We are working closely with a board supplier to source liquid packaging board made with recycled fibres. Some of the aluminium foil we source also uses pre-consumer recycled scrap material. We aim to offer a carton made with 100% recycled content by 2025.
	Ensure environmental performance is one of the core value drivers of our product innovations		Environmental performance is one of six core value drivers we apply to all our product innovations. We also monitor which of our projects are delivering more sustainable innovations. Environmental considerations were the main value driver for 38% of our innovation projects in 2020.
	Partner with stakeholders to support collection and recycling of beverage cartons		We are founding members of industry recycling partnerships, such as the Global Recycling Alliance for Beverage Cartons and the Environment (GRACE), EXTR:ACT and 4evergreen. We also partner with NGOs, customers and industry on local and regional projects to support collection and recycling of beverage cartons – including the so+ma and Cidade+Recicleiros waste collection initiatives in Brazil, supermarket collection points with Nestlé in Indonesia and the new Palurec recycling facility being built in Germany.
Filling machines & technical service	Reduce energy use by 20% per hour of runtime in our next generation filling machine		We completed the design for our next generation filling machine in 2020. A prototype will be tested in 2021 to confirm whether we have achieved our targets to reduce energy, hydrogen peroxide and water use.
	Reduce hydrogen peroxide use by 35% per hour of runtime in our next generation filling machine		
	Reduce water use by 25% per hour of runtime in our next generation filling machine		
	Support sustainability improvements for at least 50% of our customers through technical service		Our technical service solutions have supported sustainability improvements for 37% of our customers since 2016 and we have continued to roll out new and existing technical upgrades that save energy and water during use of our filling machines.
Product safety	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		We maintained our group-wide certification to the ISO 9001:2015 standard in 2020 and all our production plants have achieved AA Grade certification to BRC Packaging Issue 5, except our newly acquired plant in Australia which is certified to the FSSC 22000 standard (recognised by the Global Food Safety Initiative as equivalent to BRC).

¹ Via an independently certified mass balance system.

ABOUT OUR REPORTING

We provide indexes mapping our reporting against the United Nations Global Compact principles and the Global Reporting Initiative Standards. We also detail the basis of reporting for our greenhouse gas emissions data and publish a statement from our external assurance provider.

UNITED NATIONS GLOBAL COMPACT: COMMUNICATION ON PROGRESS 2020	86
GLOBAL REPORTING INITIATIVE INDEX	89
GREENHOUSE GAS EMISSIONS BASIS FOR REPORTING	99
ASSURANCE STATEMENT	101



UNITED NATIONS GLOBAL COMPACT: COMMUNICATION ON PROGRESS 2020

We support the United Nations Global Compact's 10 principles on human rights, labour, environmental protection and anti-corruption.

This report is our annual Communication on Progress for 2020. The table below sets out our approach to upholding each of the principles, highlighting specific progress and outcomes in 2020 where applicable.

For more information on our contribution to the United Nations Sustainable Development Goals, see [page 31](#).



GLOBAL COMPACT PRINCIPLE

OUR APPROACH

FIND OUT MORE

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

We are committed to respecting human rights in our business and our supply chain through our Code of Conduct and our Business Ethics Code for suppliers.

[Code of Conduct](#)

Principle 2: Businesses should make sure that they are not complicit in human rights abuses

Regular Supplier Ethical Data Exchange (SEDEX) Members Ethical Trade Audits (SMETA) of our business help to ensure that we uphold high standards on human rights. All our production sites completed audits in 2020, apart from our newly acquired site in Australia which will be included in the three-year SMETA audit cycle by 2022.

[Business Ethics Code for suppliers](#)

[ESG topics](#)

See [page 65](#).

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

We respect the right to freedom of association and collective bargaining, and our Business Ethics Code for suppliers requires suppliers to uphold these rights too. A significant proportion of our employees are covered by collective labour agreements and, in Europe, many are represented by works councils.

[Business Ethics Code for suppliers](#)

Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour

We do not tolerate forced, compulsory or child labour and we require the same commitment from suppliers through our Business Ethics Code for suppliers.

[Business Ethics Code for suppliers](#)

[ESG topics](#)

Principle 5: Businesses should uphold the effective abolition of child labour

GLOBAL COMPACT PRINCIPLE**OUR APPROACH****FIND OUT MORE****Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation**

We do not tolerate discrimination against employees or suppliers' workers based on race, religion, national origin, gender, sexual orientation, disability, age or any other relevant category.

In 2020, we formed a Diversity & Inclusion Focus Group with employee representatives from across the business to help us drive progress on diversity and inclusion, and began rolling out mandatory training for leaders to raise awareness of diversity, unconscious bias and inclusion.

[Code of Conduct](#)

[Business Ethics Code for suppliers](#)

[ESG topics](#)

See [page 65](#).

Principle 7: Businesses should support a precautionary approach to environmental challenges

We comply with applicable environmental legislation across our operations and we require our suppliers to do the same. We take a precautionary approach to environmental challenges such as climate change by proactively identifying and managing emerging risks. This applies across our value chain and specific policies also address environmental risks associated with the sourcing of our three key raw materials: liquid packaging board, polymers and aluminium.

[Code of Conduct](#)

[Business Ethics Code for suppliers](#)

[Liquid Packaging Board Purchasing Policy](#)

[ESG topics](#)

See [pages 40, 42, 49 and 75](#).

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility

Environmental responsibility is an integral part of our business strategy. We aim to minimise our environmental footprint and deliver a net positive impact by contributing more to the environment than we take out across our value chain.

Our carbon reduction targets have been approved by the Science-Based Targets Initiative as in line with the latest science to keep global warming below 1.5°C. In 2020, we continued to source 100% renewable energy for production and cut our operational greenhouse gas emissions by a further 11%. We have also reduced our Scope 1, 2 and 3¹ emissions per litre of food packed by 17% from the 2016 baseline.

We demand high standards of environmental responsibility from our suppliers. Our Business Ethics Code for suppliers requires them to run their business in a way that protects and preserves the environment. We are also helping to drive environmental improvements in the supply chain of our key raw materials through certifications such as FSC™, ASI and ISCC PLUS.

Sustainability is a core driver for innovation in our packaging systems, and we share data on the environmental impact profiles of our packaging, including publicly available independent life-cycle assessments following ISO 14040 for our product innovations and for the market segments we are serving. We also support customers in enabling consumers to make a more responsible choice by offering a range of substantiated environmental claims, for example in relation to carbon footprint reductions or responsible sourcing certifications such as ASI and FSC™, which we encourage customers to include on their packs.

We are founding members of industry recycling partnerships, such as the Global Recycling Alliance for Beverage Cartons and the Environment (GRACE), EX:TRACT and 4evergreen. We also partner with NGOs, customers and industry on local and regional projects to support collection and recycling of beverage cartons. Examples in 2020 include the so+ma and Cidade+Recicleiros community collection initiatives in Brazil, supermarket collection points with Nestlé in Indonesia and the Palurec recycling facility being built in Germany.

Our sustainable innovation also supports greater environmental responsibility (see principle 9 on the following page).

[Code of Conduct](#)

[Business Ethics Code for suppliers](#)

sciencebasedtargets.org/companies-taking-action/

[ESG topics](#)

See [pages 40, 42, 49 and 75](#).

¹ The value chain emissions rate and associated target covers our most significant Scope 3 emissions – from our supply chain, use of our filling machines and recycling or disposal of packs.

GLOBAL COMPACT PRINCIPLE**OUR APPROACH****FIND OUT MORE****Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies**

Our corporate purpose sets out our commitment to partner with customers to deliver food and beverages to consumers across the world in a sustainable way. We aim to offer the most sustainable food packaging solutions on the market.

In 2020, customer uptake has grown for our most sustainable innovations, such as our combibloc **ECOPLUS**, **SIGNATURE** 100 and **SIGNATURE** Full Barrier packaging materials, and our paper straw solution. Our new **SIGNATURE** Circular with recycled plastics is the first aseptic carton packaging material in the world to be made with post-consumer recycled material.¹ We also offer the only aseptic carton packaging material (**SIGNATURE** Full Barrier) with all three key materials from certified sources – FSC™ paperboard, ISCC PLUS forest-based polymers and ASI aluminium foil – and we now include ASI certification as standard for packs sold in Europe and North America.

Our filling machines have the lowest waste rate in the industry and we have continued to roll out new and existing technical service upgrades that help customers reduce energy and water use for filling in their factories. Our tech centres in Germany and China support optimisation of food packaging systems.

For manufacturing and printing technology we have piloted an intercompany platform known as Bee to exchange best practices and technologies to accelerate environmental footprint reductions in our own operations which allows us also to connect with suppliers and customers at an operating plant level.

We are leading by example with our on-site solar installations and we are engaging with suppliers and customers to encourage them to invest in their own on-site solar installations to promote further uptake of renewable energy.

[ESG topics](#)

See pages [42](#), [56](#) and [75](#).

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

We have zero tolerance for bribery or corruption in any form. Our anti-corruption policy is included in our Code of Conduct and reinforced through training.

We encourage people to report any concerns about bribery, corruption or any other ethical issues via our Ethics & Compliance Hotline. We investigate any suspected breaches and take disciplinary action if appropriate.

[Code of Conduct](#)

[ESG topics](#)

See [page 79](#).

¹ Via an independently certified mass balance system.

GLOBAL REPORTING INITIATIVE INDEX

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option.

The index below shows which indicators are material to SIG, which are reported and where to find more information.

SIG MATERIAL TOPIC	GRI No.	DISCLOSURE	WHERE TO FIND IT IN THE REPORT
Thriving forests	103-1	Explanation of the material topic and its Boundary	See Our priorities, page 37 .
	103-2	The management approach and its components	See Forest+, page 40 .
	103-3	Evaluation of the management approach	
Tackling climate change	103-1	Explanation of the material topic and its Boundary	See Our priorities, page 37 .
	103-2	The management approach and its components	See Climate+ on page 42 .
	103-3	Evaluation of the management approach	
Recycling and circular economy	103-1	Explanation of the material topic and its Boundary	See Our priorities, page 37 .
	103-2	The management approach and its components	See Resource+, page 49 .
	103-3	Evaluation of the management approach	
Safe food supply	103-1	Explanation of the material topic and its Boundary	See Our priorities, page 37 .
	103-2	The management approach and its components	See Food+, page 53 .
	103-3	Evaluation of the management approach	
Sustainable packaging innovation	103-1	Explanation of the material topic and its Boundary	See Our priorities, page 37 .
	103-2	The management approach and its components	See Sustainable innovation, page 56 .
	103-3	Evaluation of the management approach	
Sustainable raw materials Responsible suppliers	103-1	Explanation of the material topic and its Boundary	See Our priorities, page 37-38 .
	103-2	The management approach and its components	See Our supply chain, page 60 .
	103-3	Evaluation of the management approach	
Diversity and inclusion Talent development Employee satisfaction Fair labour practices	103-1	Explanation of the material topic and its Boundary	See Our priorities, page 37-38 .
	103-2	The management approach and its components	See Our people on page 65 .
	103-3	Evaluation of the management approach	
Employee health, safety and wellbeing	103-1	Explanation of the material topic and its Boundary	See Our priorities, page 38 .
	103-2	The management approach and its components	See Health, safety and wellbeing, page 71 .
	103-3	Evaluation of the management approach	

TOPIC	No.	DISCLOSURE	REQUIRED FOR CORE	REPORTED (Yes/No/Partial)	REASON FOR OMISSION	WHERE TO FIND IT IN THE REPORT
General Disclosures 102						
Organisational profile	102-1	Name of the organisation	Y	Y		SIG Combibloc Group AG and its affiliates (together "SIG")
	102-2	Activities, brands, products, and services	Y	Y		SIG's primary brand as an integrated packaging systems supplier is the SIG brand. Our primary products and services are food and beverage carton packages and closures, filling machines and secondary packaging machines (downstream), and technical services including spare parts. We combine and apply our various products and services into integrated customer solutions. See pages 23-24 .
	102-3	Location of headquarters	Y	Y		Neuhausen, Switzerland. See page 23 .
	102-4	Location of operations	Y	Y		See page 23 .
	102-5	Ownership and legal form	Y	Y		The parent company of the SIG Group is SIG Combibloc Group AG, with domicile in Neuhausen, Switzerland. SIG is listed on the SIX Swiss Exchange.
	102-6	Markets served	Y	Y		See pages 23-24 .
	102-7	Scale of the organisation	Y	Y		See pages 23-24 .
	102-8	Information on employees and other workers	Y	Y		We have more than 5,700 employees around the world. A small number of contractors also work regularly at our sites, mainly for catering, cleaning and security. See Our people, page 70 .
	102-9	Supply chain	Y	Y		See Our supply chain, pages 60-64 .
	102-10	Significant changes to the organisation and its supply chain	Y	Y		SIG now has production operations in Australia following the acquisition of Visy Cartons Pty Ltd at the end of 2019. The majority of revenue from this operation is from the sale of SIG aseptic carton packs, with the remainder from fresh milk cartons. In late 2020, we signed an agreement to take full ownership of our Middle East & Africa joint venture SIG Combibloc Obeikan. As it remained a joint venture during 2020, it is out of scope of this report. We also have a new production site in China. However, it is excluded from the scope of this report as it will not be operational until 2021. In early 2021, we announced plans to close the Whakatane paper mill, but it remained operational in 2020 and is included in the scope of this report
	102-11	Precautionary Principle or approach	Y	Y		See United Nations Global Compact Communication on Progress, page 87 .
	102-12	External initiatives	Y	Y		We support the United Nations Global Compact (see page 86) and the United Nations Sustainable Development Goals (see page 31). SIG is a member of the Supplier Ethical Data Exchange (SEDEX), is rated Platinum by EcoVadis, and is certified to recognised standards such as ISO 9001 and ISO 14001. We are part of The Net Positive Project and our science-based climate targets are approved by the The Science Based Targets Initiative. We also participate in certifications initiatives run by the Forest Stewardship Council™ (FSC™) and the Aluminium Stewardship Initiative (ASI).
	102-13	Membership of associations	Y	Y		SIG is a member of various industry associations and alliances. Key organisations include: Alliance for Beverage Cartons and the Environment (ACE); Aluminium Stewardship Initiative (ASI); the Coalition of Action on Plastic Waste (coalition of leading companies from within the Consumer Goods Forum); The Consumer Goods Forum; European Bioplastics Association; European Organisation for Packaging and the Environment (EUROPEN); EXTR:ACT; Forum for the Future; Forest Stewardship Council™ (FSC™) International; 4evergreen; Global Recycling Alliance for Beverage Cartons and the Environment (GRACE). In addition, SIG is member of numerous national alliances and initiatives in our core markets.

TOPIC	No.	DISCLOSURE	REQUIRED FOR CORE	REPORTED (Yes/No/Partial)	REASON FOR OMISSION	WHERE TO FIND IT IN THE REPORT
Strategy	102-14	Statement from senior decision-maker	Y	Y		See page 4 .
	102-15	Key impacts, risks, and opportunities	N	Y	Not required for core	A list of key risks is included on page 25 . Our most significant impacts are listed on page 35 . The 'Why is this material' sections on each material issue also cover impacts risks and opportunities.
Ethics and integrity	102-16	Values, principles, standards, and norms of behaviour	Y	Y		See pages 25 and 79 .
	102-17	Mechanisms for advice and concerns about ethics	N	Y		See page 79 .
Governance	102-18	Governance structure	Y	Y		See page 26 .
	102-19 to 102-39		N	N	Not required for core	
Stakeholder engagement	102-40	List of stakeholder groups	Y	Y		See pages 33-34 .
	102-41	Collective bargaining agreements	Y	Y		See pages 67 and 69 .
	102-42	Identifying and selecting stakeholders	Y	Y		We identified relevant stakeholders and considered the topics that are most important to them through our materiality process. The list of stakeholders we engage most with is included on pages 33-34 .
	102-43	Approach to stakeholder engagement	Y	Y		See pages 33-34 .
	102-44	Key topics and concerns raised	Y	Y		See pages 33-34 .
Reporting practice	102-45	Entities included in the consolidated financial statements	Y	Y		<p>Parent company: SIG Combibloc Group AG, Switzerland</p> <p>Subsidiaries: Argentina: Combibloc S.R.L., Australia: SIG Australia Holding Pty Ltd., SIG Combibloc, Australia Pty Ltd., Whakatane Mill Australia Pty Ltd., Melbourne (liquidated in second quarter 2020), Austria: SIG Austria Holding GmbH, SIG Combibloc GmbH, SIG Combibloc GmbH & Co. KG, Bangladesh: SIG Combibloc Bangladesh Ltd., Brazil: SIG Beverages Brasil Ltda., SIG Combibloc do Brasil Ltda., Chile: SIG Combibloc Chile SpA. (previously SIG Combibloc Chile Ltd. until first quarter of 2020), China: SIG Combibloc (Suzhou) Co. Ltd., Czech Republic: SIG Combibloc s.r.o., France: SIG Combibloc S.à.r.l., Germany: SIG Combibloc GmbH, SIG Combibloc Systems GmbH, SIG Combibloc Zerspanungstechnik GmbH, SIG Euro Holding GmbH, SIG Information Technology GmbH, SIG International Services GmbH, Hungary: SIG Combibloc Kft (liquidated in second quarter 2020), India: SIG Combibloc India Private Ltd., Indonesia: P.T. SIG Combibloc Indonesia, Italy: SIG Combibloc S.r.l., Korea: SIG Combibloc Korea Ltd., Luxembourg: SIG Combibloc Holdings S.à.r.l., SIG Combibloc PurchaseCo S.à.r.l., Malaysia: SIG Combibloc Malaysia SDN, Mexico: SIG Combibloc México, S.A. de C.V. , Netherlands: SIG Combibloc B.V., New Zealand: Whakatane Mill Ltd., Poland: SIG Combibloc Sp. z o.o., Romania: SIG Combibloc Services</p>

TOPIC	No.	DISCLOSURE	REQUIRED FOR CORE	REPORTED (Yes/No/Partial)	REASON FOR OMISSION	WHERE TO FIND IT IN THE REPORT
Reporting practice <i>(continued)</i>						S.R.L., Russia: OOO SIG Combibloc, Spain: SIG Combibloc S.A., Sweden: SIG Combibloc AB, Switzerland: SIG allCap AG, SIG Combibloc Services AG, SIG Combibloc Procurement AG, SIG Combibloc Receivables Management AG, SIG Schweizerische Industrie-Gesellschaft GmbH, SIG Technology AG, Taiwan: SIG Combibloc Taiwan Ltd., Thailand: SIG Combibloc Ltd., United Kingdom: SIG Combibloc Ltd., USA: SIG Combibloc US Acquisition Inc., SIG Combibloc US Acquisition II Inc., SIG Combibloc Inc., SIG Holding USA, LLC, Vietnam: SIG Vietnam Ltd. Joint ventures: Japan: DNP SIG Combibloc Co., Ltd., Saudi Arabia: Al Obeikan SIG Combibloc Company Ltd. (renamed from SIG Combibloc Obeikan Company Ltd. in the third quarter of 2020), UAE: SIG Combibloc Obeikan FZCO
	102-46	Defining report content and topic Boundaries	Y	Y		See page 37-38 .
	102-47	List of material topics	Y	Y		See page 35-38 .
	102-48	Restatements of information	Y	Y		Previous years' figures on the breakdown of operational energy use (page 48) and average training hours (page 68) have been restated to resolve inaccuracies. Previous years' data on greenhouse gas emissions are adjusted each year in line with latest methodologies (see page 99).
	102-49	Changes in reporting	Y	Y		We have reviewed and updated our list of material issues, based on our latest materiality assessment. See Our priorities, page 35 . We have restructured our reporting to make it easier to find information about our management approach and performance on each material issue. The scope of our 2020 reporting includes our operations in Australia (acquired at the end of 2019) for the first time.
	102-50	Reporting period	Y	Y		See page 2 .
	102-51	Date of most recent report	Y	Y		Our last full report in accordance with the GRI Standards: Core Option was for the calendar year 2018. We also published an interim performance update for 2019.
	102-52	Reporting cycle	Y	Y		We publish a full GRI report every two years (beginning in 2016) and performance updates in the interim years.
	102-53	Contact point for questions regarding the report	Y	Y		See page 2 .
	102-54	Claims of reporting in accordance with the GRI Standards	Y	Y		See page 2 .
	102-55	GRI content index	Y	Y		See this GRI content index.
	102-56	External assurance	Y	Y		See Introduction on page 2 and Assurance statement on page 101 .

TOPIC	No.	DISCLOSURE	MATERIAL (Material / Not Material)	REQUIRED FOR CORE	REPORTED (Yes/No/ Partial)	REASON FOR OMISSION	WHERE TO FIND IT IN THE REPORT
201: Economic Performance							
Economic performance	201-1	Direct economic value generated and distributed	NM	N	N	Not material	
	201-2	Financial implications and other risks and opportunities due to climate change	NM	N	P	Not material	We have identified risks and opportunities for our business due to climate change that could substantively impact our operations and have a strategic or financial implication. These include physical and transition risks such as the impact of changing consumer demands for packaging, more extreme weather patterns affecting forest resources and the availability and price of raw materials such as energy and water. Opportunities include consumer and customer demand for non fossil raw materials and reduced exposure to fossil fuel price increases from reduced energy demands. We disclose climate-related risks and opportunities through the CDP each year. See Climate+, page 42 .
	201-3 to 204		NM	N	N	Not material	
Anti-corruption	205-1	Operations assessed for risks related to corruption	NM	N	N	Not material	
	205-2	Communication and training about anti-corruption policies and procedures	NM	N	P	Not material	See pages 79-80 .
	205-3	Confirmed incidents of corruption and actions taken	NM	N	Y		No significant risks of corruption and no cases of corruption were identified in 2020.
Anti-competitive Behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	NM	N	Y		No legal actions for anti-competitive behaviour, anti-trust or monopoly practices in 2020.
Tax	207-1	Approach to tax	NM	N	N	Not material	
	207-2	Tax governance, control and risk management	NM	N	N	Not material	
	207-3	Stakeholder engagement and management of concerns related to tax	NM	N	N	Not material	
	207-4	Country-by-country reporting	NM	N	N	Not material	

TOPIC	No.	DISCLOSURE	MATERIAL (Material / Not Material)	REQUIRED FOR CORE	REPORTED (Yes/No/ Partial)	REASON FOR OMISSION	WHERE TO FIND IT IN THE REPORT
301: Environmental performance							
Materials	301-1	Materials used by weight or volume	M	Y	Y		See pages 59 and 64 .
	301-2	Recycled input materials used	M	N	N	Not required for core	
	301-3	Reclaimed products and their packaging materials	NM	N	N	Not material	
Energy	302-1	Energy consumption within the organisation	M	Y	Y		See page 48 .
	302-2	Energy consumption outside of the organisation	NM	N	N	Not material	
	302-3	Energy intensity	M	Y	Y		See page 48 .
	302-4	Reduction of energy consumption	M	Y	Y		See page 47-48 .
	302-5	Reductions in energy requirements of products and services	M	N	P	Not required for core	See page 47 .
Water	303		NM	N	N	Not material	We use relatively little water in our operations and water use is not considered a material impact for SIG. However, we recognise that water is an increasingly important issue for stakeholders, particularly in water-scarce regions. Our production processes do not require water, except at our paper mill in New Zealand, so our main focus for reducing water use is on improving the efficiency of our filling machines which are owned and operated by our customers (see page 59).
Biodiversity	304		NM	N	N	Not material	Our own operations do not have a significant impact on biodiversity, and we minimise any potential impacts through our environmental management systems. The main biodiversity impact of our business is in the forests we source raw materials from and we manage this by setting strict standards for suppliers through FSC™ certification (see page 40).
Emissions	305-1	Direct (Scope 1) GHG emissions	M	Y	Y		See page 47 .
	305-2	Energy indirect (Scope 2) GHG emissions	M	Y	Y		See page 47 .
	305-3	Other indirect (Scope 3) GHG emissions	M	Y	Y		See pages 47 , 48 and 100 .

TOPIC	No.	DISCLOSURE	MATERIAL (Material / Not Material)	REQUIRED FOR CORE	REPORTED (Yes/No/ Partial)	REASON FOR OMISSION	WHERE TO FIND IT IN THE REPORT
Emissions <i>(continued)</i>	305-4	GHG emissions intensity	M	Y	Y		See page 48 .
	305-5	Reduction of GHG emissions	M	Y	Y		See page 45 .
	305-6	Emissions of ozone-depleting substances (ODS)	NM	N	N	Not material	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	NM	N	N	Not material	
Effluents and Waste	306-1	Water discharge by quality and destination	NM	N	N	Not material	
	306-2	Waste by type and disposal method	NM	N	Y		See page 76 .
	306-3	Significant spills	NM	N	N	Not material	
	306-4	Transport of hazardous waste	NM	N	N	Not material	
	306-5	Water bodies affected by water discharges and/or runoff	NM	N	N	Not material	
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	M	Y	Y		No significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations in 2020.
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	M	Y	Y		See page 60 .
	308-2	Negative environmental impacts in the supply chain and actions taken	M	N	N	Not required for core	
400: Social Performance							
Employment	401-1	New employee hires and employee turnover	M	Y	Y		See page 70 .
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	M	N	N	Not required for core	
	401-3	Parental leave	M	N	N	Not required for core	

TOPIC	No.	DISCLOSURE	MATERIAL (Material / Not Material)	REQUIRED FOR CORE	REPORTED (Yes/No/ Partial)	REASON FOR OMISSION	WHERE TO FIND IT IN THE REPORT
Labour/ Management Relations	402-1	Minimum notice periods regarding operational changes	M	N	N	Not required for core	
Occupational Health and Safety	403-1	Occupational health and safety management system	M	Y	Y		See page 71 .
	403-2	Hazard identification, risk assessment, and incident investigation	M	Y	Y		See page 71 .
	403-3	Occupational health services	M	Y	Y		See page 72 .
	403-4	Worker participation, consultation, and communication on occupational health and safety	M	Y	Y		See page 72 .
	403-5	Worker training on occupational health and safety	M	Y	Y		See page 72 .
	403-6	Promotion of worker health	M	Y	Y		See page 72 .
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	M	Y	Y		See page 72 .
	403-8	Workers covered by an occupational health and safety system	M	N	N	Not required for core	
	403-9	Work-related injuries	M	Y	Y		See page 73 .
	403-10	Work-related health	M	N	N	Not required for core	
Training and Education	404-1	Average hours of training per year per employee	M	Y	Y		See page 68 .
	404-2	Programmes for upgrading employee skills and transition assistance programmes	M	N	N	Not required for core	

TOPIC	No.	DISCLOSURE	MATERIAL (Material / Not Material)	REQUIRED FOR CORE	REPORTED (Yes/No/ Partial)	REASON FOR OMISSION	WHERE TO FIND IT IN THE REPORT
Training and Education <i>(continued)</i>	404-3	Percentage of employees receiving regular performance and career development reviews	M	N	P	Not required for core	See pages 66 and 68 .
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	M	Y	Y		See pages 67 and 70 .
	405-2	Ratio of basic salary and remuneration of women to men	M	N	N	Not required for core	
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	M	N	Y		No reported incidents of discrimination in 2020.
Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	M	N	N	Not required for core	
Child Labour	408-1	Operations and suppliers at significant risk for incidents of child labour	M	N	N	Not required for core	
Forced or Compulsory Labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	M	N	N	Not required for core	
Security Practices	410-1	Security personnel trained in human rights policies or procedures	NM	N	N	Not material	
Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	NM	N	Y		No reports of incidents of violations involving rights of indigenous people in 2020.
Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	M	N	Y		Human rights criteria are included in SMETA audits of our production sites. See pages 67 and 69 .
	412-2	Employee training on human rights policies or procedures	M	N	P	Not required for core	The SIG Code of Conduct, and accompanying training, addresses various aspects of human rights that are relevant to SIG's operations. See page 79 .
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	NM	N	N	Not required for core	

TOPIC	No.	DISCLOSURE	MATERIAL (Material / Not Material)	REQUIRED FOR CORE	REPORTED (Yes/No/ Partial)	REASON FOR OMISSION	WHERE TO FIND IT IN THE REPORT
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programmes	NM	N	N	Not material	
	413-2	Operations with significant actual and potential negative impacts on local communities	NM	N	N	Not material	
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	M	Y	Y		See page 60 .
	414-2	Negative social impacts in the supply chain and actions taken	M	N	N	Not required for care	
Public Policy	415-1	Political contributions	NM	N	N	Not material	
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	M	Y	Y		See pages 54 and 55 .
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	M	N	Y		See page 55 .
Marketing and Labelling	417-1	Requirements for product and service information and labelling	NM	N	N	Not material	
	417-2	Incidents of non-compliance concerning product and service information and labelling	NM	N	N	Not material	
	417-3	Incidents of non-compliance concerning marketing communications	NM	N	N	Not material	
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	NM	N	N	Not material	
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	NM	N	Y		No significant fines or non-monetary sanctions for non-compliance with laws and regulations in 2020.

GREENHOUSE GAS EMISSIONS BASIS FOR REPORTING

Our greenhouse gas (GHG) emissions reporting is closely linked to our management approach and progress which is documented in the Climate+ section (see [page 42](#)). This section provides a detailed description of GHG reporting boundaries and other relevant aspects including a breakdown of emissions by reporting category.

Accurate and transparent GHG reporting is also an essential prerequisite to meet the criteria of the Science Based Targets initiative. Our GHG emissions are reported following the GHG protocol.

Reporting boundaries

The reporting boundary for our Scope 1, 2 and 3 GHG emissions covers all production facilities under SIG's operational control, excluding smaller production units such as our special filling machine parts plant in Aachen (Germany), joint ventures and offices (unless they are directly attached to a production facility).

Scope 2 emissions from purchased electricity are reported using a market-based approach. We also report Scope 2 emissions according to the location-based approach using grid average emission factors for each country (see [page 47](#)). Throughout this report, the data relating to emissions from energy use are accurate to within a tolerance of 0.5 thousand tonnes.

SCOPE 1 & 2 EMISSIONS (TONNES CO₂-EQUIVALENT)

Category	2016	2017	2018	2019	2020
Scope 1	99,450	103,586	92,488	92,510	84,124
Scope 2 (market based)	98,319	19,894	16,696	13,294	0

Our data collection and calculation procedures for Scope 3 are informed by a materiality assessment of our GHG emissions and we have refined these to meet the requirements of the GHG Protocol.

To help us further improve the accuracy of our reporting, we have a policy for recalculating our GHG emissions. This is designed to distinguish changes that reflect actual reductions in the totals from changes that are simply data improvements.

The inventory boundaries of SIG's GHG accounting were chosen considering all the relevant GHG Protocol standards. SIG's GHG accounting includes all six GHGs covered by the Kyoto Protocol as required by the GHG Protocol: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆), and nitrogen trifluoride (NF₃). These are typically included in the emission factors we use and converted using IPCC 2013 conversion factors.

For emissions related to recycling, we use the A 0:100 allocation as recommended

by the GHG Protocol, which means that recycled materials such as production waste (category 5) or used products (category 12) are cut off at the sorting plant/next processing step. The same applies to waste that is incinerated for energy recovery. Biogenic carbon emissions can be released from the liquid packaging board in our cartons, depending on their treatment after use, and these are reported separately.

The following categories are included in SIG's Scope 3 emissions:

Category 1: Purchased goods and services

Category 1 emissions account for the largest share of SIG's value chain GHG emissions. This category includes all materials used to produce and ship our cartons (including closures and straws), the materials used to produce the liquid packaging board that goes into our packs, and the materials used to manufacture our filling machines. Services, ICT and items such as office equipment are excluded as they represent a very small share in this category.

We aim to increase the share of specific emissions factors from suppliers. In 2020, 54% of our reported Scope 3 emissions are based on specific data.

Category 3: Fuel and energy-related activities

Category 3 covers the upstream emissions related to purchased electricity and energy carriers at the production facilities that are reported under Scope 1 and 2. Purchased electricity is reported under Scope 2, all other energy carriers including small amounts of diesel purchased to fuel our own trucks and cars are reported under Scope 1.

Category 4: Upstream transportation and distribution

Category 4 covers all transportation activities for materials delivered to the production plants and all purchased outbound transports. Intercompany transportation is considered to be negligible. SIG packs are shipped as empty sleeves to SIG customers. This is usually managed by SIG's Supply Chain Management (SCM). In some cases, SIG customers arrange transport themselves. The resulting emissions are reported in Category 9. Deliveries other than packed sleeves (straws, closures, machines and spare parts) do not contribute significantly to this category and are not reported.

Category 5: Waste generated in operations

Category 5 includes emissions related to recycling, thermal treatment or landfill of waste from our operations (measured as non-product output) and hazardous waste. All production wastes (>99%) undergo further treatment and recycling as they are well sorted. Emissions related to the transportation of waste material from our plants to waste processing facilities are included.

Category 6: Business travel

Category 6 includes flights, public transport and the use of rental cars for business travel. Data on business travel is well documented in Europe but less so in other regions. Therefore, the number of employees per region is used as a basis for extrapolation. Flights are relatively well documented and account for almost 90% of emissions from business travel.

Category 9: Downstream transportation and distribution

Category 9 covers transportation of SIG carton packs from our plants to customers' facilities that is not purchased by SIG, the distribution of filled packs from customers' facilities to retailers, and onward transportation from retailers to end consumers. Distribution of filled packs includes only the emissions related to SIG products. Pallets, trays or foil are therefore omitted due to their small share.

Category 11: Use of sold products

Category 11 covers the use of SIG's filling machines and applicators to mount closures to the filled cartons, which occur in customers' facilities. All new and refurbished filling machines that are manufactured and sold by SIG for the reporting year are characterised by average electricity demand and the need for pressurised air, steam and hydrogen peroxide for the estimated lifetime capacity of the machine/device using the emission factors of the reporting year.

Filling machines that are installed in SIG service centres for demonstration purposes are not included. Emissions from the use phase of our cartons relate primarily to the food products inside the cartons and are excluded.

Category 12: End-of-life treatment of sold products

Used beverage cartons usually end up in household waste streams or recycling schemes, which both vary locally. For each country that SIG cartons are shipped to, we compile data covering recycling rates, landfill rates (managed or unmanaged) and incineration rates (with or without energy recovery). The amount of waste is allocated to different forms of treatment based on the weight of delivered packages and spouts per country and the rates for the respective country. Biogenic greenhouse gas emissions related to the different end-of-life treatments for the liquid packaging board in our cartons are determined and reported separately.

SCOPE 3 EMISSIONS (TONNES CO₂-EQUIVALENT) BY CATEGORY IN 2020



Category	2016	2017	2018	2019	2020
1 Purchased goods and services	901,115	806,364	848,148	914,909	981,910
3 Fuel- and energy related activities	44,119	24,842	25,398	25,014	21,370
4 Upstream transportation and distribution	90,849	86,309	87,295	96,637	90,949
5 Waste generated in operations	507	531	523	542	543
6 Business travel	7,511	8,302	15,270	16,563	7,229
9 Downstream transportation and distribution	55,683	55,764	56,113	60,576	55,483
11 Use of sold products	131,512	161,853	165,942	148,872	128,059
12 End-of-life treatment of sold products	201,329	209,063	218,209	240,701	193,988
12 Biogenic carbon	152,196	155,511	153,040	163,238	139,332

SIG filling machines are generally in use for decades and used filling machines are mainly refurbished or recycled so their contribution to this category is considered to be negligible.

ASSURANCE STATEMENT

Independent Practitioner's Report on a Limited Assurance Engagement on Sustainability Information.

To SIG Combibloc Group AG, Linnich

We have performed a limited assurance engagement on the disclosures denoted with "  " in the sustainability report of SIG Combibloc Group AG, Linnich (hereinafter "the Company"), for the period from 1 January to 31 December 2020 (hereinafter the "Report"). Our engagement in this context relates solely to the disclosures denoted with the symbol "  ".

Responsibilities of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Report in accordance with the principles stated in the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter the "GRI-Criteria") and for the selection of the disclosures to be evaluated.

This responsibility of Company's executive directors includes the selection and application of appropriate methods of sustainability reporting as well as making assumptions and estimates related to individual sustainability disclosures, which are reasonable in the circumstances.


Furthermore, the executive directors are responsible for such internal controls as they have considered necessary to enable the preparation of a Report that is free from material misstatement whether due to fraud or error.

Independence and Quality Control of the Audit Firm


We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis - IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the disclosures denoted with "  " in the Report based on the assurance engagement we have performed.

Within the scope of our engagement we did not perform an audit on external sources of information or expert opinions referred to in the Report.


We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to allow us to conclude with limited assurance that nothing has come to our attention that causes us to believe that the disclosures denoted with "  " in the Company's Report for the period from 1 January to 31 December 2020 have not been prepared, in all material aspects, in accordance with the relevant GRI-Criteria. This does not mean that a separate conclusion is expressed on each disclosure so denoted.

In a limited assurance engagement the assurance procedures are less in extent than for a reasonable assurance engagement and therefore a substantially lower level of assurance is obtained. The assurance procedures selected depend on the practitioner's judgment.

Within the scope of our assurance engagement, we performed amongst others the following assurance procedures and further activities:

- Obtaining an understanding of the structure of the sustainability organisation and of the stakeholder engagement
- Inquiries of the executive directors and relevant personnel involved in the preparation of the Report regarding the preparation process, the internal control system relating to this process and selected disclosures in the Report
- Identification of the likely risks of material misstatement of the Report under consideration of the GRI-Criteria
- Analytical evaluation of selected disclosures in the Report
- Performance of web conferences as part of the inspection of processes and guidelines for data collection at the following locations: Linnich (Germany), Saalfelden (Austria), Curitiba (Brazil)
- Comparison of selected disclosures with corresponding data in the consolidated financial statements and in the group management report
- Evaluation of the presentation of the selected disclosures regarding sustainability performance

Assurance Conclusion

Based on the assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the disclosures denoted with “” in the Company’s Report for the period from 1 January 2020 to 31 December 2020 have not been prepared, in all material aspects, in accordance with the relevant GRI-Criteria.

Intended Use of the Assurance Report

We issue this report on the basis of the engagement agreed with the Company. The assurance engagement has been performed for purposes of the Company and the report is solely intended to inform the Company as to the results of the assurance engagement. The report is not intended to provide third parties with support in making (financial) decisions. Our responsibility lies solely toward the Company. We do not assume any responsibility towards third parties.

Munich, 29 March 2021

**PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft**

Hendrik Fink ppa. Juliane v.
Wirtschaftsprüfer Clausbruch
(German Public
Auditor)