
SIG
for better
2024
Annual Report

Strategic report

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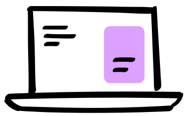

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Strategic report

Who we are

SIG is a leading solutions provider of packaging for better – better for our customers, for consumers, and for the world. With our unique portfolio of carton, bag-in-box, and spouted pouch, we work in partnership with our customers to bring food and beverage products to consumers around the world in a safe, sustainable, and affordable way.

Number of packs produced in 2024

56.5bn

2023: 53.4 billion

Valued customers[4]

750+

Leading market positions across packaging substrates

Spouted pouch

50ml – 500ml+ packs

Dairy & yogurt drinks, fruit purees, baby food, sauces

no. 2 global[1,2]

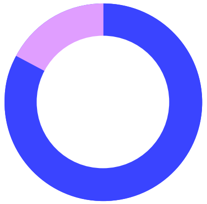
Carton

65ml – 2ltr packs

Fruit juices, non-carbonated soft drinks, liquid dairy and plant-based alternatives, liquid food

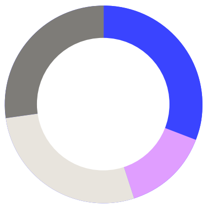
Aseptic carton: **no. 2 global[1]**

Chilled carton: **no. 1 Asia[1]**



Revenue by product 2024

Carton	83%
Bag-in-box and spouted pouch	17%



Total revenue 2024[3] by segment

Europe	31%
IMEA	14%
APAC	28%
Americas	27%

Bag-in-box

2ltr – 1,300ltr packs

Food service, smart dispensing in dairy, water, beverage concentrates, wine, liquid food, tomato products

no. 1 global[1]

1 Company estimate based on data from Euromonitor passport and Global Data.
2 Represents spouted pouch systems.
3 Excludes Group Functions.
4 Includes all customers for carton, bag-in-box and spouted pouch.

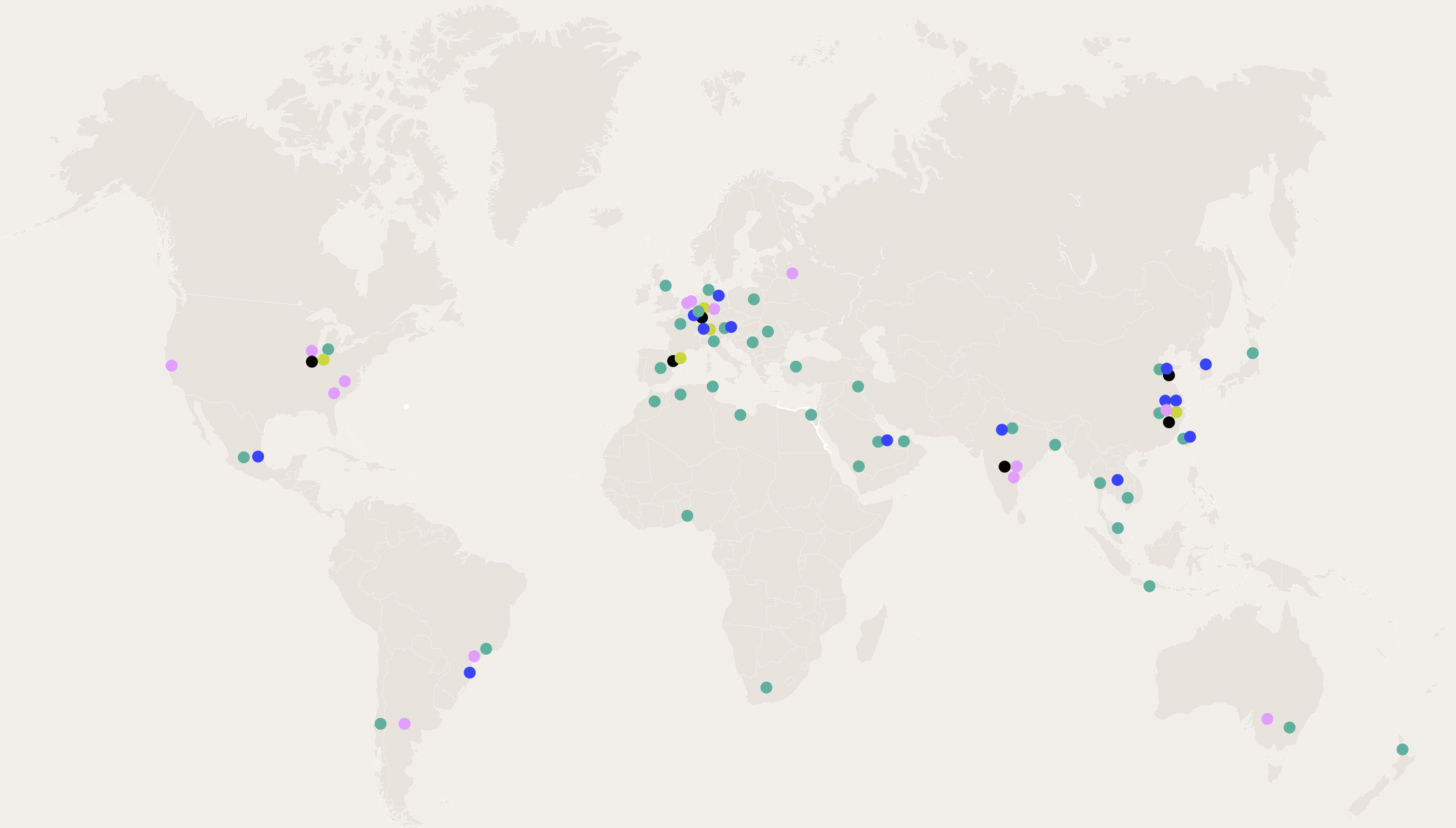
Our diversified global footprint

We have a diversified global footprint with a strong presence in both established and emerging markets. Aseptic carton in particular is well positioned in emerging markets and we are leveraging this to further expand the penetration of bag-in-box and spouted pouch.

We offer our global customer base outstanding levels of technical engineering and service. Customers are also able to visit our global R&D Centers where they experience firsthand the power of our innovation and together we are able to co-create exciting new offerings.

Our unique offering:

- Strong presence in **emerging markets**
- **Functional expertise** with **knowledge sharing globally**
- **Technical engineering** and service
- **Commercial synergies across packaging types**
- Significant **global R&D** network
- Global People and Culture approach **for one SIG culture**



Sales & service offices: **39**

Aseptic and chilled carton production sites: **14**

Bag-in-Box and spouted pouch production sites: **14**

Machine assembly sites: **6**

R&D Centers: **5**

Financial highlights 2024

Revenue
€3.33bn
2023: €3.23bn

Revenue growth at constant currency
4.3%
2023: 18.5%

Adjusted EBITDA
€820m
2023: €803m

Adjusted EBITDA margin
24.6%
2023: 24.9%

Adjusted net income
€308m
2023: €318m

Adjusted EPS diluted
€0.81
2023: €0.83

Free cash flow
€290m
2023: €219m

Leverage
2.6x
2023: 2.7x

ROCE[1]
26.6%
2023: 27.3%

Non-financial highlights 2024

Nutritious food delivered in SIG packaging (liters)[2]
16.4bn
2023: 15.5bn

Food packed with SIG Terra packaging materials[3] (liters packed)
1,683.6m
2023: 1,544.2m

Food packed with SIG Terra packaging materials (% of total liters packed in SIG packs)
5.5%
2023: 5.3%

Scope 1 and 2 greenhouse gas emissions (thousand metric tons of CO_2 equivalent)[4]
20.1
2023: 19.5

Renewable energy for production
100%
2023: 100%

Total recordable case rate[5] (per 200,000 hours worked)
0.63
2023: 0.80

Area of improved forest management targeted by our WWF partnership projects
330,000ha
2023: 100,000ha

EcoVadis rating
Platinum
Platinum with a record score of 96/100 in 2024 vs Platinum with score of 86/100 in 2023

Women in leadership
25%
2023: 25%

1 Based on standard 30% tax rate.
2 Defined by the independent Health Star Rating System, as food and drinks that contribute to a balanced diet and lead to better health healthstarrating.gov.au.
3 Our SIG Terra portfolio showcases our most sustainable innovations – including aseptic cartons with no aluminum layer, polymers linked to forest-based and recycled materials (via an independently certified mass balance system) and recycle-ready bag-in-box and spouted pouch solutions.
4 All Scope 1, 2, and 3: Retrospective adjustment of emission factors 2020-2023.
5 Total recordable cases include medical treatment and restricted work cases as well as lost-time cases.

Our value creation model

Click on cards to get more information

Attractive industry and end-markets

Structural drivers
- → Population growth
- → Increased disposable income
- → Demand for safe food

End-market trends
- → Health
- → Affordability
- → Sustainability
- → Convenience

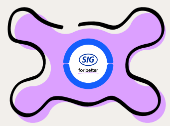
Established platform

Leader in aseptic packaging solutions
- → Unique set of packaging types and materials
- → Flexible and TCO-efficient filling technology
- → Digital and technical services
- → Pioneers in sustainability

Industry-leading innovations

Leverage R&D capabilities across packaging types
- → **Aseptic technology** new levels of aseptic performance
- → **Filling capabilities** TCO advancements and product versatility
- → **Packaging differentiation** consumer centricity
- → **Material science & sustainability** next-level structure development

Strategic priorities



Customer
- → Create total customer satisfaction
- → Improve their experience through operational excellence
- → Apply solution-selling approach
- → Position SIG as the industry's innovation and sustainability leader

People
- → Shape a culture of diversity, equity and inclusion
- → Continuously increase employee engagement
- → Foster health and safety
- → Attract and develop talent

Sustainability
- → Create more thriving forests
- → Remove more carbon than we emit
- → Accelerate innovation on circularity
- → Improve access to nutrition & cut food waste

Growth
- → Grow our core business
- → Win new customers
- → Enter new and emerging categories
- → Leverage environmental benefits within packaging solutions

Superior value creation for all our stakeholders

Customers
- → **31** Net Promoter Score (NPS[1])
- → **35** NPS delta to competition[2]
- → **48%** of respondents were promoters

People
- → **85%** global sustainable engagement score
- → **25%** women in leadership positions
- → **0.33** lost-time case rate[3] (per 200,000 hours worked)

Environment
- → **Net Zero** target for 2050 approved by SBTi
- → **100%** Renewable electricity for production
- → **90%** Paper content in a full-barrier aseptic carton by 2030

Investors
- → **3.9%** revenue growth at constant currency and constant resin
- → **24.6%** adjusted EBITDA margin
- → **26.6%** ROCE[4]

1 NPS is calculated by asking customers: "How likely are you to recommend our product/service to a colleague or business partner?" on a scale of 0 to 10. Based on their responses, customers are categorized into three groups: Promoters (9-10), Passives (7-8), Detractors (0-6). The score ranges from -100 to +100.
2 SIG NPS minus NPS of next best alternative at a customer.
3 A lost-time case is defined as absence for one or more shift or loss of one or more working days.
4 Based on standard 30% tax rate.

Our distinctive model for superior value creation

SIG is an established player in an attractive industry in which long term growth is driven by an increasing global population, higher disposable income and demand for safe food. We are a leader in aseptic packaging solutions in carton, bag-in-box and spouted pouch.

Our proprietary aseptic packaging process allows beverages and liquid food to maintain their taste, appearance and nutritional qualities for up to 12 months without the use of refrigeration or preservatives.

Our packaging substrates are resource efficient with the lowest carbon footprint compared to competing substrates, while are filling machines and after-sales technical services enable our customers to run their operations smoothly and with a competitive total cost of operations.

We believe our razor/razor blade operating model leads to recurring revenue streams and, when combined with our innovation capabilities, allows the Group to generate superior returns for shareholders with above market growth and best-in-class profitability.

Explore our **interactive model:**

Online Report →

Attractive industry and end-markets

Our end markets are characterized by the structural drivers to capture food and beverage growth.

Population growth: every year the global population increases by approximately 70 million people[1]. Rising disposable income: economic growth is leading to higher disposable incomes and a growing middle class in urban areas who demand packaged food. Consumers demand safe and hygienic food and beverages.

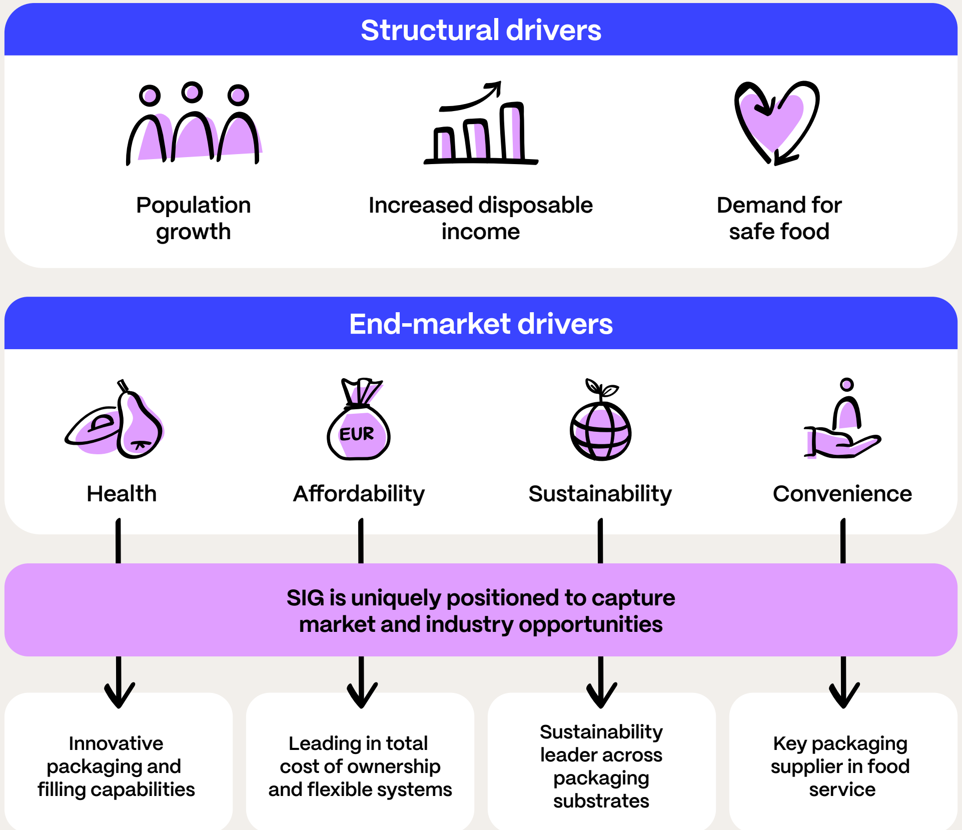
On top of the structural drivers, we consider four key consumer trends that shape the growth of the food and beverage market:

Healthy nutrition
There is increasing demand for healthier food and beverage products, for example products which are low in sugar, high in vitamins, high in protein or plant based. SIG's unique filling capabilities including our drinksplus technology allow us to partner with our customers to identify and launch new products that expand the customers core portfolio e.g. protein drinks, drinking yoghurts.

Affordability
By using our filling flexibility to change packaging sizes we can offer our customers growth opportunities in smaller pack sizes and entry level products to offer consumers affordable products.

Sustainability
Sustainable packaging is key purpose at SIG. We believe in better. We are a leader in sustainability across all our substrates, We offer the lowest carbon packaging options on the market – all of them ready to be filled on our installed filling machine base worldwide.

Convenience
Growth in out-of-home dining whether for food service or on-the-go consumption is an exciting opportunity for customers to expand their offering through new channels to market.



1 www.worldometers.info.

Our established platform

For many decades we have been combining our innovative packaging materials, aseptic filling technology, versatile packaging solutions, technical and digital services and strong global R&D network, to create one of the few true aseptic system suppliers in the world.

- By creating our systems with a TCO-mindset, our solutions offer best-in-class economics
- We offer a unique packaging solutions portfolio providing filling machines and associated packaging materials for carton, bag-in-box and spouted pouch packaging. This portfolio enables our customers to broaden their core offering and enter new categories and channels
- We are pioneers in sustainable packaging. That includes sourcing of certified raw materials, using renewable energy in our processes, and achieving numerous industry firsts with our packaging innovations including alu-free aseptic cartons. Our alu-free aseptic cartons have a carbon footprint that is approximately 25% lower than our standard carton (which are already best in class).
- Our in-depth commercial excellence framework allows us to understand customer demand and rigorously apply value-based solution selling, pricing, and deal structuring

Developments in 2024

- Placed 75 aseptic carton filling machines
- Sold 30.4 billion liters of food packed
- Used our volume flexibility to offer customers entry level products in markets with soft demand
- Commenced production at our new chilled plant in China
- Completed construction of our new aseptic sleeves plant in India
- Addressed production challenges in the bag-in-box operations in North America

Leader in aseptic packaging solutions

- Unique set of packaging types and materials
- Flexible and TCO-efficient filling technology
- Digital and technical services
- Pioneers in sustainability

Strong global operational and commercial foothold

Commercial excellence and system-based business model

Industry-leading innovations

For decades, we have led the food and beverage packaging industry through groundbreaking innovations, driven by our in-depth R&D capabilities and a track record of industry firsts. Our aim is to redefine the boundaries of packaging solutions, so that they are not only cutting-edge but also ahead of the evolving demands of the market.

Aseptic technology is at the core of our innovation, where we continuously aim to set new performance benchmarks for the highest levels of hygiene and product safety. Our focus on Total Cost of Ownership (TCO) and filling capabilities enables our customers to fill a variety of products with leading operational efficiency.

Innovation stems from deep consumer insights, rigorous testing, and continuous refinement. At SIG, we embrace a consumer-centric approach—discovering needs, generating ideas, testing concepts, and refining solutions until a breakthrough emerges that genuinely addresses customer and consumer demands.

Material science is key to creating differentiated and sustainable packaging. We develop next-generation materials that enhance recyclability, lower carbon footprints, and maximize renewability—ensuring our packaging solutions contribute more to people and the planet than they take from it.

Leverage R&D capabilities across packaging types

Aseptic technology
Reaching new levels of aseptic performance

Filling capabilities
TCO advancements and product versatility

Packaging differentiation
Consumer centricity

Material science & sustainability
Next-level structure development

Industry-leading innovations

Developments in 2024

Aseptic technology
Commercial validation of the second-generation spouted pouch filling machine featuring new aseptic technology

Filling capabilities
Introduction of speed-up kits for single-serve aseptic carton filling machines, enabling a 10% increase in output for existing installations. Over the year, we successfully upgraded 10 lines across India. With their compact design, these kits ensure a minimal facility footprint, an ideal solution for producers looking to scale operations efficiently without substantial infrastructure investments. This innovation reinforces SIG's position as a leader in the aseptic packaging sector, where speed, efficiency, and flexibility seamlessly converge to deliver exceptional value.

Expansion of the SIG Neo filling machine portfolio to include standard one-liter carton shapes. The SIG Neo Slimline 15 Aseptic can fill up to 15,000 SIG SlimlineBloc packs per hour – a 25% increase in output compared to SIG's standard filling machines for family-sized formats.

Packaging differentiation
Global roll-out of our on-the-go carton bottle SIG DomeMini. The small-size carton pack offers all the convenience of a plastic bottle and the sustainability benefits of a carton pack.
See our video: SIG DomeMini - SIG – for better →

Material science and sustainability
Launch of SIG Terra Alu-free + full barrier
SIG Terra Alu-free Full barrier further extends SIG's lower-carbon packaging materials without aluminum layer for wider use with oxygen-sensitive products such as fruit juices, nectars, flavored milk and plant-based beverages. This provides better access to healthy nutrition and reduces food waste, even in countries with complex supply chains. **See our video: SIG alu free full barrier →**

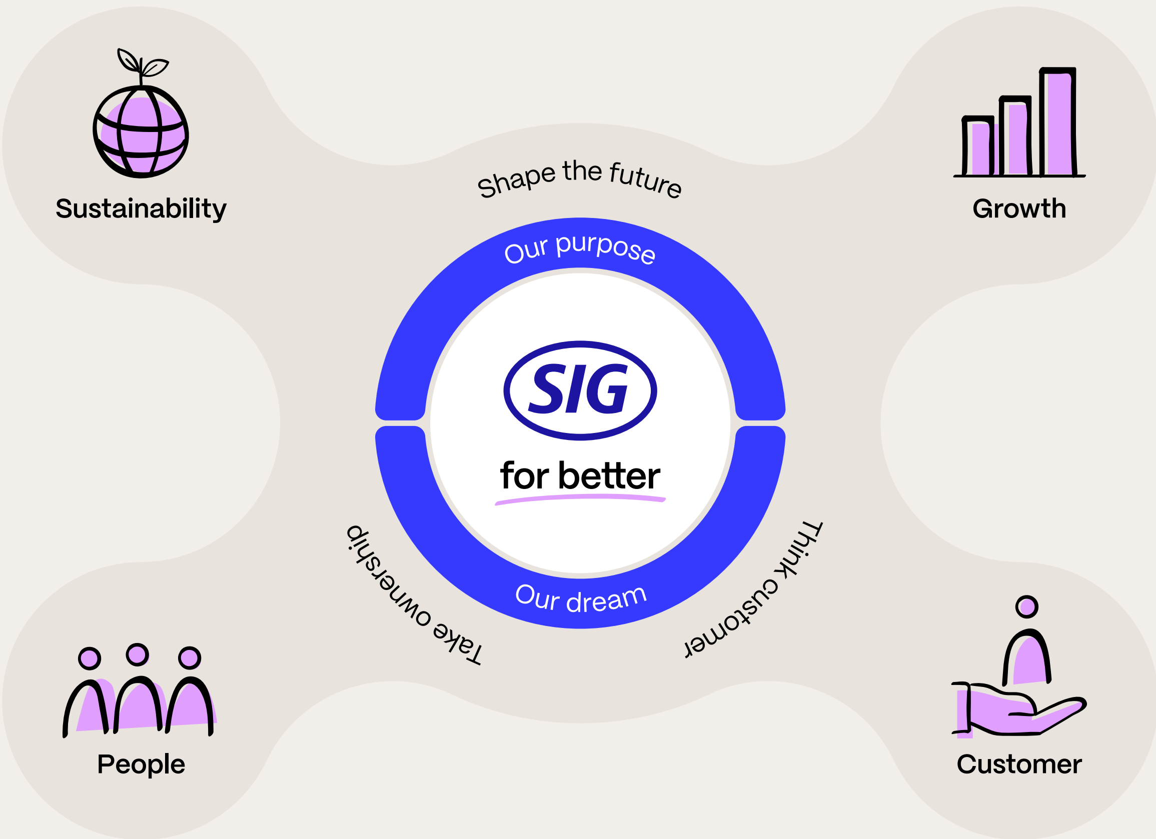
Strategic priorities

Our Corporate Compass

SIG is working in partnership with its customers to bring food products to consumers around the world in a safe, sustainable and affordable way. That's our role for people and society; that's our purpose as a company.

We want to fulfill our role for ever more people, following our dream to see every consumer in the world with an SIG packed product in their hand and a smile on their face, every single day.

For better, our dream and our purpose are at the heart of our Corporate Compass – a strategy made for growth. Founded on three clear principles - Think customer, Take ownership, Shape the future -, our compass guides the choices we make every day. The choices for our people who always strive for better. For our customers who can expect packaging solutions for better, every time. For more growth to come closer to our dream and to create sustainable value for our stakeholders. For creating food packaging that makes the world a better place.



Find out more about **strategic priorities:**

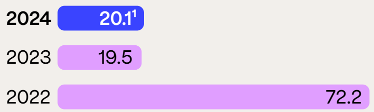
Read more →

Sustainability

Strategic priorities:
- **Forest+**
  Creating more thriving forests.
- **Climate+**
  Removing more carbon than we emit.
- **Resource+**
  Accelerating innovation on circularity.
- **Food+**
  Improving access to nutrition & cutting food waste.

Our progress:

Total Scope 1 and 2 greenhouse gas emissions for our production (thousand tonnes CO_2 equivalent)



See our Sustainability section for more on our sustainability →

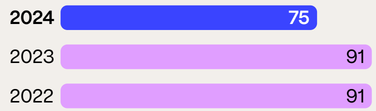
1 All Scope 1, 2, and 3: Retrospective adjustment of emission factors 2020-2023.

Growth

Strategic priorities:
- Grow our core business by increasing market share in established markets and categories.
- Win new customers by bringing choice, differentiation and added value through our unique packaging systems in chilled and aseptic carton, bag-in-box and spouted pouch.
- Enter new and emerging categories with our innovative and sustainable packaging solutions.
- Leverage the environmental benefits of the beverage carton, bag-in-box and spouted pouch and SIG's innovative edge in sustainability.

Our progress:

Aseptic carton filling machine placements



See Financial Review for more on our revenue growth and financial performance →

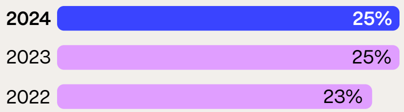
SIG for better

People

Strategic priorities:
- Shape a culture of diversity, equity and inclusion.
- Continuously increase employee engagement.
- Foster health and safety.
- Attract and develop talent.

Our progress:

Percentage of women in leadership positions



See the Our people section for more on our culture and offering for our people →

Customer

Strategic priorities:
- Position SIG as the industry's innovation and sustainability leader and win business from new and existing customers with our innovation portfolio.
- Continuously improve customer experience through operational excellence by rigorously executing the SIG Excellence System (SES)
- Consistently apply our solution-selling approach to create added value for customers.

Our progress:

Net Promoter Score (NPS[1]) - Delta to competition[2]

See our regional sections for more on our customer offering →

1 NPS is calculated by asking customers: "How likely are you to recommend our product/service to a colleague or business partner?" on a scale of 0 to 10. Based on their responses, customers are categorized into three groups: Promoters (9-10), Passives (7-8), Detractors (0-6). The score ranges from -100 to +100.
2 SIG NPS minus NPS of next best alternative at a customer.
3 After an all-time high NPS result in 2023, the 2024 result set a new baseline after the full integration of bag-in-box and spouted pouch customer portfolio into the NPS survey. It was further impacted by global supply chain challenges (operational challenges bag-in-box North America, Red Sea shipping crises).

Superior value creation

We have a multi-faceted growth strategy which aims to deliver above market growth and best in-class profitability.

The strategy builds on our strong technology platform and commercial footprint, and the attractive end-markets in which we operate.

We have a well invested asset base with 26 production locations around the world. The majority of which are in low-cost countries and well positioned to service high growth markets. We manage our production network to deliver the lowest cost to serve our customers.

Our strategy is anchored by a strong focus on sustainability across all packaging substrates, ensuring that we deliver superior value to our customers, consumers, and the environment.

Progress in 2024

In 2024, Group revenue increased by 4.3% on a constant currency basis and by 3.9% on a constant currency and constant resin basis. The adjusted EBITDA margin for 2024 was 24.6% (2023: 24.9%).

Free cash flow was €290 million, 32% ahead of 2023 primarily due to lower capital expenditure after a high level of investment in the prior year.

Net leverage slightly reduced to 2.6 times as of December 31, 2024 (December 31, 2023: 2.7x). Given strong fundamentals of our business, we are proposing to increase the dividend to CHF 0.49 per share, compared with CHF 0.48 per share in 2023.

The Group achieved a record Ecovadis score in 2024 and our status as among the top 1% of all companies assed was confirmed by Ecovadis.

Adjusted EBITDA margin

24.6%

2023: 24.9%

Free cash flow

€290m

2023: €219m

Net debt to adjusted EBITDA December 31, 2024

2.6x

December 31, 2023: 2.7x

ROCE[1]

26.6%

2023: 27.3%

1 Based on standard 30% tax rate.

Chairman and CEO statement

In 2024, SIG continued to outperform the market and gain share, demonstrating the resilience of our business model and strategy despite a challenging economic environment, particularly for consumers. Our ongoing focus on innovation and customer-centric solutions drives our progress. With a solid track we look to the future with optimism.

Andreas Umbach
Chairman

Samuel Sigrist
CEO

Financial performance

In 2024, Group revenue increased by 4.3% on a constant currency basis and by 3.9% on a constant currency and constant resin basis. The adjusted EBITDA margin for 2024 was 24.6%. (2023: 24.9%).

Free cash flow was €290 million, 32% ahead of 2023 primarily due to lower capital expenditure after a high level of investment in the prior year. This included geographic expansion into high growth markets, such as India, and delivery of a high number of filling machines.

We are very pleased with the 6.0%[1] revenue growth of our carton packaging. This performance highlights the value we deliver to our customers through our unmatched packaging flexibility, competitive total cost of ownership and our best-in-class sustainability offering.

In 2024, we placed 75 aseptic carton filling machines which was another strong performance after two years of exceptional placements exceeding 90 fillers annually.

1 At constant currency.

Bag-in-box and spouted pouch revenue declined by 5.0% for the year, at constant currency and constant resin. This reflected a weak first half performance given subdued market conditions, particularly in North America, and operational challenges at our US production facilities. These operational challenges were addressed, and we were pleased to report revenue growth of 2.5% in the second half of the year.

Growth strategy

We continue to develop the business organically along geographies, categories and channels, leading to market share gains across our portfolio.

Geographically, we are successfully expanding into India. In December 2024 we completed the construction of our first aseptic sleeves plant in the country. The Company has approved the next phase of expansion with an investment for a local extrusion line expected to be completed by 2027. The expansion will increase our local capabilities, further shorten supply chains and enable local sourcing of raw materials.

In category expansion, our unique capability to fill different types of products, including products with high viscosity and with particulates, means we can offer our customers a diverse range of solutions, enabling a single product, such as milk, to evolve into multiple dairy-based categories During. 2024, SIG successfully launched long-life probiotic milk products in the IMEA region. This is a new market category created by SIG.

With our expanded packaging portfolio, including spouted pouch and bag-in-box solutions, we are providing customers with greater go-to-market opportunities in both retail and out-of-home dining channels. We are pleased to report a significant increase in new contract wins for both packaging formats in 2024. SIG is successfully transforming the portfolio to increase the share of systems-based solutions with recurring packaging revenue as well as expanding the share of aseptic technology. Many of these successes are with our established aseptic carton customers, who recognize the potential to diversify into new market segments.

Innovation strategy

Advancements in aseptic technology and material sciences drives growth of our packaging portfolio. In 2024, utilizing our aseptic carton filling technology, we launched our second-generation aseptic spouted pouch filling machine. It significantly reduces the total cost of ownership for the customer, and importantly enables access to new markets previously reliant on cold chain distribution. This is an industry first in the spouted pouch market.

As part of the rollout of our next-generation aseptic carton filling machine platform, SIG Neo—initially launched for our multi-serve carton format—we have successfully transferred knowledge and technology to our single-serve filling machines. This has enabled us to increase the speed of installed lines, boosting output per line by 10%. This is a strong example of how we continue to deliver added value to our customers in a capital-efficient manner.

Sustainability

SIG has consistently embraced a regenerative approach to sustainability, addressing every aspect of the value chain, from sourcing to end-of-life.

Our paperboard is FSC™ certified, and we are actively restoring ecosystems through partnerships with WWF Switzerland in Mexico, Thailand, and Malaysia. All of our packaging substrates have the lowest carbon footprint among competing substrates and are designed for recycling.

Furthermore, we are steadily increasing the regenerative content of our cartons, with targets to raise the fiber content from approximately 75% today to 85% by 2025 and to 90% by 2030.

Importantly, our aseptic technology minimizes food waste by protecting the nutritional value for up to 12 months and ensures safe food delivery to remote areas of the world, without an energy intensive cold chain distribution system.

> **We continue to develop the business organically along geographies, categories and channels leading to market share gains across our portfolio.**

Our packaging materials can be recycled into valuable resources like paper, cardboard boxes and other paper-based products. While the polymer and aluminum components can be recycled either separately into recycled polymer and aluminum or together into building materials.

We are delighted that our sustainability efforts have been recognized with the first-time inclusion of SIG in the Dow Jones Sustainability Index and reconfirmation from Ecovadis that SIG remains amongst the top 1% of all companies assessed. This applies to all our packing substrates which were included for the first time. We are also proud to have achieved an improved MSCI ESG rating of AAA for 2024, up from AA in 2023, reinforcing our leadership in sustainability.

Capital allocation

To leverage future growth opportunities, we have continued to expand our manufacturing footprint around the world. This included greenfield aseptic carton plants in Mexico (2023) and India (2024) and a new chilled carton plant in China (2024) as well as plant extensions for example in the United States (2023). In terms of capital expenditure for the construction of our filling machines, we anticipate maintaining a level that is largely consistent with previous years.

For the year ended December 31, 2024, we slightly reduced our net leverage ratio from 2.7 times as of December 31, 2023 to 2.6 times. We are committed to achieving our net leverage target of towards two times in the mid-term.

In 2024, SIG's outlook was upgraded to positive by Moodys (Ba1 positive) and our investment grade rating was confirmed by S&P (BBB- stable). We successfully extended the Group's debt maturity profile during the year with competitive pricing and terms and saw a high level of demand from a wide range of investors.

Given the strong fundamentals of our business, we are proposing to increase the dividend to CHF 0.49 per share, compared with CHF 0.48 per share in 2023.

Finally, we would like to sincerely thank all of our employees, customers and shareholders for their support and trust in SIG. Without their commitment we would not have been able to build a resilient business that can continue to deliver industry leading growth even in difficult macro-economic circumstances. With the ever-increasing need for more nutrition, together we will continue to innovate and sustainably drive the future of packaging for liquid food and beverages. We look forward to welcoming Ola Rollén, whom the Board has nominated for election as the new Chair, given Andreas has decided not to stand for reelection, as previously announced. Andreas would like to wish Ola all the best in this new role. Samuel and his management team thank Andreas for his leadership and look forward to working with Ola to continue creating value for our stakeholders – for better.

Regional review:
Europe

Revenue:

€1,045m

Revenue growth:

6.2%

constant currency[1]

428

aseptic carton filling machines in field

1 Constant currency and constant resin growth of 6.4%.

Key growth drivers

- **Expansion of customer base to new segments and substrates**
- **Proprietary filling advantages including competitive total cost of ownership, while providing flexible filling options and the most sustainable packaging substrates.**
- **Well-positioned to capture demand for even more sustainable solutions**

Summary of 2024

The region reported revenue growth of 6.2% for the year at constant currency.[1]

Europe's performance in 2024 was driven by the ramp-up of previous filler placements together with higher demand from an increase in raw milk supply for aseptic processing.

Over the past three years, the region has placed 56 filling machines, driven by customers accelerating the replacement cycle of their filling lines in response to the implementation of the Single-Use Plastics Directive, which mandated tethered caps by July 1, 2024. Compared to our peer group, SIG successfully capitalized on this event, given our competitive total cost of ownership, the packaging flexibility of our filling machines, and our ability to provide tethered caps without requiring significant overhauls to existing lines.

Another driver of the region's outperformance is the ongoing sustainability shift towards lower carbon-intensive packaging. Sales of alu-free packaging increased 10.5% in 2024 compared with 2023. The region has seen a growing number of customers start to transition their liquid dairy packaging from an aluminum barrier to an aluminum-free barrier on their existing SIG lines. This change reduces the carbon intensity of the packaging by approximately 25%, and SIG is the only market player capable of offering this solution on our installed filler base. Looking ahead, we anticipate further advancements as we introduce our next generation of aluminum-free full-barrier packaging, designed to guarantee the shelf life for all product categories we pack—not just liquid dairy products.

In spouted pouch and bag-in-box, the region experienced subdued growth for the first half of the year, largely due to one off equipment sales in H1 2023. In H2 2024, the bag-in-box and spouted pouch business returned to positive growth primarily reflecting the ramp-up of new synergy projects and lower prior year comparatives.

> **Our filling technology offers the unique opportunity to achieve maximum levels of flexibility for our customers, in terms of products, formats and volumes fillable on the same machine. Being able to fill different products into different packaging types on our aseptic filling machines means customers can adapt quickly to changing needs of consumers and retailers.**

José Matthijsse
President and General Manager Europe at SIG

Case studies

Berglandmilch dairy

Expanding its reach to the convenience sector

- Berglandmilch, Austria's biggest dairy, first became a customer of SIG for 1 litre milk packaging.
- SIG has expanded the partnership with a new aseptic filling machine focused on the convenience category.
- Our filling machine can fill 24,000 carton packs per hour in five different volumes (200, 250, 300, 330, 350ml) and can run SIG Terra or standard packaging materials.
- This new investment by Berglandmilch enables it to offer busy consumers a highly convenient and stylish packaging solution for on-the-go or at-home consumption.

We've chosen SIG because it provides a lifestyle pack that meets modern consumers' needs. We're excited to be the first to offer our Austrian customers this new pack that provides a unique on-the-go drinking experience in one of the most sustainable packaging solutions available. At Berglandmilch, we are committed to providing the best products in the most convenient and environmentally friendly way. Our partnership with SIG brings together our shared focus and beliefs, from recycling and plastic reduction, to using responsibly sourced materials. Working closely with SIG helps us to achieve our goals, including increasing the renewable materials used in our packaging.

Josef Braunshofer
CEO at Berglandmilch

Delafruit

Complete packaging solution for spouted pouch

Delafruit, a leading Spanish fruit processor, was looking to become more cost competitive producing their own pouches with an SIG pouch maker and move to SIG mono-material film

SIG delivered a complete solution including equipment, fitments and film to meet their needs. This included:

- SIG recycle-ready film structure
- Utilisation of SIG fitments like the CloverCap and the RLI spout, which are specifically designed for recycle-ready structures
- Sourcing of all equipment and consumables from a single supplier and produce their own pouches in-house

The result:

Recycle-ready material	Improved total cost of ownership performance

Regional review:

IMEA

Revenue:

€456m

Revenue growth:

13.4%

constant currency[1]

323

aseptic carton filling machines in field

Key growth drivers

- **Geographic expansion**
- **Growing demand for aseptic solutions driven by population growth and increasing urbanization**
- **Strong customer base to grow across segments and substrates**
- **Affordability, innovation and nutrition**

IMEA remains a key growth driver for SIG, as we expand our presence and deliver flexible, sustainable solutions to meet the needs of an increasingly urbanized population. Our continued investment in high-speed filling machines, aseptic packaging, and emerging technologies ensures that we are ready to meet the demands of the future while fostering long-term customer partnerships.

Abdelghany Eladib
President and General Manager IMEA at SIG

Summary of 2024

The region reported revenue growth of 13.4% for the year at constant currency[1].

The Middle East and Africa, experienced strong carton revenue growth for the year driven by the ramp-up of filler placements across the region, as well as a market recovery in Egypt and the GCC.

In India, we continued to experience high double-digit revenue growth as we expand our operations in the country.

As the world's largest milk market[2], India consumes predominantly unpackaged milk, with packaged milk accounting for less than 10% of total consumption. This presents a significant growth opportunity, and we are well positioned to capitalize on it.

Our first sleeves production facility in the country, was completed in December 2024 with initial production in January 2025. The Group has approved the next phase of expansion with the construction of a local extrusion line, which is expected to be completed by 2027. The expansion will increase our local capabilities, shorten supply chains and enable local sourcing of raw materials.

Affordability remains a significant challenge across many markets in the region. SIG is well-positioned to provide solutions for these concerns with its volume flexibility, enabling smaller carton pack sizes while maintaining essential price points.

We were delighted to sign a significant number of new contracts for bag-in-box and spouted pouch filling machines in 2024, in many different countries across the region. This was a result of leveraging our cross-selling capabilities across the region.

1 Constant currency and constant resin growth of 13.5%.
2 Source: International Market Analysis Research and Consulting Group (IMARC). Annual production capacity of 221 million tons was recorded in the year 2021-22, contributing 23% of global milk production.

Case studies

Growing with Amul Dairy

Dr. Amit Vyas, Managing Director of Amul Dairy said, "The dairy market is currently undergoing a massive transition.

The emerging market trends and changing consumer needs make it essential to expand our offering and leverage excellent technologies. The flexibility offered by SIG's filling lines to fill packages of different volumes on the same filling line makes them an excellent choice for Amul Dairy to meet the growing market needs. The commissioning of two additional state-of-the-art SIG filling lines at Amul Dairy's Kheda Satellite Dairy plant will help to enhance our packaging capacity and tap into markets with different price points with new product lines."

In addition to the five SIG aseptic carton lines in operation at Amul we were pleased to sign a contract during the year for sweetened condensed milk in spouted pouch. This is a can to spouted pouch conversion which includes sale of a spouted pouch filling machine and recycle-ready packaging material.

Pioneering with Almarai for 20 years

Almarai is the world's largest vertically integrated dairy company and the biggest food and beverage manufacturer in the Middle East North Africa (MENA) region. Based in Saudi Arabia, it is ranked as the top FMCG brand in MENA and leads all its categories in the GCC[1].

Throughout SIG's long-standing partnership with Almarai, we have introduced innovative products, such as the first-to-market 150ml portion packs for juice, which appealed to consumers and later evolved into a popular 140ml format. In 2021, Almarai was the first to use SIG Asset Health Monitoring, a solution for condition-based maintenance designed to measure the wear and tear of parts and equipment and provide online monitoring to anticipate issues, recommend preventative measures, and offer solutions to optimize availability and reduce unplanned downtime. Earlier in 2008, Almarai was the first to introduce a white cheese delicacy in SIG carton packs. Through these efforts, Almarai has been able to reach diverse consumer segments, expand its market footprint and ensure product quality and the trust of millions of loyal customers.

> **The 20-year journey with SIG has been integral to our growth. Hand in hand, we've been able to deliver sustainable packaging solutions that enhance the consumer experience and reinforce our joint commitment to innovation and adaptability in packaging solutions across our expanding product lines.**
>
> **Ramesh Nair**
> Head of Central Procurement at Almarai

1 GCC is the Gulf Corporation Council including Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates.

Regional review:

Asia Pacific

Revenue:

€938m

Revenue growth:

1.6%

constant currency[1]

504

aseptic carton filling machines in field

Key growth drivers

- **Liquid dairy growth and affordable nutrition**
- **Demand for value added, differentiated and sustainable packaging**
- **Strong customer base to grow across segments and substrates**

SIG offers comprehensive solutions that enable customers to explore new market segments. With our agile and flexible filling system, we offer customers unmatched volume and format flexibility, enabling them to meet the rapidly changing demands of consumers.

Angela Lu,
President & General Manager Asia Pacific at SIG

Summary of 2024

The region reported revenue growth of 1.6% for the year at constant currency[1].

Despite a challenging economic environment in China due to soft consumer spending, SIG successfully increased its share of the carton market by adapting packaging sizes to meet affordable price points for consumers. This was particularly notable in the plain white milk category, where we introduced 125ml and 200ml packaging formats. Additionally, we collaborated with our customers to launch flavoured milk products for on-the-go consumption which was well received by consumers.

In the more premium end of the market, SIG rolled out its alu-free packaging with positive customer feedback.

Growth in Thailand, Vietnam, Indonesia, and Malaysia was driven by the ramp up of filler placements leading to share gains across all countries. Growth in the region was also supported by innovative product launches. The SIG DrinksPlus technology, which enables the packaging of larger ingredients such as coconut jelly cubes and aloe vera, has driven growth in the healthy snacking category.

In Thailand our new carton format, SIG Dome Mini, is gaining traction with customers, thanks to its premium on-shelf appearance and ability to stand out.

In terms of bag-in-box, our recycle ready bag-in-box offering is expanding, especially in Australia and New Zealand. This development is in line with the Australian 2025 National Packaging Targets which aim to further advance sustainable packaging practices. Besides recyclability, our bag-in-box packaging offers lower overall plastic use.

1 Constant currency and constant resin growth of 1.7%.

Case studies

Condensed Milk in Spouted Pouch

Asian customer widens range of condensed milk focusing on convenience and affordability

- Evolving consumer preference requires a variety of pack types, sizes and pricing to cater to different consumer segments.
- Sweetened condensed milk is commonly used in Southeast Asia to mix with beverages such as tea and coffee, or even as a spread.

Beverages with multi-sensorial excitement

Brands leverage on Drinksplus to win consumers

- Driven by the bubble-tea trend in SEA, SIG customers can now bring a similar experience to the consumer in the Ready-To-Drink segment through SIG's drinksplus technology.
- Brands are using particulates for child and adult beverages, while balancing nutrition with an indulgent multi-sensorial experience

Regional review:

Americas

Revenue:

€889m

Revenue growth:

0.8%

constant currency[1]

179

aseptic carton filling machines in field

Key growth drivers

- **Foodservice growth through smart systems/ automation of foodservice**
- **Continued category expansion in US, Mexico and Brazil.**
- **Geographical expansion in South America**

We are excited about the growth opportunities we see in the Americas. The United States is home to the largest food service market in the world and Brazil and Mexico are two of the top ten aseptic milk markets worldwide. It is a vast continent with significant food and beverage consumption. Our recent investment in an aseptic production facility in Mexico has accelerated new business in North America while in Brazil we are successfully exporting our market offering to neighboring countries.

Our unmatched speed, format and size flexibility, and our ability to fill high viscose products allows customers to respond to changing market opportunities. Customers can efficiently use the same aseptic filling machine to fill liquid dairy products such as chocolate milk as well as high viscose products like sweetened condensed milk.

Ricardo Rodriguez
President & General Manager Americas at SIG

Summary of 2024

Revenue increased by 0.8% at constant currency for the year[1] reflecting a steady recovery of the bag-in-box and spouted pouch business after reaching a low in quarter one.

The bag-in-box business was impacted by weakness in the out-of-home dining market in the United States. This was primarily driven by rising menu prices. In response to the decline in demand, quick service restaurants intensified their promotional activities during the second half of the year.

Together with a high prior year comparison, revenue performance was also exacerbated by operational challenges at our U.S. bag-in-box facilities. These production disruptions were addressed and we were pleased to report positive revenue growth in the second half of the year.

Aseptic carton volumes gained from the ramp-up of filling machines in Canada, the United States and Mexico.

Brazil also saw good volume growth from filler ramp-ups mostly in single serve liquid dairy cartons, while we continued to expand geographically into the surrounding countries. We were pleased to sign our first two carton customers in Colombia, and we gained new business in Chile with the largest dairy in the region outside of Brazil.

1 Constant currency and constant resin growth of (0.7)%.

Case studies

Lactalis expands into spouted pouches for yoghurt

- Lactalis, one of the largest dairies in Brazil and a current SIG carton and bag-in-box customer, has expanded its portfolio to included yoghurt packed with an SIG spouted pouch line.
- In 2024, Lactalis more than doubled its volume in this fast-growing category and has plans to launch new SKUs.
- SIG has agreed a full systems solution providing the filling line and the associated packaging materials.

Innovating with Elmhurst: Leveraging a multi-substrate packaging success

Elmhurst 1925, a fast-growing plant-based beverage company, has expanded its product portfolio with SIG packaging.

In 2024, it launched the first shelf-stable, dairy-free sour cream in SIG aseptic pouches.

SIG also provides Elmhurst with SIG Dome aseptic carton packaging for its plant-based Lattes. SIG Dome packaging combines the benefits of aseptic cartons with the convenience of a bottle.

These innovative solutions reinforce Elmhurst's dedication to innovation, product quality and sustainability, growing together with SIG as a trusted partner.

Image: Elmhurst

Financial review

2024 financial results highlight resilient revenue profile

In 2024, the market environment remained muted due to subdued consumer sentiment. Nevertheless the Group increased revenue by 4.3% on a constant currency basis and by 3.9% on a constant currency and constant resin basis. The adjusted EBITDA margin for the year was 24.6%.

Free cash flow was €290 million, 32% ahead of 2023 primarily due to lower capital expenditure after a high level of investment in 2023.

Revenue growth of our carton business was 6.0% for the year. This performance highlights the value we deliver to our customers through our unmatched packaging flexibility, competitive total cost of ownership and our best-in-class sustainability offering.

In 2024, we placed 75 aseptic carton filling machines, which was another strong performance after two years of exceptional placements exceeding 90 fillers annually.

Revenue declined at our bag-in-box and spouted pouch business by 5.0% at constant currency and constant resin. This reflected subdued market conditions in foodservice and operational challenges at our US production facilities. These challenges were addressed, and we were pleased to report revenue growth of 2.5% in the second half of the year.

Key events in 2024 impacting the performance of the Group

Chilled carton production changes in China

The Group has moved its production of chilled carton from Shanghai to the same location as its aseptic carton facilities in Suzhou. Production at the Group's new, leased chilled carton production plant started in the second quarter of 2024. The move of the chilled carton production has resulted in the recognition of impairment losses and restructuring expenses in the total amount of €22.0 million (pre-tax) in the year ended December 31, 2024.

The Group is in the process of selling the production plant in Shanghai. The sale is expected to complete in 2025.

Refinancing

In 2024, the Group issued an unsecured *Schuldscheindarlehen* totaling €450 million and accessed new senior unsecured credit facilities consisting of a five-year €50 million term loan and two committed Euro revolving credit facilities in the total amount of €500 million. The Group also repaid its €550 million term loan that was due in June 2025 and, at the same time, a related €300 million committed multi-currency revolving credit facility was terminated. The current year refinancing has improved the maturity profile of the Group's debt structure.

In November the Group signed a €550 million unsecured bridge loan facility agreement. The facility can be accessed until June 2025, when the Group's €550 million of senior unsecured notes is due for repayment.

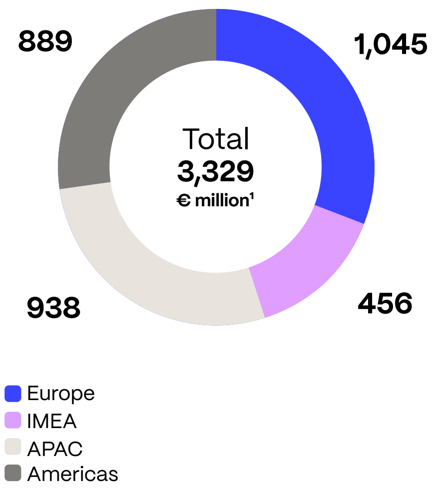
Financial performance

Revenue

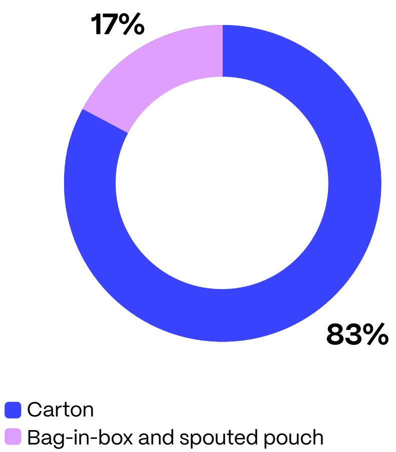
Revenue in 2024 increased by 4.3% on a constant currency basis (3.0% reported and 3.9% at constant currency constant resin) to €3,328.5 million (2023: €3,230.3 million). The bag-in-box and spouted pouch business contributed €579.6 million to Group revenue in 2024 (€604.0 million in 2023).

Revenue growth in the segments

Total revenue 2024
by segment



Revenue by product 2024
Carton vs bag-in-box and spouted pouch



Europe
Europe reported revenue growth of 6.2% for 2024 at constant currency and 6.4% at constant currency and constant resin.

The aseptic carton market was supported by higher raw milk availability for aseptic processing while SIG also gained market share as it ramped-up previous filler placements. The region has placed 56 fillers over the last 3 years.

After a decline in revenue in H1 2024, impacted by a high comparable base, bag-in-box and spouted pouch reported positive revenue growth in H2 2024. This was supported by the ramp-up of cross-selling projects in both packaging substrates. These projects are structured as system solutions with recurring packaging revenue.

India, Middle East and Africa ("IMEA")
IMEA reported revenue growth of 13.4% for 2024 at constant currency and 13.5% at constant currency and constant resin.

The Middle East and Africa, experienced strong carton revenue growth for the year driven by the ramp-up of filler placements across the region, as well as a market recovery in Egypt and the GCC.

In India, we continued to experience high double-digit revenue growth as we expanded our commercial presence and captured share of the growing packaging market.

Asia Pacific ("APAC")
Asia Pacific reported revenue growth of 1.6% on a constant currency basis, or 1.7% on both a constant currency and constant resin basis.

The market environment in China was challenging in 2024 due to soft consumer spending. However, SIG successfully increased its share of the carton market by adapting packaging sizes to offer affordable price points for consumers. Additionally, we partnered with customers to launch flavored milk products which was well-received by consumers in the on-the-go market.

Growth in Thailand, Vietnam, Indonesia, and Malaysia was driven by the ramp up of filler placements leading to share gains across all countries. Growth in the region was also supported by innovative product launches.

Americas
The Americas reported revenue growth of 0.8% on a constant currency basis, or a decrease of 0.7% on both a constant currency and constant resin basis.

In the United States, the bag-in-box business was impacted by weakness in the out-of-home dining market. This slowdown was primarily driven by rising menu prices. In response to the decline in demand, quick service restaurants intensified their promotional activities during the second half of the year.

Revenue performance was further impacted by operational challenges at our U.S. bag-in-box facilities and a high prior year comparable base. The production bottlenecks have been addressed, and we were pleased to report positive revenue growth in the second half of the year.

Aseptic carton volumes benefitted from the ramp-up of filling machines in Canada, the United States and Mexico.

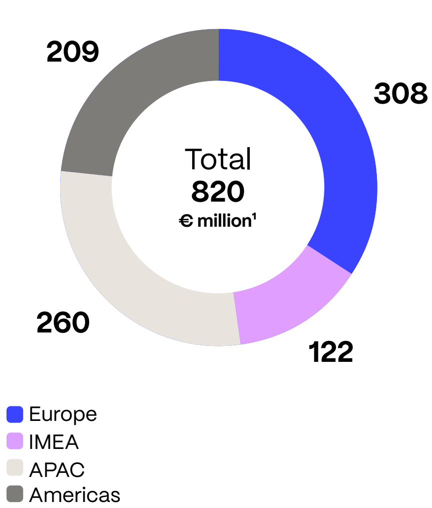
Brazil saw good volume growth from filler ramp-ups mostly in single serve liquid dairy cartons, while we continued to expand into the surrounding countries.

1 Includes Group Functions.

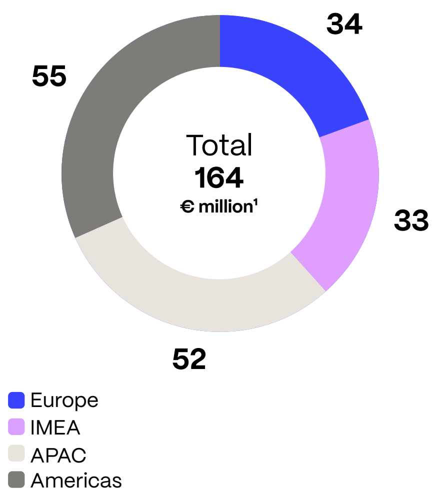
Seasonality
The Group's aseptic carton business experiences moderate seasonal fluctuations, primarily due to seasonal consumption patterns and performance incentive programs relating to carton sleeves that generally end in the fourth quarter. Customers tend to purchase additional carton sleeves prior to the end of the year to meet seasonal demand and to qualify for annual volume rebates, typically resulting in higher sales during the fourth quarter. Historically, this has resulted in relatively low sales in the first quarter. The bag-in-box, spouted pouch and chilled carton businesses are not significantly exposed to seasonality.

Revenue split 2024

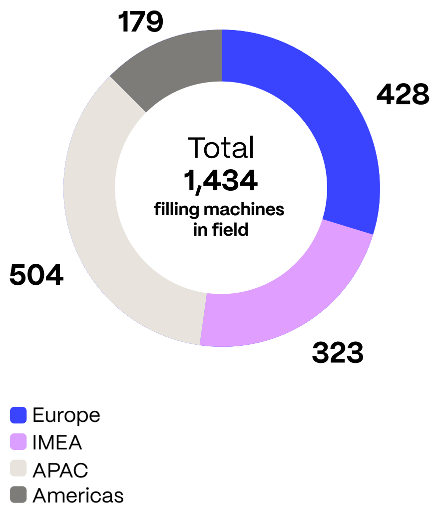
Adjusted EBITDA 2024
by segment



Net capex 2024
by segment



SIG aseptic filling machines 2024
by segment



1 Total includes Group functions.

Adjusted EBITDA

Adjusted EBITDA margin[1]

	As of Dec. 31, 2024	As of Dec. 31, 2023
Europe	29.5%	28.3%
IMEA	26.7%	26.4%
APAC	27.7%	29.5%
Americas	23.5%	23.2%
Total	**24.6%**	**24.9%**

The following table reconciles profit for the period to EBITDA and adjusted EBITDA.

(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Profit for the period	**194.5**	**243.2**
Net finance expense	143.1	125.1
Income tax expense	86.5	80.8
Depreciation and amortization	419.5	412.2
EBITDA	**843.6**	**861.3**
Adjustments to EBITDA:		
Unrealized gain on operating derivatives	(9.6)	(9.2)
Restructuring costs, net of reversals	9.9	6.0
Transaction- and acquisition-related costs	3.4	1.4
Integration costs	(0.5)	12.9
Change in fair value of contingent consideration	(51.3)	(58.2)
Impairment losses	21.3	4.8
Other	2.7	(16.0)
Adjusted EBITDA	**819.5**	**803.0**

Adjusted EBITDA increased by €16.5 million, from €803.0 million in 2023 to €819.5 million in 2024. Adjusted EBITDA growth was driven by lower raw material costs as our hedged prices aligned closer to market rates and a higher revenue contribution of €22.8 million. This was offset by higher selling, general and administrative ("SG&A") costs of €22.3 million, negative impacts from foreign currency fluctuations (€16.3 million) and negative production costs (€13.8 million).

The **adjusted EBITDA margin** was 24.6% compared with 24.9% for 2023.

The adjusted EBITDA margin, excluding foreign currency fluctuations, was stable compared to the prior year. Higher revenue contribution was primarily from volume growth while mix was unfavorable. Raw material costs positively impacted margin by 140 basis points compared to the prior year, especially driven by lower polymer costs. This positive impact was offset by higher SG&A expenses driven by investments in growth, and wage inflation. Higher production costs were as a result of operational challenges in bag-in-box facilities in North America.

SG&A as a percentage of revenue was 12.4% compared to 12.2% in 2023. R&D spend remained stable as a percentage of revenue in 2024 at 2.1% (2023: 2.2%).

Compared to the prior year **segment adjusted EBITDA margins** were all positively impacted by raw material costs. The **IMEA** margin was positively impacted by topline contribution, offset by higher SG&A costs. In the **Americas**, the margin was negatively impacted by production costs in the North American bag-in-box facilities. In **APAC**, the margin was negatively impacted by topline contributions for reasons explained in the "revenue" section above.

EBITDA decreased by €17.7 million to €843.6 million in 2024, the decrease was primarily related to impairment losses and restructuring expenses for the chilled carton plant in China and a release in 2023 of an acquisition-related provision that did not recur in the current period. These negative impacts were offset by higher adjusted EBITDA, described above and lower integration costs.

EBITDA was positively impacted by the fair value change of €51.3 million for the Scholle IPN contingent consideration in 2024. The fair value of the contingent consideration is derived from an estimated growth rate for the business in 2025 that is below the Company's mid-term guidance. See further note 32 of the consolidated financial statements.

Alternative performance measures
Definitions of the alternative performance measures used by SIG management and their related reconciliations are posted under the following link: Alternative performance measures

Additional information about alternative performance measures used by SIG management is included in the consolidated financial statements for the year ended December 31, 2024.

1 Adjusted EBITDA divided by revenue from transactions with external customers.

Net income

Adjusted net income in 2024 was €308.1 million compared with €318.2 million in 2023. The decrease of €10.1 million was primarily due to higher depreciation, interest and tax expense partially offset by higher adjusted EBITDA.

Net income was €194.5 million in 2024 compared with €243.2 million in 2023. The decrease of €48.7 million was mainly due to impairment losses and restructuring expenses and a release of an acquisition-related provision that did not recur in the current period.

The **effective tax rate** increased from 24.9% in 2023 to 30.8% in 2024. The implementation of the OECD Pillar Two model rules, the introduction of a 9% corporate tax rate in Dubai and the relative mix of profits and losses taxed at varying tax rates in the jurisdictions we operate in, contributed to an increase in the effective tax rate.

The **adjusted effective tax rate** increased from 24.7% in 2023 to 27.7% in 2024. The increase was driven by the items discussed in the "effective tax rate" paragraph above.

The following table reconciles profit for the period to adjusted net income.

(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Profit for the period	**194.5**	**243.2**
Non-cash foreign currency exchange impact of non-functional currency loans and realized foreign currency exchange impact due to refinancing	9.6	(1.3)
Amortization of transaction costs	2.8	4.8
Net change in fair value of financing-related derivative	3.6	2.0
PPA depreciation and amortization – Onex acquisition	103.4	103.4
PPA amortization – other acquisitions	47.1	47.7
Net effect of early repayment of loan	1.6	–
Other	1.3	–
Adjustments to EBITDA[1]	(24.1)	(58.3)
Tax effect on above items	(31.7)	(23.3)
Adjusted net income	**308.1**	**318.2**

Return on capital employed (ROCE)

The ROCE, computed at a reference tax rate of 30%, was 26.6% in 2024, compared with 27.3% in 2023. The year-on-year change is primarily due to capital investments and the recognition of lease liabilities. The ROCE at the adjusted effective tax rate of 27.7% was 27.5% in 2024.

(In € million)	2024	2023
Income statement items		
Adjusted EBITDA	819.5	803.0
Depreciation of PP&E and right-of-use assets	(267.6)	(257.7)
Amortization of capitalized development and IT costs	(3.0)	(2.5)
ROCE EBITA	**548.9**	**542.8**
Balance sheet items		
Current assets (excl. cash and cash equivalents)	938.1	836.4
Current liabilities (excl. interest-bearing liabilities)	(1,355.8)	(1,249.4)
PP&E	1,874.0	1,795.4
Right-of-use assets	322.0	267.3
Capitalized development and IT costs	25.1	26.5
Non-current deferred revenue	(360.0)	(284.4)
Capital employed	**1,443.4**	**1,391.8**
Pre-tax ROCE	38.0%	39.0%
ROCE tax rate of 30%	30.0%	30.0%
Post-tax ROCE at 30% tax rate	**26.6%**	**27.3%**
Adjusted effective tax rate	27.7%	24.7%
Post-tax ROCE at adjusted effective tax rate	**27.5%**	**29.4%**

1 For the different adjustments to EBITDA, refer to the adjusted EBITDA table at the beginning of this note.

Capital expenditure

To better reflect the Group's investments in production plants and production equipment via leases, management has updated its definition of capital expenditure to include lease payments. The following table presents capital expenditure with and without lease payments.

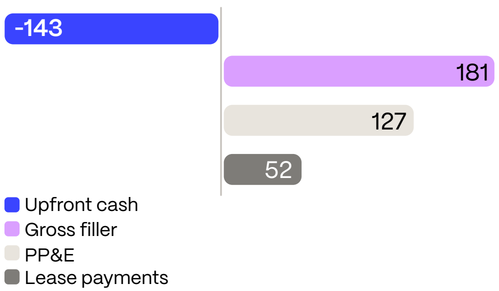
(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
PP&E and intangible assets (net of sales and excluding filling lines and other related equipment)	126.6	163.7
Filling lines and other related equipment	180.6	232.9
Capital expenditure	**307.2**	**396.6**
Upfront cash	(143.3)	(146.0)
Net capital expenditure	**163.9**	**250.6**
Net capital expenditure as a % of revenue	*4.9%*	*7.8%*
Lease payments	51.7	47.2
Net capital expenditure, including lease payments	**215.6**	**297.8**
Net capital expenditure, incl. lease payments as a % of revenue	*6.5%*	*9.2%*

Net capital expenditure, including lease payments, decreased by €82.2 million to €215.6 million in 2024 (2023: €297.8 million), representing 6.5% of revenue (9.2% in 2023). The reduction in capital expenditure partly reflects completion of capital projects. This includes the construction of a new aseptic sleeve plant in Mexico, a chilled carton production facility in China and the expansion of bag-in-box capacity in the USA. The remaining reduction in net capital expenditure reflects lower filler capex, including a one-off benefit from lower filler inventory.

Upfront cash received for filling lines, presented in net cash from operating activities, was at a similar absolute level to the prior period but increased as a percentage of filling line and other related equipment expenditure to 79% (2023: 63%). Upfront cash as a percentage of filling line and other related equipment expenditure can vary depending on contract type and location.

SIG placed 75 aseptic carton filling machines in field in 2024. Taking account of withdrawals, the number of SIG aseptic carton filling machines globally reached 1,434, a net increase of 46. Some of the filling machines retired during the year will be reconfigured and redeployed. New filling machines placed in field have significantly higher capacity than retired filling machines.

NET CAPEX 2024 (€ million)



Cash flows

Net cash from operating activities decreased by €14.1 million to €649.2 million in 2024 from €663.3 million in 2023. This was impacted by increased tax and interest payments of €39.4 million. Overall net working capital items offset each other as we managed inventory levels while we continued to securitize our receivables. The gross amount of receivables sold into the program did not materially change compared to 2023, however, we were able to reduce our retained reserve. Net working capital was also positively impacted by higher volume incentives which are generally paid in the following year.

Cash used in investing activities in 2024 decreased by €88.1 million compared to 2023. The movements in capital expenditure is described under "Capital expenditure".

Free cash flow was €290.3 million compared with €219.5 million in 2023. It was primarily driven by the lower capital expenditure in the period, including a one-off benefit from lower filler inventory, and offsetting movements in net working capital positions.

The **net cash used in financing activities** of €320.2 million reflects dividends paid of €187.8 million, €73.5 million of debt repayments and €51.7 million of lease payments.

Net debt and leverage

(In € million)	As of Dec. 31, 2024	As of Dec. 31, 2023
Gross debt	2,474.9	2,457.5
Cash and cash equivalents	(303.4)	(280.9)
Net debt	**2,171.5**	**2,176.6**
Net leverage ratio	**2.6x**	**2.7x**

The net debt as of December 31, 2024 remained at a similar level to December 31, 2023. The adjusted EBITDA performance positively contributed to the net leverage ratio, which slightly decreased to 2.6x (2023: 2.7x).

Debt rating

	Company rating	Outlook	As of
Moody's	Ba1	Positive	March 2024
S&P	BBB-	Stable	March 2020

Other

Dividend

To allow our shareholders to participate in the cash-generative nature of our business, we have set a dividend pay-out target of 50-60% of adjusted net income.

At the Annual General Meeting to be held on April 8, 2025, the Board of Directors will propose a dividend of CHF 0.49 per share (2023: CHF 0.48 per share), totalling CHF 187.3 million (equivalent to €199.0 million as per the exchange rate as of December 31, 2024). This represents a dividend pay-out ratio of 65% of adjusted net income. If approved by the shareholders, the dividend will be paid from the foreign capital contribution reserve.

Foreign currencies

We operate internationally and transact business in a range of currencies. Whilst our reporting currency is the Euro, we generate a significant portion of our revenue and costs in currencies other than the Euro. Changes in the value of the Euro against other currencies in countries where we operate can affect our results and the value of balance sheet items denominated in foreign currencies. Our strategy is to reduce this exposure through the natural hedging that arises from the localisation of our operations. In addition, we systematically hedge all key currencies against the Euro using a twelve-month rolling layered approach.

We supply semi-finished and finished goods to certain of our non-European operations in Euros, and a number of our key raw material suppliers charge us for raw materials in Euros or US Dollars. As a result, a greater portion of our costs is denominated in Euros and, to a lesser extent, US Dollars compared with the related revenue generated in those currencies. Accordingly, changes in the exchange rates of the Euro and the US Dollar compared with the currencies in which we sell our products could adversely affect the results of operations. We expect to mitigate some of these cost mismatches through the opening and expansion of local production facilities in certain markets, ongoing efforts to qualify local suppliers and by using foreign currency derivatives.

2025 guidance

For 2025, the Group anticipates a broadly similar market environment as in 2024. The Company expects total revenue growth at constant currency and constant resin[1] of 3 to 5% in 2025.

The adjusted EBITDA margin is expected to be within the range of 24.5% and 25.5%. In line with its usual seasonality, the Group expects revenue growth and adjusted EBTIDA margins to be higher in the second half of the year. This is subject to input costs and foreign currency volatility.

Net capital expenditure, including lease payments, is projected to be within the Group's target range of 7-9% of revenue and the dividend pay-out ratio within a range of 50-60% of adjusted net income.

The adjusted effective tax rate is forecast to be between 26 and 28%.

Mid-term guidance

The Company confirms its mid-term revenue growth guidance of 4-6% at constant currency and constant resin with growth expected in the upper half of this range. Adjusted EBITDA margin is expected to be above 27% in the mid-term, driven by continued margin expansion in the aseptic carton business and the acquired businesses of chilled carton, bag-in-box and spouted pouch.

Net capital expenditure, including lease payments, is forecast to be within a range of 7-9% of revenue and the dividend pay-out ratio is expected to be within a range of 50-60% of adjusted net income.

SIG's business is expected to continue to be strongly cash generative, and the Company maintains its mid-term leverage guidance of towards 2x.

1 The resin escalator for the bag-in-box and spouted pouch businesses, which passes on movements in resin costs directly to customers, is not included in the guidance.

Enterprise risk management

The Group's enterprise risk management (ERM) process is designed to identify, assess, and mitigate actual and potential as well as emerging risks to our business in order to protect the Group from negative financial and/or reputational impact.

Furthermore, the ERM process facilitates the disclosure of risks to key stakeholders. It also raises internal awareness and provides a basis for informed decision-making. Our ERM process is an integral part of our strategy process and the results of our risk assessment are taken into account when defining our strategic initiatives. The ERM process, which is periodically reviewed by the Audit and Risk Committee and approved by the Board of Directors, is led by the Group General Counsel & Chief Compliance Officer.

Our ERM process is carried out in accordance with the Swiss Code of Best Practice for Corporate Governance. Our risk assessment takes into account the material topics we have identified based on the Global Reporting Initiative (GRI) Standards and our preliminary double materiality assessment under the Corporate Sustainability Reporting Directive (CSRD), for further information see Our material topics →. Climate change is one of our material topics, and climate-related risks and opportunities are identified following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), see our TCFD report →. Our approach to addressing climate-related risks and opportunities is integrated in our ERM process and includes transition risks in fast-moving consumer goods markets and physical climate risks to our assets and supply chain, as well as opportunities related to our low carbon footprint innovations. For more information on identified climate-related risks and opportunities, see Climate+ → and our TCFD report →.

Management is responsible for identifying and reporting risks and for implementing and tracking mitigation measures. Each top risk, including the respective mitigation actions, is owned by a member of the Group Executive Board. Each mitigation action has an owner at Group level who works closely with the respective regional functions to ensure local implementation.

At least annually, we review our top risks and mitigation actions in workshops with our regional and functional leadership teams. The results of these workshops are then discussed with the Group Executive Board. The top risks and mitigation actions are subsequently reviewed by the Audit and Risk Committee and ultimately by the Board of Directors, which also sets the risk profile and the risk capacities of the Group.

Mitigation actions and their implementation status are also tracked and reviewed throughout the year as part of our strategic initiatives and management processes.

The Audit and Risk Committee reviews the implementation of the risk management system and the integrity and accountability of the risk management function on an annual basis. As part of the ERM process, the Audit and Risk Committee also regularly discusses risks that could materially impact our business and financial position, as well as the development of internal controls to mitigate such risks. In addition, the Audit and Risk Committee periodically reviews the internal policies and procedures designed to secure compliance with laws, regulations, and internal rules regarding insider information, confidentiality, bribery and corruption, sanctions, and adherence to ethical standards, and assesses the effectiveness thereof.

The Audit and Risk Committee also discusses with the Group CFO and the Group General Counsel & Chief Compliance Officer any legal matters that may have a material impact on the Group's business or financial position and any material reports or inquiries by regulatory or governmental agencies that could materially impact the Group's business or financial position. The Audit and Risk Committee reports material matters to the Board of Directors on a regular basis.

The risks that we may be exposed to lie particularly in the areas of strategy, operations, sustainability, regulatory, legal and compliance, as well as finance.

Strategic risks

Description

We are exposed to several strategic risks, such as:

- The risk that our business model no longer adequately addresses the needs of customers and consumers.
- The risk of changing customer or consumer preferences.
- The risk of existing competitors or new market players.
- The risk that we do not keep up with new technology trends.
- The risk of geopolitical instability.

How we mitigate risk

- We regularly review our strategy.
- We constantly seek feedback from our customers, suppliers and other stakeholders.
- We monitor and assess the competitive landscape.
- We monitor technology trends and invest in development of new technology.
- We closely monitor the geopolitical developments.
- Our business is diversified regarding both geographies and products.

How we turn risk into opportunity

- We adapt our strategy where appropriate to be a pioneer in our industry.
- We explore new markets and business opportunities to expand our business.
- We implement new technology to meet and exceed customer and consumer expectations.

Operational risks

Description

We are exposed to several operational risks, such as:

- The risk that our supply chains are disrupted (e.g. due to geopolitical tensions and conflicts caused by regional instability).
- The risk of loss of production, including due to damage to key manufacturing facilities (e.g. caused by natural disasters, including flooding), IT failures, severe power blackout or energy shortages.
- The risk that we do not meet our high product quality standards or that our products do not comply with product food safety regulations.
- The risk that we do not meet our high standards to ensure the health and safety of our employees.
- The risk that our employees cannot perform their duties due to events such as a pandemic.
- The risk that we are not able to attract and retain employees (e.g., due to appearing to not sufficiently drive diversity and inclusion), resulting in limitations to maintaining, developing and growing the business.

How we mitigate risk

- We expand our supply base where appropriate, including new suppliers and materials to further increase supply chain resilience.
- We have implemented processes to ensure business continuity planning, including a pandemic contingency plan.
- We embrace renewable energy and technology advancements to decouple from traditional energy sources.
- We implement adaptation solutions for both existing and newly built manufacturing facilities to reduce identified climate-related physical risks.
- We constantly monitor cybersecurity risks and have implemented an information security management system to prevent, detect and swiftly remediate security incidents (including cyber-attacks and phishing attempts).
- We have a quality management system and invest to continuously improve the quality of our products.
- We take measures and foster a culture that prevents people incidents and work-related illness.
- We regularly review and adapt as appropriate our compensation structure and working conditions to remain an employer of choice, and we implemented a diversity and inclusion program.

How we turn risk into opportunity

- Our responsible sourcing program offers opportunities to develop sustainable suppliers that are more resilient towards climate change impacts.
- Our employer branding and employee wellbeing programs help us to remain an employer of choice for our existing and new talent.

Sustainability risks

Description

We are exposed to several sustainability risks, such as:

- The risk that acute or chronic impacts resulting from climate change affect forests, jeopardizing the availability of and costs for paperboard, one of our key raw materials.
- The risk of stricter climate-related regulations (e.g. on recyclability of packaging materials or on waste) or requirements for low-carbon products.
- The risk of potential negative impacts caused by our operations or our supply chain on the environment or communities, including human rights.

How we mitigate risk

- We have set near- and long-term emission reduction targets approved by the Science Based Targets initiative, aiming to achieve net-zero emissions by 2050.
- We drive innovation that promotes substantial reductions in the negative environmental impact (such as the carbon footprint) of our packaging solutions.
- Through our partnerships (e.g. with WWF Switzerland), we help to mitigate negative environmental impacts and enhance positive ones, such as initiatives to create additional sustainably managed forest land and foster the collection and recycling of used beverage cartons.
- We source 100% of our carton paperboard from FSC™-certified suppliers.
- We source 100% of the aluminum for our aseptic carton packs from ASI-certified suppliers.
- We are a signatory to the United Nations Global Compact and committed to adhering to the standards encompassed within the International Bill of Human Rights, the International Labor Organization's core labor standards and the Ethical Trading Initiative Base Code.
- We have systems in place to minimize negative environmental impacts for both, our operations and within our supply chain, and we conduct human rights due diligence.

How we turn risk into opportunity

- We invest in research and development to better meet the needs of customers and consumers, including enhancing the environmental performance of our packaging solutions.
- An increasing demand for sustainable products offers great business opportunities.
- We are committed to further reducing the carbon footprint of all our packaging and pioneer carbon-negative packaging concepts.
- Our focus on corporate social responsibility is recognized with high scores in various ESG ratings.

Regulatory, legal and compliance risks

Description

We are exposed to several regulatory, legal and compliance risks, such as:

- The risk of increasing regulatory requirements regarding, e.g. the environmental performance of our products throughout their life-cycle.
- The risk of stricter trade restrictions, including export controls, new or rising tariffs, and economic sanctions, prohibiting or restricting us from doing business in certain countries or with certain designated persons.
- The risk that our employees fail to act with integrity, in compliance with applicable laws and regulations and in accordance with our internal policies and processes (e.g. regarding anti-bribery and anti-corruption), which could result in negative reputational and financial impact for the Group.
- The risk that our financial reporting is inadequate.
- The risk of legal disputes.

How we mitigate risk

- We maintain a compliance management system, including regular compliance risk assessments and process-oriented controls.
- We provide guidance to our employees on acting with integrity through our compliance policies and training. For employees in high-risk roles, we regularly provide dedicated additional training on special compliance topics, such as anti-bribery and anti-corruption.
- We have implemented control systems to ensure compliance with applicable trade restrictions.
- We have implemented an internal control system for financial reporting.
- We operate a grievance mechanism for reporting any compliance issues or concerns including an Integrity & Compliance Hotline which is available to all our employees, as well as to external stakeholders.
- We monitor legislative developments and take action to comply with upcoming applicable laws and regulations.

How we turn risk into opportunity

- Acting with integrity, also beyond compliance with applicable laws and regulations, and conducting business based on values, enhances our Group's reputation.
- We invest in research and development of sustainable and environmentally friendly products to meet and exceed regulatory requirements and customer expectations.

Financial risks

Description

We are exposed to several financial risks, such as:

- The risk of increasing costs (including commodity, freight, energy and other input costs) due to, e.g. inflation.
- The risk of fluctuations in exchange rates.
- The risk of increasing interest rates.
- The risk that we do not have sufficient financial resources and liquidity.

How we mitigate risk

- We have processes in place to monitor and manage our costs.
- We have implemented hedging policies to manage the risk of fluctuations in exchange rates and commodity prices.
- We have established treasury policies that identify risks faced by the Group and set out policies and procedures to mitigate those risks.
- We maintain a broad network of financing sources, including bank financing and debt capital markets, in different geographies, and we maintain adequate cash and liquidity reserves.

How we turn risk into opportunity

- Our reporting of risks and opportunities adds transparency, permitting investors to make informed decisions.

Emerging risks

Description

In 2024, we continued to assess emerging risks that might become relevant for our business, including:

- The risk of increasing regulations related to plastics packaging.
- The risk of potential contributions to the loss of biodiversity along our value chain, including raw material supply, operations and product end of life.
- The risk of artificial intelligence and new technologies, such as blockchain, quantum computing and AI being used to attack our IT infrastructure, potentially resulting in business interruption and impacting our ability to supply our customers.

How we address such emerging risks

- We closely monitor the regulatory environment and engage in product innovation and product circularity.
- We pursue a strategy of responsible sourcing, which supports the building of resilient forests and the protection of biodiversity along our value chain including our operations.
- We assess, and where necessary improve, our IT security layers to prepare for and defend against cyber attacks with new technologies (such as blockchain, quantum computing and AI).

How we turn risk into opportunity

- An increasing demand for sustainable and more circular products offers great business opportunities.
- Providing information about the results of the performance assessment of our products along the life-cycle supports customers and consumers in making informed choices.

Sustainability

Our sustainability reporting

Sustainability is core to our business strategy and related reporting. This chapter of our Annual Report outlines our commitments, progress and performance in each area of our sustainability approach.

Additional environmental, social and governance (ESG) disclosures can be found in the appendix section, including our reporting in line with:

- Task Force on Climate-related Financial Disclosures (TCFD).
- EU Taxonomy.
- Global Reporting Initiative (GRI) Standards.
- Swiss law on reporting obligations on non-financial matters (Swiss Code of Obligations art. 964) and Swiss ordinance on climate disclosures.
- United Nations Sustainable Development Goals.

We also follow the requirements of art. 964j-l of the Swiss Code of Obligations (Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour). We have concluded that SIG is exempt from the Swiss requirements on due diligence and reporting on minerals and metals (**see also Reporting regulations and frameworks →**). Our reporting relating to due diligence on child labor is presented as a separate report in the appendix section.

We also track and report our progress through external assessments. We submit in-depth ESG disclosures specifically for investors and customers, including our annual submissions to CDP, EcoVadis, and the S&P Global Corporate Sustainability Assessment (used to inform the Dow Jones Sustainability Indices, DJSI).

Our reporting is continually evolving to align with best practices, regulations, and stakeholder expectations for enhanced disclosures.

For further information on our ESG disclosures and the reporting regulations and frameworks we follow, **see Reporting regulations and frameworks → and Our key policies →**.

Scope and assurance

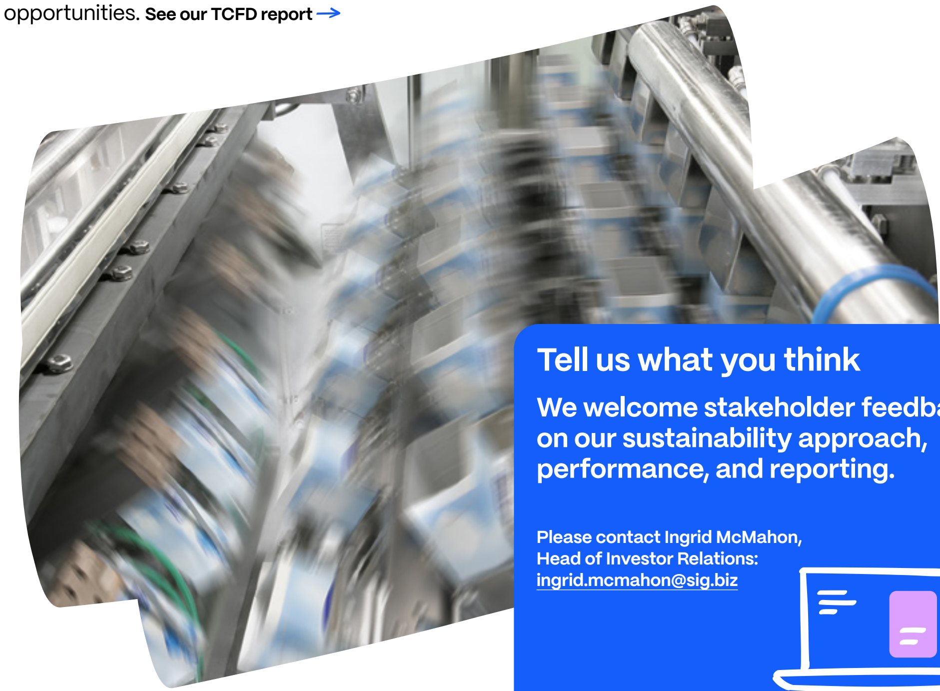
Our sustainability reporting covers the 2024 calendar year. Unless otherwise stated, data covers SIG Group AG and its subsidiaries (the same scope of consolidation as in the Group's consolidated financial statements).

We use key performance indicators (KPIs) to measure our performance and progress towards our sustainability targets. 2024 sustainability information marked with the symbol ✓ is externally assured with limited assurance by PricewaterhouseCoopers AG. **See assurance report →** For comparative years' data, see annual reports from prior years for details on assured data and scope of assurance.

Reporting regulations and frameworks

We align our sustainability reporting with (or are preparing to follow or align with) recognized external regulations or frameworks, covering a broad range of sustainability and ESG topics including:

- **CDP:** We disclose detailed information for investors and customers on our management and performance on climate, forests and water through CDP.
- **Dow Jones Sustainability Indices (DJSI):** In 2024, we responded to the S&P Global Corporate Sustainability Assessment survey for an investor audience for the fourth time.
- **EcoVadis:** We submit extensive information to support our annual assessment by EcoVadis for customers.
- **EU Corporate Sustainability Reporting Directive (CSRD):** We are evaluating the requirements of the CSRD and respective European Sustainability Reporting Standards (ESRS) and working to integrate necessary elements into our corporate governance and future reporting in order to fully report in line with the CSRD for the financial year 2025. We have performed a preliminary double materiality assessment guided under CSRD in 2024 – **see Our material topics →**
- **EU Taxonomy:** In 2022, we voluntarily conducted a first eligibility analysis of our aseptic carton business activities following the Taxonomy framework. In 2023, we expanded the eligibility analysis to include our bag-in-box, spouted pouch and chilled carton businesses, which were acquired mid-way through 2022. We will fully report in line with the EU Taxonomy for the financial year 2025. **See our EU Taxonomy report included as an appendix to the Annual Report →**
- **Global Reporting Initiative (GRI):** We report annually in accordance with the GRI Standards. Our GRI reporting for the 2024 reporting year is integrated in this Annual Report. **See GRI content index →**
- **Greenhouse Gas (GHG) Protocol:** Our greenhouse gas emissions are reported in accordance with the GHG Protocol (**see our GHG emissions basis for reporting →**). We are also reviewing guidance from the new Greenhouse Gas Protocol on Carbon Removals and Land Sector (currently in pilot phase) as a basis to establish a FLAG (forest land and agriculture) target once robust data is available in line with the Science Based Targets initiative's requirements.
- **Human rights due diligence and transparency:** As part of our workstream on human rights, we regularly conduct evaluations of due diligence activities, including related reporting required to meet recent regulations on this topic, such as the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO) (see below) and the German Supply Chain Due Diligence Law (Lieferkettensorgfalts-pflichtengesetz).
- **Science Based Targets Network:** SIG is a member of the Science Based Targets Network Corporate Engagement Program. We follow the requirements and report on progress **see Forest+ → Science Based Targets Network (SBTN) approach →**.
- **Swiss Code of Obligations art.964j-l (Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour):** Based on an assessment of our obligations regarding minerals and metals for 2024, we have concluded that SIG falls below the quantitative thresholds and therefore is exempt from the Swiss requirements on due diligence and reporting on minerals and metals from conflict-affected areas. The outcome of our assessment of our due diligence and reporting obligations regarding child labor is presented separately as an appendix in this report →.
- **Swiss law on reporting obligations on non-financial matters:** We report in line with the requirements of the Swiss law on reporting obligations on non-financial matters (Swiss Code of Obligations art.964b). **See our integrated report on non-financial matters (in the form of an index, with references to relevant sections in the Annual Report) included as an appendix to the Annual Report →**
- **Swiss Ordinance on Climate Reporting:** We report in line with the new Swiss Ordinance on Climate Reporting, which is based on TCFD (see below), and is applicable for the Group from this 2024 financial year. **See our integrated report on non-financial matters (in the form of an index, with references to relevant sections in the Annual Report) included as an appendix to the Annual Report →**
- **Task Force on Climate-related Financial Disclosures (TCFD):** We report in line with the TCFD recommendations, including scenario analysis, to address climate-related risks and opportunities. **See our TCFD report →**
- **Taskforce on Nature-related Financial Disclosures (TNFD):** Building on our established efforts to source renewable raw materials from sustainably managed forests and related to our broader commitments to prevent biodiversity loss and reduce our water footprint, we are using the TNFD framework to inform our assessment of risks and opportunities for our business and working towards TNFD reporting in future. **See Managing nature-related risks and opportunities →**
- **United Nations Global Compact:** As a signatory to the United Nations Global Compact, we submit an annual Communication on Progress.
- **United Nations Sustainable Development Goals (SDGs):** We describe how we are contributing to the SDGs in this report. **See Contributing to the United Nations Sustainable Development Goals →**



Tell us what you think

We welcome stakeholder feedback on our sustainability approach, performance, and reporting.

Please contact Ingrid McMahon,
Head of Investor Relations:
ingrid.mcmahon@sig.biz

Highlights and ratings

Highlights in 2024

Expanding the reach of aseptic cartons with no aluminum foil layer

In March 2024, SIG delivered its three billionth aseptic carton pack without an aluminum foil layer for use in the European dairy industry and sold during 2024 over 250 million packs of the new SIG Terra Alu-free Full barrier carton pack in China.

Reducing greenhouse gas emissions

We have reduced our GHG greenhouse gas emissions (Scope 1, 2,3) per liter packed by 9% from a 2020 baseline.

Supporting thriving forests

Our first project with WWF[1] continued in Mexico to support key ecosystems and secure a critical corridor for jaguars by working to improve the management of 100,000 hectares of forest landscapes, as well as reforesting and restoring a further 750 hectares. Two more large scale forest landscape conservation and restoration projects started with WWF in Malaysia (170,000 ha) and Thailand (60,000 ha).

We discussed forest landscape restoration projects contributing to our Forest+ ambition with our key paperboard suppliers and received letters of intent. A concept was finalized to create a market value of the forest positive projects for our customers and at the point of sale. This includes the option to link SIG cartons to the projects via an on-pack communication.

Reinforcing our commitment to environmental stewardship and innovation

SIG entered into a network partnership with the Ellen MacArthur Foundation, with the aim of advancing the transition towards circular packaging systems.

Accelerating business action on climate, health and food

We also joined the Food Cluster of the Climate & Health Coalition hosted by Forum for the Future. We helped to build a toolkit for food and drink system businesses that: highlights current activity at the intersection of climate, health and food; generates case studies to inspire and accelerate action for others; and provides guidance on key topics and opportunities for action.

Developing new nutrition options

The world's first long-life probiotic buttermilk, created in collaboration with our customer AnaBio Technologies, was launched at Gulfood 2024. In addition to probiotics, SIG has defined a new product matrix with three other focus areas for product development: protein, sugar reduction and better hydration. In the field of sugar reduction SIG is partnering with food tech companies to reduce the sugar content naturally without impairing taste and texture.

1 Through the WWF Forests Forward program: SIG Group – Forests Forward – explorer.land.

External ratings and indices in 2024

Dow Jones Sustainability indices

SIG was included in two Dow Jones Sustainability Indices (DJSI) for the first time. The inclusion in the DJSI World and DJSI Europe indices highlights our commitment to long-term shareholder value and leadership in sustainability.[1]

S&P Global Sustainability Yearbook

In addition SIG was included for the third time in S&P Global Sustainability Yearbook. Only 15% of participating companies assessed by the S&P Global Corporate Sustainability Assessment survey in each industry are included.

EcoVadis

SIG was awarded the highest sustainability status in the EcoVadis rating for Corporate Social Responsibility (CSR), with a record score of 96/100, up from 86/100 in 2023. Our platinum rating again puts SIG in the top 1% of businesses participating in the EcoVadis sustainability assessment.

MSCI AAA

MSCI ESG Research provides MSCI ESG Ratings on global public and a few private companies on a scale of AAA (leader) to CCC (laggard), according to exposure to industry-specific ESG risks and the ability to manage those risks relative to peers. In 2024 SIG Group AG received a rating of AAA in the MSCI ESG Ratings assessment, up from AA in 2023.[2]

Sustainalytics

In December 2024, SIG Group received an ESG Risk Rating of 10.5 and was assessed by Morningstar Sustainalytics to be at low risk of experiencing material financial impacts from ESG factors.[3]

SXI Switzerland Sustainability 25® Index

We maintained our position among the top 25 most sustainable companies listed on the SIX Swiss Exchange based on a third-party assessment.

FTSE4Good Index Series

SIG Group AG is a constituent of the FTSE4Good Index Series, created by the global index provider FTSE Russell to measure the performance of companies demonstrating strong ESG practices.[4]

Awards and recognition in 2024

Green Packaging Star Award

Awarded in Austria to the SIG Terra MidiBloc Alu-free packaging solution.

WorldStar for Packaging award 2024

For SIG's bag-in-Box developed for Suvinil in Brazil.

Awards for the SIG Rayong plant

The SIG plant at Rayong, Thailand received an "Excellent" rating from Thailand's Greenhouse Gas Management Organization. The plant also received the Platinum Award at the THAILAND SAFE@ WORK#36 for its implementation of an Occupational Safety and Health Management System standard.

Best HR Programs 2024

Awarded to SIG China by HRflag, a leading human resources management think tank in China.

SIG Wins Fortune China ESG Impact Award 2024

For the first time, Fortune China opened its ESG impact assessment to foreign companies operating in China. Out of more than 200 companies from sectors such as renewable energy, manufacturing, internet technology, finance and healthcare, SIG was the only company from the packaging industry to be selected for its commitment and excellence in ESG implementation.

Growing our business sustainably

Strengthening our business

Sustainability is not just good for people and the planet. It is good for business.

These are some of the ways in which our approach – including our bold ambitions towards a regenerative packaging solution – strengthens our business:

- **Driving business growth** by helping customers meet demand for more sustainable products, strengthening SIG's competitive edge, and opening new market opportunities.
- **Stimulating innovation** to create more sustainable packaging solutions.
- **Attracting top talent** as people increasingly want to work for companies making a positive impact.
- **Enhancing brand reputation** and strengthening relationships with stakeholders.
- **Supporting compliance** with growing regulations on ESG topics.
- **Mitigating business risks** related to ESG topics (see **Key business risks related to ESG topics** →).
- **Contributing to long-term value creation** and sustainable growth for investors.

1 Effective on February 10, 2025, S&P Dow Jones Indices ("S&P DJI") renamed some sustainability and ESG related indices. DJSI World is renamed into Dow Jones Best-in-Class World Index and DJSI Europe into Dow Jones Best-in-Class Europe Index.

2 The use by SIG Group AG of any MSCI ESG research llc or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of SIG Group AG by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

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4 FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that SIG Group AG has been independently assessed according to the FTSE4Good criteria and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

Our sustainability approach

Climate+
Removing more carbon than we emit

Climate+ →

Forest+
Creating more thriving forests

Forest+ →

Delivering a regenerative packaging system

Resource+
Accelerating innovation on circularity

Resource+ →

Food+
Improving access to nutrition and cutting food waste

Food+ →

Sustainable innovation & Responsible culture

SIG – for better

We are not just creating packaging, we are moving towards a regenerative future to ensure that growth helps people and the planet to thrive.

Business has a role to play in the transition towards a more sustainable and resilient future. The food system can play a decisive role in driving change. Packaging plays an enabling role in bringing food and nutrition to consumers in a safe, sustainable and affordable way. This is SIG's purpose.

Sustainability is one of four strategic priorities in SIG's corporate compass (**see Strategic priorities →**) and is closely linked to each of the other priorities – people, customer and growth.

We design sustainable solutions by:

- offering highly efficient filling technologies with the lowest waste rates
- delivering packaging solutions that preserve nutritious food mostly under ambient conditions, thus helping to establish resilient supply systems
- fulfilling our role with the smallest environmental footprint along the life cycle compared with other substrates[1]

A regenerative packaging solution does not yet exist, but when it does it will:

- be entirely made from responsibly sourced, endlessly renewable or recycled materials in a lightweight design that minimizes resource use
- be fully and easily recyclable anywhere in the world
- remove more carbon from the atmosphere than is emitted during its life cycle
- bring safe and healthy nutrition to everyone

This solution will go beyond reducing negative impacts on nature and biodiversity by delivering positive outcomes for people and the planet.

Towards a more sustainable future

To meet different consumption habits and customer needs, we offer three solutions with demonstrable advantages in terms of environmental footprint and resource efficiency along the full value chain: beverage carton, spouted pouch and bag-in-box.

We are committed to innovation in our products and processes to reduce environmental impact, promote ethical sourcing, and support the wellbeing of both consumers and our planet. We work collaboratively with industry peers, driving positive change and ensuring that food packaging plays a vital role in building a resilient and equitable food system for generations to come.

We are striving to minimize any negative outcomes at every stage of the value chain – from sourcing to production, filling, use and recycling of our packs. And we are going further to generate more positive outcomes for people and the planet. Our pledge to future generations is to create a system that helps eliminate food loss and waste, improve food availability and security, and ensure that nature thrives alongside a sustainable food supply chain.

1 Disposable plastic and glass bottle, aluminum can, glass jar, steel can and plastic pot, according to full comparative life-cycle assessments of packaging systems for food, UHT milk and non-carbonated soft drinks on the European market. Life-cycle assessments – SIG – for better.

Our road to a regenerative packaging system

In a context of rising expectations and increasing regulation, we are committed to maintaining our track record on sustainability. We strive for a regenerative approach that actively restores and revitalizes ecosystems, mitigates climate change, promotes social equity and supports circularity. To achieve this, we focus on areas where we have the largest impact and opportunities.

Strategy and ambition	Actions and outcomes
Forests: By protecting and restoring the forest, and improving the management of forests, SIG contributes to biodiversity, climate change mitigation and other ecosystem services which are essential for the overall health of our planet.	**FSC™ Certified:** We ensure that all the paperboard used in our cartons is linked to wood sourced from sustainably managed forests and other controlled sources, certified by the Forest Stewardship Council (FSC™)[1] **Biodiversity Protection:** We actively work on specific projects with WWF to protect forest landscapes, expand FSC™ certified forests worldwide and help prevent biodiversity loss.
Resources: SIG is dedicated to accelerating innovation, circularity, and renewability. Our focus on circularity is aimed at reducing waste, and eliminating marine litter and reducing the overall environmental impact of our packaging.	**Renewable Resource:** Cartons are primarily made from paperboard, a renewable resource derived from side streams and thinning wood. **Recyclability:** All SIG cartons are designed for recycling. We actively collaborate with policymakers, communities, and regions to improve and build the necessary collection and recycling infrastructure globally. Our goal, alongside industry peers, is to collect 90% of cartons and reach recycling rates of 70% across Europe by 2030.

Strategy and ambition	Actions and outcomes
Climate: SIG is actively working to reduce its greenhouse gas emissions towards Net Zero in line with climate science and the Paris Agreement. By aligning our emission reduction pathway with our growth planning and quantifying the positive climate outcomes of our solutions, we are taking concrete steps towards a more sustainable future.	**Low Carbon Footprint:** Compared with glass and plastic bottles, SIG packaging has a lower carbon footprint due to its production process, transportation weight, and space-saving design.[2] Additionally, when sourced from sustainably managed forests, carton packaging contributes to carbon sequestration.[3]
Food: SIG is committed to delivering more nutritious food and supporting regenerative food systems. In designing our filling systems, we focus on further optimizing our low waste rates. Initiatives like Cartons for Good and SIG Incubator deliver more nutritious food and foster a sustainable transition in the food system.	**Reduced Food Waste:** SIG packaging enables long-term storage of nutritious food without preservatives or refrigeration, significantly reducing food loss and waste, especially in regions lacking reliable cooling systems.

By focusing on these areas and pushing the boundaries of innovation, SIG is committed to creating a regenerative food packaging solution that contributes to ecosystem restoration, climate change mitigation, and circularity.

1 FSC™ license code FSC™ C020428.
2 For a wide range of food and beverages, based on independent critically reviewed life-cycle assessments for beverage carton, bag-in-box and spouted pouch solutions conducted in line with ISO 14040 and ISO 14044 standards.
3 While growing, trees absorb CO_2 from the air, storing it in their biomass and in the soil. Our LCAs take account of this carbon sequestration in relation to the bio-based materials of our carton packaging. Life-cycle assessments – SIG – for better.

Pioneering a regenerative transition

To deliver regenerative solutions we also need transparent and credible methodologies to measure positive outcomes for nature and people.

In 2016, we published a set of bold ambitions to contribute more to society and the environment than we take out across our value chain, in line with the net positive principles. Activities performed since then include:

1. As a member of the Net Positive Project, we joined other pioneering companies and non-governmental organizations determined to raise the level of ambition for corporate sustainability – to go beyond simply doing less harm to actively target positive contributions that help regenerate the environment and create a thriving society.
2. We contributed to the Business Transformation Compass developed by Forum for the Future to guide businesses on transformational strategies that support a regenerative and just transition. The Compass was launched in 2021 and has become another inspiration and a reference for our sustainability approach.
3. We also continued our participation in SHINE (Sustainability and Health Initiative for NetPositive Enterprise), which engages companies from multiple industries around the concept of handprints to measure positive outcomes – opposing footprints that are typically used for negative impacts of companies and products.
4. We have joined the Climate & Health Coalition Food Cluster of the Forum for the Future to better work towards the interconnectedness of nature and its role to deliver nutrients while being exposed to multiple threats such as climate change. **See Food+ →**
5. We have partnered with the Ellen MacArthur Foundation to accelerate circularity and to find partners in turning used packaging materials into valuable resources. **See Resource+ →**
6. We have entered into more projects within our partnership with WWF Switzerland where we foster on-the-ground landscape restoration projects which help biodiversity to thrive – while at the same time continuing our efforts to protect biodiversity in the forests we source from. **See Forest+ →**

Our material topics

Our sustainability approach is built on our material topics

Our material topics influence our strategy and business model, determine the scope of the sustainability reporting and impact the implementation of policies, actions and allocation of resources.

Our material topics have been identified based on the GRI Standards 2021 (GRI 3-1 Process to determine material topics) and were supplemented by our preliminary double material assessment under the Corporate Sustainability Reporting Directive (CSRD)[1,2]. Further details on our GRI materiality assessment is presented in the SIG 2023 Annual Report[3].

In preparation for our adoption of CSRD in our 2025 Annual Report, we performed a double materiality assessment at SIG Group level in 2024 to identify material impacts risks and opportunities in SIG's value chain. The process was guided by the European Sustainability Reporting Standards (ESRS), following the approach prescribed by the ESRS 1 and the European Financial Reporting Advisory Group (EFRAG) Implementation Guidance. The double materiality assessment under CSRD is more granular compared to an assessment of material topics under the GRI standards. The outcome of the preliminary double materiality assessment underpins the conclusions reached in our identification of material topics under the GRI standards.

Other sections in this Annual Report include additional information on how we manage our material topics. The table "Our material topics" presented below shows how the GRI material topics in this Annual Report maps to our sustainability chapters as well as to the preliminary assessed material topics under CSRD. In anticipation of the full adoption of CSRD in 2025, the section "Process and Methodology" below describes the procedures performed for the double materiality assessment in 2024 under CSRD.

Process and methodology

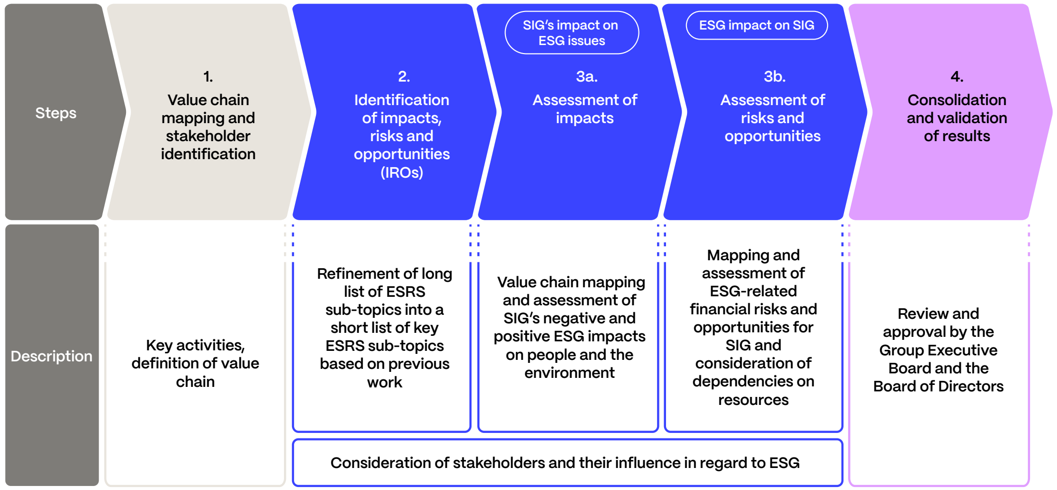
The 2024 preliminary double materiality assessment under ESRS considered impacts, risks and opportunities. The process was conducted and managed by an external consultancy in close collaboration with SIG's sustainability experts and cross-functional teams. The evaluation was informed by internal and external sources and documents, such as market studies, industry reports and expert opinions. The assessment considered both impact and financial materiality along the value chain (upstream activities, own operations and downstream activities).

Within the **impact materiality** process, we assessed the effect SIG has or could have on people and the environment, encompassing both positive and negative as well as actual and potential impacts.

The **financial materiality** process covered both risks with negative financial effects arising from environmental, social and governance (ESG) matters, as well as ESG-related opportunities with positive financial effects.

A long list of IROs was assessed throughout own operations, upstream and downstream value chain, considering our products, services and business relationships. As part of the assessment, we considered impacts, risks and opportunities over the short (1 to 3 years), medium (3 to 5 years) and long term (over 5 years).

The process of the double materiality assessment involved the following steps:



1. Value chain mapping and stakeholder identification

The value creation of our packaging solutions extends from our direct customers to investors and citizens across the globe. Our upstream value chain includes raw materials, indirect third-party suppliers, transportation and distribution partners. Our own operations encompass owned and leased assets and production plants, employees, research and development, product design, marketing and sales. Downstream activities involve transportation and distribution, processing of sold products, the use phase (including both customers within the food and beverage industry as well as end-consumers) and the end-of-life stage involving disposal and recycling partners.

We identified internal and external stakeholders that were considered as part of the double materiality assessment. Internal stakeholders included management, employees and investors, whereas external stakeholders included suppliers, customers and end-consumers, policymakers and regulators, local communities around SIG's production sites, sustainability experts, non-governmental organizations (NGOs) and industry partners.

1 Issued by the European Union and applicable for large companies with significant operations in the EU.
2 The assessment of material topics has also been used for the Swiss non-financial matter reporting to satisfy the due diligence requirements. **See our report on non-financial matters →**.
3 SIG Annual Report 2023 p. 277-278.

2. Identification of impacts, risks and opportunities (IROs)

The identification of sustainability matters was guided by the ESRS classification of topics, sub-topics and sub-sub-topics to ensure a thorough and structured approach to understand the IROs that are relevant for SIG and its stakeholders.

The list of ESRS topics was mapped to all the sustainability matters identified under the GRI methodology. The mapping was performed in order to ensure consistency and comparability with the GRI materiality assessment.

Industry-specific IROs were identified from sector reports, research and ratings. The IROs were identified through internal analyses and documentations, as well as interviews and engagement with internal experts, advisors and peer benchmarking. An initial long list of IROs was developed considering each step of the value chain and subsequently refined into a short list of key IROs based on a prioritization assessment.

3. Assessment and prioritization of IROs

a. Assessment of impacts (impact materiality)
To assess the materiality of impacts, we considered their likelihood and severity, the latter determined by their scale, scope and irremediable character. Scale represents how grave the negative impact is or how beneficial the positive impact is for people or the environment. Scope indicates how widespread the negative or positive impacts are (i.e. extent of environmental damage or number of people adversely affected). Irremediable character, only applicable for negative impacts, indicates whether and to what extent negative impacts could be remediated to their prior state. The likelihood represents the probability of occurrence of the impact and is assessed for potential impacts.

The assessment involved mapping and evaluating SIG's actual and potential as well as positive or negative ESG impacts on people and the environment across the value chain. Country, sector and product information were used for impact definitions, utilizing both internal and external sources. The scoring of the severity of impact materiality was aligned with ESRS 1 and the EFRAG Implementation Guidance.

b. Assessment of risks and opportunities (financial materiality)
To assess the materiality of risks and opportunities, we considered both their likelihood and magnitude of their financial effects. Categories considered to inform our assessment included financial loss/gain, business disruptions/opportunities, regulatory and legal penalties and reputational damage/gain. The assessment for risks and opportunities was conducted on a gross basis prior to mitigation measures. The scoring of magnitude was aligned with SIG's ERM approach, ESRS 1 and the EFRAG Implementation Guidance.

4. Consolidation and validation of results

To validate the materiality of IROs, we conducted validation sessions with subject matter experts and representatives from different functions within the Company who themselves interact with various key stakeholder groups. These internal stakeholders provided insights and served as proxies for external stakeholders' interests and views. Inputs from external stakeholders were considered by leveraging our independent Responsibility Advisory Group (RAG), feedback received from suppliers, customers and investors. External stakeholders' views and interests were also considered by leveraging the GRI materiality assessment and stakeholder engagements conducted in 2023. The preliminary 2024 double materiality assessment will be finalized in 2025. It was reviewed and discussed by SIG's Group Executive Board and the Audit and Risk Committee.

Overview of our material topics

The table "Our Material Topics" below presents GRI material topics as well as the link to the relevant Sustainability chapters of the current Annual Report. It also includes the mapping to the ESRS material topics identified as part of this year's preliminary double materiality assessment.

The preliminary results of the 2024 double materiality assessment indicates that all five ESRS environmental topics are material. Among the four social ESRS topics, three (own workforce, workers in the value chain, and consumers and end-users) are deemed material, while affected communities are considered non-material. The ESRS topic business conduct is also identified as material.

Our material topics

Sustainability chapters	GRI material topics	ESRS material topics
Climate+	• Climate change	Climate change
Forest+	• Biodiversity and forest ecosystems	Biodiversity and ecosystems
Resource+	• Waste and circular economy	Pollution Circular economy
	• Water	Water and marine resources
Food+	• Product safety and integrity	Consumers and end-users
Sustainable innovation	• Innovation in products and services	Circular economy Consumers and end-users
Our supply chain	• Responsible suppliers	Workers in the value chain Business conduct
Forest+ **Resource+** **Our supply chain**	• Sustainable raw materials	Circular economy
Human rights	• Human rights	Workers in the value chain
Our people	• Diversity equity and inclusion	Own workforce
	• Employee satisfaction, development and working environment	Own workforce
Health safety and wellbeing	• Health safety and wellbeing	Own workforce
Governance and ethics	• Fair business practices[1]	Business conduct

Description of ESRS material topics identified as part of the preliminary 2024 double materiality assessment

- **Climate change:** GHG emissions and fossil fuel reliance drive climate change, with most emissions occurring outside our direct control. Climate adaptation solutions, like aseptic packaging, reduce energy dependency and enhance resilience. Physical risks and regulatory changes can cause financial losses but investing in low-carbon technologies mitigates risks and increases our competitiveness.
- **Pollution:** The sourcing of raw materials and production can decrease air and water quality through pollutants. Plastic waste decrease water quality at the end-of-life phase. Improved recyclability meets consumer demand for sustainable packaging, enhancing competitiveness and creating financial opportunities.
- **Water and marine resources:** Extracting raw materials like bauxite for aluminum and wood for paperboard is water-intensive, leading to significant water withdrawals, depleting local resources, and generating wastewater.
- **Biodiversity and ecosystems:** Raw material extraction and transportation impact biodiversity through habitat destruction, pollution, and invasive species. Sourcing FSC™ and ASI Aluminium products mitigates these impacts. Packaging disposal can release pollutants affecting ecosystems.
- **Circular economy:** Using non-renewable resources may cause resource depletion. Increasing the sourcing of recycled materials and fostering collection and recycling initiatives capitalize on opportunities like resource efficiency, new market demand, green financing, resilience, and enhanced reputation.
- **Own workforce:** Measures against workplace violence and harassment, extensive learning and development opportunities, and a focus on health and safety support our workforce. We provide access to a safe working environment.
- **Workers in the value chain:** Our supply chain faces challenges in gender inequality, workplace harassment, and disability inclusion. Health and safety concerns and job insecurity persist in the chemical and raw materials extraction industries. Our commitments help enforce human rights standards, prohibiting forced and child labor.
- **Consumers and end-users:** Accessible food packaging with features like easy-open tabs benefits consumers. Our packaging ensures end-user safety by preventing microbial, chemical and physical contamination, prolonging shelf life, and protecting food during transit.
- **Business conduct:** We foster a corporate integrity culture through strong governance and high ethical standards. We are committed to sustainable purchasing practices through our Supplier Code of Conduct, audits and training.

1 Fair business practices is not identified as a material topic under GRI but regarded as a strategic topic for SIG. Anti-corruption is not a material topic for SIG.

Our key policies

Information on our commitments and our activities and measures to implement our policies on environmental matters, social issues, employee-related matters, respect for human rights and combating corruption is included in the relevant sustainability chapters. Additional information in relation to various sustainability-related matters can be found in SIG's key policies, which provide further details on our commitments, targets, implementation approach and specific responsibilities. We aim to reduce the negative sustainability-related impacts of our business and maximize climate-positive outcomes by adhering to our key policies. The key sustainability-related policies and the SIG Code of Conduct are approved by the Board of Directors.

The table below provides an overview of SIG's key policies. The key policies are available on our website. See our website: https://www.sig.biz/en/sustainability/esg

SIG key policies

	Environmental matters						**Social matters**		**Employee-related matters**			**Respect for human rights**	**Combating corruption**
Topic	Climate change	Waste and circular economy	Biodiversity and forest ecosystems	Sustainable raw materials	Water	Innovation in products and services	Responsible suppliers	Product safety and integrity	Diversity, equity, and inclusion	Employee satisfaction, development, and and working environment	Health, safety, and wellbeing	Human rights	Anti-corruption / Fair business practices
Sustainability chapter	Climate+	Resource+	Forest+	Forrest+ Resource+ Our supply chain	Resource+	Sustainable innovation	Our supply chain	Food+	Our people	Our people	Health, safety, and wellbeing	Human rights	Governance and ethics
SIG's key policies *(with chapter references)*													
Overview of SIG's ESG commitments	●	●	●	●	●	●	●	●	●	●	●	●	
Code of Conduct									2		3	4	6 7
Supplier Code of Conduct							●					●	
Corporate Governance Policy													3 4.2 4.4
Environment, Health and Safety Policy (EHS)	4.1 4.2	4.5 4.7	4.6	4.1 4.2 4.4	4.3	4.7 4.8		4.8			5.1 5.2 5.3		

● The whole key policy is relevant.

SIG key policies

	Environmental matters						**Social matters**		**Employee-related matters**			**Respect for human rights**	**Combating corruption**
Topic	Climate change	Waste and circular economy	Biodiversity and forest ecosystems	Sustainable raw materials	Water	Innovation in products and services	Responsible suppliers	Product safety and integrity	Diversity, equity, and inclusion	Employee satisfaction, development, and and working environment	Health, safety, and wellbeing	Human rights	Anti-corruption / Fair business practices
Sustainability chapter	Climate+	Resource+	Forest+	Forest+ Resource+ Our supply chain	Resource+	Sustainable innovation	Our supply chain	Food+	Our people	Our people	Health, safety, and wellbeing	Human rights	Governance and ethics
SIG's key policies *(with chapter references)*													
Responsible Sourcing Policy	4.3 4.4		4.2	4.2			4.1 4.2					4.1	
Human Rights, Labor and Community Engagement Policy							5.1		5.4	5.5 5.6 5.7		5.1 5.2 5.3 5.4	
Product Stewardship Policy	4.1 4.2	4.1	4.1	4.1	4.1 4.2	4.1 4.2		4.1					
Product Safety and Quality Policy								4.1 4.2 4.3					
Liquid Packaging Board Purchasing Policy			4 5				4					4	
Anti-Bribery & Anti-Corruption Policy (internal only)													●

● The whole key policy is relevant.

Our sustainability governance

The Board of Directors (Board) reviews and approves SIG's sustainability strategy, governance, and reporting, including the annual sustainability reporting. The Board's Nomination and Governance Committee (NGC) oversees the Company's strategy and governance on corporate responsibility for ESG matters, in particular regarding key issues that may affect the Group's business and reputation, including climate and nature-related risks and opportunities. The NGC advises the Board on such matters.

The Board and the Group Executive Board (GEB) receive regular updates regarding the Group's sustainability initiatives and ESG performance. The Vice President Corporate Development and Sustainability provides such updates to the NGC and the Board twice a year and provides input to the Board in its annual strategy meeting. This ensures that the Board maintains oversight of these matters and KPIs that are relevant to the Group's business.

In 2024, training sessions were conducted with individual Board members on SIG's sustainability approach and ESG disclosure requirements. The full Board received a briefing on (1) SIG's sustainability achievements with a focus on climate change impacts and progress on circularity and (2) the evolution of SIG's sustainability approach and the shift towards a regenerative packaging solution.

The Audit and Risk Committee (ARC) reviews and discusses the Group's sustainability reports with management and, to the extent applicable and relevant, with the Group's assurance providers. It monitors the Group's performance against the Group's sustainability KPIs. It also makes recommendations to the Board on the Group's public reporting on ESG matters.

Ultimate accountability for the Group's ESG performance and progress lies with the CEO and the GEB. This accountability is underpinned by an ESG-related element incorporated in the GEB members' Short-Term Incentive Plan. GEB meetings cover, where relevant, items on sustainability and ESG topics. The GEB approves the Group's annual sustainability report before approval by the ARC and ultimate approval by the Board.

GEB members are part of the Responsibility Steering Group (RSG), which also includes senior representatives of key functions and each of the regions. The RSG meets twice a year to review progress and ensure alignment of ESG-related work across the business.

Each focus area of the Group's sustainability approach, including related commitments, is owned by a member of the RSG, who is accountable for setting goals and delivering progress through targeted workstreams. Leaders from relevant business functions and regions are responsible for implementing the Group's sustainability commitments, with support from their teams and subject matter experts.

We publish our policies on ESG topics to clearly set out our commitments. Accompanying in-depth internal operating procedures support effective implementation across the business. Employees are provided with training on topics relevant to their role. We also strive to inform and engage all our people on sustainability, with support from our network of Future+ Ambassadors. As part of the SIG Academy, 12 e-training modules on sustainability have been launched and are available to all employees. Interactive webinars on sustainability were also delivered as part of our Upskill sessions, to further build awareness on sustainability topics.

The SIG Foundation also supports our ambitions through targeted charitable projects and partnerships that strengthen civil society and create positive impacts for the environment. Members of the leadership team sit on the SIG Foundation's Board of Trustees.

For more on the SIG Foundation and an overview of its activities in 2024, **see Communities →**

Due diligence approach

The Group applies a due diligence approach to address environmental matters, social matters, employee-related matters, human rights and anti-corruption. Relevant impacts, risks and opportunities are regularly assessed and policies implemented and regularly updated. The policies define commitments and targets, as well as measures (implementation approach) and responsibilities in relation to these matters. Measures in place are aimed at reducing negative impacts or increasing positive impacts, where possible.

Measurement and effectiveness

The Group has different management approaches in place to implement measures and ensure their effectiveness. The Group defines KPIs in relation to various matters such as environmental matters, social matters, employee-related matters, human rights and anti-corruption which are regularly reviewed and help us to also quantitatively assess effectiveness and performance over the years against targets. In cases of a negative development of KPIs or in cases of non-achievement of targets, counter measures can be taken or measures may be adjusted to enhance effectiveness.

SIG sustainability governance structure

Board of Directors (Board)
Role: Reviews and approves SIG's sustainability governance, strategy, and communication

Group Executive Board (GEB)
Role: Accountable for responsibility roadmap

External Responsibility Advisory Group (RAG)
Role: Provide strategic input in the development of SIG's CR agenda and provide feedback on SIG's approach and performance

Responsibility Steering Group (RSG)
Role: Ensure alignment and cross-functional collaboration in the implementation of SIG's sustainability goals and responsibility roadmap

Chair: Vice President Corporate Development and Sustainability[1]

- Chief Executive Officer (CEO)
- Chief Financial Officer (CFO)
- Chief Supply Chain Officer (CSO)[2]
- Chief Technology Officer (CTO)
- Chief Markets Officer (CMO)
- Chief People & Culture Officer (CPCO)
- President & General Manager Europe
- President & General Manager Asia Pacific
- President & General Manager Americas
- President & General Manager India, Middle East & Africa
- Senior Vice President Group Legal & Compliance
- Vice President Global Product Marketing
- Vice President Global Sourcing & Procurement
- Vice President Global Research & Development
- Vice President Corporate Development & Sustainability
- Finance Director Group Accounting & Reporting
- Director Investor Relations
- Head of Corporate Communications
- Managing Director SIG Foundation

Executives of business functions/regions
Role: Responsible for implementing the strategy and delivering must-wins

Future+ Ambassadors
Role: Engage employees on key sustainability topics

SIG Foundation[3]
Role: Drive activities and projects that strengthen civil society and create positive impacts for the environment

1 Joined SIG and the RSG in August 2024 (succeeding the previous position of Director Corporate Responsibility).
2 New CSO joined SIG and the RSG on November 15, 2024.
3 Formerly known as the SIG Way Beyond Good Foundation.

Integrating external insight

Members of the GEB meet twice a year with our independent Responsibility Advisory Group (RAG), a group of external experts who provide strategic input to the RSG and GEB and challenge us to improve.

In 2024, the RAG focused on understanding SIG's role in delivering the most sustainable packaging solutions in view of shifting paradigms on sustainability. We discussed most likely futures in view of expectations of consumers, SIG customers and societies. Related to progress on our sustainability approach, we also discussed the role of innovation in accelerating the transition required to meet global goals on climate, nature and circularity.

RAG members agreed that SIG's approach is delivering systemic change beyond the packaging value chain, particularly in relation to the environmental priorities of climate and nature, and they appreciated our sharpened focus on regenerative solutions integrating our objectives relating to climate, nature, food and circularity.

From Left to Right:
Samuel Sigrist, Thomas Vellacott, Matthew Sherwood, Isabelle Riege, Anne Erkens, Gail Klintworth, Gregory Norris, Veronique Cremades-Mathis, Karina Boers, Christian Bauer, Gavin Steiner, Christoph Wegener.

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SIG continues to push forward with its sustainability approach, advancing from the 'net positive' to driving a regenerative future. The Company has set a clear pathway with ambitious science-based targets which encompass value chain responsibility. And SIG is going beyond the value chain too – for example through its partnership with WWF, with its focus on nature and biodiversity. The boldness of the overall approach is consistent with delivering positive outcomes for society and the planet.

SIG has made good progress on its climate targets although more remains to be done to meet the targeted reduction in Scope 3 emissions. The addition of new projects within the Climate+ program shows that the Company is taking the Scope 3 challenge seriously and is responding.

Employee engagement plays a key role in achieving sustainability objectives, so I am encouraged by the widespread initiatives that seem to be tapping and amplifying employee sustainability passion across the organization.

Greg Norris (RAG Chair)
Co-Director of the Sustainability and Health Initiative for NetPositive Enterprise (SHINE)

"

Providing safe packaging for food brings broader benefits in terms of nutrition and health. SIG's global presence means that these benefits are delivered to some of the populations who need them most. At the same time, countries with more recent industrialization benefit from SIG's commitment to human rights, environmental protection and innovation.

SIG is pursuing the ultimate goal of a regenerative packaging system while driving progress towards a circular economy. This is not something that can be done alone. SIG has a track record of entering into partnerships to accelerate progress. In 2024, by joining the Climate & Health Coalition Food Cluster of the Forum for the Future, SIG has affirmed its intent to participate in the transformation of our food and agricultural systems towards outcomes that deliver health benefits for both people and planet.

Gail Klintworth
Chair, Non-Executive Director, and (Board) Advisor: Rabobank, Shell Foundation, MAS Holdings, Globescan, Takeda Pharmaceuticals, Al Dabbagh Group, Savo Project Developers

"

Over the years the sustainability priorities of SIG and its customers have become increasingly intertwined. SIG's strength in reducing packaging waste and primary resources usage can help customers with their own ESG reporting and disclosures. In addition, the ability to deliver ever more sustainable solutions is fundamental to SIG's innovation and a clear differentiator. It is good to see progress in introducing such solutions for bag-in-box and spouted pouch, which opens the way for a further expansion of SIG's competitive advantage.

A rigorous regulatory environment should not be an impediment to progress. On the contrary - the most experienced and agile companies are able to leverage regulatory requirements to enable and support them on their journey.

Companies that stay the course in their sustainability objectives will be prized by investors whose portfolios are oriented towards Net Zero and who recognize that a sustainable approach to business will increase profitability.

Matt Sherwood
Chief Executive Officer Pothos Partners & Chief Investment Officer for the Pothos Climate Fund

"

SIG's commitment to helping forests to thrive naturally goes hand in hand with the goal of protecting nature and biodiversity. However, the Company's ambitious climate goals are also a vital pillar, ensuring a holistic and cohesive approach to the challenges that the natural world faces today.

SIG has made meaningful commitments to WWF's Forests Forward program. I am pleased to see that, in addition to on-the-ground action, engagement with suppliers on afforestation and restoration of additional forest areas is starting to move ahead. This is how partnership between WWF and private sector companies brings real benefits.

In 2024, SIG and WWF announced their third project to support forest ecosystems around the world. This project, in Thailand, follows on from the projects already underway in Mexico and Malaysia →. All three projects not only address the degradation of forest landscapes and the decimation of wildlife species – they also engage and empower local communities in order to deliver fair and lasting solutions.

Thomas Vellacot
Chief Executive Officer, WWF Switzerland

"

Consumers generally want packaging to be environmentally friendly but not to the detriment of ease of usage and food safety. The task therefore is to meld optimal use of resources and outstanding design with food integrity. SIG has succeeded in doing this, as evidenced by its innovation journey so far – although we all recognize that more work needs to be done in moving towards cost parity for the most sustainable formats.

Recyclability is the main driver for the beverage carton to be perceived as environmentally friendly. The use of renewable and recycled materials and a reduction in plastics content are key to deliver on the ambition. SIG's targets on increasing the already high paper content in its aseptic cartons and its introduction of both renewable and recycled plastics are therefore key milestones. Further progress will be made through an innovation roadmap that anticipates the expectations of the GenZ consumers of the future.

Veronique Cremades-Mathis
Chief Strategy & Commercial Officer, SATS

Stakeholder engagement

We engage with stakeholders to understand what matters most to them, and we respond to their feedback. Based on their feedback, we continually review and update the Group's key policies on sustainability-related topics (**see Our key policies →**). https://www.sig.biz/en/sustainability/esg

How we engage with stakeholders

	How we engage	Key topics and concerns	Our response
Customers	• Customer questionnaires • Net Promoter Score • Regular interactions with customers through sales and service • Dedicated meetings and workshops on sustainability topics with SIG's sustainability experts • Partnerships, including to develop new products and support recycling initiatives • Partnerships on workplace safety	• Environmental and social issues • Compliance with regulations related to packaging • How we can support progress towards their sustainability goals, notably related to carbon emissions • Recyclability of products, recycling infrastructure • Use of renewable and recycled materials and responsible sourcing traceability • New nutritional offerings	• Established industry platforms e.g SEDEX and EcoVadis, to demonstrate compliance • Product innovation • ISO-compliant life-cycle assessments of our packaging solutions • Customized product carbon emission calculations provided on request • FSC™[1] and ASI certifications and on-pack labels, and support for customer reporting on responsible sourcing • In 2024, we also provided customer support for Scope 3 emissions reporting • ISCC PLUS certification for renewable polymers
Employees	• Annual global employee survey • SIGer internal social app • Regular day-to-day dialogue • Formal appraisals • Consultation with employee representatives • Townhall meetings • Recognition schemes • Future+ Day • Community engagement programs • Health and safety committees • Upskill sessions • SIG Academy • Employee interviews and focus groups • Hiring Manager experience surveys	2023 global employee engagement survey results: • Overall engagement remained strong • We outperformed the industry benchmark in all categories • Room for improvement in relation to engagement, collaboration, and physical working conditions	• Employee survey results shared with managers and employees at global and local levels • Action plans to address specific concerns. Hiring Manager experience surveys to assess talent acquisition service delivery

1 FSC™ license code FSC™ C020428.

How we engage	Key topics and concerns	Our response
Industry		
• Industry associations and platforms including our newly founded global Food and Beverage Carton Alliance (FBCA) see Resource+ • The Consumer Goods Forum • The Alliance to End Plastic Waste	• Common advocacy goals • Shared industry challenges e.g. increasing collection and recycling rates for used packaging • Aligned Design for Recycling guidelines and assessment protocols on recyclability	• Helped set up FBCA • Contributed to the newest 4evergreen publications on Circularity by Design guidance and Evaluation protocols for UBC specialized recycling mills • Within EXTR:ACT worked on an assessment protocol for fiber-based packaging entering the used beverage carton waste stream.
Investors		
• Annual General Meeting • Quarterly reporting and investor calls • Twice-yearly management roadshows • Capital markets days • Regular dialogue (192 investor meetings in 2024) • Investor conferences (ten in 2024) • Investor questionnaires	Investors seek sustainable, long-term returns. The main ESG topics they raised continued to be: • Recycling and circularity • Futher paperization of SIG's packaging products • Alignment with EU Taxonomy, TCFD, TNFD	• Driving progress on recycling and circularity • Reporting uptake of our most sustainable products • Integrating sustainability credentials in our marketing and sales materials • Investor meetings • Investor meetings with sustainability experts
Suppliers		
• Regular engagement and partnerships • Communication of our expectations on ethical, social and environmental topics • Compliance assessments and audits	Suppliers need to know what our requirements are on responsibility so they can understand how to meet them.	• Supplier Code of Conduct • Encourage suppliers to maintain certification to standards on responsible sourcing • Engage with key suppliers to support our net positive ambitions • Partnerships to identify and source materials that enable us to develop lower-carbon packaging solutions • Signed letters of intent with liquid packaging board suppliers for aseptic carton

How we engage	Key topics and concerns	Our response
Sustainability experts and non-governmental organizations (NGOs)		
• Responsibility Advisory Group (RAG) • Regular conversations with experts from academia, institutes, government, and NGOs • Participation in multi-stakeholder initiatives • Engagement with experts e.g. Institute for Energy and Environmental Research (ifeu) and Forum for the Future • Partnerships with NGOs e.g. WWF Switzerland • Ellen McArthur Foundation	• Understanding future trends • Management of our most material topics • Setting ambitious targets • Transparent reporting on our performance following recognized international standards • Circularity	• Sustainability built into our Corporate Compass and key business processes • Clear governance structure • Reporting in accordance with the Global Reporting Initiative (GRI) Standards • External assurance for key data • Use of international protocols and standards in the management of specific focus areas • Joined the Ellen McArthur Foundation to engage in the circularity of our bag-in-box and spouted pouch solutions globally • Joined the Food Cluster of the Climate & Health Coalition hosted by Forum for the Future • Joined the SBTN Corporate Engagement Program
Policymakers and regulators		
• Engagement through relevant industry associations	Broad range of topics including: • Responsible production • Sustainable consumption • Recycling and circular economy • Pathway to Net Zero greenhouse gas emissions • Human rights due diligence • Contributions to global goals • Corporate sustainability reporting	• Identification of material topics • Topics relevant to public policy addressed through our sustainability action areas and enablers • Support for EU Packaging and Packaging Waste Regulation (PPWR): helping to ensure beverage cartons are collected and recycled in an easy and simple way in EU • Following developments regarding sustainability reporting legislation and standards
Local communities around SIG production sites		
• Community engagement program • Family days and open days at our sites • Recycling initiatives • SIG Foundation	Issues raised by communities are generally locally specific.	• Expansion of SIG Foundation projects • Employee-led community engagement initiatives • Community recycling programs • Global engagement day

Employees, suppliers, customers and any third parties can report issues or concerns via our Integrity & Compliance Hotline.

Certifications

Certified to recognized standards

We use independent third-party certifications to recognized external standards to demonstrate our robust management of sustainability and ESG topics and support continuous improvement in line with best practice. These certifications include:

- **ASI (Aluminium Stewardship Initiative):** Our aseptic carton business is ASI Performance Standard certified, all associated SIG production plants are ASI Chain of Custody certified, and all aluminum foil for our aseptic cartons is purchased as ASI certified.
- **FSC™ (Forest Stewardship Council™):** Chain of Custody certification is in place at all our aseptic and chilled carton production plants, and related sales offices (FSC™ license code FSC™ C020428). All the paperboard for our cartons is purchased with FSC™ Mix certification[1] – including for our chilled cartons from January 2024.
- **GFSI (Global Food Safety Initiative) recognized standards:** All our packaging production plants maintain top level certification with GFSI-recognized standards – such as Brand Reputation Compliance Global Standards (BRCGS) packaging standard, Safe Quality Food (SQF) and Food Safety System Certification (FSSC 22000 – except our chilled carton plant in Taiwan which is currently certified to ISO 22000:2018 and working towards certification to a GFSI-recognized standard).
- **ISCC (International Sustainability and Carbon Certification) PLUS:** Certification to handle ISCC PLUS certified materials is in place at all our aseptic carton production plants, our closure production plant in Switzerland, and two bag-in-box production plants to handle polymers linked to renewable or recycled material via an independently certified mass balance system.
- **ISO 14001:** ISO 14001 certification for environmental management is in place for SIG globally.
- **ISO 14040 and ISO 14044:** Independent experts use these standards to carry out ISO-conformant life-cycle assessments of our packaging solutions that are critically reviewed by an independent panel for additional verification.
- **ISO 27001:** Certification to ISO 27001 for information security management is maintained in China, Germany, and Romania scoping the provision of Information Communication Technology Infrastructure, related applications, data centers, and production operations.
- **ISO 45001:** Global ISO 45001 certification is maintained for health and safety management for all SIG plants.
- **ISO 50001:** Certification to ISO 50001 for energy management is maintained at our three aseptic carton production plants in Europe and at our bag-in-box and spouted pouch plant in Eisfeld (Germany).
- **ISO 9001:** Certification to ISO 9001 for quality management is in place for our aseptic carton production globally, and for some bag-in-box and spouted pouch production plants.
- **LEED:** Our Middle East and Africa headquarters and Tech Center in Dubai have achieved Platinum LEED certification for sustainable buildings, as has our Tech Center in China. Our second plant in Suzhou (China) and our new plant in Querétaro (Mexico) have achieved Gold.
- **SEDEX Members Ethical Trade Audit (SMETA):** SMETA audits are completed on a two-yearly cycle at our 30 production plants, our office sites in Australia and Mexico, and several SIG legal entities in Germany and Switzerland. In 2024, we established a process to bring all our non-production sites into the SEDEX platform to assess their human rights risk as part of a human rights due diligence process. 10 out of these 40 sites were analyzed in 2024 with the remainder to be completed by 2025.

Key business risks related to ESG topics

Our most material ESG risks – including climate-related risks – are integrated into our annual enterprise risk management process, which assesses risks based on potential financial and reputational implications for the business (**for further details, see the Enterprise risk management section in our Annual Report →**). ESG topics are integral to several of the main business risks identified in our latest enterprise risk assessment. Each top risk, including the respective mitigation actions, is owned by a member of the Group Executive Board. Each mitigation action has an owner at Group level who works closely with the respective regional functions to ensure local implementation. For additional details about sustainability and ESG-related risks and opportunities, **see Our material topics → and our TCFD report →**.

1 Our cartons use paper-based liquid packaging board, referred to throughout as "paperboard". SIG uses FSC™ Mix material that allows the mixing of FSC™ certified wood with FSC™ controlled wood and ensures that an equivalent amount of FSC™ certified wood is procured at the beginning of the value chain. SIG FSC™ license number FSC™ C020428.

Climate+

Our pathway to a Net Zero value chain by 2050

78%
reduction in Scope 1 and 2 greenhouse gas emissions from 2020 to 2024

9%
reduction of overall emissions (Scope 1, 2 and 3) per liters of food packed from 2020

100%
renewable electricity for production in 2024

We are supporting global goals by driving greenhouse gas (GHG) emission reductions in our operations and throughout our value chain in line with the latest standards of the Science Based Targets initiative (SBTi).

Our products play a key role by offering customers the lowest carbon packaging solutions in each relevant market segment. Aseptic cartons, bag-in-box and spouted pouches also help reduce carbon emissions by preserving food for long periods without the need for refrigerated delivery or storage.

Climate change poses a significant threat to both human health and the planet. Extreme weather events not only affect health – they can restrict access to resources, thereby endangering livelihoods. There is a rapidly closing window of opportunity to secure a regenerative and inclusive future for all.

Risks to natural and human systems are expected to be lower with global warming at 1.5°C.[1] However, to limit warming to 1.5°C, the world needs to reach Net Zero – the point at which a balance is achieved between emissions produced and emissions removed from the atmosphere – by 2050.[1] Tackling climate change is also closely tied to efforts to halt biodiversity loss and support nature positive outcomes. By combining innovation with responsible environmental management, we can drive economic growth while protecting ecosystems and conserving natural resources for future generations.

On top of our efforts to reduce our footprint, we are working to achieve positive outcomes on climate change mitigation and adaptation within and beyond our value chain. All our actions help us to mitigate climate-related risks for our business and strategy, which we regularly assess, while meeting growing expectations from stakeholders for corporate action on climate.

1 The Intergovernmental Panel on Climate Change (IPCC) Report.

Our commitments

We are supporting the transition to a lower-carbon economy by reducing the environmental impact of our company, our sourcing and our products. We are committed to continue offering our customers the lowest carbon packaging solutions in every market segment and are pioneering even lower-carbon packs.

Our pathway to Net Zero prioritizes decarbonization of our operations and value chain in line with climate science to help keep global warming below 1.5°C. This requires a transition to a lower-carbon economy in which companies reduce their environmental impact and – more radically – decouple emissions and production growth.

Our **SBTi-approved targets** set clear and ambitious goals for reducing greenhouse gas emissions.

Near-term commitments for 2030:
- **42%** absolute reduction of Scope 1 and 2 greenhouse gas emissions (from 2020)
- **100%** renewable electricity through 2030
- **51.6%** reduction of Scope 3 greenhouse gas emissions per liter packed (from 2020)

Long-term targets for 2050:
- **90%** absolute reduction of Scope 1 and 2 greenhouse gas emissions (from 2020)
- **97%** reduction of Scope 3 greenhouse gas emissions per liter packed (from 2020)
- Net Zero value chain greenhouse gas emissions

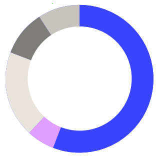
Our targets and climate transition plan are comparable with Swiss climate goals. **See our TCFD report → the KPI section below → and the appendix on Greenhouse gas emissions basis for reporting →.**

Reducing carbon footprint at every stage of the life cycle

Our commitment to the lowest carbon packaging solutions is based on ISO-compliant, critically reviewed and science-based life-cycle assessments (ISO 14040 series). The visual below shows how we are working to reduce the carbon footprint of our packs at every stage of their life cycle.

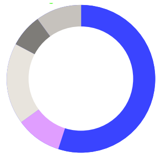
For more on the results of our life-cycle assessments following ISO 14040,
see Sustainable innovation →

Aseptic carton[1]



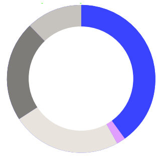
Sourcing	56%
Manufacturing	6%
Transport	19%
Filling	10%
Recycling	9%

Bag-in-box[2]



Sourcing	55%
Manufacturing	10%
Transport	18%
Filling	7%
Recycling	10%

Spouted pouch[3]



Sourcing	40%
Manufacturing	2%
Transport	24%
Filling	22%
Recycling	12%

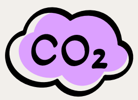
Design

Environmental considerations are core value drivers in our product development. Our sustainable innovation includes:

- replacing virgin fossil-based polymers with renewable or recycled alternatives
- eliminating the need for carbon-intensive aluminum
- optimizing resource use in packs and filling
- making more of our bag-in-box and spouted pouch solutions recycle-ready.

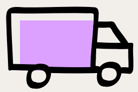
Sourcing

Our cartons are made mainly from renewable paperboard. We source renewable polymers[4] for our SIG Terra solutions and offer recycled polymers[4] for aseptic cartons, while piloting these for bag-in-box. We also reduce the carbon footprint of materials by sourcing them with certifications, such as FSC™, which provides carbon benefits from sustainable forestry, and ASI, which requires aluminum smelters to limit and reduce their carbon emissions.



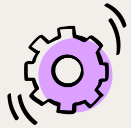
Manufacturing

We make our packaging using 100% renewable electricity and, while we explore viable alternatives, we compensate emissions from use of non-renewable energy in production through Gold Standard CO_2 offsets. ISO 14001 certified environmental management systems support continuous improvement in energy use and greenhouse gas emissions at all our plants. Training helps employees understand how they can play their part in cutting our environmental impacts, including energy use and greenhouse gas emissions.



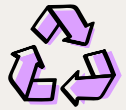
Transportation

Our aseptic packs avoid the need for fuel-intensive refrigerated transportation by enabling food to be safely transported and stored in ambient conditions. Our carton packs also help customers cut emissions from distributing their products as they are lighter weight and use space more efficiently than alternative packaging types, such as bottles and cans. We further reduce transportation emissions by delivering our packs to customers in compact form and filling trucks fuller for fewer journeys and less fuel use. Our new aseptic carton production plant in Mexico has increased local production capacity to serve the Americas, reducing transportation distances to customers.



Filling

Our aseptic filling technology helps to prevent food waste – a major driver of global CO_2 emissions – by ensuring food can be safely stored for up to 12 months. We strive to improve the efficiency of our filling machines with every new generation. SIG NEO, our next-generation filling machine for family-size aseptic cartons, is designed to cut energy use and offer a 25% lower carbon footprint.[5] Our technical service teams help aseptic carton customers minimize the use of water, energy and compressed air in their factories, including through upgrade kits for existing machines and the SIG EcoFill Consulting program.



Recycling

Our cartons are designed to be fully recyclable and we are working to make more of our bag-in-box and spouted pouch solutions recycle-ready.

We work through industry associations to advocate enabling legislation and we partner with a range of local stakeholders on programs to improve collection and recycling rates of used packaging. These programs cut emissions from landfill and keep materials in circulation.

1 Illustrative figures referring to the climate change impact of an average 1 liter SIG aseptic beverage carton in EU27+3 based on indicative results from our internal LCA tool.
2 Illustrative figures referring to the climate change impact of an average 3 liter retail bag-in-box in EU27+3 based on indicative results from our internal LCA tool.
3 Illustrative figures referring to the climate change impact of an average small-size spouted pouch in EU27+3 based on indicative results from our internal LCA tool. Contribution from filling includes forming and sealing of spouted pouch.
4 Linked to forest-based renewable material and recycled polymers via an independently certified mass balance approach.
5 Anticipated savings compared with our previous generation filling machines.

Our approach

Measures to reduce Greenhouse Gas Emissions from our operations, value chain and beyond

Direct operations

- Implement energy-saving technologies in factories and offices.
- Direct sourcing of renewable electricity: on-site solar and power purchase agreements.
- Replace natural gas e.g., with biogas, green hydrogen.
- Transition on-site vehicles to electric or renewable energy sources.
- Use biomaterials for printing.
- Explore carbon capture technologies or other low-carbon innovations to reduce emissions from our manufacturing processes.

Upstream value chain

- Collaborate with suppliers to implement low-carbon technologies in their manufacturing processes, focusing on energy efficiency improvements, renewable energy adoption, and sustainable production methods.
- Engage with suppliers to optimize sourcing practices and reduce the footprint of our key materials by improving material efficiency, minimizing waste and selecting more sustainable alternatives if available.
- Transition the product portfolio to aluminum-layer-free packaging solutions, focusing on innovative, low-carbon alternatives that reduce overall emissions without compromising product quality or performance.
- Shift to low-carbon and recycled materials by sourcing sustainable alternatives produced with renewable energy and incorporating recycled content into packaging.
- Optimize inbound logistics to reduce transportation emissions by improving supply chain efficiency, adopting greener transportation methods and partnering with sustainable logistics providers.
- Transition supplier transportation fleets to alternative fuels or electric vehicles.

In 2025, we will intensify our supplier engagement with a program starting with scoping and priority setting to identify key suppliers with the highest potential for impact. Within this program we will provide targeted support to these suppliers through capacity building, tailored resources, and expert guidance to help them adopt sustainability practices aligned with climate science.

Downstream value chain

- Reduce utility and electricity demand for our filling machines and equipment.
- Enhance end-of-life recycling by collaborating with municipalities and waste management systems, increasing the recyclability of packaging, and developing recycling infrastructure in regions with poor recycling systems.
- Create closed-loop recycling systems in partnership with retailers for packaging returns.
- Promote consumer education on proper recycling methods; introduce reusable packaging programs or extended producer responsibility schemes; and provide tools and resources that help customers measure and reduce their carbon footprint related to SIG's products.

Beyond value chain

- Support land restoration and carbon capture projects to create carbon sinks beyond SIG's direct value chain.
- Contribute to renewable energy projects outside SIG's direct operations, such as wind or solar farms in developing countries or regions with limited access to clean energy.
- Partner with NGOs, governments, and industry groups to drive innovation in sustainability and promote climate-positive initiatives beyond SIG's immediate footprint.
- Participate in public-private partnerships to foster system-wide decarbonization across sectors.

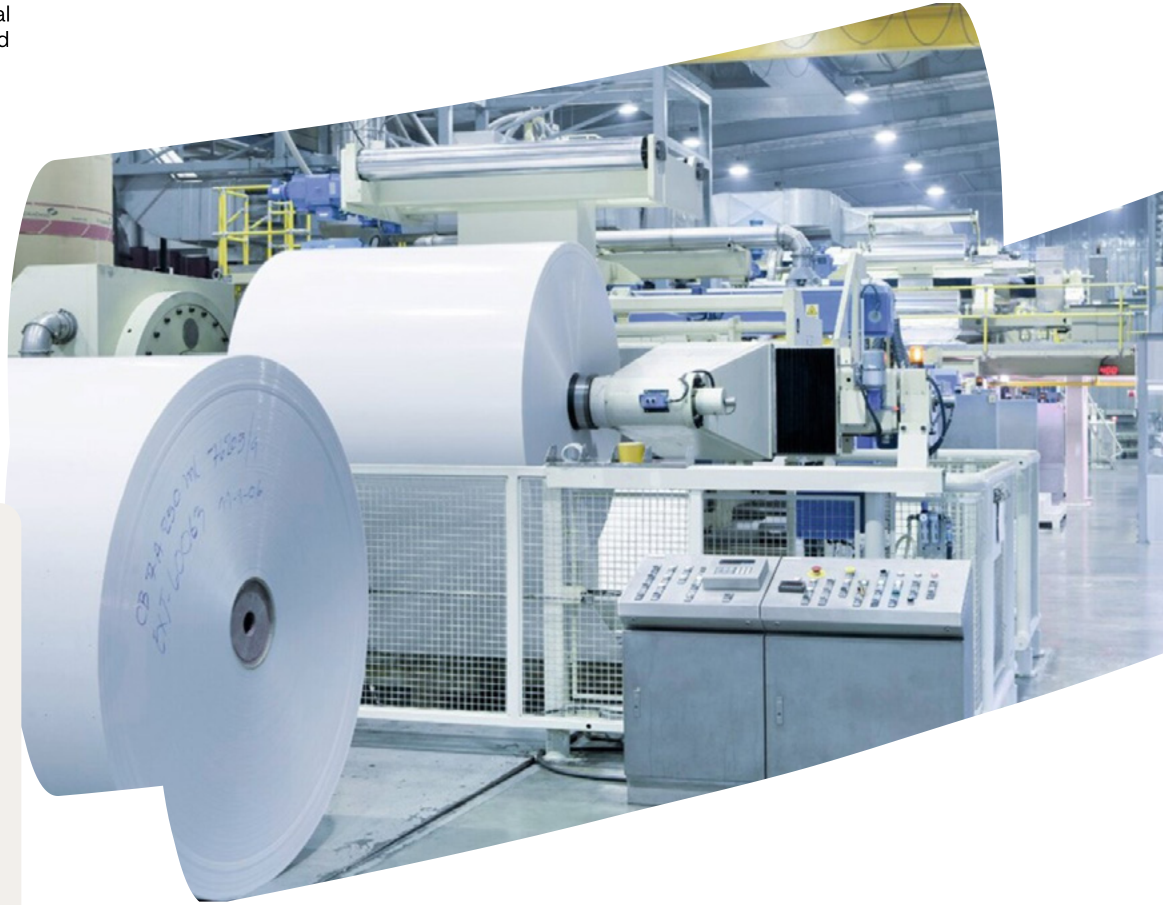
Our targets and performance

Targets, progress and performance

Target	Progress tracker	2024 performance
Material topic: Climate change		
Net Zero value chain greenhouse gas emissions by 2050	More work to do	Our pathway to Net Zero prioritizes decarbonization of our operations and value chain, and we are implementing a series of workstreams to support progress
Reduce Scope 1 and 2 greenhouse gas emissions by 42% by 2030 – and by 90% by 2050 (from 2020)	On track	We have cut our total Scope 1 and 2 greenhouse gas emissions by 78% from the 2020 baseline
Reduce Scope 3 greenhouse gas emissions by 51.6% per liter packed by 2030 – and by 97% by 2050 (from 2020)	More work to do	Our Scope 3 emissions per liter packed decreased by 5% from 2020, slightly behind our reduction pathway
Maintain 100% renewable electricity and Gold Standard CO_2 offset for all non-renewable energy (at production plants)	On track	We used 100% renewable electricity to make our packs and compensated for all non-renewable energy for production through Gold Standard CO_2 offsets
Expand use of on-site solar power to meet at least 10% of our global electricity use as part of overall renewable power purchase agreements (PPAs) to meet 25% of our global electricity use by 2025	On track	We have expanded our total on-site solar capacity to 37.7 MWp. On-site solar power met 6.5% of our global electricity needs for production this year and, overall, renewable PPAs (both on- and off-site) met 22.6%
Transition to 100% bioethanol or other biomaterials for printing our aseptic cartons by 2025	Completed	Since January 2024 all of our aseptic plants only purchase plant-based ethanol for printing purposes
Reduce CO_2 emissions from inbound and outbound logistics by 18% (from 2020) by 2025	On track	CO_2 emissions from our inbound and outbound logistics across SIG Group have decreased by 11% from 2020

Measures to decarbonize our value chain in 2024

- We refined our strategies for the main Scope 3 categories, adjusting the impact and timing of critical projects such as the transition to aluminum-free packaging and portfolio changes for packaging and machines, while considering growth forecasts.
- We prioritized strengthening partnerships with key suppliers, particularly for major commodities, to reduce emissions throughout our supply chain via collaboration projects.
- We identified carbon removal solutions within our supply chains, including logistics and commoditysourcing, as part of a holistic approach to emissions reduction.
- To ensure we remain on track to meet our mid- and long-term goals, as well as customer expectations, we have developed interim emission reduction milestones to closely monitor progress and make adjustments as needed.
- We provided Scope 3 greenhouse gas emissions data for our customers across substrates.
- Efforts were intensified to boost collection and recycling rates in key regions through the **Resource+** → program.



Assessing effectiveness

We assess the resilience of our business strategy in the light of climate-related risks. Our operations report plant specific data, energy usage and emissions on a monthly basis. The GEB conducts monthly reviews of production KPIs. The Vice President of Global Sourcing and Procurement, who reports to the Chief Supply Chain Officer[1], conducts a regular review of raw materials and energy sourcing. The Chief Supply Chain Officer reviews Climate+ projects on a quarterly basis[2].

Responsibility for managing the Climate+ program

- Raw materials and energy sourcing: Global Sourcing & Procurement
- Production: Global Production & Supply Chain, supported by Global Environment, Health & Safety (EHS)
- Product design: Global Technology with support from Global Marketing
- Filling machines: Global Research & Development and Global Engineering & Application teams
- Logistics: Global Supply Chain Management
- Recycling: Local teams, overseen by Regional Presidents

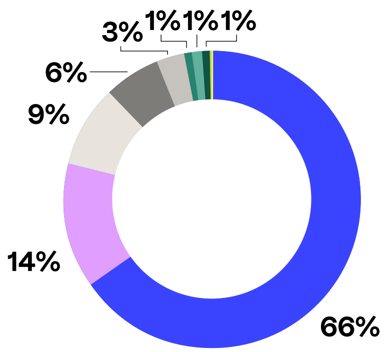
1 From November 2024. For the first 11 months of the year, responsibility was held by the Vice President of Global Sourcing & Procurement.
2 For the first 11 months of the year the Climate+ program was reviewed by the Vice President Global Production & CIS.

Progress in 2024

In 2024, we set clear interim milestones toward achieving Net Zero for both our own operations (Scope 1 and 2) and across our entire value chain (Scope 3), based on in-depth analysis of a range of scenarios and working closely with our suppliers to ensure alignment with our sustainability goals. As part of our Climate+ approach, we are also identifying and pursuing opportunities for beyond-value-chain mitigation to further reduce our environmental impact.

SIG Group emissions

by category in 2024[1]



1 Due to rounding, the sum of individual percentages may not precisely equal 100%.

Decarbonizing own operations

- We continued to make progress in reducing Scope 1 and 2 emissions, primarily through the purchase of renewable electricity.[1] We have achieved approximately 78% savings since 2020, well ahead of our 2030 target of a 42% reduction.
- Reducing Scope 1 emissions from the combustion of fossil fuels in our operations remains a key challenge. The Operations, EHS, and Sourcing (GSP) teams are actively working to identify and implement solutions to address this issue as part of our broader sustainability efforts.
- Further efforts are needed to achieve our near-term SBTi 2030 target of a 51.6% reduction in Scope 3 GHG emissions per liter packed from 2020 (currently at 5%).
- While we have already reduced overall[2] emissions per liter packed by 9% between 2020 and 2024, challenges such as the disproportionate growth of smaller packaging formats and expansion into regions with lower recycling rates are offsetting some of our progress.
- To address these obstacles and accelerate progress, we are increasing the scope of our Climate+ program (**see Outlook →**).
- We maintained ISO 50001 certification for energy management systems at our three aseptic carton production plants in Europe and achieved certification for our bag-in-box/spouted pouch plant in Eisfeld, Germany.

1 We currently purchase renewable electricity through energy attribute certificates, as well as directly through on- or off-site power purchase agreements.
2 Overall emissions consider Scope 1, 2 & 3 for SIG Group.

SIG Group emissions rate – Scope 1, 2, and 3 greenhouse gas emissions intensity

(grams CO_2e / liters of food packed)

Decarbonizing our value chain

- As of 2024, we have achieved a total emissions intensity of 67 gCO_2e per liter packed[1], considering all emissions across SIG Group (Scope 1, 2, and 3).
- Sales of SIG Terra solutions increased by a further 9%[1] in 2024. These solutions lower the carbon footprint of our aseptic cartons by up to 63%[2] and have now avoided an estimated 83,800 metric tons of CO_2 equivalent emissions (compared with standard SIG aseptic cartons).[3] **See Sustainable innovation →**
- Globally, we have maintained a high full-truckload rate (95%) for delivering our aseptic cartons since 2021. In 2024, the rate was 93.8%, as the challenging global logistics situation led customers to place smaller orders to quickly fill production gaps. Future reductions in outbound logistics will depend on the availability of lower-carbon alternatives in the transportation market (trucks, vessels). **See our e-truck success story on the next page.**
- Through continuous improvements, the energy requirements of our filling machines in the aseptic carton business that were sold in 2024 were reduced by 2% vs the base year 2020. For the bag-in-box, spouted pouch and carton filling equipment businesses, we are defining energy reduction targets and plan to report them from 2025.[4]

1 In 2024, we packed a total of 30.37 billion liters.
2 Based on independent, critically reviewed life-cycle assessments conducted in line with ISO 14040 and ISO 14044 standards.
3 Compared with standard SIG packaging material for aseptic cartons, based on EU27+3 average, cradle-to-grave results of independent, critically reviewed life-cycle assessments conducted in line with ISO 14040 and ISO 14044 standards.
4 Filling and packaging per pack.

2024 success stories

Transportation and travel

Launch of our first e-truck transportation in Europe
In November 2024, we embarked upon an exciting journey towards more sustainable logistics in Europe. We have worked in close collaboration with our trucking partner, their warehouse, and one of our customers to implement our first fully electric truck (e-truck) operation. This represents a significant step forward in reducing our carbon emissions in the transportation segment.

The e-truck will operate on a dedicated roundtrip route from Linnich to Mechernich and back, potentially including an additional stop at our customer's location. This carefully planned route ensures the e-truck's efficiency, aligns with charging needs, and strengthens the partnership between all parties involved.

This project is a testament to our commitment to low-carbon transportation solutions and our ability to bring together stakeholders for a common sustainability goal. By taking this proactive step, we are contributing to a cleaner future while maintaining our promise of reliable and efficient deliveries.

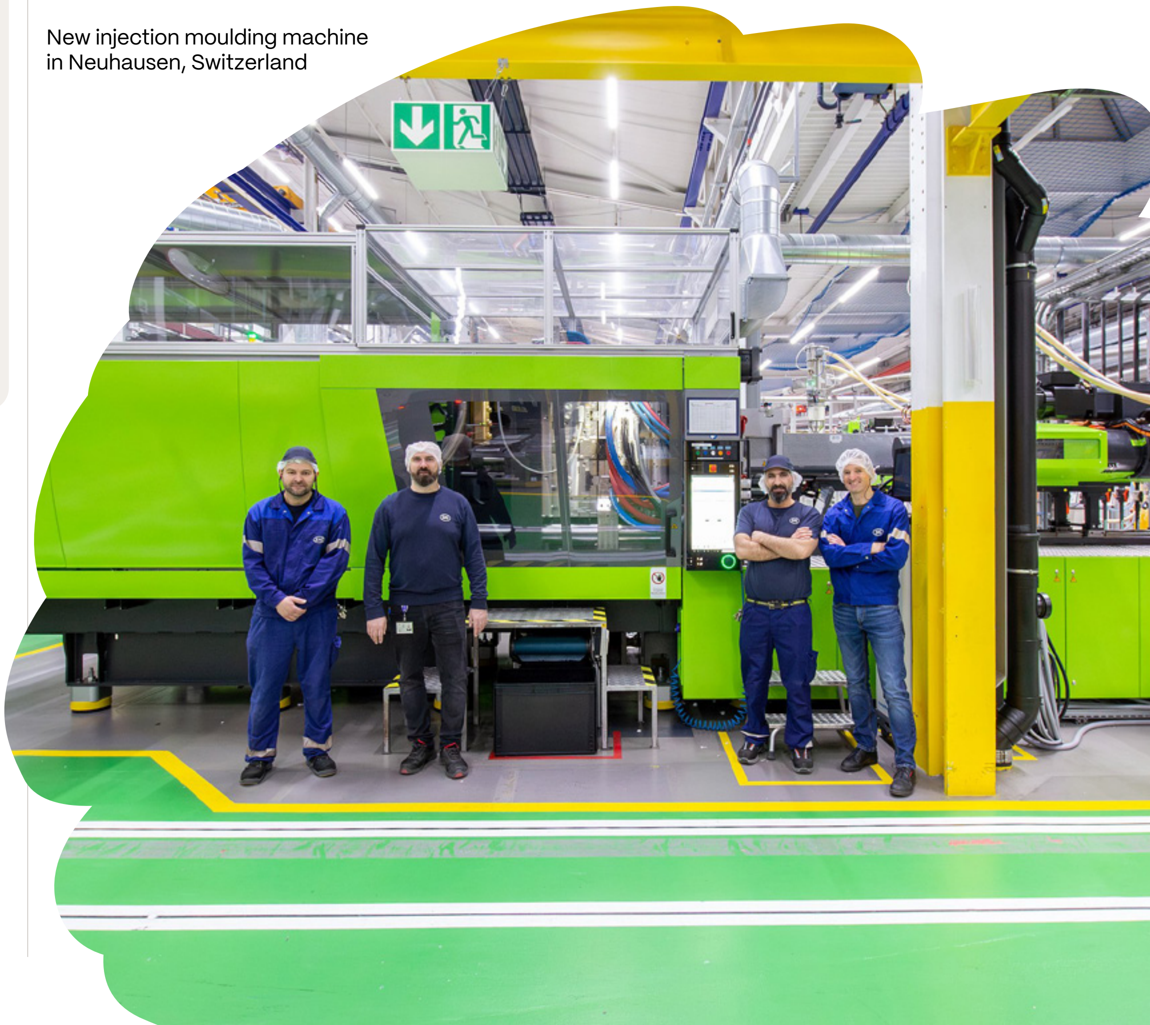
Optimizing business travel for maintenance
One of the key activities of our SIG Performance & Reliability Centers is to help customers quickly and effectively, addressing any problems that may arise. Our System Experts in Curitiba, Brazil, for example, are using different remote service tools to avoid long unplanned downtimes. In 2024 this resulted in ~139 avoided journeys and 28,520 kg of saved CO_2e in South America (calculated by ifeu institute). This avoided travel has a positive impact on total cost of ownership for our customers and also improves the sustainability footprint of SIG service operations.

Reducing energy consumption

Since July 2024, all our EU customers have been required to use tethered caps in order to reduce littering. Our caps and closures production plant in Neuhausen, Switzerland needed new injection molding machines in order to meet demand. Our main focus in making the switch was energy efficiency.

The old hybrid or hydraulically driven machines – considered energy-efficient just a few years ago – have been replaced by fully electric machines which consume up to 60% less energy.

New injection moulding machine in Neuhausen, Switzerland



KPIs

Metric	2020	2021	2022	2023	2024
Climate+					
Material topic: Climate change[1]					
Total Scope 1 and 2 greenhouse gas emissions (thousand metric tons CO_2 equivalent)	91.1	71.1	72.2	19.5	**20.1**
Total Scope 3 greenhouse gas emissions (million metric tons CO_2 equivalent)	1.95	2.01	2.01	1.95	**2.02**
Scope 3 greenhouse gas emissions intensity (grams CO_2 equivalent/liter of food packed)[2]	70	68	67	66	**66**
Scope 1, 2, and 3 greenhouse gas emissions intensity (grams CO_2 equivalent/liter of food packed)[2]	73	70	69	67	**67**
Scope 1 greenhouse gas emissions for production (thousand metric tons CO_2 equivalent)	28.6	27.4	24.1	19.0	**20.1**
Scope 1 greenhouse gas emissions for aseptic carton production (thousand metric tons CO_2 equivalent)	28.3	27.0	22.8	18.6	**18.6**
Scope 2 greenhouse gas emissions for production (market-based) (thousand metric tons CO_2 equivalent)	62.5	43.7	48.1	0.5	**0**
Scope 2 greenhouse gas emissions for aseptic carton production (market-based) (thousand metric tons CO_2 equivalent)	22.9	0	0	0	**0**
Scope 1 and 2 greenhouse gas emissions intensity for aseptic carton production (metric tons CO_2 equivalent/million m^2 of sleeves produced)	17	15	12	10	**9**
Scope 1 and 2 greenhouse gas emissions intensity for carton production (metric tons CO_2 equivalent/million m^2 of sleeves produced)[3]	–	–	–	–	**8**
Scope 1 and 2 greenhouse gas emissions intensity for production (bag-in-box and spouted pouch) (metric tons CO_2 equivalent/thousand tons produced)				0.14	**0.16**
Energy used for production from renewable sources (power purchase agreements or energy attribute certificates) or compensated using Gold Standard CO_2 offset (%)	100[4]	100[4]	100[4]	100	**100**
Electricity used for production from renewable sources (power purchase agreements or energy attribute certificates)	100[4]	100[4]	100[4]	100	**100**
Operational energy use for production (GWh)	383[4]	402[4]	388[4]	492	**530**
Energy intensity for aseptic carton production (MWh/million m^2 of sleeves produced)	201	197	183	175	**183**
Energy intensity for carton production (MWh/million m^2 of sleeves produced)[3]	–	–	–	–	**180**
Energy intensity for production (bag-in-box and spouted pouch) (MWh/thousand tons produced)				19	**18**

Our positive impact

Through our Climate+ actions, we contribute to the United Nations Sustainable Development Goals.

See Forest+, Resource+, and Food+ for other ways in which we are driving positive impacts on climate change beyond our value chain.

2 ZERO HUNGER | 7 AFFORDABLE AND CLEAN ENERGY | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 17 PARTNERSHIPS FOR THE GOALS

1 All Scope 1, 2, and 3: Retrospective adjustment of emission factors 2020-2023.
2 In 2024, we packed a total of 30.37 billion liters.
3 'Carton production' includes aseptic and chilled carton production. In this table, figures for the combined business can only be shown for 2024.
4 Aseptic carton business only.

Outlook

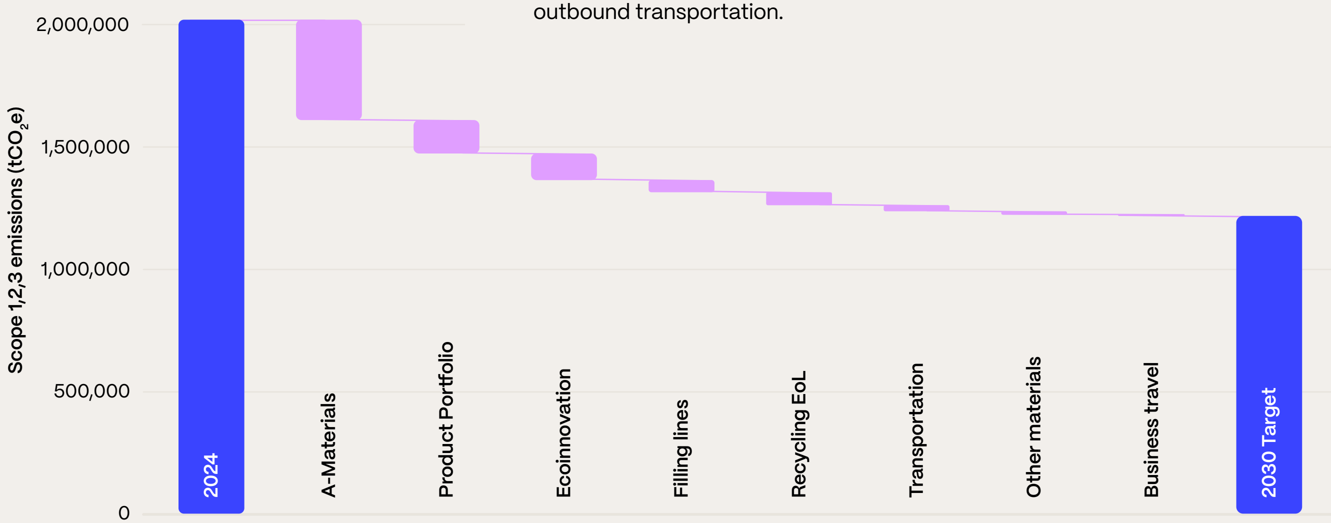
As we continue on our journey towards achieving net zero emissions by 2050, we recognize the urgent need to intensify our efforts and take decisive actions to bridge any potential gaps in our emission reduction goals. We have implemented a range of initiatives to significantly reduce our carbon footprint across our value chain, from material sourcing and production to product end-of-life.

Since 2020, we have actively pursued 14 projects that have reduced our greenhouse gas emissions. In 2024, as part of our Climate+ program, we conducted a detailed analysis of the estimated impacts of each of our projects. This comprehensive evaluation revealed that further actions are necessary to fully meet our emission reduction objectives.

In response, we have developed an optimistic scenario to accelerate our emission reduction efforts. We identified five new projects to complement our existing initiatives, ensuring that we are on track to achieve our absolute emission reduction target by 2030. Additionally, we are committed to proactively addressing any remaining gaps in 2025 to secure the successful attainment of our 2030 targets.

SIG's decarbonization levers by 2030

- We established 2020 as our baseline year to accurately measure and compare greenhouse gas emission reductions over time in alignment with SBTi. All our projects are assessed against this baseline to track progress and effectiveness.
- In 2024, we have reviewed the size and relevance of our decarbonization levers, as covered in the following picture.
- **A-materials:** Optimization of supply chains and of utilization of SIG's high-impact materials to significantly reduce Scope 3 Category. Includes projects focused on decreasing emissions from aluminum foil, liquid packaging board, polymers and ink production.
- **Product portfolio:** Optimization of the Terra portfolio by reducing the use of aluminum, thereby lowering Scope 3 Category 01 emissions associated with our products. By integrating eco-friendly materials and innovative design practices, we ensure that our products not only meet high-performance standards but also contribute to our broader low-carbon goals.
- **Ecoinnovation:** SIG's commitment to introducing cutting-edge technologies and sustainable practices that significantly reduce greenhouse gas emissions from our packaging solutions, particularly in the spouted pouch and bag-in-box businesses.
- **Filling lines:** Optimization of our filling line operations to reduce energy consumption and associated emissions at our customers' sites. By implementing energy-efficient technologies and improving utility management, we aim to decrease Scope 3 Category 11 emissions and also support our customers in meeting their own emission reduction goals.
- **End-of-life:** Enhancing our recycling efforts to mitigate emissions from product disposal. By increasing collection and recycling through circular practices, we aim to lower Scope 3 Category 12 emissions (see Resource+ →).
- **Transportation:** Implementation of sustainable logistics solutions to minimize emissions related to both inbound and outbound transportation.
- **Other materials:** Addressing emissions from miscellaneous purchased goods and materials to further reduce our Scope 3 Category 01 emissions. By implementing targeted emission reduction strategies for additional materials beyond our primary focus areas, we ensure a comprehensive approach to sustainability across all aspects of our supply chain.
- **Business travel:** Mitigation of emissions associated with employee travel for business purposes. By promoting sustainable travel practices, optimizing travel policies, promoting digital maintenance of our filling machines, and leveraging virtual meeting technologies, we aim to reduce Scope 3 emissions related to business travel.
- **2030 target:** Since our corporate greenhouse gas performance is closely linked to the performance of our product portfolio along the product life cycle, we follow an intensity target which includes our entire value chain. Progress will be achieved by further improving the pack to product ratio together with effectively reducing absolute emissions. See Our commitments →.



Carbon pricing: Our journey to decarbonizing our operations is already informed by a carbon price in the form of carbon offset pricing. We are exploring further whether a defined internal carbon price could support our current management approach by incentivizing decision-making that supports decarbonization, including in relation to major capital expenditures. As we continue to scale up our efforts, we are confident that the combination of strategic innovation, supplier engagement, customer collaboration and sustainable investment will enable us to close the gap and reach our 2030 interim goals. Achieving these milestones will set the foundation for our ultimate vision: to become Net Zero by 2050, with a clear focus on addressing both upstream and downstream emissions across our value chain.

SIG is fully committed to this sustainability journey and we will continue to refine our approach, invest in cutting-edge solutions, and foster partnerships that will help us meet the climate challenges ahead. Through transparent reporting, ambitious action and ongoing innovation, we aim to lead the way towards a sustainable future.

Managing climate-related risks and opportunities

We follow the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to identify, manage and report climate-related risks and opportunities for our business – including potential financial impacts. **See our TCFD report →** for more information.

Forest+

By helping forests to thrive we contribute to maintain biodiversity and protect endangered species

We continued to purchase

100%

of the paperboard for our aseptic cartons with FSC™ Mix certification and reached this level for our chilled carton business

We agreed on two more projects in our partnership with WWF and are now targeting improved management of 330,000 hectares of forest land in Mexico, Malaysia and Thailand, counting for over 50% of our target to create, restore, protect or improve the management of

650,000

hectares of forest by 2030

Helping forests to thrive

The world's forests are essential ecosystems for wildlife and for people. They play a critical role in regulating the climate and offer a wealth of natural resources that can be continually renewed. They also provide the raw materials for the paperboard that makes up most of our cartons[1] – and the wood residues from papermaking that link SIG Terra Forest-based polymers to 100% renewable materials.[2]

Through our engagement for thriving forests, SIG is contributing to healthy forest ecosystems and no-deforestation supply chains, while responsibly managed forests help to store carbon, regulate the climate and provide a renewable alternative to fossil-based feedstocks.

We strive to protect the continuity of the forest areas we source from through Forest Stewardship Council™ (FSC™)[3] certification which assures us, our customers and consumers that the paperboard we use in our cartons comes from sustainably managed forests and other controlled sources.[4]

We are going further through partnerships to create, protect, restore or improve management of additional areas of forest beyond our value chain.

Through our Forest+ commitments, we are supporting global goals on climate and nature by tackling the forest loss and degradation that contribute to climate change and biodiversity loss.

We strive to reduce pressure on forest land and resources through our commitments to increase recycling of used cartons so that forest-based materials can be used again to create new paper and board products (**see Resource+** →).

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1 Our cartons use paper-based liquid packaging board, referred to throughout as "paperboard"; Via an independently certified mass balance system.
2 Via an independently certified mass balance system.
3 FSC™ license code FSC™ C020428.
4 SIG uses FSC™ Mix material that allows the mixing of FSC™ certified wood with FSC™ controlled wood and ensures that an equivalent amount of FSC™ certified wood is procured at the beginning of the value chain.

Our commitments

Sourcing from sustainably managed forests

Our commitment to sustainable forest management helps to maintain biodiversity and healthy ecosystems. We aim to ensure that responsible management practices exist across our value chain.

All the paperboard for our aseptic and chilled cartons is procured with FSC™ Mix invoice claim[1] and we are committed to maintaining this achievement.

FSC™ certification ensures that forests are managed sustainably and are continually regrown – to avoid forest degradation or deforestation, maintain and improve biodiversity, maintain ecosystem services and carbon storage, and respect the rights of workers, local communities, and indigenous peoples.

We have led the industry in our commitment to FSC™ certification and partnership with the FSC™. We first achieved FSC™ Chain of Custody certification at all the paper mills we source from and all carton production sites and sales offices in 2009, enabling the board used in our cartons to be traced through the supply chain to sustainably managed forests.

Customers can include the FSC™ label[2] on any of our cartons to demonstrate their commitment to sustainable sourcing and we encourage them to do so to raise consumer awareness that the carton is connected to sustainable forestry. 99.3% of the 47.1 billion aseptic carton packs we sold in 2024 carried the FSC™ label.

As a participant in WWF's Forests Forward program, we have committed to a series of actions that go beyond FSC™ and are designed to scale up our impact by engaging with suppliers, customers, and others to boost the industry's positive impact on sustainable forestry and contribute to global goals. SIG Group – Forests Forward – explorer.land

1 SIG uses FSC™ Mix material that allows the mixing of FSC™ certified wood with FSC™ controlled wood and ensures that an equivalent amount of FSC™ certified wood is procured at the beginning of the value chain.
2 The FSC™ label that customers can include on SIG packs is the FSC™ Mix label, which means the product is made with a mixture of materials from FSC™ certified forests and FSC™ controlled wood.

Our Forest Forward commitments

Commitment	Progress in 2024	Global goals supported
Maintain achievement of SIG's 100% FSC™ sourcing goal (first reached in 2021)	We purchased 100% of the paperboard for our aseptic and chilled cartons with FSC™ Mix certification	SDG 12.6 & 12.7
By end of 2024, key liquid packaging board suppliers move forest sourcing from FSC™ controlled wood to FSC™ forest management certification	We continued to engage with key suppliers to help us achieve these commitments	SDG 15.7
By end of 2024, at least two of SIG's major suppliers engage in afforestation or restoration of additional forest area beyond direct purchase by co-financing relevant forest projects	We discussed project proposals with key suppliers and have received letters of intent	
SIG shows the way in this partnership for key customers, investors, and peers to contribute and join efforts to facilitate market shift	SIG has finalized a concept to allow SIG customers to participate in the Forest+ ambition at different levels with the option to link cartons to the projects by on-pack claims	
SIG and WWF co-develop SIG's comprehensive approach to support thriving forests, building upon SIG's 100% FSC™ sourcing achievements	See Our targets: 2024 progress →	SDG 15.2
By 2025, invest in forest restoration in at least three ecologically important landscapes		

Our approach

Key strategic pillars

- Create, restore, protect or improve the management of 650,000 hectares of forest land in addition to the FSC™ certified forest area in our paperboard sourcing
- Enter into partnerships to expand our positive impact
- Contribute to global goals to reverse biodiversity loss

Partnering to expand our positive impact

We have a longstanding partnership with the FSC™ to support the development and implementation of its rigorous certification standard. This includes membership of FSC™ International.

Through a five-year partnership with WWF Switzerland, we are investing directly in field projects to create, protect, restore, or improve the management of forest land, with a strong focus on biodiversity.

We are a participant in Forests Forward, a signature WWF program for corporate action in benefit of nature, climate, and people. We are making good progress on the public commitments we have made through the program, including ambitious goals on responsible sourcing and investing in forest landscapes.

SIG participates in the Science Based Targets Network (SBTN) Corporate Engagement Program, pledging alignment with the SBTN's goals and vision, and contributing advice and end-user insights to the development of SBTN methods and tools.

We engage with suppliers and are implementing a due diligence system and processes to be compliant with the new EU Deforestation Free Regulation. As 100% of the paper board we use in our cartons is covered by the FSC™ certification,[1] we regard the deforestation risk as low.

1 The FSC™ label that customers can include on SIG packs is the FSC™ Mix label, which means the product is made with a mixture of materials from FSC™ certified forests, recycled materials, and/or FSC™ controlled wood.

Our targets and performance

Targets, progress and performance

Target	Progress tracker	2024 performance
Material topic: Biodiversity and forest ecosystems		
Partner to create, restore, protect, or improve management of at least 650,000 additional hectares of forest beyond what we need to make our products[1] by 2030	On track	We continued our first on-the-ground work to create critical habitats and corridors for jaguars and improve the land management of 100,000 hectares and restore 750 hectares of degraded forest in Mexico. Two further projects were launched in Malysia and Thailand – **see feature**
Partner with a non-governmental organization (NGO) to develop a methodology to measure the impact of FSC™ certification by 2025	More work to do	We continued our exchange with the Institute for Energy and Environmental Research (our NGO partner) to measure the FSC™ certification impact in life-cycle assessments. We will revisit this target as we work towards a regenerative future.
Work with customers to include the FSC™ label on 100% of the cartons we sell by 2025 (up from 97% 2020 baseline for aseptic carton only)[2]	On track	99.3% of our aseptic cartons carried the FSC™ label.[3] To close the remaining gap, we continued working with the small number of aseptic carton customers not using the FSC™ label to integrate it into their next pack décor update, as well as engaging with our chilled carton customers on this topic. Overall, 95% of the cartons (aseptic and chilled) we sold in 2024 carried the FSC™ label.
Maintain 100% FSC™-certified supply of paperboard for our cartons[4]	On track	We purchased 100% of the paperboard for our aseptic and chilled cartons with FSC™ Mix certification.[5]

1 Based on the equivalent forest area needed to continually regenerate the wood needed to produce all the SIG cartons made in 2020 (the year we set the commitment).
2 Target wording amended to clarify that this target refers only to cartons (as our other packs do not use paperboard) and to clarify the baseline figure SIG is working from.
3 The FSC™ label that customers can include on SIG packs is the FSC™ Mix label, which means the product is made with a mixture of materials from FSC™ certified forests and FSC™ controlled wood.
4 Target wording revised to clarify that it only applies to our cartons (aseptic and chilled). Our cartons use paper-based liquid packaging board, referred to throughout as "paperboard". Our supply chains for bag-in-box and spouted pouch solutions are not connected to forest-based materials as we do not manufacture or sell the cardboard box of our bag-in-box solutions.
5 SIG uses FSC™ Mix material that allows the mixing of FSC™ certified wood with FSC™ controlled wood and ensures that an equivalent amount of FSC™ certified wood is procured at the beginning of the value chain. Calculation: Tons of liquid packaging board purchased with FSC™ Mix certification, divided by total tons of liquid packaging board purchased (in percent).

Progress in 2024

Working on our WWF Forests Forward targets

- Continuation of our landscape restoration project with WWF in Mexico
- Selection and commencement of the second landscape protection and restoration project with WWF in Malaysia
- Selection and commencement of the third landscape restoration project in Thailand
- Finalization of a concept to allow SIG customers to participate in the Forest+ ambition
- Discussions with paperboard suppliers on their contribution to our Forest+ ambition

KPIs

Metric	2020	2021	2022	2023	2024
Forest+					
Material topic: Biodiversity & forest ecosystems					
SIG carton packs[2] sold labeled with FSC™ logo[3] (%)	97[1]	98[1]	99[1]	94	**95**

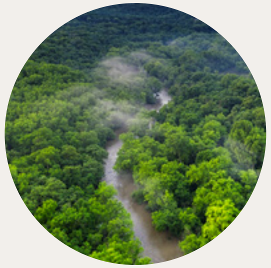
1 Aseptic carton business only.
2 Includes aseptic and chilled carton business.
3 Calculation: Number of carton packs sold with FSC™ logo, divided by all carton packs sold (in percent).

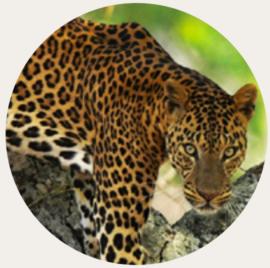
Outlook

We expect to achieve approximately 50% of our 650,000 hectare target through our partnership projects with WWF. The launch of two new projects in Malaysia and Thailand will contribute to this – **see on the next page.** We aim to achieve the remaining 50% of the target through projects with our key paperboard suppliers. First letters of intent have been received.

WWF and SIG: a shared mission to preserve the natural ecosystem of forests

Forests are essential to life. Through our partnership with WWF Switzerland, we are together supporting projects on the ground that improve the sustainability, biodiversity, and resilience of forests.





Thriving forests are key for wildlife and people and deliver essential benefits for our planet:

- Soil formation & regeneration
- Erosion protection
- Climate regulation
- Water regulation
- Rainfall
- Food security
- Energy security
- Disaster risk reduction

Targeted support for at-risk forests

SIG joined forces with WWF Switzerland in October 2022 to support resilient forest ecosystems around the world through WWF's Forests Forward program. As well as working on responsible sourcing in SIG's value chain, the five-year partnership aims to deliver targeted support for at-risk forests in biodiversity hotspots and deforestation fronts.

First project in Mexico

The first project, launched in late 2022, helps protect and restore the Central Pacific Landscape in Mexico – a critical jaguar habitat. The project aims to improve the landscape management of 100,000 hectares of forest landscapes, and to reforest and restore a further 750 hectares of degraded land, in the Central Pacific landscape on Mexico's western coast. In doing so it will support key ecosystems and help secure a critical corridor for jaguars to move across forest and mangrove habitats.

Second project in Malaysia

In August 2024, in partnership with WWF Switzerland and WWF Malaysia, we launched a three and a half-year forest landscape project in Malaysia's Ulu Muda Forest Complex through WWF's Forests Forward program. The project targets improved management of more than 170,000 hectares and will pilot the restoration of 25 hectares.

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The project aims to strengthen the resilience of a landscape that can continue to provide vital ecosystem services for the northern region of Peninsular Malaysia – ensuring water security and enabling economic growth, as well as contributing to the nation's food security. Empowering local communities to champion conservation is a key component of achieving this.

As one of the last remaining large intact lowland forests in Malaysia, Ulu Muda is a biodiversity hotspot. Located in the state of Kedah in the northwestern part of Peninsular Malaysia, it is home to a huge number of plants and animals, including a large population of endangered Asian elephants. It is the most important water catchment for the region and its dams meet significant domestic, industrial, and agricultural water needs. More than 4,900 people from neighboring villages depend on Ulu Muda for their livelihoods and wellbeing.

"Strong, collective private-sector action is crucial to halting and reversing forest loss and degradation globally. This is not just the right thing to do, but also the smart thing to do, given the critical role of forests and other natural resources in underpinning our communities and economies. The leadership shown by SIG in supporting the work in Ulu Muda helps us to demonstrate these connections, especially between forests and freshwater supply.

Tim Cronin
Forests Forward Global Lead

Third project in Thailand

In December 2024, SIG launched its third joint project with WWF Switzerland, this time focusing on protecting and connecting key forest landscapes in Thailand. This initiative aims to enhance forest management and connectivity in the Dawna Tenasserim, Lower Songkhram and Dong Phayayen landscapes, benefiting a total of 60,000 hectares of forests.

Thailand's forests are part of the Indo-Burma biodiversity hotspot, one of the most biologically rich regions on Earth. These forests are home to a vast array of species, including clouded leopards, tigers, Asian elephants, and various orchids, many of which are endangered. Deforestation and habitat fragmentation pose significant threats to this biodiversity.

The new joint project focuses on three main objectives:

- Securing corridors essential to forest ecosystem connectivity and integrity.
- Strengthening existing conservation lands and designating new protected areas.
- Fully engaging communities in conservation design, implementation, and monitoring, and providing alternative livelihood opportunities.

Activities planned to achieve these objectives include

- reconnecting forest complexes to create conditions for the return of big cats
- improving habitat connectivity to aid the spread of elephants into Khao Yai National Park
- restoring riparian forests
- designating protected areas
- securing land use rights for communities
- promoting agroforestry and ecotourism

© Suphisit Jitvijak, WWF-Thailand

"SIG is dedicated to taking action against deforestation and forest destruction. With the exciting new project in Thailand, we can make another positive contribution to protect and restore more forests and show others a way to contribute to thriving forest ecosystems. This third joint project with WWF Switzerland is an excellent example of how SIG can support significant improvements in forest management and restoration in high conservation value areas of a country while encouraging others to engage for thriving forests.

Angela Lu
President and General Manager Asia Pacific at SIG


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Protecting nature and biodiversity

The world's natural ecosystems are declining at unprecedented rates[1] – driven by changes in land and water use, exploitation of natural resources, environmental pollution and climate change.

Since 1970, global wildlife populations have been decimated and one million species face extinction today.[2] This is catastrophic not only for nature but also for people and businesses, with 50% of the global economy under threat from biodiversity loss.[3]

The Global Biodiversity Framework, adopted at the COP15 summit in December 2022, has catalyzed efforts to tackle biodiversity loss and restore natural ecosystems with far-reaching global goals for 2030: These goals include:

- Conservation, management, and restoration of ecosystems
- Halving food waste
- Providing information to help consumers make sustainable choices
- Requiring companies to monitor, assess, and disclose biodiversity risks, dependencies, and impacts through the value chain.

The framework requires businesses to do their part, and stakeholders increasingly expect us to act. Regulations and reporting requirements are growing in this area. Biodiversity loss is second only to climate change on the list of environmental concerns for consumers globally – and tops the list in Brazil and China.[4] Investors want companies to demonstrate that they are addressing nature-related financial risks and opportunities.

At COP16, held in Cali, Colombia in 2024, additional commitments were made to integrate biodiversity more deeply into business strategies, with a focus on accelerating private sector engagement. These efforts complement the COP15 outcomes by emphasizing the importance of nature-positive business models, where companies are not only expected to mitigate risks but also contribute to positive biodiversity outcomes.

Our commitments

We are committed to fostering biodiversity and healthy ecosystems, and to responsible management practices across our value chain. Our commitment to product stewardship includes our commitments to safeguard the environment including but not limited to impacts related to climate change, loss of biodiversity, soil condition and water use.

1 United Nations Report.
2 WWF Living Planet Report, Biodiversity: Time to Act.
3 World Economic Forum.
4 SIG analysis, UEBT.

Our approach

We aim to avoid negative impacts on biodiversity and achieve more positive outcomes for nature and forests by taking the actions described below:

- **Sourcing raw materials** from certified responsible sources, including all paperboard for our cartons with FSC™ certification, and ASI certification for aluminum suppliers.
- **Maintaining ISO 14001 certification** for environmental management across our global operations, assessing compliance with environmental standards through rigorous SEDEX SMETA audits at all our production sites, and identifying high-risk sites to support targeted mitigation measures.
- **Reducing food loss and waste** through our aseptic packs and highly efficient filling machines and improving waste collection systems to prevent packaging waste entering the environment as litter.
- Reducing SIGs climate impacts in line with our Net Zero commitments (see Climate+ →)
- Further optimizing our packaging using a life-cycle approach including multiple impact categories with biodiversity endpoints (see Sustainable innovation →)
- Reducing packaging waste that may end in the natural environment as litter (see Resource+ →)

Our business relies heavily on nature and the ecosystem services it provides. Forest-based paperboard is the main raw material for our cartons, so we prioritize on safeguarding replenishment and strive for positive environmental outcomes. Other dependencies such as water are detailed in Resource+ →. Beyond the direct dependencies and corresponding impacts at our operational sites, our value chain may also contribute to negative biodiversity impacts. This includes the sourcing of commodities (such as aluminum foil), our production processes, and the end-of-life of used packaging products. In addition to direct impacts, the emission of greenhouse gases and other pollutants may threaten the natural environment.

Assessing effectiveness

Every two years all our operations, including all our production plants, are subjected to a SEDEX SMETA 4 Pillar audit which also covers environmental practices including biodiversity-related activities. Regular reviews are conducted by the Vice President of Global Sourcing and Procurement.

Responsibility for managing biodiversity and forest ecosystems

- The Vice President Corporate Development & Sustainability together with the Chief Supply Chain Officer[1] is responsible for determining the nature-related dependencies and impacts of the SIG value chain.
- The Vice President Global Sourcing & Procurement and Group Corporate Responsibility is responsible for managing supply chain-related impacts.
- For our operations, we manage the topic with our global and local EHS functions.
- Mitigation of potential negative biodiversity outcomes of our products after use is managed within our Resource+ action area under supervision of the RSG.

Taking a science-based approach for nature

Our assessment of SIG's most material topics (see Our material topics →) links biodiversity closely to forest ecosystems, where we can have the biggest impact on reducing biodiversity loss and delivering positive outcomes for nature.

We have already set a quantified nature positive target to create, restore, protect or improve management of an additional 650,000 hectares of forest by 2030, using a rigorous rationale that was confirmed by WWF. We will build on this by working towards science-based targets for nature, encompassing a range of environmental impacts, that can be externally verified in line with emerging standards.

In 2023 we joined the Science Based Targets Network (SBTN), which released the first guidance on science-based targets for nature in 2023. We are contributing with our expertise to the development of further guidance on science-based targets for nature as a member of the SBTN Corporate Engagement Program.

We engage with the Sustainability and Health Initiative for NetPositive Enterprise (SHINE), on ways to make use of established tools, such as life-cycle assessment, to help measure and communicate biodiversity impact in a standardized way to support informed stakeholder choices, such as consumers, based on a product's impact on nature.

In 2024, SHINE started to create a white paper proposing a framework for regenerative sustainability on multiple impact categories, including biodiversity. The framework specifies different pathways for creating and measuring handprints as positive outcomes and relates handprint creation to footprint reduction. The framework is targeted at thought leaders who influence the development of sustainability metrics and create coherence between corporate sustainability accounting along value chains and environmental performance assessments of products and their life cycle.[2]

1 For the first 11 months of the year Vice President Global Production & CIS, Vice President Global Sourcing and Procurement.
2 SHINE also concluded an update and further clarification of the framework of handprints and how to calculate them in practical terms. The methodology update has brought handprint assessment and reporting practices into alignment with related reporting frameworks including Avoided Emissions as defined by the WBCSD, and Beyond-Value-Chain-Mitigation as defined by the SBTi. It has also increased the alignment between SHINE's Handprint framework and one published by researchers in Finland.

Science Based Targets Network (SBTN) approach

In 2024, we completed our materiality screening in line with the SBTN Materiality Screening Tool (MST), following on from our previous efforts based on the ENCORE assessment (Exploring Natural Capital Opportunities, Risks and Exposure) carried out in 2023. This process provided a high-level assessment to identify whether our economic activities are materially impacting the eight key environmental pressure categories. By leveraging the Materiality Screening Tool, we gained valuable insights into both our direct operations and upstream value chains. The tool offered an initial automated assessment, which we then refined using our company-specific data, ensuring a more accurate representation of our material impacts. This comprehensive materiality screening helped us better understand the environmental pressures associated with our business activities, forming the foundation for setting effective science-based targets.

For the scope of action in our work with the SBTN, we are following the same organizational boundaries that we have used for the Science Based Targets initiative (SBTi). This means we are defining our boundary based on the **operational control** approach, which includes all business operations that fall directly under our ownership or control, as well as all raw materials identified as critical for our operations. By maintaining consistency with the organizational boundaries established for the SBTi, we ensure a streamlined and aligned approach to both climate and nature-related target setting, covering all relevant activities under our responsibility for the year in which the assessment is conducted. Three categories were identified as summarizing the core of the business (direct operations), whilst two of our A-materials fall within the high-impact commodity list.

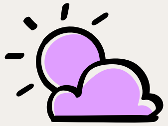
In 2024, we also completed the **value chain assessment**, as part of our SBTN process. This step involved a more detailed and resource-intensive analysis but was focused specifically on the activities and environmental pressures identified as material for SIG during the materiality screening. Through this assessment, we mapped our business activities and value chains, quantifying their resulting pressures on nature. This comprehensive evaluation allowed us to gain deeper insights into the specific areas where our operations and value chains have the greatest environmental impacts, further informing our strategy for setting science-based targets. SIG chose to tackle all activities associated with the Company's organizational boundary (direct operations and upstream) in its initial value chain assessment

Building on this robust assessment, we are preparing to join the SBTN pilot program during 2025 to start working on our target-validation process.

Our positive impact – Nature and biodiversity

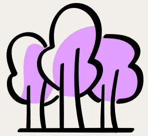
Reverting biodiversity loss and helping nature thrive across the full value chain is fundamental to our ambition to deliver a regenerative packaging solution.

Each of our action areas contributes to reducing a negative impact on biodiversity and delivers positive outcomes for nature.



Climate+

Rapid decarbonization of our value chain contributes to mitigating climate change – a major driver for biodiversity loss.



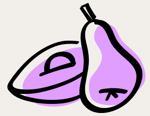
Forest+

Requiring responsible forestry following the highest standards for all forests we use and our forest forward projects help to protect and restore forest land and its multiple ecosystem functions, such as maintaining and enhancing biodiversity.

Maintaining and increasing biodiversity with our sustainability approach

Resource+

Working towards circularity for our packaging system helps to protect nature through both the design of our products, including recycled and circular raw materials, and the collection and recycling of our products at end of life.



Food+

Avoiding food loss and waste by system design along the food product life cycle is embodied in our purpose.

Beyond this we partner to enable more nutrition with less impact on nature.

Sustainable innovation

Develop solutions for customers and consumers to

- reduce their carbon, water and nature footprint
- choose options with increased biodiversity benefits
- improve efficiency in the food supply and distribution system

Responsible culture

Embedding biodiversity protection in

- corporate governance
- operational management
- procurement

Managing nature-related risks and opportunities

In 2024, we conducted an in-depth analysis to identify our dependencies, impacts, risks, and opportunities related to nature, in preparation for reporting in line with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). Aligned with our SBTN initiatives, we also mapped the key steps outlined in the Locate and Evaluate phases of the LEAP approach. This helped us better understand and identify critical nature-related dependencies and impacts, as well as associated risks and opportunities, both within our operations and across our value chain. As part of this process, we carried out a first analysis of key suppliers and markets (Sweden, USA, Germany, China, India and Brazil) in conjunction with our climate risk assessment (**see our TCFD report →**).

Part of this exercise continued the biodiversity and water consumption impact assessment efforts using the WWF Biodiversity & Water Risk Filter tools (**see Resource+ →**). The impact on the land-use chain and soil pollutants in both operations and the value chain was also analyzed based on available sectoral information such as life Cycle Inventory (LCI) datasets.

Resource+

We are accelerating progress towards a circular economy that eliminates waste and regenerates nature

At least
85%
paper content in aseptic carton targeted by 2025

At least
90%
paper content in aseptic carton targeted by 2030

Recycle-ready
bag-in-box and spouted pouch solutions available for all our relevant market segments targeted by 2025

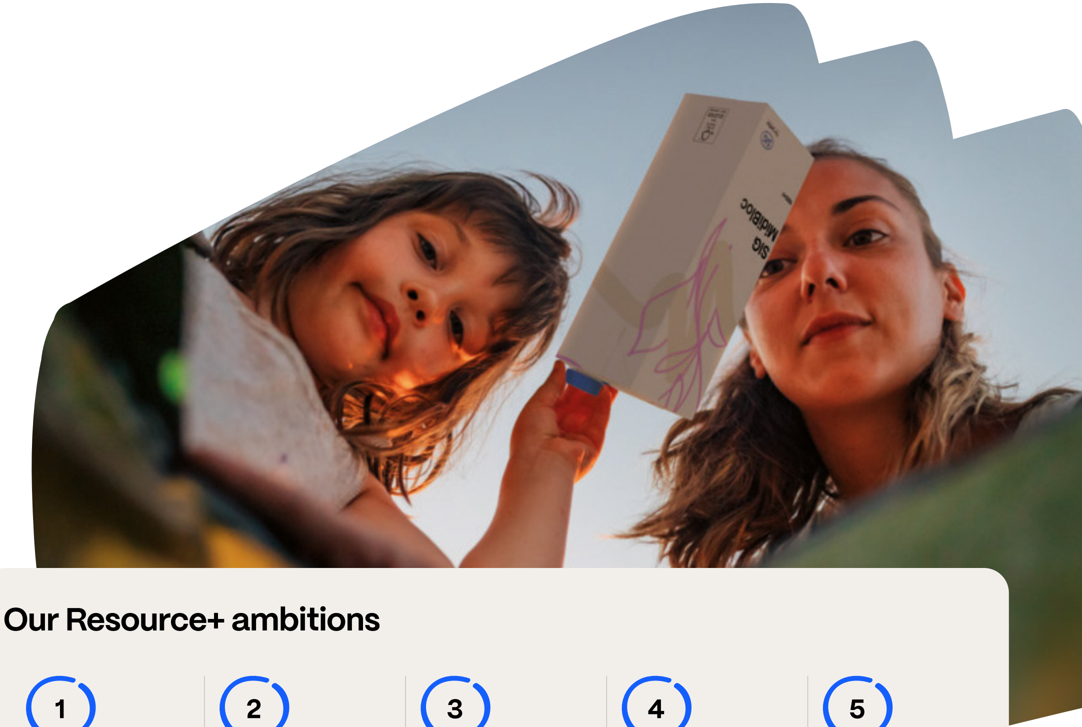
Packaging prevents the occurrence of food loss and waste during filling, distribution, storage and consumption. At the same time, various negative impacts on the environment arise along our value chain due to the waste generated and potential land and water pollution caused by mismanaged waste disposal.

Through sustainable raw material sourcing, we help to ensure the availability of necessary resources for the future. Our cartons are made mainly from renewable paper content and are designed for recycling. We offer innovative solutions that enhance circularity by eliminating aluminum foil, linking polymers to renewable or recycled materials, tethering caps, and replacing plastic with paper straws. Potential and actual impacts from raw material sourcing including air and water pollution primarily relate to the sourcing practices of suppliers and not to our own operations and we address these through our responsibility requirements for suppliers.
See Our Supply Chain →

We are also innovating to make more of our bag-in-box and spouted pouches recycle-ready[1] and to link their polymer content to post-consumer recycled plastics.[2]

We strive to optimize material use by lightweighting our packaging (including closures and connection systems), minimizing production waste, and by making our filling machines even more efficient. Lightweighting and minimizing waste also reduce related air and water pollution from raw material production. Certified systems help us to continuously improve resource use – including managing waste and water – in our operations and supply chain.

Our Resource+ commitments are in line with the Ellen MacArthur Foundation circularity principles and help customers reduce the environmental impact of their packaging, comply with growing regulations that mandate Extended Producer Responsibility (EPR) for packaging waste, and reduce resource use for filling lines at their factories.



Our Resource+ ambitions

1. Achieve a **90% collection and 70% recycling rate** for our beverage cartons in Europe by 2030
2. Offer a **recycle-ready[1] bag-in-box and spouted pouch solution** in all our relevant market segments by 2025
3. Keep materials in circulation by **offering renewable and/or recycled polymer content[2]** for all our packaging by 2025
4. Help eliminate litter by **increasing used packaging collection** worldwide through our advocacy efforts
5. Partner with industry and stakeholders to strive for **recycling at scale** for all our packaging in all our priority markets

1 In line with Design for Recycling criteria developed by APR (Association of Plastic Recyclers) and Recyclass.
2 Via an independently certified mass balance system.

Our commitments

We strive to lead the way towards a fully circular packaging system and we are committed to supporting the transition to a circular and responsible economy through the integrated management of the environmental and social impacts of our products. Our ambitious targets aim to increase renewable and recycled content, offer more recycle-ready bag-in-box and spouted pouch solutions, using only renewable energy, and foster collection and recycling of used packaging at scale.

We are committed to the principles of the circular economy, set out by the Ellen MacArthur Foundation, to design out waste, regenerate our natural systems, and keep products and materials in circulation – all underpinned by the use of renewable energy.

In Europe, we are fully committed to the 2030 roadmap of ten industry commitments (see below) set out by the Alliance for Beverage Cartons and the Environment (ACE), of which SIG is a member.

We are committed to monitoring and managing environmental impacts from our operations – including minimizing waste and use of resources. We are also committed to minimizing waste and related impacts at the supplier and downstream level. We minimize emissions to air, land and water from our operations applying the BAT principle (Best Available Technology).

We are committed to keeping hazardous waste at a minimum by adhering to legal regulations and to eliminating hazardous waste that is non-recyclable or non-reusable. To address the potential risk of land and water pollution from packaging waste being littered, we engage in a wide range of collection and recycling initiatives – see below.

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

ACE 2030 roadmap: industry commitments in Europe

Through ACE, together with others in our industry, by 2030 we are committed in Europe to:

1. Produce beverage cartons only from renewable materials
2. And/or produce beverage cartons from recycled materials
3. Use more fiber[1] and less plastic
4. Decarbonize our value chain in line with 1.5°C target
5. Deliver the lowest carbon footprint packaging
6. Design for circularity
7. Achieve a 90% collection rate of beverage cartons for recycling
8. Achieve at least a 70% recycling rate verified by third parties
9. Meet the highest sustainability sourcing standards for all materials
10. Increase carbon sequestration, enhance biodiversity, and increase forest growth

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

Our approach

Measures to achieve Resource+ ambitions

- To accelerate progress toward meeting EU collection and recycling targets, we are working closely with pan-European and national associations to enhance EPR implementation. This includes improving existing EPR schemes to secure adequate funding for the collection, sorting, and recycling of beverage cartons across Europe.
- We conduct annual reviews of country-specific roadmaps for all priority markets, which account for approximately 90% of SIG's business. Each roadmap outlines an advocacy strategy to support regulatory developments, steps to boost collection and recycling rates, and SIG flagship projects aimed at raising awareness and demonstrating best practices.
- We are expanding product development to offer recycle-ready alternatives in our spouted pouch and bag-in-box portfolios across all our segments.
- We are increasing our involvement in industry associations and producer responsibility organizations to actively support regulatory advancements in all priority countries.

Key pillars of our circular packaging strategy

- Paperization and increased use of recycled content
- Use of production residues and industry waste
- Design for recycling
- Advocating circular packaging
- Increase collection and recycling
- Optimize resource use in filling and pack production
- Responsible resource management

Paperization and increased use of recycled content

SIG is actively increasing the paper content in its beverage cartons to enhance renewability, further reduce the carbon footprint, and simplify recycling. With an interim target of 85% paper content, SIG aims to improve pulp yield at paper mills and ensure compatibility with standard paper recycling facilities. This approach is particularly crucial in markets without dedicated beverage carton recycling infrastructure, helping to unlock recycling opportunities in emerging regions.

We aim to lead the industry for renewable content by continually increasing paper content in our flagship aseptic cartons,[1] and to comply with regulatory requirements on post-consumer recycled plastic content in every relevant SIG packaging. We are building on a strong base:

- All our cartons are made of around 75% of renewable forest-based paperboard.
- The paperboard makes use of wood chips and saw dust residues from sawmills. Shares vary by paper mill and in 2023 were up to 36%.
- We offer forest-based polymer solutions[2] for all our aseptic cartons.
- Forest-based polymers are linked to tall oil as a feedstock. Tall oil is a wood component and residue in papermaking.
- About 95% of the procured aluminum foil in 2024 links to industry waste input.
- We offer the world's first full barrier aseptic carton packaging material with paperboard and polymers linked to forest-based renewable materials[3] and no aluminum layer.
- We offer circular polymer solutions linked to post-consumer recycled plastics[2] for all our aseptic cartons.

We are now targeting increased paper content in our full barrier aseptic cartons. In addition, we are looking for ways to reuse valuable resources by linking our packaging materials to recycled content. We already offer SIG Terra Circular polymers linked to post-consumer recycled plastics[2] for aseptic cartons and we are piloting circular polymers for bag-in-box. These solutions can also support customers in meeting forthcoming regulations mandating the use of recycled content in plastic packaging. We use a mass balance system, independently verified through ISCC PLUS certification,[4] to link polymers in our packaging materials to renewable or recycled materials.

The mass balance system supports a transition away from virgin fossil-based 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.[5]

1 Top five SIG aseptic carton formats by sales volume.
2 Via an independently certified mass balance system.
3 Excluding negligible constituents, such as inks and pigments. Polymers linked to wood residues from papermaking via an independently certified mass balance system.
4 Or in some cases REDcert^{2}.
5 The Ellen MacArthur Foundation Mass Balance White Paper.

Design for recycling

Recyclability plays a key role in conserving resources and protecting the environment. If not correctly disposed of at the end-consumer stage, product waste can have negative impacts on the environment, including land and water pollution. If properly handled, however, used products can have a positive impact through recycling and energy recovery.

All our cartons are already designed for recycling and we are innovating to make more of our bag-in-box and spouted pouch solutions recycle-ready. To help us design packs that are not only technically recyclable but are also widely accepted in available recycling streams, we follow industry guidelines. These include design for recycling guidelines for cartons that we helped to establish through ACE and 4evergreen, as well as guidelines from CEFLEX, Recyclass and the U.S. Association of Plastic Recyclers (APR) that apply to our bag-in-box and spouted pouches. We have also introduced internal sustainable packaging guidelines, including detailed criteria on design for recycling, for our polymer bag-in-box and spouted pouch solutions.

Simplifying the design of packaging by reducing the number of different materials that go into a pack can enable recycling more widely. Our industry-leading aseptic carton solutions with no aluminum layer offer the potential to simplify the recycling process – with just two materials to separate rather than three. This can also enhance the quality of the recycled polymers recovered. Increasing paper content in our aseptic cartons will enable the packs to be recycled in regions where only paper recycling streams are available.

The SIG Terra portfolio already includes recycle-ready bag-in-box and spouted pouch solutions, and we are innovating to expand the recycle-ready range with a strong focus on solutions that are made mostly from a single type of polymer to facilitate recycling. The cardboard boxes – not manufactured or sold by SIG – that make up the majority of the materials in bag-in-box solutions can already be recycled through widely available paper recycling streams.

Advocating circular packaging

Driving progress towards a circular economy is not something we can do alone. We collaborate with industry partners, customers, governments, non-governmental organizations and communities to develop and implement solutions.

Through industry partnerships, we drive initiatives to create common industry guidelines, develop and share best practices, support enabling legislation, build recycling capacity, improve collection systems, and raise consumer awareness.

Advocating through industry associations creates a stronger voice for favorable recycling policies and regulations at global, regional and national level.

EPR is one of the enabling regulatory frameworks we advocate. EPR legislation incentivizes uptake of recyclable packaging and investment in collection, sorting and recycling infrastructure by holding manufacturers responsible for their products and packaging through the life cycle. In cases where EPR legislation alone does not achieve high collection rates, we support the use of deposit return schemes to encourage people to return used items for recycling.

We also work with partners to develop effective systems for collection and recycling in countries where there is no enabling legislation.

Industry partnerships

We collaborate through industry partnerships at global and regional levels:[1]

CEFLEX · EXTR:ACT · Ellen MacArthur Foundation Partner · The Consumer Goods Forum · HolyGrail 2.0 Intelligent Sorting · 4evergreen · Alliance to End Plastic Waste · The Alliance for Beverage Cartons and the Environment

We are also part of national producer responsibility organizations (PROs), industry associations, and other interest groups that seek to promote recycling in countries such as Australia, China, India, Indonesia, Malaysia, New Zealand, South Korea, Thailand, the USA and Vietnam.

1 In January 2025 the Food and Beverage Carton Alliance was formed through the merger of ACE and EXTR:ACT with the aspiration of acting not only in Europe but also globally.

Fostering collection and awareness

Used packaging must be collected before it can be recycled. We support the development of effective collection systems and encourage consumers to recycle packaging materials instead of discarding them as litter or sending them to landfill, which can have a negative impact on the environment, including land and water pollution.

Our tailored Going Circular roadmaps are designed to catalyze collection and recycling in our priority countries that together account for around 90% of our global packaging sales (by weight). Many of the programs we support have a wider positive impact by increasing collection and recycling of other types of packaging as well as ours.

Local programs use innovative models for waste collection that provide additional social benefits. These include ethical labor conditions for waste workers through our municipal recycling model in Brazil, the use of blockchain technology in Egypt, and rewards offered in exchange for waste collected in underprivileged communities in Brazil and Indonesia.

We also partner with customers to raise awareness of sustainable packaging and the importance of recycling through on-pack labeling and communications campaigns.

Increasing recycling capacity

We are supporting the development of infrastructure to enable our packs to be recycled at scale, with an initial focus on recycling of used beverage cartons.

The high-quality fiber in paperboard can be separated and recycled relatively easily for reuse at paper mills. We are therefore focusing on increasing capacity to recycle polymer and aluminum – either together as a robust PolyAl material for roof tiles or furniture, or separately to enable wider applications for the recycled materials. Infrastructure is already in place for recycling PolyAl, including at facilities in which we have invested located in Australia, Germany, and Brazil. Through EXTR:ACT, we monitor development of new recycling technologies and facilities being developed independently and through industry associations.

We aim to incentivize development of recycling infrastructure by creating a market for recycled materials – including innovating to use recycled content for our packs.

Optimizing resource use in filling

Our aseptic carton filling machines have an industry-leading low waste rate that means less than 0.5% of our packs are wasted during the filling process (**see Sustainable innovation →**).

Through our SIG EcoFill Consulting program, we support aseptic carton customers in identifying ways to reduce resource use in the filling lines at their factories. We also aim to improve the efficiency of our filling machines for chilled cartons, and plan to review opportunities to reduce resource use in filling our bag-in-box and spouted pouch solutions.

We work with customers to ensure that our filling machines, and their parts, are recycled or disposed of responsibly at end-of-life.

For our aseptic carton filling machines, we provide guidance on target water use to ensure efficient operation at the customer stage and we offer water reduction kits.

Optimizing resource use in filling in 2024

22 customers reduced resource use with the SIG EcoFill Consulting program. In 2024, we helped them achieve annual savings of around 41 million liters of water, 570,240 m^3 of compressed air, 108 MWh of energy, and approx. 38 metric tons of CO_2 emissions.

33 water reduction kits sold, designed to cut water consumption by up to **50%**

Semi-automated cleaning machines cut water use by **54%** compared with manual cleaning

Continued placement of our next-generation filling machine SIG NEO, designed to reduce overall use of utilities by **30%** on average

Managing resources responsibly in our supply chain

We strive to ensure responsible management of natural resources in the supply chain by sourcing our raw materials with certifications to rigorous external standards, such as FSC™ for paperboard and ASI for aluminum foil (**see Our supply chain →**).

Both these certifications include requirements to conserve natural resources. In addition, relevant sustainability topics are covered through our working groups with paperboard suppliers and we are engaging with aluminum suppliers to increase content from post-industrial waste in the foil we purchase.

Our self-assessment of A-material suppliers using the WWF Water Risk Filter found that none has a substantive impact on water, but our paperboard suppliers are dependent on access to water for the papermaking process.

Circularity Strategy – Brazil: A Holistic Approach to Recycling

Brazil faces a major recycling challenge with 82 million tons of waste generated annually, of which only 4% is recycled. This issue is not just environmental but also social, affecting around 1 million waste pickers, 90% of whom work informally and earn less than the minimum wage.

To address these challenges, a systemic approach is needed that considers every link in the chain:

1. **Citizen Engagement:** Through the so+ma program, we are incentivizing citizens to recycle by offering rewards for responsible behavior. Currently, there are six so+ma houses operating in Curitiba and Campo Largo, with plans to expand. In 2024, we will pilot new initiatives including door-to-door selective collection rewards, an entrepreneurship program for women in recycling, and a gamified recycling education campaign for schools. In 2024 there was an entrepreneurship program for women in the recycling sector and new initiatives are to come, such as a program to encourage citizens to take part in door-to-door selective collection and a gamified recycling education campaign for schools.
2. **Infrastructure & Public Policy:** The Recicleiros program supports municipalities in implementing selective collection and structuring cooperatives. Today, we are active in 14 municipalities. Special projects include free training for public managers, an academy for waste pickers in partnership with major companies and Brazil's Ministry of Environment, and the Vox Lab platform, which aims to promote behavioral change towards recycling. Additionally, we are testing SIG's digital traceability technology to ensure transparency and accountability in the supply chain.
3. **Recycling Technology:** Our new recycling plant, set to open in 2025, will improve the recycling process by separating the aluminum and polyethylene layers of carton packs. This technology will boost the value of recycled materials and increase the recycling rate by offering better financial incentives to cooperatives.
4. **Ethical Circular Supply Chain:** To ensure responsible sourcing, we are working with Earthworm Foundation and the government of Paraná to create an ethical supply chain platform. This initiative will assess cooperatives, develop protocols for good practices, and offer better remuneration for cooperatives that meet these standards. Our goal is to build a responsible and traceable supply chain that benefits both the environment and the people working in it. Since its launch in 2018, our initiatives have collected nearly 20,000 tons of waste. In 2024 alone, we engaged 3,888 families through the So+ma Vantagens program at 7 collection points. Additionally, the Recicleiros Cidades program reached approximately 1 million people across 14 municipalities, facilitating the collection of around 7,240 tons of recyclable materials and creating 302 jobs.

This circularity strategy goes beyond environmental goals by addressing social issues, ensuring that recycling in Brazil is not only efficient but also fair and responsible. Through partnerships with NGOs, government bodies, start-ups, and communities, we are building a sustainable and ethical recycling chain.

SIG and partners launch recycling and livelihood project in Egypt

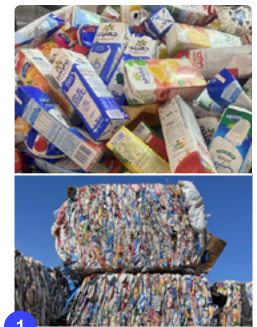
SIG, in partnership with Plastic Bank and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, has launched a project to transform Egypt's recycling efforts while improving the livelihoods of waste collectors through blockchain technology. Egypt generates around 100 million tons of waste annually, of which 40 to 85 per cent is collected in urban areas and only 0–35 per cent in rural areas. This new three-year initiative aims to collect 700 metric tons of beverage cartons and enhance the lives of more than 1,000 local waste collectors. Using the PlasticBank® app, powered by blockchain, waste collectors can track their work, earn digital rewards, and access social benefits like health insurance, grocery vouchers, and school supplies.

In 2024, the GIZ Developp project, Green Jobs from a Box, successfully collected an additional 63 tons of beverage cartons. The initiative currently engages 70 waste workers who are involved in the collection and sorting of various packaging materials, including beverage cartons. Notably, this marks the first time that Plastic Bank has integrated beverage cartons into its collection efforts in Egypt. The system ensures full traceability, providing transparency on the quantity of cartons collected and the individuals involved in the process. The fibers from the cartons are repurposed into locally produced paper, while the reject material—referred to as PolaAl (polymer-aluminum fraction)—is utilized as a substitute for raw materials in the production of interlock bricks by the local partner, TileGreen. This creates a fully integrated recycling cycle in Egypt, supporting both environmental sustainability and local economic growth.

The project not only addresses immediate recycling needs but also supports the development of an Extended Producer Responsibility (EPR) model in Egypt. It aligns with the Egypt Waste Management Regulatory Authority to integrate recycling into the national framework.

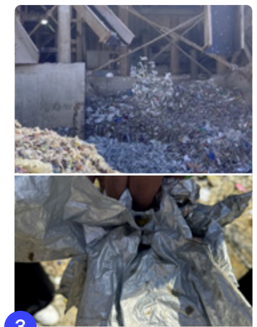
Through this collaboration, we have unlocked the true potential of beverage cartons as a resource, ensuring they remain in circulation. For the packaging, beverage, and food industries, this system repurposing beverage carton components into locally demanded materials represents a way to minimize waste disposal costs and maximize resource efficiency. It provides a replicable model that can inspire sustainable practices worldwide, advancing circular economy principles and setting a precedent for innovation in waste management.

Establishing Egypt's first complete recycling process for beverage carton



1 Used beverage carton collection

2 Fiber recycling at papermill



3 PolyAl recycling

4 Interlock bricks

german cooperation DEUTSCHE ZUSAMMENARBEIT | Partners in Transformation | Invest for Jobs | giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH | SIG | plasticbank | TileGreen

Continuous improvement in our operations

We are committed to monitoring and managing environmental impacts from our operations. Robust environmental management systems, certified to ISO 14001 at all our production plants, support continuous improvement across our operations.

Minimizing use of water

We use relatively little water in our operations, and water is not identified as a material topic in our double materiality assessment for our own operations. However, we strive to use water resources responsibly by considering water quantity, quality and water stress risk, and aim to minimize consumption where feasible. All plants install flow meters to track specific water use to identify plant areas with high consumption.

We track monthly water consumption and water withdrawal data at all plants, including withdrawal of fresh surface water (lakes, rivers, etc.), fresh groundwater, and water discharge (water returned to the source of extraction at similar or higher quality as raw water extracted).

Sites in water-stressed areas, identified through a self-assessment using the WWF Water Risk Filter, are required to have water management systems.

Water storage only takes place in fire water tanks. This would only have a significant impact if the tanks needed to be refilled.

We have a minimum quality standard for effluent discharge: chemical oxygen demand (COD) is measured against legal limits at all our locations.

A total 557,148m^3 of water was supplied to SIG Group in 2024, including 314,659m^3 in water-stressed areas[1]. We discharged 331,008m^3 of waste water in 2024 (around 41% of the total supply), including 127,974m^3 in water stressed regions (plants in water-stressed areas – Merced/USA, Queretaro/Mexico, Riyadh/Saudi Arabia and Suzhou/China.

Minimizing waste

Our main focus is on eliminating waste from operations to landfill by reusing or recycling waste – or, where this is not feasible, by choosing the next best option, such as energy recovery. We also implement responsible disposal options for hazardous and electronic waste to avoid environmental harm and ensure hazardous waste does not end up in landfill.

1 Based on an assessment using the WWF Water Risk Filter.

Assessing effectiveness

Water use in production

- Monthly reviews of the global performance (water-related KPIs).
- Plant specific water usage is measured and reported on a monthly basis.
- Water risks are assessed regularly for the next 1 to 3 years in an environmental risk assessment.
- Business impact evaluation of possible shortages or allocation of water supply to production capacity of plants.
- Annual evaluation and plant classification in water stress areas by the central CR team.
- ISO 14001 impact assessment.

Production waste

- Robust life-cycle assessments (LCAs) carried out by independent experts using the ISO 14040 international standard and critically reviewed by an independent panel.
- Monthly reporting of waste and circularity-related KPIs.
- Annual limited assurance by PwC on environment data.
- Filling machines are predominantly refurbished and most of the material can be recycled at end-of-life.

Food waste

- Our packs prevent food loss and waste during filling, distribution, storage and consumption

Minimizing waste and water use in our value chain

Water use and waste are included in our engagement with the value chain. Relevant aspects are covered by management approaches which we follow to further reduce the environmental footprint of our products and our activities related to responsible sourcing and circularity. Waste relates to resource efficiency in our supply chain but also to production waste which occurs in using our filling machines and to the contribution of used packaging to industrial and household waste streams. Water use occurs to a relevant extent in all main commodity supply chains and also when operating our filling machines. Like pollution of air also pollution of water mainly occurs along the major commodity supply chains.

Below are some examples how waste and water and pollution of water and air in our upstream supply chain are addressed in our sustainability approach:

- At the supplier level, our responsible sourcing approach with ASI certification of the aluminium foils supply chain includes strong provisions for treatment of industrial wastes along the production chain from bauxite mining, alumina refinery and smelting operations. Water use and waste water treatment and industrial pollution are also addressed within the ASI performance standard which is tailored to material impacts of the different operations in the supply chain.
  See Sourcing responsibly →
- Designing our filling machines towards less utility demand and increased efficiency helps to reduce both consumptive water use and the creation of non-product output.
  See Sustainable innovation →
- Our technical service teams help aseptic carton customers minimize the use of water, energy and compressed air in their factories, through upgrade kits for existing machines and the SIG EcoFill Consulting program.
  See Resource+ →
- For the management of post-consumer waste, we have established country specific roadmaps for all priority markets cover approx. 90% of SIG business, on increasing circularity which includes action to increase collection of used packaging for recycling and by ensuring recyclability for all packaging materials delivered. **See Resource+ →**
- Product design and innovation is accompanied by Product Life Cycle Assessments following ISO 14040. All relevant environmental impacts are covered including impacts of emissions to water and air. This allows to detect hotspot along the value chain and interact by e.g. raw material substitution. In many cases greenhouse gas emissions are correlated e.g. with the emission of sulfur dioxide or particulate matter which are other main pollutants where fossil fuels are burnt – so also our climate + strategy helps to reduce pollutants e.g. by shifting to less energy intensive raw material supply chains.
  See Climate+ →

Grievance mechanisms are set up as part of local collection and recycling partnerships or grievances can be reported through the Integrity & Compliance Hotline.

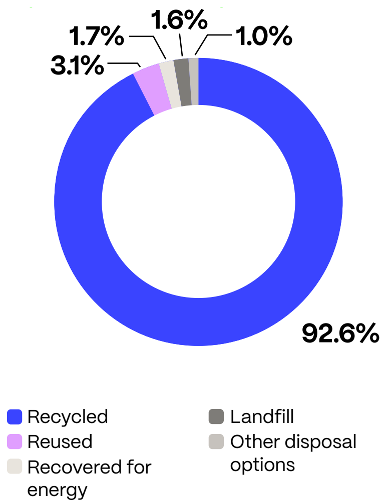
Responsibility for managing raw material sourcing, waste and circular economy

- Global Sourcing & Procurement
  The Responsibility Steering Group oversees semi-annual reports on raw material sourcing
- Monitoring and reducing water use in our operations: global and local Environment, Health & Safety teams
- Design for recycling and recycled content: Global Technology and Global Marketing
- Regional sustainability manager together with the local teams are responsible for helping to drive progress on collection and recycling, with oversight from Regional Presidents

Minimizing waste in production

We are committed to minimizing waste at the supplier and own production levels and downstream. Waste in own operations is not identified as a material topic in our double materiality assessment.

Production waste by disposal method in 2024



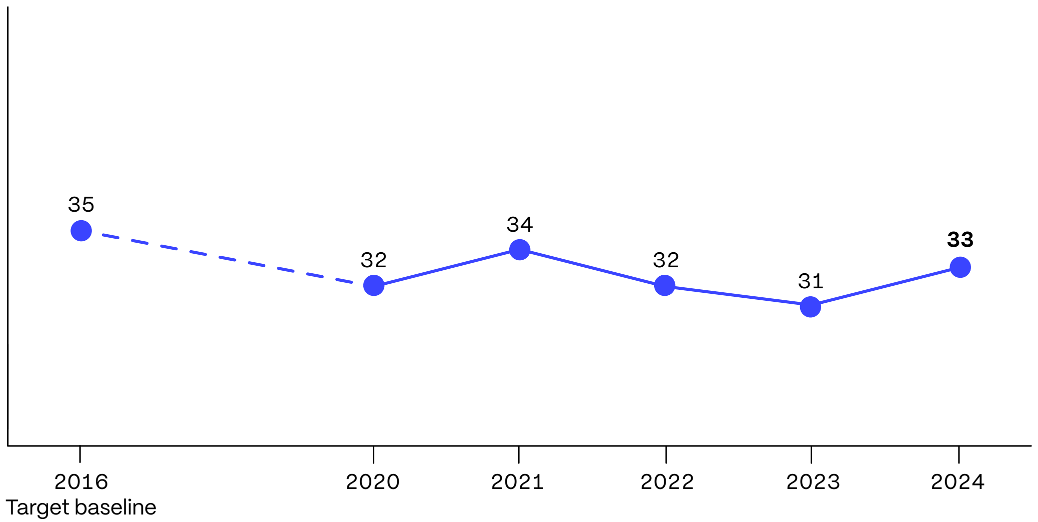
Production waste by type (thousand metric tons)

	2020[1]	2021[1]	2022[1]	2023	2024
Raw and laminated carton	48.4	58.3	57.3	62.5	**71.1**
Polyethylene	1.6	3.5	3.3	9.3	**10.1**
Hazardous waste	2.9	3.7	3.8	6.5	**10.9**
Aluminum (<1%)	–	–	0.3	0.3	**0.4**
Total	**53.1**	**65.5**	**64.7**	**78.6**	**92.5**

Production waste by disposal method (metric tons) in 2024

	Non-hazardous waste	Hazardous waste	Total waste
Recycled	78,106	269	78,375
Reused	2,192	483	2,675
Recovered from energy	1,006	652	1,658
Landfill	1,252	205	1,457
Other disposal options[2]	500	102	602
Total	**83,055**	**1,712**	**84,767**

Production waste rate for aseptic carton (grams of waste per m² of sleeves produced)



1 Waste data for previous years is for our aseptic carton business only.
2 Such as incineration without energy recovery.

Our targets and performance

Targets, progress and performance

Target	Progress tracker	2024 performance
Material topic: Waste and circular economy		
Launch a full barrier carton with all main materials linked to renewable resources[1,3] by 2025	Completed	SIG Terra Alu-free + Full barrier had its first commercial launch in 2023 in China and sales continued to scale up during 2024. This is the world's first full barrier solution for aseptic carton packs with no aluminum layer that can be used with oxygen-sensitive products, such as juices, as well as liquid dairy. In 2024 we added the Forest-based polymers as an option to create SIG Terra Alu-free + Full barrier + Forest-based polymers, thereby achieving the target one year early.
Develop a full barrier aseptic carton with at least 85% paper content (excluding closure) by 2025 – and at least 90% paper content (including closure) by 2030	On track	During 2024, we successfully finalized a technical pre-study for increased paper content, which will enable our cartons to be recycled in regions where only paper recycling streams are available. We completed an internal global compatibility study of this future packaging structure with paper mills to further guide the new structure development.
Offer a recycle-ready[2] bag-in-box and spouted pouch solution in all our relevant market segments by 2025	On track	We have expanded our offering of recycle-ready spouted pouches as well as recycle-ready bag-in-box solutions: our SIG Terra RecShield D bag-in-box package for post-mix syrup, our largest segment, has been formally recognized by the Association of Plastic Recyclers (APR) for meeting the highest criteria for recyclability according to the APR Design® Guide for Plastics Recyclability.
Partner with stakeholders to implement dedicated and country-specific roadmaps to support increased collection and recycling of beverage cartons, bag-in-box, and spouted pouches in priority countries that account for more than 90% of our global packaging sales (by weight) by 2025	On track	We have Going Circular local roadmaps in priority countries that together account for 90% of our global packaging sales (by weight) – including priority countries identified this year for our bag-in-box and spouted pouch businesses. We continued to partner with industry, governments, municipalities, customers, and communities to implement local programs to support increased collection and recycling. These include: a new partnership with the German Development Cooperation in Egypt that monitors ethical working conditions for waste collectors; the expansion of our social model for collection to Indonesia; new recycling facilities in development in Australia and Brazil; and awareness and collection programs in a range of other countries. In Europe, our focus is on developing common industry guidelines and advocating effective policies to enable more collection and recycling of used packaging.
Scale up and expand our community recycling model by 2025	On track	The Recycle for Good initiative, launched in Indonesia in 2023 by the SIG Foundation, incentivizes recycling with a strong focus on used beverage cartons and polymer pouches. The program was expanded in 2024 to multiple pick-up points and households to reach more people and increase the collection rate of recyclable waste.
25% reduction in grams of waste per m^2 of packaging material used to produce our aseptic cartons by 2025 (from 2016)[4]	More work to do	Our waste rate from production of our aseptic carton packs has increased by 6.5% in 2024 and decreased by 5.7% from 2016. Main reason for the waste rate increase is the ramp-up phase of various new production equipment.
Zero landfill – all waste to be recycled or used as renewable biofuel by 2025	On track	95.7% of waste from production was reused or recycled, 1.7% was recovered for energy, and around 1.6% went to landfill. We have achieved zero waste to landfill at 20 of our production plants.
Maintain certification to ISO 14001:2015 at all production plants	On track	We maintained our global ISO 14001 certification in all plants.

1 Excluding negligible constituents, such as inks and pigments. Target wording adjusted for clarity: all main materials instead of 100% because the minor elements (representing less than 1% of a beverage carton) are not linked to forest-based resources.
2 In line with Design for Recycling criteria developed by APR (Association of Plastic Recyclers) and Recyclass.
3 Via an independently certified mass balance system.
4 Not material in own operations.

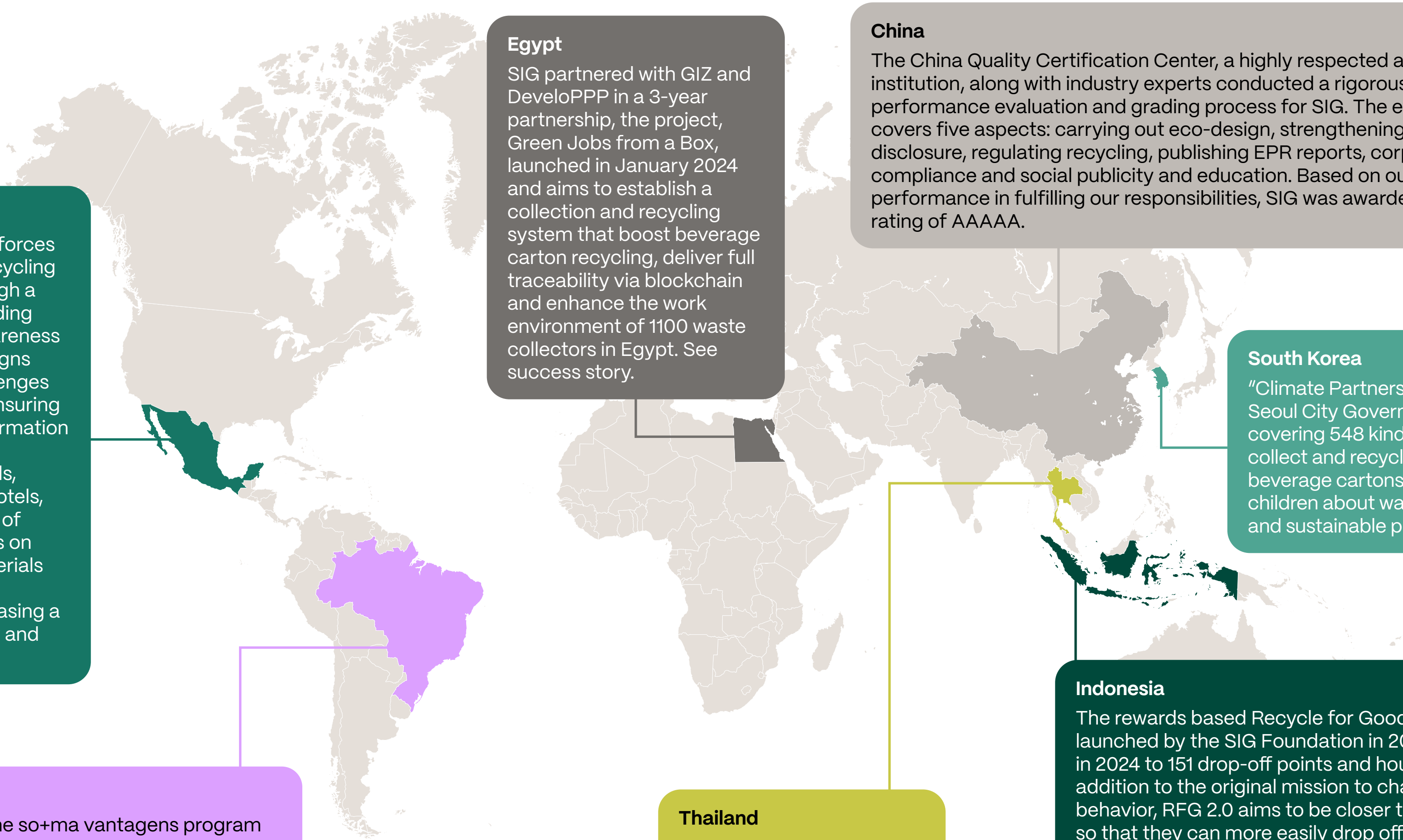
Progress in 2024

We continued to invest in and support development of new recycling facilities for used beverage cartons

- In Brazil, we continued the construction of a new recycling plant for beverage cartons that will use innovative technology to separate the polyethylene from the aluminum in PolyAl to create a wider market for these recycled materials, with the expectation of increasing their value by more than 50%. The recycling plant is part of SIG's ethical recycling strategy in Brazil in collaboration with our local paper mill recycling partner Revita – see feature.
- 2024 saw the ramping up of Saperatec, a second PolyAl recycling facility in Germany in addition to Palurec, in which we co-invested with industry partners. Existing facilities can already process around 30% of the total PolyAl produced from recycled beverage cartons in Europe, and a significant increase in capacities is planned in the near future to increase this to 40%.

Fostering collection and awareness

As well as supporting recycling infrastructure, we have continued to establish local partnerships to raise awareness and improve collection rates as part of our **Going Circular** roadmaps in priority countries. We carefully select our collection and recycling partners and aim to avoid any negative impacts by closely monitoring our partners' human rights policies. In addition, we are exploring the implementation of a streamlined process to enhance our assessment efficiency.



Mexico
SIG and PROMESA have joined forces to expand the collection and recycling of used beverage cartons through a multi-material initiative with leading brands. The program raises awareness through workshops and campaigns while addressing logistical challenges with an efficient supply chain, ensuring seamless collection and transformation of materials. Engaging over 280 participants across a 100 schools, 102 cafés, 5 restaurants and 2 hotels, the initiative will recycle 38 tons of cartons in one year. With a focus on social impact, the recycled materials are used to provide roofing for vulnerable communities, showcasing a powerful model of sustainability and social responsibility.

Egypt
SIG partnered with GIZ and DeveloPPP in a 3-year partnership, the project, Green Jobs from a Box, launched in January 2024 and aims to establish a collection and recycling system that boost beverage carton recycling, deliver full traceability via blockchain and enhance the work environment of 1100 waste collectors in Egypt. See success story.

China
The China Quality Certification Center, a highly respected and credible institution, along with industry experts conducted a rigorous EPR performance evaluation and grading process for SIG. The evaluation mainly covers five aspects: carrying out eco-design, strengthening information disclosure, regulating recycling, publishing EPR reports, corporate compliance and social publicity and education. Based on our exceptional performance in fulfilling our responsibilities, SIG was awarded the highest rating of AAAAA.

South Korea
"Climate Partnership" Program with Seoul City Government Project covering 548 kindergardens to collect and recycle 23 tons of used beverage cartons, while educating children about waste segregation and sustainable packaging.

Brazil
3,888 families participating in the so+ma vantagens program brought 289 metric tons of waste to our 6 collection points in 2024 in exchange for rewards such as food, training, and school materials. In the 14 municipalities served by the Recicleiros Cidades program, with an impact on around 1 million people, approx. 7,200 tons of recycled materials were collected and 310 jobs created.
See case study →

Thailand
Continuation of BECARE program to educate communities about recycling and sustainable packaging with collection of 44T of used beverage cartons.

Indonesia
The rewards based Recycle for Good (RFG) program launched by the SIG Foundation in 2023 was expanded in 2024 to 151 drop-off points and households. In addition to the original mission to change consumer behavior, RFG 2.0 aims to be closer to end-consumers so that they can more easily drop off their recyclable waste, mainly used beverage cartons and flexible polymer pouches. In 2024, 52.3 tons of used beverage carton and 18.2 tons of plastic packaging were collected.

KPIs

Metric	2020	2021	2022	2023	2024
Resource+					
Material topic: Waste management & circular economy					
SIG carton packaging that is designed for recycling[1] (%)	100[7]	100[7]	100[7]	100	**100**
SIG bag-in-box and spouted pouch packaging that is recycle-ready[2] or for which we offer alternative recycle-ready bag-in-box and spouted pouch solutions (%)	–	–	–	69	**76**
SIG packaging portfolio that is recycle-ready[3] (%)	–	–	–	90	**91**
Waste rate for aseptic carton production (grams of waste per m² of packaging material)[5]	32	34	32	31	**33**
Waste rate for carton production[4] (grams of waste per m² of packaging material)[5]	–	–	–	–	**35**
Waste rate for production (bag-in-box and spouted pouch) (tons of waste per thousand tons produced)[6]				1.9	**3.0**

Our positive impact

Through our Resource+ actions, we contribute to the United Nations Sustainable Development Goals.

1 Our evaluation of recyclability of cartons is based on the relevant EN643 standard.
2 Our evaluation of recycle-readiness for bag-in-box and spouted pouch is in line with Design for Recycling criteria developed by APR (Association of Plastic Recyclers) and Recyclass.
3 Our evaluation of recyclability of cartons is based on the relevant EN643 standard and our evaluation of recycle-readiness for bag-in-box and spouted pouch is in line with Design for Recycling criteria developed by APR (Association of Plastic Recyclers) and Recyclass. Calculation: Recyclable cartons plus recycle-ready bag-in-box and spouted pouch sold (in metric tons), divided by all packaging sold (in metric tons).
4 'Carton production' includes aseptic and chilled carton production. In this table, figures for the combined business can only be shown for 2024.
5 Calculation: Grams of carton packaging material waste in 2024, divided by m² of produced carton sleeves packaging material (good output) in 2024. Carton packaging material waste includes: raw carton, laminated carton, polyethylene waste, aluminum foil, supplies material, hazardous waste, as well as semifinished products (allocated with 40%, to take it into account)
6 Calculation: Tons of packaging material waste of bag-in-box and spouted pouch production divided by thousand tons of packaging material produced (good output). Bag-in-box and spouted pouch packaging material waste includes: raw carton, laminated carton, polyethylene waste, aluminum foil, supplies material, hazardous waste.
7 Aseptic carton business only.

2024 success stories

Launching the Food and Beverage Carton Alliance

Together with industry partners Tetra Pak and Elopak, and key suppliers Stora Enso and Billerud, SIG announced the formation of the Food and Beverage Carton Alliance. This global association builds upon the strong foundation of the European Alliance for Beverage Cartons and the Environment (ACE) and integrates the expertise of EXTR:ACT, its technical arm. This new alliance will expand our efforts on a global scale.

The alliance is structured around three core components:

- **Advocacy:** to engage policymakers worldwide to help solve global policy challenges and advocate for public policies that recognize the essential role of food and beverage packaging, support green innovation, and encourage the transition to low-carbon, circular economies.
- **Communication:** to ensure that information about our solutions – whether related to climate mitigation, circular economies, or food system resilience – is accessible to all. Our goal is to increase awareness of the benefits we bring.
- **Center of Expertise:** technical solutions, innovations and industry data globally and locally, will provide evidence-based insights. Consolidated research and non-competitive industry data will set benchmarks for progress and action across the sector.

Accelerating Circularity: SIG partners with Ellen MacArthur Foundation

SIG has strengthened its commitment to sustainability by partnering with the Ellen MacArthur Foundation, a global leader in circular economy initiatives. This collaboration aims to accelerate the transition to fully circular packaging solutions worldwide. By leveraging the Foundation's expertise and network, SIG will focus on reducing waste, improving recyclability and promoting the use of renewable materials. The partnership is a key step in SIG's broader strategy to innovate and scale sustainable packaging practices, driving meaningful progress toward a waste-free, low-carbon future for the packaging industry.

First industry aligned assessment protocol for fiber-based composite packaging

In 2024 EXTR:ACT received the final assessment protocol for the recyclability evaluation of fiber-based composite packaging to be recycled in specialized paper mills dedicated to used beverage cartons. This recycling assessment methodology created for EXTR:ACT in cooperation with Certify is aligned with many other EU methodologies for packaging materials.

As part of the Business Coalition for a Global Plastics Treaty, SIG's CEO joined leaders in calling for a binding global treaty to harmonize policies, strengthen legislation, and scale proven solutions in sectors like packaging.

Food+

Our packs help bring food and drink to millions of people every day in a safe, sustainable, and affordable way

16.4bn

liters of nutritious[1] food and drink delivered in SIG packaging in 2024

Millions of people around the world lack access to safe nutrition.[2] At the same time, millions of tons of food are lost every year through waste.[3]

The challenge of feeding a growing world population is intensified by the need to reduce the carbon footprint of food production.[4]

SIG packaging systems are designed to help our customers to deliver food and beverage products to consumers in a safe, sustainable and affordable way. Our solutions are tailored to different consumption occasions such as on the go, at home or out-of-home. For each of them, solutions include both manufacturing of filling machines with lowest waste rates and the supply of sustainable packaging options including aseptic and chilled cartons , spouted pouches and bag in box systems. With our proprietary aseptic technology we provide long shelf life – of up to 12 months – under ambient conditions. This is a key enabler for a resilient supply of nutritious food and drinks, such as milk and plant-based dairy alternatives, juices, fruit and vegetable purees, and soups.

The range of nutritious food and drinks is constantly expanding, and we work with our customers to develop new products with a focus on health and nutrition.

Our commitments

We are committed to making a significant contribution to a regenerative food system, one that fosters the flourishing of both people and planet.

Our commitment centers on delivering a resilient, shelf-stable and secure food supply system with a demonstrably positive impact on nutrition. Leveraging our worldwide presence and delivering the right packaging solution for different consumption occasions and distribution channels, we empower our customers to provide affordable nutrition in areas of greatest need.

Product safety is essential. Ensuring the reliable delivery of safe food and beverages is fundamental, as it directly relates to the basic human right to life and physical integrity. To uphold this commitment, all relevant SIG production plants maintain certifications to recognized food safety management system standards.

Furthermore, we actively work to minimize food loss and waste, thereby reducing climate impacts and optimizing resource use.

1 Different types of products are categorized according to their nutritional profile based on the independent Health Star Rating System.
2 FAO: The State of Food Security and Nutrition in the World 2023.
3 FAO: Global food losses and food waste.
4 How to Sustainably Feed 10 Billion People by 2050, in 21 Charts | World Resources Institute.

Our approach

Key strategic pillars

- Maintaining food quality and safety
- Partner with customers to bring innovative and nutritious products to market
- Enter into partnership with industry and NGOs to drive towards a regenerative food system
- Reduce food loss and waste across the value chain

Maintaining food quality and safety

We ensure the highest product safety and quality for our customers and consumers by operating an integrated and systematic product safety and quality management system which helps us identify, mitigate and eradicate potential and existing risks throughout the value chain. For effective risk assessment and management, we apply leading recognized methods such as HACCP (hazard analysis and critical control points) and the use of risk analysis tools, e.g. FMEA (Failure Mode & Effects Analysis) or simplified risk analysis.

We have a system and associated processes established to ensure backward traceability from our final products (package material and closures), through logistics and manufacturing, up to the raw materials used. Our production plants are certified according to a GFSI-recognized scheme standard/ISO 22000 and are annually audited to retain their certification. This certification demonstrates that we provide products that are quality-assured and legally compliant.

We continuously work with our customers to make sure that product safety and quality are maintained. If there are any complaints, our Integrated Complaint and Claim Management process (ICCM) provides clear guidance on how they should be managed.

We have an established process in place if a product recall or withdrawal is required.

Innovation through partnership

The SIG Incubator program supports start-ups launching nutritious new food and beverage products by providing access to advice, expertise and consumer-focused insights – as well as by enabling them to use our filling machines, either at our own SIG Testfilling Centers or at existing SIG customers' plants. To date, the program has supported six start-ups in total, as well as food tech companies.

SIG is a member of U.S.-based food innovation platform MISTA, which brings together leaders from the global food and beverage industry to explore collaborative ways to accelerate the transformation of the global food system into a more regenerative one. We are currently exploring innovative ideas with six different partners, with more to come, including food tech start-ups and a market leader in food processing technologies. For example, first commercial production of an innovative plant-based oil in bag-in-box for the foodservice industry took place in the USA at the end of 2024.

Bringing innovative and nutritious products to market

New launches in 2024

- Hak in the Netherlands: food launch for pulses such as beans, peas and lentils
- Nutifood in Vietnam: Varna brand premium adult nutrition milk in SIG DomeMini
- Seoul Dairy in Korea: protein-enriched coffee drink in SIG DomeMini
- ITO EN in Japan: market innovation with the launch of two premium beverages containing bite-sized pieces in SIG SmileSmall carton packs, using SIG Drinksplus technology
- Elmhurst in USA: non-dairy cream and Heaven's Kitchen sauces in aseptic spouted pouch

Reducing food loss and waste across the value chain

- The Cartons for Good initiative, led by the SIG Foundation, is an innovative model to process and pack surplus food crops that would otherwise be lost – and turn them into nutrition for people in need.
- Our highly efficient filling machines cut the waste rate of packs (and associated food content) during filling to an industry-leading 0.5% or less for aseptic cartons, and as little as 0.7% for bag-in-box and spouted pouches.
- We also aim to minimize food waste from residues left in the pack after consumer use by offering very high evacuation rates for our bag-in-box and spouted pouch solutions and innovating to further improve pourability from our cartons.

Responsibility for managing product safety and integrity

- Site quality management and product safety teams.
- Regional quality management and product safety teams.
- Overseen by the Head of Global Quality Management.
- R&D and filling machine assembly teams for developing and implementing solutions.

Assessing effectiveness

We validate the effectiveness of our product safety and quality management system on a regular basis. For example, our product withdrawal procedure is validated at least annually. The findings are then incorporated into our product safety update training. We also use a global quality and product safety management reporting system. The GEB receives monthly reports and customer complaints are escalated to management. Issues or concerns can be reported via the integrated customer complaint and claim management system or the Integrity & Compliance Hotline.

In 2024 we assessed the health and safety impacts of our products and services across our portfolio. There were no incidents of non-compliance with regulations or voluntary codes.

Our targets and performance

Targets, progress and performance

Target	Progress tracker	2024 performance
Material topic: Product safety and integrity		
Maintain existing ISO 9001:2015 certifications at production plants (including all aseptic carton plants)[1]	On track	We maintained certification to the ISO 9001:2015 quality management standard across our aseptic carton business, as well as at ten of our bag-in-box, spouted pouch and chilled carton production plants.
Maintain top level GFSI[2]-recognized certification at all packaging production plants[3]	On track	We achieved top level certification to GFSI-recognized food safety standards at a high or the highest level at 26 of our 27 relevant production plants. The remaining chilled carton plant in Taiwan, acquired in 2022, maintained certification to ISO 22000:2018 and is working towards certification to a GFSI recognized standard in 2025.
Strategic topic: Access to nutrition and hydration[4]		
Use SIG's position within a more sustainable food supply system to create demonstrable positive impacts on nutrition and hydration by 2025	On track	We partnered with customers to enable the development of nutritious food and beverages globally, including plant-based milk and protein beverages. With food technology company AnaBio Technologies we created the world's first long-life probiotic drink (first launch end of 2024). We joined MISTA, a new food innovation platform, to explore collaborative ways to create a more regenerative global food system. One of our SIG Incubator start-ups, from the plant-based oil area, started commercial production in SIG bag-in-box in the USA at the end of 2024. We joined the Climate & Health Coalition Food Cluster hosted by Forum for the Future. We are working to enable private-sector players from across the food and drink industry to accelerate the transformation of our food and agricultural systems towards outcomes that deliver health benefits for both people and planet.
Increase the total volume of nutritious[5] food and beverage products brought to consumers in SIG packs by 50% by 2030 (from 2020)	On track	The integration of bag-in-box and spouted pouches into our portfolio (through acquisitions in 2022) has significantly expanded the amount and types of nutritious food we help customers deliver. In 2024, 16.4 billion liters of nutritious food and beverage products were brought to consumers in SIG packs, up 45% from the 2020 baseline. The amount of nutritious food packed in our cartons alone has increased by 20% from 2020 to 13.5 billion liters.
Support two start-ups per year through our SIG Incubator program to share unused filling capacity to deliver nutritious food safely and efficiently[6] by 2025	More work to do	By now SIG has supported six innovative food and drink start-ups through the SIG Incubator program, with more in the pipeline. In 2024 the program focused on developing long-life probiotic concepts. Four recipes were produced in total, working with food tech company AnaBio. In early 2025, the SIG Incubator will be relaunched and extended – see Outlook. A highlight of 2024 was the installation of the aseptic spouted pouch line in Dubai, which increases the reach of possible product categories for the SIG Incubator.
Intensify partnerships with SIG customers to scale the SIG Foundation's Cartons for Good initiative by 2025	More work to do	The SIG Foundation's flagship initiative helps prevent food loss and malnutrition by using SIG's filling technology and packs to turn surplus crops into nutrition for people in need. The pilot in Bangladesh has turned over 21 metric tons of food loss into more than 73,300 nutritious meals for underprivileged children and people in need since it began in 2019.

1 Target amended following integration of our bag-in-box, spouted pouch, and chilled carton businesses.
2 Global Food Safety Initiative (GFSI)-recognized certifications include the Brand Reputation Compliance Global Standards (BRCGS) packaging standard, Safe Quality Food (SQF), Food Safety System Certification (FSSC 22000), and International Featured Standard (IFS).
3 Target expanded to include other GFSI-recognized standards (not just BRCGS), following integration of our bag-in-box, spouted pouch, and chilled carton businesses.
4 Not identified as a material topic. However, information is given as we believe access to nutrition and hydration is important.
5 Different types of products are categorized according to their nutritional profile based on the independent Health Star Rating System.
6 Target amended to include any unused filling capacity and reflect the new name of the SIG Incubator program (formerly SIGCUBATOR).

Progress in 2024

- We joined the Food Cluster of the Climate & Health Coalition hosted by Forum for the Future – see success story on page 98.
- We helped to build a toolkit for food and drink system businesses that:
  - highlights current activity at the intersection of climate, health and food
  - generates case studies to inspire and accelerate action for others
  - provides guidance on key topics and opportunities for action, including starting or accelerating business action on climate, health and food
- Cartons For Good in Thailand: we introduced a new approach to prevent food loss and help people, in cooperation with our customer Ampol Food

KPIs

Metric	2020	2021	2022	2023	2024
Food+					
Material topic: Product safety & integrity					
Significant carton[3] product and service categories for which health and safety impacts are assessed for improvement (%)	100[4]	100[4]	100[4]	100[4]	**100**
Significant bag-in-box and spouted pouch product and service categories for which health and safety impacts are assessed for improvement (%)	–	–	–	100	**100**
Non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services in our carton businesses[3] (number of incidents)	0[4]	0[4]	0[4]	0	**0**
Non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services in our bag-in-box and spouted pouch business (number of incidents)	–	–	–	0	**0**
Strategic topic: Access to nutrition & hydration[1]					
Nutritious food and beverage products[2] brought to consumers in SIG packaging (billion liters)	11.3[3,5]	11.9[3,5]	12.3[3,5]	15.7[5]	**16.4**

1 Not identified as a material topic. However, information is given as we believe access to nutrition and hydration is important.
2 Defined by the independent Health Star Rating System as food and drinks that contribute to a balanced diet and lead to better health.
3 Includes aseptic and chilled cartons.
4 Aseptic carton business only.
5 Data adjusted in line with Health Star Rating methodology.

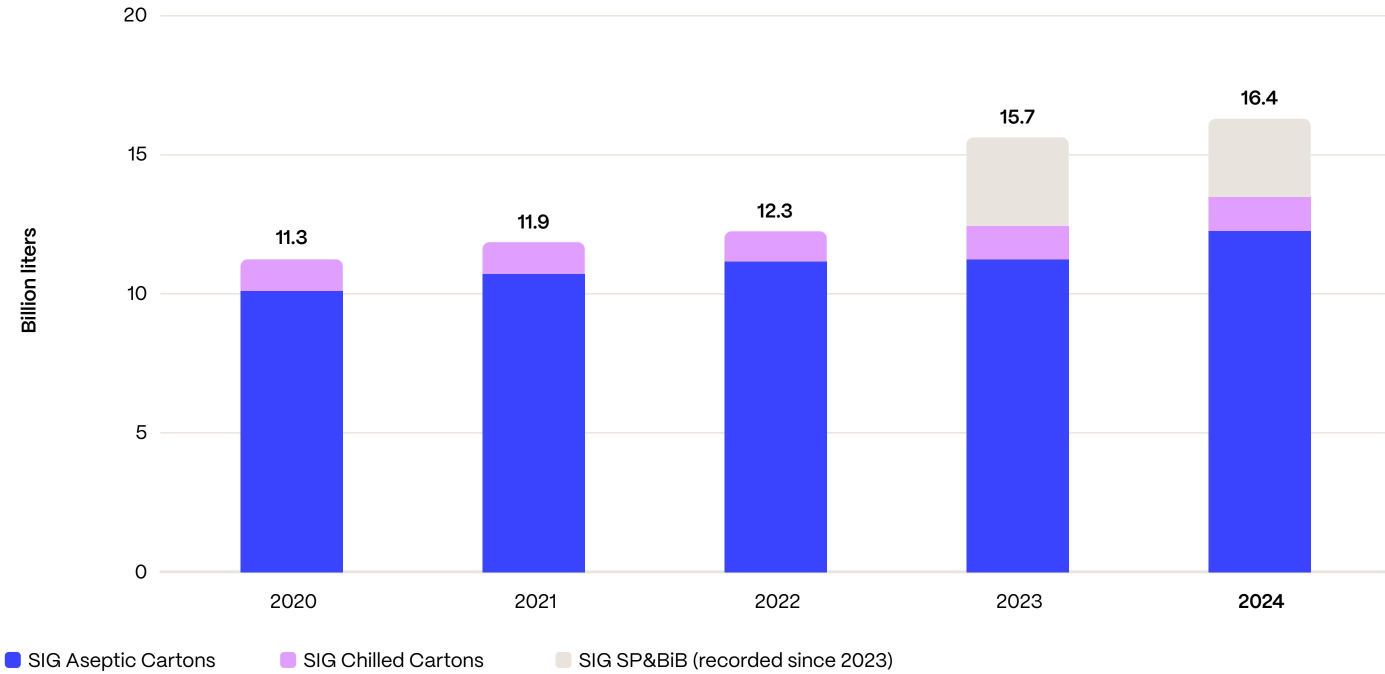
Key KPI trends in 2024

We continued to achieve 100% fulfillment of our KPIs on health and safety impact assessments for all substrates. Our carton business has maintained this achievement since 2016.

We continued to have no cases of non-compliance on health and safety impacts for all substrates. Our carton business has maintained this record since 2016.

We registered a further increase of nutritious products in SIG packaging:

Nutritious[1] food and beverage products brought to consumers in SIG packaging (billion liters)



1 Defined by the independent Health Star Rating System as food and drinks that contribute to a balanced diet and lead to better health.

Our positive impact

Through our Food+ actions, we contribute to the United Nations Sustainable Development Goals

Outlook

Broadening the scope of SIG Incubator

A new and extended SIG Incubator offering of test filling facilities as well as packaging solutions will be launched early in 2025. Our SIG Testfilling Centers in Dubai and China will officially be part of the offering, to attract global food and beverage start-ups. Through this extension SIG not only broadens the regional scope of the program but also expands the packaging options – from SIG Dome in Linnich to SIG Smile and SIG DomeMini in China. The installation of an aseptic pouch line at our Dubai Test Filling Center even widens the SIG Incubator scope into new product categories.

Taking Cartons for Good to the next level

The Cartons for Good initiative has defined its way forward with a roadmap of transition from the pilot project to Cartons for Good 2.0. Going forward, the initiative is focusing on partnering with SIG customers to achieve its goals, with SIG technology already installed at customer sites to be used to pack nutritional products. Projects are underway in Egypt and in Thailand.

2024 success story

We have expanded our partnership with the international sustainability non-profit Forum for the Future and joined the Climate & Health Coalition Food Cluster. With beverage company Carlsberg Britvic (our customer) and retail company Waitrose, we are working together to enable private-sector players from across the food and drink industry to accelerate the transformation of our food and agricultural systems towards outcomes that deliver health benefits for both people and planet.

One of the cluster's deliverables is a best practice toolkit for food businesses. The toolkit was launched at the UN Climate Change Conference (COP29). "This powerful resource equips companies to take integrated climate and health action. We need urgent engagement at the intersection of climate, health, and food to ensure the health of people and planet – and businesses have a key role to play," says Hannah Pathak (CEO at Forum for the Future). Developed by the Climate & Health Coalition Food Cluster, the toolkit provides actionable guidance for sustainability, procurement, R&D and communications teams and features case studies from SIG, bringing our approach on the intersection between climate, health and food to life.

Hannah Pathak
(CEO at Forum for the Future)

Sustainable innovation

Innovative low-carbon packaging solutions for the food industry

SIG Terra Alu-free + Full barrier offers up to

-25%

lower carbon footprint than our standard aseptic cartons[1]

Innovation towards higher recyclability of products or less resource-intensive products will positively impact SIG's entire value chain.

SIG's packs are among the most sustainable packaging solutions in each relevant market segment – and we are innovating to reduce their environmental impact even further.

Independent life-cycle assessments show our carton, bag-in-box and spouted pouch solutions offer significant reductions in environmental impacts compared with other types of packaging, such as disposable glass, plastic tubs and bottles, or cans.[2]

Our packs' strong environmental credentials are an important differentiator as market demand for more sustainable packaging continues to grow. Choosing our solutions helps customers respond to rising consumer expectations, comply with increasingly stringent regulations, and achieve their sustainability ambitions.

We strive to make our packs even more sustainable through innovation. Across our portfolio, we are innovating to design more recycle-ready[3] packs that optimize material use and reduce carbon emissions further by removing or reducing carbon-intensive materials and by replacing virgin fossil-based polymers with renewable or recycled alternatives.[4] We are also creating new solutions to further reduce the resources needed to fill our packs in customers' factories.

We have already achieved a host of industry firsts (**see Our sustainable innovation journey →**). Our SIG Terra portfolio showcases our most sustainable innovations – including aseptic cartons with no aluminum layer, polymers linked to forest-based and recycled materials,[4] and recycle-ready bag-in-box and spouted pouch solutions.

1 Based on independent ISO-compliant life-cycle assessment. Data has been critically reviewed and the full report is published on our website.
2 For a wide range of food and beverages, based on independent critically reviewed life-cycle assessments for beverage carton, bag-in-box and spouted pouch solutions conducted in line with ISO 14040 and ISO 14044 standards.
3 In line with Design for Recycling criteria developed by APR (Association of Plastic Recyclers) and Recyclass.
4 Via an independently certified mass balance system.

Our sustainable innovation journey so far

Our starting point

Standard SIG aseptic carton and filling machine

- Beverage cartons made of, on average, 75% FSC™ certified renewable paperboard,[1] 21% polymers, and an ultra-thin layer of aluminum foil.
- 28–70% lower carbon footprint than alternative packaging, such as plastic and glass bottles, and aluminum cans.[2]
- Industry-leading waste rate (<0.5%) through highly efficient filling process.

2010

SIG Terra Alu-free[3]

Industry Leader

- World's first packaging material for aseptic cartons with no aluminum layer.
- 82% renewable paperboard.
- Up to 23% less carbon than standard SIG packaging material for aseptic cartons.[2]
- For use with dairy products.

2013

SIG Dome[4]

- Looks and pours like a bottle.
- Environmental benefits of a carton.

2016

RS structure

- Reduces plastic use while improving the robustness of our aseptic cartons during processing and distribution.

2017

SIG Terra Alu-free + Forest-based polymers[5]

Industry Leader

- World's first aseptic carton with all main materials linked to forest-based renewable resources.[6]
- No aluminum foil layer.
- Up to 63% less carbon than standard SIG packaging material for aseptic cartons.[2]
- For use with dairy products.

2018

SIG Terra Forest-based polymers[6]

- Polymers linked to renewable resources.[7]
- Ultra-thin aluminum foil layer to protect oxygen-sensitive products, such as orange juice.
- Up to 41% less carbon than standard SIG packaging material for aseptic cartons.[2]

2019

Paper straw solution

- World's first paper straw for use with aseptic carton packs.
- Straight, U-shaped, and telescopic options.
- FSC™-Mix certified.

Industry Leader

1 Our cartons use paper-based liquid packaging board, referred to throughout as "paperboard". SIG uses FSC™ Mix material that allows the mixing of FSC™ certified wood with FSC™ controlled wood and ensures that an equivalent amount of FSC™ certified wood is procured at the beginning of the value chain.
2 Based on independent ISO-compliant life-cycle assessments.
3 First launched as combibloc ECOPLUS.
4 First launched as combidome.
5 First launched as SIGNATURE 100.
6 Polymers linked to wood residues from papermaking via an independently certified mass balance system.
7 First launched as SIGNATURE FULL BARRIER.

2019

ASI-labeled packs

- World's first aseptic carton packaging materials with ASI aluminum foil.
- First product with ASI aluminum foil and ASI on product label.
- The only cartons that can carry the ASI Responsible Aluminium Sourcing logo.

Industry Leader

2020

SIG Terra Circular polymers[1]

- World's first aseptic carton solution offered with post- consumer recycled content.
- Polymers linked to recycled plastics.[2]

Industry Leader

2021

SIG Neo

- Next-generation filling machine for family-size aseptic carton packs.
- 25% less carbon by design for the filling and packaging per pack.[3]
- 30% less consumable by design (hydrogen peroxide, compressed air, and water).[3]

2022

SIG Terra Alu-free + Full barrier[4]

- World's first full barrier solution for aseptic cartons with no aluminum foil layer.
- For use with both liquid dairy and oxygen-sensitive products, such as fruit juices, nectars, flavored milk, or plant-based beverages.

Industry Leader

2022

Bag-in-box and spouted pouch solutions join our portfolio

- High product-to-packaging ratio.
- Less carbon than alternatives, such as plastic and glass bottles, tubs, and jars.[6]
- Recycle-ready mono-material spouted pouch.
- First APR-recognized recycle-ready bag-in-box.[5]
- World's first bag-in-box linked to recycled content.[2]

Industry Leader

2023

SIG Dome Mini

- Portion size.
- Looks and pours like a bottle.
- Environmental benefits of a carton.

2023

SIG Terra Alu-free + Full barrier commercially available

Industry Leader

- World's first full barrier solution for aseptic cartons with no aluminum foil layer launched commercially in China.
- Up to 25% less carbon than standard SIG packaging material for aseptic cartons.[6]

2024

SIG Terra Alu-free + Full barrier + Forest-based polymers commercially available

- World's first full barrier solution for aseptic cartons with no aluminum foil layer and linked to forest-based polymers available globally.

Industry Leader

References to SIG as "industry leader", "industry-leading", or "world's first" throughout our sustainability reporting are made in good faith according to SIG's global commercial intelligence.

1 First launched as SIGNATURE CIRCULAR.
2 Via an independently certified mass balance system.
3 Anticipated savings compared with our previous generation filling machines.
4 First launched as SIGNATURE EVO.
5 Association of Plastic Recyclers (APR).
6 Based on independent ISO-compliant life-cycle assessment. Data has been critically reviewed and the full report is published on our website.

Our commitments

Innovation in products and services can address potential negative impacts from our business. Hence we are committed to investing in research and development to help customers and consumers make more sustainable packaging choices.

Our approach

Sustainability criteria are core value drivers in all our product development, alongside other critical factors such as safety and affordability. Our Innovation Board regularly reviews our entire innovation pipeline in the light of evolving sustainability considerations, such as forthcoming regulations and customer needs.

We have established clear internal guidelines on sustainable packaging design for our cartons, and separately for our bag-in-box and spouted pouch solutions, with accompanying training for relevant teams. These guidelines include detailed market-level criteria on design for recycling.

Our marketing and sales teams are trained and incentivized to increase customer uptake of our most sustainable solutions, which in turn helps us amplify our net positive impact across our sustainability action areas.

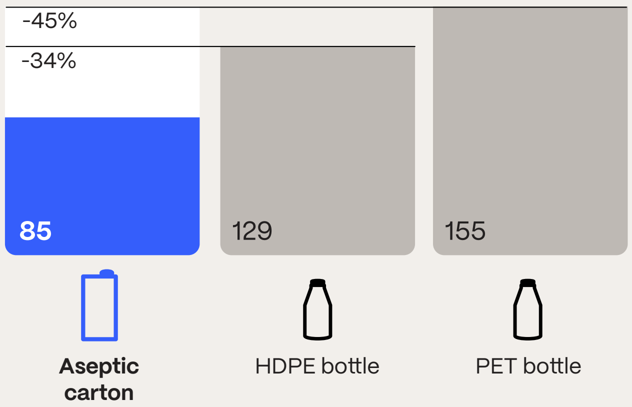
Taking a life-cycle approach

We evaluate the environmental impacts of our packaging innovations through robust life-cycle assessments (LCAs) carried out by credible independent not-for-profit institutes, using the ISO 14040 and ISO 14044 international standards and critically reviewed by an independent expert panel.

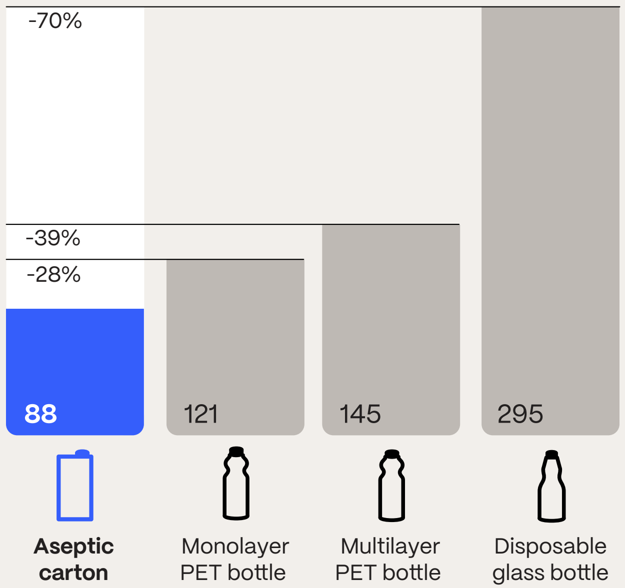
LCAs consistently confirm that our packs offer significant reductions in environmental impacts compared with alternative types of packaging and our SIG Terra solutions lower the impact of our aseptic cartons even further. See charts below.

Life-cycle carbon footprint: How our aseptic cartons compare[1]

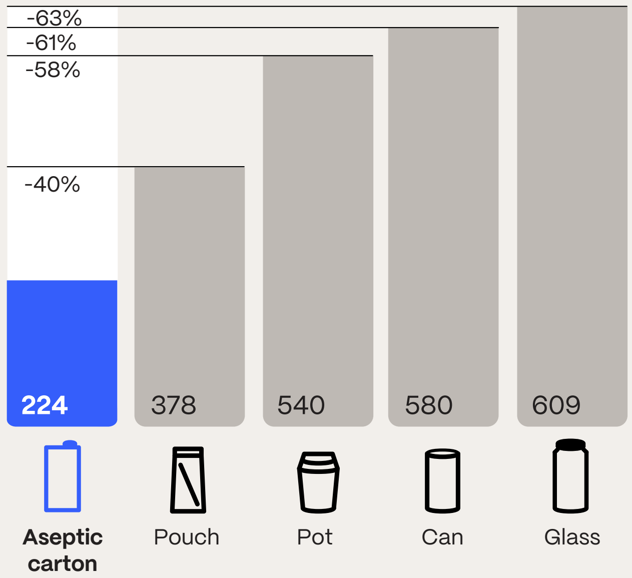
Liquid dairy
kg CO_2 equivalent per packaging required for 1,000 liters UHT milk



Non-carbonated soft drinks
kg CO_2 equivalent per packaging required for 1,000 liters non-carbonated soft drinks



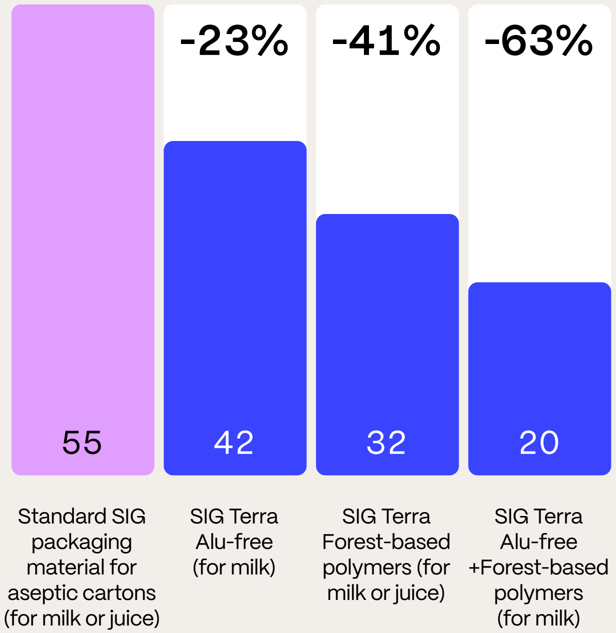
Food
kg CO_2 equivalent per packaging required for 1,000 liters food



1 Based on independent ISO-compliant life-cycle assessments.

Life-cycle carbon footprint: additional savings with SIG Terra solutions for aseptic cartons

kg CO_2 equivalent per packaging required for 1,000 liters of milk or juice in 1 liter SIG SlimlineBloc pack format (with SIG SwiftCap)[1]



Optimizing use of materials

We already optimize material use in our existing solutions through:

- the exceptionally high product-to-package ratio of bag-in-box and spouted pouches
- our innovative RS structure that reduces the amount of polymers needed to make our aseptic cartons

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

Removing aluminum foil

Aluminum foil makes up only around 4% of an aseptic carton, but a much higher proportion of its life-cycle carbon footprint. We have led the industry with the first solutions for aseptic cartons that remove the need for the aluminum foil barrier layer:

- SIG Terra Alu-free for use with oxygen-insensitive products, such as white UHT milk
- SIG Terra Alu-free + Full barrier, which offers the full barrier properties required to preserve oxygen-sensitive products, such as juices

We are working to achieve cost parity of our SIG Terra Alu-free packaging materials with our standard materials for aseptic cartons to support increased uptake.

Increasing renewable or recycled content

A priority for our sustainable innovation is to find ways to introduce renewable or recycled alternatives to virgin fossil-based polymers. We are doing this by linking polymers to renewable or recycled content using a mass balance system.[2] **See Resource+ →**

Designing for recycling

All our cartons are already designed to be fully recyclable[3] and we are innovating to make more of our bag-in-box and spouted pouch solutions recycle-ready. **See Resource+ →**

Reducing resource use in filling

Our highly efficient filling machines for aseptic cartons offer the lowest waste rate in the beverage carton industry, with just 0.5% or less of our packs wasted during filling. With continued innovation we aim to further improve the environmental footprint of our filling machines, in turn aiming to mitigate climate-related risks.

We aim to reduce the amount of resources needed to run the machines at our customers' factories by designing every new machine to use resources even more efficiently. This includes energy for heating and sealing the packs, as well as compressed air, hydrogen peroxide, and water used in cleaning, sterilization and packaging processes.

1 Based on independent ISO-compliant life-cycle assessment CB-100734 for Europe.
2 Or in some cases REDcert².
3 Excluding negligible constituents, such as inks and pigments.

Reducing life-cycle impact

Through transparent and comprehensive studies on the environmental performance of our solutions, we enable customers and consumers to make more informed choices.

- We completed full LCAs of our bag-in-box for wine and our spouted pouch for fruit purees in Europe (USA ongoing), including critical review. The 3L Bag-in-Box (Durashield 34AL with CellarTap) performs better than standard and lightweight glass bottles for wine in all impact and inventory categories, cutting the carbon footprint by 77% to 81%.
- For our spouted pouches (RecShield B and ClearShield with Amerigo spout) the comparative life-cycle assessment for fruit-based puree/kids food revealed better results for Europe than glass jars and plastic tubs in all impact and inventory categories, cutting the carbon footprint by 79% vs. glass jars and by up to 50% vs. plastic tubs.

Designing for circularity

- We are working with our bag-in-box wine customers in North America on shelf-life testing of SIG Terra RecShield BD, a recycle-ready laminate which features durability and a strong oxygen barrier, and SIG Terra Flexitech Circular Polymers, a film made with polymers linked to post-consumer recycled plastics.
- We are in discussions with major global brands to offer our aseptic cartons with SIG Terra Circular polymers linked to post-consumer recycled plastics[1] to help them transition to circular packaging and comply with growing regulations related to recycled plastic content.
- Our recycle-ready 10 and 20 liter SIG Terra RecShield 102B bag-in-box for post-mix syrup has been launched in Indonesia. This bag, including its fitment, is made from 97% polyethylene to support recycling and cuts greenhouse gas emissions by 17%.[2]
- In North America, our SIG Terra Versi Connect 2750 bag-in-box for post-mix syrup featuring SIG Terra RecShield D has passed third-party testing and was formally recognized by the Association of Plastic Recyclers (APR) as meeting the highest criteria for recyclability according to the APR Design® Guide.
- Our recycle-ready SIG Terra RecShield PP pouches, developed in partnership with a major EU customer, have passed shelf-life testing after pasteurization and are now starting the roll-out.
- In partnership with a major European brand, we launched a tethered reclosable cap for beverage spouted pouches, that in addition to complying with EU legislation, is lightweight, saving 14% material versus previous designs.
- We developed tethered cap solutions, which ensure the cap is kept together with the pack for recycling, for all SIG pack formats for beverage packaging sold in Europe, ahead of EU regulatory requirements that came into force in July 2024.

Assessing effectiveness

We perform Internal audits and regular reviews of progress by our Responsibility Steering Group and our Group Executive Board.

Responsibility for managing sustainable innovation:

- Global Technology.
- Global Research & Development.
- Global Engineering & Application teams.

Support from Global Marketing and the Chief Technology Officer

1 Via an independently certified mass balance system.
2 Based on cradle-to-customer gate carbon footprint calculation.

Our targets and performance

Our innovation targets are aligned with those of our Resource+ action area.

Targets, progress and performance

Target	Progress tracker	2024 performance
Material topic: Innovation in products and services		
Launch a full barrier carton with all main materials linked to renewable resources[1,6] by 2025	Completed	2024 performance is reported under Resource+.
Develop a full barrier aseptic carton with at least 85% paper[2] content (excluding closure) by 2025 – and at least 90% paper content (including closure) by 2030	On track	2024 performance is reported under Resource+.
Offer a recycle-ready[3] bag-in-box and spouted pouch solution in all our relevant market segments by 2025	On track	2024 performance is reported under Resource+.
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 aseptic carton packs[4] by 2025	More work to do	The commercial ramp up phase of the SIG NEO XLR filling platform has been postponed to early 2025 as several operational improvements have been identified and implemented during the test phase in 2024.
Reduce use of consumables by 25% for the next-generation filling machine for small- format aseptic carton packs[5] by 2025	More work to do	Pre-development projects to sharpen the concept for our next-generation small-size filling machine were initiated in 2024. These will enable us to achieve our ambitious reduction target.

1 Excluding negligible constituents, such as inks and pigments. Target wording adjusted for clarity: all main materials instead of 100% because the minor elements (representing less than 1% of a beverage carton) are not linked to forest-based resources.
2 Target wording amended from "fiber" to "paper" to align with wording of new quantified targets.
3 In line with Design for Recycling criteria developed by APR (Association of Plastic Recyclers) and Recyclass.
4 Targeted reductions compared with our previous generation filling machines. Target wording changed to clarify this refers to filling of aseptic cartons.
5 Target wording changed to clarify this refers to filling of aseptic cartons.
6 Via an independently certified mass balance system.

Progress in 2024

Growing uptake of our most sustainable innovations

- Across our packaging portfolio, we have now sold enough packs with SIG Terra solutions to fill around 6 billion liters of food. In 2024 alone, approximately 1.7 billion liters of food were packed in packs with SIG Terra packaging materials. SIG Terra solutions accounted for 5.5% of the food packed in SIG packaging globally in 2024.
- Sales of our SIG Terra packaging materials for aseptic cartons increased by 15.1% this year, with further expansion in Europe, as well as a SIG Terra Alu-free Full barrier sales ramp up in China. SIG Terra solutions in aseptic cartons accounted for 9.3% of the food packed in SIG aseptic cartons in Europe – where uptake has remained strong – and 4.1% worldwide. The number of packs sold in 2024 labelled with ASI logo has surged by more than 60% vs. 2023 thanks to SIG's dedication to promoting responsible sourcing practices.
- All our EU customers requiring tethered caps to comply with EU regulations were able to switch to our linked closures in time to meet the July 2024 deadline.
- We have now sold over 1.3 billion small-format on-the-go packs with our paper straw solutions, which offer a renewable alternative to plastic straws and now focus on supporting customers direct sourcing choices that comply with growing regulations on single-use plastics.

2024 success story: Bag-in-box in Australia-New Zealand

- Three water companies in the Australia-New Zealand region have begun the process of upgrading their bag-in-box packaging to our SIG Terra OptiTap 2300 product that features our recycle-ready RecShield film.
- Our first wine customers are preparing to switch to recycle-ready SIG Terra bag-in-box solutions. Six customers in the region are in active planning to re-launch their wines in our SIG Terra OptiTap bag-in-box solution in late 2024 and early 2025.

2024 success story: aseptic beverage carton with no aluminium layer available in Poland

- 2 dairy companies started selling milk in the Polish market packed in SIG Terra Alu-free as interest for lower carbon solutions continues to grow in further EU countries.

KPIs

Metric	2020	2021	2022	2023	2024
Sustainable innovation					
Material topic: Innovation in products & services					
Food packed with SIG Terra[1] packaging materials (million liters)	457.2[2]	540.9[2]	613.5[2]	1,544.2	**1,683.6**
Food packed in SIG Terra[1] packaging materials (% of total liters packed in SIG packs)	3.1[2]	3.5[2]	3.4[2]	5.3	**5.5**
SIG aseptic carton packs sold labeled with ASI logo (million packs)	80.0	577.0	1,383.7	2,801.0	**4,564.5**

1 Our SIG Terra portfolio showcases our most sustainable innovations – including aseptic cartons with no aluminum layer, polymers linked to forest-based and recycled materials (via an independently certified mass balance system) and recycle-ready bag-in-box and spouted pouch solutions. Formerly known as the SIGNATURE portfolio for aseptic carton solutions. From 2023, recycle-ready bag-in-box and spouted pouch solutions have also been added to the SIG Terra portfolio.
2 Aseptic carton business only.

Our positive impact

Through our sustainable innovation, we contribute to the United Nations Sustainable Development Goals.

Innovation towards higher recyclability or less resource-intensive products positively impacts SIG's entire value chain and can reduce the quantity of virgin plastic and aluminum used. While investment in innovation can have a negative financial impact on our business in the short term, it creates longer-term value. It mitigates negative impacts on the environment and on society, including on human rights.

Responsible culture:

Our supply chain

We strive to work with suppliers who share our commitment to acting responsibly and support us in sourcing sustainable raw materials

We procured

100%

paperboard for all our cartons with FSC™ Mix certification in 2024

We procured

100%

ASI aluminium foil for our aseptic cartons in 2024

Our supply chain is critical to the success of our business and to our reputation. Customers and investors require our suppliers to uphold high ethical, labor, health and safety, and environmental standards.

Sustainable sourcing of raw materials helps us secure supplies to meet our customers' needs now and in the future. It supports progress towards our **Forest+**, **Resource+**, and **Climate+** commitments. The environmental credentials of our packs are reinforced through the use of raw materials certified to the highest responsible sourcing standards.

~11,000
suppliers around the world[1]

>€2.2 bn
annual spend

of which

~50%
on raw materials

Our commitments

We are committed to sourcing our main raw materials from certified responsible sources.

We are committed to monitoring and assessing our supply chain risks as well as actual or potential impacts on the environment and society. We are equally committed to fostering adherence to our requirements by our significant suppliers.

We strive to enable long-term development of a net positive supplier base. We are committed to screening significant new suppliers for our business.

1 Excluding suppliers with spend less than €100.

Our approach

We are working to replace virgin and fossil-based materials with renewable, circular and recycled alternatives, and we remain committed to sourcing the A-materials that go directly into our packs from certified, responsible sources:

- **Paperboard[1]:** Forest Stewardship Council™ (FSC™) certification traces materials back to sustainably managed forests and other controlled sources.[2] FSC™ certification requires that forestry operations avoid forest degradation or deforestation, protect biodiversity, maintain ecosystem services and carbon storage, and respect the rights of workers, local communities, and indigenous peoples. Paperboard production makes use of wood chips and saw dust residues from sawmills. The share depends on the paper mill and was up to 36% in 2023.
- **Aluminum foil:** ASI certification supports responsible sourcing and production of aluminum through the supply chain. It sets strict standards, including on greenhouse gas emission reductions, water stewardship, waste management, and labor rights. Most of the procured aluminum foil (about 95%) is linked to industry waste input.
- **Polymers and films:** There is no suitable responsible sourcing certification in place for fossil-based polymers. Our focus is on linking more of the polymers in our packs to renewable or recycled alternatives. We do this using a mass balance system – verified through International Sustainability & Carbon Certification (ISCC) PLUS certification[3] – which supports a broader transition away from fossil-based feedstock within the mainstream polymer industry, ensuring the traceability of certified materials along the entire supply chain. The forest-based polymers we procure for the SIG Terra Forest-based cartons and closures link to the feedstock tall oil, which is a wood component and residue in papermaking. The circular polymers we procure for SIG Terra Circular cartons and closures link to chemically recycled mixed plastic household waste.
- **Inks and solvents:** We are working to transition to bio-based alternatives where we use fossil-based inks and solvents. Since January 2024 all of our plants purchase only plant-based ethanol for printing purposes.

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

How we define our A-materials

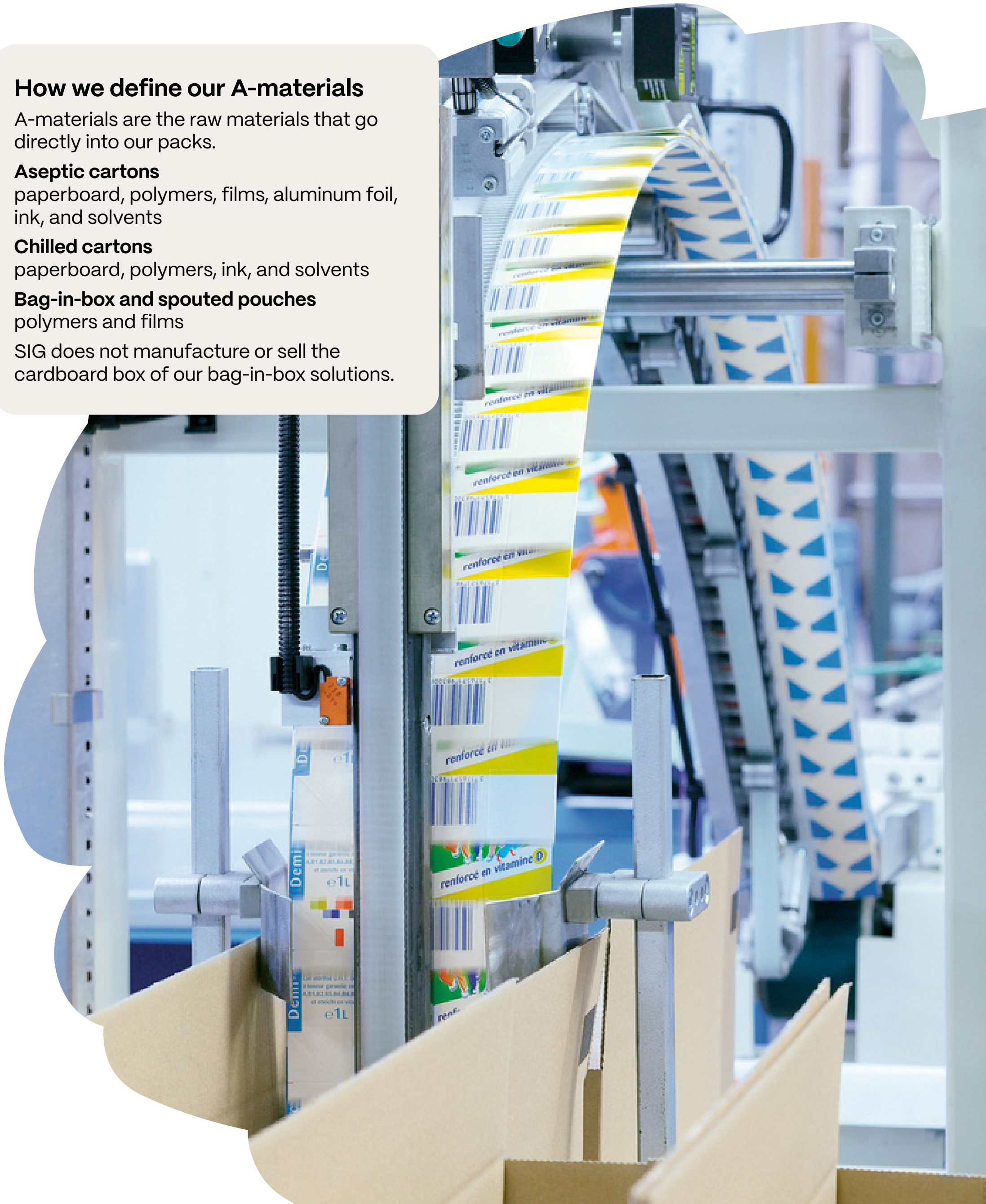
A-materials are the raw materials that go directly into our packs.

Aseptic cartons
paperboard, polymers, films, aluminum foil, ink, and solvents

Chilled cartons
paperboard, polymers, ink, and solvents

Bag-in-box and spouted pouches
polymers and films

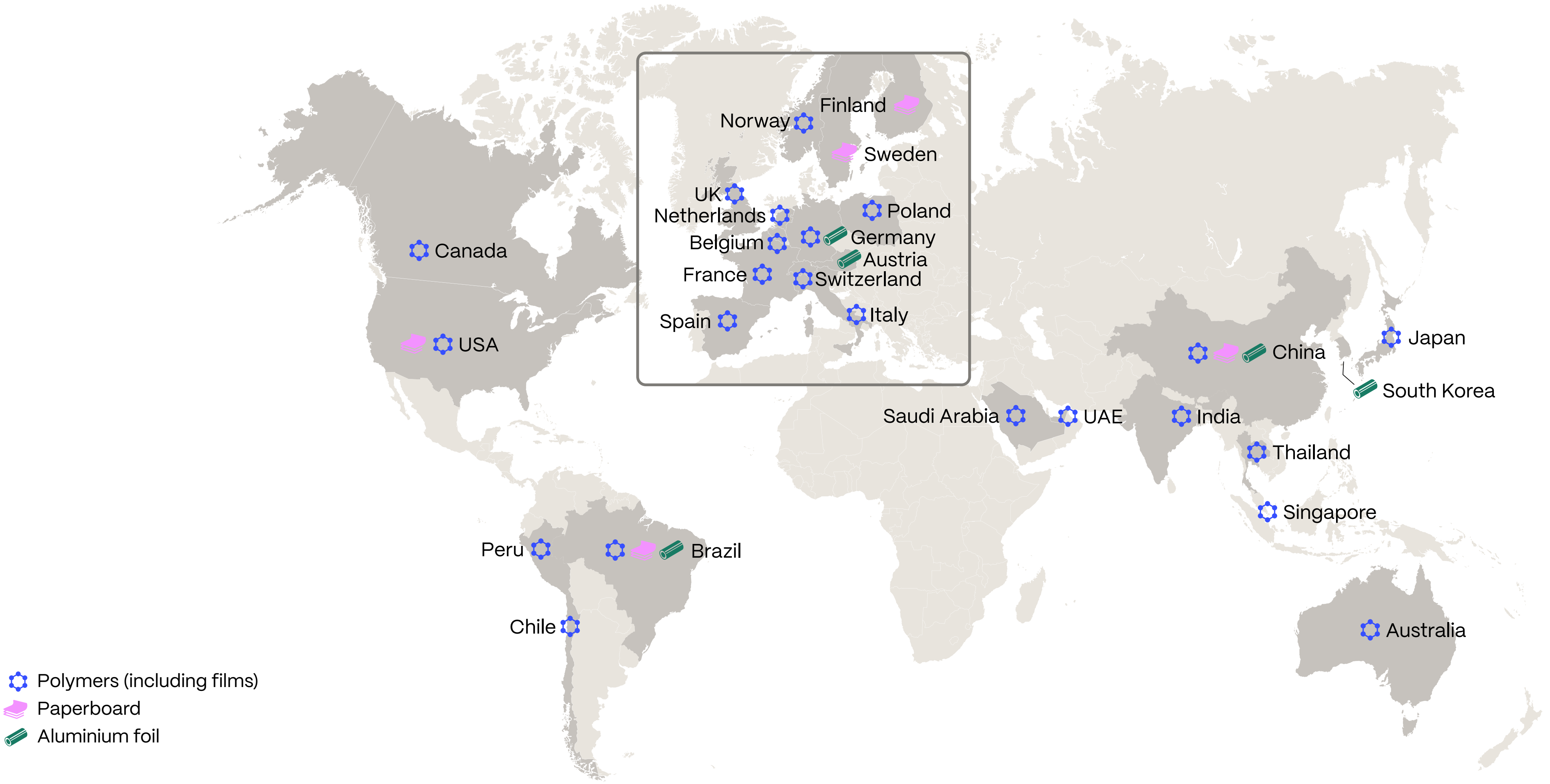
SIG does not manufacture or sell the cardboard box of our bag-in-box solutions.



1 Our cartons use paper-based liquid packaging board, referred to throughout as "paperboard".
2 SIG uses FSC™ Mix material that allows the mixing of FSC™ certified wood with FSC™ controlled wood and ensures that an equivalent amount of FSC™ certified wood is procured at the beginning of the value chain.
3 Polymers linked to wood residues from papermaking via an independently certified mass balance system. In some cases REDcert^2 certification is used in place of ISCC PLUS.

Where our A-materials come from

We source the main[1] A-materials for our packs from around 150 suppliers – ranging from local paper mills that source wood from their own forests to major multinational mining and chemical companies.



1 Excludes inks and solvents which we source in negligible volumes compared to our other A-materials.

Our responsible aluminum journey with ASI

SIG has led the industry in the responsible sourcing of aluminum through certification to the Aluminium Stewardship Initiative (ASI), which enables us, and our customers, to trace the aluminum in our aseptic cartons through the value chain from mine to smelter to carton.

ASI certification includes independent audits of the aluminum supply chain against strict ethical, environmental, and social standards – including on greenhouse gas emissions reductions, water stewardship, waste management, and labor rights.

2017
ASI launches its Performance Standard and we assess readiness with a key supplier prior to the launch.

2018
SIG becomes the first in the industry, and one of the first companies in the world, to achieve ASI certification – to the ASI Performance Standard at Company level and ASI Chain of Custody at one production plant.

2019
ASI Chain of Custody certification in place at all our aseptic carton production plants in Europe. SIG is the first and only carton producer to offer ASI-labeled packs. First product with ASI label brought to market.

2020
ASI Chain of Custody certification extended to all our aseptic carton production plants globally.[1]

2021
ASI certification achieved by suppliers representing over 70% of our global aluminum foil supply.

2022
Customers feature the ASI logo on 1.4 billion of their SIG aseptic cartons to raise awareness of responsible aluminum sourcing.

2023
We procure 100% of our aluminum foil as ASI certified, enabling the ASI logo to be included on any of our aseptic cartons – an industry first.

2024
We reached around 95% aluminum foil supply connected to industry waste input.

Next steps:
Our next focus is on increasing content linked to post-industrial waste in the aluminum foil we purchase.

Sourcing responsibly

We expect suppliers to meet our responsibility requirements in order to help mitigate social and environmental risks in our supply chain. Negative impacts in the supply chain can potentially arise due to a violation of human rights, whereas transparency around supply chain issues can contribute to better conditions for supply chain workers. SIG has a positive impact by enabling market access for sustainable suppliers.

Our Supplier Code of Conduct sets out our expectations on topics such as labor, health and safety, and environmental protection.

A risk assessment is conducted for all suppliers using the EcoVadis IQ platform to screen against social, environmental and governance criteria (such as potential negative impacts and risks related to ethics and sustainable procurement). The business relevance of the supplier is an additional aspect being considered in the screening process. Further, the supplier screening takes into account available supplier data as well as country and industry risk data. Additional due diligence on responsible sourcing focuses on our significant suppliers.[2] This requires formal acceptance of our Supplier Code of Conduct, and monitoring compliance through risk performance assessments.

Through our Supplier Code of Conduct, and our general terms and conditions, we require equipment suppliers providing parts for our filling machines to comply with all applicable laws and regulations related to conflict minerals from conflict-affected or high-risk areas. We also require them to complete an additional questionnaire on critical raw materials and a conflict minerals reporting template in support of our responsibility to provide transparency on the minerals in our supply chain.

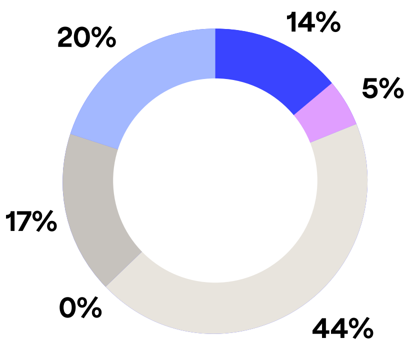
Our Responsible Sourcing Directives, and accompanying training, provide procurement teams with detailed guidance on how to implement our responsible sourcing approach. In 2024 we rolled out a separate Responsible Sourcing Directive specifically for our aseptic carton filling machine business, which articulates our approach and requirements related to human rights and conflict minerals to support due diligence and transparency in this area.

1 Except the plant in Melbourne, Australia, which was acquired in 2019 and ceased operating in mid-2021.
2 Significant suppliers are those considered most significant to our business (excluding equipment suppliers) 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. They include all direct suppliers that provide materials for our packs, as well as some indirect suppliers of secondary packaging and services (such as facilities management and logistics). We have aligned our approach for all significant suppliers to our chilled carton business and all identified direct significant suppliers to our bag-in-box and spouted pouch business.

Screening and assessing suppliers

- We screened 100% of new significant suppliers for our carton businesses as part of our onboarding process. We also screened 100% of identified new direct significant suppliers for our bag-in-box and spouted pouch business.
- 80% of in-scope significant suppliers have signed up to our Supplier Code of Conduct or an equivalent, as well as 100% of the equipment suppliers for our aseptic carton filling machines.
- From the twelve suppliers identified as high risk through self-assessments in 2023, we delisted three suppliers. Three suppliers are no longer high risk because they accepted our Supplier Code of Conduct or have equivalent measures in place (Sedex SMETA or EcoVadis rating). We audited three of the remaining six suppliers and we are following up on areas identified for improvement. From the additional three suppliers we are currently waiting for their audit results. This means we met our annual target to audit 50% of high-risk significant suppliers this year.
- All relevant equipment suppliers have been asked to complete a self-assessment questionnaire related to critical raw materials. We also requested those supplying equipment or components that include conflict minerals to provide a completed conflict minerals reporting template. By the end of 2024, we had already received responses from more than 65% of relevant suppliers and we have begun appropriate follow-up activities.
- We began to extend our Supplier Code of Conduct requirements in our bag-in-box, spouted pouch, and chilled carton businesses.

Rating significant suppliers[1] on responsible sourcing standards



- **Advanced**
  Demonstrated strong performance through SEDEX audit findings, EcoVadis Silver/Gold/Platinum, or equivalent evidence (status valid for up to two years)
- **Compliant**
  Demonstrated compliance through SEDEX audit, EcoVadis Bronze, or equivalent evidence (status valid for two years)
- **Accepted**
  Signed up to the SIG Supplier Code of Conduct (or equivalent code) and achieved minimum standard in our assessment. Depending on the type of supplier, some are expected to improve their performance and submit plans to achieve certification to recognized standards or third-party assessments (status valid for two years)
- **High-risk**
  Failed to sign up to our Supplier Code of Conduct (or equivalent code), or provide evidence of third-party assessments (status valid for one year)
- **Reassessment running**
  Currently undergoing reassessment
- **Under review**
  Currently undergoing initial assessment

Responsibility for managing responsible suppliers

- Vice President Global Sourcing & Procurement.
- Global Equipment Team (for Global Assembly suppliers).

Assessing effectiveness

Regarding sustainable raw materials, the GEB conducts internal audits and regular reviews of performance against the targets. Monthly calls take place between local management teams and the Vice President of Global Sourcing & Procurement, Issues or concerns can be reported via the Integrity & Compliance Hotline or grievance mechanisms that are set up as part of local collection and recycling partnerships.

Regarding the supply chain and suppliers, the Vice President of Global Sourcing & Procurement reviews the effectiveness of our actions on a quarterly basis.

1 Significant suppliers are those considered most significant to our business (excluding equipment suppliers) 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. They include all direct suppliers that provide materials for our packs, as well as some indirect suppliers of secondary packaging and services (such as facilities management and logistics). We have aligned our approach for all significant suppliers to our chilled carton business and all identified direct significant suppliers to our bag-in-box and spouted pouch business.

Our targets and performance

Targets, progress and performance

2025 target	Progress tracker	2024 performance
Our supply chain		
Material topic: Responsible suppliers		
Ensure 100% of significant suppliers[1] accept our Supplier Code of Conduct or have an equivalent code in place	On track	80% of significant suppliers have signed up to our Supplier Code of Conduct or have an equivalent code in place.
Audit 50% of high-risk significant suppliers each year	On track	From the twelve suppliers identified as high risk through self-assessments in 2023, we delisted three suppliers. Three suppliers are no longer high risk because they accepted our Supplier Code of Conduct or have equivalent measures in place (Sedex SMETA or EcoVadis rating). We audited three of the remaining six suppliers and we are following up on areas identified for improvement. From the additional three suppliers we are currently waiting for their audit results. This means we met our annual target to audit 50% of high-risk significant suppliers this year.
Provide regular training (at least every two years) on ethical supplier standards and sustainable sourcing to all employees who interact frequently with suppliers	On track	We provided training for all global, regional, and local procurement teams in 2023 and will hold new trainings in 2025.
Material topic: Sustainable raw materials		
100% A-materials[2] from certified sources	More work to do	In 2024 we held the proportion of A-materials from certified sources in line with 2023, for both our aseptic business at 75% and overall at 69% (by volume) for all our packs including chilled cartons and polymer-based bag-in-box spouted pouch solutions.
Maintain 100% FSC™-certified supply of paperboard for our cartons[3]	On track	2024 performance is reported under Forest+.
Transition to 100% bioethanol or other biomaterials for printing our aseptic cartons[4]	Completed	2024 performance is reported under Climate+.

1 Significant suppliers are those considered most significant to our business (excluding equipment suppliers) 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. They include all direct suppliers that provide materials for our packs, as well as some indirect suppliers of secondary packaging and services (such as facilities management and logistics). We have aligned our approach for all significant suppliers to our chilled carton business and all identified direct significant suppliers to our bag-in-box and spouted pouch business.
2 A-materials are the raw materials that go directly into our packs: paperboard, polymers, aluminum foil, ink, and solvents for aseptic cartons; paperboard, polymers, ink, and solvents for chilled cartons; and polymers and films for bag-in-box and spouted pouches. (SIG does not manufacture or sell the cardboard box of our bag-in-box solutions.)
3 Target wording revised to clarify that it only applies to our cartons (aseptic and chilled). Our cartons use paper-based liquid packaging board, referred to throughout as "paperboard". Our supply chains for bag-in-box and spouted pouch solutions are not connected to forest-based materials as we do not manufacture or sell the cardboard box of our bag-in-box solutions.
4 Target wording amended to clarify that this applies to our aseptic cartons only.

Progress in 2024

- We continued to increase the volume of A-materials from certified and renewable sources for our aseptic cartons.
- Overall, 69% of A-materials for all our packs came from certified sources and 65% came from renewable sources (see table below).

Sourcing A-materials[1] for our packs

	For our aseptic cartons					For all our packs	
	2020	2021	2022	2023	2024	2023	2024
A-materials purchased (metric tons)	594,000	666,000	687,000	687,000	**745,000**	810,000	**876,000**
% A-materials from renewable sources (by volume)	72%	69%	71%	72%	**70%**	66%	**65%**
% A-materials from certified sources (by volume)	62%	70%	74%	75%	**75%**	69%	**69%**

Paperboard

- We continued to purchase 100% of the paperboard for our aseptic cartons with FSC™ Mix certification[2] – and achieved this milestone for our chilled carton business from January 2024.

Aluminum foil

- Since 2023, we have procured 100% of the aluminum foil for our aseptic cartons as ASI certified.
- In 2024, we maintained Group certification to the ASI Performance Standard for our aseptic carton business and ASI Chain of Custody Certification at all our aseptic carton production plants.
- 95% of the procured aluminum foil was linked to industry waste input in 2024.
- We engaged with suppliers to work towards increasing content linked to post-industrial waste in the aluminum foil we purchase.

Polymers

- We continued to source ISCC PLUS certified polymers linked to renewable materials[3] to meet customer demand for SIG Terra Forest-based polymers.
- As yet the total volume remains low compared to the amount of fossil-based polymers we source.

Ink

- Since January 2024 all of our plants purchase only plant-based ethanol for printing purposes.

Secondary packaging

- Our aseptic cartons are transported with the use of corrugated cardboard as secondary packaging.
- Across India, the Middle East, Africa, the Americas, Europe, and the Asia Pacific (excluding China), 100% of this cardboard is sourced from FSC™ certified suppliers.

1 Excludes inks and solvents which we source in negligible volumes compared to our other A-materials.
2 SIG uses FSC™ Mix material that allows the mixing of FSC™ certified wood with FSC™ controlled wood and ensures that an equivalent amount of FSC™ certified wood is procured at the beginning of the value chain.
3 Via an independently certified mass balance system.

KPIs

Metric	2020	2021	2022	2023	2024
Supply chain					
Material topic: Responsible suppliers					
New suppliers screened using environmental and social responsibility criteria (% of significant suppliers[4] for our carton businesses)[3]	100	100	100[1]	100	**100**
New suppliers screened using environmental and social responsibility criteria (% of significant suppliers[4] for our bag-in-box and spouted pouch business)	–	–	–	100[2]	**100**
Material topic: Sustainable raw materials					
A-materials[5] from certified sources[7] for our cartons[3,8] (% by volume)	62[6]	70[6]	74[6]	75[6]	**75**
A-materials[5] from certified sources[7] for all our packaging[9] (% by volume)	–	–	–	69	**69**

1 Excludes the chilled carton business acquired part way through 2022.
2 Integration of our bag-in-box and spouted pouch business into our Group procurement processes is ongoing. Data for 2024 includes the direct significant suppliers we have identified that provide raw materials for our bag-in-box and spouted pouch packs.
3 Includes aseptic and chilled cartons.
4 Significant suppliers are those considered most significant to our business (excluding equipment suppliers that are managed separately) 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. We have aligned our approach for all significant suppliers to our chilled carton business and all identified direct significant suppliers to our bag-in-box and spouted pouch business.
5 A-materials are the raw materials that go directly into our packs: paperboard, polymers, aluminum foil, ink, and solvents for aseptic cartons; paperboard, polymers, ink, and solvents for chilled cartons; and polymers and films for bag-in-box and spouted pouches. (SIG does not manufacture or sell the cardboard box of our bag-in-box solutions.)
6 Aseptic carton business only.
7 Certified sources for A-materials are: liquid packaging board certified to FSC™ chain of custody standards, ASI-certified aluminum related to sustainable standards, ISCC PLUS certified polymers linked to renewable sources.
8 Calculation: Tons of A-materials for our cartons purchased from certified sources, divided by total tons of A-materials purchased (in percent).
9 Calculation: Tons of A-materials for all our packaging purchased from certified sources, divided by total tons of A-materials purchased (in percent).

Our positive impacts

Through our supplier engagement, we contribute to the United Nations Sustainable Development Goals 8, 12, 13, 15, and 17.

Responsible culture:

Human rights

Contributing to global respect for human rights

We aim to have a scalable, systemic net positive impact on society, while meeting growing regulatory demand for human rights due diligence. Our approach is guided by the UN Guiding Principles on Business and Human Rights and the OECD guidelines for Multinational Enterprises, and is integrated into our existing business practices for our salient and material ESG topics.

Possible negative impacts on people and their human rights arising from both our direct operations and the broader supply chain are primarily associated with the areas of health, safety and wellbeing, working hours, modern slavery, discrimination and harassment, wages, children's rights, minorities, liberty and security of the person, fair labor conditions, freedom of thought and expression, social security and freedom of association.

By embedding respect for human rights in our culture, we contribute positively to working conditions inside and outside our company.

Our commitments

We strive to identify, prevent, and mitigate actual and potential human rights impacts in our operations, supply chain, and with respect to our major business relationships.

We are committed to adhering to the standards encompassed by the International Bill of Human Rights, the International Labor Organization's (ILO) core labor standards, the Ethical Trading Initiative (ETI) Base Code and the Universal Declaration of Human Rights. Our policies are aligned with these principles.

Our commitment to promoting fair labor practices and upholding labor rights for our employees is embedded in our Human Rights, Labor, and Community Engagement Policy. This includes:

- providing fair pay and decent working conditions to enable adequate living standards
- recognizing the right to freedom of association and collective bargaining
- preventing discrimination, child labor and modern slavery (including human trafficking, forced and compulsory labor, bonded labor, and slavery)

We also ensure working conditions and terms of employment for employees who are not covered by collective bargaining agreements are in line with our standards and local requirements. Around 47% of employees globally were covered by collective bargaining agreements in 2024.

WE SUPPORT

United Nations Global Compact

SIG is a signatory of the United Nations Global Compact, which includes a strong focus on human rights. We support its ten principles and submit an annual Communication on Progress.

AIMprogress

AIM-PROGRESS

SIG is a member of AIM-Progress, a forum of leading fast-moving consumer goods manufacturers and common suppliers to promote responsible sourcing practices and sustainable supply chains. We use its established methodology to assess, and identify opportunities to strengthen, human rights due diligence related to our supply chain.

Our approach

Upholding labor standards across our sites

We set strict standards to ensure we uphold human rights across our operations. We check compliance through rigorous external audits every two years at our production sites, where risks are highest.

All our production plans undergo a SEDEX SMETA audit every two years, including the plants starting operations in 2024. Currently, 29 out of 30 plants have completed this audit, with one plant slightly outside this cycle.

Human rights risks are assessed as part of audits on labor and health and safety, alongside business ethics and environment. The intensive audits include in-depth reviews of our policies and processes, site visits, and interviews with workers to check for unsafe conditions, overwork, discrimination, low pay and forced labor.

Addressing risks in our supply chain

To protect supply chain workers, we extend requirements and expectations on human and labor rights through our Supplier Code of Conduct. Suppliers are expected to communicate and apply the principles throughout their supply chain. This supports compliance with human rights due diligence regulations.

We encourage suppliers to undergo third-party assessments, such as SMETA audits or EcoVadis. Criteria for our audits of high-risk suppliers include human and labor rights. FSC™ certification for the paperboard used in our cartons includes criteria on protecting human and indigenous rights in communities.

Responsibility for managing human rights

We have assigned the topic of human rights specifically to the Chief People & Culture Officer and the Vice President Corporate Development & Sustainability. At an operational level we have also established a task force involving members from various functions.

Assessing effectiveness

We are working to apply a systematic implementation process – informed by a gap analysis of existing measures, structures and responsibilities – to help us identify and proactively address salient human rights issues in our operations and supply chain. A task force of representatives from relevant business functions is implementing a roadmap to strengthen our due diligence framework, with oversight from a human rights steering committee that includes members of the Group Executive Board and other senior leaders.

The SEDEX SMETA audits conducted at our production sites every two years include an assessment of potential human rights risks and impacts and help us check that we are living up to our commitments in our operations. If the audit findings identify any issues, corrective action plans help us to remediate these and establish mechanisms to prevent similar issues in the future.

Respect for human rights is addressed in the SIG Code of Conduct and any grievances can be reported through our Integrity & Compliance Hotline. See Governance and ethics

Our targets and performance

Targets, progress and performance

2025 target	Progress tracker	2024 performance
Human rights		
Material topic: Human rights[1]		
Advance our human rights risk identification and assessment processes in our own operations and supply chain to define salient human rights issues	On track	Building on the risk assessments of our operations that we conducted in 2022, we completed two-yearly SEDEX SMETA audits of our operations (see related target below). In addition, we have conducted further human rights risk assessments in our own operations and in our supply chain with an updated methodology using EcoVadis, to inform our work to identify salient human rights issues for SIG.
Conduct assessments of potential human rights risks and impacts in 50% of our own plants every two years	On track	We conducted an assessment of potential human rights risks and impacts through SEDEX SMETA audits at 29 out of 30 of our production sites.[2]
Maintain SEDEX Members Ethical Trade Audit (SMETA) at all production sites	On track	
Ensure 100% of significant suppliers[3] accept our Supplier Code of Conduct or have an equivalent code in place	On track	2024 performance is reported under Our supply chain.
Audit 50% of high-risk significant suppliers[3] each year	On track	2024 performance is reported under Our supply chain.
Provide regular training (at least every two years) on ethical supplier standards and sustainable sourcing to all employees who interact frequently with suppliers	On track	2024 performance is reported under Our supply chain.

Progress in 2024

- A risk assessment was conducted for all suppliers using the EcoVadis IQ platform to screen against social, environmental and governance criteria such as potential negative impacts and risks related to ethics and sustainable procurement. The supplier screening took into account available supplier data as well as country and industry risk data. Additional due diligence on responsible sourcing focused on our significant suppliers[3]. This requires formal acceptance of our Supplier Code of Conduct and the monitoring of compliance through performance assessments.
- We continued implementing our three-year roadmap to strengthen human rights due diligence. The roadmap is based on an analysis of our operations and supply chain completed in 2022 and the findings of a maturity assessment using the methodology established by AIM-Progress. It also builds on the requirements of recent regulations, such as the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor.
- Our human rights taskforce undertook extensive activities during the year to strengthen our human rights due diligence, including reviewing and updating our human rights policy.
- We have performed a human rights risk analysis for our own production sites to inform identification of salient human rights issues. For our non-production sites, we have established a process to conduct regular human rights due diligence risk analysis using SEDEX SAQ. In 2024, the first sites (10 out of 40 non-production sites) carried out this risk analysis.
- Our employees were made aware of topics related to child labor and forced labor as part of their annual training on the SIG Code of Conduct.

1 Includes freedom of association, freely chosen labor, living standards, and protection of the child.
2 The most recent audit for Palghar I, India is slightly outside of SIG's standard two-year cycle; the next audit is scheduled for 2025 to bring its cycle fully in line with other plants.
3 Significant suppliers are those considered most significant to our business (excluding equipment suppliers) 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. They include all direct suppliers that provide materials for our packs, as well as some indirect suppliers of secondary packaging and services (such as facilities management and logistics). We have aligned our approach for all significant suppliers to our chilled carton business and all identified direct significant suppliers to our bag-in-box and spouted pouch business.

KPIs

Metric	2020	2021	2022	2023	2024
Human rights					
Material topic: Human rights[1]					
Plants that completed SEDEX Members Ethical Trade Audit (of total number of plants)	8 of 9[3]	9 of 9[3]	8 of 8[2]	27 of 27[2]	**29 of 30[2]**

1 Includes freedom of association, freely chosen labor, living standards, and protection of the child.
2 Data excludes our production plant in Voronezh, Russia, due to limitations in respect of data access.
3 The Australia production site acquired in 2019 completed its first SEDEX audit in 2021 as part of our two-yearly audit cycle. The site ceased production in mid-2021.

Our positive impacts

As we integrate the respect for human rights into the Company, we actively contribute to the United Nations Sustainable Development Goals 5 and 8 by encouraging equality, decent work and economic growth.

Outlook

We will continue to conduct regular human rights due diligence risk analysis for own non-production sites using SEDEX SAQ. The goal is for all non-production sites to have carried out a risk analysis.

We are planning human rights training for all relevant business functions and employee groups in 2025.

Responsible culture:
Our people

Our culture of striving for better celebrates an inclusive and diverse environment that encourages our people to grow and realize their potential

25%

of leadership positions held by women

At SIG, we offer a unique combination of development, collaboration, and entrepreneurial freedom that enables our people to deliver better and create lasting value for customers, consumers and the world. Appealing working conditions attract talent and contribute to economic development.

We strive to create an inclusive culture, embrace diversity and foster a positive working environment. We invest in training and development to help employees achieve their goals and build their careers with SIG. We listen and respond to our people, and we recognize and reward the work they do.

In 2024, we employed approximately

9,600

employees

Our employees represent

96

nationalities

Expanding horizons and embracing cultural and generational diversity

Our global Reverse Mentoring Program – under which senior leaders are mentored by juniors on specific topics – is a powerful initiative that fosters personal and professional growth while expanding horizons and embracing cultural, generational, and experiential diversity. By pairing employees from different backgrounds, regions, generations, and levels of experience, the program creates an environment where mutual learning thrives. It allows mentors and mentees to broaden their perspectives, deepen their understanding of diverse cultures and age groups, and build stronger, more inclusive relationships within the Company.

One of the key benefits of age diversity within reverse mentoring is the ability to bridge generational gaps, encouraging both junior and senior employees to challenge age-based assumptions and stereotypes. This cross-generational exchange fosters innovation and adaptability, enriching participants' leadership and decision-making skills.

One participant, a mentee, said: "I am grateful I have been part of this program. It connected me with colleagues I otherwise would not have reached. We have learned from each other, bringing great value to our roles. Thank you for the opportunity and I will always remember this." This testimony highlights how the program fosters connections that transcend typical organizational structures and age groups, providing invaluable insights and expanding professional networks.

A mentor said: "The relationship with my mentee is superb. We've implemented a win-win approach, dedicating time in each session for mutual feedback and advice, which has been incredibly productive." This reflects the reciprocal nature of reverse mentoring, where both parties gain from open dialogue and shared knowledge.

Through this collaborative exchange, participants enhance their cultural competency, bridge generational divides, and develop interpersonal skills, furthering the Company's commitment to embracing diversity and sustaining a culture of continuous learning.

Our commitments

We are committed to providing an inclusive working environment where everyone can bring their true selves to work.

We do not tolerate discrimination based on race, religion, national origin, political affiliation, gender, sexual orientation, disability, age, or any other relevant category. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or any form of intimidation are strictly prohibited.

Improving gender balance, particularly at senior levels of the business, is a priority and we aim to do so through enhanced efforts to attract, develop and retain female employees and leaders.

We aim to provide opportunities for our people through investment in training and development, approachable leadership, continuous learning, development opportunities, coaching and mentoring.

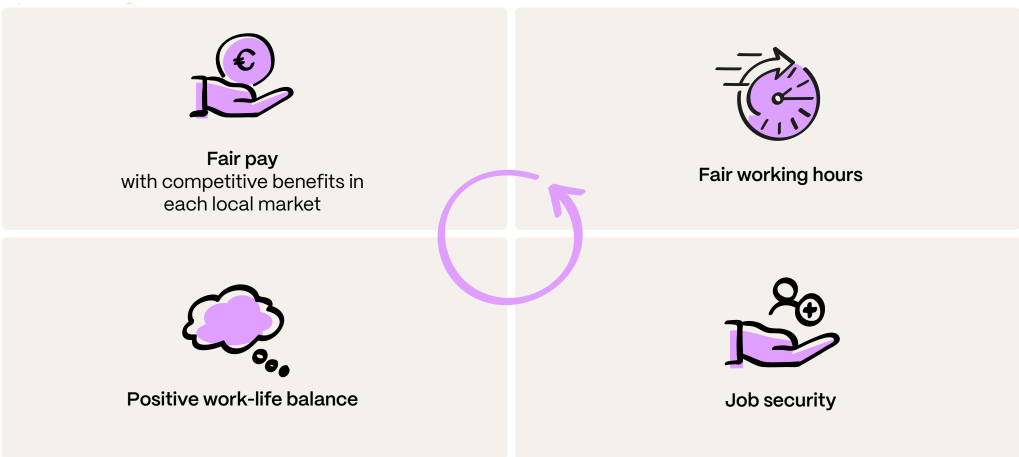
We strive to promote from within where appropriate as part of our commitment to developing and promoting talent at SIG.

We are committed to creating positive working conditions and an open, engaging and energizing work environment for our people where:
- their ideas, needs and concerns are heard and valued
- they are recognized and rewarded for what they do (including through our Short-Term Incentive Plan)
- they understand how their work contributes to our purpose and to the success of the business

In certain countries there may be a higher risk of inequality and discrimination based on gender, race, religion, political affiliation and sexual orientation in our supply chain. We aim to avoid all such negative impacts through implementation of our Supplier Code of Conduct and of our policies.

Issues or concerns may be reported through any available channel, including supervisors and managers, representatives of People & Culture, Legal & Compliance, Internal Audit, or the Integrity & Compliance Hotline. We investigated all reports received and took disciplinary action, as appropriate. No incidents of discrimination were substantiated in 2024.

Our commitment to positive working conditions



Our approach

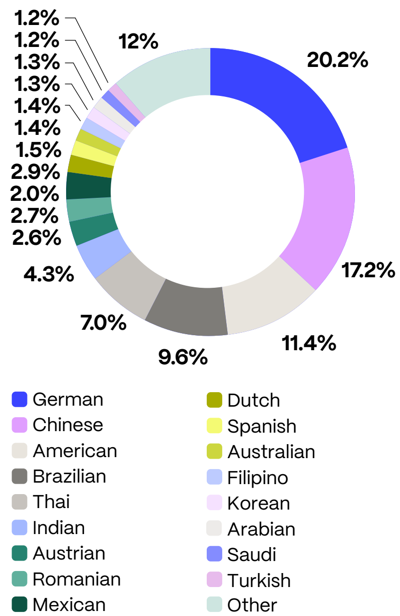
Upholding our commitments delivers positive impact for our people and our business. It helps us to:

- recruit and retain the best talent
- develop the skills we need now, and in the future
- maintain strong levels of job satisfaction, motivation, engagement and productivity
- support our diverse customers
- foster innovation
- meet expectations from investors and other stakeholders

Our most recent employee survey in 2023[1] showed strong levels of engagement and we outperformed the industry benchmark[2] across all categories.

Diversity, equity and inclusion (DE&I)

Employees by nationality in 2024



1 Results from the 2024 survey will only be available after publication of this report.
2 Industry benchmark defined as norms for manufacturing companies participating in the Willis Towers Watson employee engagement survey.

Attracting and hiring diverse talent

The number of women in leadership positions was 25% in 2024.

Women in management (%)

	2020	2021	2022	2023	2024
Women in leadership positions[1] (target 30% by 2025)	18%	20%	23%	25%	**25%**
Group Executive Board	0	14% (1 of 7)	33% (3 of 9)	40% (4 of 10)	**33% (3 of 9)**
Senior management	22%	16%	8%	13%	**10%**
Middle management	18%	20%	19%	25%	**25%**
Junior management	24%	25%	25%	25%	**25%**
All management	19%	22%	23%	25%	**24%**
All employees	19%	19%	20%	23%	**24%**

We remain firmly committed to increasing the percentage of women in leadership positions. In 2024, 19 more women joined our Women Acceleration program, which aims to help close the gender gap in leadership positions by supporting ambitious women to develop leadership skills, gain visibility and sponsorship from leaders, and widen their networks. By the end of 2024, a significant number of participants who completed the program had experienced career progression, such as receiving promotions, taking on expanded roles with more responsibilities, or making lateral career moves.

Our revised recruitment practices include updating our job advertisements to avoid gendered language, introducing standardized interview questions, and aiming for diverse interview panels where possible. We continued to train recruiters and hiring managers on unconscious bias and cultural awareness, emphasizing our commitment to select the best person for each job regardless of gender, ethnicity, age, or any other relevant category.

SIG cooperates with universities and other organizations via websites and campaigns or through networks and communities, to attract female engineers and better engage with women to understand what matters most to them. Local initiatives to attract diverse talent include:

- a talent pool of people with disabilities and people of color in the Americas South region
- joining school career fairs to encourage more young women into engineering roles in Europe

1 Includes GEB, senior and middle management roles.

Creating an inclusive culture

Together we have celebrated and raised awareness of DE&I at a global and local level on several international celebration days such as:

- International Women's Day
- World Day for Cultural Diversity and Dialogue
- Pride month
- Women Engineering Day
- Hispanic Heritage Months
- International Yoga Day
- International Day of Friendship
- The World Day for Cultural Diversity for Dialogue and Development

In 2024 we started to implement an interconnected modular learning journey with topics such as unconscious bias and cultural awareness, and psychological safety. Combining the various aspects of DE&I into one cohesive program provides leaders with a more robust and thorough understanding. This cohesive training program lays the groundwork for seamless integration of future modules, such as cultural intelligence training or effective communication in diverse teams.

We introduced clear goals on panel representation in the hiring process to have at least one female interviewer at the final stage of the interview process.

We run diversity sourcing sessions at a regional level to help teams increase the number of female candidates, particularly in areas where they are under-represented.

Employee resource groups help people with shared characteristics or experiences to connect – including groups for parents, new mothers, and alumni of our Women Acceleration program.

Responsibility for managing DE&I and employee satisfaction, development, and working environment

- Global Human Resources, supported by local Human Resources teams.
- Employee-led Diversity, Equity & Inclusion Alliance Group.

Developing talent

Leadership development

Involvement in our global mentoring programs continued to increase, with a total of 111 mentors and 131 mentees by the end of 2024. A reverse mentoring program was launched globally, attracting 19 participants by the end of 2024. We continued to offer coaching at various levels globally, with support from external providers such as Bettercoach.

Leaders received training on Job Architecture, with 468 participants, and on Talent Management, with 509 participants.

The Leadership and Wellbeing Podcast features monthly interviews and thought-provoking discussions with leaders who share valuable insights from their experiences. These conversations aim to inspire employees to enhance their leadership skills, drive business success, and foster wellbeing. 1,308 people tuned in to 13 episodes aired in 2024.

- Our New Leaders Development Program, which provides workshops and coaching for first-time leaders to help them build management and leadership skills. In 2024, 11 newly appointed leaders took part.
- Our Transformational Leadership Program, which analyzes the approach of each leader and their team to help them work together to take their performance to the next level. 125 employees completed the global program in 2024, and a further 20 workshops for this cohort are planned for 2025.
- Leading with Presence: Storytelling, a program to help leaders build skills to deliver impactful presentations, create inspirational visions and narratives, and enhance their presence when presenting at executive meetings. We rolled out the program globally and 21 employees completed the program.
- The Talent Coffee Break with our GEB offers a platform where employees can be heard, recognized, and valued by senior leadership, fostering a stronger connection between talents and the GEB.

Training and development

- The SIG Academy – a digital platform that provides online training, live webinars, and face-to-face sessions to keep employees informed, including a sales module for those in customer-facing roles and a new interactive module on sustainability. Currently, there are 35 e-training modules available to all employees.
- Commercial capabilities – 120 employees worldwide participated in training sessions to develop and enhance their sales skills.
- Upskill sessions – a global initiative, available to all employees globally, to familiarize employees with key competencies through online sessions. We provided a total of 71 sessions in 2024 for 4,813 participants, covering 37 topics.
- The Bookboon e-library – an on-demand learning service used by more than 624 people in 2024 to access over 4,153 units of content, including eBooks, audio learning, and virtual classes.
- Learning & Development news channel – a monthly subscription-based internal news channel with free and curated learning resources, highlighting both internally and externally available learning opportunities. Since its launch in January 2024 more than 256 employees have subscribed.
- 54 employees used SPEEX, our online language learning platform.

We provided regular performance and career development reviews to 68% of employees. 75% of employees responding to our 2023 survey agreed they are very satisfied with learning and development opportunities, nine points above the industry benchmark.[1]

Average hours of training[1]

Employee category	2020	2021	2022	2023	2024
Male	19.4	20.2	21.0	18.7	**20.5**
Female	19.5	21.7	20.6	16.5	**21.0**
Management	26.3	24.8	31.9	25.7	**34.4**
Non-management	18.4	19.9	19.3	23.2	**18.6**
Total	**19.4**	**20.5**	**20.9**	**23.6**	**20.5**
Industry benchmark (pre-Covid)[2]					*24.0*

1 Figures for 2020-2023 exclude employees in our bag-in-box and spouted pouch businesses.
2 Industry benchmark defined as norms for manufacturing companies participating in the Willis Towers Watson employee engagement survey.

Creation of a job architecture framework

We have developed a job architecture framework with the aim of providing a Company-wide common language and understanding of roles and their contribution across the organization. Built on the concepts of job families, sub job families, career levels and generic jobs, the architecture ensures consistency and standardization across all roles within the organization, irrespective of their geographical location or business lines.

Engaging employees

We communicate regularly via one-to-one and townhall meetings to keep employees informed about our progress and our plans. Local leaders consult with employees to gather feedback and give them the opportunity to voice questions and concerns.

We have focused on improving our organizational structure to enhance efficiency and collaboration within teams and take full advantage of our product portfolio and global footprint.

Our internal news app – known as the SIGer app – fosters a sense of community across SIG and helps colleagues in different parts of the business share their stories and learn from each other. By the end of 2024, more than 5,175 (54%) of our employees were active users, engaging with global and regional communications and initiatives.

We hosted activities throughout the year to unite and engage employees across the business, including our #InspireInclusion campaign for International Women's Day 2024, Coffee Roulettes and a Cultural Quiz for the World Day for Cultural Diversity for Dialogue and Development. We also introduced a new initiative SipConnect, where we randomly match two employees with each other for a 25-minute call for them to exchange views. The goal is to build a stronger community, expand networks within the organization and foster inclusion.

International volunteering day

Volunteerism is a cornerstone of our company's values, underscoring our commitment to social responsibility and environmental stewardship. International Volunteer Day, recognized by the United Nations on December 5, provided an opportunity to highlight these efforts.

We invited SIGers to share their volunteer experiences and the impactful contributions they have made. We held a community celebration within SIG, featuring an upskill session with our volunteers for them to share their engagement and learnings and to potentially motivate more people to start volunteering for good causes, to further enhance their engagement and development.

Employee satisfaction

We continually work to improve the frequency and quality of feedback and appraisal sessions to support employee engagement, development and performance.

Feedback from our annual employee survey provides a holistic view of our employees' experience at SIG and serves as a foundation for further improvements.

The latest employee survey was shifted from September 2024 to early 2025 in order to allow time for action plans arising from the previous survey to be completed. These included ensuring people have the necessary work equipment and resources for exceptional performance; enhancing physical working conditions; increasing recommendations for SIG as a great place to work; and further emphasis on non-monetary recognition. In each of our regions, we focused on addressing the issues most relevant and important to employees locally.

Engagement in the 2023 survey was strong at 85%, up from 83% the previous year and two points above the 2023 industry benchmark.[1] Results from the 2024 survey will be published in the 2025 Annual Report.

Our voluntary turnover rate remained low at 5.6% in 2024, remaining consistent with the 2023 rate of 5.6%.[2]

1 Industry benchmark defined as norms for manufacturing companies participating in the Willis Towers Watson employee engagement survey.
2 Voluntary turnover 2023 excludes employees in our bag-in-box and spouted pouch business, whereas the 2024 rate includes them.

Reward and recognition

In line with our five-year fair pay roadmap, we continued to review pay and benefits to ensure they remain competitive within each local market. We also conducted an in-depth review of two markets in 2024 to assess fair pay, gender pay gap and living wages. We will use the findings to identify and implement any remediation measures needed, and further develop and strengthen our fair pay approach across the Group. At the end of 2024, 28.7% of our global workforce was covered by a pay and living wage analysis.

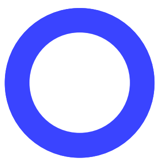
Shine Awards: We kicked off the year with the Shine Awards, part of our robust rewards and recognition initiatives. These awards celebrate individuals and teams driving progress and success across all categories and locations at SIG.

Our workforce in 2024

	Asia Pacific	Americas	Europe	India, Middle East and Africa	Total	%
Total number of employees:[1]	**2,783**	**2,471**	**3,358**	**991**	**9,603**	
Male	2,075	1,680	2,691	887	7,333	76
Female	708	791	667	104	2,270	24
Employees with a permanent contract:	**1,944**	**2,395**	**3,094**	**988**	**8,421**	
Male	1,505	1,640	2,472	885	6,502	77
Female	439	755	622	103	1,919	23
aged up to 30	214	597	395	258	1,464	17
aged 31 to 50	1,435	1,389	1,436	640	4,900	58
aged above 50	295	409	1,263	90	2,057	25
Full-time employees:	**1,924**	**2,385**	**2,845**	**988**	**8,142**	
Male	1,501	1,636	2,313	885	6,335	78
Female	423	749	532	103	1,807	22
Part-time employees:	**20**	**10**	**249**	**0**	**279**	
Male	4	4	159	0	167	60
Female	16	6	90	0	112	40
Employees with a fixed-term contract:	**839**	**76**	**264**	**3**	**1,182**	
Male	570	40	219	2	831	70
Female	269	36	45	1	351	30
thereof Apprentices	**0**	**23**	**137**	**0**	**160**	**14**

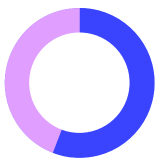
Governance bodies by age group in 2024

Board of Directors



Aged above 50 – **10**	**100%**
Aged 31 to 50 – **0**	**0%**
Aged up to 30 – **0**	**0%**

Group Executive Board



Aged above 50 – **5**	**56%**
Aged 31 to 50 – **4**	**44%**
Aged up to 30 – **0**	**0%**

Hiring in 2024

	Asia Pacific	Americas	Europe	India, Middle East and Africa	Total
Total number of new hires:	**155**	**491**	**136**	**220**	**1,002**
Male	115	347	92	195	749 (75%)
Female	40	144	44	25	253 (25%)
aged up to 30	58	208	48	124	438 (43%)
aged 31 to 50	92	234	77	93	496 (50%)
aged above 50	5	49	11	3	68 (7%)
Rate of new hires:	**8%**	**21%**	**4%**	**22%**	**12%**
Male	8%	21%	4%	22%	12%
Female	9%	19%	7%	24%	13%
aged up to 30	27%	35%	12%	48%	30%
aged 31 to 50	6%	17%	5%	15%	10%
aged above 50	2%	12%	1%	3%	3%

Employee turnover in 2024

	Asia Pacific	Americas	Europe	India, Middle East and Africa	Total
Total employee turnover	**13%**	**20%**	**7%**	**12%**	**13%**
Voluntary employee turnover rate	**4%**	**9%**	**3%**	**10%**	**5.6%**
Total employee turnover:	**261**	**484**	**231**	**114**	**1,090**
aged up to 30	16	139	40	41	236 (22%)
aged 31 to 50	167	268	106	64	605 (55%)
aged above 50	77	76	87	9	249 (23%)
Male	203	340	183	100	826 (76%)
Female	58	144	48	14	264 (24%)

1 An employee is any individual in an employment relationship with the organization under applicable national laws. The headcount includes both active and inactive employees but excludes manpower leasing. Active employees are individuals with an active contract, including apprentices. Inactive employees are individuals on parental leave, sick leave, garden leave, or partial retirement free periods. The number of employees is reported as headcount as of December 31, 2024.

Our targets and performance

Targets, progress and performance

2025 target	Progress tracker	2024 performance
Our people		
Material topic: Diversity, equity and inclusion		
Increase percentage of women in leadership positions to 30%	More work to do	We continued our focus on recruiting and developing women into leadership positions, including through our Women Acceleration program. Overall, women represented 25% of our leaders in 2024, maintaining female representation in leadership at the same level as 2023.
Maintain survey score linked to inclusive environment above industry benchmark[1]	On track	We achieved a score of 85% for diversity, equity and inclusion in our 2023 employee survey, eight points above the industry benchmark.[1]
Material topic: Employee satisfaction, development, and working environment[2]		
Sustain our training and development investment above industry benchmark	More work to do	We continue to offer training and development opportunities, and provided an average of 20.5 hours of training per employee.
Achieve engagement level above industry benchmark[1]	On track	We further strengthened our overall engagement score from 83% to 85% in 2023, two points above the industry benchmark.[1]
Increase % of employees who feel SIG has responded to their feedback based on the last survey	On track	62% of employees agreed that significant actions have been taken to address priorities identified in the last survey, up from 60% in 2022.
Increase % of employees who feel SIG makes adequate use of recognition and reward other than money	On track	We continued to extend our non-monetary recognition programs, and 63% of employees felt we made adequate use of recognition and rewards other than money to encourage good performance in 2023. This is a significant improvement from 58% in 2022 but is one point below the industry benchmark.[1]

The results here are from last year's survey. We will run a new survey from mid-January to mid-February in 2025.

1 Industry benchmark defined as norms for manufacturing companies participating in the Willis Towers Watson employee engagement survey.
2 Data excludes our production plant in Voronezh, Russia, due to limitations in respect of data access.

KPIs

Metric	2020	2021	2022	2023	2024
Our people					
Material topic: Diversity, equity and inclusion					
Women in leadership positions	18%	20%	23%[1]	25%	**25%**
Material topic: Employee satisfaction, development, and working environment					
Sustainable engagement score[2] (% favorable responses)	87[3]	–[4]	83	85	–[5]
Training and development investment (average training hours/employee)	19.4[3]	20.5[3]	20.9[6]	23.6[6]	**20.5**

Key KPI trends

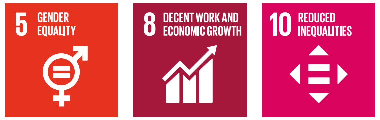
We remain committed to increasing the percentage of women in leadership positions. We are therefore introducing an additional KPI to measure women in senior positions based on the newly implemented level structure which is part of the job architecture program (see above). The target group will include all roles on a senior level with either direct or functional responsibility. On this basis, the share of women in senior level positions was 27.9% in 2024. In our 2025 report, when our current target will expire, we will introduce a new target for this new gender diversity KPI.

In addition, the newly implemented job architecture, organized by job families, enables us to analyze additional layers of female representation within the Company beyond women in leadership roles. This year, we introduced tracking for Women in STEM roles, who made up 6.6% of this group in 2024, as well as Women in Revenue-Generating Functions, at 22.2% in 2024.

1 Includes employees from the Evergreen Asia acquisition but excludes those from the Scholle IPN acquisition.
2 The sustainable engagement score represents the average of positive responses to 9 survey questions used to assess engagement. On a 5-point scale, the top two response options are categorized as positive.
3 Aseptic carton business only.
4 There was no employee survey in 2021 as it was previously run every two years.
5 There was no survey in 2024. Our next employee engagement survey will run in early 2025.
6 Includes employees joining SIG in the chilled carton business acquired from Evergreen Asia in 2022. Excludes employees joining SIG in the bag-in-box and spouted pouch business acquired from Scholle IPN in 2022.

Our positive impact

Positive contribution to the United Nations Sustainable Development Goals 5, 8, and 10.



Outlook

Regional recognition programs will be bolstered by a digital Recognition Toolkit for managers, a collection of online tools and resources available to ensure that our appreciation for hard work is consistently expressed across all levels.

A global recognition platform will be rolled out, offering a unified and transparent way to acknowledge the hard work and achievements of employees across all regions, fostering a sense of appreciation and belonging.

In addition to time and priority management training, psychological safety training will make a further contribution to our wellbeing roadmap. Whilst SIG has invested heavily in improving inclusion, diversity and wellbeing, there is a recognition that there is still more to do to ensure everyone at SIG feels safe to speak up and act in service of performance and mutual support. In 2025, we will further roll out our eTraining program to help leaders foster psychological safety in the workplace across the leadership levels of the organization.

Responsible culture:

Health, safety and wellbeing

We strive to ensure everyone can go home safe and well every day

Our safety approach focuses on people. Enabling employees to stay safe and healthy at work is a prerequisite for any responsible company. By empowering our people to adopt safe behaviors at work, we can also have a wider positive impact when they take the same safe behaviors home to their families – so we promote a 24-hour safety and health mindset.

As a global employer operating in more than 60 countries, we have an impact on the health and safety of our 9,000+ employees. Impacts on people and their human rights can occur if health and safety is not assured as people can sustain heavy injuries or suffer chronic diseases. Our focus on preventing injuries and promoting health and wellbeing avoids such impacts and also supports our business by reducing lost time, enhancing productivity and improving employee engagement.

Our main safety risks

1. Working at moving and rotating equipment
2. Slips, trips and falls
3. Operating forklift trucks and other vehicles
4. Handling cutters and knives

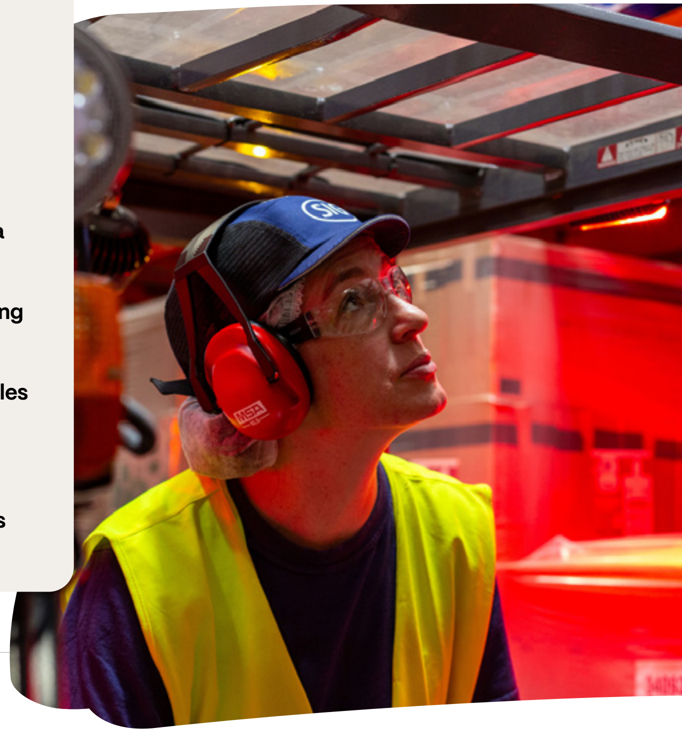
We address these risks through ongoing investment in business-wide improvements such as additional safety devices on machinery.

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

Golden Rule

Intervene to stop work if conditions or behaviors are unsafe.



Our commitments

We are committed to adopting a preventive health and safety strategy through our "Take Care" culture for workplace safety and strive to prevent all health and safety incidents and work-related illnesses. We also commit to regularly conduct workplace and task-based risk assessments as part of our proactive approach to the workplace safety protocol and our "Take Care" culture.

We strive to:
- prevent work-related incidents and illnesses
- manage risks
- empower employees to adopt safe behaviors
- support health and wellbeing

Our approach

Health and safety

Keeping the conversation going on safety

Safety is one of SIG's core values and it is fundamental to everything we do. Most of our biggest risks are at our production plants. 100% of workers at our production sites, as well as our Global Assembly, Global Technology and Technical Service functions, are covered by an occupational health and safety management system.

We address risks through safety awareness campaigns focusing on specific topics, with a simple overview and a clear structure explaining why it is important, what risks are involved, and what actions are planned to mitigate the risks. Plant managers, team leaders and shift managers are present to stimulate discussions during team meetings. The most important messages are collected and in turn shared.

Managing risks

The safety and health of all our employees and contractors is covered by our robust health and safety management systems which promote continuous improvement. These systems are certified to ISO 45001 standards at all production plants in the SIG Group. All employees and contractors working on our sites, as well as visitors, are required to adhere to policies and procedures as set out by the management systems. Customers are instructed on health and safety risks at our training centers.

We conduct annual risk assessments at each site and are committed to monitoring incidents and near misses, systematically analyzing their root causes and targeting improvements through local corrective action plans. We also recognize sites that have achieved exceptionally strong safety performance through our SES Maturity Assessment and Safety Awards scheme.

Our risk assessments and corresponding operating instructions form the basis of our approach to chemical safety in the workplace. Risk management is legally required in every country where SIG produces and each location needs to fill out a form on Environment, Health and Safety (EHS) compliance with national law.

Empowering employees

Everyone at SIG is trained in health and safety, including our Life Saving Rules which target the biggest risks to our people. Training for each employee covers how to manage risks specific to their role – in our production plants or offices, working from home, or providing technical service support at our customers' sites.

We empower our people to provide input and constructive feedback on safety and risk. All aseptic carton plants where our observation safety program is established must ensure that at least 15% of employees have completed training. The bag-in-box and spouted pouch plants started to train and develop simple observation safety programs in 2024. We track progress as part of our monthly health and safety metrics.

Our health and safety steering committees in the plants include plant management and employee representatives, as well as other participants such as local EHS managers, People & Culture teams, works council representatives and medical doctors. Local workers' councils or committees meet regularly to discuss health and safety matters.

Managing health and safety

We maintained global certification to the ISO 45001 standard for health and safety management across our aseptic carton production plants and extended it to all our production plants in 2024, including bag-in-box and spouted pouch.

The SES (SIG Excellence System) is a SIG-specific assessment and represents a temple made up of foundations and pillars showing the interaction of specific tasks. The aim of the SES is to analyze our systems and to approach improvements methodically.

Results from the EHS pillar flow into the overall score of the SES Maturity Assessment. The SES process takes place once a year in all SIG plants and forms the basis for the global exchange of best practices and further opportunities for improvement.

For all SIG plants regular audits following SEDEX SMETA - which include health and safety - are conducted every two years. Three additional plants which went into operation since 2023 were audited in 2024 while the remaining plants were last audited in 2023 and are scheduled for their next audit cycle in 2025.

Responsibility for managing health, safety and wellbeing

- Global EHS reviews health and safety performance with the local management and local EHS leads; monitors and manages the sustainable implementation of safety projects and EHS alerts; and provides regular reports to the Group Executive Board.
- Head of Operations is responsible at operational level.
- Group Human Resources is responsible for employee wellbeing.
- Regional leaders are responsible for EHS across our businesses in each region and are part of a broader network to learn from each other.

Assessing effectiveness

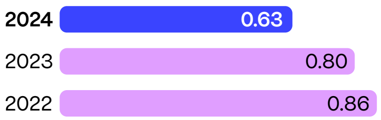
Health and safety KPIs are reviewed by the GEB each month. The GEB also receives quarterly reports on health and safety matters. The Board is regularly updated. We have annual site self-assessments (based on ISO 45001) and internal audits/assessments and perform SEDEX SMETA site audits and EcoVadis assessments. We monitor incidents and near misses. Issues or concerns can be reported via the Integrity & Compliance Hotline and via safety opportunity cards and the behavior-based safety process.

Measures taken in 2024

- We ran a global campaign to raise awareness of safe work behavior with the aim of eliminating safety incidents relating to moving and rotating equipment. The campaign started with the sharing of real experiences and stories to which colleagues could relate. This was followed by task identification to understand which activities in our plants are potentially dangerous, and hazard hunts to identify equipment risks.
- In August, we started integrating our new greenfield operation in Ahmedabad (India) into our established health and safety management systems. Based on the Life Saving Rules and a comprehensive induction phase, we are sensitizing all new employees to keep them safe and healthy at work and consider the safety risks associated with our business. We run regular meetings and trainings for plant leadership teams to guide them on how leaders can help to strengthen the health and safety culture.
- Our new plant in Querétaro, Mexico completed its first ISO 14001 and ISO 45001 certification audits with no non-conformities.

Total recordable cases[1]

Total recordable case rate[4]



Lost-time cases[2]

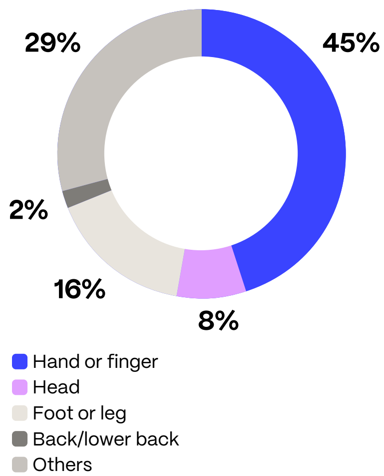
Lost-time case rate[3]

Reporting on safety incidents in 2024

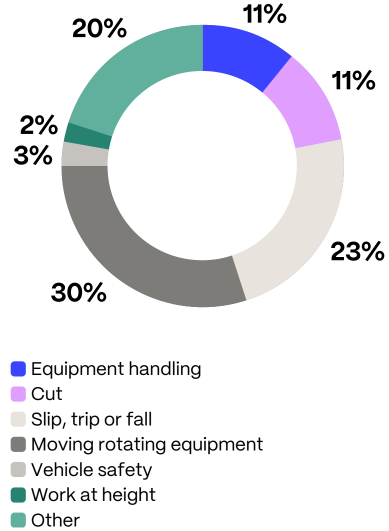
- 14 of our sites have not experienced any accidents in 2024
- 6 sites had no lost-time case
- We maintained our record of zero fatalities across SIG Group

For detail on recordable and lost-time cases, see **KPI table** →.

Injuries by type in 2024 (%)



Injuries by cause in 2024 (%)



1 Total recordable cases include lost-time, medical treatment, and restricted work cases.
2 A lost-time case is defined as absence for one or more shifts or loss of one or more working days.
3 Lost-time cases per 200,000 hours worked.
4 Total recordable cases per 200,000 hours worked.

Supporting health and wellbeing

We are committed to supporting the health and wellbeing of our employees. We take a holistic approach that encompasses physical, mental, financial, and social wellbeing to enable our employees to lead fuller, more productive lives both at work and at home.

Many of our larger sites offer access to medical professionals, health insurance, health check-ups and fitness programs. We continue to extend our behavior-based model to occupational health issues such as ergonomics, and we provide ergonomic workstations and training. Employees can access information on current offers and opening times at any time via the SIGer app, as well as through posters, banners, and other on-site communications. We also recognize that musculoskeletal health issues, such as back problems, can be an indicator of wider health and wellbeing issues. Our health rate among full-time employees was 97.8%[1] in 2024 – up from 97.7% in 2023.

1 Based on a sickness absence rate of 2.2% (sick days per total days worked). Sickness absence and health rates are based on available data covering more than 90% of employees.

Reducing stress and promoting work-life balance

- Flexible working
- Wellness awareness campaigns
- Mental health training
- Counselling
- Employee focus groups

Measures taken in 2024

- We collectively celebrated and raised awareness on both global and local levels through various international celebration days, reinforcing our holistic approach to physical, mental, financial, and social wellbeing. These efforts have been highlighted through our Monthly Wellbeing Wednesday initiatives and have included a wide range of discussions and activities, such as:
  - Sleep and productivity
  - Psychological safety
  - Stress management
  - International Yoga Day
  - International Day of Friendship
  - The importance of having a wellness spot
  - The importance of having regular medical check-ups
- We implemented our guidelines on ways of working for office workers and developed new guidelines on ways of working for employees working in production roles and in the field as service engineers. These set out clear guidance and tangible steps to support wellbeing and work-life balance.
- We have launched a wellbeing guide for managers to better identify and recognize colleagues who are experiencing mental health problems and want guidance on how to support them.
- We piloted an eTraining program specifically designed for leaders to help them foster psychological safety in the workplace, ensuring that their teams feel confident in bringing their whole selves to work. This initiative will be rolled out across the leadership levels of the organization in 2025.
- Emotional assistance programs are workplace-based services designed to support employees with personal or professional issues that may impact their wellbeing and job performance.

Leadership and wellbeing

In 2024, SIG emphasized the importance of leadership and wellbeing through a series of insightful podcasts featuring various leaders across the organization. These podcasts have served as a platform for open conversations about leadership and wellbeing.

13 senior leaders shared their personal experiences and approaches to leadership, resilience, and wellbeing. The podcasts gained significant attention on the SIGer app, fostering a culture of open dialogue and community support. Viewership metrics have indicated an engaged audience who value the insights shared, with strong participation from different regions.

Recurring themes from the series included:

- The importance of mental health and how it ties into strong leadership.
- Personal strategies for maintaining work-life balance, resilience, and self-care.
- The value of diversity and adaptability in leading teams through change.
- Encouraging a supportive workplace culture, where wellbeing is prioritized alongside performance.

These conversations have not only spotlighted the health and wellbeing journeys of senior leaders but also created a ripple effect across the Company, inspiring employees to prioritize their own wellbeing and contributing to a balanced, thriving work environment.

Our targets and performance

Targets, progress and performance

2025 target	Progress tracker	2024 performance
Health, safety and wellbeing		
Material topic: Health, safety and wellbeing[1]		
Zero recordable cases[2]	More work to do	There were 52 total recordable cases across SIG Group in 2024, 20% less than in 2023, result in a total recordable case rate for SIG Group of 0.63 recordable cases per 200,000 hours worked.
Define a holistic strategy and roadmap to foster wellbeing at SIG	More work to do	We rolled out our holistic program to promote physical, mental, financial, and social wellbeing through global awareness activities, guides, training, and a new podcast to equip employees and managers with know-how to support wellbeing.

Progress in 2024

- Reporting of near misses supports our efforts to prevent incidents. In 2024 774 near misses were reported (2023: 619) with a frequency rate of 9.46 per 200,000 working hours (2023: 7.7).
- The rate of severity[6] of lost-time cases in SIG production sites was 1.26 (compared with 0.51 in 2023).
- There were also 12 lost-time cases among contractors working at our production sites this year and the lost-time injury frequency rate for contractors was 0.77 per 200,000 hours worked.
- 90% of employees participating in our global engagement survey agreed SIG does a good job of ensuring workers' health and safety wherever we operate, 7 points above the 2023 industry benchmark.[3]
- We continued to encourage employees to observe and provide constructive feedback to correct unsafe behaviors.
- 19% of employees at our production plants reported 45,043 observations
- 4,320 barriers to safe behavior removed

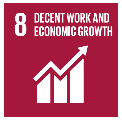
1 Data excludes our production plant in Voronezh, Russia, due to limitations in respect of data access.
2 Total recordable cases include lost-time, medical treatment, and restricted work cases.
3 Industry benchmark defined as norms for manufacturing companies participating in the Willis Towers Watson employee engagement survey.
4 Total recordable cases include medical treatment and restricted work cases as well as lost-time cases.
5 A lost-time case is defined as absence for one or more shifts or loss of one or more working days.
6 Severity rate based on number of days away from work x 1,000 / 1,000,000.

KPIs

Metric	2020	2021	2022	2023	2024
Health, safety, and wellbeing					
Material topic: Health, safety, and wellbeing					
Total recordable cases[4] across SIG Group	–	–	68	65	**52**
Total recordable case rate (per 200,000 hours worked) across SIG Group	–	–	0.86	0.80	**0.63**
Lost-time cases[5] across SIG Group	–	–	18	40	**27**
Lost-time case rate (per 200,000 hours worked) across SIG Group	–	–	0.36	0.49	**0.33**
Total recordable cases[4] in our aseptic carton business	33	313	33	33	**27**
Total recordable case rate (per 200,000 hours worked) in our aseptic carton business	0.83	0.60	0.62	0.60	**0.50**
Lost-time cases[5] in our aseptic carton business	13	17	18	21	**17**
Lost-time case rate (per 200,000 hours worked) in our aseptic carton business	0.31	0.33	0.35	0.38	**0.31**
Total recordable cases[4] in our bag-in-box, spouted pouch, and chilled carton businesses	–	–	35	32	**25**
Total recordable case rate (per 200,000 hours worked) in our bag-in-box, spouted pouch, and chilled carton businesses	–	–	1.32	1.24	**0.91**
Lost-time cases[5] in our bag-in-box, spouted pouch, and chilled carton businesses	–	–	10	19	**10**
Lost-time case rate (per 200,000 hours worked) in our bag-in-box, spouted pouch, and chilled carton businesses	–	–	0.38	0.73	**0.36**

Our positive impact

Positive contribution to the United Nations Sustainable Development Goal 8.



2024 success stories

Increasing safety and productivity

Our global campaign to raise awareness of safe work behavior led to the development of a new folder-sealer by our engineering and EHS teams in Linnich (Germany). Together with local external companies, they developed a unique safety fence which not only makes the work of the operating personnel safer, but also increases the efficiency of the system.

The problem

The folder-sealer rotates at a very high speed. For this reason, safety catches and pull-in guards are installed to prevent employees from injuring their hands or fingers. These pose several challenges:

- These safety devices must be removed for repairs.
- Improper installation can lead to quality problems.
- Additional protective devices have to be designed, manufactured and installed for each new folder-sealer model, resulting in continuous follow-on costs.

The solution

The analysis of incidents and accidents in recent years led to the development of an innovative all-round safety concept designed to effectively prevent injuries and permanently increase performance. Implementation began in January 2024. The concept includes a unique safety fence that eliminates all previous finger protection devices and protective housings, while at the same time allowing employees direct and safe visual contact with belts, bearings and material flow.

The safety fence can be raised and lowered manually. As soon as the fence moves, the system stops automatically and is restarted after work on the machine. Employees are not only safer thanks to the safety-related monitoring of the fence position, but can also intervene at important points without stopping the entire machine. This means that the output of the folder-sealer is increased.

Responsible culture:

Communities

Engaging and supporting our communities to help them thrive

Being a responsible and inclusive business partner in the communities where we operate can also strengthen our business. We can explore new models and markets locally and become recognized as an employer of choice.

Our commitments

We are committed to engaging with local people to understand how we can make a difference in our communities as part of our wider ambition to deliver positive impact for people and the planet.

Our approach

We channel support through the SIG Foundation, which focuses on projects that strengthen civil society and create positive impacts for the environment.

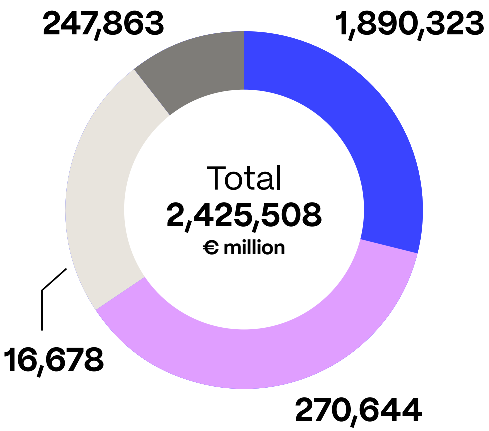
We also mobilize our people to support their communities through local initiatives led by our network of Future+ Ambassadors, with support from employee volunteers.

Supporting communities through the SIG Foundation

We contributed €260,000 in grants in 2024 to support the work of the SIG Foundation, including its flagship Cartons for Good initiative and Recycle for Good initiative.

Our annual corporate festive donation supported the urgent issue of malnutrition among vulnerable populations in South Africa in support of a project carried out by FoodForward SA's Mother and Child Nutrition initiative. By providing nutritious food parcels to pregnant and nursing mothers and children up to five years old, this project not only supports immediate dietary needs but also promotes long-term health outcomes.

SIG's community contributions in 2024



- Cash contributions
- Time: employee volunteering during working hours
- In-kind giving: donation, projects or services, projects or partnerships
- Management overheads

Measures taken in 2024

Mobilizing our people to contribute to positive change

At SIG, the ownership of initiatives is placed in the hands of SIGers, who drive campaigns and community engagement efforts on a local level, guided by our Future+ Ambassadors Network and supported by dedicated employee volunteers. The network fosters programs that connect with communities, respond to their needs and address local environmental priorities, creating a positive impact aligned with SIG's sustainability strategy. In 2024 the Future+ Ambassadors Network covered 19 locations from all our regions worldwide.

The Biodiversity campaign launched in 2023 continued in 2024, with activities focusing on ecosystems enrichment, clean-up and restoration, followed by educational activities. Over 1,000 employees from all SIG sites engaged with the topic of biodiversity, sharing images that highlighted the diversity of flora and fauna across SIG locations, and starting conversations about their local natural heritage and the importance of biodiversity.

In the second half of the year, SIG reinforced its commitment to responsible culture and community engagement through volunteering. Volunteering is at the heart of SIG's culture, with employees worldwide contributing to education, healthcare, environmental conservation, and community support. From Bangkok to São Paulo, SIGers shared over 40 inspiring stories under the #volunteerforbetter initiative.

See Our people: International volunteering day →

Besides the Future+ Ambassadors campaigns, multiple community engagement activities continued to happen locally, based on the specific needs of the communities where SIG sites are located. In 2024, we started to transition the Future+ Ambassadors Network's focus from one-off global campaigns to globally guided and supported but locally driven long-term community engagement initiatives that go beyond single events to create lasting partnerships.

In China, SIG employees actively contributed to environmental awareness and sustainability through initiatives such as mountain cleaning, a recyclables trading day, or the Yangcheng Lake Water Protection Plan project that engaged more than 150 participants in the clean-up of the lake, learning about water treatment processes, and advocating for water conservation. Altogether, these activities accumulated over 560 volunteer hours, significantly enhancing environmental awareness and community participation.

SIG employees in Thailand planted 400 trees to restore forest ecosystems in Pong-Yang, Chiang Mai Province and donated to the Rajapruek Institute Foundation to support local conservation efforts. Our Rayong team released 1,000,000 juvenile blue crabs and planted 100 mangrove trees in EOD Beach in Sattahip, Chonburi, Thailand, supporting marine biodiversity and coastal ecosystem conservation.

In Australia, efforts focused on addressing community needs through employee-driven engagement and fundraising activities, strengthening ties with local organizations.

In Germany, SIG employees from Linnich engaged in a variety of initiatives that addressed diverse community needs including blood donations, the Linnich Children's Mile, facilitating a space for children and youth with creative and educational activities, the Cycle to Work Campaign, and food bank support. These activities involved over 270 volunteer hours from SIG employees, benefiting local communities and vulnerable groups.

SIG Romania continued the Biodiversity Campaign involving employees on raising awareness about ecosystem conservation, while also delivering tangible outcomes through community-driven conservation actions. Employees engaged in a clean-up initiative, that resulted in almost 8 tons of municipal waste collected from the forests near the main roads in the Apuseni mountains in Cluj County.

In Switzerland, the initiatives engaged employees, their families, and the community trough biodiversity excursions and cycling initiatives, that fostered environmental awareness. SIG Switzerland also continued partnership with diheiplus, donating gifts to the people with disabilities that are in the care of the organization.

SIG South Africa has established an annual tradition of beach clean-ups in Cape Town, demonstrating a strong commitment to sustainability and recycling. In 2024, in partnership with local NGOs Fair Cape Dairies, Save a Fishie, and the City of Cape Town's Urban Waste Management, volunteers collected over 300 kilograms of waste and plastics. These events exemplify a collaborative approach to environmental stewardship, fostering a cleaner environment and strengthening community engagement.

SIG Mexico promoted environmental awareness through a biodiversity photo contest. And supported education through annual improvements to a local school. There, the employees undertook an annual project to improve the conditions of a local rural school, replacing deteriorated areas with a more welcoming and functional environment.

In Brazil, SIG spearheaded impactful programs such as Recicleiros and so+ma vantagens, advancing recycling efforts while supporting vulnerable populations through fair wages, safe working conditions, public education on waste management, and incentives for sustainable practices. Seasonal donation campaigns provided essential food and gifts to underserved communities, further strengthening SIG's commitment to addressing local societal needs.

Channeling support through the SIG Foundation

The SIG Foundation's purpose is to identify, drive and promote activities and projects that strengthen civil society and create positive impacts for the environment.

We have provided over €2.0 million in grants to support the SIG Foundation since it was founded in 2018. Its two key programs deliver social and environmental benefits through innovative models for preventing food loss and recycling packaging waste:

Cartons for Good – The SIG Foundation's flagship initiative helps prevent food loss and malnutrition by using SIG's filling technology and packs to turn surplus crops into nutrition for people in need. The pilot in Bangladesh has turned over 21 metric tons of food loss into more than 73,300 nutritious meals for underprivileged children and people in need since it began in 2019. Excessive monsoon rainfall in August 2024 caused five major rivers in Bangladesh to burst their banks, resulting in devastating floods. We were able to provide relief to the flood victims by distributing 4,000 nutritious meals in Cartons for Good cartons.

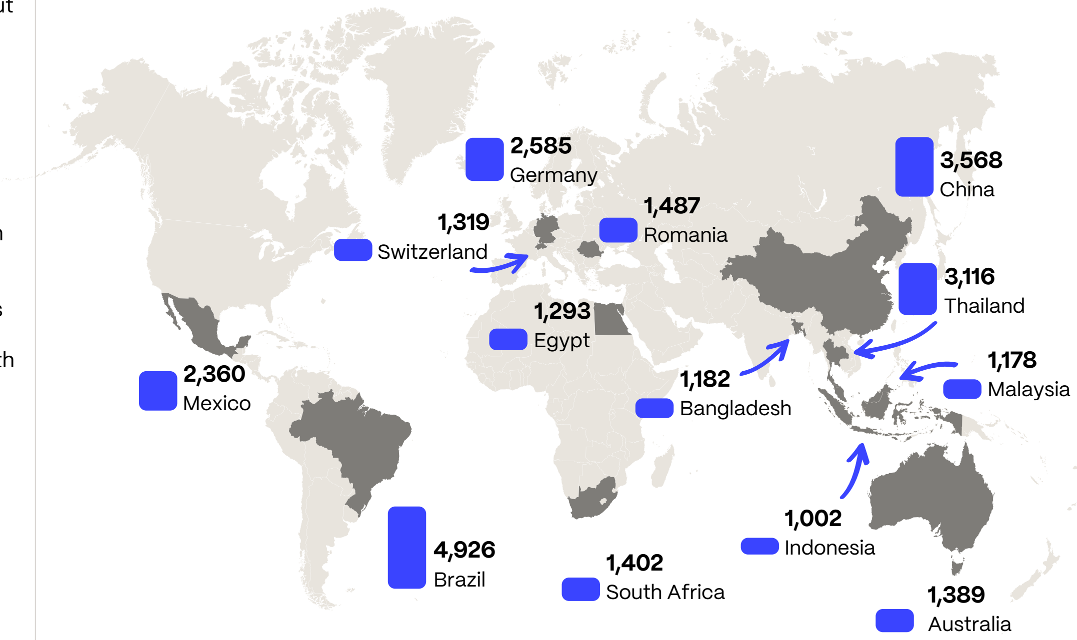
Following the SAVE FOOD competition win for Cartons for Good in 2023, a study was carried out for Egypt in 2024 with the support of the cooperation partner NRCP (Natural Resources and Climate Protection Foundation). The study identified the most impactful geographies for food loss, as well as potential beneficiaries. This has provided a basis for expanding Cartons for Good in Egypt.

SIG and the SIG Foundation have also worked on a Cartons for Good project with SIG customer Ampol Foods in Thailand. To offer elderly people with mouth and swallowing problems a nutritious option, a recipe for a puree made from mango and longkong was developed in collaboration with the Institute of Nutrition (INMU), **Mahidol University**. The test filling was approved by the Thai FDA and the first production can therefore start at the beginning of 2025.

Assessing effectiveness

Overall, community engagement programs run by employees achieved a total impact score of 26,807 during 2024, up 57% from 2020.[1]

Total impact score of our community engagement programs by country



Recycle for Good – In 2023, the SIG Foundation launched a Recycle for Good project in Indonesia to incentivize recycling and provide social support for low-income people by offering rewards in exchange for recyclable waste – with a strong focus on used beverage cartons and polymer pouches. The program was expanded in Indonesia in 2024 to multiple pick-up points and households to reach more people and increase the collection rate of recyclable waste. By the end of the year, more than 2,871 people had already collected 21 metric tons of waste in exchange for rewards.

Find out more about the SIG Foundation on our website.

1 Impact score is derived through an assessment of our employee-led community engagement projects – by the employees and communities involved in them – based on who benefits from each project, the type of impact it has and its potential to contribute to the United Nations Sustainable Development Goals.

Our targets and performance

Targets, progress and performance

2025 target	Progress tracker	2024 performance
Communities		
Strategic topic: Thriving communities[1]		
Increase the impact of community engagement programs by 50% (from 2020)	Completed	We have exceeded this 2025 target in 2024. The overall impact of our employee-led community engagement programs increased by 57% from the 2020 baseline and achieved an impact score of 26,807 in 2024[2] – through local initiatives tailored to the specific communities' needs, as well as a campaign to raise awareness of biodiversity and promote conservation activities, and a campaign recognizing and promoting volunteerism within our global community.
Create scalable models for the SIG Foundation's Cartons for Good initiative[3]	More work to do	The pilot in Bangladesh has turned over 21 metric tons of food loss into more than 73,300 nutritious meals for underprivileged children and people in need since it began in 2019. The Cartons for Good initiative has defined its way forward with a roadmap of transition from the pilot project to Cartons for Good 2.0. Going forward, the initiative is focusing on partnering with SIG customers to achieve its goals, with SIG technology already installed at customer sites to be used to pack nutrition and hydration. Projects are underway in Egypt and in Thailand.
Scale up and expand our community recycling model	On track	The Recycle for Good program in Indonesia was expanded in Indonesia in 2024 to multiple pick-up points and households to reach even more people and increase the collection rate of recyclable waste.

1 Not identified as a material topic. However, information is given as we believe community engagement is important.
2 Impact score is derived through an survey assessment of our employee-led community engagement projects – by the employees and communities involved in them – based on who benefits from each project, the type of impact it has and its potential to contribute to the United Nations Sustainable Development Goals.
3 Target wording shortened by removing the full name of the SIG For Better Foundation.

Responsible culture:

Governance and ethics

We expect all our employees and everyone working with us to act with integrity, always

Operating ethically and adopting fair business practices is fundamental to our responsible culture, essential to comply with applicable laws and regulations, and critical to protect our reputation and maintain stakeholder trust.

Our commitments

We are committed to acting professionally and with integrity in everything we do, abiding by the ethical principles set out in the SIG Code of Conduct. These principles include, among others:

- Ethical and compliant behavior (for example regarding anti-bribery and anti-corruption).
- Fair, respectful, and courteous treatment of fellow employees and others with whom we interact.
- Fair and appropriate consideration of the interests of other stakeholders (customers, suppliers, and other business partners, government authorities and the public) as well as of the environment.
- Professionalism and good business practice.

Our approach

The SIG Code of Conduct is approved by our Board of Directors and complemented by policies and guidelines on specific topics. The SIG Code of Conduct is available in 19 languages. It sets out our expectations on topics such as anti-bribery and anti-corruption, avoidance of and dealing with conflicts of interest, anti-trust and fair business practices, privacy and data protection, human rights compliance, equal employment opportunity, anti-harassment and anti-discrimination, and political and charitable activities.

Our zero-tolerance approach to bribery and corruption in any form is stipulated in the SIG Code of Conduct, detailed in our Anti-bribery and Anti-corruption Policy, and reinforced through training.

All employees are trained on the SIG Code of Conduct as part of their onboarding when they join the business, and they are required to complete refresher trainings every year. We provide additional in-depth training on specific topics for employees in high-risk roles. This includes further training for sales, procurement and finance teams on anti-bribery and anti-corruption.

We encourage people to speak up without fear of retaliation if they have any questions or concerns, including those related to bribery and corruption, via their line managers, our People & Culture teams, global and regional Legal and Compliance Officers, or via our Integrity & Compliance Hotline. The hotline is available to employees and external stakeholders, such as customers and suppliers, to report any concerns on ethical conduct, human rights or the environment relating to our own operations or our suppliers' business activities. Reports can be made anonymously (where permitted by local legislation).

Details on the Integrity & Compliance Hotline and how to report a concern can be found on our website: Hotline.

We investigate all reports received and take appropriate action including, but not limited to, disciplinary measures. The effectiveness of the grievance mechanism is regularly assessed, including by statistical analysis of the reports and other controls.

Group Internal Audit regularly reviews expense reports as part of their audits to assess implementation of and compliance with our internal policies and procedures on anti-bribery and anti-corruption.

As part of the global community, SIG is committed to engaging responsibly and transparently with all relevant and affected stakeholders in developing, managing, and communicating governance topics and activities, including by developing channels to enable them to voice their complaints and grievances. We foster engagement with a wide range of stakeholders – see **Stakeholder engagement** →.

Maintaining ethical and compliance standards

All our production plants completed SEDEX SMETA audits – which include business ethics – in the 2023 two-yearly cycle, with three new plants audited in 2024.

Focusing on data security and privacy

With cyberattacks on the rise globally, building employees' awareness of IT security and safeguarding personal data is increasingly important.

- Our security acceleration program has been implemented. We have enhanced our security maturity to the next level, bolstered our cybersecurity to prevent and protect against cyber threats, and improved our cyber resilience to respond to and recover from security incidents.
- We maintained certification to the international ISO 27001 standard on information security management in China, Germany, and Romania scoping the provision of Information Communication Technology Infrastructure, related applications, data centers, and production operations.
- We continue to improve our security awareness culture by creating emotional involvement among employees (case examples, personal tips, sharing experiences), providing knowledge in a clear and easy way (do & don't, phishing simulation), and ensuring active participation (annual cybersecurity survey and quiz).
- 99% of our employees completed our refreshed data security and privacy training. We carried out quarterly simulated phishing attacks to help employees spot common phishing tactics and provided guidance explaining how to report any suspicious emails they may encounter.

Measures taken in 2024

Approximately 99% of our employees completed an annual certification on the SIG Code of Conduct in 2024 and 99% completed additional in-person or virtual training on the SIG Code of Conduct.

Training our people and raising awareness

- We provided further training on specific compliance topics, such as anti-bribery, anti-corruption and anti-trust for employees in high-risk roles.
- We provided further training on data privacy for our People & Culture teams.
- We encouraged people to speak up by raising awareness of our Integrity & Compliance Hotline.
- We also reinforced a culture of cyber-security awareness to help employees remain vigilant.

Investigating and acting on reports received

- Reports received via our Integrity & Compliance Hotline and other channels in 2024 mainly related to workplace and employee matters.
- We investigated all reports received and took disciplinary action, including reprimands and dismissals, where appropriate.
- We have not identified cases of significant non-compliance with applicable laws and regulations during the reporting period; there were no cases in which monetary fines were incurred.[1]
- During the reporting period there were no confirmed incidents where contracts with business partners were terminated or not renewed due to violations related to corruption, nor were there any confirmed public legal cases regarding corruption brought against the organization or our employees.
- If reports containing critical concerns are received, they are communicated to the Board of Directors, the Group's highest governance body, at its quarterly meetings or on an ad-hoc basis, if required. During the reporting period there were no concerns considered as critical.

Assessing effectiveness

Regular updates and statistics on compliance matters, including relating to anti-bribery and anti-corruption topics, are provided to the Audit & Risk Committee. Internal audit reports are provided to the Audit & Risk Committee. Lessons learned are shared with the organization as appropriate.

1 We define significant instances by reference to a value exceeding €30 million, in line with the materiality threshold applied in connection with our consolidated financial statements 2024.

Our targets and performance

Targets, progress and performance

2025 target	Progress tracker	2024 performance
Governance and ethics		
Strategic topic[1]: Fair business practices		
Mandatory annual Code of Conduct training for all employees	On track	Approximately 99% of our employees completed an annual certification on the SIG Code of Conduct and approximately 99% completed additional in-person or virtual training on the SIG Code of Conduct.

1 Not identified as a material topic under GRI. However, information is given as we believe fair business practices are important.

Independent practitioner's limited assurance report

on selected aspects in the Sustainability Section in the annual report 2024
to the Board of Directors of SIG Group AG, Neuhausen am Rheinfall

We have been engaged by the Board of Directors to perform assurance procedures to provide limited assurance on the preparation of selected Key Performance Indicators 2024 (Annex A) as well as on the preparation of the non-financial disclosures as required by Art. 964b Swiss Code of Obligations (CO), applying Art. 964b para. 3 CO, index table 2024 (as included in Appendix "Swiss non-financial matter report" on page 157) and article 3 of the Ordinance for climate-related disclosures (the Appendix "TCFD report" on pages 158 to 165) (together referred to as the "Subject Matter") as disclosed in the Sustainability Section (pages 35 to 182) of SIG Group AG annual report for the period ended December 31, 2024. All Subject Matters are identifiable by the check mark ✓.

The Sustainability Section (including the GHG emissions) was prepared by the Board of Directors of SIG Group AG (the "Company") based on the following criteria as explained in the section "Reporting regulations and frameworks" which explains the application of Swiss Code Obligation Regulation, among others, in the Sustainability Report (the "reporting Criteria"):

- Global Reporting Initiative (GRI) Version 2021
- the Greenhouse Gas Protocol Initiative Corporate Standards (Revised Edition)
- requirements of Article 964b CO, applying Article 964b para. 3 CO
- requirements of Article 3 of the Ordinance for climate-related disclosures
- description in the related footnotes for the internally developed KPIs identified as "own disclosure" in the GRI content index on pages 166 to 179.

Inherent limitations

The accuracy and completeness of the Sustainability Section (including the GHG emissions) are subject to inherent limitations given their nature and methods for determining, calculating, and estimating such data. In addition, the quantification of the Sustainability Section (including the GHG emissions) is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors and the values needed to combine e.g. emissions of different gases.

Carbon offsets are subject to inherent limitations, including but not limited to the extent of social impact, the risk of double counting, lack of additionality, leakage, permanence, and uncertainties as to whether the expected reductions or removals will occur. This could impact the estimated reduction or removal of CO_2e assigned to those offsets.

Some of the climate-related disclosures will include prospective information prepared for setting and preparing the implementation of such metrics, targets, and transition plans, using a set of assumptions that include hypothetical assumptions about future events and management's actions that are not necessarily expected to occur. Consequently, readers are cautioned that the prospective information is not used for purposes other than that described. Therefore, the climate metrics, projections, forecasts and other forward-looking statements used in your climate-related disclosures should be treated with special caution, in particular as they are more uncertain than, for example, historical financial information, and given the wider uncertainty around the evolution and impact of climate change.

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Our assurance report will therefore have to be read in connection with the reporting Criteria applied by SIG Group AG, its definitions and procedures as described in the section Reporting regulations and frameworks in the Sustainability Section.

Board of Directors' responsibility

The Board of Directors of the SIG Group AG is responsible for preparing and presenting the Sustainability Section (including the GHG emissions) in accordance with reporting Criteria stated in the in the section Reporting regulations and frameworks in the Sustainability Section. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and presentation of the Sustainability Section, selecting and applying appropriate policies and making estimates that are reasonable in the circumstances as well as the prevention and detection of fraud, other irregularities and errors and non-compliance with law or regulations and the related record keeping.

Independence and quality management

We are independent of the SIG Group AG in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

PricewaterhouseCoopers AG applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibility

Our responsibility is to perform an assurance limited engagement and to express a conclusion on the Subject Matter. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information' and the International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board. Those standards require that we plan and perform our procedures to obtain limited assurance whether anything has come to our attention that causes us to believe that the Subject Matter was not prepared and presented, in all material aspects, in accordance with the reporting Criteria for the period ended December 31, 2024.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement under ISAE 3000 (Revised) and ISAE 3410 is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

We performed the following procedures:

- Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement;
- Inquiries of personnel and executive directors involved in the preparation of the Sustainability Report regarding the preparation process;
- Evaluating the appropriateness and consistency of the reporting Criteria used and selected Key Performance Indicators 2024 (Annex A) in the Sustainability Report subject to our limited assurance engagement. This includes the evaluation and the reasonableness of estimates made by management;
- Identification of the likely risks of material misstatement of the Sustainability Report under consideration of the GRI-Criteria;
- Analytical evaluation of Subject Matter in the Sustainability Report;
- Evaluation of the presentation of the Subject Matter regarding sustainability performance;
- Performance of site visits as part of the inspection of processes and guidelines for data collection at the following locations: Linnich, Germany - Suzhou, China - Saalfelden, Austria - Wittenberg, Germany - Riyadh, Saudi Arabia - Merced, USA - Vinhedo, Brazil - Northlake, USA - Palghar, India;
- Assessment of CO_2 compensation certificates exclusively with regard to their existence, but not with regard to their effect Assurance Conclusion;
- Evaluated whether the Sustainability Section contains the minimum required information as per article 964b CO, applying article 964b para. 3 CO;
- Assessment of the process in place and activities undertaken in the preparation of the non-financial disclosures as included in Appendix "Swiss non-financial matter report" on page 157 and for the Appendix "TCFD report" on pages 158 to 165;
- Evaluating the disclosures in, and overall presentation of, the Subject Matter information through critical reading of the Sustainability Section in the Annual Report.

The scope of our work did not extend to information in respect of earlier periods or to any other information included in, or linked from, the Sustainability Section 2024.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the work we performed, nothing has come to our attention that causes us to believe that the preparation of the Subject Matter is not, in all material aspect, in accordance with the reporting Criteria as explained in the section Reporting regulations and frameworks of the Sustainability Section.

Reporting on Other Information

The other information comprises all information in the Sustainability Section other than the Subject Matter Information in the annual report 2024 and our assurance report. The Board of Directors are responsible for the other information. As explained above, our assurance conclusions do not extend to the other information and, accordingly, we do not express any form of assurance thereon.

Intended users and purpose of the report

This report is prepared for, and only for, the Board of Directors of SIG Group AG, and solely for the purpose of reporting to them on aspects in the Sustainability Section (including the GHG emissions) and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only and in combination with the reporting Criteria, to enable the Board of Directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over Sustainability Section on the Subject Matter, without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of SIG Group AG for our work or this report.

PricewaterhouseCoopers AG

Joanne Burgener Mara Steffan

Basel, February 20, 2025

The maintenance and integrity of SIG Group AG's website and its content are the responsibility of the Board of Directors; the work carried out by the assurance provider does not involve consideration of the maintenance and integrity of the SIG Group AG's website, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported Sustainability Section (including the GHG emissions) or reporting Criteria since they were initially presented on the website.

→ Independent practitioner's limited assurance report

Annex A - Selected Key Performance Indicators in scope

Area in Scope	Reporting Criteria
Climate +	
1. Total Scope 1 and 2 greenhouse gas emissions (thousand metric tons CO_2 equivalent)	305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions
2. Total Scope 3 greenhouse gas emissions (million metric tons CO_2 equivalent)	305-3 Other indirect (Scope 3) GHG emissions
3. Scope 3 greenhouse gas emissions intensity (grams CO_2 equivalent/liter of food packed)	305-4 GHG emissions intensity
4. Scope 1, 2, and 3 greenhouse gas emissions intensity (grams CO_2 equivalent/liter of food packed)	305-4 GHG emissions intensity
5. Scope 1 greenhouse gas emissions for production (thousand metric tons CO_2 equivalent)	305-1 Direct (Scope 1) GHG emissions
6. Scope 1 greenhouse gas emissions for aseptic carton production (thousand metric tons CO_2 equivalent)	305-1 Direct (Scope 1) GHG emissions
7. Scope 2 greenhouse gas emissions for production (market based) (thousand metric tons CO_2 equivalent)	305-2 Energy indirect (Scope 2) GHG emissions
8. Scope 2 greenhouse gas emissions for aseptic carton production (market based) (thousand metric tons CO_2 equivalent)	305-2 Energy indirect (Scope 2) GHG emissions
9. Scope 1 and 2 greenhouse gas emissions intensity for carton production (metric tons CO_2 equivalent/million m^2 of sleeves produced)	305-4 GHG emissions intensity 305-5 Reduction of GHG emissions
10. Scope 1 and 2 greenhouse gas emissions intensity for production (bag-in-box and spouted pouch) (metric tons CO_2 equivalent/thousand tons produced)	305-4 GHG emissions intensity 305-5 Reduction of GHG emissions

Area in Scope	Reporting Criteria
11. Energy used for production from renewable sources (power purchase agreements or energy attribute certificates) or compensated using Gold Standard CO_2 offset (%)	302-1 Energy consumption within the organization
12. Electricity used for production from renewable sources (power purchase agreements or energy attribute certificates) (%)	302-1 Energy consumption within the organization
13. Operational energy use for production (GWh)	302-1 Energy consumption within the organization 302-4 Reduction of energy consumption
14. Energy intensity for carton production (MWh/million m^2 of sleeves produced)	302-3 Energy intensity
15. Energy intensity for production (bag-in-box and spouted pouch) (MWh/thousand tons produced)	302-3 Energy intensity
Forest+	
1. SIG carton packs sold labelled with FSC™ logo (%)	Own disclosure
Resource+	
1. SIG carton packaging that is designed for recycling (%)	3-3 Management of material topics Own disclosure
2. SIG bag-in-box and spouted pouch packaging that is recycle-ready or for which we offer alternative recycle-ready bag-in-box and spouted pouch solutions (%)	Own disclosure
3. SIG packaging portfolio that is recycle-ready (%)	Own disclosure
4. Waste rate for carton production (grams of waste per m^2 of packaging material)	Own disclosure
5. Waste rate for production (bag-in-box and spouted pouch) (tons of waste per thousand tons of packaging material)	Own disclosure

→ Independent practitioner's limited assurance report

Area in Scope	Reporting Criteria
Our supply chain	
1. New suppliers screened using environmental and social responsibility criteria (% of significant suppliers for our carton businesses)	308-1 New suppliers that were screened using environmental criteria 414-1 New suppliers that were screened using social criteria
2. New suppliers screened using environmental and social responsibility criteria (% of significant suppliers for our bag-in-box and spouted pouch business)	308-1 New suppliers that were screened using environmental criteria 414-1 New suppliers that were screened using social criteria
3. A-materials from certified sources for our cartons (% by volume)	Own disclosure
4. A-materials from certified sources for all our packaging (% by volume)	Own disclosure
Food+	
1. Significant carton product and service categories which health and safety impacts are assessed for improvement (%)	416-1 Assessment of the health and safety impacts of product and service categories
2. Significant bag-in-box and spouted pouch product and service categories for which health and safety impacts are assessed for improvement (%)	416-1 Assessment of the health and safety impacts of product and service categories
3. Non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services in our carton businesses (number of incidents)	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services
4. Non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services in our bag-in-box and spouted pouch business (number of incidents)	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

Area in Scope	Reporting Criteria
Sustainability innovation	
1. Food packed with SIG Terra packaging materials (million liters)	Own disclosure
2. Food packed in SIG Terra packaging materials (% of total liters packed in SIG packs)	Own disclosure
3. SIG aseptic carton packs sold labeled with ASI logo (million packs)	Own disclosure
Health, safety & wellbeing	
1. Total recordable cases [a) across SIG Group; b) in our aseptic carton business; c) in our bag-in-box, spouted pouch, and chilled carton businesses]	403-9 Work-related injuries
2. Lost-time cases [a) across SIG Group; b) in our aseptic carton business; c) in our bag-in-box, spouted pouch, and chilled carton businesses]	403-9 Work-related injuries
3. Lost-time case rate (per 200,000 hours worked) [a) across SIG Group; b) in our aseptic carton business; c) in our bag-in-box, spouted pouch, and chilled carton businesses]	403-9 Work-related injuries
4. Total recordable case rate (per 200,000 hours worked) [a) across SIG Group; b) in our aseptic carton business; c) in our bag-in-box, spouted pouch, and chilled carton businesses]	403-9 Work-related injuries
Our People	
1. Women in leadership positions (%)	405-1 Diversity of governance bodies and employees
2. Sustainable engagement score (% favourable responses)	Own disclosure
3. Training and development investment (average training hours/employees)	404-1 Average hours of training per year per employee
Human Rights	
1. Plants completed SEDEX Members Ethical Trade Audit (of total number of plants)	Own Disclosure

Appendices

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 focus our support on the SDGs (and specific targets) where we see opportunities for our business and partnerships to make a meaningful contribution by supporting systemic change at scale (see right). These are closely aligned with the areas where we have the most significant impact. We are driving progress through the four action areas of our sustainability approach.

This targeted approach – focusing on the biggest risks to people or the environment, and the greatest benefits our packaging solutions 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.

We also contribute to other SDGs through our sustainability approach. For example:

- Our commitment to health and safety, diversity, equity, and inclusion, and fair labor practices for employees and people in our supply chain (through responsible sourcing) aligns with SDG 5 and 8.
- By promoting the use of FSC™ certification, we are supporting progress towards 11 of the SDGs (and 35 of the accompanying targets).[1]
- By exploring ways to scale up our Cartons for Good project (led by the SIG Foundation), we can strengthen our support for additional global goals such as SDG 1 on poverty, SDG 3 on promoting good health and wellbeing, and SDG 10 on reducing inequalities (as well as SDGs 2, 12, and 17).
- Our methodology for measuring the impact of our community engagement programs considers their alignment with the full range of SDGs.

The table shows the most relevant SDG targets where our action contributes. The relevant SDG targets are listed with the related SIG sustainability action area.

Detailed description of our progress in each of these sustainability action areas can be found here:

- **Climate+:** see Sustainability; Climate+ →
- **Forest+:** see Sustainability; Forest+ →
- **Resource+:** see Sustainability; Resource+ →
- **Food+:** see Sustainability; Food+ →

Targeted support for the SDGs

SDG	Most relevant SDG targets where our action contributes*	Sustainability action area
2 Zero Hunger	**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	Food+
	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	Food+
	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	Climate+ Forest+ Resource+

1 Based on analysis by the Forest Stewardship Council™ in 2018.

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

SDG	Most relevant SDG targets where our action contributes*	Sustainability action area
7 Affordable and clean energy	**7.2** By 2030, increase substantially the share of renewable energy in the global energy mix	Climate+ Resource+
9 Industry, innovation and infrastructure	**9.4** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	Climate+ Forest+ Resource+ Food+
	9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending	Climate+ Resource+ Food+
12 Responsible consumption and production	**12.1** Implement the 10-year framework of programs 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	Resource+ Forest+
	12.2 By 2030, achieve the sustainable management and efficient use of natural resources	Resource+ Forest+
	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+
	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	Resource+
	12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	Forest+
	12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities	Forest+

SDG	Most relevant SDG targets where our action contributes*	Sustainability action area
13 Climate action	**13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	Climate+ Forest+
	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	Climate+
14 Life below water	**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+
15 Life on land	**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+
	15.7 Take urgent action to end poaching and trafficking of protected species of flora and fauna and address both demand and supply of illegal wildlife products	Forest+
17 Partnerships for the goals	**17.16** Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize 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+

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

Greenhouse gas emissions basis for reporting

Our greenhouse gas (GHG) emissions are reported in accordance with the GHG Protocol. Accurate and transparent GHG reporting is also an essential prerequisite to meet the criteria of the Science Based Targets initiative (SBTi).

This section provides a detailed description of GHG reporting boundaries and other relevant aspects, including a breakdown of emissions by reporting category. Additional information related to our management approach and performance targets is included elsewhere in this Annual Report (**see Climate+ →**).

Reporting boundaries

The reporting boundary for our Scope 1, 2, and 3 GHG emissions covers all production facilities under SIG Group's operational control, excluding smaller production units such as our special filling machine parts plants in Aachen (Germany), our joint venture, and offices (unless they are directly attached to a production facility).

In line with the GHG Protocol, we have restated our Scope 3 GHG emissions data for previous years in line with our recalculation policy, which follows GHG Protocol requirements.

Data related to the bag-in-box, spouted pouch, and chilled carton businesses has been incorporated into our GHG reporting, starting from our 2020 baseline. This is the baseline year for our science-based Net Zero target and accompanying targets on near- and long-term GHG emissions reductions for SIG Group that were approved by the SBTi in 2023.

Some categories of Scope 3 emissions cannot be supported with measured activity data and, in these cases, we estimated emissions based on spend or assumptions based on equivalence with other operations or technologies where more accurate data is available. Additional sources that inform our data collection and materiality assessment of relevant GHG categories include: our internal life-cycle assessment (LCA) tool, following the ISO 14040 and ISO 14044 international standards, and the LCA studies for bag-in-box and spouted pouch that we commissioned in 2022, and 2023, and 2024.

Inventory boundaries

The inventory boundaries of our GHG accounting take into consideration all relevant GHG Protocol standards.

Our GHG accounting includes all six GHGs covered by the Kyoto Protocol as required by the GHG Protocol: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3). These are typically included in the emissions factors we use and converted using IPCC 2021 conversion factors.

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 emissions factors for each country (see footnote to table below).

Scope 1 and 2 data are collected and reported for the production of sleeves and spouts for aseptic and chilled cartons, and packaging materials for spouted pouch and bag-in-box solutions. Assembly, offices, and training centers are excluded due to their limited relevance for Scope 1 and 2.

Scope 1 and 2 emissions for SIG Group (thousand metric tons of CO_2 equivalent)

	2020	2021	2022	2023	✓ 2024
Scope 1	28.6	27.4	24.1	19.0	20.1
Scope 2 (market-based)[1]	62.5	43.7	48.1	0.5	0.0
Total	91.1	71.1	72.2	19.5	20.1

Our data collection and calculation procedures for Scope 3 follow a materiality assessment for each category.

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 or laminated carton board used in our carton packs, depending on their treatment after use, and these are reported separately.

We use emissions factors to convert activity data into GHG emissions in all cases where we do not receive GHG emissions from third parties (such as travel agents). The emissions factors are checked for completeness and accuracy annually, and are updated regularly. The sources of emissions factors that we use are: authorities such as the International Energy Agency (IEA) or the UK Department for Environmental & Rural Affairs (DEFRA); life-cycle inventory databases such as ecoinvent; life-cycle inventory information that is used in our LCA tool; and average datasets from industry associations. For purchased goods we collect supplier specific emission factors for A-materials where possible to increase the share of supplier-specific data (**see details on Category 1**).

1 Location-based emissions (based on the electricity grid average amount) totaled 178.4 thousand metric tons of CO_2 equivalent in 2024.

Our Scope 3 emissions include the following categories:[1]

Category 1: purchased goods and services

Category 1 emissions account for the largest share of our value chain GHG emissions. This category includes all materials used to produce and ship our cartons (including sleeves, closures, and straws) and our bag-in-box and spouted pouch solutions (including film, bags, pouch, and fitments), as well as the materials used to manufacture filling machines and other related equipment.

Services, information and communications technology, 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. The share of specific data in this category for SIG Group is 57% in 2024 (60% in 2023).

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 our production plants and all purchased outbound transportation. In some cases, customers arrange this transportation themselves and the resulting emissions are reported in Category 9 accordingly.

For our aseptic carton business, packs are shipped as empty sleeves to SIG customers. Deliveries of straws and closures do not contribute significantly to this category and are not reported. Inter-company transportation is considered to be negligible.

We have not established an inventory of the transportation activities related to raw material shipments for our bag-in-box, spouted pouch, and chilled carton businesses. Instead, we use best available estimates informed by the transportation data that is available for the main commodities for our aseptic carton business.

For our bag-in-box and spouted pouch businesses, we exclude some limited inter-company transportation from our reporting as the contribution to Category 4 is small. For the shipment of relevant products – bag-in-box, pouches, and films – to customers, we estimate distances for overland transportation and use a conservative assumption for sea freight. Based on our materiality analysis, we also include transportation of fitments. In most cases, customers arrange this transportation themselves and the resulting emissions are reported accordingly in Category 9.

For our chilled carton business, we calculate emissions from transportation of materials to our production plants and transportation of our sleeves to customers based on weight, average transportation distances, and means of transportation (such as road, rail, or sea).

Filling machines, equipment and spare parts are excluded from Category 4 for all our businesses, as well as closures for our chilled carton business, as they do not significantly contribute to this category.

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.

For our aseptic carton business, 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.

For our bag-in-box and spouted pouch businesses, we determine an average waste volume that is considered to undergo further treatment.

For our chilled carton business, data on non-product output in waste categories and treatments paths is available and used in our calculations.

Category 6: business travel

Category 6 includes flights, public transportation, and the use of rental cars for business travel. Data on business travel is well documented in Europe, but less so in other regions. The number of employees per region is used as a basis for extrapolation. Flights are relatively well documented and account for 86% for SIG Group.

For our bag-in-box and spouted pouch businesses, we have collected data on business travel and used the approach we already established for our aseptic carton business to report reasonable estimates for all flights based on number of employees.

Category 9: downstream transportation and distribution

For our carton business, Category 9 covers transportation of our packs from our plants to customers' facilities that is not purchased by us, the distribution of filled packs from customers' facilities to retailers, and onward transportation from retailers to end-consumers.

For our bag-in-box and spouted pouch businesses, we have used a similar model for both food service and household applications.

Secondary and tertiary packaging for packed products are excluded as this relates predominantly to the product and not its primary packaging.

1 Other categories are excluded because they are either not material or not applicable to our business: Category 2 (capital goods), Category 7 (employee commuting), Category 8 (upstream leased assets), Category 13 (downstream leased assets), Category 14 (franchises), Category 15 (investments).

Category 10: Processing of sold products

For our aseptic and chilled carton businesses, we have an established system-based business model whereby the packs that we produce (including sleeves, closures, and fitments) are filled and packed on SIG machines (which we report in Category 11), with service solutions also provided by SIG.

A similar system-based model is not widely established for our bag-in-box and spouted pouch businesses. Therefore, we have added Category 10 to our GHG inventory to capture all emissions related to the processing of packaging materials produced in our bag-in-box and spouted pouch operations.

For the entire packaging material product portfolio of our bag-in-box and spouted pouch businesses, we estimate emissions for product treatment related to the processing depth of the product (how close it is to the end product).

For products delivered as formed bag-in-box and spouted pouches, this is the filling and closing process. For laminates and films delivered to customers to make bag-in-box and spouted pouch products, this is filling. For laminates and films delivered for use by customers for other purposes, emissions are based on the production of bags.

The bag-in-box and spouted pouch production process includes the application of fitments. The share of fitments delivered for applications other than bag-in-box and spouted pouch production is minor, and related emissions are excluded from reporting as they are not material.

The emissions factors for the treatment steps are taken from utility consumptions from the produced equipment and from preliminary results of the LCAs we commissioned in 2022, 2023, and 2024.

We calculate and report Category 10 emissions based on sales data.

Category 11: use of sold products

For our aseptic and chilled carton businesses, Category 11 covers the use of our filling machines and applicators to mount closures on the filled cartons, which occurs at customers' facilities. All new and refurbished filling machines that are manufactured and sold for the reporting year are characterized by average electricity demand and the need for pressurized air, steam, and hydrogen peroxide for the estimated lifetime capacity of the machine/device using the emissions factors of the reporting year.

Emissions from the use phase of our cartons relate primarily to the food products inside the cartons and are excluded. Filling machines for our aseptic cartons that are installed in SIG service centers for demonstration purposes are not included.

For our bag-in-box and spouted pouch businesses, we provide filling machines and other related equipment. These machines fill pre-made bag-in-box packaging which already includes spouts and fitments when it arrives at a customer's filling location. We also provide horizontal form-fill-seal equipment. These machines combine film and fitments and fill product in a single machine at a customer's manufacturing site. For both these types of machines, average consumption data has been used to approximate lifetime emissions.

For machines or equipment which are sold to customers with a publicly available RE100 or Science Based Targets initiative 1.5°C pledge an adjustment is made by subtracting the difference of the lifetime and the customer's target year for achieving 100% renewable electricity for electricity related emissions.

Category 12: end-of-life treatment of sold products

For our aseptic and chilled carton businesses, used beverage cartons usually end up in household waste streams or collection and 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.

For our bag-in-box and spouted pouch businesses, we use scenarios based on our household waste model as a conservative proxy for industrial and food service applications to estimate emissions from end-of-life treatment where we cannot assume household waste is the endpoint. For semi-manufactured products (films and fitments), we also apply our household model since we consider this the more conservative estimation.

SIG filling machines and equipment are generally in use for decades and are mainly refurbished or recycled at end-of-life so their contribution to this category is considered to be negligible.

Scope 3 emissions for SIG Group by category (metric tons CO_2 equivalent)

Category	2020	2021	2022	2023	2024
1 Purchased goods and services	1,262,398	1,310,278	1,304,437	1,248,964	1,341,785
3 Fuel and energy-related activities	23,720	19,655	18,842	5,129	5,191
4 Upstream transportation and distribution	139,550	135,082	119,209	118,590	132,187
5 Waste generated in operations	769	848	879	833	909
6 Business travel	8,460	7,803	8,441	12,796	11,998
9 Downstream transportation and distribution	66,082	66,583	71,286	64,660	64,494
10 Processing of sold products	1,494	536	2,801	833	729
11 Use of sold products	172,879	183,515	192,833	226,310	180,907
12 End-of-life treatment of sold products	274,542	280,710	294,078	268,482	280,285
12 Biogenic carbon	*153,039*	*161,340*	*154,740*	*151,794*	*163,112*

EU Taxonomy

Overview

As part of the European Green Deal, the European Union (EU) aims to enable a sustainable transition of the economy and to reach net zero greenhouse gas (GHG) emissions by 2050. In this context, the European Commission developed an action plan on financing sustainable growth aimed at directing investments towards more sustainable projects and activities. A key cornerstone of the action plan is the EU's Taxonomy Regulation 2020/852, which establishes a classification system of environmentally sustainable economic activities.

Under the EU Taxonomy Regulation, an economic activity is considered Taxonomy-eligible if it can potentially contribute to at least one of the EU's six climate and environmental objectives in the EU Taxonomy's delegated acts. An economic activity is considered environmentally sustainable, or Taxonomy-aligned, if it makes a substantial contribution to at least one of the six climate and environmental objectives by meeting certain technical screening criteria, while at the same time not significantly harming any of these objectives and meeting minimum social safeguards.

The six climate and environmental objectives to which an activity can contribute are:

- climate change mitigation,
- climate change adaptation,
- sustainable use and protection of water and marine resources,
- transition to a circular economy,
- pollution prevention and control, and
- protection and restoration of biodiversity and ecosystems.

SIG Group AG ("SIG" or the "Company", and together with its subsidiaries, "SIG Group") voluntarily reports taxonomy eligibility for the third consecutive year. For information on the SIG Group's progress towards Taxonomy-alignment, refer to "Our advancement towards Taxonomy alignment" below.

The disclosures in our EU Taxonomy report are prepared based on the Taxonomy Regulation article 8 and the related delegated acts. The legal framework of the EU Taxonomy currently consists of the following: the Taxonomy Regulation, the Climate Delegated Act (as amended in June 2023), the Disclosures Delegated Act (as amended in June 2023), the Complementary Climate Delegated Act, and the Environmental Delegated Act. In addition, the EU Taxonomy FAQs and Notices published by the European Commission have been taken into consideration, where relevant. The terminology in the Taxonomy Regulation is new and may be subject to ongoing changes and uncertainty in interpretation. Therefore, this document presents our interpretation to date and this year's reporting may not be applied in the same way in the future.

Assessment of our activities' Taxonomy-eligibility

Our products play a key role by offering customers the lowest-carbon packaging solutions in each relevant market segment. Aseptic cartons, bag-in-box and spouted pouches also help reduce carbon emissions by preserving food for long periods without the need for refrigerated delivery or storage. Our cartons are designed to be fully recyclable. The SIG Terra portfolio already includes recycle-ready bag-in-box and spouted pouch solutions, and we are innovating to expand the recycle-ready range. **See Climate+ →, Resource+ → and Sustainable innovation →** for further details.

Already in 2022, we voluntarily disclosed an initial eligibility analysis of our aseptic carton business considering the EU Taxonomy's Climate Delegated Act. The activity identified as eligible for our aseptic carton business was 3.6 Manufacture of other low carbon technologies. During 2023, we conducted a thorough review and update of our eligibility assessment based on the publication in 2023 of the Environmental Delegated Act and the amended Climate Delegated Act as well as evolving market practices. We then also included the bag-in-box, spouted pouch and chilled carton businesses that we acquired in 2022 in our updated eligibility assessment.

For our updated assessment of Taxonomy-eligible activities in 2023, we reviewed the provision of goods such as carton sleeves, closures, bag-in-box and spouted pouches with associated materials (barrier film and fitments), filling lines and related equipment as well as the provision of after-market services. Our Taxonomy-eligible activities were identified by mapping SIG's business activities with the economic activities and, where relevant, the Nomenclature of Economic Activities (NACE) codes listed in the Taxonomy's Climate and Environmental Delegated Acts.

The updated eligibility assessment led to a larger disaggregation of products and services for the aseptic carton business and inclusion of our bag-in box, spouted pouch and chilled carton businesses. Both the aseptic and chilled carton businesses are assessed to be eligible under activity 3.6 Manufacture of other low carbon technologies under the climate change mitigation objective. The bag-in-box and spouted pouch businesses are assessed to be eligible under activity 1.1 Manufacture of plastic packaging goods under the transition to a circular economy objective. Our assessment remains unchanged for the year ended December 31, 2024.

The table below provides an overview of the allocation of our activities to the economic activities listed in the EU Taxonomy. Changes may be made to the classification of economic activities in the future as the rules around the EU Taxonomy evolve.

Economic activity in accordance with the EU Taxonomy	Description of economic activity	Application to SIG business
Objective: Climate change mitigation		
3.6 Manufacture of other low carbon technologies	Manufacture of technologies aimed at substantial GHG emission reductions in other sectors of the economy, where those technologies are not covered by activities 3.1 to 3.5	Aseptic carton Chilled carton
Objective: Transition to a circular economy		
1.1 Manufacture of plastic packaging goods	Manufacture of plastic packaging goods	Bag-in-box Spouted pouch

Activity 3.6 – Manufacture of other low carbon technologies

We consider our aseptic and chilled carton packaging solutions, which are able to substantially reduce GHG emissions for our clients in comparison to other packaging formats, as Taxonomy-eligible under activity 3.6. With this, we assess the manufacturing and provision of filling lines and aseptic and chilled carton sleeves as one combined technology. Our provision of after-market services is currently not included in the EU Taxonomy and considered as non-eligible. We are continuously monitoring the inclusion of new activities and may re-assess the inclusion of after-sale services in the future.

Activity 1.1 – Manufacture of plastic packaging goods

We consider our manufacturing and sale of bag-in-box and spouted pouch-related products as Taxonomy-eligible under activity 1.1. Activity 1.1 focuses on the manufacturing of plastic packaging goods. Therefore, we have excluded our provision of filling lines and other related equipment in the bag-in-box and spouted pouch businesses. Our provision of after-market services is currently not included in the EU Taxonomy and considered as non-eligible.

Our Taxonomy KPIs and accounting policies

Our Taxonomy disclosures follow the Taxonomy Regulation and relevant delegated acts and publications as listed above. We use a simplified version of the Taxonomy's reporting template to report on our Taxonomy-eligibility. All key performance indicators (KPIs) disclosed cover the year ended December 31, 2024.

Our progress towards Taxonomy-alignment is described in "Our advancement towards Taxonomy-alignment" below.

Turnover KPI

The proportion of Taxonomy-eligible turnover has been calculated as the net turnover (revenue) derived from products associated with Taxonomy-eligible economic activities (numerator) divided by the total net turnover (denominator).

The denominator is net turnover as presented in the SIG Group's consolidated statement of profit and loss and other comprehensive income under the line item "Revenue". For further details on our revenue accounting policy, see note 6 of the consolidated financial statements for the year ended December 31, 2024.

The numerator is the revenue derived from provision of products associated with Taxonomy-eligible economic activities.

For the year ended December 31, 2024, 92.3% of the SIG Group's revenue was Taxonomy-eligible under the objectives of climate change mitigation and transition to a circular economy.

The following table provides an overview of our Taxonomy-eligible turnover.

Year ended December 31, 2024				Substantial contribution criteria					
Economic activities (1)	Code(s) (2)	Turnover (3)	Proportion of Turnover (4)	Climate Change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)
		(In € million)	%	EL, N/EL[1]	EL, N/EL[1]	EL, N/EL[1]	EL, N/EL[1]	EL, N/EL[1]	EL, N/EL[1]
A. Taxonomy-eligible activities									
Manufacture of other low carbon technologies	CCM 3.6	2,540.3	76.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacturing of plastic packaging goods	CE 1.1	532.5	16.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Turnover of Taxonomy eligible activities		**3,072.9**	**92.3%**	**76.3%**	**0.0%**	**0.0%**	**0.0%**	**16.0%**	**0.00%**
B. Taxonomy-non-eligible activities									
Turnover of Taxonomy-non-eligible activities		**255.6**	**7.7%**						
Total		**3,328.5**	**100.0%**						

1 EL = Taxonomy eligible activity for the relevant objective.
N/EL = Taxonomy non-eligible activity for the relevant objective.

Capital expenditure (CapEx) KPI

The CapEx KPI is defined as Taxonomy-eligible CapEx (numerator) divided by total CapEx (denominator).

The denominator consists of additions to tangible and intangible assets, before depreciation, amortization and any re-measurements as well as additions to tangible and intangible assets resulting from business combinations (excluding goodwill) as presented in note 12 Property, plant and equipment, note 13 Right-of-use assets and note 14 Intangible assets of the consolidated financial statements for the year ended December 31, 2024.

The numerator consists of CapEx that is related to assets or processes that are associated with Taxonomy-eligible economic activities. We allocated the Taxonomy-eligible CapEx based on the percentage of our Taxonomy-eligible turnover by type of packaging solution. By doing this, we also ensured that no double counting of eligible CapEx occurs.

For the year ended December 31, 2024, 92.7% of the SIG Group's CapEx was Taxonomy-eligible under the objectives of climate change mitigation and transition to a circular economy.

The following table provides an overview of our Taxonomy-eligible CapEx.

Year ended December 31, 2024				Substantial contribution criteria					
Economic activities (1)	**Code(s) (2)**	**CapEx (3)**	**Proportion of CapEx (4)**	**Climate Change mitigation (5)**	**Climate change adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular economy (9)**	**Biodiversity and ecosystems (10)**
		(In € million)	%	EL, N/EL[1]	EL, N/EL[1]	EL, N/EL[1]	EL, N/EL[1]	EL, N/EL[1]	EL, N/EL[1]
A. Taxonomy-eligible activities									
Manufacture of other low carbon technologies	CCM 3.6	364.2	84.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacturing of plastic packaging goods	CE 1.1	33.8	7.9%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
CapEx of Taxonomy eligible activities		**398.0**	**92.7%**	**84.8%**	**0.0%**	**0.0%**	**0.0%**	**7.9%**	**0.0%**
B. Taxonomy-non-eligible activities									
CapEx of Taxonomy-non-eligible activities		**31.5**	**7.3%**						
Total		**429.5**	**100.0%**						

1 EL = Taxonomy eligible activity for the relevant objective.
N/EL = Taxonomy non-eligible activity for the relevant objective.

Operating expenditure (OpEx) KPI

The OpEx KPI is defined as Taxonomy-eligible OpEx (numerator) divided by total OpEx (denominator).

The denominator consists of direct non-capitalized costs related to research and development, maintenance and repair costs, expenses for short-term leases and expenses related to day-to-day servicing of property, plant and equipment. Direct costs for training and other human resource needs are not included in the denominator (or the numerator). Research and development costs recognized as an expense are included in note 14 of the consolidated financial statements for the year ended December 31, 2024. This amount includes all non-capitalized research and development costs that are directly attributable to research and development activities (and excludes depreciation and amortization expense). Other values of the denominator are derived from internal reporting systems, which are not directly reconcilable with the consolidated financial statements. Short-term leases are not significant (see note 5.5.2 of the consolidated financial statements for the year ended December 31, 2024).

The numerator consists of the OpEx related to assets or processes that are associated with Taxonomy-eligible activities. We allocated the Taxonomy-eligible OpEx based on the percentage of our Taxonomy-eligible turnover by type of packaging solution. By doing this, we also ensured that no double counting of eligible OpEx occurs.

For the year ended December 31, 2024, 92.3% of the SIG Group's OpEx were Taxonomy-eligible under the objectives of climate change mitigation and transition to a circular economy.

The following table provides an overview of our Taxonomy-eligible OpEx.

Year ended December 31, 2024				Substantial contribution criteria					
Economic activities (1)	Code(s) (2)	OpEx (3)	Proportion of OpEx (4)	Climate Change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)
		(In € million)	%	EL, N/EL[1]	EL, N/EL[1]	EL, N/EL[1]	EL, N/EL[1]	EL, N/EL[1]	EL, N/EL[1]
A. Taxonomy-eligible activities									
Manufacture of other low carbon technologies	CCM 3.6	101.4	74.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacturing of plastic packaging goods	CE 1.1	24.2	17.8%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
OpEx of Taxonomy eligible activities		**125.6**	**92.3%**	**74.5%**	**0.0%**	**0.0%**	**0.0%**	**17.8%**	**0.0%**
B. Taxonomy-non-eligible activities									
OpEx of Taxonomy-non-eligible activities		**10.5**	**7.7%**						
Total		**136.1**	**100.0%**						

1 EL = Taxonomy eligible activity for the relevant objective.
N/EL = Taxonomy non-eligible activity for the relevant objective.

Our advancement towards Taxonomy-alignment

In 2023, we made advancements towards testing the Taxonomy-alignment and meeting the technical screening criteria. We progressed further with our alignment in 2024. Our progress is summarized below.

Further details about our commitments, targets, progress and performance in relation to topics described below are included in the sustainability part of our Annual Reports in the subsections Climate+, Resource+, Forest+, Sustainable innovation and Responsible culture: Human rights.

Additional information can also be found in our published environmental, social and governance ("ESG") policies covering various ESG matters (https://www.sig.biz/en/sustainability/esg).

Substantial contribution

For all eligible activities in the carton business, we have identified the applicable substantial contribution criteria and performed a pilot assessment of the aseptic carton solutions eligible under activity 3.6 Manufacture of other low carbon technologies. In the absence of prescribed GHG emission reduction performance thresholds, we have developed a structured methodology to quantify and assess the substantial GHG emission reductions in comparison to the best performing alternative on the market. This methodology is supported by our life-cycle assessments, which are conducted in line with international standards such as ISO 14040. In 2024, we have initiated the process of getting quantified life-cycle GHG emission savings verified by an independent third party.

We are committed to continue offering our customers the lowest carbon packaging solutions in every market segment, and are pioneering even lower-carbon packs at every stage of their life cycle, informed by ISO-compliant, critically reviewed life-cycle assessments.

We continue to work on the substantial contribution of eligible products under activity 1.1 Manufacture of plastic packaging goods. The introduction of circular polymers suitable for food contact applications is one part of our sustainable innovations in the bag-in-box and spouted pouch businesses. We continue piloting circular polymers for bag-in-box. These solutions can also support customers in meeting forthcoming regulations mandating the use of recycled content in plastic packaging.

Furthermore, we are using lightweight bag-in-box as a solution to steadily replace rigid plastic. We are also working to make more of our bag-in-box and spouted pouch solutions recycle-ready. Our SIG Terra portfolio already includes recycle-ready bag-in-box and spouted pouch solutions. Bag-in-box solutions for dairy are already recycle-ready, and we have expanded our offering of our recycle-ready spouted pouches as well as our recycle-ready bag-in-box solutions. Our SIG Terra RecShield D bag-in-box package for post-mix syrup, our largest segment, has been formally recognized by the Association of Plastic Recyclers (APR) for meeting the highest criteria for recyclability according to the APR Design® Guide for Plastics Recyclability.

Do no significant harm (DNSH)

We continue to work on the assessment of the DNSH criteria for the aseptic and chilled carton solutions eligible under activity 3.6 Manufacture of other low carbon technologies under the climate change mitigation objective. We have carried out the assessment at the activity, company and production site or plant level. Below, we describe our approach to assess whether there is any harm to the other five climate or environmental objectives.

Climate change adaptation

Building on our ESG commitments relating to climate change, we performed a comprehensive physical climate risk assessment in 2023. We have identified the exposure and vulnerability of our owned and leased production sites to a wide range of climate-related chronic and acute hazards based on the Taxonomy requirements (e.g. heatwaves, floods, droughts, precipitation). The asset-level quantification of climate-related physical risks was conducted through scenario analysis and was based on Representative Concentration Pathway (RCP) scenarios 2.6 and 8.5 by 2030 and 2050. We have initiated the process of amending adaptation solutions for relevant climate risks. For more information about climate risk assessments on our value chain and mitigation measures undertaken in 2024, refer to the "Risk management" section of **our TCFD report →**.

Sustainable use and protection of water and marine resources

Building on our ESG commitments relating to environment, health and safety (EHS), we have assessed our activities for relevant sites regarding the sustainable use and protection of water and marine resources in line with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), analyzing the requirements regarding water quality preservation (WFD), water stress avoidance and water impact assessment (e.g. environmental impact assessment (EIA) or comparable process). We included in our analysis the availability of an ISO 14001 certification for an environmental management system, using the WWF Water Risk Filter (WWF WRF) and, where relevant, other internal and external data sources. The WWF WRF is based on sites' geographic location, which determines a site's basin-related risks, as well as characteristics of its operating nature (e.g. its reliance upon water and its water use performance given the nature of the business/site), which impacts a site's operational-related risks.

Transition to a circular economy

Building on our ESG commitments relating to product stewardship, we aim to lead the way towards a fully circular packaging system. We have, for all activities at group level, evaluated the degree of fulfillment of the criteria, where relevant, such as the reuse and use of secondary raw materials and/or reused components in our manufactured products, or the durability, recyclability, disassembly, and adaptability of products manufactured. We are committed to the principles of the circular economy, set out by the Ellen MacArthur Foundation, to design out waste, regenerate natural systems, and keep products and materials in circulation – all underpinned by use of renewable energy.

Pollution prevention and control

The DNSH criteria require that the economic activity in question does not lead to the production, use or trade of chemical substances listed in certain EU regulations and directives (e.g. EU regulation 2019/1021, 2017/852, EC 1907/2006 Annex XVII and the REACH directive). We understand the challenges companies are facing with the DNSH criteria for pollution prevention and control and are in the process of implementing an in-depth screening and monitoring process for relevant substances that aims to analyze the compliance with the relevant EU regulations and directives.

Protection and restoration of biodiversity and ecosystems

Building on our ESG commitments relating to EHS, we have initiated a process to identify sites in or near biodiversity-sensitive or protected areas in line with the TNFD's recommendations as well as the principles and methodology of the Science Based Targets Network (SBTN). We based our self-assessment on the WWF Biodiversity Risk Filter (WWF BRF) and ISO 14001 certification. The WWF BRF is a free-of-charge, web-based, spatially explicit corporate- and portfolio-level screening and prioritization tool for biodiversity-related risks. It allows us to understand and assess the biodiversity-related risks of our production sites. By using spatially explicit data on biodiversity and freshwater at global scale, the tool provides location-specific and industry-specific assessments of biodiversity-related physical and reputational risks.

Minimum safeguards

The minimum safeguards are drawn from principles expressed by the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the Fundamental Conventions of the International Labor Organization and the International Bill of Human Rights. Their objective is to ensure that any activity labeled as Taxonomy-aligned meets minimum governance standards and does not violate specific social norms, including human and labor rights. We have used a structured assessment to document our compliance with the minimum safeguards at group level. The assessment covers the SIG Group and considers the recommendations for the operationalization of the minimum safeguards as set forth in the Final Report on Minimum Safeguards from the EU Platform on Sustainable Finance.

Outlook

In 2025, we will continue our work on our Taxonomy-alignment assessment for activity 3.6 Manufacture of other low carbon technologies. For activity 1.1. Manufacturing of plastic packaging goods, we will continue with our assessment for the circular economy criteria.

Our assessment may evolve, and we will ensure to update our reporting in line with information from the European Commission and market interpretations. For the year ending December 31, 2025, we will fully report in line with the EU Taxonomy. Consequently, we will disclose our first Taxonomy-alignment results in our 2025 Annual Report.

Swiss non-financial matter report

The information contained in the sections referenced in the index below constitutes the report of SIG on non-financial matters in accordance with art. 964b of the Swiss Code of Obligations (CO).[1] The shareholder vote on the non-financial matter report required by art. 964c of CO is limited to information contained in these referenced sections.

Art. 964b requirement	Topic	Annual report section	Page ref.
Description of business model		Strategic report:	
		• Our business	3–5
		• Our value creation model	6–13
Sustainability approach - overview		Sustainability / Introduction:	
		• Our sustainability approach	40
		• SIG – for better	41–43
		• Our key policies	47–48
		• Our sustainability governance	49–52
		• Measurement and effectiveness	49
		• Stakeholder engagement	53–55
Coverage of subsidiaries and assurance		• Sustainability / Introduction / Our sustainability reporting / Scope and assurance	36
		• Consolidated financial statements (note 27)	276–278
References to reporting regulations and frameworks		Sustainability / Introduction / Our sustainability reporting:	
		• Introduction section	36
		• Reporting regulations and frameworks	37
Material topics and risk overview	• Our material topics	Sustainability / Introduction / Our material topics	44–46
	• Risk management	• Sustainability / Introduction / Key business risks related to ESG topics	56
		• Strategic report / Enterprise risk management	31–34
		• TCFD report (appendix)	158–165
	• Due diligence	Sustainability / Introduction:	
		• Due diligence	49
		• Our material topics	44–46

Art. 964b requirement	Topic	Annual report section	Page ref.
Environmental matters (incl. CO_2 goals)	Climate change	• Sustainability / Climate+ (incl. climate transition plan)	57–66
		• TCFD report (appendix)	158–165
	Waste and circular economy	Sustainability / Resource+	77–91
	Biodiversity and forest ecosystems	Sustainability / Forest+	67–76
	Sustainable raw materials	Sustainability / Forest+	67–76
		Sustainability / Resource+	77–91
		Sustainability / Our supply chain	107–114
	Water	Sustainability / Resource+	77–91
	Innovation in products and services	Sustainability / Sustainable innovation	99–106
Social matters	Responsible suppliers	Sustainability / Our supply chain	107–114
	Product safety and integrity	Sustainability / Food+	92–98
Employee-related matters	Diversity, equity and inclusion	Sustainability / Our people	119–126
	Employee satisfaction, development and working environment	Sustainability / Our people	119–126
	Health, safety and wellbeing	Sustainability / Health, safety, and wellbeing	127–132
Respect for human rights	Human rights	Sustainability / Human rights	115–118
Combating corruption	Anti-corruption	Sustainability / Governance and ethics	138–140
	Fair business practices	Sustainability / Governance and ethics	138–140
		Sustainability / Our supply chain	107–114
Main performance indicators	KPIs	Included in the respective sustainability chapters for our material topics – see above	

1 The sections and pages referenced in the above index with respect to a particular non-financial matter pursuant to art. 964b CO primarily contain disclosures relating to that non-financial matter. However, the disclosures within these sections and pages may also be relevant to non-financial matters pursuant to art. 964b CO referenced in other sections and pages of the above index.

TCFD report

This report covers our disclosures aligned with the Swiss Climate Ordinance under art. 964b. It follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) from 2017 and the annex "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures" (October 2021). It considers cross-sectoral and sector-specific recommendations as well as the "Guidance on Metrics, Targets and Transition Plans" (October 2021). The report also covers our climate transition plan, which is comparable with the Swiss climate goals.

Governance

The Board of Directors (BoD), acting collectively, has the ultimate responsibility for the conduct of business of SIG Group AG (the Company or SIG) and for delivering sustainable value for shareholders and other stakeholders. The BoD sets the Company's strategic aims, ensures that the necessary financial and human resources are in place to meet the Company's objectives, and supervises the management of the Company. The BoD responsibilities cover climate-related targets and measures and other sustainability topics. The BoD also approves the Group's ESG-related key policies. For further details, see "Our key policies" →.

Our sustainability approach consists of four key action areas that together deliver our net positive ambition: Climate+, Food+, Resource+ and Forest+. Other action areas such as sustainable culture and innovation also contribute to our net positive ambition. The projects and activities covered by the four key action areas aim, among other things, to address potential impacts of SIG's value chain on climate change and to assess risks and opportunities of climate change on our business. Activities in the Climate+ area specifically cover climate change mitigation and adaptation measures. Activities in the other action areas aim to mitigate climate change both in our value chain and by proactively delivering positive impact beyond our value chain.

Climate-related matters are incorporated in our governance processes over sustainability matters. For the organizational chart of the SIG sustainability governance structure and a description of our processes, see "Our sustainability governance" → and "Integrating external insight" →. Climate-related risks and opportunities are among the sustainability matters discussed by the different governance bodies. For more information on corporate governance-related topics, see our Corporate Governance Report →.

Strategy

Our regular assessment of potential climate-related impacts on our business and strategy helps us to better understand how the Group may be affected by climate-related events, both in terms of risks and opportunities. The assessment enables us to better position ourselves to navigate risks and challenges and to explore opportunities arising due to climate change.

Following the TCFD's categorization, our assessment of climate-related risks and opportunities is based on scenario analysis covering acute and chronic physical risks (i.e. short-term and extreme weather events and longer-term shifts in climate patterns) as well as transition risks arising from policy, legal, technology and market changes required to address mitigation and adaptation requirements in the transition to a lower-carbon economy. The assessment covers potential risks and opportunities occurring over the short term (2025), medium term (2030) and long term (2050). To date, we have conducted two levels of assessment: a detailed assessment in 2023 of direct physical risks to our owned and leased production sites, and a higher-level assessment in 2024 of direct and indirect physical and transition risks and opportunities across our value chain. The higher-level assessment expands on our risk and opportunity assessment performed in 2023.

The rationale for the choice of time horizons and climate scenarios used in our 2024 assessment is outlined below.

Time horizon	Description
Short term (2025)	Aligned with SIG's business cycle.
Medium term (2030)	Aligned with international targets, ESRS E1 requirements, as well as SIG's near-term commitment.
Long term (2050)	Aligned with international targets, ESRS E1 requirements, as well as SIG's long-term commitment.

Scenario	Physical risks		Transition risks	
≥3°C warming	IPCC RCP 8.5	Emissions continue to rise at current rates, no policy changes	IEA STEPS	Reflects current policy settings based on a sector-by-sector assessment of the specific policies that are in place, as well as those that have been announced by governments around the world.
2-3°C warming	IPCC RCP 4.5	Emissions stabilize at half of today's emission by 2080	IEA APS	Assumes that all climate commitments made by governments around the world, including Nationally Determined Contributions (NDCs) and longer-term net zero targets, will be met in full and on time.
1.5° warming	IPCC RCP 1.9*	Describes the lowest IPCC emission trajectory and lowest global physical risk	IEA Net Zero 2050	Sets out a narrow but achievable pathway for the global energy sector to achieve net zero CO_2 emissions by 2050.

* The quantitative physical risk assessment of the Group's production sites considered the IPCC RCP 2.6 as the low emissions scenario, which is also aligned with a 1.5°C pathway.

Climate-related risks

Our assessment of climate-related physical and transition risks, summarized below, indicates that some of the identified risks may have a potential financial impact on the Group's business along the whole value chain. The overview tables on the following pages provide additional details about the impacts of climate-related risks on the Group.

Within the three parts of the value chain, physical and transition risks intensify over time, while no risks in the value chain had a high risk rating in the short term. However, eight risks were identified as high risks in the long term.

In our upstream value chain, flooding was considered medium risk across all time horizons and scenarios, potentially leading to increased operational expenditure due to disruptions in the distribution of raw materials. In the medium to long term, the occurrence and intensity of wildfires, coastal floods and storms/cyclones is expected to increase, particularly under the 2-3°C and ≥3°C scenarios. Transition risks related to new or increased regulations were rated as medium risk in the short-term given that new or increased regulations are already introduced in the key countries assessed. Risks related to regulation increase over time, particularly under the 1.5°C and 2–3°C scenarios.

Within our own operations, with one exception, physical risk was assessed as low in the short term for all scenarios. Extreme heating was considered medium risk across all time horizons and scenarios due to the current occurrence of extreme heating in the countries assessed. Extreme heating and other physical risks may intensify over time, leading to direct and indirect impact on SIG. SIG may directly be impacted by potential losses in value of SIG's production sites caused by structural damages. SIG may indirectly be impacted by reduced revenue due to disruptions in production caused by the inability of workers to access their workplace, or by workers impacted by health and safety issues. Direct physical risk impacts increase to high risk in the long term, mainly caused by flooding in United States, Brazil and China. Most indirect physical risks remain as medium risk in the long term apart from flooding, which increases to high risk in the medium- to long-term under the ≥3°C scenario. Transition risks related to new or increased regulations were assessed as medium for all time horizons and scenarios. Risk related to adoption of new technologies was assessed as medium for most time horizons and scenarios except under the 1.5°C and 2–3°C scenarios, where this risk increases to high risk over time due to intensification of decarbonization actions worldwide. Reputational risk associated with increased stakeholder concern and sentiment related to environmental or sustainability matters increases to high in the medium term under the 1.5°C scenario and in the long term under the 2–3°C scenario.

In our downstream value chain, physical risks were assessed as low to medium risk, with flooding and coastal floods as the main physical risk drivers in the medium term under the 2-3°C and ≥3°C scenarios. Transition risks related to new or increased regulations and increased customer preferences for eco-friendly alternatives were considered medium in the short and medium term for all scenarios. These risks can result in a reduction of revenue if products do not meet regulatory requirements, or if the demand for SIG products decreases due to the products not being considered as the most eco-friendly alternative. Both transition risks increase to high in the long term under the 1.5°C and 2–3°C scenarios.

Climate-related opportunities

Our assessment of climate-related opportunities, summarized below, indicates that some of the identified opportunities may have a potential financial impact on the Group's business. The overview tables on the following pages provide additional details about the impacts of climate-related opportunities on the Group.

Opportunities in our upstream value chain predominately arise in the long-term in the form of avoided costs from increased reliability of our supply chain due to a diversification of suppliers and integrated transportation planning that reduce disruptions in critical supply chains. In our downstream value chain, opportunities also emerge from a growing demand for products and services related to long-life consumables in markets highly exposed to physical climate risks, access to new and emerging markets driven by a shift in consumer preferences toward low-carbon products and an enhanced market positioning for these products. No significant opportunities were noted within our own operations.

SIG's business strategy and resilience

The results of our assessment and the measures identified to manage physical and transition risks are linked to our business strategy and financial planning. To assess the materiality and prioritize climate-related risks and opportunities in the value chain, we give each risk and opportunity a rating based on likelihood and financial impact. The consideration of three different scenarios allows us to better understand plausible futures and to ensure long-term business resilience.

We have already introduced a broad set of actions to mitigate climate-related risks and ensure resilience. The Climate+ action area includes our Climate+ Program that is designed to reduce the emissions in our operations and throughout the value chain. Our low-carbon packaging solutions enable us to help our customers and consumers lower their own carbon emissions. This ability to offer low-carbon alternatives to other types of packaging is a key differentiator and value driver that not only mitigates climate-related risks but also enables SIG to capitalize on climate-related opportunities. Our products offer a variety of features that are associated with climate benefits for consumers, such as renewable content or recyclability – in addition to the advantages of ambient packaging with excellent shelf-life performance, which contributes to reducing food waste.

For more information on our climate strategy, **see Climate+, "Our approach"** →.

Climate-related risks*

UPSTREAM

Risk	Description	Financial impact	Time horizon	1.5°C warming	2-3°C warming	≥3°C warming
Indirect physical - Acute: Wildfires	Increased intensity and occurrence of wildfires, leading to the need to find alternative suppliers	Increased operational expenditure due to the use of airfreight to get the supply	**2025**	Low	Low	Low
			2030	Low	Low	Low
			2050	Low	Medium	Medium
Indirect physical - Acute: Coastal floods	Increased intensity and occurrence of coastal floods, leading to the need to find alternative suppliers	Increased operational expenditure due to the use of airfreight to get the supply	**2025**	Low	Low	Low
			2030	Low	Medium	Medium
			2050	Medium	Medium	Medium
Indirect physical - Acute: Flooding	Increased intensity and occurrence of flooding events, leading to the need to find alternative suppliers	Increased operational expenditure due to the use of airfreight to get the supply	**2025**	Medium	Medium	Medium
			2030	Medium	Medium	Medium
			2050	Medium	Medium	Medium
Indirect physical - Acute: Storms/cyclones	Increased intensity and occurrence of storms/cyclones, leading to the need to find alternative suppliers	Increased operational expenditure due to the use of airfreight to get the supply	**2025**	Low	Low	Low
			2030	Low	Low	Low
			2050	Low	Medium	Medium
Transition - Policy & Legal	Increased price of GHG emissions related to raw material supply chain leading to increase on raw material costs	Increased operational expenditure caused by increase in raw material costs	**2025**	Medium	Medium	Medium
			2030	Medium	Medium	Medium
			2050	High	High	Medium
Transition - Policy & Legal	Import regulations (such as EUDR, CBAM) and other regulations related to resource protection may result in supply shortages, or raw material price increases due to supply chain disruptions	Increased operational expenditure due to higher investments needed to secure sustainable commodities, increasing primary raw material costs	**2025**	Medium	Medium	Medium
			2030	High	Medium	Medium
			2050	High	High	High

● High ● Medium ● Low

*The results provided are based on the highest risk value identified among the geographies analyzed. This is chosen as a cautionary approach, but these results may not reflect the risks in all geographies where SIG operates. Direct physical risks are mostly caused by fluvial flooding in United States, Brazil, and China.

OWN OPERATIONS

Risk	Description	Financial impact	Time horizon	1.5°C warming	2-3°C warming	≥3°C warming
Direct physical - Acute & chronic	Increased intensity and occurrence of climate hazards, leading to damages to SIG production sites	Loss in asset value due to structural damages	**2030**	Low	–	Low
			2050	High	–	High
Indirect physical - Acute: Wildfires	Increased intensity and occurrence of wildfires, leading to indirect impact in production, such as the inability to access workplace or impacts to employee's health and safety	Reduced revenue due to disruption in production	**2025**	Low	Low	Low
			2030	Low	Low	Medium
			2050	Low	Medium	Medium
Indirect physical - Acute: Coastal floods	Increased intensity and occurrence of coastal floods, leading to indirect impact in production, such as the inability to access workplace or impacts to employee's health and safety	Reduced revenue due to disruption in production	**2025**	Low	Low	Low
			2030	Low	Medium	Medium
			2050	Low	Medium	Medium
Indirect physical - Acute: Flooding	Increased intensity and occurrence of flooding events, leading to indirect impact in production, such as the inability to access workplace or impacts to employee's health and safety	Reduced revenue due to disruption in production	**2025**	Low	Low	Low
			2030	Low	Medium	High
			2050	Medium	Medium	High
Indirect physical - Acute: Storms/cyclones	Increased intensity and occurrence of storms and cyclones, leading to indirect impact in production, such as the inability to access workplace or impacts to employee's health and safety	Reduced revenue due to disruption in production	**2025**	Low	Low	Low
			2030	Low	Low	Medium
			2050	Low	Medium	Medium
Indirect physical - Acute: Extreme heating	Increased intensity and occurrence of extreme heating events, leading to indirect impact in production, such as the inability to access workplace or impacts to employee's health and safety	Reduced revenue due to disruption in production	**2025**	Medium	Medium	Medium
			2030	Medium	Medium	Medium
			2050	Medium	Medium	Medium
Transition - Policy & Legal	Increase in local climate-related regulation might impact specific regions where SIG is located	Increased costs/investments needed to meet regulatory requirements	**2025**	Medium	Medium	Medium
			2030	Medium	Medium	Medium
			2050	Medium	Medium	Medium
Transition - Technology	Increased costs of new technologies to be adopted to meet transition to low carbon future	Increased capital investments for technology development	**2025**	Medium	Medium	Medium
			2030	Medium	Medium	Medium
			2050	High	High	Medium
Transition - Reputation	Increased stakeholder concern and sentiment related to environmental or sustainability matters, leading to potential decrease in sales	Reduced revenue due decrease in sales related to loss in reputation	**2025**	Medium	Low	Low
			2030	High	Medium	Low
			2050	High	High	Medium

● High ● Medium ● Low

DOWNSTREAM

Risk	Description	Financial impact	Time horizon	1.5°C warming	2-3°C warming	≥3°C warming
Indirect physical - Acute: Wildfires	Increased intensity and occurrence of wildfires, leading to delays in downstream distribution	Reduced revenue from lower sales/output	2025	Low	Low	Low
			2030	Low	Low	Medium
			2050	Low	Medium	Medium
Indirect physical - Acute: Coastal floods	Increased intensity and occurrence of coastal floods, leading to delays in downstream distribution	Reduced revenue from lower sales/output	2025	Low	Low	Low
			2030	Low	Medium	Medium
			2050	Medium	Medium	Medium
Indirect physical - Acute: Flooding	Increased intensity and occurrence of flooding events, leading to delays in downstream distribution	Reduced revenue from lower sales/output	2025	Low	Low	Low
			2030	Low	Medium	Medium
			2050	Medium	Medium	Medium
Indirect physical - Acute: Storms/cyclones	Increased intensity and occurrence of storms and cyclones, leading to delays in downstream distribution	Reduced revenue from lower sales/output	2025	Low	Low	Low
			2030	Low	Low	Medium
			2050	Low	Medium	Medium
Transition - Policy & Legal	Strengthened ESG regulation on product performance (e.g. EU Green Claims Directive; Env. Product Footprint etc) and on waste disposal, recyclability and circularity of products	Reduced revenue if products do not meet the new requirements	2025	Medium	Medium	Medium
			2030	Medium	Medium	Medium
			2050	High	High	Medium
Transition - Market	Increased customer preferences for eco-friendly alternatives , e.g. in case alternative products to SIG's would have lower carbon footprint or be 100% recyclable around the world	Reduced revenue due to lower demand for products and services	2025	Medium	Medium	Medium
			2030	Medium	Medium	Medium
			2050	High	High	Medium

● High ● Medium ● Low

Climate-related opportunities

UPSTREAM

Opportunity	Description	Financial impact	Time horizon	1.5°C warming	2-3°C warming	≥3°C warming
Resource substitutes / diversification	Diversification of LPB, aluminum, and polymer suppliers, as well as other commodity supply chains, including the adoption of responsible sourcing standards, to support the transition and enhance SIG's resilience	Avoided carbon costs from low-carbon intensity raw material alternatives	**2030**	Low	Low	Low
			2050	High	High	Low
Resilience of supply chain	Integrated transportation planning and development of alternative routes, leading to reduced disruptions in critical supply chains thereby avoiding product shortages	Avoided costs through increased reliability of supply chain and ability to operate under various conditions	**2030**	Low	Low	Low
			2050	Low	Low	High

DOWNSTREAM

Opportunity	Description	Financial impact	Time horizon	1.5°C warming	2-3°C warming	≥3°C warming
Products and services	Increased demand for product and services related to long-life consumable in markets highly exposed to physical climate risks	Increased revenue through new products and services related to ensuring resiliency	**2030**	Low	Low	Low
			2050	Medium	High	High
Resilience of the supply chain	Integrated transportation planning and development of alternative routes, leading to reduced disruptions in critical supply chains thereby avoiding product shortages	Avoided costs from an increased reliability of supply chain and ability to operate under various conditions	**2030**	Low	Low	Low
			2050	Low	High	High
Access to new markets	Enhanced market positioning for SIG low-carbon solutions in new markets with carbon-related regulations in place or emerging	Increased revenue through access to new and emerging markets	**2030**	High	High	High
			2050	–	–	–
Shift in consumer preferences	Reduced carbon footprints compared to conventional alternatives through the incorporation of renewable materials and their recyclability, aligning with the new market trends and consumer preferences	Increased revenue through demand for lower emissions products and services	**2030**	Low	Low	Low
			2050	High	High	Low

● High ● Medium ● Low

Risk management

We conducted the 2024 climate-related risk and opportunities assessment through scenario analysis. As mentioned under the Strategy section above, the assessment has been done in two phases. Phase 1 was focused on a detailed assessment of direct physical risks to our owned and leased production sites. Phase 2 was focused on a higher-level assessment of direct and indirect physical and transition risks as well as opportunities across our value chain. Depending on the type of impact, the assessments under Phase 2 were done at key locations or at global level. Physical risks include acute and chronic physical risks. Transition risks include technology, market, reputational and legal risks. Opportunities relate to resource efficiencies and cost savings, development of new products and services, access to new markets and creating resilience.

Phase 1 assessed the exposure (i.e. the level to which an asset is potentially affected by a hazard) and the vulnerability (i.e. the loss of net asset value, resulting from the exposure analysis combined with the potential amount of damage of a hazard) of our production sites. Phase 2 was performed selectively for the business areas and locations within the value chain that are most likely to present significant risks. Key considerations for the risk assessment included the supply of raw materials, the location of our production sites, their share of emissions, exposure to emerging regulations and sales from large customers. To assess climate-related risks and opportunities along the value chain, we assigned a rating to the likelihood (i.e. probability of occurrence for each chosen location, scenario and time horizon) and impact (i.e. financial consequences for the business) of risks and opportunities. The final risk rating allocation process is based on both the likelihood and the financial impact rating, aligned with our annual enterprise risk management (ERM) and the double materiality assessment processes. By analyzing the convergence of likelihood and impact, we determined a final risk category for each type of risk. The three possible risk categories (low, medium, high) were then used to prioritize each climate issue and assess their materiality. Opportunities were rated only based on impact.

The process for managing climate-related risks and opportunities is linked to our annual ERM process, with additional consideration of longer-term climate-specific time horizons. Management is responsible for identifying and reporting risks and for implementing and tracking mitigation measures. The material climate-related risks resulting from our scenario analysis are implemented in the ERM risk catalog and financial implications are also embedded within potential impact for that risk. At least annually, top ERM risks and mitigation actions are reviewed in workshops with regional and functional leadership teams. During these workshops, we review the top risks from the previous cycle, discuss potential emerging risks and review the status of our mitigating measures. The result of these workshops are then discussed with the Group Executive Board (GEB). Each ERM risk, including the respective mitigation actions, is owned by a member of the GEB. The top risks and mitigation actions are subsequently reviewed by the Audit and Risk Committee (ARC) and ultimately by the Board of Directors, who is also setting the risk profile and the risk capacities of the Group.

Each mitigation action has an owner at Group level who works closely with the respective regional functions to ensure local implementation. Moreover, each focus area of the Group's sustainability approach (Climate+, Forest+, Resource+ and Food+), including their related commitments, is owned by a member of the Responsibility Steering Group, who is accountable for setting goals and delivering progress through targeted workstreams. Leaders from relevant business functions and regions are responsible for implementing the Group's sustainability commitments with support from their teams and subject matter experts. The Group follows a range of different measures to manage and reduce identified climate-related risks as well as to capitalize on climate-related opportunities.

Examples of physical risk mitigating measures from 2024 for the Group's own and leased production sites include:

Measures to manage physical risks across production sites

- Upgrade facilities to withstand harsh conditions, including the use of fire-resistant materials and infrastructure improvements to handle increased temperatures.
- Develop comprehensive emergency plans for various climate-related events.
- Train employees on safety procedures, firefighting measures, evacuation procedures, and general safety.
- Maintain trees and green spaces to prevent hazards during high winds and to increase water absorption, creating protective barriers.
- Waterproof the lower levels of assets and elevate valuable equipment to protect against flooding.
- Review and improve the drainage systems of buildings to mitigate the impact of flooding.
- Develop specific response plans for floods and snow removal.
- Ensure regular maintenance and servicing of equipment and buildings to adapt to rising temperatures.
- Upgrade building infrastructure to ensure it can withstand increased temperature, particularly for temperature-sensitive equipment.

Examples of measures in 2024 taken to manage transition risk include:

Measures to manage transition risks and opportunities

- Refinement of our strategies for the main Scope 3 categories, adjusting the impact and timing of critical projects such as the transition to aluminum-free packaging and portfolio changes for packaging and machines.
- Prioritization of strengthening partnerships with key suppliers and work together to reduce emissions throughout our supply chain.
- Identification of carbon removal solutions within our supply chains, including logistics and commodity sourcing.
- Development of interim emission reduction milestones to closely monitor progress and make adjustments to ensure that we remain on track to meet our mid- and long-term goals, as well as customer expectations, through our **Climate+** program.
- Intensification of efforts to boost collection and recycling rates in key regions through our **Resource+** program.

For more information on our ERM, **see Enterprise risk management →**

For additional details on our climate-related mitigation and adaptation measures, refer to **Climate+ →, Forest+ →, Resource+ →, Food+ → and Our supply chain →**

Metrics and targets

The management of climate-related risks and opportunities is supported by key metrics and targets which allow us to monitor our performance to address and mitigate the effects of climate change. We are striving to minimize our footprint at every stage of the value chain – from sourcing to production, filling, use and recycling of our packs (see Climate+). And we are going further to bring positive impact beyond our value chain, helping our customers and consumers to further lower their own carbon footprint with our low-carbon packaging solutions. We are already among the group of leading companies that have developed a transition plan and set GHG reduction targets approved by the Science Based Targets initiative (SBTi) in line with the latest climate science to keep global warming below 1.5°C, which are comparable to Switzerland's climate goals.

For our climate-related targets and KPIs, **see Climate+, section "Our targets and performance," sub-sections "Targets, progress and performance" → and "KPIs" → and Resource+, section "Our targets and performance," sub-sections "Targets, progress and performance" → and "KPIs" →.**

For more details on our greenhouse gas reporting, **see "Greenhouse gas emissions basis for reporting" →.**

GRI content index

Statement of use	SIG Group AG has reported in accordance with the GRI Standards for the period of January 1, 2024 to December 31, 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI Standard/ Other source	Disclosure	Information/Reference/Omission

General disclosures

GRI Standard/ Other source	Disclosure	Information/Reference/Omission
GRI 2: General Disclosures 2021	**The organization and its reporting practices**	
	2-1 Organizational details	SIG Group AG, domiciled in Switzerland and listed on SIX Swiss Exchange. **See note 27 →** of the consolidated financial statements for the year ended December 31, 2024 for the address of SIG Group AG and details about the subsidiaries included in its consolidated financial statements.
	2-2 Entities included in the organization's sustainability reporting	Unless otherwise stated, data covers SIG Group AG and its subsidiaries (same scope of consolidation as in the Group's consolidated financial statements).
	2-3 Reporting period, frequency and contact point	Sustainability reporting is an integral part of SIG's Annual Reports. Reporting period: January 1, 2024 to December 31, 2024, corresponding to the financial year of SIG Group AG.
	2-4 Restatements of information	The structure of our GRI reporting complies with the GRI Universal Standards 2021 and covers the GRI Topic Standards where relevant. Due to changes within the business and two acquisitions in 2022, some of the data has been restated. Where this is the case, it is explicitly mentioned.
	2-5 External assurance	PricewaterhouseCoopers AG, Switzerland, has provided limited assurance on the data points related to our sustainability key performance indicators (**see Sustainability; Introduction; Our sustainability reporting; Scope and assurance →**). **See Sustainability; Independent practitioner's limited assurance report →**
	Activities and workers	
	2-6 Activities, value chain and other business relationships	See p. 3-13 for information on our business. Our supply chain business relationships are described in **Sustainability; Responsible culture: Our supply chain →**
	2-7 Employees	**See Sustainability; Responsible culture: Our people: Our workforce in 2024 →**
	2-8 Workers who are not employees	Omission: Information unavailable/incomplete The data necessary to accurately report on 'Workers who are not employees' is not currently available. Data is maintained in various systems at local level that do not enable aggregated global reporting. We are working on upgrading our data collection processes and IT systems (both global and local) to collect the necessary data for accurate reporting. An integrated global human resources application is planned for implementation with an expected project start in 2025.

GRI Standard/ Other source	Disclosure	Information/Reference/Omission
GRI 2: General Disclosures 2021	**Governance**	
	2-9 Governance structure and composition	See Governance; Board of Directors →, and Group Executive Board →; see Corporate Governance Report; 3. Board of Directors →; and 4. Committees → and Corporate Governance Policy, 4.3 Board composition and selection.
	2-10 Nomination and selection of the highest governance body	See Corporate Governance Report; 3. Board of Directors; 3.3 Election and term of office → and 4.3 Nomination and Governance Committee →.
	2-11 Chair of the highest governance body	The chair of the Board of Directors is not a member of the executive management of the organization.
	2-12 Role of the highest governance body in overseeing the management of impacts	See Sustainability; Introduction: Our sustainability governance →
	2-13 Delegation of responsibility for managing impacts	See Sustainability; Introduction: Our sustainability governance → and Corporate Governance Report; 5. Frequency of meetings of the Board of Directors and its Committees →; 6. Areas of responsibility →; 7. Information and control instruments vis-à-vis the Group Executive Board →
	2-14 Role of the highest governance body in sustainability reporting	See Sustainability; Introduction: Our sustainability governance →
	2-15 Conflicts of interest	See Corporate Governance Report; 8.2 Number of Permissible Activities →
	2-16 Communication of critical concerns	See Corporate Governance Report; 4.2 Audit and Risk Committee → Sustainability: Responsible culture; Governance and ethics →
	2-17 Collective knowledge of the highest governance body	See Corporate Governance Report; 3.1 Members of the Board of Directors; Board skill matrix → Sustainability: Our sustainability governance →
	2-18 Evaluation of the performance of the highest governance body	See Organizational Regulations section 2.7 and Corporate Governance Report; 4.3 Nomination and Governance Committee →
	2-19 Remuneration policies	See Compensation Report; Compensation governance → Articles of Association, 4. Compensation of the Board of Directors and the Group Executive Board
	2-20 Process to determine remuneration	See Compensation; Compensation Report, esp. Figure 3: Authority table regarding compensation → All voting results from the 2024 Annual General Meeting are publicly available on our website: see pages 4-16 of the Minutes of the ordinary general meeting of shareholders
	2-21 Annual total compensation ratio	Omission: Information unavailable/incomplete Data is maintained in various systems at local level that currently do not enable aggregated global reporting. We are working on upgrading our data collection processes and IT system (global as well as local) to collect the necessary data and make it reportable. An integrated global human resources system is planned for implementation with an expected project start in 2025.
	Strategy, policies, and practices	
	2-22 Statement on sustainable development strategy	See Chairman and CEO statement →
	2-23 Policy commitments	See Sustainability; Introduction; Our key policies → and our ESG Policies: https://www.sig.biz/en/sustainability/esg See Sustainability; Introduction: Our sustainability governance → See also the section 'our commitments' in the different sustainability topic chapters.
	2-24 Embedding policy commitments	See Sustainability; Introduction; Our sustainability governance →

GRI Standard/ Other source	Disclosure	Information/Reference/Omission
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	**See Sustainability; Responsible culture: Governance and ethics →**
	2-26 Mechanisms for seeking advice and raising concerns	**See Sustainability; Responsible culture: Governance and ethics →**
	2-27 Compliance with laws and regulations	**See Sustainability; Introduction: Our sustainability governance → and Responsible culture: Governance and ethics →**
	2-28 Membership associations	**See Sustainability; Introduction; Pioneering a regenerative transition →** **See Sustainability; Resource+; Industry partnerships → and** **Forest+; Partnering to expand our positive impact → and Food+; Innovation through partnership; MISTA → and Human Rights; AIM Progress →**
	Stakeholder engagement	
	2-29 Approach to stakeholder engagement	**See Sustainability; Introduction: Our sustainability governance → and Stakeholder engagement →**
	2-30 Collective bargaining agreements	**See Sustainability; Responsible culture: Human rights →**

Material topics

GRI 3: Material Topics 2021	3-1 Process to determine material topics	**See Sustainability; Introduction; Our material topics →**
	3-2 List of material topics	**See Sustainability; Introduction; Our material topics →**

Climate change

GRI 3: Material Topics 2021	3-3 Management of material topics	**Our direct impacts:** Positive contribution to UN SDGs 2, 7, 12, 13, and 17. **See Appendix; Contribution to the United Nations Sustainable Development Goals →** • SIG Group AG is voluntarily reporting Taxonomy eligibility for the third consecutive year. For progress towards Taxonomy alignment **see Appendix: EU Taxonomy →** • **See Appendix: TCFD report →** • **See Sustainability; Sustainable Innovation: Our sustainable innovation journey so far →** • Sustainable forestry: **See Sustainability; Forest+ →** • For more details **see Sustainability; Climate+ → and Appendix: Greenhouse gas emissions basis for reporting →**
		Actions taken to manage the topic and our impacts: • **See Sustainability; Climate+ →** and our ESG Policies https://www.sig.biz/en/sustainability/esg
		Tracking the effectiveness of our actions: • **See Sustainability; Climate+: Assessing effectiveness →**
		Engagement with our stakeholders: • **See Sustainability; Introduction: Stakeholder engagement →**

GRI Standard/ Other source	Disclosure	Information/Reference/Omission
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG Emissions	**See Sustainability; Climate+: KPIs** **See Appendix: Greenhouse gas emissions basis for reporting**
	305-2 Energy indirect (Scope 2) GHG emissions	**See Sustainability; Climate+: KPIs** **See Appendix: Greenhouse gas emissions basis for reporting**
	305-3 Other indirect (Scope 3) emissions	**See Sustainability; Climate+: KPIs** **See Appendix: Greenhouse gas emissions basis for reporting**
	305-4 GHG emissions intensity	**See Sustainability; Climate+: KPIs** **See Appendix: Greenhouse gas emissions basis for reporting**
	305-5 Reduction of GHG emissions	**See Sustainability; Climate+:** **See Appendix; Greenhouse gas emissions basis for reporting**
GRI 302: Energy 2016	302-1 Energy consumption within the organization	**See Sustainability; Climate+: KPIs**
	302-2 Energy consumption outside of the organization	Omission: Not applicable The main energy demand in SIG's value chain occurs upstream (category Goods and Services). For this category, we relate activity data to factors from recognized emission factor databases or relate to supplier-specific data – which contribute more than 60% of the GHG emissions in this category. We work with suppliers to decarbonize in line with our pathway to net zero – which typically includes the reduction of energy demand and a switch to renewable energy carriers. Thus, we consider the collection of energy consumption data as not applicable as this is embedded in our disclosures and management approach related to emissions (**See Appendix; Greenhouse gas emissions basis for reporting**). Energy consumption and energy carriers used are also typically confidential data points in the supply chain and we do not therefore have access to this type of information. The second largest energy consumption in our value chain occurs during the operation of the filling machines and the equipment we manufacture. We work towards the reduction of energy consumption for installed machines and for each new generation of machine. As for our supply chain we use a climate footprint metric to address this; thus, we consider energy use of our filling machines and equipment as both not applicable and confidential.
	302-3 Energy intensity	**See Sustainability; Climate+: KPIs**
	302-4 Reduction of energy consumption	Omission: Not applicable We measure and report data on energy consumption related to our production as intensity, disclosed in 302-3.
	302-5 Reductions in energy requirements of products and services	Omission: Information unavailable/incomplete For our packaging material products this disclosure is not applicable as the packaging does not require energy during its use phase. For our filling machines and other related equipment we report Greenhouse gas emissions. **See Appendix; Greenhouse gas emissions basis for reporting**
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	**See Strategic report; Enterprise risk management** on material financial risks in relation to climate change. **See Appendix: TCFD report** for a description of identified climate-related risks and opportunities and of the associated impact as well as our governance and risk management approaches.

GRI Standard/ Other source	Disclosure	Information/Reference/Omission

Waste and circular economy

GRI Standard/ Other source	Disclosure	Information/Reference/Omission
GRI 3: Material Topics 2021	3-3 Management of material topics	**Our direct impacts:** • Positive contribution to UN SDGs 2, 7, 12, 14, and 17. **See Appendix; Contribution to the United Nations Sustainable Development Goals →** • For more information, **see Sustainability; Resource+: Our commitments →** **Actions taken to manage the topic and our impacts:** • **See Sustainability; Resource+ →** and our ESG Policies: https://www.sig.biz/en/sustainability/esg **Engagement with our stakeholders:** • **See Sustainability; Introduction: Stakeholder engagement →**
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	**See Sustainability; Resource+ →**
	306-2 Management of significant waste-related impacts	**See Sustainability; Resource+; Our approach →**
	306-3 Waste generated	**See Sustainability; Resource+: Production waste by type (thousand metric tons) →**
	306-4 Waste diverted from disposal	**See Sustainability; Resource+: Production waste by disposal method (metric tons) in 2024 (reported as wastes to recycling, reuse and energy recovery) →**
	306-5 Waste directed to disposal	**See Sustainability; Resource+: Production waste by disposal method (metric tons) in 2024 (reported as land fill and other disposal) →**
Own Disclosure	Waste rate for aseptic carton production (grams of waste per m² of packaging material) Waste rate for carton production (grams of waste per m² of packaging material) Waste rate for production (bag-in-box and spouted pouch) (tons of waste per weight in thousand tons produced)	**See Sustainability; Resource+: KPIs →**
	SIG carton packaging that is designed for recycling (%) SIG bag-in-box and spouted pouch packaging that is recycle-ready or for which we offer alternative recycle-ready bag-in-box and spouted pouch solutions (%) SIG packaging portfolio that is recycle-ready[1] (%)	**See Sustainability; Resource+ → KPIs →**

1 Our evaluation of recyclability of cartons is based on the relevant EN643 standard and our evaluation of recycle-readiness for bag-in-box and spouted pouch is in line with Design for Recycling criteria developed by APR (Association of Plastic Recyclers) and Recyclass.

GRI Standard/ Other source	Disclosure	Information/Reference/Omission

Biodiversity and forest ecosystems

GRI Standard/ Other source	Disclosure	Information/Reference/Omission
GRI 3: Material Topics 2021	3-3 Management of material topics	**Our direct impacts:** • Positive contribution to UN SDGs 2, 12, 13, 15, 17. **See Appendix; Contribution to the United Nations Sustainable Development Goals →**
		Actions taken to manage the topic and our impacts: • **See Sustainability; Forest+ →; Resource+ →; Communities →** and our ESG Policies: https://www.sig.biz/en/sustainability/esg
		Tracking the effectiveness of our actions: • **See Sustainability; Forest+ →**
		Engagement with our stakeholders: • **See Sustainability; Introduction: Stakeholder engagement →**
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Omission: Information incomplete Potential biodiversity-related risks concerning our operations are identified through our enterprise risk management framework. We have initiated identification of biodiversity risks related to our exposure to sensitive areas. Our exposure assessment follows a location-specific approach, using insights from self-assessments with the WWF risk filter and the latest guidance from the Science Based Targets Network (SBTN). We are working to implement further the outcomes of the assessments and establish robust reporting in line with the recommendations from the Taskforce on Nature-related Financial Disclosures (TNFD) in 2025.
	304-2 Significant impacts of activities, products, and services on biodiversity	Omission: Information incomplete Potential biodiversity-related risks concerning impacts along our value chain and operations are identified through our enterprise risk management framework. We have accomplished the identification of our exposure to sensitive biodiversity areas within our operations. Our exposure assessment follows a location-specific approach, using insights from the self-assessment with the WWF risk filter and the latest guidance from the Science Based Targets Network (SBTN). We also assessed potential biodiversity impacts in our supply chain in line with SBTN requirements. We are working towards joining the pilot program of SBTN in order to develop a land related target in 2025. This includes also progressing along reporting and disclosure practices.
	304-3 Habitats protected or restored	**See Sustainability; Forest+: WWF and SIG: a shared mission to preserve the natural ecosystem of forests →** Additional details are publicly available at SIG Group · Forests Forward - explorer.land.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Omission: Information incomplete IUCN Red List species and national conservation list species with habitats in areas affected by operations are included as part of our broader assessment of potential adverse impacts on biodiversity at the locations where we operate. In line with our biodiversity risk assessment for operations we intend to disclose the results in 2025.
Own Disclosure	% packs sold labeled with FSC™ logo	**See Sustainability; Forest+: KPIs →**
	% FSC™ certified liquid packaging board	**See Forest+: Sourcing from sustainably managed forests →**

GRI Standard/ Other source	Disclosure	Information/Reference/Omission

Sustainable raw materials

GRI Standard/ Other source	Disclosure	Information/Reference/Omission
GRI 3: Material Topics 2021	3-3 Management of material topics	**Our direct impacts:** • Positive contribution to UN SDGs 2, 7, 12, 14, and 17. **See Appendix; Contribution to the United Nations Sustainable Development Goals →**
		Actions taken to manage the topic and our impacts: • **See Sustainability; Resource+ → and Responsible culture: Our supply chain →**
		Tracking the effectiveness of our actions: • **See Sustainability; Forest+ →; Resource+ →; Responsible culture: Our supply chain →**
		Engagement with our stakeholders: • **See Sustainability; Introduction: Stakeholder engagement →**
GRI 301: Materials 2016	301-1 Materials used by weight or volume	**See Sustainability; Responsible culture: Our supply chain; Sourcing A-materials for our packs →**
Own Disclosure	% A-materials from certified sources	**See (also for a definition of A-materials) Sustainability; Responsible culture: Our supply chain; KPIs →**

Water

GRI Standard/ Other source	Disclosure	Information/Reference/Omission
GRI 3: Material Topics 2021	3-3 Management of material topics	**Our direct impacts:** • Positive contribution to UN SDGs 6 and 14. **See Appendix; Contribution to the United Nations Sustainable Development Goals →**
		Actions taken to manage the topic and our impacts: • **See Sustainability; Resource+ →** and our ESG Policies: https://www.sig.biz/en/sustainability/esg
		Tracking the effectiveness of our actions: • **See Sustainability; Resource+ →; and Sustainable innovation →**
		Engagement with our stakeholders: • **See Sustainability; Introduction: Stakeholder engagement → and Resource+ →**
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	**See Sustainability; Resource+; Minimizing use of water →**
	303-2 Management of water discharge-related impacts	**See Sustainability; Resource+; Minimizing use of water →**
	303-5 Water consumption	**See Sustainability; Resource+; Minimizing use of water →**

Health, safety, and wellbeing

GRI Standard/ Other source	Disclosure	Information/Reference/Omission
GRI 3: Material Topics 2021	3-3 Management of material topics	**Our direct impacts:** • Positive contribution to UN SDG 8. **See Appendix; Contribution to the United Nations Sustainable Development Goals →** **Actions taken to manage the topic and our impacts:** • **See Sustainability; Responsible culture: Health, safety, and wellbeing →** and our Environment, Health and Safety (EHS) Policy: https://www.sig.biz/en/sustainability/esg **Tracking the effectiveness of our actions:** • **See Sustainability; Responsible culture: Health, safety, and wellbeing →** **Engagement with our stakeholders:** • **See Sustainability; Introduction: Stakeholder engagement →**
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	**See Sustainability; Responsible culture: Health, Safety, and Wellbeing; Our approach →**
	403-2 Hazard identification, risk assessment, and incident investigation	**See our** EHS Policy **and Sustainability; Responsible culture: Health, safety, and wellbeing; Our approach →**
	403-3 Occupational health services	**See our** EHS Policy **and Sustainability; Responsible culture: Health, safety, and wellbeing; Supporting health and wellbeing →**
	403-4 Worker participation, consultation, and communication on occupational health and safety	**See our** EHS Policy **and Sustainability; Responsible culture: Health, safety, and wellbeing; Our approach →**
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	**See our** EHS Policy **and Sustainability; Responsible culture: Health, safety, and wellbeing; Our approach →**
	403-6 Promotion of worker health	**See our** EHS Policy **and Sustainability; Responsible culture: Health, safety, and wellbeing; Supporting health and wellbeing →**
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	**See Sustainability; Responsible culture: Health, safety, and wellbeing; Our approach →**
	403-8 Workers covered by an occupational health and safety management system	Omission: Information unavailable/incomplete 100% coverage at production sites and at Global Assembly, Global Technology and Technical Service functions. The data necessary to accurately report on 'workers who are not employees' is not maintained in a global human resource application.
	403-9 Work-related injuries	Omission: confidentiality constraints We provide all data as required for GRI 403-9, except working hours of employees and working hours of contractors, as this information is business confidential. **See Sustainability; Responsible culture: Health, safety, and wellbeing; Our approach → and see Sustainability; Responsible culture: Health, safety, and wellbeing; KPIs →**

GRI Standard/ Other source	Disclosure	Information/Reference/Omission
GRI 403: Occupational Health and Safety 2018	403-10 Work-related ill health	Omission: information unavailable. The data necessary to report on 'Work-related ill health' is not maintained in a global system. We are working on enabling our system landscape (global as well as local) to collect the necessary data and make it reportable. In a next step we will determine whether the data will be maintained globally in a HR system or an EHS system. Depending on the option, implementation of the project is expected to start in 2024 or 2025.

Diversity, equity, and inclusion

GRI Standard/ Other source	Disclosure	Information/Reference/Omission
GRI 3: Material Topics 2021	3-3 Management of material topics	**Our direct impacts:** • Positive contribution to UN SDGs 5 and 10. **See Appendix; Contribution to the United Nations Sustainable Development Goals →** **Actions taken to manage the topic and our impacts:** • **See Sustainability; Responsible culture: Our people →** **Tracking the effectiveness of our actions:** • **See Sustainability; Responsible culture: Our people →** **Engagement with our stakeholders:** • **See Sustainability; Introduction: Stakeholder engagement →**
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance body and employees	**See Sustainability; Responsible culture: Our people →**
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	Omission: Information unavailable/incomplete The data necessary to accurately report on 'Ratio of basic salary and remuneration of women to men', maintained in the global human resource application, is incomplete. The data is insufficient for accurate calculation of remuneration ratios. Data is maintained in various systems at local level that do not enable aggregated global reporting. We are working on enabling our system landscape (global as well as local) to collect the necessary data and make it reportable. An integrated global human resources application is planned with an expected project start in 2025. Up to 2022 we did not run any gender pay analyses on a global basis. In the past years we observed many new regulatory developments around 'equal pay' shaping the global landscape. Based on a Swiss law requirement we ran an analysis in 2020 for all our legal entities in Switzerland, conducted by an independent third party. The analysis confirmed that SIG is compliant with the requirements of Swiss law. In 2023 we assessed pay for employees in two countries (Austria and Romania) with an independent third-party provider to support fair and equitable pay levels – including between genders – and living wage rates. For both countries we achieved a result within our internal guidance for gender pay gap.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	**See Sustainability; Responsible culture: Our people →**

GRI Standard/ Other source	Disclosure	Information/Reference/Omission

Employee satisfaction, development and working environment

GRI Standard/ Other source	Disclosure	Information/Reference/Omission
GRI 3: Material Topics 2021	3-3 Management of material topics	**Our direct impacts:** • Positive contribution to UN SDG 8. **See Appendix; Contribution to the United Nations Sustainable Development Goals →**
		Actions taken to manage the topic and our impacts: • **See Sustainability; Responsible culture: Our people →**
		Tracking the effectiveness of our actions: • **See Sustainability; Responsible culture: Our people →**
		Engagement with our stakeholders: • **See Sustainability; Introduction: Stakeholder engagement →**
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	**See Sustainability; Responsible culture: Our people; Hiring in 2024 → and Employee turnover in 2024 →**
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Omission: Information unavailable/incomplete The data necessary to accurately report on 'Benefits provided to full-time employees that are not provided to temporary or part-time employees' is not maintained in a global human resource application. Data is maintained in various systems at local level that do not enable aggregated global reporting. We are working on enabling our system landscape (global as well as local) to collect the necessary data and make it reportable. An integrated global human resources application is planned with an expected project start in 2025.
	401-3 Parental leave	Omission: Information unavailable/incomplete The data necessary to accurately report on 'Parental leave' is not maintained in a global human resource application. Data is maintained in various systems at local level that do not enable aggregated global reporting. We are working on enabling our system landscape (global as well as local) to collect the necessary data and make it reportable. An integrated global human resources application is planned to be implemented with an expected project start in 2025.

GRI Standard/ Other source	Disclosure	Information/Reference/Omission
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	**See Sustainability; Responsible culture: Our people; Average hours of training →**
	404-2 Programs for upgrading employee skills and transition assistance programs	Omission: Information unavailable/incomplete We maintain all the SIG-related training/programs in our Learning System and provide average learning hours per employee. Local initiatives are maintained in the local systems, and not at a global level. While all trainings and programs are recorded in our global Learning Management System, other related initiatives and data are maintained in various systems at local level that do not enable aggregated global reporting. We are working on enabling our system landscape (global as well as local) to collect the necessary data and make it reportable. An integrated global human resources application is planned for implementation with an expected project start in 2025. **See Sustainability; Responsible culture: Our people →**
	404-3 Percentage of employees receiving regular performance and career development reviews	Omission: Information unavailable/incomplete The data necessary to accurately report the breakdown by gender and employee category on 'Percentage of employees receiving regular performance and career development reviews', maintained in the global human resource application, is incomplete. We are working on enabling our system landscape (global as well as local) to collect the necessary data and make it reportable. An integrated global human resources application is planned for implementation with an expected project start in 2025. For percentages of all employees receiving regular performance and career development reviews please **see Sustainability; Responsible culture: Our people; Developing talent →**
Own Disclosures	Sustainable engagement score	**See Sustainability; Responsible culture: Our people; KPIs →**

Responsible Suppliers

GRI 3: Material Topics 2021	3-3 Management of material topics	**Our direct impacts:** • Through our supplier engagement, we contribute to UN SDGs 8, 12, 13, 15, and 17. **See Appendix; Contribution to the United Nations Sustainable Development Goals →**
		Actions taken to manage the topic and our impacts: • **See Sustainability; Responsible culture: Our supply chain →**
		Tracking the effectiveness of our actions: • **See Sustainability; Responsible culture: Our supply chain →**
		Engagement with our stakeholders: • **See Sustainability; Introduction: Stakeholder engagement →**

GRI Standard/ Other source	Disclosure	Information/Reference/Omission
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	**See Sustainability; Responsible culture: Our supply chain: Screening and assessing suppliers → and Our supply chain; KPIs →**
	308-2 Negative environmental impacts in the supply chain and actions taken	Omission: Information unavailable/incomplete We screen significant suppliers for potential negative environmental impacts and not for actual environmental impacts as part of our risk assessment. Significant direct suppliers are then further evaluated by requesting EcoVadis assessments or SEDEX audits (or equivalent). For significant indirect suppliers, we currently expect the acceptance of our Supplier Code of Conduct as a minimum. We will examine how to collect data on actual negative environmental impacts for all our significant suppliers. In addition, we will intensify the discussion with EcoVadis and SEDEX to receive information on significant actual impacts and improvements and we will report on terminations of supplier contracts based on findings of these assessments by 2025. **See Sustainability; Responsible culture: Our supply chain; Sourcing responsibly →**
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	**See Sustainability; Responsible culture: Our supply chain; Screening and assessing suppliers → and** **See Sustainability; Responsible culture: Our supply chain; KPIs →**
	414-2 Negative social impacts in the supply chain and actions taken	Omission: Information unavailable/incomplete We screen significant suppliers for potential negative social impacts and not for actual social impacts as part of our risk assessment. Significant direct suppliers are then further evaluated by requesting EcoVadis assessments or SEDEX audits (or equivalent). For significant indirect suppliers, we currently expect the acceptance of our Supplier Code of Conduct as a minimum. We will examine how to collect data on actual negative social impacts for all our significant suppliers. In addition, we will intensify the discussion with EcoVadis and SEDEX to receive information on significant actual impacts and improvements and we will report on terminations of supplier contracts based on findings of these assessments by 2025. **See Sustainability; Responsible culture: Our supply chain →**

Human Rights

GRI Standard/ Other source	Disclosure	Information/Reference/Omission
GRI 3: Material Topics 2021	3-3 Management of material topics	**Our direct impacts:** • By integrating human rights into our operations, we contribute to UN SDG 16. **See Appendix; Contribution to the United Nations Sustainable Development Goals →**
		Actions taken to manage the topic and our impacts: • **See Sustainability; Responsible culture: Human Rights →**
		Tracking the effectiveness of our actions: • **See Sustainability; Responsible culture: Human rights: Our Supply chain →**
		Engagement with our stakeholders: • **See Sustainability; Introduction: Stakeholder engagement →**
Own Disclosure	Plants completed SEDEX Members Ethical Trade Audit (of total number of plants)	SEDEX audits are a suitable indicator to address the topic of human rights issues. **See Sustainability; Responsible culture: Human rights; KPIs →**

GRI Standard/ Other source	Disclosure	Information/Reference/Omission

Product safety and integrity

GRI Standard/ Other source	Disclosure	Information/Reference/Omission
GRI 3: Material Topics 2021	3-3 Management of material topics	**Our direct impacts:** • Positive contribution to UN SDGs 2 and 12. **See Appendix; Contribution to the United Nations Sustainable Development Goals →** • **See Sustainability: Food+ →**
		Actions taken to manage the topic and our impacts: • **See Sustainability; Food+ →** • **See Sustainability; Responsible culture: Our supply chain →**
		Tracking the effectiveness of our actions: • **See Sustainability; Food+ →**
		Engagement with our stakeholders: • **See Sustainability; Introduction: Stakeholder engagement → Customers**
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	**See Sustainability; Food+: KPIs →**
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	**See Sustainability; Food+: KPIs →**

Innovation in products and services

GRI Standard/ Other source	Disclosure	Information/Reference/Omission
GRI 3: Material Topics 2021	3-3 Management of material topics	**Our direct impacts:** • Positive contribution to UN SDGs 12, 13, and 17. **See Appendix; Contribution to the United Nations Sustainable Development Goals →**
		Actions taken to manage the topic and our impacts: • **See Sustainability; Sustainable innovation →**
		Tracking the effectiveness of our actions: • **See Sustainability; Sustainable innovation →**
		Engagement with our stakeholders: • **See Sustainability; Introduction: Stakeholder engagement →**

GRI Standard/ Other source	Disclosure	Information/Reference/Omission
Own Disclosures	SIG aseptic carton packs sold labeled with ASI logo (million packs)	**See Sustainability; Sustainable innovation: KPIs →**
	Food packed with SIG Terra[1] packaging materials (million liters)	**See Sustainability; Sustainable innovation: KPIs →**
	Food packed in SIG Terra[1] packaging materials (% of total liters packed in SIG packs)	**See Sustainability; Sustainable innovation: KPIs →**
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Omission: Information regarding business partners unavailable/incomplete Details on communication and training measures with business partners are not available. We will examine how to collect these data by 2025. For our overall approach on responsible business conduct of suppliers **see Sustainability; Responsible culture: Our supply chain; Screening and assessing suppliers →** For further details on communication and training **see also Sustainability; Responsible Culture: Governance and ethics; Measures taken in 2024 →**
	205-3 Confirmed incidents of corruption and actions taken	**See Sustainability; Responsible Culture: Governance and ethics; Investigating and acting on reports received →**
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No legal actions for anti-competitive behavior, antitrust or monopoly practices in 2024.

1 Formerly known as SIGNATURE portfolio for aseptic cartons. From 2023 includes as well BIB&SP Terra products. No chilled carton Terra products defined at this stage.

Report on child labor due diligence in the supply chain

This report of SIG Group AG ("SIG" or the "Company") relates to the due diligence and reporting obligations covering child labor required by Art. 964j-k of the Swiss Code of Obligations and the Swiss Ordinance on Due Diligence and Transparency in Relation to Minerals and Metals from Conflict-Affected Areas and Child Labour. It covers the period January 1, 2024, to December 31, 2024. During the reported period, SIG Group AG, Neuhausen, Switzerland, complied with the due diligence obligations regarding child labor, as further detailed below.

About SIG

SIG is a leading provider of sustainable, innovative, and versatile packaging solutions. We work in partnership with our customers to bring food products to consumers around the world in a safe, sustainable, and affordable way. We are the only system supplier covering carton, pouch, and bag-in-box. Our versatile technology and product innovation capacity enable us to provide our customers with solutions across categories and channels, addressing consumer and market needs with flexibility and speed. Founded in 1853, SIG is headquartered in Neuhausen, Switzerland. The skills and experience of our approximately 9,600 employees worldwide enable us to respond quickly and effectively to the needs of our customers in over 100 countries.

Our commitment to respecting human rights

We are committed to respecting human rights in our operations, supply chain, and with respect to our major business relationships. In doing so, we can contribute to global respect for human rights and support our ambition to have a scalable, systemic net positive impact on society, as well as meeting growing regulatory demand for human rights due diligence. Our approach is guided by the United Nations Guiding Principles on Business and Human Rights, and the relevant Organization for Economic Co-operation and Development (OECD) frameworks. Also, SIG is a signatory to the United Nations Global Compact. We are committed to adhering to the standards encompassed by the International Bill of Human Rights, the International Labor Organization's (ILO) core labor standards, and the Ethical Trading Initiative (ETI) Base Code.

Governance

In 2023, we established a steering committee to oversee implementation of our human rights due diligence roadmap. Members include our Chief People and Culture Officer (with designated responsibility for human rights) and senior leaders from relevant business functions. Our human rights taskforce, including functions such as Legal & Compliance, Procurement, People & Culture and Corporate Responsibility, undertook extensive activities both in the prior and current year to strengthen our human rights due diligence, including a review and update of our human rights policy in 2024. For more information, **see Human rights →**.

The Board's Nomination and Governance Committee (NGC) oversees the Company's strategy and governance on corporate responsibility for ESG matters, and advises the Board of Directors on key issues that may affect the Group's business and reputation. For more information, **see Our sustainability governance →**.

Our policies on child labor

Ethics and compliance are key factors to achieving our business goals and securing SIG's long-term business success.

SIG's Code of Conduct (CoC), publicly available on our website, demonstrates our commitment to act in accordance with nationally and internationally recognized human rights. As stated in the CoC, SIG does not tolerate, engage in or support child and forced labor, including prison labor, slavery and any other form of labor that poses a threat to adults or children. SIG is committed to prevent, mitigate and address the risks of child and forced labor in its global value chains.[1] All of our employees regularly complete trainings on the CoC. Our commitment to promoting fair labor practices and upholding labor rights for our employees, is embedded in our Human Rights, Labor and Community Engagement Policy, including the prevention of child labor. This policy was last updated in 2023 and is publicly available on our website. Our approach to human rights due diligence is described in section 5.1.4.

We expect our suppliers to respect all human rights including child labor. Our Supplier Code of Conduct, is publicly available on our website, forms an integral part of any agreements between SIG and its suppliers and sets out our expectations. Our suppliers are provided with up-to-date information in relation to any changes to our Supplier Code of Conduct. In regard to child labor it explicitly states: Suppliers shall neither use nor tolerate child labor. They shall observe the relevant ILO standards, United Nations Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises. Young persons under 18 shall not be employed at night, in hazardous conditions or work overtime.[2] In addition, SIG expects suppliers to communicate and apply the principles set out in the Supplier Code of Conduct throughout their supply chain. Significant suppliers[3] must formally acknowledge our Supplier Code of Conduct (or have an equivalent in place, such as SMETA audits or EcoVadis ratings).

Should indications of child labor be alleged or found, we strive to address and resolve them within our own operations and aim to prevent or mitigate them in our supply chain. We engage with our 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. Any remedial actions should be consistent with ILO standards and the latest best practice guidance.

Our own operations risk management system

Understanding and managing risks starts at our own operation. We are an active member of SEDEX, one of the world's leading ethical trade membership organizations that provides independent verification against human rights, labor, health and safety, environmental, and business ethics standards.

We conduct SEDEX SMETA audits at our production sites every two years, which include an assessment of potential child labor and human rights risks and impacts. Our office sites in Australia and Mexico, and SIG legal entities in Germany and Switzerland, are also subject to SMETA audits every two years.

1 SIG Code of Conduct, Human Rights Compliance (section 4), available at https://www.sig.biz/en/investors/governance/code-of-conduct.
2 SIG Supplier Code of Conduct, section "No child labor", p. 2, available at https://cms.sig.biz/media/zcnhu2qr/sig-supplier-code-of-conduct.pdf.
3 **See Our supply chain →** for our definition of significant suppliers.

If the SMETA audit findings identify any issues, corrective action plans help us to remediate these and establish mechanisms to prevent similar issues in the future. As of December 31, 2024, 29 out of 30 production sites had completed the four pillar SMETA audit, including SIG's new production sites[1]. For one production site, the certification expired in November 2024. The next audit cycle for this production site, along with other sites, starts in 2025.

In 2024, we established a process to bring all our non-production sites into the SEDEX platform to assess their human rights risk as part of a human rights due diligence process. 10 out of these 40 non-production sites were analyzed in 2024 with the remainder to be completed by 2025.

In addition, we perform annual human rights risk assessments, covering also the topic of child labor. The risk of child labor was also incorporated in our 2024 assessment of material topics (**see Our material topics →**).

Our supply chain risk management

SIG expects suppliers to meet our responsibility requirements to help mitigate social and environmental risks in our supply chain. Our Supplier Code of Conduct sets out our expectations on topics such as labor (including no tolerance for child labor), health and safety, and environmental protection. In 2024, we performed a risk screening of our suppliers[2] to identify suppliers with an increased risk of using child labor. Our screening evaluates potential adverse impacts (including child labor) based on the UNICEF Children's Rights in the Workplace Index and the EcoVadis IQ Plus platform risk data. The screening also takes into account the suppliers' geographic location and industry. Additionally, the analysis considers the supplier's potential to affect our ability to meet our customer demands and the volumes we purchase from them, and eventually results in a list of suppliers that will undergo further checks.

For the suppliers identified as having an increased risk of using child labor, we conducted a more in-depth assessment using available information from sources such as EcoVadis assessments and SEDEX SMETA audits, which both include aspects on child labor. In addition, we conducted a media screening and searched the internet (by reviewing available live news on the Ecovadis IQ Plus platform) for insights on key ESG risks in the supply chain and controversies in the media including any evidence of child labor.

To date, we have not identified any case of suspected child labor in our supply chain. Based on our human rights risk analysis, we conclude that the risk of child labor in our supply chain is low. For information about risk management measures undertaken on other supply chain sustainability risks, **see Our supply chain → and our TCFD report →**.

1 Excludes our production plant in Voronezh, Russia, due to limitations in respect of data access.

2 Not including suppliers to sales entities. SIG's main business is where it has production sites, and where SIG's highest risk, spend and leverage are concentrated. Sales entities' suppliers are providing office equipment, services, rentals and spare parts. Regarding spare parts, they are mainly provided by SIG's internal warehouse and covered in our screening described above. We apply a best-effort approach to ensure that all our suppliers are included, achieving a coverage of approximately 99% (by spend).

SIG conducts in-depth assessments through requiring self-assessments, external assessments or SEDEX and EcoVadis assessments. Our SEDEX and EcoVadis assessments both include aspects on child labor. The Company also has a grievance procedure in place (see Reporting mechanism below) where reports on suspected child labor can be made, e.g. via the SIG Integrity & Compliance Hotline.

Should gaps or any indications of child labor be identified, our procurement teams follow-up with the suppliers directly to resolve and monitor any issues. Responsible sourcing for us entails that we must educate our procurement teams. To do so we use our Responsible Sourcing Directives, and accompanying training, providing buyers with detailed guidance to support implementation of our responsible sourcing approach, which also supports human rights due diligence in our supply chain.

Supply chain traceability system

Names and addresses of our suppliers are recorded systematically in our enterprise resource planning (ERP) systems. We also record, where available, product and service categories on the EcoVadis IQ Plus platform. We keep records of our monitoring activities, assessments, and completed EcoVadis assessments and SEDEX audits.

Reporting mechanism

Concerns, including those related to human rights and child labor, may be reported through any available channel, including supervisors and managers, representatives of People & Culture, Legal & Compliance, Internal Audit or the SIG Integrity & Compliance Hotline. Our grievance mechanism is communicated to employees through the Code of Conduct, our Code of Conduct trainings and with posters on site advertising our Integrity & Compliance Hotline.

In addition, there is a separate subsection in our Compliance site within SIG's employee application about our Integrity & Compliance Hotline. Employees can access information in local language and be informed about local phone numbers and the link to the web-based grievance mechanism.

Reports received through these channels are subsequently investigated. Each case is handled with a systematic approach to address and resolve the reports received and is concluded by a subsequent analysis and evaluation of potential root causes. We seek to find solutions in an individual process tailored to the grievance reported and, as deemed appropriate, together with the affected person.

The Compliance team responsible for the Integrity & Compliance Hotline provides quarterly updates on cases to the Audit & Risk Committee.

In 2023, we updated our grievance procedure and launched a new case management tool. Our case management tool makes it easier for both employees and external parties to speak up. It also makes case management and reporting more efficient and increase oversight of grievances.

During 2024, no allegations were made about child labor in our own operations or our supply chain.

Continuous improvement and additional information

Putting our policies into practice means working continuously to identify human rights impacts, including any that are child labor-related, mitigating and addressing them, continuously monitoring the effectiveness of our measures and periodically reporting on our performance. We seek continuous improvement and regularly review the way we respond in a constantly changing operating environment. One way to do so is our continuous engagement in the Aim Progress Initiative, a forum of leading fast-moving consumer goods manufacturers and common suppliers to promote responsible sourcing practices and sustainable supply chains. We use its established methodology to assess, and identify opportunities to strengthen, human rights due diligence related to our supply chain.

For more information, we encourage you to also refer to other sections in this Annual Report and to our website.

Governance

Andreas Umbach

Chair of the Board

Read the CV →

Werner Bauer

C N T

Read the CV →

Wah-Hui Chu

C

Read the CV →

Thomas Dittrich

A

Read the CV →

Mariel Hoch

A N

Read the CV →

Florence Jeantet

A N T

Read the CV →

Laurens Last

T

Read the CV →

Abdallah al Obeikan

T

Read the CV →

Martine Snels

A N T

Read the CV →

Matthias Währen

C A

Read the CV →

Key to committee membership: N Nomination and Governance Committee / A Audit and Risk Committee / C Compensation Committee / T Technology and Innovation Committee
(Underlined = Chair of Committee)

Samuel Sigrist
Chief Executive Officer

Read the CV →

Ann-Kristin Erkens
Chief Financial Officer

Read the CV →

Fabio Grazioli
Chief Supply Chain Officer

Read the CV →

Gavin Steiner
Chief Technology Officer

Read the CV →

Christoph Wegener
Chief Markets Officer

Read the CV →

Abdelghany Eladib
President and General Manager, IMEA

Read the CV →

Angela Lu
President and General Manager, Asia Pacific

Read the CV →

José Matthijsse
President and General Manager, Europe

Read the CV →

Ricardo Rodriguez
President and General Manager, Americas

Read the CV →

Corporate Governance Report

This Corporate Governance Report contains the information that is stipulated by the directive on information relating to corporate governance issued by SIX Swiss Exchange AG ("SIX Swiss Exchange") and follows its structure.

Unless expressly stated otherwise, this Corporate Governance Report presents the circumstances and legal position as of the balance sheet date (December 31, 2024).

1 Group structure and shareholders

1.1 Group structure

SIG Group AG, Neuhausen am Rheinfall ("**Company**"), is the parent company of SIG Group[1], which directly or indirectly holds all other Group companies and interests in joint venture companies. The shares of the Company are listed on SIX Swiss Exchange (symbol: SIGN, valor symbol: 43 537 795, ISIN: CH0435377954). The market capitalization of the Company amounted to CHF 6,835 million as of December 31, 2024.

Please see note 27 of the consolidated financial statements for the year ended December 31, 2024 for a comprehensive list of the Group's subsidiaries and of its joint venture. Except for the Company, the Group does not include any listed companies. The Group has effective oversight and efficient management structures at all levels. The operational Group structure as of December 31, 2024 is as follows:

The Company's board of directors ("**Board of Directors**" or "**Board**"), acting collectively, has the ultimate responsibility for the conduct of business of the Company and for delivering sustainable shareholder and stakeholder value. The Board sets the Company's strategic aims, ensures that the necessary financial and human resources are in place to meet the Company's objectives, and supervises and controls the management of the Company. There are four permanent Board committees: an audit and risk committee ("**Audit and Risk Committee**"), a compensation committee ("**Compensation Committee**"), a nomination and governance committee ("**Nomination and Governance Committee**"), and a technology and innovation committee ("**Technology and Innovation Committee**"; collectively "**Committees**").

Subject to Swiss law and in accordance with the Company's articles of association ("**Articles of Association**") and the Company's organizational regulations ("**Organizational Regulations**"), the Board of Directors has delegated the executive management of the Company's business (*Geschäftsleitung*) to the group executive board ("**Group Executive Board**"), which is headed by the chief executive officer ("**Chief Executive Officer**" or "**CEO**") pursuant to the Organizational Regulations.[2] The Group Executive Board comprises nine members, specifically the CEO, the chief financial officer ("**Chief Financial Officer**" or "**CFO**"), the chief supply chain officer ("**Chief Supply Chain Officer**" or "**CSO**"), the chief technology officer ("**Chief Technology Officer**" or "**CTO**"), the chief markets officer ("**Chief Markets Officer**" or "**CMO**"), the president and general manager of Europe ("**President and General Manager Europe**"), the president and general manager of Asia Pacific ("**President and General Manager Asia Pacific**"), the president and general manager of Americas ("**President and General Manager Americas**"), and the president and general manager of India, Middle East and Africa ("**President and General Manager IMEA**").[3] For further information on the Group's segments, please refer to note 7 of the consolidated financial statements for the year ended December 31, 2024.
The Group Executive Board is directly supervised by the Board of Directors and its Committees. The Organizational Regulations can be accessed under https://www.sig.biz/en-gb/investors/governance/organizational-regulations.

1.2 Significant shareholders

According to the disclosure notifications reported to the Company during 2024 and published by the Company via the electronic publishing platform of SIX Swiss Exchange, the following shareholders had holdings of 3% or more of the voting rights or purchase positions for securities of the Company as of December 31, 2024:[4]

Significant shareholders	% of voting rights[5]	Number of shares[6]
Laurens Last[7]	10.001%	38,232,225
UBS Fund Management (Switzerland) AG	10.001%	38,230,720
Haldor Foundation[8]	9.95%	38,035,955
BlackRock, Inc. (mother company)	5% / 0.24%[9]	16,512,989[10]
Fahad al Obeikan[11]	4.998%	17,417,632
Swisscanto Fondsleitung AG	3.126%	10,549,237

1 References to "SIG Group", "Group" or "we" are to the Company and its consolidated subsidiaries.
2 For a comprehensive description of the delegation, please refer to art. 19 of the Articles of Association and sections 2.3 and 4.1 of the Organisational Regulations.
3 Following the departure of Suzanne Verzijden from the Company as of December 31, 2023, the position of Chief People and Culture Officer ("**CPCO**") is currently not represented in the Group Executive Board.
4 The number of shares shown here as well as the holding percentages are based on the last disclosure of shareholdings communicated by the shareholder to the Company and the Disclosure Office of SIX Swiss Exchange. The number of shares held by the relevant shareholder may have changed since the date of such shareholder's notification. The percentage of voting rights is calculated based on the share capital registered with the commercial register as at the date of the last disclosure of shareholdings; such number may have changed due to changes in the share capital registered with the commercial register.
5 According to SIX: https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/
6 According to SIX: https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/
7 Direct shareholder: Clean Holding B.V. (formerly CLIL Holding B.V.).
8 Direct shareholder: Winder Pte Ltd.
9 The 0.24% refers to the notified selling positions.
10 Of which the following voting rights were delegated by a third party and can be exercised at BlackRock, Inc.'s own discretion: 2,603,928 company shares.
11 Direct shareholder: Al Obeikan Group for Investment Company CJS.

Notifications made in 2024 in accordance with art. 120 et seqq. of the Financial Market Infrastructure Act ("**FMIA**") can be viewed at: https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/

As regards the value of the percentage of voting rights shown, it should be noted that any changes in the percentage voting rights between the notifiable threshold values are not subject to disclosure requirements.

As of December 31, 2024, the Company held 39,172 treasury shares.

1.3 Cross-shareholdings

The Company has no cross-shareholdings exceeding 5% in any company outside the Group.

2 Capital structure

2.1 Ordinary share capital

The ordinary share capital of the Company as registered with the commercial register of the Canton of Schaffhausen amounts to CHF 3,822,708.72 as of December 31, 2024.

It currently consists of 382,270,872 fully paid-up registered shares with a nominal value of CHF 0.01 per share.

2.2 Capital band and conditional share capital

The Company has a capital band ranging from CHF 3,440,437.85 (lower limit) to CHF 4,587,250.46 (upper limit). The Board of Directors is authorized to increase or reduce the share capital within the capital band at any time or from time to time and in any (partial) amounts, or to cause the Company or any of its Group companies to acquire (including under a share repurchase program) shares directly or indirectly until the earlier of April 20, 2026 or the full use of the capital band. Within the capital band, a capital increase may be affected by issuing up to 76,454,174 fully paid-up registered shares, each with a nominal value of CHF 0.01, and a capital reduction by way of cancelling up to 38,227,087 registered shares, each with a nominal value of CHF 0.01. A capital increase or capital reduction may further be affected with the capital band by way of an increase or a reduction of the par value of the existing shares or by a simultaneous reduction and re-increase of the share capital.

The Company furthermore has a conditional share capital of CHF 640,106.48 as of December 31, 2024. The conditional share capital of CHF 640,106.48 (i.e., 64,010,648 shares of CHF 0.01 nominal value each) is divided into the following amounts:

- CHF 160,026.62 for employee benefit plans
- CHF 480,079.86 for equity-linked financing instruments

If the share capital increases as a result of a conditional capital increase pursuant to art. 4 or art. 5 of the Articles of Association, the upper and lower limits of the capital band shall increase in an amount corresponding to such increase in the share capital. In the event of a reduction of the share capital within the capital band, the Board of Directors shall, to the extent necessary, determine the use of the reduction amount. The Board of Directors may also use the reduction amount for the partial or full elimination of a share capital shortfall as provided for in art. 653p of the Swiss Code of Obligations ("**CO**") or may, as provided for in art. 653q CO, simultaneously reduce and increase the share capital to at least the previous amount.

The total number of registered shares issued from (i) the capital band according to art. 6 of the Articles of Association where the shareholders' subscription rights are excluded and (ii) the conditional share capital according to art. 5 of the Articles of Association where the shareholders' advance subscription rights for Equity-Linked Financing Instruments are excluded, may not exceed 38,227,087 registered shares up to April 20, 2026. Within the limit outlined above, the proportion of new shares assigned to each of the categories is stipulated by the Board of Directors. Any newly issued shares are subject to the restrictions set out in art. 7 of the Articles of Association.

Reference is made to the Articles of Association for the precise wording of provisions relating to conditional share capital and capital band, in particular art. 4, 5 and 6 of the Articles of Association. Among other matters, these contain details regarding the beneficiaries of the employee benefit plan and the entitlements to withdraw or restrict shareholders' subscription rights. The Articles of Association can be downloaded as a PDF document at https://api.sig.biz/media/e33d0ovl/sig-group-ag-articles-of-association.pdf.

2.3 Changes in capital

There were no changes in capital in the year 2024.

During 2022, the Company increased its share capital in the course of two capital increases by a total of CHF 447,500.00, from CHF 3,375,208.72 to CHF 3,822,708.72, through the issuance of 44,750,000 fully paid-up registered shares with a nominal value of CHF 0.01 per share from its authorized share capital.

On May 18, 2022, the Company increased its share capital by CHF 110,000.00, from CHF 3,375,208.72 to CHF 3,485,208.72, through the issuance of 11,000,000 fully paid-up registered shares with a nominal value of CHF 0.01 per share from its authorized share capital. The net proceeds from the capital increase were used to partially finance the acquisition of Pactiv Evergreen Inc.'s Asia Pacific chilled operations, which consisted of the three target companies Evergreen Packaging Korea Limited, Seoul, Evergreen Packaging (Shanghai) Co. Ltd, Shanghai, and Evergreen Packaging (Taiwan) Co. Ltd, Taiwan.

On May 23, 2022, the Company increased its share capital by CHF 337,500.00, from CHF 3,485,208.72 to CHF 3,822,708.72, through the issuance of 33,750,000 fully paid-up registered shares with a nominal value of CHF 0.01 per share from its authorized share capital. The newly issued shares were transferred to Clean Holding B.V. as part of the consideration for the acquisition of Scholle IPN.

2.4 Shares, participation certificates and profit-sharing certificates

The shares are registered shares with a nominal value of CHF 0.01 each and are fully paid-up. Each share carries one vote at a shareholders' meeting. The shares rank *pari passu* with each other in all respects, including in respect of entitlements to dividends, to a share in the liquidation proceeds in the case of a liquidation of the Company, and to subscription and advance subscription rights.

The Company issues its shares as uncertificated securities (*Wertrechte*), within the meaning of art. 973c para. 1 CO, and in accordance with art. 973c para. 2 CO the Company maintains a register of uncertificated securities (*Wertrechtebuch*).

The shares which are entered into the main register of SIX SIS AG consequently constitute book-entry securities (*Bucheffekten*) within the meaning of the Federal Act on Intermediated Securities ("**FISA**").

The Company has neither outstanding participation certificates nor shares with preferential rights.

2.5 Dividend-right certificates (*Genussscheine*)

The Company has not issued any profit-sharing certificates (*Genussscheine*).

2.6 Limitations on transferability and nominee registrations

According to art. 7 of the Articles of Association, any person holding shares will, upon application, be entered in the share register without limitation as a shareholder with voting rights, provided they expressly declare that they have acquired the shares in their own name and for their own account.

Any person who does not expressly state in their application to the Company that the relevant shares were acquired for their own account may be entered in the share register as a shareholder with voting rights without further inquiry up to a maximum of 5% of the issued share capital outstanding at that time. Above this limit, shares held by nominees are entered in the share register with voting rights only if the nominee in question makes known the names, addresses and shareholdings of the persons for whose account it is holding 1% or more of the outstanding share capital available at the time, and provided that the disclosure requirement stipulated in the FMIA is complied with. In addition, the Board of Directors has the right to conclude agreements with nominees concerning their disclosure requirements. Such agreements may further specify the disclosure of beneficial owners and contain rules on the representation of shareholders and the voting rights. The percentage limit mentioned above also applies if shares are acquired by way of exercising subscription, advance subscription, option or conversion rights arising from shares or any other securities issued by the Company or any third party.[1]

The setting and cancelling of the limitation on transferability in the Articles of Association require a resolution of the shareholders' meeting of the Company passed by at least two-thirds of the represented share votes and an absolute majority of the par value of represented shares.

2.7 Convertible bonds and warrants/options

As of December 31, 2024, the Company had no outstanding bonds or debt instruments convertible into, or option rights in, the Company's securities.

As of December 31, 2024, a total of 781,846 performance share units ("**PSUs**") and restricted share units ("**RSUs**") awards were outstanding. Each awarded PSU and RSU represents the contingent right to receive one share of the Company subject to fulfilment of pre-defined vesting conditions. The Group expects to settle its obligation under these plans and arrangements by using own shares (treasury shares) or, alternatively, by using shares issued from conditional share capital. If the PSUs and RSUs were fully vested and exclusively shares from conditional share capital were used, this would increase the existing share capital by approximately 0.002%. Please refer to the **Compensation Report** → for further information pertaining to any PSUs and RSUs awarded as an element of executive compensation.

Furthermore, in 2020 the Group introduced an equity investment plan ("**EIP**") for a wider group of management in leadership positions, other key employees and talents, under which the participants may choose to invest in shares in the Company at market value. The number of employees invited to participate in the EIP is limited per year to 2% of the Group's employees. The amount a participant may invest per year is limited to the value of the annual short-term incentive target amount of such participant for the relevant year. The shares are blocked for three years. For each purchased share, the Group grants the participants two matching options to purchase another two shares at a pre-defined exercise price at the end of a three-year vesting period. The Group expects to settle its obligations under these plans and arrangements by using own shares (treasury shares) or, alternatively, by using shares issued from conditional share capital. If the options were fully vested and exclusively shares from conditional share capital were used, this would increase the existing share capital by approximately 0.001%. Please refer to note 30 of the consolidated financial statements for the year ended December 31, 2024 for additional information about the EIP options.

3 Board of Directors

3.1 Members of the Board of Directors

Art. 18 of the Articles of Association provides that the Board of Directors shall consist of a minimum of three members, including the chair of the Board ("**Chair**"). Currently, the Board consists of the following ten members:

Name	Nationality	Position	Since	Expires[2]
Andreas Umbach	Swiss and German	Chair	2018	AGM 2025
Werner Bauer	Swiss and German	Member	2018	AGM 2025
Wah-Hui Chu	Chinese	Member	2018	AGM 2025
Thomas Dittrich	Swiss and German	Member	2024	AGM 2025
Mariel Hoch	Swiss and German	Member	2018	AGM 2025
Florence Jeantet	French	Member	2023	AGM 2025
Laurens Last	Dutch	Member	2022	AGM 2025
Abdallah al Obeikan	Saudi Arabian	Member	2021	AGM 2025
Martine Snels	Belgian	Member	2021	AGM 2025
Matthias Währen	Swiss	Member	2018	AGM 2025

1 For a comprehensive description of the limitations to transferability and nominee registration, refer to art. 7 of the Articles of Association.
2 All Board members are elected annually in accordance with Swiss corporate law and the Articles of Association.

At the annual general meeting of the Company ("**Annual General Meeting**" or "**AGM**") on April 23, 2024 ("**Annual General Meeting 2024**" or "**AGM 2024**"), all previous nine members of the Board were re-elected and one new member was elected, each for a one-year term of office.

All current members of the Board of Directors are non-executive directors. Abdallah al Obeikan served from 2000 to 2021 as CEO of the SIG Combibloc Obeikan joint venture companies, which became fully owned subsidiaries of the Company in February 2021. Laurens Last served from 2015 until 2022 as chair of Scholle IPN, which became a fully owned subsidiary of the Company in June 2022. All other members of the Board of Directors were not members of the management of the Company or a subsidiary of the Group in the three years preceding the year under review. The Board of Directors determines independence annually in accordance with the Company's independence criteria set forth in the Organizational Regulations. Pursuant to the Company's independence criteria and based on the last assessment performed before the AGM 2025, all members of the Board of Directors are deemed to be independent, except for Abdallah al Obeikan and Laurens Last.

Andreas Umbach is a Swiss and German citizen and has served as Chair since the Initial Public Offering on September 28, 2018 ("**IPO**"). Mr. Umbach has further served as chair of the board of directors of Landis+Gyr Group AG (SIX: LAND) (since 2017), as chair of the supervisory board of Techem Energy Services GmbH (since 2018) and as chair of the board of directors of Schurter Group (since 2023). Mr. Umbach previously served as chair of the board of directors of Rovensa SA (from 2020 to 2023) and as a member of the board of Ascom Holding AG (SIX: ASCN) (from 2010 to 2020 as member, from 2017 to 2019 as chair). He also served as president of the Zug Chamber of Commerce and Industry (from 2016 to 2024). In addition, Mr. Umbach served as a member of the board of directors of WWZ AG (from 2013 to 2020) and as a member of the board of directors of LichtBlick SE (from 2012 to 2016). Furthermore, Mr. Umbach was president and CEO/COO of Landis+Gyr AG (from 2002 to 2017). Prior to that, Mr. Umbach served as president of the Siemens Metering Division within the power transmission and distribution group and held other positions within Siemens. Mr. Umbach holds an MBA from the University of Texas, Austin, USA and an MSc in mechanical engineering (*Diplom-Ingenieur*) from the Technical University of Berlin, Germany.

Werner Bauer is a Swiss and German citizen and has served as a member of the Board of Directors since the IPO. From 2015 until the IPO, he served as an advisory member of the Board for the Company. Mr. Bauer has also served as vice chair of the board of directors of Bertelsmann SE & Co. KGaA (BTG4: FRA) (since 2012) and as chair of the board of trustees of the Bertelsmann Foundation (since 2011). Previously, Mr. Bauer served as member and vice chair of the board of directors of Givaudan SA (SIX: GIVN) (from 2014 to 2023). He further served as a member of the board of directors of Lonza Group AG (SIX: LONN) (from 2013 to 2022), as a member of the advisory board of SIG Combibloc Group (from 2015 to 2018) and as a member of the board of directors of GEA-Group AG (from 2011 to 2018). Prior to that, he served as chair of the board of directors of Nestlé Deutschland AG (from 2005 to 2017) as well as chair of the board of directors of Galderma Pharma SA (from 2011 to 2014). Additionally, Mr. Bauer was executive vice president and head of innovation, technology, research & development at Nestlé SA (SIX: NESN) (from 2007 to 2013), and prior to that he served as executive vice president and head of technical, production, environment, research & development for Nestlé SA and held other positions within Nestlé. Furthermore, Mr. Bauer served as chair of the board of directors of Sofinol S.A. (from 2006 to 2012), as a member of the board of directors of L'Oréal SA (XFRA: LOR) (from 2005 to 2012) and as a member of the board of Alcon Inc. (NYSE: ALC) (from 2002 to 2010). Mr. Bauer holds a diploma and a PhD in chemical engineering from the University of Erlangen-Nürnberg, Germany.

Wah-Hui Chu is a Chinese citizen and has served as a member of the Board of Directors since the IPO. From 2015 until the IPO, he served as an advisory member of the Board for the Company. He is also the founder and chair of iBridge TT International Limited (since 2018) and the founder of M&W Consultants Limited (since 2007). Previously, Mr. Chu served as a member of the board of directors of Mettler Toledo International (NYSE: MTD) (from 2007 to 2023) and as a member of the advisory board of SIG Combibloc Group (from 2015 to 2018). In addition, Mr. Chu served as CEO and as a member of the board of directors of Tingyi Asahi Beverages Holding (from 2013 to 2014) and as executive director and CEO of Next Media Limited (from 2008 to 2011). He also served as a member of the board of directors of Li Ning Company Limited (from 2007 to 2012) and as chair of PepsiCo Investment (China) Limited (from 1998 to 2007, and again from 2012 to 2013). Mr. Chu spent many years as an executive at PepsiCo, serving as non-executive chair of PepsiCo International's Asia region (in 2008) and as president of PepsiCo International – China beverages business unit (from 1998 to 2007). Mr. Chu holds a BSc in agronomy from the University of Minnesota, USA and an MBA from Roosevelt University, USA.

Thomas Dittrich is a Swiss and German citizen and has served as a member of the Board of Directors since April 2024. He currently holds the position of chief financial officer of Galderma Group AG (SIX: GALD) (since 2019). Mr. Dittrich has also served as a member of the board of the Förderverein des Instituts für Finanzdienstleistungen Zug (IFZ) at Lucerne University of Applied Sciences and Arts (since 2022). Prior to this, Mr. Dittrich served as chief financial officer and executive member of the board of directors of Shire plc (LON: SHP) (from 2018 to 2019). He also served as chief financial officer and member of the executive committee, as well as chief executive officer ad interim of Sulzer AG (SIX: SUN) (from 2014 to 2018). In addition, Mr. Dittrich served as vice president, finance corporate planning and chief accounting officer, of Amgen Inc. (NASDAQ: AMGN), and as chief financial officer of Amgen International (from 2006 to 2014). Mr. Dittrich further held various finance and general manager positions at Dell Technologies Inc (NYSE: DELL) (from 1998 to 2006). Mr. Dittrich holds an MSc in mechanical engineering and robotics from Munich Technical University, Germany and a Master's in finance, controlling and accounting from the University of St. Gallen, Switzerland.

Mariel Hoch is a Swiss and German citizen and has served as a member of the Board of Directors since the IPO. Ms. Hoch has been a partner at the Swiss law firm Bär & Karrer since 2012. She has further served as a member and vice chair of the board of directors of Comet Holding AG (SIX: COTN) (since 2016), where she also chairs the nomination and compensation committee. Furthermore, she has served as a member of the board of directors of Komax Holding AG (SIX: KOMN) (since 2019), where she also serves as a member of the audit committee, and has further served as a member of the board of directors of MEXAB AG (since 2014). Additionally, she has also served as a member of the foundation board of The Schörling Foundation (since 2013), as a member of the foundation board of the Irene M Staehelin Foundation (since 2020), as a member of the Law and Economics Foundation St. Gallen (since 2020), and as a member of the foundation board of the Orpheum Foundation (since 2023). Previously, Ms. Hoch served as a member of the board of directors of Adunic AG (from 2015 to 2018). Ms. Hoch also served as co-chair of the Zurich Committee of Human Rights Watch (from 2017 to 2021). Ms. Hoch was admitted to the Zurich bar in 2005 and holds a law degree and a PhD from the University of Zurich, Switzerland.

Florence Jeantet is a French citizen and has served as a member of the Board of Directors since April 2023. She has further served as a member of the Association des Conseillers du Commerce Exterieure de la France (since 2013), where she has served in various functions including as chair of the Ethics Committee (*Comité d'Éthique*) (since 2021 as member, since 2024 as chair) and previously as chair of the national Dutch Committee (*Comité des Pays Bas*) (from 2017 to 2021). Ms. Jeantet has further served as a member of the board of directors of Mérieux NutriSciences (since 2024). Additionally, she has served as official representative (*chef d'exploitation*) of SCEA La Calmontaise (since 2023) and has acted as an independent advisor in the field of ESG/sustainability. Prior to that, Ms. Jeantet was with Danone SA (XPAR.: BN) (from 2004 to 2023), where she held various leadership positions including SVP-OP2B general manager, SVP Danone 2025 & health mission, chief growth officer, Danone worldwide business unit early life nutrition, vice president medical, quality and R&D, Danone early life nutrition, vice president, R&D, Danone baby nutrition, vice president, R&D, Danone waters division and ultimately senior vice president, chief sustainability officer. Before that, Ms. Jeantet held various leadership positions at Unilever NV (XAMS: UNAT) in France, the Netherlands, and Russia (from 1991 to 2004). Ms. Jeantet holds a Master's in food science and technology engineering from Polytech Montpellier, France. Ms. Jeantet further holds a Certificate d'Administrateur de Sociétés from Sciences Po-IFA, Paris, France, as well as a European Board Diploma from ecoDa/ICGN, France/UK. She also completed the Women on Boards Program at Harvard Business School, USA. She was further awarded the title of Knight of the Order of Merit in France.

Laurens Last is a Dutch citizen and has served as a member of the Board of Directors since April 2022. Mr. Last has also served as a member of the board of TSAL Family Office B.V. (since 2023), as a member of the board of Lorenzo Marine Ltd. (since 2023), and as a member of the board of Roque Marine Ltd. (since 2023). He previously served as a member of the board of Clean Holding B.V. (from 2019 to 2023), as a member of the board of TSAL Holding NV (from 2015 to 2023), and as a member of the board of Clean Cycle Investments BV (from 2021 to 2023). Furthermore, he founded and served as CEO of International Packaging Network (IPN) (from 1994 to 2014) and served as chair and member of the board of Scholle IPN (from 2014 to 2022). Before pursuing his entrepreneurial ventures, Mr. Last studied at HEAO Business School in the Netherlands.

Abdallah al Obeikan is a Saudi Arabian citizen and has served as a member of the Board of Directors since April 2021. Mr. al Obeikan has also served as a member of the board of directors of Arabian Shield Cooperative Insurance Company (TADAWUL: 8070) (since 2012) and as a member of the board of directors and CEO of the Obeikan Investment Group (OIG) (since 2000). In addition, Mr. al Obeikan has served as chair of Obeikan AGC Glass Company (TADAWUL: OBEIKAN GLASS) (since 2011), as chair of Riyadh Polytechnic Institute (since 2009), as member of the board of directors of National Water Company (since 2018), and as chairman of the Riyadh Chamber of Commerce (since 2024). Prior to that, Mr. al Obeikan served as member of the board of directors of Social Development Bank (from 2017 to 2022). Furthermore, he served as CEO of the SIG Combibloc Obeikan joint venture companies (from 2000 to 2021). Mr. al Obeikan holds a BSc in electrical engineering from King Saud University, Riyadh, K.S.A.

Martine Snels is a Belgian citizen and has served as a member of the Board of Directors since April 2021. Ms. Snels has also served as a member of the supervisory board of Prodrive Technologies (since 2023) and as a member of the board of directors of Electrolux Professional AB (XSTO: EPRO B) (since 2019). In addition, Ms. Snels is the founder and CEO of L'Advance BV (since 2020) and has served as a member of the advisory board (Beiratsmitglied) of Zentis Fruchtwelt GmbH & Co. KG (since 2021). Previously, Ms. Snels served as a member of the supervisory board of URUS Group LLC (from 2021 to 2023). She also served as a member of the supervisory board of VION Food Group NV (from 2020 to 2022) and as a member of the board of directors of Resilux NV (from 2019 to 2022). Prior to that, she served as a member of the executive board of GEA Group AG (from 2017 to 2020) and held various leadership roles at Royal Friesland Campina NV (from 2012 to 2017), including member of the executive board as C.O.O. Ingredients (from 2015 to 2017), Nutreco NV (from 2003 to 2012) and Kemin Industries (from 1996 to 2003). Ms. Snels holds an MSc in agricultural engineering from K.U. Leuven, Belgium.

Matthias Währen is a Swiss citizen and has served as a member of the Board of Directors since the IPO. Mr. Währen has further served as a member of the board of trustees of the HBM Foundation (since 2018). Prior to that, Mr. Währen served as a member of the board of directors of Bloom Biorenewables SA (from 2020 to 2024) and as a member of the board of trustees of the Givaudan Foundation (from 2013 to 2024). Mr. Währen further served as a member of the board of directors of Keto Swiss AG (from 2020 to 2023), as a member of the board of directors of ph. AG (from 2020 to 2023), and as a member of the regulatory board of SIX Swiss Exchange (from 2006 to 2017). Furthermore, he served as a member of the board of scienceindustries (from 2009 to 2017), as a member of the board of SwissHoldings (from 2015 to 2017) and as a member of the board of directors of various subsidiaries of Givaudan SA (XSWX: GIVN) (from 2005 to 2019). He also served as CFO and as a member of the executive committee of Givaudan SA (from 2005 to 2017). Prior to that, he served as the global head of finance and informatics of the Roche vitamin division and held a variety of other positions at Roche (XSWX:RO) (from 1983 to 2004), including vice president finance and informatics at Roche USA, Nutley, New Jersey, head of finance and information technology at Nippon Roche, Tokyo, Japan, and finance director of Roche Korea. Mr. Währen holds a Master's in economics from the University of Basel, Switzerland.

As of December 31, 2024, other than with respect to Laurens Last, there are no material business relationships of any Board member with the Company or with any subsidiary or joint venture company. With respect to Laurens Last, a contingent consideration may be payable to Clean Holding B.V., a company ultimately controlled by Laurens Last, in three annual installments of up to USD 100 million per year for the years ended December 31, 2023 and 2024 and the year ending December 31, 2025 as part of the consideration for the acquisition of Scholle IPN, contingent upon Scholle IPN outperforming the top end of SIG's mid-term growth guidance of 4–6% per year in the respective years. Any earn-out payments for growth rates ranging from 6-11.5% per year are subject to a pre-agreed ratchet structure. The Group has also entered into a transitional service agreement in relation to an entity controlled by Laurens Last that was not part of the acquisition of Scholle IPN.

The Company aims to have a well-balanced Board of Directors with individuals who bring a variety of perspectives, backgrounds, and skills, and who apply them to permit the Board of Directors to offer informed stewardship. The Board skill matrix below summarizes the current set of skills/traits grouped into 13 categories:

Board skill matrix

	Board member									
Qualifications and experience	Andreas Umbach	Werner Bauer	Wah-Hui Chu	Thomas Dittrich	Mariel Hoch	Florence Jeantet	Laurens Last	Abdallah al Obeikan	Martine Snels	Matthias Währen
Customer: fast moving consumer goods (FMCG)		●	●	○		●	○	●	●	○
Sector: packaging industry	○	●	●		○	●	●	●	●	○
Financial proficiency	●	○	○	●	○	○	○	●	○	●
Enterprise risk management	○	○	○	●	●	○	○	○	○	●
Leadership, incl. human capital development	●	●	●	●	○	●	●	●	●	○
Growth: strategy and business development / entrepreneurial	●	●	●	●	○	●	●	●	●	○
Technology and innovation management	●	●	○	○		●	●	●	●	
Operational excellence (incl. quality management, supply chain)	●	●	○	●		●	○	●	●	
Digitalisation, incl. cybersecurity	○	○	○	○		○		●	○	○
Environmental, social and governance (ESG)	○	○	○	○	○	●	○	○	○	○
International & global perspective	●	●	●	●	○	●	●	●	●	●
Mergers and acquisitions, integrations	●	○	○	●	●	○	●	○	○	○
Legal & regulatory affairs	○	○	○	○	●	○	○	○	○	○
Independence	▲	▲	▲	▲	▲	▲			▲	▲

● Expert/very experienced ○ Proficient/relevant experience ▲ Independent

3.2 Number of permissible activities

In the interest of good governance, art. 28 para. 1 of the Articles of Association limits the number of outside mandates of the members of our Board as follows:

i. up to four mandates in listed firms; and
ii. up to ten mandates in non-listed firms.[1]

Such a mandate is deemed to be any activity in superior governing or administrative bodies of legal entities that are required to be registered in the commercial register or any comparable foreign register, other than the Company and any entity controlled by or controlling the Company. The Board of Directors shall ensure that such activities do not conflict with the exercise of their duties for the Group. Functions in various legal entities that are under joint control, or in entities in which this legal entity has a material interest, are counted as one function.

3.3 Election and term of office

The members of the Board of Directors are elected individually each year by the Annual General Meeting of the Company for a term of office of one year and can be re-elected. The Chair of the Board of Directors is also elected each year by the Annual General Meeting for a period of office of one year. There is no limit on the term in office. The initial election year of each Board member is shown in the table in section 3.1.

3.4 Internal organization – division of roles within the Board of Directors and working methods

The Board of Directors represents the Company vis-à-vis third parties and attends to all matters which have not been delegated to or reserved for another corporate body of the Company. The Chair convenes meetings of the Board of Directors as often as the Group's business requires, but at least four times a year. The Chair prepares the meetings, draws up the agenda, and chairs the meetings. Any member of the Board can ask for a meeting to be convened and for the inclusion of an item on the agenda. In order to pass resolutions, not less than a majority of the Board members must be attending the meeting. Except as required by mandatory law, the Board will adopt resolutions by a simple majority of the votes cast. In case of a tie, the Chair has no casting vote. Board resolutions may also be passed in writing by way of circular resolution, provided that no member of the Board of Directors requests oral deliberation (in writing, including by email) of the Chair or the secretary. Board resolutions by means of a written resolution require the affirmative vote of a majority of all the members of the Board.

4 Committees

The Board of Directors may delegate the preparation and execution of its decisions to Committees or to its individual members. The Board of Directors has appointed four standing Committees: the Audit and Risk Committee, the Compensation Committee, the Nomination and Governance Committee, and the Technology and Innovation Committee. For each of the Committees, the Board of Directors elects a chair from the members of the Board of Directors. The period of office of all Committee members is one year. Re-election is possible.

Subject to the provisions of the Articles of Association[2] and the Committee charters, the Audit and Risk Committee, the Compensation Committee, and the Technology and Innovation Committee shall generally comprise three or more members of the Board of Directors. The Nomination and Governance Committee shall generally comprise two or more members of the Board of Directors.

4.1 Compensation Committee

As required by Swiss law, the members of the Compensation Committee are elected each year by the Annual General Meeting. As of December 31, 2024, the members of the Compensation Committee were Werner Bauer (chair), Wah-Hui Chu and Matthias Währen.

Meetings of the Compensation Committee are held as often as required, but in any event at least three times a year, or as requested by any of its members.

The members of the Compensation Committee shall be non-executive and independent, and a majority of the members of the Compensation Committee, including its chair, should be experienced in the areas of succession planning and performance evaluation, as well as the compensation of members of boards of directors and executive management boards.

The Compensation Committee shall assist the Board in fulfilling its responsibilities relating to the compensation of the members of the Board of Directors and the Group Executive Board. The Compensation Committee's responsibilities include:

- issuance and review of the compensation policy and the performance criteria, and periodic review of the implementation and submission of suggestions and recommendations to the Board, including as regards compliance with applicable laws;
- preparation of the Board of Directors' proposals to the Annual General Meeting regarding the compensation of the Board of Directors and the Group Executive Board;
- review of the principles and design of compensation plans, long-term incentive and equity plans, pension arrangements and further benefits for the Group Executive Board, including review of the contractual terms of the members of the Group Executive Board and submission of adjustments to the Board of Directors for approval;
- for each performance period, preparation of the decisions for the Board of Directors regarding the compensation of the members of the Board of Directors and the Group Executive Board, including the breakdown of compensation elements (within the amount approved by the Annual General Meeting);
- submission of suggestions to the Board of Directors regarding the recipients of performance-related and/or long-term incentive compensation, and submission of suggestions to the Board of Directors regarding the definition of the annual or other targets for performance-related and/or long-term incentive compensation; and
- review of the Compensation Report and submission to the Board of Directors for approval.

The Board of Directors may entrust the Compensation Committee with additional duties in related matters. The Compensation Committee is required to report its activities to the Board of Directors on a regular basis and to make recommendations and propose appropriate measures to the Board of Directors.[3]

1 Pursuant to art. 727 para. 1 number 1 CO.
2 https://www.sig.biz/investors/en/governance/articles-of-association
3 The organisation and responsibilities of the Compensation Committee are stipulated in the Articles of Association (art. 21).

4.2 Audit and Risk Committee

The members and the chair of the Audit and Risk Committee are appointed by the Board of Directors. As of December 31, 2024, the members of the Audit and Risk Committee were Matthias Währen (chair), Thomas Dittrich, Mariel Hoch, Florence Jeantet and Martine Snels.

Meetings of the Audit and Risk Committee are held as often as required, but in any event at least four times a year, or as requested by any of its members.

The members of the Audit and Risk Committee shall be non-executive and independent, and a majority of the members of the Audit and Risk Committee, including its chair, must be experienced in financial and accounting matters.

The Audit and Risk Committee: (i) assists the Board in fulfilling its supervisory responsibilities with respect to (a) the integrity of the Company's financial statements and financial reporting process, (b) the Company's compliance with legal, regulatory and compliance requirements, (c) the system of internal controls, and (d) the audit process; (ii) monitors the performance of the Company's internal auditors and the performance, qualification and independence of the Company's independent auditors; and (iii) considers the proper assessment and professional management of risks by supervising the Company's risk management system and processes.

The responsibilities of the Audit and Risk Committee include, in particular, reviewing and discussing with the CFO and, both together with the CFO and separately, with the auditors the Company's annual and semi-annual and quarterly (if quarterly financial statements are prepared) financial statements and reports intended for publication, as well as any other financial statements intended for publication. The Audit and Risk Committee also recommends the annual financial statements for approval by the Board of Directors for submission to the Annual General Meeting, recommends the semi-annual financial statements for approval by the Board of Directors and approves quarterly (if quarterly financial statements are prepared) financial statements for publication. In addition, the Audit and Risk Committee discusses with the CFO and the auditors significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's accounting policies, the selection and disclosure of significant accounting estimates, and the effect of alternative assumptions, estimates or accounting policies on the Company's financial statements.

The Audit and Risk Committee also reviews and discusses with management and, to the extent applicable and relevant, with the Group's assurance providers, the Group's sustainability reports. In this context, it also recommends the sustainability reports for approval by the Board of Directors and, with respect to the statutory non-financial matter reporting pursuant to art. 964a et seq. CO, for submission to the Annual General Meeting for approval by the Company's shareholders.

In connection with the risk management of the Company, the Audit and Risk Committee discusses with the CFO and, if appropriate, the Group General Counsel any legal matters (including the status of pending or threatened litigation) that may have a material impact on the Company's business or financial statements and any material reports or inquiries from regulatory or governmental agencies that could materially impact the Company's business or contingent liabilities and risks. Its members periodically review the Company's policies and procedures designed to secure compliance with laws, regulations, and internal rules regarding insider information, confidentiality, bribery and corruption, sanctions, and adherence to ethical standards, and assess the effectiveness thereof. The Audit and Risk Committee obtains and reviews reports submitted at least annually by the Group General Counsel and any other persons the committee has designated as being responsible for assuring the Company's compliance with laws and regulations. In this context, it informs the Board at least annually about the most significant risks for the Company and the Group, and how such risks are managed or mitigated.

The Board of Directors may entrust the Audit and Risk Committee with additional duties in financial matters. In discharging its responsibilities, the Audit and Risk Committee has unrestricted and direct access to all relevant information in relation to the Company and the Group. The Audit and Risk Committee ensures that it is informed by the independent auditors on a regular basis. The Audit and Risk Committee is required to report its activities to the Board of Directors on a regular basis and to make recommendations and propose appropriate measures to the Board of Directors.

4.3 Nomination and Governance Committee

The members and the chair of the Nomination and Governance Committee are appointed by the Board of Directors. As of December 31, 2024, the members were Mariel Hoch (chair), Werner Bauer, Florence Jeantet, and Martine Snels.

Meetings of the Nomination and Governance Committee are held as often as required, but in any event at least two times a year, or as requested by any of its members.

The majority of the members of the Nomination and Governance Committee shall be non-executive, and a majority of the members of the Nomination and Governance Committee, including its chair, must be experienced in nomination of members of boards of directors and executive management boards and in corporate governance matters.

The Nomination and Governance Committee assists the Board of Directors in fulfilling its responsibilities and discharging the Board's responsibility to (i) establish and maintain a process relating to nomination of the members of the Board and the Group Executive Board, and (ii) establish sound practices in corporate governance across the Group. Its responsibilities include assisting the Board in identifying individuals who are qualified to become members of the Board or qualified to become CEO when vacancies arise and, in consultation with the CEO, members of the Group Executive Board. Furthermore, the Nomination and Governance Committee reviews the performance of each current member of the Board of Directors, the CEO and each of the other members of the Group Executive Board. It also provides recommendations to the Board of Directors as to how the Board's performance can be improved.

The Nomination and Governance Committee also develops and makes recommendations to the Board of Directors regarding corporate governance matters and practices, including the effectiveness of the Board of Directors, its Committees, and individual directors. It also oversees the Company's strategy and governance in relation to corporate responsibility for environmental, social, and governance (ESG) matters, in particular regarding key issues that may affect the Company's business and reputation. In doing so, the Nomination and Governance Committee may consult with the Responsibility Advisory Group, which consists of external ESG experts and was established to support the Group Executive Board with the development of SIG's Way Beyond Good approach by providing an external perspective.

The Board of Directors may entrust the Nomination and Governance Committee with additional duties in related matters. The Nomination and Governance Committee is required to report its activities to the Board of Directors on a regular basis and to make recommendations and propose appropriate measures to the Board of Directors.

4.4 Technology and Innovation Committee

The Technology and Innovation Committee was established on April 23, 2024, following the AGM 2024. The members and the chair of the Technology and Innovation Committee are appointed by the Board of Directors. As of December 31, 2024, the members of the Technology and Innovation Committee were Abdallah al Obeikan (chair), Werner Bauer, Florence Jeantet, Laurens Last and Martine Snels.

Meetings of the Technology and Innovation Committee are held as often as required, but in any event at least twice a year, or as requested by any of its members.

The majority of the members of the Technology and Innovation Committee shall be non-executive and independent, and the members must possess the necessary knowledge, experience, and time to effectively fulfill the Technology and Innovation Committee's responsibilities.

While the decision-making power remains with the Board, the Technology and Innovation Committee assists the Board of Directors in overseeing the Company's strategy and performance with respect to technology and innovation. Its responsibilities include (i) providing strategic guidance on the Group's technology, digital and innovation initiatives, (ii) monitoring innovative technology projects within the Group's market environment that could represent significant long-term business opportunities, and (iii) encouraging the implementation of the established strategy of the Group regarding technological development by supporting management in driving innovation projects both within and outside of the Group. Additionally, the Technology and Innovation Committee advises the Board on emerging trends, opportunities, and challenges in the fields of technology and innovation relevant to the Group's business and stakeholders. The Technology and Innovation Committee further ensures that the Group leverages its technological capabilities to create sustainable value for shareholders and other stakeholders.

The Technology and Innovation Committee is required to report its activities to the Board of Directors regularly, providing recommendations and proposing appropriate measures to support the Company's technology and innovation strategy.

5 Frequency of meetings of the Board of Directors and its Committees

The Chair convenes meetings of the Board of Directors as often as the Group's business requires, but at least four times a year, and whenever a member of the Board or the CEO requests a meeting of the Board indicating the reasons for such meeting in writing.

The Board of Directors usually convenes four full-day ordinary meetings as well as an annual two day joint strategy meeting with the Group Executive Board. The task at these meetings is to analyze the positioning of the Group in the light of the current macroeconomic and competitive environment, and to review and, if necessary, redefine the strategic orientation.

In the period under review, the Board held seven ordinary meetings, of which (i) six were in-person meetings, including one strategy meeting lasting two full days, and (ii) one was a virtual meeting. In addition, the Board held four extraordinary virtual meetings. All Board members participated in all Board meetings except one Board member missing one Board meeting, resulting in an attendance rate of 99.06% in the period under review. Furthermore, the Board held one mandatory regulatory compliance training session. Attendance at the Board meetings in 2024 can be summarized as follows:

Meetings of the Board of Directors, January 1, 2024 to December 31, 2024

Dates	Feb 15, 2024	Feb 22, 2024	Apr 22, 2024	Apr 23, 2024	May 21/22, 2024	Jun 26, 2024	Jul 25, 2024	Aug 30, 2024	Sept 10/11, 2024	Oct 21, 2024	Dec 11, 2024
Andreas Umbach	●	●	●	●	●	●	●	●	●	●	●
Werner Bauer	●	●	●	●	●	●	●	●	●	●	●
Wah-Hui Chu	●	●	●	●	●	●	●	●	●	●	●
Thomas Dittrich	n/a[1]	n/a[1]	n/a[1]	excused	●	●	●	●	●	●	●
Mariel Hoch	●	●	●	●	●	●	●	●	●	●	●
Florence Jeantet	●	●	●	●	●	●	●	●	●	●	●
Laurens Last	●	●	●	●	●	●	●	n/a[2]	●	●	●
Abdallah al Obeikan	●	●	●	●	●	●	●	●	●	●	●
Martine Snels	●	●	●	●	●	●	●	●	●	●	●
Matthias Währen	●	●	●	●	●	●	●	●	●	●	●

1 Thomas Dittrich was elected at the AGM 2024.
2 Not in attendance due to conflict of interest.

For the period under review, the Compensation Committee held five ordinary meetings with an average duration of approximately three hours, of which three were in-person meetings and two were virtual meetings. Furthermore, the Compensation Committee held two extraordinary virtual meetings with an average duration of approximately one hour. All Compensation Committee members participated in all meetings, except one Compensation Committee member missing one Compensation Committee meeting, resulting in an attendance rate of 95.65%.

Meetings of the Compensation Committee, January 1, 2024 to December 31, 2024

Dates	Jan 25, 2024	Feb 21, 2024	Jun 21, 2024	Aug 13, 2024	Aug 18, 2024	Sept 09, 2024	Dec 10, 2024
Werner Bauer	n/a[1]	n/a[1]	●	●	●	●	●
Wah-Hui Chu	●	●	excused	●	●	●	●
Mariel Hoch	●	●	n/a[2]	n/a[2]	n/a[2]	n/a[2]	n/a[2]
Matthias Währen	●	●	●	●	●	●	●

The Nomination and Governance Committee held three ordinary meetings with an average duration of approximately three hours, all of which were in-person meetings. Furthermore, the Nomination and Governance Committee held 19 extraordinary meetings with an average duration of approximately one hour, all of which were virtual meetings. The Nomination and Governance Committee meetings had an attendance rate of 98.86%.

Meetings of the Nomination and Governance Committee, January 1, 2024 to December 31, 2024

Dates	Feb 20, 2024	Feb 27, 2024	May 16, 2024	Jun 25, 2024	Jul 16, 2024	Jul 26, 2024	Aug 02, 2024	Aug 09, 2024	Aug 13, 2024	Aug 18, 2024	Aug 29, 2024
Werner Bauer	●	●	●	●	●	●	●	●	●	●	●
Wah-Hui Chu	●	●	n/a[3]	n/a[3]	n/a[3]	n/a[3]	n/a[3]	n/a[3]	n/a[3]	n/a[3]	n/a[3]
Mariel Hoch	n/a[4]	n/a[4]	●	●	●	●	●	●	●	●	●
Florence Jeantet	n/a[5]	n/a[5]	●	●	●	●	●	●	●	●	●
Martine Snels	●	●	●	●	●	●	●	●	●	●	●
Andreas Umbach	●	●	n/a[6]	n/a[6]	n/a[6]	n/a[6]	n/a[6]	n/a[6]	n/a[6]	n/a[6]	n/a[6]

1 Werner Bauer served as member since the AGM 2024.
2 Mariel Hoch served as member until the AGM 2024.
3 Wah-Hui Chu served as member until the AGM 2024.
4 Mariel Hoch served as member since the AGM 2024.
5 Florence Jeantet served as member since the AGM 2024.
6 Andreas Umbach served as member until the AGM 2024.

Meetings of the Nomination and Governance Committee, January 1, 2024 to December 31, 2024 – *continued*

Dates	Sep 02, 2024	Sep 03, 2024	Sep 11, 2024	Sep 27, 2024	Oct 11, 2024	Oct 20, 2024	Nov 19, 2024	Nov 25, 2024	Dec 04, 2024	Dec 09, 2024	Dec 20, 2024
Werner Bauer	●	●	●	●	●	●	●	●	●	●	●
Wah-Hui Chu	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]
Mariel Hoch	●	●	●	●	●	●	●	●	●	●	●
Florence Jeantet	●	●	●	●	●	●	●	●	●	●	●
Martine Snels	●	●	●	excused	●	●	●	●	●	●	●
Andreas Umbach	n/a[2]	n/a[2]	n/a[2]	n/a[2]	n/a[2]	n/a[2]	n/a[2]	n/a[2]	n/a[2]	n/a[2]	n/a[2]

The Audit and Risk Committee held five ordinary meetings with an average duration of approximately three hours, of which three were in-person meetings and two were virtual meetings. Furthermore, the Audit and Risk Committee held one extraordinary virtual meeting with a duration of approximately three hours. All Audit and Risk Committee members participated in all meetings, resulting in an attendance rate of 100%. The five ordinary meetings of the Audit and Risk Committee were partially attended by the external auditors.

Meetings of the Audit and Risk Committee, January 1, 2024 to December 31, 2024

Dates	Feb 21, 2024	Apr 26, 2024	Jul 24, 2024	Oct 24, 2024	Nov 26, 2024	Dec 10, 2024
Werner Bauer	●	n/a[3]	n/a[3]	n/a[3]	n/a[3]	n/a[3]
Thomas Dittrich	n/a[4]	●	●	●	●	●
Mariel Hoch	●	●	●	●	●	●
Florence Jeantet	n/a[5]	●	●	●	●	●
Martine Snels	●	●	●	●	●	●
Matthias Währen	●	●	●	●	●	●

1 Wah-Hui Chu served as member until the AGM 2024.
2 Andreas Umbach served as member until the AGM 2024.
3 Werner Bauer served as member until the AGM 2024.
4 Thomas Dittrich served as member since the AGM 2024.
5 Florence Jeantet served as member since the AGM 2024.

The Technology and Innovation Committee held two ordinary meetings with an average duration of approximately four hours, both of which were in-person meetings. The Technology and Innovation Committee held no extraordinary meetings. All Technology and Innovation Committee members participated in all meetings, resulting in an attendance rate of 100%.

Meetings of the Technology and Innovation Committee, January 1, 2024 to December 31, 2024

Dates	May 24, 2024	Dec 12, 2024
Werner Bauer	●	●
Florence Jeantet	●	●
Laurens Last	●	●
Abdallah al Obeikan	●	●
Martine Snels	●	●

With the exception of certain directors-only sessions, the Board meetings were usually attended by the CEO and other members of the Group Executive Board and other representatives of senior management. Some meetings of the Board of Directors were partially attended by external advisers. Meetings of the Audit and Risk Committee were attended by the CEO, the CFO and the Group General Counsel & Chief Compliance Officer. Meetings of the Compensation Committee were regularly attended by an external adviser to the Compensation Committee, the CEO, the Chief People & Culture Officer, the Group's Global Compensation and Benefits Manager and the Company Secretary. The Nomination and Governance Committee meetings were regularly attended by the CEO and by the Company Secretary. Meetings of the Technology and Innovation Committee were attended by the CEO, the CTO and other representatives of senior management.

6 Areas of responsibility

The Board, acting collectively, has the ultimate responsibility for the conduct of business of the Company and for delivering sustainable shareholder and stakeholder value. The Board sets the Company's strategic aims, ensures that the necessary financial and human resources are in place to meet the Company's objectives, and supervises and controls the management of the Company. Further, the Board monitors progress of previously defined strategic initiatives and priorities. In addition, the Board is also responsible for maintaining a corporate culture with high ethical standards which emphasizes the integrity of the Group and its employees. It may take decisions on all matters that are not expressly reserved to the shareholders' meeting or to another corporate body by law, by the Articles of Association or by the Organizational Regulations. The Board's non-transferable and irrevocable duties, as set out in the CO and art. 19 para. 4 of the Articles of Association, include:[1]

- the supreme managerial responsibility for the Company and for issuing the necessary directives;
- determining the Company organization;
- the overall structure of the accounting system, financial control and financial planning;
- the appointment and dismissal of those persons responsible for the conduct of business and for representing the Company, the regulation of signatory authorities and the determination of their other authorities;
- the supervision of those persons responsible for the conduct of business, especially in terms of their compliance with the law, with the Articles of Association and with regulations and directives;
- the production of the Annual Report and of the Compensation Report, and the preparation of the General Meeting and the implementation of its resolutions;
- all decisions relating to the subsequent paying-in of non-fully-paid-up shares;
- all decisions relating to capital increases and the consequent amendments to the Articles of Association;
- filing an application for a debt restructuring moratorium and notifying the court in the event that the Company is overindebted;
- all other non-transferable and inalienable responsibilities attributed to the Board of Directors by law or these Articles of Association.

In addition, Swiss law and the Organizational Regulations reserve to the Board the following powers, among others:

- to determine the overall business strategy, taking into account the information, proposals, and alternatives presented by the CEO;
- to set financial objectives and approve, via the budget and financial planning process, the necessary means to achieve these objectives, including approving a capital allocation framework;
- to decide on the Group entering into substantial new business areas or exiting from a substantial existing business area, insofar as this is not covered by the current approved strategic framework;
- to appoint and remove the CEO and the other members of the Group Executive Board;
- to set the risk profile and the risk capacities of the Group; and
- to approve all matters and business decisions where such decisions exceed the authority delegated by the Board to its Committees, the CEO, or the Group Executive Board.

The Board of Directors has delegated the operational management of the Company and the Group to the Group Executive Board headed by the CEO, subject to the duties and powers reserved to the Board by Swiss law, the Articles of Association, and the Organizational Regulations. The Group Executive Board is responsible for implementing and achieving the Company's corporate objectives, and for the management and control of all Group companies.[2] The Group Executive Board is directly supervised by the Board of Directors and its Committees.

Pursuant to the Organizational Regulations, the CEO is appointed by the Board of Directors on recommendation of the Nomination and Governance Committee and may be removed by the Board of Directors. The other members of the Group Executive Board are appointed by the Board of Directors on the recommendation of the Nomination and Governance Committee in consultation with the CEO and may be removed by the Board of Directors.

7 Information and control instruments vis-à-vis the Group Executive Board

The Board of Directors supervises the Group Executive Board and uses reporting and controlling processes to monitor its operating methods. At each of its meetings, the Board of Directors is informed by the CEO, or by another member of the Group Executive Board, of the current business and significant events. At these meetings, members of the Board of Directors may ask other members of the Board of Directors or the CEO to provide information about the Group that they require in order to carry out their duties. The Chair has regular interaction with the CEO between Board meetings. The course of business and all major issues of corporate relevance are discussed at least once a month. Executive management provides monthly reports to the Board regarding the financial and operational performance of the business. All members of the Board of Directors are notified immediately of any exceptional occurrences.

The Head of Internal Audit, the General Counsel and auditing bodies assist the Board of Directors in carrying out its controlling and supervisory duties. In addition, the Committees monitor the performance of the Group Executive Board. The scope of this remit is agreed with the Board of Directors.

The Committees regularly receive information in the form of Group reports relevant to their needs. These reports are typically discussed in depth at regular meetings of the Committees involved. The Group Executive Board defines and evaluates the Group's most significant risks based on a coordinated and consistent approach to risk management and control. Based on a list of the most important risks, the Group Executive Board establishes a list of measures to prevent and mitigate potential loss and damage. The list is presented to the Audit and Risk Committee at least annually. After review and discussion, the Audit and Risk Committee informs the Board of Directors, which directs the Group Executive Board to ensure that the measures are put into practice.

In addition, the Board of Directors is supported by Internal Audit. The Audit and Risk Committee reviews and discusses with the Head of Internal Audit material matters arising in internal audit reports provided to the Audit and Risk Committee. Internal Audit has an unrestricted right to demand information and examine the records of all Group companies and departments. In addition, after consultation with the Audit and Risk Committee, the Group Executive Board may ask Internal Audit to carry out special investigations above and beyond its usual remit. The Head of Internal Audit submits a report to the Audit and Risk Committee at least annually. The Audit and Risk Committee is responsible for reviewing and discussing such reports, the internal audit plan for the Company and budgeted resources for Internal Audit.

1 A detailed description of these responsibilities and duties of the Board of Directors, its Committees, and the Group Executive Board can be found in the Articles of Association (https://www.sig.biz/investors/en/governance/articles-of-association) and the Organizational Regulations (https://www.sig.biz/investors/en/governance/organizational-regulations).

2 The Group Executive Board exercises those duties which the Board of Directors has delegated to the management in accordance with the Company's Organizational Regulations and Swiss law.

SIG Group has risk management systems in place at all its Group companies. Potential risks are reviewed periodically and significant risks to which the Company is exposed are identified and assessed for probability of occurrence and impact. Action to manage and contain these risks is approved by the Board of Directors.

8 Group Executive Board

8.1 Members of the Group Executive Board

The Group Executive Board is headed by the CEO and comprises nine members, specifically the CEO, the CFO, the CTO, the CSO, the CMO, the President and General Manager Europe, the President and General Manager Asia Pacific, the President and General Manager Americas and the President and General Manager IMEA.

On October 2, 2024, the Company announced the appointment of Fabio Grazioli as CSO and a member of the Group Executive Board, effective November 15, 2024. Since the departure of former CSO Ian Wood, effective as of December 31, 2023, Henrik Wagner, Vice President Global Sourcing & Procurement, and Rodrigo Steinvorth, Vice President Global Production & CIS, had co-led the CSO function *ad interim*.

The Group Executive Board comprised the following members on December 31, 2024:

Name	Nationality	Position
Samuel Sigrist	Swiss	CEO
Ann-Kristin Erkens	German	CFO
Fabio Grazioli	Italian	CSO
Gavin Steiner	Swiss and South African	CTO
Christoph Wegener	German	CMO
Abdelghany Eladib	Egyptian	President and General Manager IMEA
Angela Lu	Singaporean	President and General Manager Asia Pacific
José Matthijsse	Dutch	President and General Manager Europe
Ricardo Rodriguez	Brazilian and Spanish	President and General Manager Americas

The biographies on the following pages provide information about the Group Executive Board members in office on December 31, 2024.

Samuel Sigrist is a Swiss citizen and has served as CEO since 2021. Prior to that, he served as CFO of the Company (from 2017 to 2021). Mr. Sigrist joined the Company in 2005 and held various roles in finance and corporate developments, including Director of Group Controlling and Reporting, Head of Finance/CFO of Europe, and Head of Group Projects. He also served as the Company's President and General Manager Europe (from 2013 to 2017). Prior to joining the Company, Mr. Sigrist worked as a consultant. Mr. Sigrist holds a Bachelor's in business administration from the Zurich University of Applied Sciences, Switzerland, an MBA from the University of Toronto, Canada, and a Global Executive MBA from the University of St. Gallen, Switzerland.

Ann-Kristin Erkens is a German citizen and joined SIG in November 2023 as CFO. She has also served as a member of the supervisory board of Schott Pharma AG & Co KGaA (since 2023). Prior to that, Ms. Erkens spent 21 years at Henkel AG & Co KGaA (from 2002 to 2023), where she held various roles. In addition to her role as financial director of adhesives technologies, she was responsible for global operations and supply chain adhesive technologies with more than 100 factories worldwide (from 2019 to 2023, and for the Europe region as of 2023). Prior to that, she served as financial commercial director for the packaging adhesives business for the India, Middle East, and Africa region. Within the broader Henkel Group, she previously served as corporate director of group strategy. Ms. Erkens holds a degree in business management and industrial engineering from the University of Applied Sciences, Wedel, Germany, and an MSc in operations management from the University of Buckingham, UK.

Fabio Grazioli is an Italian citizen and joined SIG in November 2024 as CSO. Prior to joining the Company, Mr. Grazioli served as vice president supply chain, procurement, E2E cost leadership and CTO – EMEA at Haier Group (from 2022 to 2024). Before that, he gained over a decade of experience in the home appliances sector, having held various senior leadership roles at BSH Home Appliances (Bosch) (from 2018 to 2022) and at Whirlpool (from 2012 to 2018). Before that, Mr. Grazioli gained experience at Otis Elevator (from 2004 to 2012) and at SC Johnson (from 2002 to 2004). Mr. Grazioli holds a degree in management and production engineering from Politecnico di Milano, Italy.

Gavin Steiner is a Swiss and South African citizen and joined SIG in 2023 as CTO. Prior to joining the Company, Mr. Steiner spent 28 years at Nestlé, where he served as vice president global R&D packaging and technology (from 2018 to 2023). Before that, he served as operations and technical director for the Eastern Southern Africa region, global confectionary R&D manager and operations director for South Korea. Mr. Steiner has many years of international experience in senior R&D, production and innovation roles covering a wide range of food quality and safety systems. Mr. Steiner holds a BSc in microbiology and biochemistry from the University of Natal, South Africa, and an Executive MBA from IMD Lausanne, Switzerland.

Christoph Wegener is a German citizen and has served as Chief Markets Officer since 2023. Before his current role, he held various other positions within SIG, including Senior Vice President Commercial (from 2022 to 2023), Chief Markets Officer Middle East and Africa (from 2018 to 2021), and Head of Global Sales and Business Development (from 2015 to 2018). Prior to joining the Company, Mr. Wegener worked as principal at The Boston Consulting Group, Germany (from 2007 to 2015). Mr. Wegener holds a BSc in business informatics from the University of Rostock, Germany, and a Master's in business administration from the University of Oxford, UK.

Abdelghany Eladib is an Egyptian citizen and has served as President and General Manager IMEA since 2023. Before his current role, he held various other positions within SIG, including President and General Manager Middle East and Africa (from 2021 to 2023) and Chief Operating Officer in the SIG Combibloc Obeikan joint venture companies (from 2017 to 2021). Prior to joining the Company, Mr. Eladib held various positions at Procter & Gamble (from 1992 to 2006) and gained experience at other leading FMCG companies in the region. He holds a BSc in mechanical engineering and an MBA from ESLSCA university, Egypt, as well as various degrees in digital transformation from MIT, USA, and a diploma in strategic management from the Jack Welsh Institute, USA.

Angela Lu is a Singaporean citizen and has served as President and General Manager Asia Pacific since 2023. Ms. Lu previously served as President and General Manager Asia-Pacific South at SIG (from 2022 to 2023). Prior to joining the Company, Ms. Lu served as group chief growth officer at Yeo Hiap Seng (from 2020 to 2021). She further spent more than ten years at Nestlé, where she held various leadership positions in Switzerland and several Asia Pacific key markets, including Singapore, Thailand, China, and Australia (from 2007 to 2011, and again from 2014 to 2020). Ms. Lu also gained experience in leading multinational FMCG companies, including The Coca-Cola Company (from 2011 to 2014), Fonterra (from 2006 to 2007), and Gillette (from 1999 to 2005). Ms. Lu holds a Bachelor's in industrial management engineering (marketing) from Tongji University, China, and an MBA from Nanyang Technological University, Singapore.

José Matthijsse is a Dutch citizen and has held the position of President and General Manager Europe since 2021. Prior to joining the Company, Ms. Matthijsse gained considerable experience in the food and beverage industry, having held senior and general management positions at FrieslandCampina (from 2018 to 2021) and Heineken (from 2003 to 2018) in a number of countries in Europe, the Americas and Africa. Ms. Matthijsse holds a Master's in food science technology from Wageningen Agricultural University, the Netherlands.

Ricardo Rodriguez is a Brazilian and Spanish citizen and has served as President and General Manager Americas since 2015. Mr. Rodriguez joined SIG in 2003 and previously served as Director and General Manager, South America, and Technical Service Director, South America. Prior to joining the Company, Mr. Rodriguez held several roles at Tetra Pak (from 2001 to 2003), including general manager of the Belo Horizonte branch, key account manager and technical service manager. He holds a BSc in aeronautical/mechanical engineering from the Technological Institute of Aeronautics, Brazil, and an MBA from the Getúlio Vargas Foundation, Brazil. Furthermore, Mr. Rodriguez graduated from a specialist business management course at IMD Lausanne, Switzerland.

8.2 Number of permissible activities

In the interest of good governance, art. 28 para. 2 of the Articles of Association limits the number of outside mandates of the members of the Group Executive Board as follows:

i. one mandate in listed firms;[1] and
ii. up to five mandates in non-listed firms.

Such a mandate is deemed to be any activity in senior governing or administrative bodies of legal entities that are required to register in the commercial register or any comparable foreign register, other than the Company and any entity controlled by or controlling the Company. The Board of Directors shall ensure that such activities do not conflict with the exercise of their duties for the Group. Functions in various legal entities that are under joint control, or in entities in which this legal entity has a material interest, are counted as one function.

8.3 Management contracts

The Company has not entered into any management contracts with persons outside the Group for the delegation of executive management tasks.

9 Compensation, shareholdings, and loans

All details of compensation, shareholdings and loans are listed in the **Compensation Report →**.

10 Shareholders' rights of participation

10.1 Restrictions of voting rights and representation

Each share that is entered in the share register entitles the shareholder to one vote. The voting rights may be exercised only after a shareholder has been registered in the Company's share register as a shareholder with voting rights up to a specific qualifying day (record date) designated by the Board of Directors. On application, persons acquiring shares are entered in the share register as shareholders with voting rights without limitations, provided they expressly declare that they have acquired the shares in their own name and for their own account and that they comply with the disclosure requirement stipulated by the FMIA. Entry in the share register of registered shares with voting rights is subject to the approval of the Company.

Entry may be refused based on the grounds set forth in art. 7 paras. 3, 4, 5 and 6 of the Articles of Association. The respective rules have been described in Section 2.6 "Limitations on transferability and nominee registrations" of this Corporate Governance Report. If the Company does not refuse to register the applicant acquirer as a shareholder with voting rights within 20 calendar days on receipt of the application, the acquirer is deemed to be a shareholder with voting rights. Acquirers who are not eligible for registration are entered in the share register as shareholders without voting rights. The corresponding shares are considered as not represented at the shareholders' meeting. A revocation of the statutory restrictions of voting rights requires the approval of a simple majority of votes cast, regardless of the number of shareholders present or shares represented. Abstentions and invalid votes do not count as votes cast.

The rights of shareholders to participate in shareholders' meetings comply with legal requirements and the Articles of Association (https://www.sig.biz/investors/en/governance/articles-of-association). Every shareholder may personally participate in the shareholders' meetings and cast their vote(s), or be represented by a proxy appointed in writing, who need not be a shareholder, or be represented by the independent proxy. Shareholders may issue their power of attorney and instructions to the independent proxy by post or electronically. The independent proxy is obligated to exercise the voting rights that are delegated to them by shareholders according to their instructions. Should they have received no instructions, they shall abstain from voting.

On an annual basis, the Annual General Meeting elects the independent proxy with the right of substitution. Their term of office terminates at the conclusion of the next Annual General Meeting. Re-election is possible. Should the Company have no independent proxy, the Board of Directors shall appoint an independent proxy for the next Annual General Meeting.

1 Pursuant to art. 727 para. 1 number 1 CO.

10.2 Quorum requirements

Unless a qualified majority is stipulated by law or the Articles of Association, the Annual General Meeting makes its decisions based on the relative majority of valid votes cast, regardless of the number of shareholders present or shares represented. Resolutions require the approval of a simple majority of votes represented.

10.3 Convening the Annual General Meeting

The Annual General Meeting is convened by the Board of Directors or, if necessary, by the Company's independent auditors. Extraordinary shareholders' meetings may be held when deemed necessary by the Board of Directors or the Company's auditors. Liquidators may also call a shareholders' meeting. Furthermore, extraordinary shareholders' meetings must be convened if resolved at a shareholders' meeting or upon written request by one or more shareholder(s) representing in aggregate at least 5% of the Company's share capital or votes.

Shareholders' meetings are convened by publication in the Swiss Official Gazette of Commerce (*Schweizerisches Handelsamtsblatt*) at least 20 days prior to the date of the meeting. Such publication and letters of invitation must indicate the date, time and venue of the meeting, the items on the agenda, and the wording of any motions proposed by the Board of Directors or by shareholders who have requested the convening of a shareholders' meeting or the inclusion of an item on the meeting's agenda.

10.4 Inclusion of agenda items

The Board of Directors is responsible for specifying the agenda. Registered shareholders with voting rights individually or jointly representing at least 0.5% of the Company's share capital or votes may request that an item be placed on the agenda of a shareholders' meeting of the Company, provided they submit details thereof to the Company in writing at least 45 calendar days in advance of the shareholders' meeting concerned. If an explanatory statement is to be included in the notice of meeting, it must be submitted within the same period and be brief, clear and concise.

10.5 Registration in the share register

Only shareholders who are registered in the share register as shareholders with voting rights on a specific qualifying day (record date) designated by the Board of Directors are entitled to attend a shareholders' meeting and to exercise their voting rights. In the absence of a record date designated by the Board of Directors, the record date shall be ten days prior to the shareholders' meeting.

11 Change of control and defense measures

11.1 Duty to make an offer

The Company does not have a provision on opting out or opting up in its Articles of Association. Thus, the provisions regarding the legally prescribed threshold of $33\frac{1}{3}$% of the voting rights for making a public takeover offer set out in art. 135 para. 1 FMIA are applicable.

11.2 Change of control clauses

There are no change of control provisions in favor of any member of the Board of Directors and/or the Group Executive Board and/or other management personnel. However, in the event of a change of control, restricted share units, performance share units and shares subject to transfer restrictions or vesting periods granted to members of the Board and the Group Executive Board may be subject to accelerated vesting or early lifting of restrictions under the applicable plans.[1]

12 Auditors

12.1 Duration of the mandate and term of office of the auditor in charge

The auditors are elected annually at the Annual General Meeting for a term of one year. The grounds for selection of external auditors are customary criteria such as independence, quality, reputation, and cost of services. PricewaterhouseCoopers AG, St. Jakobstrasse 25, 4002 Basel, Switzerland ("**PwC**"), have been the statutory auditors of the Company since its relocation from Luxembourg to Switzerland on September 27, 2018 and were re-elected at the AGM 2024. Prior to the Company's relocation, the independent registered auditors (*réviseur d'entreprises agréé*) of SIG Group AG (formerly SIG Combibloc Group AG and, before that, SIG Combibloc Group Holdings S.à r.l.) were PricewaterhouseCoopers, Société cooperative, Luxembourg, who had been the independent registered auditors of the Company since the period ended December 31, 2015. The main Group companies are also audited by PwC.

Bruno Rossi (audit expert) as auditor-in-charge was responsible for auditing the financial statements of the Company as well as the consolidated financial statements of the Group from March 2020 until July 2024. As of July 24, 2024, Joanne Burgener (audit expert) took over the role as auditor-in-charge. The lead auditor has to rotate every seven years in accordance with Swiss law.

1 For further information on compensation with respect to a change of control, please refer to page 218 of the Compensation Report.

12.2 Fees

The fees charged by PwC as the auditors of the Company and of the Group companies audited by it, as well as its fees for audit-related and additional services, are as follows:

in CHF 1,000	2024
Audit	2,070
Audit-related services	–
Tax and other services (primarily consisting of tax consultancy and support, and sustainability-related support)	329
Total	**2,399**

12.3 Informational instruments pertaining to the auditors

The Board exercises its responsibilities for supervision and control of the external auditors through the Audit and Risk Committee. The Audit and Risk Committee assesses the professional qualifications, independence, quality, and expertise of the auditors as well as the fees paid to them each year and prepares an annual appraisal. It recommends to the Board proposals for the shareholders' meeting regarding the election or dismissal of the Company's independent auditors. The assessment of the performance of the external auditors is based on key criteria, such as efficiency in the audit process, validity of the priorities addressed in the audit, objectivity, scope of the audit focus, quality and results of the audit reports, resources used, and the overall communication and coordination with the Audit and Risk Committee and the Group Executive Board, as well as the audit fees. The Audit and Risk Committee further coordinates cooperation between the external auditors and the internal auditors.

Prior to the audit, the auditors agree the proposed audit plan and scope, approach, staffing and fees of the audit with the Audit and Risk Committee. Special assignments from the Board of Directors are also included in the scope of the audit.

PwC presents to the Audit and Risk Committee, on an annual basis, a comprehensive report on the results of the audit of the consolidated financial statements, the findings on significant accounting and reporting matters, and findings on the internal control system, including any significant changes in the Company's accounting principles, the selection and disclosure of significant accounting estimates, and the effect of alternative assumptions, estimates or accounting principles on the Company's financial statements as well as the status of findings and recommendations from previous audits. The results and findings of this report are discussed in detail with the CFO and the Audit and Risk Committee, with representatives of the auditor explaining their activities and responding to questions. The Audit and Risk Committee also monitors whether and how the Group Executive Board implements measures based on the auditor's findings.

Each year, the Audit and Risk Committee evaluates the effectiveness of the external audit, performance, fees, and independence of the auditors and the audit strategy. The Board of Directors discusses and reviews the scope of the audits and the resulting reports. On this basis, it decides on any changes or improvements to be made. Representatives of the auditor attend individual meetings or individual agenda items of meetings of the Audit and Risk Committee. There is also regular contact between the auditors, the Group Executive Board and the Audit and Risk Committee outside of meetings. PwC as external auditor of the Group partially attended the five ordinary meetings of the Audit and Risk Committee in 2024 at which they discussed, amongst other topics, the scope and certain results of the audit and reviews.

Additional services or consulting assignments are delegated to the auditors only if they are permitted by law and the auditor's code of independence. The auditors are required to confirm that their performance of these additional services will not affect the independence of their auditing mandate. The Audit and Risk Committee pre-approves all permitted non-audit services performed by the auditors and reviews the compatibility of non-audit services performed by them with their independence requirements. This procedure is aimed at ensuring PwC's independence in its capacity as auditors to the Group. PwC monitors its independence throughout the year and confirms its independence to the Audit and Risk Committee annually.

13 Information policy

The Group is committed to communicating in a timely and transparent way to shareholders, potential investors, financial analysts, and customers. To this end, the Board of Directors takes an active interest in fostering good relations and engagement with shareholders and other stakeholders. In addition, the Company complies with its obligations under the rules of SIX Swiss Exchange, including the requirements on the dissemination of material and price-sensitive information.

The Group publishes an annual report that provides audited consolidated financial statements, audited financial statements and information about the Company, including the business results, strategy, products and services, corporate governance, corporate responsibility, and executive compensation. The annual report is published within four months of the December 31 balance sheet date. The annual results are also summarized in the form of a press release. In addition, the Company releases results for the first half of each year within three months of the June 30 balance sheet date. The published half-year and annual consolidated financial statements comply with the requirements of Swiss company law, the listing rules of SIX Swiss Exchange and IFRS Accounting Standards. Furthermore, the Group publishes trading statements for the first and third quarters in the form of a press release. The quarterly press releases contain unaudited financial information prepared in accordance with IFRS.

The Company's annual report, half-year report and quarterly releases are distributed pursuant to the rules and regulations of SIX Swiss Exchange and are announced via press releases and investor conferences in person or via telephone. An archive containing annual reports, half-year reports, quarterly releases and related presentations can be found at https://investor.sig.biz.

The CEO, CFO and Investor Relations are responsible for communicating with investors and representatives of the financial community, media and other stakeholders. In addition to the publication of results and the Annual General Meeting, the Company also regularly participates in country or sector (non-deal) conferences. Whenever possible and appropriate, meetings with investors are organized via video conferencing technology to reduce carbon emissions and travel costs. In between, however, physical meetings are also held at the investors' premises (roadshow) or at the Group's headquarters. An overview of upcoming events as well as a list of bank analysts covering the share and consensus figures can be found on the Company's website.

The corporate responsibility section of the annual report is prepared in accordance with the reporting on non-financial matters according to art. 964a et. seq. CO. An archive containing the corporate responsibility reports that have been prepared in previous years can be found at https://www.sig.biz/en/sustainability/cr-reports.

The Group reports in accordance with the disclosure requirements of art. 124 FMIA and the ad hoc publication requirements of art. 53 of the listing rules of SIX Swiss Exchange. At https://www.sig.biz/en/investors/contact, interested parties can register for the free Company email distribution list to receive direct, up-to-date information at the time of any potentially price-sensitive event (ad hoc announcements). Ad hoc announcements may be viewed at https://www.sig.biz/investors/en/news-events/media-releases at the time of notification to SIX Swiss Exchange and for three years thereafter.

Notices to shareholders are made by publication in the Swiss Official Gazette of Commerce (*Schweizerisches Handelsamtsblatt*). To the extent the Company communicates to its shareholders by mail, such communications will be sent by ordinary mail to the recipient and address recorded in the share register or in such other form as the Board of Directors deems fit.

14 General blackout periods

All directors, officers and employees of any Group company are subject to general blackout periods between the last day of the period for which financial performance data for public release are established and the close of trading on SIX Swiss Exchange one trading day after the public release of the financial performance data for such period. During general blackout periods, these persons are prohibited from trading in any shares of the Company and in any option or conversion rights or any other financial instruments whose price is materially dependent (meaning a degree of more than 33%) on the shares of the Company (together the "**Relevant Securities**").

Furthermore, members of the Board of Directors, the Group Executive Board as well as certain employees of the Group notified by the Group General Counsel may only make transactions in Relevant Securities during designated trading windows, subject to pre-clearance by the Group General Counsel. The opening and closing of a trading window are determined by the CEO in consultation with the CFO and the Group General Counsel.

Any exception to the aforementioned rules must be cleared through the Group General Counsel. No such exemption was granted in the reporting year.

15 Significant changes since December 31, 2024

As previously announced, the Board has nominated Ola Rollén for election as member and Chair at the AGM 2025. The nomination follows the Company's announcement in March 2024 that Andreas Umbach, the current Chair, has decided not to stand for reelection at the AGM 2025, having chaired the Company since the IPO.

As part of regular Board succession planning, Matthias Währen and Wah-Hui Chu, both of whom have been members of the Board since the IPO, have decided not to stand for reelection at the AGM 2025. Thomas Dittrich is proposed to succeed Matthias Währen as Chair of the Audit and Risk Committee.

In addition, the Board has nominated Niren Chaudhary and Urs Riedener for election to the Board at the upcoming AGM 2025.

Clean Holding B.V., which is beneficially owned by Laurens Last, has initiated legal action against the Company in arbitration. The claims of Clean Holding B.V. pertain to contingent consideration under the share purchase agreement entered into by the Company in 2022 for the acquisition of Scholle IPN from Clean Holding B.V. Under the share purchase agreement, the contingent consideration depends on whether certain agreed revenue targets of the acquired business in the relevant years 2023, 2024, and 2025 have been achieved. The Company determined that the prerequisites for the contingent consideration for 2023 and 2024 were not met. Against the background of this legal action, the Board has decided not to nominate Laurens Last for reelection as a director at the AGM 2025.

The Company's website:

https://www.sig.biz

Ad hoc messages (pull system):

https://www.sig.biz/investors/en/news-events/media-releases

Subscription for ad hoc announcements (push system):

https://www.sig.biz/investors/en/contact

Financial reports:

https://www.sig.biz/en/investors/results-reports-presentations

Corporate responsibility reports:

https://www.sig.biz/en/sustainability/cr-reports

Corporate calendar:

www.sig.biz/en/investors/news-events

Contact address:

The SIG Group Investor Relations Department can be contacted through the website or by telephone, email, or letter.

SIG Group AG
Attn. Ingrid McMahon
Laufengasse 18
8212 Neuhausen am Rheinfall
Switzerland
+41 52 543 1224
Ingrid.mcmahon@sig.biz

Financial calendar

The important dates for 2025 include:

Publication of 2024 full-year results and date of earnings call	February 25, 2025
Annual General Meeting 2025	April 8, 2025
Publication of Q1 2025 trading statement	April 29, 2025
Publication of 2025 half-year report	July 29, 2025
Publication of Q3 2025 trading statement	October 28, 2025

Compensation

Letter from the Chair of the Compensation Committee

On behalf of the Board of Directors and the Compensation Committee, I am pleased to introduce the Compensation Report of SIG Group AG ("SIG" or the "Company") for the year ended December 31, 2024. This report on compensation complements our business, financial, social responsibility and corporate governance reports, and describes SIG's compensation system and its governance, as well as the underlying principles which ensure that compensation, particularly the variable components, is linked to the overall performance of SIG.

The principles guiding SIG's compensation framework are to attract, engage and retain executives and employees, to drive sustainable performance and to encourage behaviors that are in line with SIG's values as well as with the long-term interests of shareholders and other relevant stakeholders. The Compensation Committee regularly assesses, reviews and develops the compensation framework to ensure that it is aligned with these principles.

I would like to thank you for the very positive vote on the 2023 Compensation Report. The approval rate of more than 90% is a clear acknowledgement of the increased transparency of the report as well as of the strong and solid compensation structure. In the course of its regular annual activities, the Compensation Committee continues to assess, review and develop the compensation framework to foster sustainable performance and considers market trends and insights for further development of the compensation system.

As part of our annual outreach to investors, the Company undertook a comprehensive effort to gain a more detailed understanding of shareholder views on our compensation system. Based on the findings, the Compensation Committee has decided to review the ESG component in the variable compensation in the course of 2025, in order to further improve rewards for ESG achievements. We will communicate any changes in next year's Compensation Report.

A strong focus on ESG matters is integral to SIG's business strategy and activities, and the compensation framework has for some years included a sustainability metric linked to our EcoVadis score. This score reflects SIG's performance in the areas of environment, labor and human rights, ethics and sustainable procurement, and encompasses a comprehensive view on ESG matters with relevance for all SIG stakeholders. We are happy to inform you that in 2024 we were able to increase the level and transparency of reporting under the EcoVadis rating methodology and have maintained our platinum rating. Please refer to the section headed Compensation framework of the Group Executive Board in this report to read more about the methodology of the EcoVadis Score.

The Compensation Committee has concluded that the general principles, elements and processes currently in place remain appropriate for SIG, especially considering the changes which were announced in the 2023 Compensation Report and became effective in 2024. These are increased shareholding requirements for both the Board of Directors and the Group Executive Board as well as some changes to the Short-Term Incentive Plan. On a Group level, the weighting of the free cash flow component in the Short-Term Incentive Plan has increased from 15% to 20% while the weighting of the adjusted EBITDA component has been reduced from 55% to 50%. For the Short-Term Incentive Plan at a regional level, adjusted operating net working capital as a percentage of revenue has been replaced by a free cash flow KPI.

SIG is convinced that diversity, equity and inclusion (DE&I) as well as an open corporate culture are important drivers for innovation and successful collaboration. We are committed to creating a workplace where employees are treated fairly with equal employment, compensation and development opportunities. SIG has committed to running regular gender pay analyses, even where we are not required to do so under applicable local laws, thereby underpinning our commitment to a gender-diverse and fair workplace. We provide you with additional insights into our initiatives and activities for our most valued assets – our employees – in the Sustainability section of the Annual Report.

At the upcoming Annual General Meeting ("AGM"), we will ask our shareholders to approve prospectively, in binding votes, the maximum aggregate amount of compensation for the Board of Directors until the next AGM in 2026 and the maximum aggregate amount of compensation for the Group Executive Board for the year 2026. Furthermore, this Compensation Report will be submitted to shareholders for a non-binding, consultative vote.

We believe that this report provides a comprehensive overview of SIG's compensation philosophy and approach. We are convinced that our remuneration system rewards performance in a balanced and sustainable manner that is well aligned with the interests of shareholders and other relevant stakeholders and equips SIG with effective tools in a competitive work environment.

On behalf of SIG, the Compensation Committee and the entire Board of Directors, I would like to thank you, our shareholders, for your contribution and your continued trust in SIG.

Werner Bauer
Chair of the Compensation Committee
Neuhausen am Rheinfall, December 31, 2024

Introduction

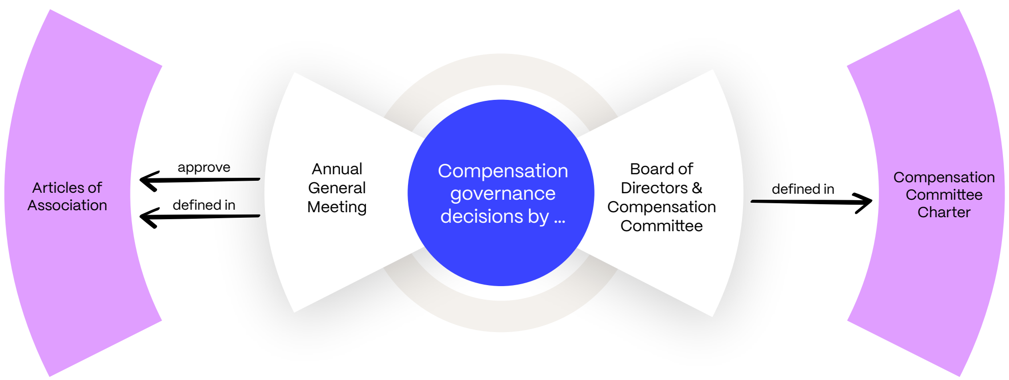
This Compensation Report has been prepared in compliance with Swiss laws and regulations. The report is in line with the relevant section of the Swiss Code of Obligations ("Obligationenrecht"), particularly articles 734–734f, and the SIX Directive on Information relating to Corporate Governance. It also takes into account the recommendations set out in the Swiss Code of Best Practice for Corporate Governance published by economiesuisse.

The Compensation Report contains the following information:

- A description of the compensation governance and compensation framework at SIG
- The compensation of the members of the Board of Directors ("Board") for 2024
- The compensation of the Group Executive Board ("GEB") for 2024

Compensation governance

Figure 1: Compensation governance at SIG.



The compensation governance structure at SIG involves three primary bodies, as depicted in Figure 1: (1) the Board, (2) the Compensation Committee, acting in an advisory capacity for the Board, and (3) SIG's shareholders at the Annual General Meeting. The Compensation Committee Charter and the Articles of Association outline and define the roles and responsibilities of these bodies. Figure 2 shows the most relevant provisions on compensation in the Articles of Association.

Figure 2: Relevant provisions on compensation in the Articles of Association of SIG.

Principles for the compensation of the members of the Board and the Group Executive Board **(art. 24 to 26)**	Members of the Board of Directors receive fixed compensation, while members of the Group Executive Board receive fixed and variable compensation. The variable compensation may include short-term and long-term variable compensation components. These are governed by quantitative and qualitative performance criteria that take into account the performance of the Company and the group and/or operating units thereof, and/or individual targets.
Compensation approvals by the General Meeting **(art. 27)**	The AGM has the authority to approve the maximum aggregate amount of compensation for the Board of Directors for the ensuing term of office and the maximum aggregate amount of compensation for the Group Executive Board for the following year.
Supplementary amounts available for members joining the Group Executive Board after the relevant approval of compensation by the AGM **(art. 27, para. 4)**	SIG is authorised to pay compensation to such members of the Group Executive Board without further approval even in excess of the maximum aggregate amount approved by the AGM for the relevant year, provided that the sum of such excess amount is not greater than 40% of the approved maximum aggregate amount of compensation for the Group Executive Board for such year.
Rules on loans, credit facilities and post-employment benefits **(art. 29, para. 2)**	SIG may enter into compensated non-competition agreements with members of the Group Executive Board with a duration of up to 18 months after termination of the employment.
Retirement benefits **(art. 30)**	SIG may establish or join one or more independent pension funds for occupational pension benefits. Instead, or in addition, SIG may directly offer retirement benefits (such as pensions, purchase of healthcare insurances, etc.) outside of the scope of occupational pension benefit regulations to members of the Group Executive Board and may pay them out after retirement.

The Articles of Association can be found on the SIG home page for investors: https://www.sig.biz/investors/en/governance/articles-of-association, or downloaded directly here: https://api.sig.biz/media/e33d0ovl/sig-group-ag-articles-of-association.pdf

The roles of the AGM and the Compensation Committee are described in more detail in the following paragraphs. The general split and delegation of responsibilities and authorities between the Board, the Compensation Committee and the AGM is illustrated in Figure 3.

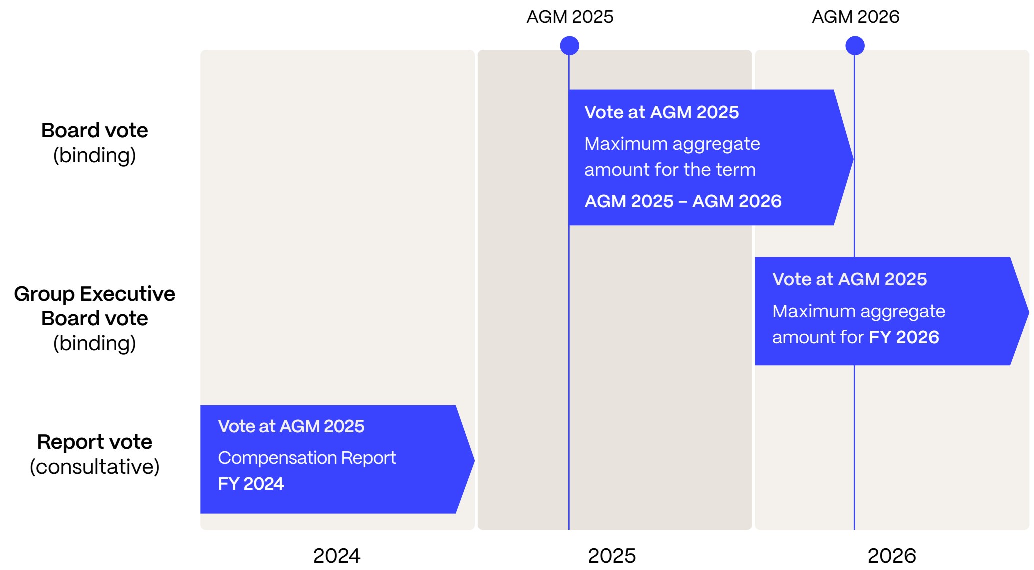
Figure 3: Authority table regarding compensation.

	CEO	Compensation Committee	Board of Directors	AGM
Compensation principles (Articles of Association)			Approval (subject to AGM approval)	Approval (in case of changes, binding vote)
Compensation strategy and guidelines		Proposal	Approval	
Key terms of compensation plans and programmes for members of the Board of Directors and Group Executive Board		Proposal	Approval	
Maximum aggregate compensation for members of the Board of Directors		Proposal	Approval (subject to AGM approval)	Approval (binding vote)
Maximum aggregate compensation and benefits for members of the Group Executive Board		Proposal	Approval (subject to AGM approval)	Approval (binding vote)
Employment and termination agreements for the CEO		Proposal	Approval	
Employment and termination agreements for members of the Group Executive Board, other than the CEO	Proposal	Review	Approval	
Compensation Report		Proposal	Approval	Approval (consultative vote)
Individual total compensation of the CEO		Proposal	Approval	
Individual total compensation of other members of the Group Executive Board, other than the CEO	Proposal	Review	Approval	

Role of the shareholders – shareholder engagement

In line with SIG's Articles of Association, particularly Art. 11 and Art. 27, the Board will submit three separate compensation-related resolutions for shareholder approval at the AGM in April 2025, as illustrated in Figure 4:

Figure 4: Overview of votes at the 2025 AGM.



Board of Directors and Executive Management
The Corporate Governance report on page 183 provides a detailed overview of the composition of the Board of Directors as well as the Group Executive Board, including biographies of the current members.

Composition of the Compensation Committee
The Compensation Committee consists of three independent, non-executive Board members who are elected annually and individually by the Annual General Meeting for a one-year term until the following Annual General Meeting. At the Annual General Meeting 2024, Wah-Hui Chu and Matthias Währen were re-elected as members of the Compensation Committee. Mariel Hoch did not stand for re-election as a member of the Compensation Committee. Her seat in the Committee has been taken over by Werner Bauer, who was elected as a new member of the Compensation Committee by the AGM 2024. Werner Bauer was appointed by the Board of Directors to be the Chair of the Committee.

Role of the Compensation Committee and activities during 2024
The main role of the Compensation Committee is to assist the Board in fulfilling its responsibilities relating to the compensation of the members of the Board and the Group Executive Board of SIG. The Compensation Committee supports the Board in discharging its duties; proposes guidelines regarding the compensation of the members of the Board, the Chief Executive Officer ("CEO") and the other members of the Group Executive Board; proposes the maximum aggregate amounts of compensation to be submitted to the Annual General Meeting for approval; and assists the Board in preparing the related motions for the Annual General Meeting.

The Compensation Committee Chair ensures that the Board members are kept informed in a timely and appropriate manner of all material matters within the Compensation Committee's area of responsibility.

The Compensation Committee Chair convenes the meetings of the Compensation Committee as often as the business affairs of SIG require, but at least three times a year. In 2024, the Compensation Committee held seven meetings. Some of the meetings were held as video conferences or hybrid meetings. The majority of the meetings in 2024 had full attendance by all members of the Compensation Committee. The topics covered in the meetings are described in Figure 5.

Figure 5: Topics covered by the Compensation Committee in 2024.

Agenda Item	Jan.	Feb.	Jun.	Aug.	Sep.	Dec.
Principles and design of compensation plans						
Market intelligence (recent developments in compensation, legal, governance landscapes)			●			
Review of general target framework for Short-Term Incentive and Long-Term Incentive Plan			●		●	
Review and update of the Board of Directors Pay Policy		●				
Compensation Group Executive Board						
Short-Term Incentive Plan						
– Target achievement 2023		●				
– Target setting 2024	●	●				
– Define framework and KPI measures for 2025					●	●
Long-Term Incentive Plan						
– Recommendation of plan participants and target setting for grant 2024		●				
– Plan 2021-2024: target achievement and vesting multiple		●				
Group Executive Board: employment matters related to succession planning and organizational development				●		
Review of compensation for members of the Group Executive Board	●	●				
Review of compensation principle, design and composition for the Group Executive Board					●	
Compensation Board of Directors						
Review of compensation for members of the Board of Directors	●	●				

Agenda Item	Jan.	Feb.	Jun.	Aug.	Sep.	Dec.
General Framework						
Shareholding Guidelines Assessment	●					
Pay equity roadmap – status update						●
Communication						
AGM invitation, including determination of the maximum amounts of compensation for the Board of Directors (for the term AGM 2024 to AGM 2025) and the Group Executive Board (year 2025)		●				
Analysis of the compensation voting results of the AGM and the proxy advisors' feedback			●			
Compensation Report	●	●				●

As part of our annual outreach to investors, the Company undertook a comprehensive effort to understand shareholder opinions and perspectives regarding SIG's compensation framework. The Compensation Committee noted certain concerns in relation to the ESG KPI component in the variable compensation plans as well as around target setting for the rTSR KPI measure in the LTIP. The Committee discussed the concerns expressed regarding both topics. It has decided to conduct a review in 2025 of the ESG component in the variable compensation plans.

A performance review of the Board, the Committees and the Group Executive Board was conducted by the Nomination and Governance Committee during 2024, with some members of the Compensation Committee in attendance to ensure close coordination.

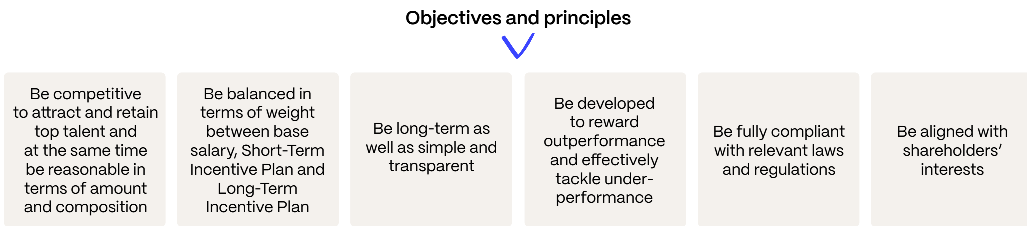
The Compensation Committee may ask members of the Group Executive Board, one or more senior managers in the People & Culture function and third parties to attend meetings in an advisory capacity and may provide them with appropriate information. However, the Compensation Committee also regularly holds private sessions (i.e. without the presence of members of the Group Executive Board, senior managers or third parties). Further, all members of the Board may attend any Compensation Committee meeting as guests. The Chair of the Board and the members of the Group Executive Board did not attend the meeting when their own compensation and/or performance was discussed. The Chair of the Compensation Committee reported to the Board after each meeting on the substance of the meeting and explained the proposals of the Compensation Committee to the Board. The documents and minutes of Compensation Committee meetings are available to all members of the Board.

The Compensation Committee may decide to consult external advisers on specific compensation matters. In 2024, the Compensation Committee appointed HCM International Ltd. ("HCM") as an external independent adviser on certain compensation matters including on target setting for the Long-Term Incentive Plan, as described in the section Long-Term Incentive Plan. Apart from the aforementioned advice on compensation matters, HCM was not appointed for any other mandates in 2024.

Compensation principles

The compensation framework of SIG reflects the commitment to attract, engage and retain top talent globally and to align the interests of SIG leaders with those of shareholders. SIG's overall compensation framework is long-term in nature and designed to reward outperformance and effectively address underperformance, with performance defined relative to targets and, in some cases, relative to peers. SIG endeavors to make its compensation principles simple and transparent for the benefit of shareholders, Board and management. The compensation principles are illustrated in Figure 6.

Figure 6: SIG compensation framework, objectives and principles.



To assess SIG's compensation system from the perspectives of both internal equity and external competitiveness, compensation is from time to time benchmarked against that of similar roles in comparable companies. The Compensation Committee uses such analysis to regularly review the composition, level and structure of the approach to compensation for the Board and the Group Executive Board.

For the Board of Directors, the peer group for the benchmarking conducted in 2023 consists of the constituents of the SMI MID Index[1] (Swiss mid-cap stocks in the Swiss equity market as of September 30, 2023). For the Group Executive Board, a broader industry-related Swiss and European peer group[2] has been considered by applying the defined principles and considering SIG's positioning at the median of the peer group.

1 The peer group used for the compensation benchmarking analysis of the Board in 2023 consisted of the following SMI MID companies: Adecco Group AG; ams-OSRAM AG; Bachem Holding AG; Baloise Holding AG; Barry Callebaut AG; BELIMO Holding AG; BKW AG; Ch. Lindt & Sprüngli AG; Clariant AG; Avolta AG (former Dufry AG); EMS-CHEMIE Holding AG; Flughafen Zürich AG; Galenica AG; Georg Fischer AG; Helvetia Holding AG; Julius Bär Gruppe AG; Meyer Burger Technology AG; PSP Swiss Property AG; Schindler Holding AG; SGS AG; Straumann Holding AG; The Swatch Group AG; Swiss Prime Site AG; Tecan Group AG; Temenos AG; VAT Group AG.
2 The peer group used for the compensation benchmarking analysis of the Group Executive Board in 2023 consisted of the following companies: Alfa Laval; Barry Callebaut AG; Billerud; Bucher; Ch. Lindt & Sprüngli; Dürr AG; Geberit AG; Georg Fischer AG; Gerresheimer AG; Givaudan SA; Huhtamäki Oyi; IMI plc; Mayr-Melnhof Karton AG; Mondi plc; OC Oerlikon; Schindler; SFS Group; Stora Enso; Straumann; Svenska Cellulosa; Tecan Group AG; Weir Group PLC; VAT Group AG.

Compensation framework for the Board of Directors

Compensation overview for the Board of Directors

To underline the role of the Board to perform independent oversight and supervision of SIG, the entire compensation of the Board is fixed and contains no variable pay component.

The compensation for the members of the Board of Directors has two components: a fixed annual base fee and one or more fixed annual Committee fees for assuming the role of Chair of a Board Committee or member of a Board Committee. Only ordinary members of the Board are entitled to the additional Committee fees. The compensation of the Chair of the Board consists of the annual base fee only. Required employee social security contributions under the relevant country's applicable law are included in the compensation.

Where required by Swiss law, members of the Board of Directors are insured via the Company's pension plan. However, the employer pension contribution is entirely funded by the respective member of the Board of Directors. This means that the member of the Board pays for the totality of the pension contributions (employee and employer portion), while the Company does not make any contributions. In 2024, only the Chair was insured via the Company's pension plan and paid for the totality of the pension contributions. No additional compensation components such as lump-sum expenses or attendance fees are awarded to any member of the Board.

In 2024, the new Technology and Innovation Committee was formally established, and the respective compensation level was incorporated by the Board into the pay policy. Apart from adding the compensation for the new Committee, the compensation levels for the members of the Board of Directors remained unchanged from those set in 2018.

The amounts of the annual base fee and annual Committee fees for the Chair and the members of the respective Committees set by the Board are illustrated in Figure 7.

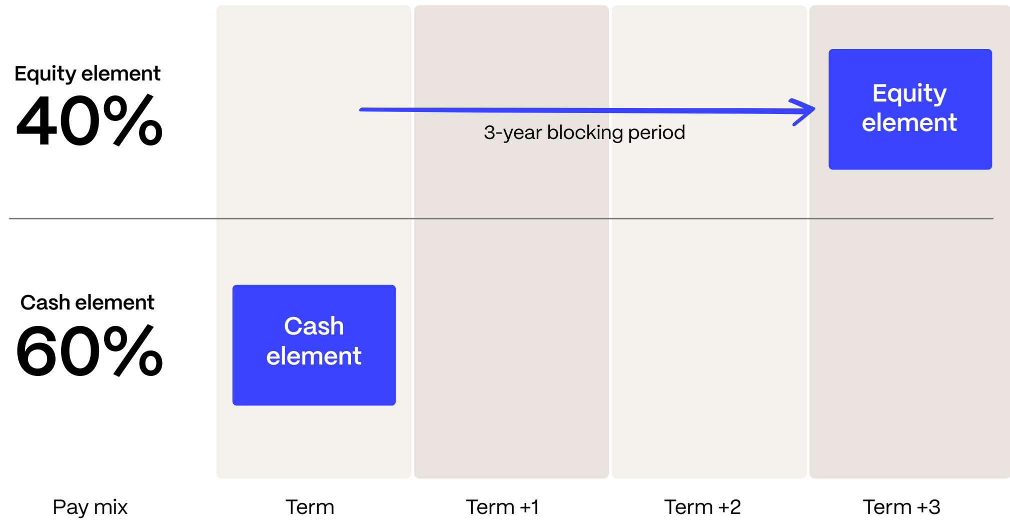
Figure 7: Overview of the Board of Directors' fees.

	Annual base fee (in CHF, gross)	Annual Committee fees (in CHF, gross)							
		Audit and Risk		Compensation		Nomination and Governance		Technology and Innovation	
		Chair	Member	Chair	Member	Chair	Member	Chair	Member
Chairperson	550,000	Not entitled							
Other member	175,000	50,000	25,000	40,000	15,000	40,000	15,000	40,000	15,000

The individual sum of the annual base fee and, where applicable, annual Committee fee(s) per member are paid 60% in cash and 40% in equity (blocked SIG shares).

The equity component is intended to further strengthen the long-term focus of the Board in performing its duties and to align the Board members' interests with those of SIG's shareholders. Both the cash and equity elements are paid out on a quarterly basis in four equal installments. A three-year blocking period is applied to the SIG shares, expiring at the third anniversary of each allocation. During this blocking period shares cannot be sold, transferred, donated, pledged or otherwise disposed of. The approach is illustrated in Figure 8.

Figure 8: Compensation approach for the Board of Directors.



Compensation awarded to the Board of Directors
The following tables summarize the compensation for 2024 and 2023 of the ten members (2023: nine members) of the Board, all of whom are non-executive members.

Table 1: Total compensation of the Board of Directors in 2024 (January 1 – December 31).

Members of the Board of Directors during 2024	Board membership	ARC[1]	CC[2]	NGC[3]	TIC[4]	Settled in cash, CHF[5]	Settled in SIG shares, CHF[6]	Social security payments, CHF[7]	Total compensation earned in 2024, CHF
Andreas Umbach	Chair			Chair[8]		330,000[9]	220,019	33,322	583,341
Werner Bauer	•	•[10]	Chair[10]	•	•	141,231	94,185	13,576	248,992
Wah-Hui Chu	•		•	•[11]		116,820	77,924	–	194,744
Thomas Dittrich[12]	•	•[12]				82,400	54,976	9,781	147,157
Mariel Hoch	•	•	Chair[13]	Chair[13]		144,000	96,048	16,735	256,783
Florence Jeantet	•	•		•[14]	•	127,531	85,065	–	212,596
Laurens Last	•				•	111,051	74,076	13,306	198,433
Abdallah al Obeikan	•				Chair	121,480	81,026	14,391	216,897
Martine Snels	•	•		•	•	135,051	90,075	–	225,126
Matthias Währen	•	Chair	•			144,000	96,048	13,865	253,913
Total						**1,453,564**	**969,442**	**114,976**	**2,537,982**

1 Audit and Risk Committee.
2 Compensation Committee.
3 Nomination and Governance Committee.
4 Technology and Information Committee. This committee was officially established as of the AGM in April 2024. Respective committee fees disclosed reflect the period from April 23, 2024 to December 31, 2024.
5 Represents gross amounts paid, prior to any deductions such as employee social security and income withholding tax.
6 Represents gross amounts settled in blocked SIG shares, prior to any deductions such as employee social security and income withholding tax. The number of blocked SIG shares is determined by dividing each Board member's individual compensation amount (settled in shares) for one award cycle by the volume-weighted average closing price of a share on the SIX Swiss Exchange over the last 10 trading days of the second month of the quarter plus the first 10 trading days of the third month of the quarter for which the blocked SIG shares are granted.
7 Employer social security contributions.
8 Andreas Umbach stepped down from the mandate as Chair of the Nomination and Governance Committee as of the Annual General Meeting on April 23, 2024.
9 Includes employer pension contributions of CHF 41,440 funded by the Chair through a reduction of the cash portion of the fee.
10 Werner Bauer stepped down as a member of the Audit and Risk Committee and was elected as member of the Compensation Committee at the Annual General Meeting on April 23, 2024. He was appointed as Chair of the Committee by the Board of Directors on the same date. The respective numbers disclosed reflect the remuneration as a member of the Audit and Risk Committee for the period from January 1, 2024 to April 23, 2024 and the remuneration as Chair of the Compensation Committee for the period from April 23, 2024 to December 31, 2024.
11 Wah-Hui Chu stepped down as a member of the Nomination and Governance Committee as of the Annual General Meeting 2024. The respective numbers disclosed reflect the remuneration as a member of the Nomination and Governance Committee for the period from January 1, 2024 to April 23, 2024.
12 Thomas Dittrich was elected as a member of the Board at the Annual General Meeting on April 23, 2024 and was appointed as a member of the Audit and Risk Committee on the same date. The respective numbers disclosed reflect the remuneration as a member of the Board of Directors and a member of the Audit and Risk Committee for the period from April 23, 2024 to December 31, 2024.
13 Mariel Hoch stepped down as Chair of the Compensation Committee and took over the Chair position in the Nomination and Governance Committee as of the Annual General Meeting on April 23, 2024. The respective numbers disclosed reflect the remuneration as Chair of the Compensation Committee for the period from January 1, 2024 to April 23, 2024 and the remuneration as Chair of the Nomination and Governance Committee for the period from April 23, 2024 to December 31, 2024.
14 Florence Jeantet became a member of the Nomination and Governance Committee at the Annual General Meeting on April 23, 2024. The respective numbers disclosed reflect the remuneration as a member of the Nomination and Governance Committee for the period from April 23, 2024 to December 31, 2024.

Table 2: Total compensation of the Board of Directors in 2023 (January 1 – December 31).

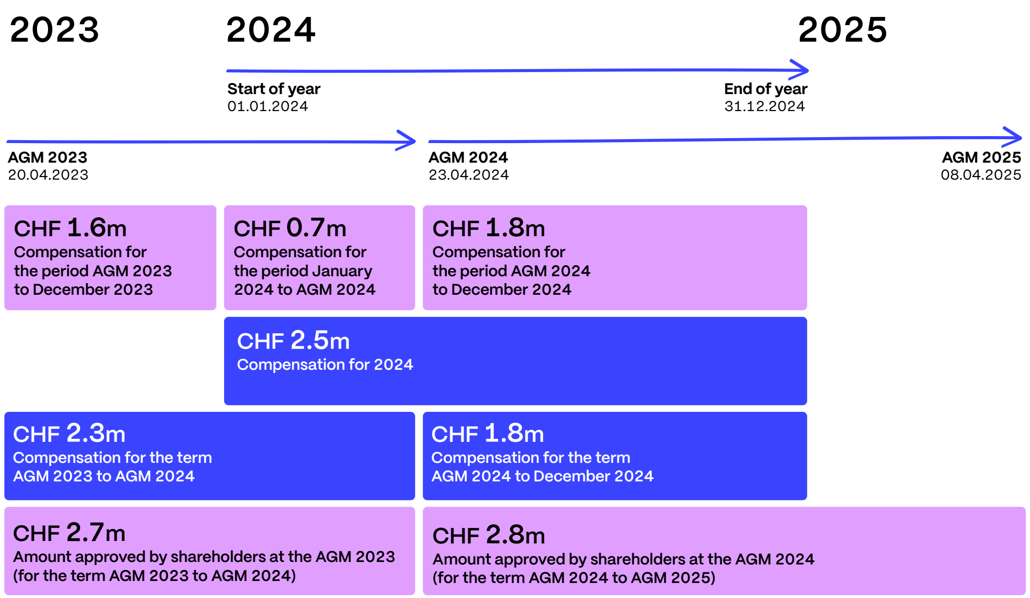
Members of the Board of Directors during 2023	Board membership	ARC[1]	CC[2]	NGC[3]	Settled in cash, CHF[4]	Settled in SIG shares, CHF[5]	Social security payments, CHF[6]	Total compensation earned in 2023, CHF
Andreas Umbach	Chair			Chair	330,000[7]	220,044	33,323	583,367
Werner Bauer	•	•		•	129,000	86,045	12,304	227,349
Wah-Hui Chu	•		•	•	123,000	82,042	–	205,042
Mariel Hoch	•	•	Chair[8]		139,426	93,025	16,260	248,711
Florence Jeantet	•[9]				73,269	48,873	–	122,142
Laurens Last	•				105,000	70,047	12,677	187,724
Abdallah al Obeikan	•				105,000	70,047	12,677	187,724
Martine Snels	•	•		•	129,000[10]	86,045	13,539	228,583
Matthias Währen	•	Chair	•[11]		141,256	94,232	13,580	249,068
Colleen Goggins	•[12]		Chair[12]		39,338	26,259	–	65,596[12]
Total					1,314,288	876,659	114,359	2,305,306

1 Audit and Risk Committee.
2 Compensation Committee.
3 Nomination and Governance Committee.
4 Represents gross amounts paid, prior to any deductions such as employee social security and income withholding tax.
5 Represents gross amounts settled in blocked SIG shares, prior to any deductions such as employee social security and income withholding tax. The number of blocked SIG shares is determined by dividing each Board member's individual compensation amount (settled in shares) for one award cycle by the volume-weighted average closing price of a share on the SIX Swiss Exchange over the last 10 trading days of the second month of the quarter plus the first 10 trading days of the third month of the quarter for which the blocked SIG shares are granted.
6 Employer social security contributions.
7 Includes employer pension contributions of CHF 41,440 funded by the Chair through a reduction of the cash portion of the fee.
8 Mariel Hoch became Chair of the Compensation Committee as of the Annual General Meeting in April 2023. The respective numbers disclosed reflect the remuneration as member of the Committee for the period from January 1, 2023 to April 20, 2023 and the fee for remuneration as the Chair of the CC for the period from April 21, 2023 to December 31, 2023.
9 Florence Jeantet was elected as member of the Board at the Annual General Meeting in April 2023. The respective numbers disclosed reflect the period from April 21, 2023 to December 31, 2023.
10 Includes employer pension contributions of CHF 24,511 funded by the Member through a reduction of the cash portion of the fee.
11 Matthias Währen replaced Colleen Goggins as a member of the Compensation Committee as of the Annual General Meeting in April 2023. The respective numbers disclosed reflect the Committee remuneration for the period from April 21, 2023 to December 31, 2023.
12 Mandate until AGM 2023 – the compensation disclosed reflects the period from January 1, 2023 to April 20, 2023.

Reconciliation of compensation approved for and paid to the Board of Directors
The compensation level for the Board of Directors was unchanged compared with the previous compensation period. The overall total compensation paid to the Board of Directors in 2024 increased given the additional member on the Board of Directors as well as the establishment of the new Technology and Innovation Committee. The compensation levels for basic remuneration and the committee fees have remained at the same level versus previous years.

The reconciliation of the approved and granted amounts is illustrated in Figure 9.

Figure 9: Reconciliation of compensation of the Board of Directors.

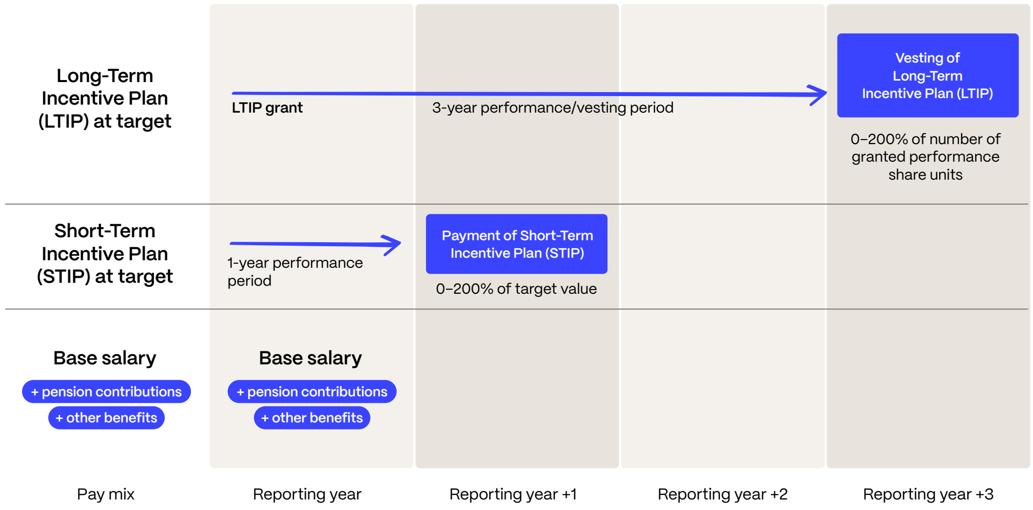


Compensation framework for the Group Executive Board

Compensation overview for the Group Executive Board

Compensation for the members of the Group Executive Board is provided through the following main components: an annual base salary and pension benefits/other benefits, which together form the fixed compensation component; a Short-Term Incentive Plan ("STIP") and a Long-Term Incentive Plan ("LTIP"), which together form the variable compensation component (see Figure 10).

Figure 10: Illustrative overview of the compensation framework of the Group Executive Board in 2024.



Fixed compensation components:
Annual base salary
The base salary is the main fixed compensation component paid to the members of the Group Executive Board at SIG. It is paid in cash in 12 equal monthly installments unless local law requires otherwise. The level of base salary is determined by the Board of Directors taking into account the specific role performed and the responsibilities accepted within that role. It rewards the experience, expertise and know-how necessary to fulfil the demands of a specific position. In addition, the market value of the role in the location where the Company competes for talent is considered.

Pension benefits and other benefits
As the Group Executive Board is international in its nature, the members participate in the benefit plans available in the country of their employment. Benefits mainly include insurance and health care plans as well as pension coverage, where applicable. SIG's pension benefits for members of the Group Executive Board employed under a Swiss employment contract exceed the legal requirements of the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG) and are in line with the benefits offered by other international companies. Members of the Group Executive Board who are under a foreign employment contract are insured commensurately with market conditions and with their positions. The plans vary in accordance with the local competitive and legal environment and are structured in accordance with local practice and in line with local legal requirements.

In line with general market practice and Swiss law, new members joining the SIG Group Executive Board may be granted replacement awards to compensate for any resulting forfeited compensation at prior employers. Such replacement awards are structured on a "like-for-like" basis regarding instrument and performance conditions and never exceed the forfeited amount at the prior employer, which is verified based on written documentation provided by the recipient and, where needed, a third-party validation of the forfeiting value. If applicable, replacement awards are reported accordingly in the compensation table for the relevant financial year.

In addition, the Group Executive Board members receive certain executive perquisites and benefits in kind according to competitive market practice in the country of their employment (e.g. company cars) as well as cash premiums on share-based payments according to local law. The fair value of these benefits is disclosed in Table 3.

Variable compensation components:
The variable compensation consists of a short-term incentive and a long-term incentive component.

Short-Term Incentive Plan ("STIP")
Under the STIP, the members of the Group Executive Board are rewarded for the achievement of pre-defined annual targets for multiple key performance indicators ("KPIs"), including financial aspects (for details see Figure 11) as well as an ESG element. For 2024, the Board of Directors increased the weighting of the Group free cash flow (FCF) KPI by 5% while decreasing the weighting of Group adjusted earnings before interest, tax and depreciation (EBITDA) by 5% in comparison with 2023. In addition, the operating net working capital (ONWC) target at the regional level was replaced by a regional FCF KPI.

The ESG KPI criteria in the STIP underpins the ongoing commitment to sustainability rooted in SIG's business strategy and activities. The assessment of achievements relating to the ESG element is based on the Company's EcoVadis score[1], enabling an objective and independent measurement approach. Essentially, EcoVadis assesses the quality of a company's sustainability management system through its policies, actions and results.

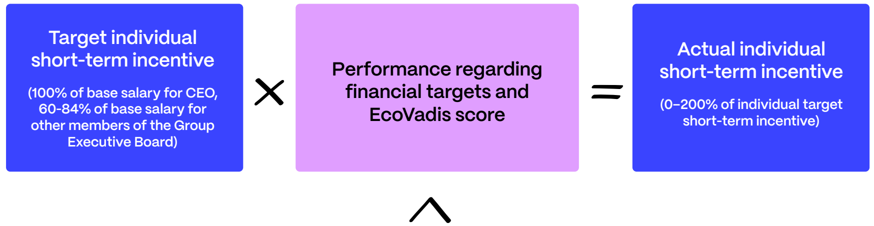
Every year and for each Group Executive Board member the Board of Directors determines, based on a proposal by the Compensation Committee, an individual target amount under the STIP as a percentage of each member's base salary, which is paid out if the targets for the KPIs are achieved to 100%. To determine the actual payout under the STIP, the performance of each KPI is assessed individually against pre-determined targets and is expressed as a target achievement rate in a range from 0% to 200% and then combined according to the assigned weightings (see Figure 11). The overall payout is capped at 200% of the target amount and can fall to zero should the minimum performance achievement level for each KPI not be attained. Detailed information regarding the target amounts, KPI targets and achievements of those targets is provided in the section "Short-Term Incentive Plan 2024" further below.

1 EcoVadis is regarded as a global leader in business sustainability assessments and has rated over 130,000 companies (https://ecovadis.com/). For further information on the EcoVadis Medals and methodology please start at SIG's recognition page https://recognition.ecovadis.com/CZvKdybObUqy8pIBfhc1AQ.
SIG chose to use the EcoVadis aggregated score methodology, rather than selected KPIs, as it reflects the impact of all ESG-related KPIs and the sustainability approach related to implemented policies, actions and results.
The SIG-specific KPIs influencing the score are aligned with strategic priorities across the value chain and operations. In the value chain, examples include reducing greenhouse gas emissions in line with climate science for Scope 1, 2 and 3 emissions and maintaining high standards of responsible sourcing for key commodities. Within the operations, KPIs include sustaining 100% renewable electricity usage and reducing lost-time injury cases. For People and Culture, they encompass metrics such as increasing diversity in leadership positions and employee training programs.

Group Executive Board members with regional responsibilities have KPIs reflecting their regional as well as Group performance. To strengthen the focus of members with regional responsibility on their region's KPIs, the weighting of regional targets is set at 60%, while the weighting of Group KPIs is 40%.

For other Group Executive Board members with a primary Group Function focus, including the CEO and the CFO, performance is assessed based on Group performance only. The framework is illustrated in Figure 11.

Figure 11: Overview of the Group Executive Board STIP compensation framework in 2024.



	KPIs	Weight 2024	Members of the Group Executive Board *without regional responsibility*	Members of the Group Executive Board *with regional responsibility*
Group	Group adjusted EBITDA	50%	100%	40%
	Group revenue	20%		
	Group free cash flow	20%		
	EcoVadis score (sustainability metric)	10%		
Regional	Regional adjusted EBITDA	50%		60%
	Regional revenue	30%		
	Regional free cash flow	20%		

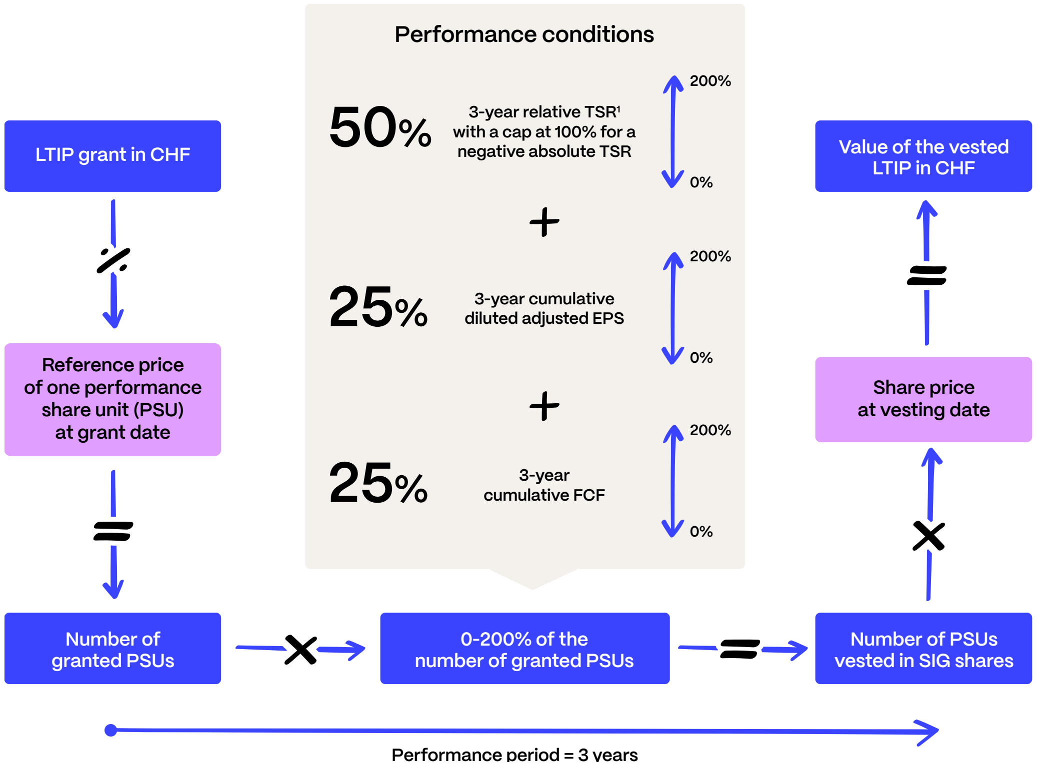
The Chief Markets Officer also acts as President of Bag-in-Box and Spouted Pouch. To take account of this responsibility, the short-term incentive compensation for this position is calculated on 60% Group targets and 40% Bag-in-Box and Spouted Pouch targets, as an exception to the framework illustrated in Figure 11.

Long-Term Incentive Plan ("LTIP")

The LTIP offers eligible employees the opportunity to participate in the long-term success of SIG, thereby reinforcing their focus on longer-term performance and aligning their interests with those of shareholders. The following provides an outline of the plan specifics.

The mechanics behind the LTIP are illustrated in Figure 12. At the beginning of each three-year vesting period, a certain number of performance share units ("PSUs") is granted to each participant, which represents a contingent entitlement to receive SIG shares in the future. The number of granted PSUs depends on (i) the individual LTIP grant level in CHF, determined by the Board each year but never exceeding 204% of the base salary of any member of the Group Executive Board, including the CEO, and (ii) the reference price of one PSU. The reference price reflects the 20-day volume-weighted share price before the grant date.

Figure 12: Overview of the principles of the LTIP.



1 SPI® ICB Industry 2000 "Industrials" Total Return Index.

After the three-year vesting period, a certain number of the granted PSUs vest, depending on the performance of SIG during that period. The number of PSUs vested in SIG shares may vary between 0% and 200% of the granted PSUs and is based on the achievement of the following three weighted KPIs.

KPIs	Relative total shareholder return (rTSR)	Diluted adjusted earnings per share (EPS)	Free cash flow (FCF)
Weight	**50%**	**25%**	**25%**
Description	Total shareholder return measured relative to the SPI® ICB Industry 2000 "Industrials" Total Return Index	SIG's cumulative diluted adjusted earnings per share	SIG's cumulative free cash flow

To determine the multiple of the granted PSUs ultimately vesting into SIG shares, the performance against each KPI is assessed individually in a range from 0% to 200% and then combined according to the assigned weightings. This means that a low performance on one performance measure can be balanced by a higher performance on another performance measure. Overall, the combined vesting multiple will never exceed 200%. If the performance on each of the three KPIs lies below the respective minimum performance requirement, the resulting combined vesting multiple is 0% and consequently no granted PSUs vest. Furthermore, if the absolute TSR falls below zero over the relevant performance period, the vesting factor of the relative TSR metric would be capped at 100%. Detailed information about the grants, targets and their achievements are provided in the section "Long-Term Incentive Plan 2024" further below.

Since the introduction of the LTIP in 2019, PSUs have been granted to the members of the Group Executive Board and selected other members of management on a yearly basis. For an overview of the annual PSU allocations and the outstanding PSUs, see note 30 of the consolidated financial statements for the year ended December 31, 2024 as well as the respective shareholding overview in this report.

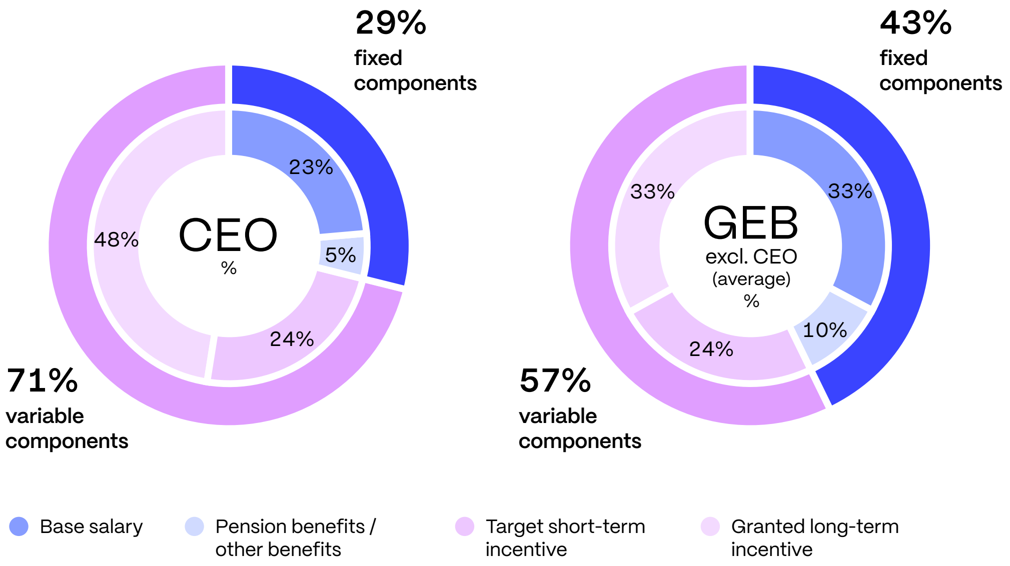
In addition to a failure to meet the threshold performance level, other circumstances under which no PSUs vest include various forfeiture clauses relating to termination of employment during the vesting period of the LTIP.

The LTIP awards are subject to a clawback provision. In the event of a financial restatement due to a material non-compliance of the Company with applicable financial reporting requirements, or in the event of fraudulent behavior or other willful misconduct by a plan participant, the Board of Directors may review the specific facts and circumstances and take clawback actions.

The Board has the right to allocate other, potentially non-recurring, equity-based awards to employees. Any such awards allocated to members of the Group Executive Board are reported accordingly in the compensation table for the relevant financial year.

Compensation mix
Figure 13 illustrates the compensation mix for the CEO and the Group Executive Board at target level in 2024. This compensation mix reflects SIG's high-performance orientation and represents the Company's strong emphasis on aligning the interests of the Group Executive Board and shareholders to create long-term shareholder value, by making a large part of compensation dependent on the achievement of long-term goals.

Figure 13: Overview of the compensation mix for the CEO and the Group Executive Board (excl. CEO) at target level in 2024.



For the Group Executive Board members excluding the CEO, the fixed components (annual base salary and pension benefits/other benefits) vary between 37% and 49% (43% on average) of the total target compensation and the variable components vary between 51% and 63% (57% on average) of total target compensation in 2024.

Holistic approach to align performance and long-term orientation of the compensation structure
SIG's compensation framework is designed to align with its values of accountability, long-term growth and ethical leadership. Accordingly, the higher portion of compensation for the members of the Group Executive Board is variable and performance-based, with 71% for the CEO and 57% of total target compensation for other members of the Group Executive Board on average. This ensures that remuneration is closely linked to delivery of tangible results that drive sustainable growth without promoting excessive risk-taking. SIG believes that this approach encourages performance differentiation and excellence among the members of the Group Executive Board for the benefit of the Company and its stakeholders.

The compensation design principles at SIG are long-term oriented with a substantial portion of the overall compensation based on the LTIP. The share-based variable compensation is deferred for three years which is in line with the long-term horizon of the business strategies. The Company believes that this underpins the strong focus on long-term orientation. By integrating these perspectives into the compensation framework, the Company aims to establish alignment and foster a culture of responsible leadership and shared success. The design principles demonstrate the Company's commitment to delivering consistent and enduring value to its shareholders.

Employment conditions for the Group Executive Board
All members of the Group Executive Board have employment contracts of unlimited duration and a notice period of 12 months, ensuring compliance with applicable laws and regulations. The employment contracts may provide, for a period of up to one year, post-termination compensation for adherence to non-compete clauses. Payment for the non-compete period, if any, amounts to a maximum of one year's compensation, but in any event no more than the average compensation of the respective member during the three preceding financial years, unless otherwise required by local law. Such contracts do not include any contractual severance payments or any change of control provisions other than accelerated vesting and/or unblocking of unvested share awards from the LTIP.

In the event of a change of control, the LTIP will be terminated while settling contractual claims as of the date of the change of control (which will be defined by the Board if unclear). There are generally no special arrangements in place from which Group Executive Board members (as well as Board members) could benefit in divergence from other plan participants.

Compensation awarded to the Group Executive Board (audited)
Table 3 summarizes the total compensation for the nine members of the Group Executive Board active during 2024, with one new member joining in November 2024. The total regular compensation for the Group Executive Board amounted to CHF 11.0 million.

Table 3: Total compensation of the Group Executive Board in 2024, including figures for the prior year.

CHF[1] gross amounts	Group Executive Board (including the CEO) 2024	Group Executive Board (including the CEO) 2023	Highest payment 2024 Samuel Sigrist (CEO)	Highest payment 2023 Samuel Sigrist (CEO)
Annual base salary	3,132,065	3,483,775	700,000	700,000
Pension benefits	499,985	477,837	124,760	124,602
Short-term variable compensation[2]	2,204,784	1,327,661	603,120	147,714
Long-term variable compensation (granted)[3]	4,028,750	4,973,333[4]	1,425,000	1,425,000
Other benefits[5]	524,966	610,960	40,772	34,595
Social security contributions[6]	677,585	607,017	216,317	180,777
Total regular compensation	**11,068,134**	**11,480,583**	**3,109,969**	**2,612,688**
Payments to former executives	242,225[7]	586,302[8]	–	–
Accruals for non-compete agreements	–	–	–	–
Total compensation	11,310,359	12,066,885	3,109,969	2,612,688

1 Exchange rates 2024: AED/CHF 0.2397985; BRL/CHF 0.1641914; CNY/CHF 0.1223468; EUR/CHF 0.95260; SGD/CHF 0.6589216. Exchange rates 2023: AED/CHF 0.2447146; BRL/CHF 0.179905; CNY/CHF 0.1270249; EUR/CHF 0.97177; USD/CHF 0.89864; SGD/CHF 0.6692377.
2 Represents an estimate of effective short-term variable compensation for 2024 which will be paid in 2025, after the publication of SIG's audited consolidated financial statements.
3 Amount granted under the LTIP; the number of PSUs that vest depends on achievement of the performance targets. The number of granted PSUs is equal to the participants' granted amounts under the LTIP divided by the volume-weighted average of the closing prices of the SIG share over the last 20 trading days prior to the grant date as per PSU regulations. See note 30 of the consolidated financial statements for additional details.
4 Includes a one-time grant of PSUs in 2023 to the value of CHF 340,000 to one of the new members of the Group Executive Board, which was granted to partly compensate forfeited awards from the former employer.
5 Comprises payments related to additional insurances, car benefits and other allowances and benefits.
6 Employer social security contributions include estimates for the Short-Term Incentive Plan as well as for the Long-Term Incentive Plan at target level on an accrual basis.
7 Includes payment to one former member of the Group Executive Board who left the Group Executive Board on December 31, 2023. The amount includes base salary (CHF 88,751), pension benefits (CHF 33,341), short-term variable compensation (CHF 103,646), other benefits (CHF 6,463) and employer social security contributions (CHF 10,025).
8 Includes payment to one former member of the Group Executive Board who left the Group Executive Board on December 31, 2022. The amount includes base salary (CHF 280,000), pension benefits (CHF 33,339), short-term variable compensation (CHF 233,334), other benefits (CHF 2,881) and employer social security contributions (CHF 36,748).

Approved versus total regular compensation for the Group Executive Board

The total compensation for the Group Executive Board for 2024 is CHF 11.3 million (including social security contributions), which is below the maximum aggregate compensation amount of CHF 18.0 million approved for 2024 at the Annual General Meeting on April 21, 2023. This amount includes CHF 0.2 million relating to payments to one former member of the Group Executive Board.

Short-Term Incentive Plan ("STIP") 2024

In 2024, the individual short-term incentive target amount equals 100% of the base salary for the CEO and lies between 60% and 84% of the respective base salaries for other members of the Group Executive Board.

The threshold, target and cap (together the "targets") for both the financial KPIs and the ESG KPI are determined by the Board, based on the recommendation of the Compensation Committee each year following a well-established process. To calibrate the achievement curve for financial KPIs, a financial target achievement level is identified based on the budget of the respective year. Minimum and maximum performance achievement levels are defined taking various factors into consideration, including the previous year's performance level as well as the notion that higher payouts should require proportionally higher levels of performance achievement. This leads to more ambitious target curves to achieve the maximum payout. In line with this, achieving the target payout for the ESG KPI requires an improvement in the Company's EcoVadis score, thereby aligning compensation with the Company's ambition to remain a leader in ESG matters.

Figure 14 illustrates the targets set for the financial year 2024, including threshold and cap for the payout.

Figure 14: Target setting for the Short-Term Incentive Plan for the financial year 2024.

Performance measures	Weight	Threshold (0% payout)	Target (100% payout)	Cap (200% payout)
Group adjusted EBITDA	50%	802.0m EUR	835.4m EUR	885.5m EUR
Group revenue first half year				
Carton business	4%	1,214.1m EUR	1,238.9m EUR	1,276.1m EUR
BiB/SP business	2%	304.4m EUR	310.6m EUR	319.9m EUR
Group revenue full year				
Carton business	10%	2,638.7m EUR	2,692.5m EUR	2,773.3m EUR
BiB/SP business	4%	625.5m EUR	638.3m EUR	657.4m EUR
Group free cash flow	20%	302.7m EUR	332.6m EUR	377.5m EUR
EcoVadis score[1]	10%	79 points	81 points	84 points

1 The EcoVadis score is a third-party assessment of our environmental, social and governance performance, measured relatively.

For the Group as a whole, as illustrated in Figure 15 below, the overall STIP plan for 2024 was partially achieved. In terms of financial KPI's, the carton business achieved a strong result for revenue growth, while the bag-in-box and spouted pouch business suffered in a challenging market environment and did not achieve the revenue target set. The Group's adjusted EBITDA achievement was slightly below 100% while the target for free cash flow was not met, even though the Group achieved a 32% increase in free cash flow generation compared with 2023. This emphasizes the challenging nature of the targets set. Lastly, SIG achieved a record EcoVadis score in 2024 compared with 2023.

Figure 15: 2024 performance at Group level relevant for STIP performance assessment.

Performance measures	Weight	Target achievement (0% / 100% / 200%)	Result achieved
Group adjusted EBITDA	50%	82.3%	829.5m EUR
Group revenue first half year carton business BiB/SP business	 4% 2%	 200% 0%	 1,302.0m EUR 269.5m EUR
Group revenue full year carton business BiB/SP business	 10% 4%	 170.1% 0%	 2,749.1m EUR 568.8m EUR
Group free cash flow	20%	0%	290.3m EUR
EcoVadis score[1]	10%	200%	96 points

● Target achievement

In line with the Company's revenue guidance, target revenue is reported at constant currency, i.e. target revenue of the Group is calculated at the applied exchange rate used for the Group's 2024 consolidated financial statements. For the Group's constant currency definition please refer to the following link https://www.sig.biz/en/investors/financial-definitions. The revenue targets have been decreased or increased respectively based on these definitions.

The result achieved can be adjusted as proposed by the Compensation Committee and approval by the Board.

1 SIG achieved a record score of 96/100 in 2024 and was awarded the platinum medal for the sixth consecutive year, again placing the Company in the top 1% of companies assessed. For the first time, the EcoVadis assessment included the bag-in-box, spouted pouch and carton businesses; SIG scored 100/100 in both Environment and Labor & Human Rights. Please refer to the Sustainability section of our Annual Report for details on our sustainability performance and EcoVadis platinum rating.

The achievement for the 2024 STIP was 86.2% for the CEO (21.1% in 2023) and between 41.9% and 148.8% for the other members of the Group Executive Board (14.4% to 107.8% in 2023).

Long-Term Incentive Plan ("LTIP") 2024

In 2024, the LTIP grant in CHF amounted to 204% of the base salary for the CEO and was between 75% and 149% of the respective base salaries for other members of the Group Executive Board.

The threshold, target and cap (together the "targets") performance levels for the three LTIP performance measures for the 2024 grant are illustrated in Figure 16 and were set by the Board, based on the recommendation of the Compensation Committee applying a robust, stringent approach supported by HCM International Ltd. The vesting curves for each KPI under the LTIP are defined to support balanced performance and payout situations below and above the target and allow for a realistic performance-related chance to realize vesting.

Figure 16: Overview of the vesting curve of the LTIP 2024.

Performance measures	Weight	Threshold (0% vesting)	Target (100% vesting)	Cap (200% vesting)
3-year total shareholder return measured relative to the SPI® ICB Industry 2000 "Industrials" Total Return	50%	−16% of index	−0% compared with index	+10% of index
3-year cumulative diluted adjusted earnings per share	25%	64.6% of target	100% target as set by the Board of Directors	135.4% of target
3-years cumulative free cash flow	25%	83.0% of target	100% target as set by the Board of Directors	117.0% of target

Given the market sensitivity of the diluted adjusted earnings per share (EPS) and FCF targets, and the fact that the plan runs until 2027, the targets for these measures are disclosed on a relative basis. Investors' return expectations on market value, stock risk profile, investment projections and current profitability levels were taken as a starting point and translated into EPS and FCF targets, using multifactor valuation models and statistical analyses in order to establish an appropriate link between LTIP payouts and the value created for investors. The results of the outside-in approach were assessed against historical company performance, as well as equity analysts' expectations and the strategic plan as approved by the Board, in order to reinforce the Compensation Committee's and Board's confidence in the overall quality and robustness of the EPS and FCF targets. The Compensation Committee discussed different options for target setting and the corresponding vesting curves for each performance measure and submitted a recommendation to the Board, which approved the respective vesting curves for the LTIP 2024 grant.

The 2021 LTIP grant vested on April 1, 2024 with a 46% payout. This reflects below-target achievement of all three performance measures. The composition of the total vesting multiple is illustrated in Figure 17.

Figure 17: Vesting multiple of the performance share unit grant 2021 for the period 2021 to 2024.

Performance measures	Weight	Vesting multiple (0% – 100% – 200%)	Result achieved
3-year total shareholder return measured relative to the SPI® ICB Industry 2000 "Industrials" Total Return	50%	0%	-21 p.p.
3-year cumulative diluted adjusted earnings per share	25%	75%	2.13 EUR
3-year cumulative free cash flow	25%	106%	687m EUR

● Vesting multiple achieved

The Compensation Committee has defined a robust process to assess the materiality of major events, such as acquisitions completed during the three-year performance period of the plan. Based on the assessment, results achieved are adjusted to consider the influence of these events.

For an overview of the annual PSUs granted and outstanding PSUs, please refer to note 30 of the consolidated financial statements for the year ended December 31, 2024 as well as the respective shareholding overview in this report.

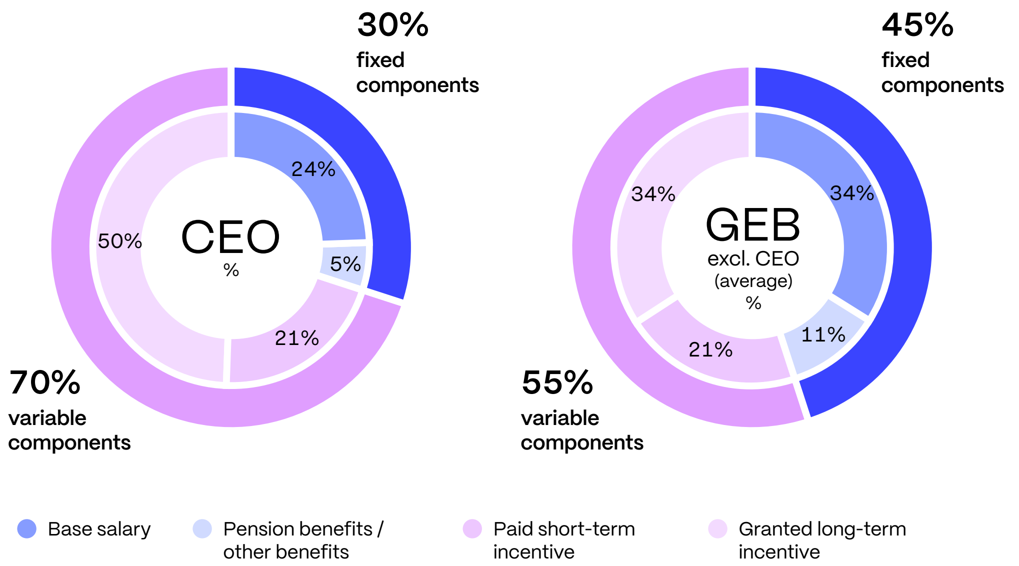
Assessment of actual compensation paid/granted to the Group Executive Board
In comparison with the previous year, the total regular compensation of the entire Group Executive Board decreased by 3.6%. While the performance-related aspects of the STIP payout, as previously described, increased, the overall movement is mainly driven by the personnel change to the Group Executive Board, and as well as exchange rate movements.

Personnel changes in the Group Executive Board during 2024:
- Fabio Grazioli joined the Group Executive Board on November 15, 2024 as Chief Supply Chain Officer replacing Ian Wood, who resigned effective December 31, 2023.

Impact of currency exchange rates:
Four members of the Group Executive Board were paid in foreign currencies during 2024. Their compensation is converted into Swiss francs for the disclosures in this Report and has changed due to shifts in currency exchange rates, while the compensation amount in local currency has just slightly increased to cover inflation. This leads to slightly different compensation levels in comparison with the previous reporting period.

Figure 18 illustrates the actual compensation mixes for the CEO and the Group Executive Board in 2024, highlighting the strong focus on short- and long-term variable compensation elements.

Figure 18: Overview of the actual compensation mix in 2024 for the CEO and the Group Executive Board excl. CEO (reflects the amount granted under the LTIP).



For the Group Executive Board members excluding the CEO, the fixed components (annual base salary and pension benefits/other benefits) vary between 43% and 51% (45% on average) of the total compensation paid and the variable components vary between 49% and 57% (55% on average) of total compensation paid in 2024.

Shareholding Guidelines

In order to further strengthen the long-term focus of the members of the Board and the Group Executive Board and to align their interests more closely with those of SIG's shareholders, Shareholding Guidelines are in place. These guidelines complement the long-term vesting periods under the LTIP and essentially ensure a high level of alignment beyond a limited number of years (i.e. instead of post-vest holding requirements) and extending over the entire term of office of each Board or Group Executive Board member.

The Board of Directors decided to increase the level of shareholding requirement as of 2024. Members of the Board (including the Chair) are required to build up an investment in SIG shares worth the equivalent of 200% of their annual base fees within a five-year build-up period from the first equity grant date.

Similarly, members of the Group Executive Board are required to build up an investment in SIG shares worth the equivalent of 120% of their annual base salary, or 300% for the CEO and 150% for the CFO, within a five-year build-up period, starting with their first grant under the equity-based compensation plan.

To assess whether the thresholds have been met, all blocked or unblocked SIG shares and vested or unvested entitlements to SIG shares (excluding PSUs granted) are considered. Additionally, SIG shares acquired privately, either outright or beneficially, by the members of the Board or Group Executive Board or their immediate family members count towards meeting the thresholds.

Adherence with the Shareholding Guidelines is assessed annually by the Compensation Committee.

The annual shareholding assessment showed full compliance with the regulation for all members of the Board of Directors and Group Executive Board, considering that for some members the build-up period is still ongoing.

Shareholdings

The following tables show the shareholdings as well as holdings of option rights of the members of the Board of Directors as well as the members of the Group Executive Board as of December 31, 2024 and December 31, 2023.

Board of Directors

Table 4: Shareholdings[1] of the Board of Directors as of December 31, 2024, including figures for the prior year.

	Number of shares[2] held by members[3]	Number of shares[2] held by member's close associates[4]	Total number of shares on Dec. 31, 2024	Total number of shares on Dec. 31, 2023	Total number of options[5] held on Dec. 31, 2024	Total number of options[5] held on Dec. 31, 2023
Andreas Umbach (Chair)	122,604	–	122,604	110,186	–	–
Werner Bauer (Member)	73,328	–	73,328	63,340	–	–
Wah-Hui Chu (Member)	59,958	–	59,958	55,561	–	–
Thomas Dittrich (Member)	3,117	–	3,117	n/a[6]	–	n/a[6]
Mariel Hoch (Member)	29,698	–	29,698	24,277	–	–
Florence Jeantet (Member)	6,989	–	6,989	2,184	–	–
Laurens Last (Member)	38,234,390[7]	–	38,234,390	35,926,738[7]	–	1,073,430[8]
Abdallah al Obeikan (Member)	12,816	15,817,632[9]	15,830,448	1,835,350[10]	–	–
Martine Snels (Member)	14,592	–	14,592	9,507	–	–
Matthias Währen (Member)	44,024	–	44,024	38,603	–	–
Total	**38,601,516**	**15,817,632**	**54,419,148**	**38,065,746**	**–**	1,073,430

1 According to the disclosures made by the members of the Board of Directors as of December 31, 2024.
2 Ordinary registered shares of SIG Group AG, including blocked shares.
3 Shares beneficially held by members of the Board of Directors (directly or indirectly)
4 Shares held by close associates of the members of the Board of Directors in accordance with art. 734d of the Swiss Code of Obligations.
5 Options to purchase ordinary registered shares of SIG Group AG.
6 Thomas Dittrich was elected as a member of the Board of Directors at the 2024 AGM and was not in office on December 31, 2023.
7 Includes shares indirectly held by Laurens Last via Clean Holding B.V.
8 Through reverse convertible products indirectly held by Laurens Last via Clean Holding B.V.
9 Shares held by Al Obeikan Group for Investment Company CJS.
10 Shares held directly by Abdallah al Obeikan and shares held indirectly through his shareholding in Al Obeikan Group for Investment Company CJS.

Group Executive Board

Table 5: Shareholdings[1] of the members of the Group Executive Board as of December 31, 2024, including figures for the prior year.

	Number of shares[2] held by members[3]	Number of shares[2] held by member's close associates[4]	Total shareholdings on Dec. 31, 2024	Total shareholdings on Dec. 31, 2023	Number of PSUs[5] held on Dec. 31, 2024	Number of PSUs[5] held on Dec. 31, 2023	Total options[6] held on Dec. 31, 2024	Total options[6] held on Dec. 31, 2023
Samuel Sigrist (CEO)	200,000	–	200,000	220,000	198,594	182,146	–	–
Ann-Kristin Erkens (CFO)	–	–	–	–	50,629	24,019	–	–
Gavin Steiner (CTO)	–	–	–	–	29,107	13,141	–	–
Fabio Grazioli (CSO)	–	–	–	–[7]	1,797	–[7]	–	–[7]
Christoph Wegener (CMO)	23,278	–	23,278	21,731	32,636	21,628	24,640[8]	26,525[8]
Abdelghany Eladib (President & General Manager, India Middle East and Africa)	16,721	–	16,721	7,920	47,620	42,440	–	14,840[8]
Angela Lu (President & General Manager, Asia Pacific)	–	–	–	–	45,430	26,803	–	–
José Matthijsse (President & General Manager, Europe)	3,216	–	3,216	–	47,620	42,440	–	–
Ricardo Rodriguez (President & General Manager, Americas)	205,000[9]	–	205,000	225,000[9]	64,152	60,374	–	–
Ian Wood (former CSO)	–	–	–[10]	110,000	–[10]	27,037	–[10]	–
Suzanne Verzijden (former Chief People & Culture)	–	–	–[10]	3,416	–[10]	3,048	–[10]	–
Total	**448,215**	**–**	**448,215**	**588,067**	**517,585**	**443,076**	**24,640**	**41,365**

1 According to the disclosures made by the members of the Group Executive Board as of December 31, 2024.
2 Ordinary registered shares of SIG Group AG.
3 Shares beneficially held by members of the Group Executive Board (directly or indirectly).
4 Shares held by close associates of the members of the Group Executive Board in accordance with art. 734d of the Swiss Code of Obligations.
5 The PSUs will vest, based on performance conditions, in SIG shares.
6 Options to purchase ordinary registered shares of SIG Group AG.
7 Fabio Grazioli joined the Group Executive Board during 2024, so the Shareholding Guidelines and disclosure obligations did not apply to him as of 31 December 2023.
8 Options were granted within the Equity Investment Plan before promotion to the Group Executive Board.
9 Includes shares indirectly held by Ricardo Rodriguez via Artmat.
10 Ian Wood (former CSO) and Suzanne Verzijden (former Chief People & Culture) left the Group Executive Board as of December 31, 2023, so the Shareholding Guidelines and disclosure obligations no longer apply to them.

Functions of the members of the Board of Directors and members of the Group Executive Board

Further activities and functions of the members of the Board of Directors and of the members of the Group Executive Board are listed in the relevant sections for each body in the Corporate Governance Report.

For a summary of mandates with a business purpose of members of the Board of Directors and of the Group Executive Board, acting during 2024 and 2023, please refer to the following tables.

Table 6: Mandates of the members of the Board of Directors in 2024.

Board of Directors	Mandates in year 2024
Andreas Umbach	Chair of the board of directors of Landis+Gyr Group AG Chair of the supervisory board of Techem Energy Services GmbH Chair of the board of directors of Schurter Group AG President of the Zug Chamber of Commerce (mandate ended in 2024)
Werner Bauer	Vice chair of the board of directors of Bertelsmann SE & Co. KGaA Chair of the board of trustees at the Bertelsmann Foundation
Wah-Hui Chu	Chair of iBridget TT International Limited
Thomas Dittrich[1]	Chief Financial Officer of Galderma Group AG
Mariel Hoch	Partner at Bär & Karrer Vice chair of the board of directors of Comet Holding AG Member of the board of directors of Komax Holding AG Member of the board of directors of MEXAB AG
Florence Jeantet	Member of the board of directors of Mérieux NutriSciences Advisor to the Economic Council in France Member of the Ethics Committee of the French National Association
Laurens Last	Member of the board of TSAL Family Office B.V. Member of the board of Lorenzo Marine Ltd. Member of the board of Roque Marine Ltd.
Abdallah al Obeikan	Member of the board of directors of Arabian Shield Cooperative Insurance Company Member of the board of directors and CEO of Obeikan Investment Group Chair of Obeikan AGC Glass Company Chair of Riyadh Polytechnic Institute Member of the board of directors of National Water Company Member of the board of directors of Social Development Bank Member of the advisory boards of KSA agencies
Martine Snels	CEO of L'Advance BV Member of the supervisory board of Prodrive Technologies Member of the board of directors of Electrolux Professional AB Member of the advisory board of Zentis Fruchtwelt GmbH & Co. KG
Matthias Währen	Member of the board of trustees of the HBM Foundation Member of the board of directors of Bloom Biorenewables SA (mandate ended in 2024) Member of the board of trustees of the Givaudan Foundation (mandate ended in 2024)

1 Thomas Dittrich was elected as member of the Board at the Annual General Meeting in April 2024. The mandates are therefore provided for the period from April 23, 2024 until December 31, 2024.

For more details on the members of the Board of Director's curriculum vitae, please refer to the Governance section in this Annual Report.

Table 7: Mandates of the members of the Board of Directors in 2023.

Board of Directors	Mandates in year 2023
Andreas Umbach	Chair of the board of directors of Landis+Gyr Group AG Chair of the supervisory board of Techem Energy Services GmbH Chair of the board of directors of Rovensa SA (mandate ended in 2023) Chair of the board of directors of Schurter Group AG President of the Zug Chamber of Commerce
Werner Bauer	Vice chair of the board of directors of Givaudan SA (mandate ended in 2023) Vice chair of the board of directors of Bertelsmann SE & Co. KGaA Chair of the board of trustees at the Bertelsmann Foundation

Board of Directors	Mandates in year 2023
Wah-Hui Chu	Chair of iBridget TT International Limited Member of the board of directors of Mettler Toledo International (mandate ended in 2023)
Mariel Hoch	Partner at Bär & Karrer Vice chair of the board of directors of Comet Holding AG Member of the board of directors of Komax Holding AG Member of the board of directors of MEXAB AG
Florence Jeantet[1]	Senior Vice President, Chief Sustainability Officer at Danone (mandate ended in 2023) Advisor to the Economic Council in France
Laurens Last	Director of TSAL Family office B.V. Director of Lorenzo marine Ltd. Director of Roque Marine Ltd.
Abdallah al Obeikan	Member of the board of directors of Arabian Shield Cooperative Insurance Company Member of the board of directors and CEO of Obeikan Investment Group and chair of Obeikan AGC Glass Company Chair of Riyadh Polytechnic Institute Member of the board of directors of National Water Company Member of the board of directors of Social Development Bank Member of the advisory boards of KSA agencies
Martine Snels	CEO of L'Advance BV Member of the supervisory board of Prodrive Technologies Member of the board of directors of Electrolux Professional AB Member of the supervisory board of URUS Group LLC (mandate ended in 2023)
Matthias Währen	Member of the board of directors of Keto Swiss AG (mandate ended in 2023) Member of the board of directors of Bloom Biorenewables SA Member of the board of directors ph. AG (mandate ended in 2023) Member of the board of trustees of the Givaudan Foundation and the HBM Fondation

Board of Directors	Mandates in year 2023
Colleen Goggins[2]	Member of the board of directors of TD Bank Group Member of the supervisory board of Bayer AG Member of the board of directors of IQVIA Member of the advisory boards of ZO Skin Health, Sabert Inc. and Acacium

Table 8: Mandates of the members of the Group Executive Board in 2024.

Group Executive Board	Mandates in year 2024
Ann-Kristin Erkens	Member of the supervisory board of SCHOTT Pharma AG & Co. KGaA

Samuel Sigrist, Gavin Steiner, Fabio Grazioli, Christoph Wegener, Abdelghany Eladib, Angela Lu, José Matthijse and Ricardo Rodriguez held no external mandates during the reporting year.

For more details on the members of the Group Executive Board's curriculum vitae, please refer to the Governance section in this Annual Report.

Table 9: Mandates of the members of the Group Executive Board in 2023.

Group Executive Board	Mandates in year 2023
Ann-Kristin Erkens[3]	Member of the supervisory board of SCHOTT Pharma AG & Co. KGaA
Suzanne Verzijden	Member of the supervisory board of Essity

Samuel Sigrist, Ian Wood, Gavin Steiner, Christoph Wegener, Abdelghany Eladib, Angela Lu, José Matthijse, Ricardo Rodriguez, Lidong Fan and Ross Bushnell held no external mandates during the year 2023.

1 Florence Jeantet was elected as member of the Board at the Annual General Meeting in April 2023. The mandates are therefore provided for the period from April 20, 2023 until December 31, 2023.
2 Colleen Goggins left the Board of Directors at the Annual General Meeting in April. The mandates are therefore provided for the period from January 1, 2023 until April 20, 2023.
3 Ann-Kristin Erkens joined the Company on November 1, 2023. The list covers the relevant mandates for the period from November 1, 2023 until December 31, 2023.

Loans granted to members of the Board of Directors or the Group Executive Board

SIG's Articles of Association do not foresee loans to be granted by the Group or its consolidated subsidiaries to members of the Board or the Group Executive Board. As a consequence, no loans were granted to or are outstanding from either Board or Group Executive Board members.

Outlook

As of 2025 the adjusted EBITDA target in the Short-Term Incentive Plan at global and regional level will be replaced by an adjusted EBIT target. The target will be split into an absolute KPI and a margin target. The change of the KPI reflects an increased focus on return on assets.

With regard to the overall variable compensation schemes, the Compensation Committee has decided to conduct a review in 2025 of the ESG component in both STIP and LTIP. Details will be communicated in the Compensation Report for the financial year 2025.

Report of the statutory auditor

to the General Meeting of SIG Group AG, Neuhausen am Rheinfall

Report on the audit of the Compensation Report

Opinion

We have audited the compensation report of SIG Group AG (the Company) for the year ended December 31, 2024. The audit was limited to the information pursuant to article 734a-734f of the Swiss Code of Obligations (CO) in the tables marked 'audited', identifiable by the check mark ✓.

In our opinion, the information pursuant to article 734a-734f CO in the compensation report (pages 208-226) complies with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the compensation report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked 'audited' in the compensation report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the compensation report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the compensation report

The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a compensation report that is free from material misstatement, whether due to fraud or error. It is also charged with structuring the compensation principles and specifying the individual compensation components.

Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers AG

Joanne Burgener Licensed audit expert Auditor in charge	Manuela Baldisweiler Licensed audit expert

Basel, February 20, 2025

PricewaterhouseCoopers AG, St. Jakobs-Strasse 25, 4002 Basel, Telefon: +41 58 792 51 00, www.pwc.ch

Financials

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the planet,
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In this section

Consolidated financial statements for the year ended December 31, 2024

SIG Group AG

See note 3 for further details on the consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income

(In € million)	Note	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Revenue	6, 7	3,328.5	3,230.3
Cost of sales		(2,557.3)	(2,468.9)
Gross profit		**771.2**	**761.4**
Other income	8	76.9	97.6
Selling, marketing and distribution expenses		(133.8)	(135.3)
General and administrative expenses		(279.6)	(258.9)
Other expenses	8	(10.9)	(15.6)
Share of profit of joint venture		0.3	(0.1)
Profit from operating activities		**424.1**	**449.1**
Finance income		11.1	14.5
Finance expenses		(154.2)	(139.6)
Net finance expense	24	**(143.1)**	**(125.1)**
Profit before income tax		**281.0**	**324.0**
Income tax expense	31	(86.5)	(80.8)
Profit for the period	9	**194.5**	**243.2**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Currency translations of foreign operations:			
– recognized in translation reserve		26.6	(69.8)
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans	29	1.5	53.2
Total other comprehensive income, net of income tax		**28.1**	**(16.6)**
Total comprehensive income		**222.6**	**226.6**
Basic earnings per share (in €)	10	0.51	0.64
Diluted earnings per share (in €)	10	0.51	0.64

Consolidated statement of financial position

(In € million)	Note	As of Dec. 31, 2024	As of Dec. 31, 2023
Cash and cash equivalents	17	303.4	280.9
Trade and other receivables	16	500.2	422.7
Inventories	15	376.7	384.4
Current tax assets	31	13.9	6.0
Other current assets	9, 21	47.3	23.4
Total current assets		**1,241.5**	**1,117.4**
Non-current receivables	16	9.1	13.2
Investment in joint venture	27	0.7	0.4
Deferred tax assets	31	68.7	60.6
Property, plant and equipment	12	1,874.0	1,795.4
Right-of-use assets	13	322.0	267.3
Intangible assets	14	3,962.1	4,054.4
Employee benefits	29	181.8	191.8
Other non-current assets	21	29.3	32.0
Total non-current assets		**6,447.7**	**6,415.1**
Total assets		**7,689.2**	**7,532.5**

(In € million)	Note	As of Dec. 31, 2024	As of Dec. 31, 2023
Trade and other payables	18	1,096.4	1,006.4
Loans and borrowings	23	776.7	264.4
Current tax liabilities	31	50.3	49.3
Employee benefits	29	73.1	61.0
Provisions	19	14.6	15.7
Deferred revenue	20	112.4	102.9
Other current liabilities	21	9.0	14.2
Total current liabilities		**2,132.5**	**1,513.9**
Non-current payables	18	14.2	14.9
Loans and borrowings	23	1,694.4	2,187.4
Deferred tax liabilities	31	223.0	244.2
Employee benefits	29	104.2	110.4
Provisions	19	25.1	25.1
Deferred revenue	20	360.0	284.4
Other non-current liabilities	21	3.7	55.1
Total non-current liabilities		**2,424.6**	**2,921.5**
Total liabilities		**4,557.1**	**4,435.4**
Share capital	25	3.4	3.4
Additional paid-in capital		2,498.6	2,684.9
Translation reserve		(122.4)	(149.0)
Treasury shares	25	(1.0)	(1.5)
Retained earnings		753.5	559.3
Total equity		**3,132.1**	**3,097.1**
Total liabilities and equity		**7,689.2**	**7,532.5**

Consolidated statement of changes in equity

(In € million)	Note	Share capital	Additional paid-in capital	Translation reserve	Treasury shares	Retained earnings	Total equity
Equity as of January 1, 2024		**3.4**	**2,684.9**	**(149.0)**	**(1.5)**	**559.3**	**3,097.1**
Profit for the period						**194.5**	**194.5**
Other comprehensive income							
Items that may be reclassified to profit or loss							
Currency translations of foreign operations:							
– recognized in translation reserve				26.6			**26.6**
Items that will not be reclassified to profit or loss							
Remeasurement of defined benefit plans	29					1.5	**1.5**
Total other comprehensive income, net of income tax		**–**	**–**	**26.6**	**–**	**1.5**	**28.1**
Total comprehensive income for the period		**–**	**–**	**26.6**	**–**	**196.0**	**222.6**
Share-based payments	30					3.2	**3.2**
Purchase of treasury shares	25				(4.6)		**(4.6)**
Settlement of share-based payment plans and arrangements	25, 30		1.5		5.1	(5.0)	**1.6**
Dividends	25		(187.8)				**(187.8)**
Total transactions with owners		**–**	**(186.3)**	**–**	**0.5**	**(1.8)**	**(187.6)**
Equity as of December 31, 2024		**3.4**	**2,498.6**	**(122.4)**	**(1.0)**	**753.5**	**3,132.1**

Consolidated statement of changes in equity continued

(In € million)	Note	Share capital	Additional paid-in capital	Translation reserve	Treasury shares	Retained earnings	Total equity
Equity as of January 1, 2023		**3.4**	**2,868.6**	**(79.2)**	**(1.3)**	**263.7**	**3,055.2**
Profit for the period						**243.2**	**243.2**
Other comprehensive income							
Items that may be reclassified to profit or loss							
Currency translations of foreign operations:							
– recognized in translation reserve				(69.8)			**(69.8)**
Items that will not be reclassified to profit or loss							
Remeasurement of defined benefit plans	29					53.2	**53.2**
Total other comprehensive income, net of income tax		**–**	**–**	**(69.8)**	**–**	**53.2**	**(16.6)**
Total comprehensive income for the period		**–**	**–**	**(69.8)**	**–**	**296.4**	**226.6**
Acquisition of non-controlling interest	27					(3.3)	**(3.3)**
Share-based payments	30					6.9	**6.9**
Purchase of treasury shares	25				(9.4)		**(9.4)**
Settlement of share-based payment plans and arrangements	25, 30		(3.5)		9.2	(4.4)	**1.3**
Dividends	25		(180.2)				**(180.2)**
Total transactions with owners		**–**	**(183.7)**	**–**	**(0.2)**	**(0.8)**	**(184.7)**
Equity as of December 31, 2023		**3.4**	**2,684.9**	**(149.0)**	**(1.5)**	**559.3**	**3,097.1**

Consolidated statement of cash flows

(In € million)	Note	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Cash flows from operating activities			
Profit for the period		194.5	243.2
Adjustments for:			
Depreciation and amortization	12-14	419.5	412.2
Impairment losses	12, 13	26.6	4.8
Net change in fair value of operating derivatives		(9.6)	(9.2)
Share-based payment expense	30	3.2	6.9
Gain on sale of property, plant and equipment and non-current assets		(1.6)	(1.5)
Share of profit of joint venture		(0.3)	0.1
Net finance expense	24	143.1	125.1
Interest paid		(135.1)	(124.9)
Payment of transaction and other costs relating to financing		(1.8)	–
Income tax expense	31	86.5	80.8
Income taxes paid, net of refunds received		(123.1)	(93.9)
		601.9	**643.6**
Change in trade and other receivables		(89.5)	30.4
Change in inventories		9.1	10.1
Change in trade and other payables, including advance payments		80.2	(6.3)
Change in provisions and employee benefits		9.5	(5.1)
Change in other assets and liabilities, including deferred revenue		38.0	(9.4)
Net cash from operating activities	11	**649.2**	**663.3**

(In € million)	Note	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Cash flows from investing activities			
Acquisition of business, net of cash acquired		–	(0.5)
Acquisition of property, plant and equipment and intangible assets	12, 14	(310.0)	(398.9)
Sale of property, plant and equipment and other assets	12	2.8	2.3
Investment in securities		(4.4)	(2.4)
Interest received		3.8	3.6
Net cash used in investing activities	11	**(307.8)**	**(395.9)**
Cash flows from financing activities			
Acquisition of non-controlling interest	27	–	(3.3)
Proceeds from loans and borrowings	23	1,173.8	725.1
Repayment of loans and borrowings	23	(1,247.3)	(961.2)
Payment of lease liabilities	23	(51.7)	(47.2)
Purchase of treasury shares	25	(4.6)	(9.4)
Sale of treasury shares	25, 30	1.6	1.3
Payment of dividends	25	(187.8)	(180.2)
Other		(4.2)	(1.6)
Net cash used in financing activities	11	**(320.2)**	**(476.5)**
Net increase/(decrease) in cash and cash equivalents		**21.2**	**(209.1)**
Cash and cash equivalents as of the beginning of the period		280.9	503.8
Effect of exchange rate fluctuations on cash and cash equivalents		1.3	(13.8)
Cash and cash equivalents as of the end of the period	17	**303.4**	**280.9**

Basis of preparation

This section includes information on the parent company and the Group. It further contains details about the preparation of the consolidated financial statements, including general accounting policies and topics. An overview of the structure of the consolidated financial statements is also provided. In addition, the key events and transactions in the year are highlighted.

1 Reporting entity and overview of the Group

SIG Group AG ("SIG" or the "Company") is domiciled in Switzerland and has been listed on SIX Swiss Exchange since September 28, 2018.

The consolidated financial statements for the year ended December 31, 2024 comprise the Company and its subsidiaries (together referred to as the "Group" or the "SIG Group"). The subsidiaries and joint venture reflected in the consolidated financial statements are listed in note 27.

SIG is a leading packaging solutions provider, offering carton, bag-in-box and spouted pouch packaging solutions. The packaging solution offerings consist of filling lines and other related equipment, packaging material and after-sales services.

2 Preparation of the consolidated financial statements

The consolidated financial statements for the year ended December 31, 2024 have been prepared in accordance with IFRS Accounting Standards. They were approved by the Company's Board of Directors on February 20, 2025. They also comply with the Listing Rules of SIX Swiss Exchange and with Swiss company law.

The consolidated financial statements are presented in Euros ("€" or "EUR") as the Euro is deemed to be the currency most representative of the Group's activities. The functional currency of the Company is the Swiss Franc.

The consolidated financial statements are prepared on a historical cost basis except for certain financial instruments such as derivatives and equity securities, contingent purchase price obligations relating to business combinations and liabilities for cash-settled share-based payment plans that are measured at fair value. Furthermore, certain components of inventory are measured at net realizable value and defined benefit obligations are measured under the projected unit credit method. Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3 Structure of the consolidated financial statements

The consolidated financial statements are structured into different sections that should facilitate an overview and understanding of the Group's operations, financial position and performance. The notes are included in these sections based on their relevance and provide information that is material and relevant to the consolidated financial statements.

Basis of preparation	Our operating performance	Our operating assets and liabilities	Our financing and financial risk management	Our group structure and related parties	Our people	Other
1 Reporting entity and overview of the Group	6 Revenue	12 Property, plant and equipment	22 Capital management	27 Group entities	29 Employee benefits	31 Income tax
2 Preparation of the consolidated financial statements	7 Segment information	13 Right-of-use assets	23 Loans and borrowings	28 Related parties	30 Share-based payment plans and arrangements	32 Financial instruments and fair value information
3 Structure of the consolidated financial statements	8 Other income and expenses	14 Intangible assets	24 Finance income and expenses			33 Contingent liabilities
4 Key events and transactions	9 Alternative performance measures	15 Inventories	25 Equity			34 Subsequent events
5 General accounting policies and topics	10 Earnings per share	16 Trade and other receivables	26 Financial risk management			
	11 Cash flow information	17 Cash and cash equivalents				
		18 Trade and other payables				
		19 Provisions				
		20 Deferred revenue				
		21 Other assets and liabilities				

Potentially material accounting policies and information about management judgments, estimates and assumptions are provided in the respective notes throughout the consolidated financial statements. Potentially material accounting policies that relate to the financial statements as a whole or are relevant for several notes are included in this "Basis of preparation" section.

4 Key events and transactions

The following key events and transactions took place in the year ended December 31, 2024.

Chilled carton production changes in China

The Group has moved its production of chilled carton from Shanghai to the same location as its aseptic carton facilities in Suzhou. Production at the Group's new, leased chilled carton production plant started in the second quarter of 2024. The move of the chilled carton production has resulted in the recognition of impairment losses and restructuring expenses in the total amount of €22.0 million (pre-tax) in the year ended December 31, 2024.

The Group is in the process of selling the production plant in Shanghai. The sale is expected to complete in 2025. For more information, see note 9.

Refinancing transactions

On May 8, 2024, the Group issued unsecured *Schuldscheindarlehen* ("SSD", a private German debt placement) totaling €450 million. On June 28, 2024, the Group accessed new senior unsecured credit facilities consisting of a five-year €50 million term loan and two committed Euro revolving credit facilities in the total amount of €500 million.

The proceeds from the SSD and the new term loan, together with available cash, were used on June 28, 2024 to prepay the Group's €550 million term loan that was due in June 2025. In connection with this, the related €300 million committed multi-currency revolving credit facility was terminated.

On September 18, 2024, the Group repaid the €100.0 million draw-down of an unsecured credit facility that was made in the last quarter of 2023, using available cash.

On November 29, 2024, the Group signed a €550 million unsecured bridge loan facility agreement. The facility can be accessed until June 2025, when the Group's €550 million of senior unsecured notes is due for repayment.

See note 23 for additional details.

Changes in the Group Executive Board and the Board of Directors

Fabio Grazioli joined the Group Executive Board as Chief Supply Chain Officer on November 15, 2024. The former Chief Supply Chain Officer, Ian Wood, left the Group as of December 31, 2023.

Thomas Dittrich was elected to the Board of Directors at the Annual General Meeting on April 23, 2024. Andreas Umbach was re-elected as the chair of the Board of Directors for another one-year term. He has announced that he will not stand for re-election at the 2025 Annual General Meeting. The Board of Directors will nominate Ola Rollén for election as chair at the 2025 Annual General Meeting.

5 General accounting policies and topics

5.1 Application of material accounting policies

The accounting policies applied by the Group in the consolidated financial statements for the year ended December 31, 2024 are consistent with those applied in the consolidated financial statements for the year ended December 31, 2023.

The Group became subject to the global minimum 15% top-up tax under the OECD Pillar Two Model Rules from January 1, 2024. For further details, see note 31.

5.2 Impact of new or amended standards and interpretations

A number of new or amended standards and interpretations became effective for annual periods beginning on January 1, 2024.

The Group has applied *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants* (Amendments to IAS 1 *Presentation of Financial Statements*) since January 1, 2024. The clarified guidance on current/non-current classification and compliance with covenants has not resulted in a change to the classification of the Group's loans and borrowings that were in place as of January 1, 2024. The committed multi-currency revolving credit facility that was terminated in June 2024 was not drawn down as of December 31, 2023. The amounts used as of December 31, 2024 under the Group's new committed Euro revolving credit facilities are classified as non-current in line with the revised guidance (see also notes 23 and 26). Some additional disclosures are now also required regarding compliance with covenants after the reporting date (see note 23). Other clarifications in IAS 1 amended are not applicable to the Group.

The other applicable standards and interpretations also had no, or no material, impact on the consolidated financial statements for the year ended December 31, 2024.

5.3 Adoption of standards and interpretations in 2025 and beyond

A number of new or amended standards and interpretations are effective for annual periods beginning on or after January 1, 2025 and have not been applied in preparing these consolidated financial statements. The Group does not plan to adopt these standards and interpretations before their effective dates. Many of them are not applicable to the Group or are expected to have no, or no material, impact on the consolidated financial statements.

IFRS 18 *Presentation and Disclosure in the Financial Statements* is effective from January 1, 2027 on a retrospective basis. The adoption of this standard introduces some changes to notably the presentation of items in the statement of profit and loss and other comprehensive income but also to the presentation of items in the statement of financial position and the statement of cash flows. There is also additional guidance on aggregation/disaggregation of information and requirements on disclosure and audit of certain management-defined performance measures. The Group has started its impact assessment of adopting IFRS 18. It does not expect to be materially impacted by the changes introduced by IFRS 18.

5.4 Significant accounting judgments, estimates and assumptions

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on historical experience and various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from estimates and assumptions made. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods.

Management believes that the following accounting policies involve the most significant judgments, estimates and assumptions:

- Liabilities for various customer incentive programs – see notes 6 and 18.
- Impairment testing and recognition of impairment losses – see notes 12, 13 and 14.
- Fair value assessment of contingent consideration – see notes 26 and 32.
- Measurement of obligations under defined benefit plans – see note 29.
- Determination of income tax liabilities – see note 31.
- Realization of deferred tax assets – see note 31.

The impacts of global economic uncertainty on the SIG Group broadly remain unchanged compared with the year ended December 31, 2023 as described below.

Global economic uncertainty

Geopolitical events such as the war in Ukraine, the conflicts in the Middle East, disruption on major shipping routes and increased tariffs can have significant impacts on the global economy in general, impacting areas such as the supply of raw materials as well as energy prices and other prices. However, the Group overall has not been, and is currently not, significantly impacted by these effects. These effects can be, and have been, partially mitigated by the Group's diversified supply chain, its hedging strategy, long-term supply contracts and the ability to pass on higher costs to its customers.

5.5 Material accounting policies and other topics relating to the consolidated financial statements as a whole

5.5.1 Foreign currency

Items included in the financial statements of individual Group entities are recognized in their respective functional currency, which is the currency of the primary economic environment in which each Group entity operates.

Foreign currency transactions

Foreign currency transactions are translated into the respective functional currency of the Group entity at the exchange rates at the dates of the transactions, or at average rates that approximate the exchange rates at the dates of the transactions. Monetary assets and liabilities in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Non-monetary assets and liabilities in foreign currencies that are measured based on historical cost are translated at the exchange rates at the dates of the transactions. Foreign currency exchange gains or losses are generally recognized in profit or loss.

Foreign operations

Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisitions, are translated into Euro at the exchange rates at the reporting date. The income and expenses of foreign operations are generally translated into Euro at average rates for the reported periods as these rates generally approximate the exchange rates at the dates of the transactions. This also applies to the statement of cash flows and all movements in assets and liabilities as well as any items of other comprehensive income. The foreign currency exchange gains and losses arising on the translation of the net assets of foreign operations are recognized in other comprehensive income, in the translation reserve.

When a foreign operation is disposed of or liquidated, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal (or liquidation).

The Group does not apply hedge accounting to the foreign currency exchange differences arising between the functional currency of the foreign operation and the Euro.

Significant exchange rates

The following significant exchange rates against the Euro applied during the periods presented:

	Average rate for the year		Spot rate as of	
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Brazilian Real (BRL)	5.80177	5.40157	6.42530	5.36180
Chinese Renminbi (CNY)	7.78606	7.65023	7.58330	7.85090
Mexican Peso (MXN)	19.70209	19.18382	21.55038	18.72311
Swiss Franc (CHF)	0.95260	0.97177	0.94120	0.92600
Thai Baht (THB)	38.15161	37.60705	35.67597	37.97307
US Dollar ($ or USD)	1.08182	1.08138	1.03890	1.10500

5.5.2 Lease accounting

The Group as lessor

The Group deploys filling lines and other related equipment at its customers' sites under both lease and sale contracts.

The aseptic carton filling line contracts generally contain certain terms showing that the Group retains control of the filling line and does not transfer the significant risks and rewards of ownership to the customer. Due to these contractual terms, the majority of the Group's aseptic carton filling line contracts qualify to be accounted for as operating leases in accordance with IFRS 16 *Leases*. See also notes 6, 12, 18 and 20. Sale contracts that do not contain such terms are accounted for in accordance with IFRS 15 *Revenue from Contracts with Customers*.

The Group's aseptic carton filling line lease contracts do not include unconditional rights for customers to extend the lease or to purchase the filling line at the end of the stated lease term. Due to the Group's long-term relationships with its customers and changing customer needs, contracts can be modified or terminated at any time. Customers may, for example, want to change to a different filling machine model. Filling lines taken back from customers are generally overhauled and redeployed with other existing or new customers.

Lease contracts in the bag-in-box, spouted pouch and chilled carton businesses are accounted for as operating or finance leases in accordance with IFRS 16 *Leases*. The impact of these lease contracts is not material for the Group.

The Group as lessee

The Group leases office buildings, production-related buildings and equipment, warehouses and cars.

The majority of the Group's leased assets are recognized as right-of-use assets with corresponding lease liabilities. See notes 13 and 23 for details about the accounting for right-of-use assets and lease liabilities.

Leases of low-value assets and short-term leases (leases with a lease term of 12 months or less) are accounted for off-balance sheet. The lease payments are recognized as an expense on a straight-line basis over the lease term. Variable lease payments that are not included in the measurement of lease liabilities are also accounted for off-balance sheet and are recognized as an expense when incurred. The Group's off-balance sheet leases have an insignificant impact on the Group's result.

5.5.3 Impairment of non-financial assets

The carrying amounts of the Group's property, plant and equipment, right-of-use assets and intangible assets with finite useful lives are reviewed regularly and at least annually to identify whether there is an indication of impairment. If an impairment indicator exists, the asset's recoverable amount is estimated. Goodwill and the SIG trademarks with indefinite useful lives are tested for impairment on an annual basis and whenever there is an indication that they may be impaired.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU").

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized in profit or loss if the carrying amount of an asset or CGU exceeds its recoverable amount. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss may be reversed.

Additional details on impairment testing are provided in the respective notes on property, plant and equipment, right-of-use assets and intangible assets (see notes 12, 13 and 14).

5.5.4 Contingent assets

Contingent assets are possible assets arising from a past event to be confirmed by future events not wholly within the control of the Group. Contingent assets are not recognized in the statement of financial position but are disclosed separately. If realization of a contingent asset becomes virtually certain, it is no longer considered contingent and is recognized as an asset.

Our operating performance

This section covers our operating performance at Group as well as at segment level. It includes alternative performance measures that management believes are relevant in evaluating the Group's performance and liquidity.

6 Revenue

Revenue derives from the sale of goods such as carton sleeves, closures, bag-in-box and spouted pouches with associated materials (barrier film and fitments), filling lines and other related equipment as well as the provision of after-market services. Revenue is presented net of returns, trade discounts, volume rebates and other customer incentives. In addition, the Group presents income from the deployment of filling lines and other related equipment under contracts that qualify to be accounted for as operating leases as part of revenue.

Composition of revenue

(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Revenue from sale and service contracts	3,160.3	3,067.4
Revenue from filling line and other related equipment contracts accounted for as operating leases	168.2	162.9
Total revenue	**3,328.5**	**3,230.3**

The Group's total revenue is disaggregated by major product/service line in the table below.

(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Revenue from the sale of carton, bag-in-box and spouted pouch	2,889.6	2,825.3
Filling line and other related equipment revenue	226.7	225.5
Service revenue	212.0	179.0
Other revenue	0.2	0.5
Total revenue	**3,328.5**	**3,230.3**

Revenue from the sale of carton, bag-in-box and spouted pouch is mainly composed of revenue from the sale of aseptic carton sleeves and closures.

Filling line and other related equipment revenue is composed of revenue from the deployment of equipment under contracts that qualify to be accounted for as operating leases as well as revenue from the sale of equipment.

Service revenue relates to after-market services in relation to the Group's equipment.

The Group's revenue is disaggregated by type of business in the table below.

(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Revenue from the carton business	2,748.9	2,626.3
Revenue from the bag-in-box and spouted pouch businesses	579.6	604.0
Total revenue	**3,328.5**	**3,230.3**

Revenue from the carton business mainly relates to the provision of aseptic carton packaging solutions but also to the provision of chilled carton packaging solutions in Asia.

Notes 18 and 20 include information about the Group's liabilities relating to various incentive programs, advance payments from customers and deferred revenue, which had or will have an impact on the amount of revenue recognized.

Accounting policy, significant judgments and estimates

Revenue from sale of carton, bag-in-box and spouted pouches with associated products, deployment of filling lines and other related equipment under contracts accounted for as sale contracts and provision of service is measured at the fair value of the consideration received or receivable net of returns, trade discounts, volume rebates and other customer sales incentives.

Revenue is recognized when the Group transfers control over a product or service to a customer. Transfer of control varies depending on the individual contract terms. Revenue from the sale of carton, bag-in-box and spouted pouches with associated products as well as the deployment of filling lines and other related equipment under contracts accounted for as sale contracts is recognized at a point in time, while revenue from service contracts is recognized over time.

Lease payments for filling lines and other related equipment that are deployed under operating lease contracts are recognized on a straight-line basis over the lease term. The payment (i.e. the sale price) for the use of aseptic carton filling lines that are deployed under sale contracts that qualify to be accounted for as operating leases is recognized as a deferred revenue liability in the statement of financial position, and recognized as revenue on a straight-line basis over the shorter of the period over which the customer relationship is expected to last and the ten-year estimated useful life of a filling line. The control and significant risks and rewards of ownership are retained by the Group in respect of such sale contracts (see also note 5.5.2).

When sales incentives are offered to customers, only the amount of revenue that is highly probable not to be reversed is recognized. The amount of sales incentives expected to be earned or taken by customers in conjunction with incentive programs is therefore estimated and deducted from revenue. Estimates in respect of the incentives are based on historical and current sales trends, which are affected by the business seasonality and competitiveness of promotional programs being offered. Estimates are reviewed quarterly for possible revisions.

7 Segment information

The Group has four operating segments, which are also the reportable segments: Europe; India, Middle East and Africa ("IMEA"); Asia Pacific ("APAC") and Americas. The packaging solution offered by the segments consists of filling lines and other related equipment, packaging material and after-market services.

Changes in the Group's internal reporting structure, including changes to the reporting of information to the Group's Chief Operating Decision Maker ("CODM") for resource allocation and assessment of segment performance, were made as of November 1, 2023 and resulted in changes to two of the Group's segments. To better leverage similarities in consumer needs and consumption patterns, the Indian operations are since the changes in the internal reporting structure managed with the Middle East and African operations. The former segment MEA thereby became IMEA. The Indian operations were previously part of APAC. To reflect these changes in the composition of the Group's segments, the segment information is presented as if the changes had taken place as of January 1, 2023.

Overview of the segments and Group Functions

Europe includes production of aseptic carton sleeves and closures, pouches as well as barrier film and fitments for bag-in-box and spouted pouches for the Group's customers in Europe. Europe also supplies the other segments with aseptic carton sleeves and, to a lesser extent, closures from its plants in Europe. In addition, Europe includes an assembly plant for equipment used for bag-in-box and spouted pouches. The Group's central procurement activities, including commodity hedging, are part of Europe, with the European production entities being the main internal customers.

IMEA includes production of aseptic carton sleeves and closures as well as barrier film and fitments for bag-in-box and spouted pouches for the Group's customers in India, Middle East and Africa. The construction of Group's first aseptic carton production plant in India was completed in December 2024, with commercial production starting in January 2025. In addition, IMEA includes an assembly plant for equipment used for bag-in-box and spouted pouches.

APAC includes production of aseptic carton sleeves, carton sleeves for the chilled market, pouches as well as barrier film and fitments for bag-in-box and spouted pouches for the Group's customers in China, South East Asia and Oceania. In addition, APAC supplies the other segments with aseptic carton sleeves. APAC also includes the aseptic carton filling machine assembly plant in China and the assembly of filling machines for the chilled market in Asia.

Americas includes production of aseptic carton sleeves, pouches as well as barrier film and fitments for bag-in-box and spouted pouches for the Group's customers in North and South America. Americas also includes an assembly plant for equipment used for bag-in-box and spouted pouches.

The **Group Functions** include activities that support the Group's business, such as the global aseptic carton filling machine assembly, global technology (including R&D), information technology, marketing, finance, legal, human resources and other global support functions. Global filling machine assembly sells aseptic carton filling machines and spare parts, and provides assembly-related services, to all segments. The Group Functions are not involved in any significant transactions with third parties.

Inter-company transactions between the segments, and between the segments and the Group Functions, are eliminated in consolidation. These mainly relate to the sale of aseptic carton filling machines, aseptic carton sleeves and closures. Pricing is determined on a cost-plus basis. The Group has limited inter-segment sales of products related to the chilled carton business.

Information about the Group's segments is reported to the CODM on a regular basis for the purposes of resource allocation and assessment of performance of the segments. The performance of the segments is assessed by the CODM primarily on the basis of adjusted EBITDA (as defined in note 9).

Segment financial information

The following tables present financial information about the Group's segments and Group Functions. The same measurement basis is used when presenting the segment information as is used in the Group's consolidated financial statements.

	Year ended Dec. 31, 2024							
(In € million)	Europe	IMEA	APAC	Americas	Total segments	Group Functions	Reconciling items	Total
Revenue from transactions with external customers	1,044.7	456.4	938.1	888.6	**3,327.8**	0.7	–	**3,328.5**
Revenue from inter-segment transactions	379.6	17.6	48.5	5.7	**451.4**	84.9	(536.3)	**–**
Segment revenue	1,424.3	474.0	986.6	894.3	**3,779.2**	85.6	(536.3)	**3,328.5**
Cost of sales	(1,175.4)	(370.0)	(791.6)	(682.0)	**(3,019.0)**	(74.6)	536.3	**(2,557.3)**
Adjusted EBITDA[1]	308.4	122.0	259.7	208.7	**898.8**	(79.3)	–	**819.5**
Capital expenditure:[2]	(79.1)	(52.9)	(110.2)	(74.8)	**(317.0)**	9.8	–	**(307.2)**
PP&E and intangible assets[3,4]	(27.5)	(29.5)	(35.5)	(32.0)	**(124.5)**	(2.1)	–	**(126.6)**
Net filling lines and other related equipment[4]	(6.6)	(3.6)	(16.4)	(22.7)	**(49.3)**	12.0	–	**(37.3)**
Net capital expenditure[2]	(34.1)	(33.1)	(51.9)	(54.7)	**(173.8)**	9.9	–	**(163.9)**

	Year ended Dec. 31, 2023							
(In € million)	Europe	IMEA[5]	APAC[5]	Americas	Total segments	Group Functions	Reconciling items	Total
Revenue from transactions with external customers	984.1	404.0	936.1	905.1	**3,229.3**	1.0	–	**3,230.3**
Revenue from inter-segment transactions	398.6	19.3	43.2	7.7	**468.8**	66.9	(535.7)	**–**
Segment revenue	1,382.7	423.3	979.3	912.8	**3,698.1**	67.9	(535.7)	**3,230.3**
Cost of sales	(1,166.6)	(337.7)	(749.0)	(696.0)	**(2,949.3)**	(55.3)	535.7	**(2,468.9)**
Adjusted EBITDA[1]	278.7	106.7	276.0	210.2	**871.6**	(68.6)	–	**803.0**
Capital expenditure:[2]	(85.7)	(85.2)	(129.5)	(102.2)	**(402.6)**	6.0	–	**(396.6)**
PP&E and intangible assets[3,4]	(24.8)	(30.2)	(38.2)	(53.3)	**(146.5)**	(17.2)	–	**(163.7)**
Net filling lines and other related equipment[4]	(13.1)	(16.9)	(51.3)	(28.8)	**(110.1)**	23.2	–	**(86.9)**
Net capital expenditure[2]	(37.9)	(47.1)	(89.5)	(82.1)	**(256.6)**	6.0	–	**(250.6)**

1 The performance of the segments is presented with reference to adjusted EBITDA, excluding intra-group trademark and royalty payments. Refer to note 9 for additional details about adjusted EBITDA.
2 Refer to note 11 for additional details about capital expenditure and net capital expenditure.
3 PP&E (excluding filling lines and other related equipment) and intangible assets.
4 Group Functions may report positive net filling lines and other related equipment capital expenditure if the capital expenditure of the global aseptic carton filling machine assembly during a period is smaller than the payments it received under intra-group sales of filling machines. This could also happen occasionally in the case of PP&E and intangible asset capital expenditure, excluding filling lines and other related equipment.
5 The Group's Indian operations are reported as if they had been included in IMEA (previously MEA) throughout the whole comparative period. See the introduction to this note for more information.

Disaggregation of segment revenue

The following tables present revenue from transactions with external customers for the segments, split by major product/service line.

	Year ended Dec. 31, 2024						
(In € million)	Europe	IMEA	APAC	Americas	Total segments	Group Functions	Total
Revenue from the sale of carton, bag-in-box and spouted pouch	910.3	391.7	799.0	788.6	**2,889.6**	–	**2,889.6**
Filling line and other related equipment revenue	72.7	29.3	75.2	49.3	**226.5**	0.2	**226.7**
Service revenue	61.7	35.4	63.9	50.7	**211.7**	0.3	**212.0**
Other revenue	–	–	–	–	**–**	0.2	**0.2**
Total revenue	**1,044.7**	**456.4**	**938.1**	**888.6**	**3,327.8**	**0.7**	**3,328.5**

	Year ended Dec. 31, 2023						
(In € million)	Europe	IMEA[1]	APAC[1]	Americas	Total segments	Group Functions	Total
Revenue from the sale of cartons, bag-in-boxes and spouted pouch	857.1	349.4	809.7	809.1	**2,825.3**	–	**2,825.3**
Filling line and other related equipment revenue	77.8	24.2	70.2	53.3	**225.5**	–	**225.5**
Service revenue	49.2	30.4	56.2	42.7	**178.5**	0.5	**179.0**
Other revenue	–	–	–	–	**–**	0.5	**0.5**
Total revenue	**984.1**	**404.0**	**936.1**	**905.1**	**3,229.3**	**1.0**	**3,230.3**

1 The Group's Indian operations are reported as if they had been included in IMEA (previously MEA) throughout the whole comparative period. See the introduction to this note for more information.

Geographic information

The Group operates in total 28 plants worldwide that mainly produce aseptic carton sleeves and film and fitments for bag-in-box and spouted pouches, but also chilled carton sleeves, closures and pouches. It also has a number of equipment assembly plants and training- and development-related centers.

The following table provides an overview of the location of the Group's production and equipment assembly plants and its different centers as of December 31, 2024.

	Production plants	Equipment assembly plants	Training centers	R&D centers	Technology centers	Packaging development centers
China	4	2	1	1	1	
USA	4	1		1		
Germany	3	1	1	1	1	1
India	3	1				
Brazil	2		1			
Netherlands	2					
Australia	1					
Austria	1					
Chile	1					
Mexico	1					
Russia	1					
Saudi Arabia	1					
South Korea	1					
Switzerland	1			1		
Taiwan	1					
Thailand	1		1			
Spain		1		1		
UAE			1		1	
Total Group	**28**	**6**	**5**	**5**	**3**	**1**

The Group's aseptic carton production plant in Mexico became operational in February 2023, while the construction of the Group's first aseptic carton production plant in India was completed in December 2024. Production started in January 2025. In the second quarter of 2024, the Group moved its production of chilled carton in China from Shanghai to a new plant in Suzhou. These three new production plants are all leased by the Group. See also notes 9, 11 and 13. The Group stopped production of barrier film and fitments for bag-in-box and spouted pouches in Canada in 2023 and has vacated the plant.

The following table includes information about the Group's non-current assets on a country basis. Non-current assets exclude financial instruments, deferred tax assets and net defined benefit assets.

(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
USA	1,022.7	961.3
China	1,012.7	996.6
Germany	926.6	961.5
United Arab Emirates	587.4	596.5
Thailand	532.0	556.7
Switzerland[1]	499.9	541.6
Other countries	1,600.1	1,530.0
Total non-current assets	**6,181.4**	**6,144.2**

1 The Company's country of domicile is Switzerland.

The non-current assets are reported based on the geographic location of the business operations. The non-current assets are predominantly located in the countries in which the Group's production and assembly plants are located. The Group's intellectual property is primarily held by a company based in Switzerland.

The following table includes information about the Group's revenue from external customers on a country basis.

(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
China	408.6	417.8
USA	429.4	423.5
Germany	289.3	276.5
Switzerland	15.1	15.4
Other countries	2,186.1	2,097.1
Total revenue from external customers	**3,328.5**	**3,230.3**

Revenue is reported based on the geographic location of customers. The customer base of the Group includes international companies, large national and regional companies as well as small local companies.

Information about major customers

The Group does not have revenue from transactions with a single external customer amounting to 10% or more of the Group's revenue in any of the periods presented.

8 Other income and expenses

Other income and expenses relate to activities and transactions that are outside the Group's principal revenue-generating activities. Foreign currency exchange gains and losses as well as fair value changes on commodity and foreign currency derivatives entered into as part of the operating business are also presented as other income and expenses. Activities and transactions of a significant or unusual nature are generally excluded in the calculation of the performance measures adjusted EBITDA, adjusted EBIT and adjusted net income used by management (see note 9).

Composition of other income and expenses

(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Net foreign currency exchange gain	–	4.0
Net change in fair value of operating derivatives	9.6	9.2
Change in fair value of contingent consideration	52.8	54.6
Income from miscellaneous services	2.3	3.0
Rental income	0.8	0.8
Other	11.4	26.0
Total other income	**76.9**	**97.6**
Net foreign currency exchange loss	(2.9)	–
Transaction- and acquisition-related costs	(3.4)	(1.4)
Integration costs	–	(12.9)
Other	(4.6)	(1.3)
Total other expenses	**(10.9)**	**(15.6)**

The Group recognized an unrealized net gain on commodity and foreign currency derivatives of €9.6 million for the year ended December 31, 2024 (an unrealized net gain of 9.2 million for the year ended December 31, 2023). This arose primarily because the Group entered into commodity derivative contracts fixing prices for polymers at levels below the current forward prices (below the current forward prices for mainly polymers and aluminum for the year ended December 31, 2023).

The "Other" income category for the year ended December 31, 2023 primarily related to a reversal of an acquisition-related provision.

See note 9 for information about the change in the fair value of the contingent consideration, integration costs and the reversal of the provision.

9 Alternative performance measures

Management uses a number of measures to assess the performance of the Group that are not defined in IFRS Accounting Standards, including adjusted EBITDA, adjusted EBIT, adjusted net income, adjusted earnings per share, net capital expenditure, free cash flow and net leverage ratio.

These alternative non-IFRS performance measures are presented as management believes that they are important supplemental measures of the Group's performance. Management believes that they are useful and widely used in the markets in which the Group operates as a means of evaluating performance. In certain cases, these alternative performance measures are also used to determine compliance with covenants in the Group's credit agreements and compensation of certain members of management. However, these alternative performance measures should not be considered as substitutes for the information contained elsewhere in these consolidated financial statements.

Adjusted EBITDA, adjusted EBIT and adjusted net income are presented in this note. See note 10 for adjusted earnings per share, note 11 for net capital expenditure and free cash flow and note 22 for the Group's net leverage ratio.

Adjusted EBITDA

Adjusted EBITDA is used by management for business planning and to measure operational performance. Management believes that adjusted EBITDA provides investors with further transparency on the Group's operational performance and facilitates comparison of the performance of the Group on a period-to-period basis and versus peers.

EBITDA is defined by the Group as profit or loss before net finance expense, income tax expense, depreciation of property, plant and equipment and right-of-use assets, and amortization of intangible assets. Adjusted EBITDA is defined by the Group as EBITDA, adjusted to exclude certain non-cash transactions and items of a significant or unusual nature including, but not limited to, transaction- and acquisition-related costs, integration costs, restructuring costs, unrealized gains or losses on operating derivatives, gains or losses on the sale of non-strategic assets, asset impairments and write-downs, and share of profit or loss of joint ventures, and to include the cash impact of dividends received from joint ventures.

The following table reconciles profit for the period to EBITDA and adjusted EBITDA.

(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Profit for the period	**194.5**	**243.2**
Net finance expense	143.1	125.1
Income tax expense	86.5	80.8
Depreciation and amortization	419.5	412.2
EBITDA	**843.6**	**861.3**
Adjustments to EBITDA:		
Unrealized gain on operating derivatives	(9.6)	(9.2)
Restructuring costs, net of reversals	9.9	6.0
Transaction- and acquisition-related costs	3.4	1.4
Integration costs	(0.5)	12.9
Change in fair value of contingent consideration	(51.3)	(58.2)
Impairment losses	21.3	4.8
Other	2.7	(16.0)
Adjusted EBITDA	**819.5**	**803.0**

The restructuring costs and the impairment losses for the year ended December 31, 2024 mainly relate to the transfer of the Group's chilled carton production in Shanghai to the same location as its aseptic carton facilities in the Suzhou Industrial Park in China (all in the APAC segment) that started in first half of 2024. The chilled carton production plant in Shanghai was acquired as part of the acquisition of Evergreen Asia in 2022. In first half of 2024, the Group initiated the process of selling the Shanghai production plant, which has resulted in the recognition of a total impairment loss of €17.3 million (pre-tax), split between an impairment of the production building and production equipment (€8.1 million) and related right-of-use assets (€9.2 million, mainly concerning a pre-paid land right-of-use) for the year ended December 31, 2024. The impairment is mainly an effect of the decline in real estate values in China.

After the initiation of the sale process and the recognition of impairment losses, the production building and the land right-of-use were classified as held for sale and depreciation stopped. The Group continues to use the production equipment.

The sale of the production building and the land right-of-use is expected to complete in 2025. Due to materiality reasons, these assets held for sale at the amount of €13.1 million as of December 31, 2024 are presented as part of "Other current assets" (see note 21). They are categorized as Level 3 fair value measurements in the fair value hierarchy.

The change in the fair value of the contingent consideration (including unrealized foreign currency exchange impacts) in the year ended December 31, 2024 and December 31, 2023 relates to the remeasurement of the US Dollar contingent consideration for Scholle IPN at fair value as of December 31, 2024 and December 31, 2023. See note 32 for further information.

The integration costs mainly relate to the acquisitions of Scholle IPN and Evergreen Asia in 2022.

The "Other" category for the year ended December 31, 2023 includes a reversal of an acquisition-related provision of €14.7 million. See also note 19.

Adjusted EBIT

Adjusted EBIT is used by management to measure operational performance. Management believes that adjusted EBIT is a good supplementary measure as it reflects the Group's operational performance, considering also its capital investments.

EBIT is defined by the Group as profit or loss before net finance expense and income tax expense. Adjusted EBIT is defined by the Group as EBIT, adjusted to exclude adjustments made to reconcile EBITDA to adjusted EBITDA, purchase price allocation ("PPA") depreciation and amortization from the acquisition of the Group by Onex in 2015 and PPA amortization from other acquisitions.

The following table reconciles EBIT to adjusted EBIT.

(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
EBIT (Profit from operating activities)	**424.1**	**449.1**
Adjustments to EBITDA[1]	(24.1)	(58.3)
PPA depreciation and amortization - Onex acquisition	103.4	103.4
PPA amortization - Other acquisitions	47.1	47.7
Adjusted EBIT	**550.5**	**541.9**

1 For the different adjustments to EBITDA, refer to the adjusted EBITDA table at the beginning of this note.

Adjusted net income

Adjusted net income is used by management to measure performance. Management believes that adjusted net income is a meaningful measure because by removing certain non-recurring charges and non-cash expenses, the Group's operating result directly associated with the period's performance is presented. The use of adjusted net income may also be helpful to investors because it provides better consistency and comparability with past performance and facilitates period-to-period comparisons of results of operations.

Adjusted net income is defined by the Group as profit or loss adjusted to exclude certain items of a significant or unusual nature including, but not limited to, the non-cash foreign currency exchange impact of non-functional currency loans, amortization of transaction costs, the net change in fair value of financing-related derivatives, purchase price allocation ("PPA") depreciation and amortization, adjustments made to reconcile EBITDA to adjusted EBITDA and the estimated tax impact of the foregoing adjustments. The PPA depreciation arose due to the acquisition accounting that was performed when the Group was acquired by Onex in 2015. The PPA amortization relates to all acquisitions of the Group.

The following table reconciles profit for the period to adjusted net income.

(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Profit for the period	**194.5**	**243.2**
Non-cash foreign currency exchange impact of non-functional currency loans and realized foreign currency exchange impact due to refinancing	9.6	(1.3)
Amortization of transaction costs	2.8	4.8
Net change in fair value of financing-related derivatives	3.6	2.0
PPA depreciation and amortization – Onex acquisition	103.4	103.4
PPA amortization – other acquisitions	47.1	47.7
Net effect of early repayment of loan	1.6	–
Other	1.3	–
Adjustments to EBITDA[1]	(24.1)	(58.3)
Tax effect on above items	(31.7)	(23.3)
Adjusted net income	**308.1**	**318.2**

1 For the different adjustments to EBITDA, refer to the adjusted EBITDA table at the beginning of this note.

10 Earnings per share

Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the consolidated profit for the period by the weighted average number of shares in issue during the period, excluding the weighted average number of treasury shares.

Diluted earnings per share reflects the effect of dilutive potential (registered) shares under the Group's equity-settled share-based payment plans and arrangements. Awards granted under these equity-settled plans and arrangements have been included in the determination of diluted earnings per share considering the level of achievement of the set targets (see note 30) at the reporting date, and to the extent to which they are dilutive. Awards granted with only a service condition are included in the determination of diluted earnings per share to the extent to which they are dilutive. The dilutive effect of the share-based payment plans and arrangements for the year ended December 31, 2023 is mainly related to the management PSU plans.

The following table shows the weighted average number of shares outstanding before and after adjustments for the effect of all dilutive potential shares.

	Weighted average number of registered shares
Issued shares as of January 1, 2023	382,270,872
Effect of treasury shares held	(56,739)
Weighted average number of shares as of December 31, 2023 – basic	**382,214,133**
Effect of share-based payment plans and arrangements	171,254
Weighted average number of shares as of December 31, 2023 – diluted	**382,385,387**
Issued shares as of January 1, 2024	382,270,872
Effect of treasury shares held	(58,324)
Weighted average number of shares as of December 31, 2024 – basic	**382,212,548**
Effect of share-based payment plans and arrangements	–
Weighted average number of shares as of December 31, 2024 – diluted	**382,212,548**

The following table shows basic and diluted earnings per share.

(In € million unless indicated)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Profit for the period	194.5	243.2
Weighted average number of shares for the period – basic (in numbers)	382,212,548	382,214,133
Basic earnings per share (in €)	**0.51**	**0.64**
Profit for the period	194.5	243.2
Weighted average number of shares for the period – diluted (in numbers)	382,212,548	382,385,387
Diluted earnings per share (in €)	**0.51**	**0.64**

Adjusted earnings per share

Adjusted earnings per share is defined by the Group as adjusted net income divided by the weighted average number of shares. Management believes that adjusted earnings per share is a useful measure as adjusted net income is used to measure performance. Adjusted net income and adjusted earnings per share are not defined performance measures in IFRS (see note 9).

The following table shows basic and diluted adjusted earnings per share.

(In € million unless indicated)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Adjusted net income	308.1	318.2
Weighted average number of shares for the period – basic (in numbers)	382,212,548	382,214,133
Adjusted earnings per share – basic (in €)	**0.81**	**0.83**
Adjusted net income	308.1	318.2
Weighted average number of shares for the period – diluted (in numbers)	382,212,548	382,385,387
Adjusted earnings per share – diluted (in €)	**0.81**	**0.83**

11 Cash flow information

This note includes information about the Group's cash flows as well as non-cash transactions. Where more relevant for the understanding of a transaction, cash inflows and outflows are described in the notes on the respective assets or liabilities to which the cash flows relate. The same applies to non-cash transactions.

Net capital expenditure

The Group's capital expenditure primarily relates to investments in own production, plant and equipment (PP&E capital expenditure, excluding filling lines and other related equipment) and to the assembly and deployment of filling lines and other related equipment with customers under contracts accounted for as operating leases (filling lines and other related equipment capital expenditure). The Group's investments in intangible assets are less significant. To better reflect the Group's investments in production plants and production equipment via leases, management also considers lease payments as part of capital expenditure. Lease payments are defined as payment of lease liabilities.

Net capital expenditure is defined by the Group as capital expenditure (net of proceeds from sales of PP&E, other than filling lines and other related equipment, and intangible assets) less upfront cash. Upfront cash is defined as consideration received as an upfront payment for filling lines and other related equipment from customers. Net capital expenditure is not a defined performance measure in IFRS (see note 9).

Management uses net capital expenditure as it demonstrates better than capital expenditure how cash-generative the business is. As the Group typically receives a portion of the total consideration for a filling line and other related equipment as an upfront payment from the customer (see also notes 18 and 20), the cash outflow relating to filling lines and other related equipment is generally lower than implied by the gross filling lines and other related equipment capital expenditure figure. Payments received for filling lines and other related equipment (including upfront payments) are included in cash flows from operating activities.

The following table reconciles capital expenditure to net capital expenditure and to net capital expenditure, including lease payments.

(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
PP&E and intangible assets (net of sales and excluding filling lines and other related equipment)	126.6	163.7
Filling lines and other related equipment	180.6	232.9
Capital expenditure	**307.2**	**396.6**
Upfront cash	(143.3)	(146.0)
Net capital expenditure	**163.9**	**250.6**
Lease payments[1]	51.7	47.2
Net capital expenditure, including lease payments	**215.6**	**297.8**

1 The Group's recent additions of production plants (excluding related production equipment) have all been financed via leases (see note 13). To provide more transparency to its stakeholders, the Group considers lease payments as part of its capital expenditure (see above).

Free cash flow

Free cash flow is used by management to evaluate the performance of the Group. Free cash flow is defined by the Group as net cash from operating activities plus dividends received from joint ventures less capital expenditure (net of proceeds from sales of PP&E, other than filling lines and other related equipment, and intangible assets) and payments of lease liabilities. Free cash flow is not a defined performance measure in IFRS (see note 9).

The following table reconciles net cash from operating activities to free cash flow.

(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Net cash from operating activities	**649.2**	**663.3**
Acquisition of property, plant and equipment and intangible assets (net of sales)	(307.2)	(396.6)
Payment of lease liabilities	(51.7)	(47.2)
Free cash flow	**290.3**	**219.5**

Non-cash transactions

Non-cash transactions include the initial recognition of leases on the statement of financial position (see notes 13 and 23) and the granting of instruments under the Group's 2024 and 2023 share-based plans and arrangements (see note 30).

Notably for the year ended December 31, 2024, the lease of the Group's new chilled carton production plant in China (with an initial lease liability and related right-of-use asset recognized of approximately €39 million each) and the lease of the Group's first aseptic carton production plant in India (with an initial lease liability and related right-of-use asset recognized of approximately €37 million each) commenced. The other new leases mainly relate to production equipment for closures.

For the year ended December 31, 2023, non-cash transactions also included a €14.7 million reversal of an acquisition-related provision (see notes 9 and 19). The new leases mainly related to production equipment for closures.

There are no other material non-cash transactions for the years ended December 31, 2024 and December 31, 2023.

Cash outflows under lease contracts

The total cash outflow for the Group's lease contracts for the year ended December 31, 2024 was €76.7 million (€68.8 million for the year ended December 31, 2023).

Our operating assets and liabilities

This section includes information about the Group's operating assets and liabilities. The main operating assets relate to the Group's production equipment and its deployed filling lines and other related equipment accounted for as operating leases. The Group also has right-of-use assets resulting from lease contracts entered into as a lessee. The Group's trade receivables balance is reduced by selling trade receivables under securitization and factoring programs. A substantial part of the Group's assets relates to goodwill and other intangible assets. Impairment testing of goodwill and trademarks with indefinite useful lives is described in this section. The main operating liabilities relate to trade payables and accruals for various incentive programs. Other liabilities mainly comprise deferred revenue relating to advance payments received for filling lines deployed under contracts accounted for as operating leases, but also the contingent consideration for Scholle IPN.

12 Property, plant and equipment

Property, plant and equipment ("PP&E") is mainly composed of filling lines that are deployed at customers' sites under contracts that qualify to be accounted for as operating leases (see note 5.5.2) and the Group's plant and production equipment. PP&E also includes work in progress, which relates to construction of filling machines and to filling lines and other related equipment under installation at customers' sites as well as to construction of various types of production equipment used by the Group in its production and assembly plants. The Group is a lessor in respect of its filling lines and other related equipment deployed with its customers.

Composition of PP&E

(In € million)	Land	Buildings	Plant and equipment	Work in progress	Filling lines	Total
Cost	106.9	285.3	1,068.8	366.0	1,431.5	**3,258.5**
Accumulated depreciation and impairment losses	(6.6)	(91.8)	(617.7)	–	(747.0)	**(1,463.1)**
Carrying amount as of December 31, 2023	**100.3**	**193.5**	**451.1**	**366.0**	**684.5**	**1,795.4**
Cost	104.9	291.2	1,231.9	299.2	1,655.5	**3,582.7**
Accumulated depreciation and impairment losses	(4.3)	(111.9)	(698.8)	(2.0)	(891.7)	**(1,708.7)**
Carrying amount as of December 31, 2024	**100.6**	**179.3**	**533.1**	**297.2**	**763.8**	**1,874.0**
Carrying amount as of January 1, 2023	**103.4**	**181.4**	**378.4**	**364.2**	**640.4**	**1,667.8**
Additions	–	1.0	29.6	334.5	22.7	**387.8**
Disposals	–	–	(0.8)	–	–	**(0.8)**
Depreciation	–	(15.0)	(70.4)	–	(128.8)	**(214.2)**
Impairment losses	–	–	(0.5)	–	(4.3)	**(4.8)**
Transfers	–	29.8	127.5	(323.1)	167.8	**2.0**
Effect of movements in exchange rates	(3.1)	(3.7)	(12.7)	(9.6)	(13.3)	**(42.4)**
Carrying amount as of December 31, 2023	**100.3**	**193.5**	**451.1**	**366.0**	**684.5**	**1,795.4**

(In € million)	Land	Buildings	Plant and equipment	Work in progress	Filling lines	Total
Carrying amount as of January 1, 2024	**100.3**	**193.5**	**451.1**	**366.0**	**684.5**	**1,795.4**
Additions	–	0.6	38.6	241.0	25.0	**305.2**
Disposals	(0.3)	(0.3)	–	(0.6)	–	**(1.2)**
Depreciation	–	(15.1)	(62.0)	–	(142.8)	**(219.9)**
Impairment losses	–	(4.6)	(7.2)	(2.0)	(3.6)	**(17.4)**
Transfer to assets held for sale	–	(4.8)	–	–	–	**(4.8)**
Other transfers	–	8.8	101.6	(309.7)	195.4	**(3.9)**
Effect of movements in exchange rates	0.6	1.2	11.0	2.5	5.3	**20.6**
Carrying amount as of December 31, 2024	**100.6**	**179.3**	**533.1**	**297.2**	**763.8**	**1,874.0**

Notes 7 and 11 include further information about the Group's capital expenditure with regard to its production equipment and filling lines and other related equipment. See note 9 for information about the chilled carton production plant in Shanghai that is classified as held for sale as of December 31, 2024.

Depreciation and impairment of PP&E

Depreciation of PP&E is recognized in the following components in the statement of profit or loss and other comprehensive income.

(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Cost of sales	211.1	202.9
Selling, marketing and distribution expenses	1.7	1.7
General and administrative expenses	7.1	9.6
Total depreciation	**219.9**	**214.2**

See note 9 for information about impairment losses of €8.1 million recognized as part of cost of sales in the year ended December 31, 2024 in connection with the transfer of the Group's chilled carton production in China to a new location.

Capital expenditure commitments

As of December 31, 2024, the Group had entered into contracts to incur capital expenditure of €94.2 million for the acquisition of PP&E (€140.7 million as of December 31, 2023). The commitments relate to filling machine and other related equipment assembly, certain downstream equipment and various equipment for the Group's production plants and similar facilities.

Accounting policy, significant judgments and estimates

Items of PP&E are measured at cost less accumulated depreciation and accumulated impairment losses. Gains and losses on disposals of items of PP&E are recognized in profit or loss as part of other income or expenses.

The cost of an acquired or self-constructed item of PP&E includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. The cost of the Group's filling lines and other related equipment also includes the estimated cost of dismantling, to the extent such an amount is recognized as a provision. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. The costs of the day-to-day servicing of PP&E are recognized in profit or loss as incurred.

Items of PP&E are depreciated on a straight-line basis over their estimated useful lives, with depreciation generally recognized in profit or loss. Land is not depreciated. The estimated useful lives for the current and comparative periods are as follows:

Buildings	15 to 40 years
Plant and equipment:	
Production-related equipment and machinery	4 to 25 years
Furniture and fixtures	3 to 8 years
Filling lines (leased assets, SIG as lessor)	10 years

The Group as lessor – filling lines

The Group mainly deploys aseptic carton filling lines under contracts that qualify to be accounted for as operating leases (see note 5.5.2 for additional details). These filling lines are measured at cost and depreciated from the deployment date over their estimated useful life of ten years and tested for impairment when there is an impairment indicator.

Impairment of PP&E

Items of PP&E are reviewed regularly and at least annually to identify whether there is an impairment indicator. See note 5.5.3 for further details.

A change in the Group's intended use of certain assets, such as a decision to rationalize production locations, may trigger a future impairment. Value in use calculations require management to estimate the future cash flows expected to arise from an individual asset or CGU and to determine a suitable discount rate to calculate present value.

13 Right-of-use assets

The Group generally purchases its production-related buildings and equipment (see note 12). However, it also enters into lease contracts. Right-of-use assets relate to lease contracts that the Group has entered into as lessee. The contracts mainly cover leases of assets such as office buildings, production-related buildings and equipment, warehouses and cars.

Composition of right-of-use assets

(In € million)	Land and buildings	Plant and equipment	Cars	Total
Cost	228.5	153.4	16.5	**398.4**
Accumulated depreciation and impairment losses	(58.3)	(62.1)	(10.7)	**(131.1)**
Carrying amount as of Dec. 31, 2023	**170.2**	**91.3**	**5.8**	**267.3**
Cost	290.6	174.2	21.1	**485.9**
Accumulated depreciation and impairment losses	(76.6)	(73.4)	(13.9)	**(163.9)**
Carrying amount as of Dec. 31, 2024	**214.0**	**100.8**	**7.2**	**322.0**
Carrying amount as of Jan. 1, 2023	**175.2**	**64.9**	**3.5**	**243.6**
Additions	16.4	44.4	4.8	**65.6**
Depreciation	(18.5)	(22.3)	(2.7)	**(43.5)**
Effect of movements in exchange rates	(2.9)	4.3	0.2	**1.6**
Carrying amount as of Dec. 31, 2023	**170.2**	**91.3**	**5.8**	**267.3**
Carrying amount as of Jan. 1, 2024	**170.2**	**91.3**	**5.8**	**267.3**
Additions	81.7	36.1	5.0	**122.8**
Depreciation	(19.8)	(24.6)	(3.3)	**(47.7)**
Impairment loss	(8.8)	(0.4)	–	**(9.2)**
Transfer to assets held for sale	(8.0)	–	–	**(8.0)**
Effect of movements in exchange rates	(1.3)	(1.6)	(0.3)	**(3.2)**
Carrying amount as of Dec. 31, 2024	**214.0**	**100.8**	**7.2**	**322.0**

The increase in right-of-use assets since December 31, 2023 is mainly due to the starts in 2024 of the 20-year lease of the Group's new chilled carton production plant in China (see also note 9), the 25-year lease of the Group's first aseptic carton production plant in India and new leases of production equipment for closures (mainly for tethered caps). The production equipment for the two new production plants has been invested in directly by the Group.

See note 9 for information about a pre-paid land right-of-use in Shanghai that is classified as held for sale as of December 31, 2024.

The Group's most significant leases relate to its production plants in China (two of its plants), Saudi Arabia, India (one of its plants) and Mexico as well as its technology center in China. These six leases, with a remaining lease term of between 10 and 25 years, make up the larger part of the carrying amount of leased land and buildings. A purchase option, exercisable by the Group after 15 years, has been considered when estimating the lease term and the lease liability for the production plant in Mexico.

The larger part of the plant and equipment category relates to leases of production equipment for closures with a lease term of four to five years. The lease term of other assets is most commonly in the range of three to five years.

Depreciation and impairment of right-of-use assets

Depreciation of right-of-use assets is recognized in the following components in the statement of profit or loss and other comprehensive income.

(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Cost of sales	37.8	33.6
Selling, marketing and distribution expenses	6.0	6.0
General and administrative expenses	3.9	3.9
Total depreciation	**47.7**	**43.5**

See note 9 for information about an impairment loss of €9.2 million recognized as part of cost of sales in the year ended December 31, 2024 in connection with the transfer of the Group's chilled carton production in China to a new location.

Lease commitments

The Group has entered into lease contracts that have not yet commenced. The present value of estimated future lease payments under these lease contracts was approximately €28 million as of December 31, 2024 (€100 million as of December 31, 2023).

These contracts relate to leases of production equipment for closures that are expected to commence within the next twelve months. As of December 31, 2023, the committed lease payments also concerned the leases of Group's new chilled carton production plant in China and its first aseptic carton production plant in India (see above).

Accounting policy

At the lease commencement date, the Group recognizes a lease liability and a related right-of-use asset. The accounting for lease liabilities is described in note 23.

The right-of-use asset represents the Group's right to use the leased asset. A right-of-use asset is initially measured at cost, which in many cases will equal the amount recognized as a lease liability. However, adjustments are required for any lease payments made at or before the lease commencement date and any initial direct costs incurred. The cost also includes the estimated cost to dismantle and remove the leased asset, to restore it to the condition required under the lease contract or to restore the site on which it is located, to the extent such an amount is recognized as a provision.

Subsequent to initial recognition, a right-of-use asset is measured at cost less accumulated depreciation and impairment losses. A right-of-use asset is subsequently also adjusted for certain remeasurements of the related lease liability.

Right-of-use assets are depreciated on a straight-line basis from the lease commencement date over the shorter of the lease term and their useful lives, unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Right-of-use assets are reviewed regularly and at least annually to identify whether there is an impairment indicator. See note 5.5.3 for further details.

14 Intangible assets

The largest portion of the Group's intangible assets is goodwill. Around half of the goodwill arose as a result of the acquisition of the SIG Group by Onex in 2015. The remaining half of the goodwill mainly arose as a result of the acquisitions of the bag-in-box and spouted pouch businesses (Scholle IPN) on June 1, 2022, Evergreen's chilled carton business in Asia Pacific ("Evergreen Asia") on August 2, 2022 and the remaining shares of the joint ventures in the Middle East in 2021. The other intangible assets mainly consist of trademarks, customer relationships and technology-related assets. The SIG trademarks have indefinite useful lives.

Composition of intangible assets

(In € million)	Goodwill	Trade-marks	Customer relation-ships	Technology and other assets	Total
Cost	3,127.3	378.9	1,018.3	259.1	**4,783.6**
Accumulated amortization and impairment losses	–	(4.2)	(616.4)	(108.6)	**(729.2)**
Carrying amount as of December 31, 2023	**3,127.3**	**374.7**	**401.9**	**150.5**	**4,054.4**
Cost	3,185.3	373.8	1,025.6	263.1	**4,847.8**
Accumulated amortization and impairment losses	–	(7.9)	(715.9)	(161.9)	**(885.7)**
Carrying amount as of December 31, 2024	**3,185.3**	**365.9**	**309.7**	**101.2**	**3,962.1**
Carrying amount as of January 1, 2023	**3,186.2**	**356.3**	**508.9**	**194.8**	**4,246.2**
Additions	–	–	–	7.7	**7.7**
Additions through business combination	0.3	–	–	–	**0.3**
Amortization	–	(2.9)	(97.1)	(54.5)	**(154.5)**
Effect of movements in exchange rates	(59.2)	21.3	(9.9)	2.5	**(45.3)**
Carrying amount as of December 31, 2023	**3,127.3**	**374.7**	**401.9**	**150.5**	**4,054.4**
Carrying amount as of January 1, 2024	**3,127.3**	**374.7**	**401.9**	**150.5**	**4,054.4**
Additions	–	–	–	1.4	**1.4**
Amortization	–	(3.4)	(96.2)	(52.3)	**(151.9)**
Effect of movements in exchange rates	58.0	(5.4)	4.0	1.6	**58.2**
Carrying amount as of December 31, 2024	**3,185.3**	**365.9**	**309.7**	**101.2**	**3,962.1**

Research and development

Research and development costs (excluding depreciation and amortization expense) recognized as a component of general and administrative expenses amount to €67.5 million for the year ended December 31, 2024 (€66.9 million for the year ended December 31, 2023).

In the year ended December 31, 2024, the Group has capitalized development costs of €1.1 million (€5.4 million in the year ended December 31, 2023). The capitalized costs (included in "Technology and other assets" in the table above) relate to minor projects.

Amortization of intangible assets

Amortization of intangible assets is recognized in the following components in the statement of profit or loss and other comprehensive income.

(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Cost of sales	96.9	99.6
Selling, marketing and distribution expenses	3.7	3.2
General and administrative expenses	51.3	51.7
Total amortization	**151.9**	**154.5**

Annual impairment tests of goodwill and trademarks with indefinite useful lives

Goodwill with a carrying amount of 3,185.3 million as of December 31, 2024 (€3,127.3 million as of December 31, 2023) and the SIG trademarks with indefinite useful lives with a carrying amount of €357.1 million as of December 31, 2024 (€362.9 million as of December 31, 2023) are tested for impairment on an annual basis and whenever there is an impairment indicator. The annual impairment tests are performed in the fourth quarter each year.

Goodwill

The Group does not monitor goodwill at a lower level than Group level for internal management purposes but, for impairment testing purposes, goodwill must be allocated to a CGU, or group of CGUs, that is not larger than an operating segment before aggregation. The Group has allocated the goodwill for impairment testing purposes to its four operating (and reportable) segments.

The table below shows the allocation of goodwill to the Group's four segments as well as the key assumptions used in the impairment test.

	Year ended December 31, 2024			Year ended December 31, 2023		
(In € million or %)	Carrying amount	Growth rate	Pre-tax discount rate	Carrying amount	Growth rate	Pre-tax discount rate
Europe	999.0	2.50%	10.5%	999.0	2.75%	8.4%
IMEA[1]	582.6	2.50%	11.1%	573.2	2.75%	11.5%
APAC[1]	896.9	2.50%	8.7%	865.4	2.75%	8.2%
Americas	706.8	2.50%	10.5%	689.7	2.75%	11.4%
Total goodwill	**3,185.3**			**3,127.3**		

1 The Indian operations were included in APAC until November 1, 2023, when they were moved to MEA. The former segment MEA thereby became IMEA. See note 7.

For the impairment test of goodwill, the recoverable amount has been estimated with reference to value in use. In assessing the value in use, the estimated future cash flows (in Euros) have been discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money as well as the risks specific to each segment. The weighted average cost of capital ("WACC") is used to determine the discount rate. Cash flows for the first five years are based on financial plans approved by management. Cash flows after the five-year internal planning period are extrapolated using terminal growth rates that are aligned with the estimated long-term inflation. The terminal growth rates used by the Group for impairment testing purposes do not exceed the estimated long-term growth rates in the packaging industry.

No impairment of goodwill was identified in either of the periods. Management considers it unlikely that any realistic change in the assumptions used, including changes in the assessed future cash flows, would result in an impairment loss. The estimated recoverable amounts of the goodwill allocated to the segments significantly exceed the respective carrying amounts in both periods. Management does not believe that the current global economic uncertainty in general will have any significant long-term negative impacts on the Group's estimated future cash flows (see note 5.4). However, there is no assurance that the Group's experience to date, which has been reflected in the assessment of future cash flows, will be representative of future periods.

Trademarks with indefinite useful lives

The value of the SIG trademarks with indefinite useful lives is associated with the Group as a whole. Trademarks are tested for impairment at Group level as all SIG entities benefit from the trademarks. The entities are charged a royalty fee for the use of the SIG trademarks.

For the impairment test, the recoverable amount has been estimated with reference to value in use. The assessed royalty fees have been discounted to their present value using a pre-tax discount rate at Group level of 9.9% (9.6% in the 2023 annual impairment test) and a terminal growth rate at Group level of 2.5% (2.75% in the 2023 annual impairment test). The royalty fees for the first five years are based on financial plans approved by management. The same methodology as for the goodwill impairment test is used to extrapolate cash flows after the five-year internal planning period and to determine the discount rate.

No impairment of the SIG trademarks with indefinite useful lives was identified in either of the periods. Management considers it unlikely that any realistic change in the assumptions used would result in an impairment loss.

Accounting policy

Goodwill arising on business combinations is measured at cost less accumulated impairment losses. The SIG trademarks are assessed to have indefinite useful lives considering the long history of the SIG brand and its expected future continuous use. They are measured at cost less accumulated impairment losses. Other intangible assets, including customer relationships, Scholle trademarks and technology assets, have finite useful lives and are measured at cost less accumulated amortization and accumulated impairment losses. Gains and losses on disposals of intangible assets are recognized in profit or loss as part of other income or expenses.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technologically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete the development and to use or sell the asset. If the capitalization criteria are not met, development expenditure is recognized in profit or loss as incurred. Expenditure on research activities is recognized in profit or loss as incurred.

Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives, with amortization generally recognized in profit or loss. The estimated useful lives of amortizable intangible assets for the current and comparative periods are as follows:

Customer relationships	10 to 15 years
Scholle trademarks	5 years
Technology assets (including patented and non-patented technology and know-how)	6 to 10 years
Other intangible assets (including software)	3 to 6 years

Capitalized development costs are amortized over the period that is assessed to reflect the expected useful life of the particular innovation (up to 15 years).

After the acquisitions of Scholle IPN and Evergreen Asia in 2022, the Company launched a new, refreshed branding – SIG for better – to showcase the expanded Group as one company, one family and one brand. In connection with this re-branding launch in 2023, the useful life of the acquired Scholle trademarks were reassessed and changed from the originally assessed seven years to a remaining useful life of four years at the date of change. The change has been accounted for on a prospective basis as of July 1, 2023. The change does not have a significant impact on the Group's amortization charge over the remaining useful life of the Scholle trademarks.

Impairment of goodwill and other intangible assets

Intangible assets with finite useful lives are reviewed regularly and at least annually to identify whether there is an impairment indicator. Goodwill and the SIG trademarks with indefinite useful lives are tested for impairment on an annual basis and whenever there is an impairment indicator. See note 5.5.3 for further details.

Significant judgments and estimates

Significant judgment is involved in the annual impairment testing of goodwill and the SIG trademarks with indefinite useful lives. The judgments and assumptions used in estimating the recoverable amount are included above under "Annual impairment tests of goodwill and trademarks with indefinite useful lives", where the outcome of the annual impairment tests is also described.

15 Inventories

Composition of inventories and other financial information

(In € million)	As of Dec. 31, 2024	As of Dec. 31, 2023
Raw materials and consumables	130.7	130.7
Work in progress	90.3	97.8
Finished goods	155.7	155.9
Total inventories	**376.7**	**384.4**

As of December 31, 2024, inventories include a provision of €33.2 million due to write-downs to net realizable value (€33.4 million as of December 31, 2023).

Raw materials and consumables recognized as an expense in cost of sales in the statement of profit or loss and other comprehensive income amount to €1,416.8 million in the year ended December 31, 2024 (€1,365.1 million in the year ended December 31, 2023).

Accounting policy

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average cost formula and includes costs incurred in acquiring the inventories and bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realizable value is the estimated selling price less the estimated costs of completion and estimated costs necessary to make the sale.

16 Trade and other receivables

Trade and other receivables mainly comprise trade receivables. The Group has a securitization program under which it sells a portion of its packaging material-related trade receivables without recourse. It also has a small number of minor factoring programs.

Composition of trade and other receivables

The table below provides an overview of the Group's current and non-current trade and other receivables. Trade receivables that will be sold under the securitization and factoring programs are presented as trade receivables at fair value. Trade receivables that will not be sold are presented as trade receivables at amortized cost.

(In € million)	As of Dec. 31, 2024	As of Dec. 31, 2023
Trade receivables at amortized cost	333.7	301.8
Trade receivables at fair value	49.7	17.8
Related party trade receivables	0.6	0.8
Note receivables	–	0.7
VAT receivables	57.3	38.7
Other receivables	58.9	62.9
Total current trade and other receivables	**500.2**	**422.7**
Non-current receivables	**9.1**	**13.2**
Total current and non-current receivables	**509.3**	**435.9**

The payment terms for the Group's trade receivables for packaging material is in general an average of 35 to 60 days (30 to 45 days in the comparative period). The bag-in-box, spouted pouch and chilled carton businesses are not yet fully incorporated in the securitization program.

Trade receivables at amortized cost – loss allowance and ageing

(In € million)	As of Dec. 31, 2024	As of Dec. 31, 2023
Current	253.6	224.5
Past due up to 29 days	38.4	33.8
Past due 30 days to 89 days	17.0	22.0
Past due 90 days or more	24.7	21.5
Trade receivables at amortized cost, net of loss allowance	**333.7**	**301.8**
Loss allowance	**(22.9)**	**(20.8)**
Trade receivables at amortized cost, gross	**356.6**	**322.6**

The loss allowance represents the Group's estimate of individually impaired trade receivables as well as expected credit losses on trade receivables that are not individually impaired. It primarily relates to trade receivables past due more than 90 days. The expected credit losses are calculated using a provision matrix based on historical credit loss experience and assessments of current and future conditions. The expected loss rate for trade receivables past due more than 90 days that are not individually impaired is between 25% and 100% (with an expected loss rate of 100% when past due more than 270 days). For trade receivables past due 30 to 89 days that are not individually impaired, the expected loss rate is around 5%.

Management believes that the recognized loss allowance sufficiently covers the risk of default based on historical payment behavior and assessments of future expectations of credit losses, including regular analysis of customer credit risk. See also the section "Credit risk" in note 26.

The table below shows the movements in the loss allowance for trade receivables at amortized cost.

(In € million)	2024	2023
Loss allowance as of January 1	**20.8**	**9.7**
Change in loss allowance recognized in profit or loss during the year	2.8	11.4
Foreign currency exchange differences	(0.7)	(0.3)
Loss allowance as of December 31	**22.9**	**20.8**

The increase in the loss allowance in the year ended December 31, 2023 was mainly due to additional loss allowances in the Middle East and South America.

Securitization program

The Group has an asset-backed securitization program under which it sells without recourse a portion of its aseptic carton sleeves-related trade receivables. The securitization program was expanded in 2023 to also cover a portion of the packaging material-related trade receivables from the bag-in-box and spouted pouch businesses.

The trade receivables are sold to a special purpose entity. This entity is not controlled by the Group and therefore not consolidated. The trade receivables sold qualify for derecognition by the Group. The Group transfers the contractual rights to the cash flows of the trade receivables at their nominal value less a retained reserve in exchange for cash. The net amount is presented as part of other current receivables and represents the Group's right to receive this amount once the sold trade receivables have been settled by the customers.

Trade receivables sold under the securitization program amounted to €224.3 million as of December 31, 2024 (€227.7 million as of December 31, 2023), of which €201.0 million (€194.8 million as of December 31, 2023) has been derecognized and €23.3 million (€32.9 million as of December 31, 2023), representing the retained reserve, is presented as part of other current receivables. The retained reserve represents the Group's maximum exposure to any losses in respect of trade receivables previously sold under the program. The securitization expense under the asset-backed securitization program amounted to €12.0 million in the year ended December 31, 2024 (€9.2 million as of December 31, 2023) and is presented as part of other finance expenses (see note 24).

Factoring programs

The Group has a small number of minor factoring programs under which trade receivables sold by the Group qualify for derecognition. The factored amounts totaled €37.7 million as of December 31, 2024 (€24.6 million as of December 31, 2023).

Accounting policy

Trade and other receivables at amortized cost

Trade and other receivables that will not be sold under the Group's securitization and factoring programs are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these receivables are measured at amortized cost using the effective interest method less a loss allowance. Any subsequent recoveries of amounts previously written off relating to individually impaired trade receivables are credited to the same line item in profit or loss where the original write-off was recognized. The Group holds these trade receivables to collect the contractual cash flows, and these cash flows are solely payments of principal and interest on the principal outstanding.

Trade receivables at fair value through profit or loss

Trade receivables that will be sold under the Group's securitization and factoring programs are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are recognized at fair value. These trade receivables are sold and derecognized shortly after their initial recognition in the statement of financial position. Any change in fair value is recognized through profit or loss. The objective of these trade receivables is to realize the cash flows primarily through selling them.

Derecognition of trade receivables

A financial asset is derecognized when the contractual rights to the cash flows from the asset have expired, when the contractual rights to receive the cash flows have been transferred and the Group has transferred substantially all of the risks and rewards of ownership, or when the Group transfers a financial asset but retains the contractual rights to receive the cash flows but at the same time assumes a contractual obligation to pay the cash flows to another recipient (and remits the cash flows to the other recipient without material delay once it has collected an amount from the original asset, and is also prohibited to sell or pledge the original asset). Any interest in such a derecognized financial asset that is retained by the Group is recognized as a separate asset or liability.

17 Cash and cash equivalents

(In € million)	As of Dec. 31, 2024	As of Dec. 31, 2023
Cash and cash equivalents (unrestricted)	287.8	275.7
Restricted cash	15.6	5.2
Total cash and cash equivalents	**303.4**	**280.9**

Cash and cash equivalents mainly consist of cash at bank but may, from time to time, also include short-term bank deposits (€18.8 million as of December 31, 2024 and €0.2 million as of December 31, 2023) with maturities of three months or less that are subject to an insignificant risk of changes in value. The restricted cash mainly relates to cash collected for the benefit of the Group's securitization partner.

18 Trade and other payables

Trade and other payables mainly comprise trade payables, accruals for various customer incentives and other accrued expenses.

Composition of trade and other payables

(In € million)	As of Dec. 31, 2024	As of Dec. 31, 2023
Trade payables	381.1	363.1
Related party payables	–	1.6
Liability for various customer incentive programs	422.1	353.8
Advance payments	131.8	159.9
VAT payables	21.7	18.1
Accrued interest, third parties	8.0	8.2
Other current payables and accrued expenses	131.7	101.7
Current trade and other payables	**1,096.4**	**1,006.4**
Other non-current payables	14.2	14.9
Non-current payables	**14.2**	**14.9**
Total current and non-current trade and other payables	**1,110.6**	**1,021.3**

Liabilities with an impact on the Group's revenue

The Group has refund and contract liabilities in respect of liabilities relating to contracts with customers accounted for under the revenue standard.

The Group's incentive programs relate to trade discounts, volume rebates and other customer incentives linked primarily to aseptic carton sleeves volumes (see also note 6). These programs generally run over a calendar year, resulting in a gradual build-up over the year of an accrual liability against revenue from the sale of aseptic carton sleeves. As of December 31, 2024 and December 31, 2023, the liabilities for customer incentive programs mainly represent incentives earned by customers under programs running over a calendar year that have not yet been settled by the Group. The remaining part represents accruals built up for incentive programs running over periods other than a calendar year (i.e. refund liabilities). The Group has recognized an insignificant amount as revenue in the current period that was included in the balance of liabilities for customer incentive programs at the beginning of the period but was never paid out as the conditions for the incentive payments were not met (also applicable to the comparative period).

The Group's contract liabilities mainly comprise advance payments received from customers in relation to the sale of aseptic carton sleeves and the sale of aseptic carton filling lines under contracts accounted for under the revenue standard, but also advance payments in relation to the bag-in-box, spouted pouch and chilled carton businesses. These advance payments are recognized as revenue within a short time frame from their initial recognition in the statement of financial position. As of December 31, 2024, the Group had contract liabilities of €35.4 million (€62.0 million as of December 31, 2023). These advance payments are presented as part of the advance payments in the table above (see also the section below). The amount of advance payments recognized as of December 31, 2023 relating to the sale of packaging material and the sale of filling lines and other related equipment under contracts accounted for under the revenue standard has been recognized as revenue in 2024.

The Group also has advance payments received from customers relating to aseptic carton filling lines that will be deployed under contracts that qualify to be accounted for as operating leases. If payments are received from customers before the filling line deployment date, they are initially recognized as part of "Trade and other payables" and presented as part of the advance payments in the table above (€96.4 million as of December 31, 2024 and €97.9 million as of December 31, 2023). On deployment of a filling line, the related advance payments received are reclassified to "Other liabilities" and presented as deferred revenue liabilities. These deferred revenue liabilities are then released and recognized as revenue over a certain period (see note 20).

Other current and non-current payables include liabilities of a total of €16.3 million as of December 31, 2024 (17.3 million as of December 31, 2023) that relate to aseptic carton filling lines that, via the involvement of a financing partner, are deployed with the Group's customers. Under such a sale and lease arrangement, the financing partner pays the Group for a filling line and enters into a filling line lease contract, generally over six years, with the Group's customer. The Group has an obligation to purchase the filling line from the financing partner at the end of the lease term. The liability towards the financing partner initially reduces the amount that is recognized as a deferred revenue liability (see the section above and note 20). The liability gets settled on the repurchase of the filling line by the Group. These arrangements qualify to be accounted for as operating leases (see also note 5.5.2). The Group generally enters into new customer contracts for the filling lines that are purchased from the financing partner at the end of these arrangements.

Accounting policy and significant estimates

Trade and other payables are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are carried at amortized cost using the effective interest method. The liability for accruals for various customer incentives is estimated based on historical and current market trends as further described in note 6. The accruals are presented against revenue.

19 Provisions

The Group's provisions mainly relate to dismantling costs, warranties, restructuring programs as well as legal and regulatory matters.

Composition of provisions

(In € million)	Dismantling	Product warranty	Restructuring	Other	Total
Carrying amount as of January 1, 2023	**16.1**	**8.2**	**4.1**	**19.3**	**47.7**
Provisions made	4.1	7.9	6.0	3.4	**21.4**
Provisions used	(0.5)	(2.6)	(5.8)	(0.4)	**(9.3)**
Provisions reversed	–	(3.1)	–	(15.1)	**(18.2)**
Effect of movements in exchange rates	(0.5)	–	(0.1)	(0.2)	**(0.8)**
Carrying amount as of December 31, 2023	**19.2**	**10.4**	**4.2**	**7.0**	**40.8**
Current	–	10.4	4.0	1.3	**15.7**
Non-current	19.2	–	0.2	5.7	**25.1**
Carrying amount as of December 31, 2023	**19.2**	**10.4**	**4.2**	**7.0**	**40.8**
Carrying amount as of January 1, 2024	**19.2**	**10.4**	**4.2**	**7.0**	**40.8**
Provisions made	2.4	11.6	10.3	1.3	**25.6**
Provisions used	(0.4)	(4.2)	(10.4)	(0.6)	**(15.6)**
Provisions reversed	(2.9)	(8.0)	(0.4)	(0.3)	**(11.6)**
Effect of movements in exchange rates	0.7	(0.1)	0.1	(0.2)	**0.5**
Carrying amount as of December 31, 2024	**19.0**	**9.7**	**3.8**	**7.2**	**39.7**
Current	–	9.7	3.3	1.6	**14.6**
Non-current	19.0	–	0.5	5.6	**25.1**
Carrying amount as of December 31, 2024	**19.0**	**9.7**	**3.8**	**7.2**	**39.7**

Restructuring provision

The Group has a small number of ongoing restructuring programs. The Group's restructuring programs are generally focused on reducing costs, streamlining the organization and adjusting headcount to be more closely aligned with the Group's needs and changing market demands. Payments are usually expected to be executed within the next one or two years. See also note 9.

Other provisions

Other provisions mainly relate to legal and regulatory matters. In the year ended December 31, 2023, an acquisition-related provision was reversed due to a positive ruling (see also note 9).

Accounting policy

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be reliably estimated and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are discounted if the time value of money is material. The unwinding of the discount is recognized as part of finance expenses. A provision is classified as current or non-current depending on whether the expected timing of the payment of the amounts provided for is more than 12 months after the reporting date.

A provision for dismantling is recognized when the Group has an obligation to pay for dismantling costs arising on the return of a filling line and other related equipment. This obligation typically arises upon deployment of aseptic carton filling lines (see also note 12). As such, the majority of the obligations are non-current.

A provision for warranties is recognized for products under warranty as of the reporting date based on known failures and defects as well as sales volumes and past experience of the level of problems reported and products returned. Warranty claims are expected to be settled within 12 months.

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been publicly announced. The provision only includes direct costs that are necessarily entailed by the restructuring and not associated with ongoing activities. No provision is made for future operating costs.

A provision for onerous contracts is recognized when the benefits expected to be derived by an entity from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

A provision for legal and regulatory matters reflects management's best estimate of the outcome based on the facts known as of the reporting date.

20 Deferred revenue

Deferred revenue mainly relates to aseptic carton filling lines deployed under lease and sale contracts that qualify to be accounted for as operating leases (see notes 5.5.2, 6, 12 and 18 for further details). Advance payments received under such contracts vary between contracts and customers but are recognized as a deferred revenue liability in the statement of financial position at the deployment date and released to profit or loss to achieve recognition of revenue on a straight-line basis, generally over ten years for sale contracts, and over six years for lease contracts and sale and lease arrangements. Advance payments received before the filling line deployment date are initially presented as part of "Trade and other payables" and reclassified to this balance sheet position at the deployment date (see note 18).

The table below provides an overview of the deferred revenue liability.

(In € million)	As of Dec. 31, 2024	As of Dec. 31, 2023
Current deferred revenue	112.4	102.9
Non-current deferred revenue	360.0	284.4
Total deferred revenue	**472.4**	**387.3**

21 Other assets and liabilities

Other assets mainly comprise accrued income, prepaid expenses and deferred expenditure but also smaller investments made by the Group (via SIG InnoVentures AG) in early-stage companies to support the development of future packaging solutions (see note 27). Other liabilities include the contingent consideration for Scholle IPN. Moreover, the Group's derivative assets and liabilities are presented as part of other assets or other liabilities. The derivatives primarily relate to commodity and foreign currency derivatives but also to an interest rate swap and forward interest rate agreements. See notes 26 and 32 for additional details about the Group's derivatives.

Composition of other assets

(In € million)	As of Dec. 31, 2024	As of Dec. 31, 2023
Derivative assets	11.1	3.6
Assets held for sale	13.1	-
Other current assets	23.1	19.8
Other current assets	**47.3**	**23.4**
Derivative assets	0.2	6.6
Other non-current assets	29.1	25.4
Other non-current assets	**29.3**	**32.0**
Total other current and non-current assets	**76.6**	**55.4**

See note 9 for details about the Group's chilled carton production plant in Shanghai that is in the process of getting sold.

Composition of other liabilities

(In € million)	As of Dec. 31, 2024	As of Dec. 31, 2023
Derivative liabilities	9.0	14.2
Other current liabilities	**9.0**	**14.2**
Derivative liabilities	–	0.1
Contingent consideration	3.7	55.0
Other non-current liabilities	**3.7**	**55.1**
Total other current and non-current liabilities	**12.7**	**69.3**

See notes 9 and 32 for details about the contingent consideration, which relates to the acquisition of Scholle IPN.

Our financing and financial risk management

This section includes information about the Group's financing in the form of loans and borrowings and equity. The expenses for financing are also presented in this section. Lastly, the Group's financial risk management policy and exposure to liquidity, market and credit risks are described.

22 Capital management

The Board of Directors is responsible for monitoring and managing the Group's capital structure, which comprises equity (share capital and additional paid-in capital) as well as loans and borrowings.

The policy of the Board of Directors is to maintain an acceptable capital base to give confidence to the Group's shareholders and debtholders, and to sustain the future development of the business. The Board of Directors monitors the Group's financial position to ensure that it complies at all times with its financial and other covenants as set out in the indenture governing the senior unsecured notes, two unsecured *Schuldscheindarlehen* ("SSD", a private German debt placement) agreements and the other credit agreements, as well as to ensure the payment of an appropriate level of dividends to the shareholders.

The Company purchases its own shares on the market. The repurchased shares are intended to be used to settle obligations under the Group's equity-settled share-based payment plans and arrangements (see also notes 25 and 30).

In order to maintain or adjust the capital structure, the Board of Directors may elect to take a number of measures, for example disposing of assets of the business, altering its short- to medium-term plans with respect to capital projects and working capital levels, or rebalancing the level of equity and debt in place.

Net debt and net leverage

As part of monitoring the Group's financial position, the Board of Directors evaluates the Group's net debt and development of its net leverage ratio. Net leverage is defined by the Group as net debt divided by adjusted EBITDA. Net debt comprises the Group's current and non-current loans and borrowings (including lease liabilities, and with notes and credit facilities at principal amounts) less cash and cash equivalents (including any restricted cash). See note 9 for the definition of adjusted EBITDA. See note 23 for additional details about the Group's loans and borrowings and loan covenants relating to the Group's net leverage.

The table below presents the components of net debt and the net leverage ratio.

(In € million)	As of Dec. 31, 2024	As of Dec. 31, 2023
Gross debt	2,474.9	2,457.5
Cash and cash equivalents	(303.4)	(280.9)
Net debt	**2,171.5**	**2,176.6**
Net leverage ratio	**2.6x**	**2.7x**

The net debt as of December 31, 2024 remained at the same level as of December 31, 2023. The adjusted EBITDA performance positively contributed to the net leverage ratio.

23 Loans and borrowings

The Group's loans and borrowings consist of senior unsecured Euro-denominated notes, senior unsecured credit facilities, an unsecured US Dollar term loan and two unsecured Euro *Schuldscheindarlehen* ("SSD", a private German debt placement). The senior unsecured credit facilities consist of a Euro-denominated term loan and two committed Euro revolving credit facilities. In addition, the Group has access to local credit facilities in various locations. Liabilities under lease contracts where the Group is the lessee are also included in loans and borrowings.

Composition of loans and borrowings

The table below shows the carrying amount of the Group's loans and borrowings.

(In € million)	As of Dec. 31, 2024	As of Dec. 31, 2023
Senior unsecured notes	549.5	–
Unsecured SSD	85.5	–
Unsecured credit facility	–	100.0
Local credit lines	89.7	112.1
Lease liabilities	52.0	52.3
Current loans and borrowings	**776.7**	**264.4**
Senior unsecured notes	–	548.5
Senior unsecured Euro term loan	49.7	548.1
Unsecured US Dollar term loan	259.5	243.8
Unsecured SSDs	1,011.9	648.2
Unsecured committed revolving credit facilities	100.0	–
Local credit lines	3.5	–
Lease liabilities	269.8	198.8
Non-current loans and borrowings	**1,694.4**	**2,187.4**
Total loans and borrowings	**2,471.1**	**2,451.8**

Overview of recent financing transactions

On May 8, 2024, the Group issued six tranches of a total of €450 million unsecured *Schuldscheindarlehen* ("SSD", a private German debt placement) with maturities of four, five and seven years at both fixed and variable interest rates. The two largest tranches are due in 2028 and 2029.

On June 28, 2024, the Group accessed new senior unsecured credit facilities consisting of a five-year €50 million term loan and two committed Euro revolving credit facilities in the total amount of €500 million. The interest rates are variable.

The proceeds from the SSD and the new term loan, together with available cash, were used on June 28, 2024 to prepay, without premium or penalty, the Group's €550 million term loan from 2020 that was due in June 2025. In connection with this, the related €300 million committed multi-currency revolving credit facility was terminated.

On September 18, 2024, the Group repaid the €100.0 million draw-down of an unsecured credit facility that was used to repay a bridge loan facility in the last quarter of 2023 (see below), using available cash.

On June 20, 2023, the Group repaid €450 million of senior unsecured notes that were due in June 2023. To finance the repayment, the Group used available cash and €350 million from an unsecured bridge loan facility that was accessed on June 16, 2023. The bridge loan facility was repaid in the last quarter of 2023, using available cash and €100.0 million from an unsecured credit facility.

Additional loans and borrowings details

The table below provides an overview of the main terms of the Group's long-term financing (excluding lease liabilities) as of December 31, 2024. Additional details about these loans and borrowings and more short-term financing solutions are provided below the table.

	Principal amount	Maturity date	Interest rate
Notes	€550 million	June 2025	Fixed 2.125%
US Dollar term loan	$270 million	July 2027	Variable
Euro term loan	€50 million	June 2029	Variable
Euro revolving credit facilities	€500 million	June 2029	Variable
SSD tranches 1-3 (from 2022)	€557.5 million	June 2025–June 2029	Variable
SSD tranches 4-6 (from 2022)	€92.5 million	June 2025–June 2029	Fixed 2.79%–3.66%
SSD tranches 7-8 (from 2024)	€38.0 million	May 2028-May 2029	Fixed 4.24%–4.31%
SSD tranches 9-12 (from 2024)	€412.0 million	May 2028-May 2031	Variable

The Group's issue of senior unsecured notes of €550 million is from June 2020. The notes are traded on the Global Exchange Market of Euronext Dublin. The Group has signed a €550 million unsecured bridge loan facility agreement. The facility can be accessed until June 2025, when the €550 million of notes is due for repayment.

The Group's unsecured credit facility from July 2022 consists of one US Dollar-denominated term loan. The Group has entered into an interest rate swap, maturing in July 2025, to hedge the interest rate cash flow exposure relating to the US Dollar term loan (see also notes 26 and 32).

The Group's senior unsecured credit facilities from June 2024 consist of one Euro-denominated term loan and two committed Euro revolving credit facilities. The total amount available under these new revolving credit facilities was €398.4 million as of December 31, 2024 (€299.5 million as of December 31, 2023 under the committed multi-currency revolving credit facility that was terminated in June 2024) due to €1.6 million in letters of credits that were outstanding under an ancillary facility (€0.5 million as of December 31, 2023) and draw-downs of €100.0 million to cover cash requirements in the current year (nil as of December 31, 2023). The draw-downs as of December 31, 2024 are expected to be repaid within one year. See also note 26. For the Euro term loan, the interest rate for the second half of 2025 has been fixed with a forward interest rate agreement (see also notes 26 and 32).

Six tranches of a total of €650 million unsecured Schuldscheindarlehen ("SSD", a private German debt placement) were issued by the Group in June 2022. In May 2024, the Group issued another six tranches of a total of €450 million unsecured SSD. The largest SSD tranche of €423.5 million from the 2022 issue is due in June 2027. Of the SSDs issued in May 2024, €282.0 million is due in May 2029. The first interest rate reset in 2025 for the SSD tranches at variable interest rates has been fixed with forward interest rate agreements (see also notes 26 and 32).

The Group also has access to local credit facilities in various locations. As of December 31, 2024, €93.2 million of unsecured unguaranteed local credit lines had been used to cover mainly local working capital needs (€112.1 million as of December 31, 2023).

The margins on the Group's variable interest rate loans are generally subject to adjustments based on the Group's net leverage (as defined in the respective credit agreements) and, in one case, subject to adjustments based on the achievement of certain annual sustainability-linked targets (with reference to the Group's EcoVadis score). Interest is generally paid on a semi-annual basis.

The obligations under the notes, the new senior unsecured credit facilities, the US Dollar term loan and the two SSDs are guaranteed by the Company on a stand-alone basis.

Under the credit agreements for the Group's new senior unsecured credit facilities and the US Dollar term loan, the Group is required not to exceed a net leverage ratio of 4.0x (4.0x also in respect of the senior unsecured revolving credit facilities that were terminated in June 2024). If the Group would not comply with these covenants, the borrowings would become repayable on demand. The Group was in compliance with all covenants and there were no events of default as of December 31, 2024 and December 31, 2023. Accordingly, these borrowings are classified as non-current liabilities. The Group expects to comply with the covenants for at least 12 months after the reporting date. The covenants are tested on an annual and semi-annual basis. See also the section "Net debt and net leverage" in note 22.

Lease liabilities

A maturity analysis of the Group's lease liabilities (relating mainly to office buildings, production-related buildings and equipment, warehouses and cars) is provided below.

(In € million)	Carrying amount of lease liabilities		Interest payments		Contractual undiscounted cash flows	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Less than 1 year	52.0	52.3	21.2	16.1	73.2	68.4
Between 1 and 5 years	118.4	111.7	69.7	40.5	188.1	152.2
More than 5 years	151.4	87.1	146.0	48.6	297.4	135.7
	321.8	**251.1**	**236.9**	**105.2**	**558.7**	**356.3**

Note 13 includes information about lease contracts to which the Group has committed but where the lease has not yet commenced.

Changes in liabilities arising from financing activities

The following two tables present changes in liabilities arising from financing activities.

(In € million)	Jan. 1, 2024	Cash flows from/(used in): Financing activities	Operating activities	Net effect of early repayment of loans	Non-cash movements	Effect of movements in exchange rates	Dec. 31, 2024
Principal amount[1]	**2,206.4**	(73.5)	–	–	–	20.2	**2,153.1**
Transaction costs	**(5.2)**	–	(1.8)	0.9	2.4	(0.1)	**(3.8)**
Original issue discount	**(0.5)**	–	–	0.3	0.2	–	**–**
Loans and borrowings, excl. lease liabilities	**2,200.7**	**(73.5)**	**(1.8)**	**1.2**	**2.6**	**20.1**	**2,149.3**
Lease liabilities	**251.1**	(51.7)	–	–	122.8	(0.4)	**321.8**
Total loans and borrowings	**2,451.8**	**(125.2)**	**(1.8)**	**1.2**	**125.4**	**19.7**	**2,471.1**
Capitalized cost for revolving credit facility	**(0.5)**	(2.6)	–	0.4	0.2	–	**(2.5)**
Interest: Accrued/(paid)	**8.2**	–	(135.1)	–	134.7	0.2	**8.0**
	2,459.5	**(127.8)**	**(136.9)**	**1.6**	**260.3**	**19.9**	**2,476.6**
Derivative (assets)/liabilities from financing activities	**(6.6)**	–	–	–	3.6	(0.3)	**(3.3)**
Total (assets)/liabilities from financing activities and cash/non-cash changes	**2,452.9**	**(127.8)**	**(136.9)**	**1.6**	**263.9**	**19.6**	**2,473.3**

1 The financing cash outflow of €73.5 million relating to the principal amount of loans and borrowings (excluding lease liabilities) shows the net effect of the issue of six tranches of unsecured SSD in May 2024 (€450.0 million of cash inflow), the new unsecured Euro term loan from June 2024 (€50.0 million of cash inflow), the repayment in June 2024 of the Euro term loan that was due in 2025 (€550.0 million of cash outflow), the repayment in September 2024 of a draw-down of an unsecured credit facility (€100.0 million of cash outflow), draw-downs and the repayment of the committed multi-currency revolving credit facility that was terminated in June 2024 (€290.0 million of cash inflows and €290.0 million of cash outflows), draw-downs of the new committed Euro revolving credit facilities that were accessed in June 2024 and subsequent repayments (€284.4 million of cash inflows and €184.4 million of cash outflows) and draw-downs of local unsecured credit lines and subsequent repayments (€99.4 million of cash inflows and €122.9 million of cash outflows).

(In € million)	Jan. 1, 2023	Cash flows from/(used in): Financing activities	Operating activities	Non-cash movements	Effect of movements in exchange rates	Dec. 31, 2023
Principal amount[1]	**2,453.2**	(236.1)	–	–	(10.7)	**2,206.4**
Transaction costs	**(8.6)**	(1.1)	–	4.5	–	**(5.2)**
Original issue discount	**(0.8)**	–	–	0.3	–	**(0.5)**
Loans and borrowings, excl. lease liabilities	**2,443.8**	**(237.2)**	**–**	**4.8**	**(10.7)**	**2,200.7**
Lease liabilities	**230.9**	(47.2)	–	65.6	1.8	**251.1**
Total loans and borrowings	**2,674.7**	**(284.4)**	**–**	**70.4**	**(8.9)**	**2,451.8**
Capitalized cost for revolving credit facility	**(0.8)**	–	–	0.3	–	**(0.5)**
Interest: Accrued/(paid)	**8.5**	–	(124.9)	124.7	(0.1)	**8.2**
	2,682.4	**(284.4)**	**(124.9)**	**195.4**	**(9.0)**	**2,459.5**
Derivative (assets)/liabilities from financing activities	**(8.9)**	–	–	2.0	0.3	**(6.6)**
Total (assets)/liabilities from financing activities and cash/non-cash changes	**2,673.5**	**(284.4)**	**(124.9)**	**197.4**	**(8.7)**	**2,452.9**

1 The net financing cash outflow of €236.1 million relating to the principal amount of loans and borrowings (excluding lease liabilities) shows the net effect of accessing an unsecured bridge loan facility in June 2023 (€350.0 million of cash inflow), the repayment of senior unsecured notes in June 2023 (€450.0 million of cash outflow), the subsequent repayment of an unsecured bridge loan facility that was accessed in June 2023 (€350.0 million of cash outflow), the use and subsequent repayment of the multi-currency revolving credit facility (€150.0 million of cash inflow and cash outflow), drawing from an unsecured credit facility in December 2023 (€100.0 million cash inflow) and the use and subsequent partial repayment of local unsecured credit lines (€125.1 million of cash inflows and €11.2 million of cash outflows).

Accounting policy

Loans and borrowings (excluding lease liabilities) are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method. Loans and other borrowings are classified as current or non-current liabilities depending on whether the Group has a right to defer settlement at the reporting date for at least twelve months after the reporting period. The right to defer must also have substance. The classification of liabilities as current or non-current is not impacted by the Group's intentions or expectations about whether it will exercise a right to defer settlement or will choose to settle early.

The accounting for a change to the cash flows of a financial liability measured at amortized cost (such as the Group's notes, SSDs and term loans) depends on the nature of the change. If a floating-rate debt instrument is modified to change its interest rate, the modification is regarded as a repricing to the new market interest rate, which is accounted for prospectively by adjusting the effective interest over the remaining life of the debt instrument. A floating-rate instrument is one whose original contractual terms contain a provision such that the cash flows will (or might) be reset to reflect movements in market interest rates. If a change in cash flows arises due to renegotiation or other modifications (including modifications that do not reflect movements in market interest rates), and the renegotiation or modification does not result in the derecognition of the financial liability, the gross carrying amount is recalculated and any gain or loss recognized in profit or loss as part of the net finance expense. If a renegotiation or modification represents a settlement of the original debt, it is accounted for as being extinguished.

A financial liability (or a part of it) is derecognized when it is extinguished, i.e. when the contractual obligations are discharged, cancelled, expired or replaced by a new liability with substantially modified terms. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the consideration paid is recognized in profit or loss as part of the net finance expense. Any costs or fees incurred are recognized as part of the gain or loss on extinguishment.

Lease liabilities

The Group's lease liabilities are initially measured at the present value of the lease payments outstanding as of the lease commencement date, discounted at the interest rate implicit in the lease or, if that rate cannot be determined (which is normally the case), at the incremental borrowing rate. Lease payments included in the measurement of the lease liabilities include fixed lease payments and variable lease payments that depend on an index. Other variable lease payments are recognized in profit or loss. The Group does not separate non-lease components from lease components in its lease contracts. Extension, termination and purchase options that, at the lease commencement date, are reasonably certain to be exercised are considered when assessing the lease term and/or measuring the lease liability.

Subsequent to initial recognition, the lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liability (applying the effective interest method); reducing the carrying amount to reflect lease payments made; and remeasuring the carrying amount to reflect any contract modifications or reassessments relating to, for example, changed future lease payments linked to changes in an index and changes in the assessment of whether an extension, termination or purchase option will be exercised. When a lease liability is remeasured, the corresponding adjustment is generally made to the carrying amount of the related right-of-use asset (see note 13).

24 Finance income and expenses

The Group's finance income and expenses are mainly related to finance expenses for its loans and borrowings, fair value changes on associated derivative instruments and foreign currency exchange gains and losses relating to the loans and borrowings.

Composition of net finance expense

(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Interest income	4.6	3.8
Net foreign currency exchange gain	–	5.5
Net interest income on interest rate swap	6.5	5.2
Finance income	**11.1**	**14.5**
Interest expense on:		
– Loan and borrowings (excluding lease liabilities)	(104.7)	(99.9)
– Lease liabilities	(18.9)	(15.1)
Amortization of original issue discount	(0.1)	(0.3)
Amortization of transaction costs	(2.8)	(4.8)
Net foreign currency exchange loss	(3.8)	–
Net change in fair value of financing-related derivatives	(3.6)	(2.0)
Net effect of early repayment of loan	(1.6)	–
Securitization expense	(12.0)	(9.2)
Other	(6.7)	(8.3)
Finance expenses	**(154.2)**	**(139.6)**
Net finance expense	**(143.1)**	**(125.1)**

See notes 26 and 32 for details about the net change in fair value of financing-related derivatives (an interest rate swap and forward interest rate agreements) and the net interest income on the interest rate swap.

The increase of the securitization expense for the year ended December 31, 2024 is due to higher interest rates and the expansion of the Group's securitization program in 2023 to include trade receivables in the bag-in-box and spouted pouch businesses.

Other finance expenses primarily consist of revolver commitment fees, factoring expenses and interest expense on current tax liabilities.

25 Equity

This note includes information about the Company's share capital and dividend payments. The other components of equity consist of additional paid-in capital, the translation reserve, treasury shares and retained earnings.

Issued share capital

The Company had 382,270,872 shares in issue as of December 31, 2024 and December 31, 2023, all fully paid and with a nominal value of CHF 0.01 per share. The shares in issue as of December 31, 2024 represent €3.4 million of share capital (€3.4 million as of December 31, 2023).

Capital band and conditional share capital

As of December 31, 2024 and December 31, 2023, the Company had conditional share capital of CHF 640,106.48 and a capital band ranging from CHF 3,440,437.85 (lower limit) to CHF 4,587,250.46 (upper limit). The capital band was introduced in 2023 due to a revision of Swiss corporate law, replacing the previously existing authorized share capital.

Under the capital band, the Board of Directors is authorized to increase the share capital by up to 20% of the current share capital if shareholders' subscription rights are granted, and by up to 10% if shareholders' subscription rights are excluded. The Board of Directors may also reduce the share capital by up to 10% through cancellation of shares or nominal value reduction or by a simultaneous reduction and re-increase of the share capital. The authorization under the capital band is limited until April 20, 2026 or the full use of the capital band.

The total number of registered shares issued from (i) the capital band, where the shareholders' subscription rights are excluded, and (ii) the conditional share capital, where the shareholders' advance subscription rights for equity-linked financing instruments are excluded, may not exceed 38,227,087 registered shares. Within the limit outlined above, the proportion of new shares assigned to each of the categories is stipulated by the Board of Directors.

The proceeds from an issue of new shares under the capital band can be used for various purposes. This provides flexibility to seek additional capital, if required, for investment and acquisition opportunities or to take advantage of favorable market conditions to further improve the Group's capital position.

The conditional share capital is divided into CHF 160,026.62 for employee benefit plans and CHF 480,079.86 for equity-linked financing instruments as of December 31, 2024 (also as of December 31, 2023).

Treasury shares

The Company purchases its own shares on the market to settle its obligations under the Group's equity-settled share-based payment plans and arrangements (see note 30). The Company held 39,172 shares for this purpose as of December 31, 2024 (39,985 shares as of December 31, 2023), representing an amount of €0.8 million, or €1.0 million including foreign currency exchange movements (€1.0 million as of December 31, 2023, or €1.5 million including foreign currency exchange movements). All treasury shares are carried at acquisition cost.

In the year ended December 31, 2024, the Company transferred 225,111 treasury shares (380,166 treasury shares in the year ended December 31, 2023), representing €5.1 million (€9.2 million for the year ended December 31, 2023) to participants in the Group's equity-settled share-based payment plans and arrangements.

The table below provides an overview of the Group's treasury shares.

(Number of treasury shares or in € million)	2024		2023	
	Number	Amount	Number	Amount
Balance as of January 1	**39,985**	**(1.5)**	**23,295**	**(1.3)**
Purchases	224,298	(4.6)	396,856	(9.4)
Transfer under equity-settled share-based payment plans and arrangements	(225,111)	5.1	(380,166)	9.2
Balance as of December 31	**39,172**	**(1.0)**	**39,985**	**(1.5)**

Dividends

For the year ended December 31, 2024, the Board of Directors will propose to the Annual General Meeting to be held on April 8, 2025 a dividend payment of CHF 0.49 per share, totaling CHF 187.3 million (which, as per the exchange rate as of December 31, 2024, would equal €199.0 million). The dividend payment to be proposed is not recognized as a liability.

A dividend of CHF 0.48 per share, totaling CHF 183.5 million (€187.8 million), was paid to shareholders from the capital contribution reserve (additional paid-in capital) in April 2024. A dividend of CHF 0.47 per share, totaling CHF 179.6 million (€180.2 million), was paid from the capital contribution reserve in April 2023.

Accounting policy

Incremental costs directly attributable to the issue of shares and purchase of treasury shares are recognized as a deduction from equity. Any resulting tax effects of any transaction costs that are recognized in equity are also reflected in equity.

Treasury shares

The cost of repurchased shares is presented as a deduction from equity, in the separate category treasury shares. When treasury shares are subsequently transferred to settle the Group's obligations under its equity-settled share-based payment plans and arrangements (or sold, if applicable), the related amount recognized as a share-based payment expense (or any amount received under a sale) is recognized as an increase in equity. Any resulting surplus or deficit is presented as an adjustment to additional paid-in capital. The Group applies the average cost method to calculate the surplus or deficit on the transfer or sale of treasury shares.

26 Financial risk management

In the course of its business, the Group is exposed to a number of financial risks: liquidity risk, market risk (including currency risk, commodity risk and interest rate risk) and credit risk. This note presents the Group's objectives, policies and processes for managing its exposure to these financial risks. Note 32 includes an overview of the derivative financial instruments that the Group has entered into to mitigate its market risk exposure.

Exposure to liquidity, market and credit risks arises in the normal course of the Group's business. Management and the Board of Directors have overall responsibility for the establishment and oversight of the Group's financial risk management framework. Management has established a treasury policy that identifies risks faced by the Group and sets out policies and procedures to mitigate those risks. Financial risk management is primarily carried out by the Group's Treasury function. Management has delegated authority levels and authorized the use of various financial instruments to a restricted number of personnel within the Treasury function.

Liquidity risk

Liquidity risk is the risk that the Group will not meet its contractual obligations as they fall due. The Group evaluates its liquidity requirements on an ongoing basis using various cash and financial planning analyses and ensures that it has sufficient cash to meet expected operating expenses, repayments of and interest payments on its debt and lease payments.

The Group generates sufficient cash flows from its operating activities to meet obligations arising from its financial liabilities. The Group had unrestricted cash and cash equivalents of €287.8 million as of December 31, 2024 (€275.7 million as of December 31, 2023). It has two committed Euro revolving credit facilities in place to cover potential shortfalls and access to local credit facilities in various locations, which are available if needed to support the cash management of local operations. In the second quarter of 2024, the Group refinanced a part of its loans and borrowings. The Group has initiated the process of refinancing its loans and borrowings that fall due in mid-2025. See also notes 4 and 23.

The following table includes information about the remaining contractual maturities for the Group's non-derivative financial liabilities as of December 31, 2024. The table includes both interest and principal cash flows. Balances due within one year are equal to their carrying amounts as the impact of discounting is not significant.

		Contractual cash flows				
(In € million)	Carrying amount	Total	Up to 1 year	1–2 years	2–5 years	More than 5 years
As of December 31, 2024						
Trade and other payables	(1,088.9)	**(1,088.9)**	(1,074.8)	(1.5)	(9.5)	(3.1)
Loans and borrowings:						
– Senior unsecured notes	(549.5)	**(555.5)**	(555.5)	–	–	–
– Senior unsecured Euro term loan	(49.7)	**(58.9)**	(2.0)	(2.0)	(54.9)	–
– Unsecured US Dollar term loan	(259.5)	**(300.6)**	(14.8)	(14.8)	(271.0)	–
– Unsecured SSDs	(1,097.4)	**(1,253.0)**	(128.8)	(41.6)	(1,033.4)	(49.2)
– Unsecured committed revolving credit facilities	(100.0)	**(109.0)**	(102.6)	(1.7)	(4.7)	–
– Local credit lines	(93.2)	**(97.4)**	(92.8)	(0.3)	(4.3)	–
– Lease liabilities	(321.8)	**(558.7)**	(73.2)	(67.8)	(120.3)	(297.4)
Contingent consideration	(3.7)	**–**	–	–	–	–
Total non-derivative financial liabilities	**(3,563.7)**	**(4,022.0)**	**(2,044.5)**	**(129.7)**	**(1,498.1)**	**(349.7)**

The agreements with the Group's note holders and other lenders contain covenants and/or certain clauses that may require earlier repayments than indicated in the table above. The Group monitors the covenants as well as the aforementioned clauses on a regular basis to ensure that it is in compliance with the agreements at all times.

The interest payments on the two term loans, seven of the SSD tranches and draw-downs of the revolving credit facilities and local credit lines are variable. The interest rate amounts included in the table above that relate to those borrowings will therefore change if the market interest rates (Euribor or SOFR) change. The interest rate amounts are also subject to change depending on the Group's net leverage or the achievement of sustainability-linked targets. See note 23.

The Group has entered into an interest rate swap that fixes the variable interest rate on its US Dollar term loan for three years, which is not considered in the table above (see section "Interest rate risk" in this note). As of December 31, 2024, the interest rate swap is estimated to reduce the interest payments on the US Dollar term loan by approximately €2.7 million until it matures in July 2025.

The Group has forward interest rate agreements that fix the interest rates for certain periods in 2025 for its Euro term loan and its SSD tranches at variable interest rates (see also note 23 and section "Interest rate risk" in this note). These agreements are not considered in the table above. As of December 31, 2024, the forward interest rate agreements are estimated to reduce the interest payments on these borrowings by approximately €0.5 million in 2025.

Amounts used under the Group's unsecured committed revolving credit facilities are classified as non-current as the Group has the right to roll-over the used amount for more than twelve months. However, the related cash outflows are presented in the table above as occurring within one year as the Group uses the facilities for short-term net working capital needs. The cash outflows after one year relate to commitment fees.

Significant judgment is involved in assessing the future cash flows relating to the contingent consideration for Scholle IPN (see note 32), and the final payments may be different from the amounts in the table above. The contingent consideration is included in other non-current liabilities.

Trade and other payables include liabilities, together with estimated cash outflows, that relate to arrangements where aseptic carton filling lines are deployed with customers via the involvement of a financing partner (see note 18). The majority of the outstanding obligations for the Group to repurchase the filling lines from the financing partners are expected to be settled within two to five years.

The Group enters into derivative contracts as part of operating the business and may, from time to time, also enter into financing-related derivatives. Commodity derivative contracts are net cash-settled. Foreign currency derivative contracts and financing-related derivative contracts are net or gross cash-settled. The related derivative assets and liabilities recognized as of December 31, 2024 and December 31, 2023 represent the Group's liquidity exposure as of that date (see note 32). The cash flows resulting from a settlement of the derivative contracts may change as commodity prices, exchange rates and interest rates change. However, the overall impact on the Group's liquidity from the derivative contracts is not deemed to be significant. The expected impact of the Group's interest rate swap is described above. See sections "Currency risk" and "Commodity price risk" in this note for additional details about the Group's outstanding foreign currency and commodity derivative contracts.

The following table includes information about the remaining contractual maturities for the Group's non-derivative financial liabilities as of December 31, 2023.

(In € million)	Carrying amount	Contractual cash flows Total	Up to 1 year	1–2 years	2–5 years	More than 5 years
As of December 31, 2023						
Trade and other payables	(1,003.2)	**(1,003.2)**	(988.3)	(3.7)	(9.8)	(1.4)
Loans and borrowings:						
– Senior unsecured notes	(548.5)	**(567.1)**	(11.7)	(555.4)	–	–
– Senior unsecured Euro term loan	(548.1)	**(594.3)**	(30.2)	(564.1)	–	–
– Unsecured US Dollar term loan	(243.8)	**(305.9)**	(16.5)	(16.4)	(273.0)	–
– Unsecured SSD	(648.2)	**(764.3)**	(32.3)	(115.7)	(527.6)	(88.7)
– Unsecured credit facility	(100.0)	**(102.5)**	(102.5)	–	–	–
– Local credit lines	(112.1)	**(115.8)**	(115.8)	–	–	–
– Lease liabilities	(251.1)	**(356.3)**	(68.4)	(53.9)	(98.3)	(135.7)
Contingent consideration	(55.0)	**(39.2)**	–	(30.1)	(9.1)	–
Total non-derivative financial liabilities	**(3,510.0)**	**(3,848.6)**	**(1,365.7)**	**(1,339.3)**	**(917.8)**	**(225.8)**

Market risk

Market risk is the risk that changes in market prices, such as foreign currency exchange rates, commodity prices and interest rates, will affect the cash flows or the fair value of the Group's holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

The Group buys and sells derivatives in the ordinary course of business to manage market risks. The Group does not enter into derivative contracts for speculative purposes. Hedge accounting under IFRS 9 is not applied.

Currency risk

As a result of the Group's international operations, it is exposed to foreign currency risk on sales, purchases, borrowings and dividend payments that are denominated in currencies that are not the functional currency of the entity involved in the transaction. The Group is also exposed to translation currency risk arising from the translation of the assets, liabilities and results of its foreign entities from their respective functional currencies into Euro, the Group's presentation currency. The functional currencies of the subsidiaries are mainly Euro, US Dollar, Swiss Franc, Chinese Renminbi, Thai Baht, Brazilian Real and Mexican Peso.

In accordance with the Group's Treasury policy, the Group seeks to minimize transaction currency risk via natural offsets wherever possible. Therefore, when commercially feasible, the Group incurs costs in the same currencies in which cash flows are generated. In addition, the Group systematically hedges its major transactional currency exposures (by entering into foreign currency derivative contracts), using a 12-month rolling layered approach. See also note 8. The Group does not hedge its exposure to translation gains or losses related to the results of its entities with a functional currency other than the Euro.

The following table provides an overview of the outstanding foreign currency derivative contracts entered into as part of the operating business as of December 31, 2024.

Type	Contract type	Currency	Contracted volume	Counter-currency	Contracted conversion range	Contracted date of maturity
Non-deliverable forwards	Buy	EUR	16,240,000	BRL	5.6325 - 6.7070	Jan. 2025 - Nov. 2025
Non-deliverable forwards	Sell	USD	8,400,000	BRL	5.4616 - 6.5075	Jan. 2025 - Sep. 2025
Currency forwards	Buy	EUR	53,930,000	THB	35.4194 - 39.5778	Jan. 2025 - Dec. 2025
Currency swaps	Buy	USD	12,300,000	THB	34.0750 - 34.0750	Jan. 2025 - Jan. 2025
Currency forwards	Sell	USD	21,500,000	THB	31.7127 - 36.2377	Jan. 2025 - Dec. 2025
Currency forwards	Buy	EUR	1,900,000	CNY	7.7405 - 7.7605	Feb. 2025 - Mar. 2025
Currency forwards	Buy	USD	15,870,000	CNY	7.0230 - 7.2978	Apr. 2025 - Apr. 2025
Currency swaps	Buy	CNY	200,000,000	EUR	7.6432 - 7.6477	Feb. 2025 - Feb. 2025
Currency forwards	Buy	EUR	3,780,000	AUD	1.6169 - 1.6216	Jan. 2025 - Mar. 2025
Currency forwards	Buy	EUR	59,450,000	USD	1.0602 - 1.1329	Jan. 2025 - Dec. 2025
Currency forwards	Buy	USD	750,000	AUD	0.6515 - 0.6517	Jan. 2025 - Mar. 2025
Currency swaps	Buy	USD	13,700,000	EUR	1.0418 - 1.0436	Jan. 2025 - Jan. 2025
Currency forwards	Buy	USD	43,000,000	MXN	17.4952 - 21.8298	Jan. 2025 - Dec. 2025

The following table provides an overview of the outstanding foreign currency derivative contracts entered into as part of the operating business as of December 31, 2023.

Type	Contract type	Currency	Contracted volume	Counter-currency	Contracted conversion range	Contracted date of maturity
Non-deliverable forwards	Buy	EUR	17,400,000	BRL	5.2688 - 5.9640	Jan. 2024 - Dec. 2024
Currency forwards	Buy	EUR	64,239,000	THB	36.1950 - 38.4297	Jan. 2024 - Dec. 2024
Currency forwards	Buy	USD	8,709,699	THB	34.3118 - 34.3315	Jan. 2024 - Jan. 2024
Currency forwards	Sell	EUR	6,300,000	THB	37.9680 - 37.9680	Jan. 2024 - Jan. 2024
Currency forwards	Sell	USD	27,010,000	THB	32.7902 - 36.0349	Jan. 2024 - Dec. 2024
Currency forwards	Buy	EUR	4,060,000	CNY	7.4384 - 7.9201	Jan. 2024 - Jun. 2024
Currency forwards	Buy	USD	21,000,000	CNY	7.1285 - 7.1576	Feb. 2024 - Apr. 2024
Currency forwards	Buy	CNY	307,000,000	EUR	7.7946 - 7.8094	Jan. 2024 - Feb. 2024
Currency forwards	Buy	EUR	4,488,000	AUD	1.6561 - 1.6578	Jan. 2024 - Mar. 2024
Currency forwards	Buy	EUR	70,450,000	USD	1.0658 - 1.1177	Jan. 2024 - Dec. 2024
Currency forwards	Buy	USD	424,000	AUD	0.6616 - 0.6627	Jan. 2024 - Mar. 2024
Currency forwards	Buy	USD	50,000,000	EUR	1.0959 - 1.1108	Jan. 2024 - Mar. 2024
Currency forwards	Buy	USD	40,850,000	MXN	17.1712 - 19.8952	Jan. 2024 - Dec. 2024

The Group's primary unhedged transaction currency exposure as of December 31, 2024 relates to intra-group Euro-denominated loan receivables of entities with the Swiss Franc as their functional currency. A 5% weakening of the Euro against the Swiss Franc as of December 31, 2024 would have resulted in an unrealized foreign currency exchange loss of €47.2 million as of December 31, 2024.

The Group's primary unhedged transaction currency exposure as of December 31, 2023 related to intra-group Euro-denominated loan receivables of entities with the Swiss Franc as their functional currency and to intra-group US Dollar-denominated loan payables of entities with the Euro as their functional currency. A 5% weakening of the Euro against the Swiss Franc as of December 31, 2023 would have resulted in an unrealized foreign currency exchange loss of €37.8 million as of December 31, 2023. A 5% weakening of the Euro against the US Dollar as of December 31, 2023 would have resulted in an unrealized foreign currency exchange loss of €33.6 million as of December 31, 2023.

Commodity price risk

Commodity price risk is the risk that changes in the prices of commodities purchased by the Group and used as inputs in the production process may impact the Group, as such commodity price changes cannot always be passed on to the customers on a timely basis (see also note 5.4). The majority of the customer contracts in the bag-in-box and spouted pouch businesses include clauses that enable commodity price fluctuations to be passed on to the customers. As this is not the case for the customer contracts in the carton business, there is generally a time lag between increased commodity prices and the implementation of higher customer prices.

The Group's exposure to commodity price risk arises principally from the purchase of polymers and aluminum. The Group's objective is to ensure that the commodity price risk exposure in the current year is kept at an acceptable level. The Group generally purchases commodities at spot market prices and uses derivatives to hedge the exposure in relation to the cost of polymers (and their feedstocks) and aluminum. This strategy means that the Group is able to fix the raw material prices for the majority of its anticipated polymer and aluminum purchases, which substantially reduces the exposure to raw material price fluctuations over that period. The Group also hedges a part of its electricity price exposure in continental Europe.

The realized gain or loss arising from derivative commodity contracts is recognized in cost of sales, while the unrealized gain or loss associated with derivative commodity contracts is recognized in other income or expenses.

The Group recognized an unrealized gain of €8.9 million for the year ended December 31, 2024 and an unrealized gain of €12.9 million for the year ended December 31, 2023 relating to its derivative commodity contracts as a component of other income. It recognized a realized loss of €7.7 million for the year ended December 31, 2024 and a realized loss of €32.7 million for the year ended December 31, 2023 relating to its derivative commodity contracts as a component of cost of sales.

The following table provides an overview of the outstanding commodity derivative contracts as of December 31, 2024.

Type	Unit of measure	Contracted volume	Contracted price range	Contracted date of maturity
Aluminum swaps	metric ton	23,040	$2,350 - $2,710	Jan. 2025 - Dec. 2025
Aluminum premium swaps	metric ton	5,400	$291 - $334	Jan. 2025 - Dec. 2025
Polymer swaps	metric ton	16,680	€1,936 - €2,108	Jan. 2025 - Dec. 2025
Polymer swaps	metric ton	6,720	€1,525 - €1,615	Jan. 2025 - Dec. 2025
Polymer swaps	metric ton	28,920	$1,109 - $1,325	Jan. 2025 - Dec. 2025
Monomer swaps	metric ton	33,360	€1,180 - €1,230	Jan. 2025 - Dec. 2025
Electricity swaps	megawatt hour	51,304	€74.80 - €150.00	Jan. 2025 - Jan. 2027

The following table provides an overview of the outstanding commodity derivative contracts as of December 31, 2023.

Type	Unit of measure	Contracted volume	Contracted price range	Contracted date of maturity
Aluminum swaps	metric ton	21,770	$2,180 - $2,746	Jan. 2024 - Dec. 2024
Aluminum premium swaps	metric ton	5,400	$256 - $345	Jan. 2024 - Dec. 2024
Polymer swaps	metric ton	16,560	€1,900 - €2,070	Jan. 2024 - Dec. 2024
Polymer swaps	metric ton	5,040	€1,560	Jan. 2024 - Dec. 2024
Polymer swaps	metric ton	15,924	$1,190 - $1,460	Jan. 2024 - Dec. 2024
Monomer swaps	metric ton	35,280	€1,170 - €1,319	Jan. 2024 - Dec. 2024
Electricity swaps	megawatt hour	59,049	€92 - €240	Jan. 2024 - Jan. 2026

Assuming a 10% parallel upward or downward movement in the price curve used to value the commodity derivative contracts with all other variables remaining constant, a remeasurement of commodity derivative contracts as of December 31, 2024 would have had an impact of €18.1 million on the Group's profit before income tax (an impact of €15.0 million on the profit before income tax as of December 31, 2023).

Interest rate risk

The Group's interest rate risk arises primarily from variable interest rates on its Euro and US Dollar term loans, seven of the tranches of its two SSDs, and draw-downs of its revolving credit facilities and local credit lines, but also from cash and cash equivalents. The Group pays a fixed interest rate on its notes and five of the tranches of its two SSDs.

The Group's interest rate swap that hedges the cash flow exposure arising on the US Dollar term loan at variable interest rate and the forward interest rate agreements that hedge the cash flow exposure arising on the Euro term loan and the SSD tranches at variable interest rates are presented as a financing-related derivative as part of other current assets. The fair value changes are recognized in finance income or finance expenses. See section "Liquidity risk" and note 32 for additional details.

The interest rate profile of the Group's significant interest-bearing financial instruments as of December 31, 2024 and December 31, 2023 is presented in the following table.

(In € million)	As of Dec. 31, 2024	As of Dec. 31, 2023
Fixed rate instruments		
Financial assets	2.6	5.2
Financial liabilities	(1,002.3)	(993.6)
	(999.7)	**(988.4)**
Effect of interest rate derivatives	(623.1)	(244.3)
	(1,622.8)	**(1,232.7)**
Variable rate instruments		
Financial assets	303.4	280.9
Financial liabilities	(1,472.6)	(1,463.9)
	(1,169.2)	**(1,183.0)**
Effect of interest rate derivatives	623.1	244.3
	(546.1)	**(938.7)**

A 100 basis point increase in the variable component of the interest rate on the new Euro term loan, the SSD tranches at variable interest rates and the draw-downs of the revolving credit facilities and local credit lines would have increased the annual interest expense by €8.5 million as of December 31, 2024.

A 100 basis point increase in the variable component of the interest rate on the Euro term loan that was repaid in June 2024, the three SSD tranches at variable interest rates from 2022 and the draw-downs of local credit lines would have increased the annual interest expense by €12.2 million as of December 31, 2023.

The effect of the interest rate swap for the US Dollar term loan, and the forward interest rate agreements for the Euro term loan and the SSD tranches at variable interest rates are considered in the above analyses.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit exposure.

Credit risk arises principally from the Group's receivables from its customers. Historically, there has been a low level of losses resulting from default by customers.

The credit risk relating to trade receivables is influenced mainly by the individual characteristics of each customer. Given the diverse global operations and customers across the Group, credit control procedures are jointly managed by the Group's Treasury function and each of the operating businesses within the Group. These joint responsibilities include, but are not limited to, reviewing the individual characteristics of new customers for creditworthiness before accepting the customer and agreeing on purchase limits and terms of trade as well as regularly reviewing the creditworthiness of existing customers and previously agreed purchase limits and terms of trade.

The Group limits its exposure to credit risk by executing a credit limit policy, requiring advance payments in certain instances, taking out insurance for specific debtors as well as utilizing securitization and non-recourse factoring programs. See also note 16.

In addition, concentration of credit risk is limited due to the customers comprising a diversified mix of international companies, large national and regional companies as well as small local companies, most of which have been customers of the Group for many years.

Management believes that the recognized loss allowance sufficiently covers the risk of default based on historical payment behavior and assessments of future expectations of credit losses, including regular analysis of customer credit risk.

In line with its Treasury policy, the Group generally enters into transactions only with banks and financial institutions having a credit rating of at least investment grade (long term: BBB or Baa rating or higher and short term: A-2 or P-2 rating or higher as per Standard & Poor's or Moody's).

Our group structure and related parties

This section provides information about the Group's subsidiaries and other related parties.

27 Group entities

Overview of Group entities

The following table provides an overview of all the Group's subsidiaries and joint venture. The ownership interests are the same as of December 31, 2024 and December 31, 2023, unless specifically stated. The ownership and voting interests are the same for all Group entities. The Group owns 100% of the shares and the reporting date of the entities is December 31, unless specifically stated. The joint venture does not have any subsidiaries.

Companies and countries	As of December 31, 2024 Share capital[1]		Interest
Parent company			
Switzerland			
SIG Group AG, Neuhausen am Rheinfall[2]	3,822,709	CHF	100%
Subsidiaries			
Algeria			
EURL SIG Combibloc Algeria, Algiers	1,500,000	DZD	100%
Argentina			
Combibloc S.R.L., Buenos Aires[3]	6,765,005,520	ARS	100%
Australia			
Scholle IPN Pty Ltd., Edinburgh North	2	AUD	100%
SIG Australia Holding Pty Ltd., Canberra	32,100,000	AUD	100%
SIG Combibloc Australia Pty Ltd., Broadmeadows Moonee Ponds	40,000,001	AUD	100%
Austria			
SIG Austria Holding GmbH, Saalfelden	1,000,000	EUR	100%
SIG Combibloc GmbH, Saalfelden	35,000	EUR	100%
SIG Combibloc GmbH & Co. KG, Saalfelden	4,500,000	EUR	100%
Bangladesh			
SIG Combibloc Bangladesh Ltd., Dhaka	50,000,000	BDT	100%
Brazil			
Scholle Ltda., Vinhedo	86,258,020	BRL	100%
SIG Beverages Brasil Ltda., São Paulo	109,327,434	BRL	100%
SIG Combibloc do Brasil Ltda., São Paulo	722,386,462	BRL	100%

Companies and countries	As of December 31, 2024 Share capital[1]		Interest
Canada			
Scholle IPN Canada Ltd., Québec	1,000	CAD	100%
Chile			
Scholle IPN SpA, Santiago	9,006,501,235	CLP	100%
SIG Combibloc Chile SpA, Santiago	5,016,722,134	CLP	100%
China			
Scholle IPN Packaging (Suzhou) Co. Ltd., Suzhou	15,400,000	USD	100%
SIG Combibloc (Suzhou) Co. Ltd., Suzhou	283,000,000	USD	100%
SIG Combibloc (Suzhou) Technology Co. Ltd., Suzhou	3,800,000	USD	100%
SIG Packaging (Shanghai) Co., Ltd., Shanghai	98,374,102	CNY	100%
Czechia			
SIG Combibloc s.r.o., Hradec Králové	200,000	CZK	100%
Egypt			
SIG Combibloc Egypt LLC, Cairo	10,000	EGP	100%
France			
SIG Combibloc S.à.r.l., Courbevoie	31,000	EUR	100%
Germany			
Scholle IPN Germany GmbH, Eisfeld	25,000	EUR	100%
SIG Combibloc GmbH, Linnich	34,494,382	EUR	100%
SIG Combibloc Systems GmbH, Linnich	1,000,000	EUR	100%
SIG Combibloc Zerspanungstechnik GmbH, Alsdorf	256,000	EUR	100%
SIG Euro Holding GmbH, Linnich	10,000,000	EUR	100%
SIG Information Technology GmbH, Linnich	500,000	EUR	100%
SIG International Services GmbH, Linnich	1,000,000	EUR	100%
India			
Bossar Packaging Private Ltd., Pune[4,5,6]	17,649,000	INR	99.7%
Scholle IPN India Packaging Private Ltd., Palghar[4,7]	15,290,240	INR	100%
Scholle Packaging (India) Private Ltd., Palghar[4]	155,254,700	INR	100%
SIG Combibloc India Private Ltd., Gurgaon, Haryana[4]	964,721,600	INR	100%
Indonesia			
P.T. SIG Combibloc Indonesia, Jakarta Selatan	13,549,682,000	IDR	100%
Italy			
SIG Combibloc S.r.l., Parma	101,400	EUR	100%
Luxembourg			
SIG Combibloc Holdings S.à r.l., Munsbach	2,000,001	EUR	100%
SIG Combibloc PurchaseCo S.à r.l., Munsbach	4,012,500	EUR	100%

Companies and countries	As of December 31, 2024 Share capital[1]		Interest
Malaysia			
Scholle IPN Packaging (SEA) SDN. BHD, Kuala Lumpur	445,500	MYR	100%
SIG Combibloc Malaysia SDN. BHD, Kuala Lumpur	1,000,000	MYR	100%
Mexico			
SIG Combibloc Manufacturing México, S. de R.L. de C.V., Queretaro	142,010,000	MXN	100%
SIG Combibloc México, S.A. de C.V., Mexico City	1,000,000	MXN	100%
Netherlands			
Clean Flexible Packaging B.V., Tilburg	2	EUR	100%
Clean Flexible Packaging Holding B.V., Tilburg	2	EUR	100%
Scholle IPN Europe B.V., Tilburg	20,000	EUR	100%
Scholle IPN Europe Holding B.V., Tilburg	18,000	EUR	100%
Scholle IPN Holding B.V., Tilburg	20,220	EUR	100%
Scholle IPN IP B.V., Tilburg	18,000	EUR	100%
Scholle IPN Netherlands B.V., Tilburg	18,000	EUR	100%
SIG Combibloc B.V., Tilburg	40,000	EUR	100%
New Zealand			
Scholle IPN New Zealand Ltd., Auckland	10	NZD	100%
SIG Combibloc New Zealand Ltd., Auckland	100	NZD	100%
Nigeria			
SIG Combibloc Nigeria Ltd., Lagos	100,000,000	NGN	100%
Pakistan			
SIG Combibloc Pakistan (SMC – Private) Ltd., Lahore	100,000	PKR	100%
Poland			
SIG Combibloc Sp. z o.o., Warsaw	249,934	PLN	100%
Romania			
SIG Combibloc Services S.R.L., Cluj	1,000,000	RON	100%
Russia			
OOO SIG Combibloc, Moscow	5,000,000	RUB	100%
Scholle IPN Eastern Europe LLC, Voronezh4	221,331,321	RUB	99.9%
Saudi Arabia			
Al Obeikan SIG Combibloc Company Ltd., Riyadh	75,000,000	SAR	100%
Serbia			
SIG South East Europe d.o.o. Beograd, Beograd	939,200	RSD	100%
Singapore			
SIG Combibloc Singapore Private Ltd., Singapore	1,000	SGD	100%
South Africa			
SIG Combibloc (South Africa) Pty. Ltd., Cape Town	1,000	ZAR	100%

Companies and countries	As of December 31, 2024 Share capital[1]		Interest
South Korea			
SIG Combibloc Korea Ltd., Seoul	260,000,000	KRW	100%
SIG Packaging Korea Ltd., Seoul	899,480,000	KRW	100%
Spain			
Bossar Packaging S.L.U., Barbera del Valles	1,248,000	EUR	100%
SIG Combibloc S.A.U., Madrid	330,550	EUR	100%
Sweden			
SIG Combibloc AB, Eslöv	100,000	SEK	100%
Switzerland			
SIG allCap AG, Neuhausen am Rheinfall	7,000,000	CHF	100%
SIG InnoVentures AG, Neuhausen am Rheinfall[8]	1,000,000	CHF	100%
SIG Procurement AG, Neuhausen am Rheinfall	2,000,000	CHF	100%
SIG Receivables Management AG, Neuhausen am Rheinfall	1,000,000	CHF	100%
SIG Services AG, Neuhausen am Rheinfall	37,931,400	CHF	100%
SIG Schweizerische Industrie-Gesellschaft GmbH, Neuhausen am Rheinfall	20,000	CHF	100%
Taiwan			
SIG Combibloc Taiwan Ltd., Taipei	15,000,000	TWD	100%
SIG Packaging (Taiwan) Co., Ltd., Hsinchu Hsien	1,000,000	TWD	100%
Thailand			
SIG Combibloc Ltd., Rayong	3,070,693,000	THB	100%
Turkey			
SIG Combibloc Paketleme ve Ticaret Ltd. Şirketi, Istanbul[3]	170,000	TRY	100%
United Kingdom			
Scholle IPN UK Ltd., Gateshead	1	GBP	100%
SIG Combibloc Ltd., Gateshead	250,000	GBP	100%
UAE			
SIG Combibloc FZCO, Dubai	24,000,000	AED	100%
SIG Packaging Materials Trading LLC, Dubai[9]	10,000	AED	100%
USA			
Clean Flexible Packaging Inc., Northlake	20		–
Scholle IPN Atlanta Corporation, Peachtree City	0	USD	100%
SIG Combibloc Inc., Northlake	27,000,000	USD	100%
SIG Combibloc US Acquisition Inc., Northlake	10	USD	100%
SIG Combibloc US Acquisition II Inc., Northlake	10	USD	100%
SIG Holding USA, LLC, Northlake	1,000	USD	100%

Companies and countries	As of December 31, 2024 Share capital[1]		Interest
USA continued			
SIG Packaging LLC, Northlake[10]	10,000	USD	100%
SIG US LLC, Northlake[11]	10,000	USD	100%
Vietnam			
SIG Vietnam Ltd., Ho Chi Minh City	2,000,000,000	VND	100%
Joint venture			
Japan			
DNP • SIG Combibloc Co. Ltd., Tokyo	75,000,000	JPY	50%

1 Unaudited.
2 The registered address of SIG Group AG is Laufengasse 18, 8212 Neuhausen am Rheinfall, Switzerland.
3 Argentina and Turkey are regarded as hyperinflationary as of December 31, 2024 and 2023. The impacts of applying hyperinflationary accounting as per IAS 29 Financial Reporting in Hyperinflationary Economies are not material to the Group.
4 The reporting date is March 31. Financial information prepared as of December 31 is used for consolidation purposes.
5 The non-controlling interests are not significant, which is why the Group does not make a distinction between profit, total comprehensive income and equity attributable to the owners of the Company and the non-controlling interests.
6 In the acquisition of Scholle IPN in 2022, the Group initially only acquired 84.71% of the shares of Bossar Packaging Private Ltd. It acquired 14.99% of the shares for an insignificant amount in the second quarter of 2024.
7 In the acquisition of Scholle IPN in 2022, the Group initially only acquired 90% of the shares of Scholle IPN India Packaging Private Ltd. It acquired the remaining 10% of the shares for €3.3 million in the first quarter of 2023. The purchase of the Indian non-controlling interest is presented as a reduction of retained earnings in the statement of changes in equity.
8 SIG InnoVentures AG invests in early-stage companies to support the development of future packaging solutions. The investments are not significant. They are presented as part of other non-current assets (see note 21) and measured at fair value. The investments are categorized as Level 3 fair value measurements in the fair value hierarchy.
9 New entity, incorporated in the first quarter of 2024.
10 Previously Scholle IPN Packaging Inc. The name was changed to SIG Packaging LLC in the third quarter of 2024.
11 Previously Scholle IPN Corporation. The name was changed to SIG US LLC in the third quarter of 2024.

Joint venture in Japan

The Group has a small investment in a joint venture in Japan (DNP • SIG Combibloc Co. Ltd). It is accounted for using the equity method.

The Japanese joint venture was formed in 2018 with the joint venture partner DNP and provides aseptic carton packaging solutions in Japan. There have been no significant transactions with the joint venture in the years ended December 31, 2024 and December 31, 2023. Its net assets are also not significant.

Accounting policy/basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from their respective acquisition date, which is the date on which the Group obtains control, until the Group loses control.

Intra-group transactions and balances

Intra-group transactions and balances are eliminated on consolidation.

28 Related parties

The Company has related party relationships with its shareholders, subsidiaries, joint venture in Japan and key management. Certain information and updates about the Company's related parties is provided in this note.

Shareholders

The members of the Group Executive Board directly held 0.06% and indirectly held 0.05% of the Company's shares as of December 31, 2024 (directly 0.09% and indirectly 0.06% as of December 31, 2023). The members of the Board of Directors directly held 0.10% and indirectly held 10.3% of the Company's shares as of December 31, 2024 (directly 0.08% and indirectly 9.9% as of December 31, 2023).

Laurens Last (via CLIL Holding B.V., "CLIL", subsequently renamed Clean Holding B.V) received 33.75 million shares in the Company as part of the consideration for Scholle IPN on June 1, 2022 and, with additional shares he has purchased in the open market indirectly held 10.0% of the Company's shares as of December 31, 2024 (9.4% as of December 31, 2023) according to the disclosure notifications reported to the Company by Laurens Last. He also directly held blocked shares received as compensation for being a member of the Company's Board of Directors (0.003% as of December 31, 2024 and 0.001% as of December 31, 2023). As of December 31, 2023, Laurens Last moreover held 1,073,430 option rights to receive registered shares of the Company that lapsed without conversion into registered shares of the Company. See also the section "Key management" below.

Key management

The Company's key management includes the members of the Group Executive Board and the Board of Directors.

See note 4 for organizational changes in the Group Executive Board and the Board of Directors that took place in the year ended December 31, 2024.

The table below includes information about compensation to the Group Executive Board.

(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Short-term employee benefits	6.8	6.1
Post-employment benefits	0.5	0.5
Share-based payments	1.7	4.2
Termination benefits	–	0.3
Total compensation to the Group Executive Board	**9.0**	**11.1**

The termination benefits for the year ended December 31, 2023 relate to members of the Group Executive Board. The terminations have been reflected in the measurement of the amount recognized as a share-based payment expense, considering the good and bad leaver clauses in the share-based payment plans in which the former members of the Group Executive Board participated.

Compensation to the members of the Board of Directors totaled €2.7 million for the year ended December 31, 2024 (€2.4 million for the year ended December 31, 2023). The members of the Board of Directors receive part of their compensation in blocked shares.

Information about the participation of the members of the Group Executive Board and the Board of Directors in share-based payment plans and arrangements is included in note 30. Further information about compensation paid to the members of the Group Executive Board and the Board of Directors can be found in the Compensation Report included in the 2024 Annual Report. Details about these persons' SIG shareholdings are included in the section "Shareholders" above and in the Compensation Report.

Other related parties

The Group's subsidiaries are listed in note 27. Certain information about the Group's joint venture is also included in note 27.

Related party transactions

The nature of the Company's related party relationships, balances and transactions for the year ended December 31, 2024 has not changed compared with information disclosed in the consolidated financial statements for the year ended December 31, 2023.

On June 1, 2022, the Company acquired Scholle IPN from CLIL. CLIL is controlled by Laurens Last, who was elected to the Board of Directors on April 7, 2022. See note 32 for information about the contingent portion of the Group's consideration for Scholle IPN.

There have been no significant transactions and there were no outstanding balances as of December 31, 2024 and December 31, 2023 relating to companies controlled or jointly controlled by Laurens Last, except for an outstanding tax-related payable of €1.6 million as of December 31, 2023. This payable was settled in the year ended December 31, 2024.

The Group had entered into a one-year transitional service agreement in relation to an entity controlled by Laurens Last that was not part of the acquisition of Scholle IPN. It was extended for a limited period regarding some of the services provided by SIG but was subsequently terminated in the year ended December 31, 2023. This agreement had no significant impact on the Group.

In the year ended December 31, 2024, the Group recognized revenue of €2.8 million for sales of goods and provision of services to its joint venture in Japan (€1.8 million in the year ended December 31, 2023). It had an outstanding trade receivable balance of €0.6 million relating to the joint venture as of December 31, 2024 (€0.8 million as of December 31, 2023).

In the year ended December 31, 2024, the Group acquired 14.99% of the non-controlling interest of one of the acquired Scholle IPN Indian entities on an arm's length basis. In the year ended December 31, 2023, the Group acquired the 10% non-controlling interest of one of the other acquired Scholle IPN Indian entities on an arm's length basis. See note 27.

There were no other significant related party transactions during the years ended December 31, 2024 and December 31, 2023.

As of December 31, 2024 and December 31, 2023, the Group had no commitments to incur capital expenditure with related parties.

Our people

This section covers information about the Group's employee-related expenses and pension plans as well as the Group's share-based payment plans and arrangements. Details about compensation concerning the Group's key management are included in note 28 on related parties.

29 Employee benefits

The Group operates various defined benefit plans. The largest defined benefit plan is in Switzerland. In addition, the Group has a number of defined contribution plans.

Overview of employee benefits

(In € million)	As of Dec. 31, 2024	As of Dec. 31, 2023
Salaries and wages accrued	57.3	45.8
Provision for annual leave	15.8	15.2
Provision for other employee benefits	6.0	6.1
Net defined benefit obligations:		
Pension benefit liabilities	98.2	104.3
Total employee benefit liabilities	**177.3**	**171.4**
Current	73.1	61.0
Non-current	104.2	110.4
Total employee benefit liabilities	**177.3**	**171.4**

The Group had a net defined benefit asset of €181.8 million as of December 31, 2024 (€191.8 million as of December 31, 2023). This relates to the defined benefit pension plan in Switzerland. The Group's net defined benefit liabilities relate to defined benefit pension plans in other countries.

Personnel expenses

Personnel expenses recognized in the statement of profit or loss and other comprehensive income were €620.8 million in the year ended December 31, 2024 (€585.0 million in the year ended December 31, 2023), of which €35.9 million relates to contributions to defined contribution plans (€34.8 million in the year ended December 31, 2023).

Defined benefit pension plans

The Group makes contributions to defined benefit pension plans. It operates defined benefit pension plans in countries including Austria, France, Germany, India, Indonesia, Saudi Arabia, South Korea, Switzerland, Taiwan, Thailand, the UAE and the USA. The majority of the Group's pension obligations are in Switzerland. The retirement plans are subject to governmental regulations relating to how they are funded. The Group usually funds its retirement plans at an amount equal to the annual minimum funding requirements specified by the government regulations covering each plan.

This note generally includes aggregated disclosures in respect of the Group's pension plans as the plans are not exposed to materially different risks. However, certain information relating to the Swiss retirement plan is disclosed separately as it is the Group's largest pension plan.

As of December 31, 2024, the Swiss retirement plan comprised 72% of the present value of the Group's pension plan obligations (71% as of December 31, 2023). As of December 31, 2024, the fair value of the assets of the Swiss retirement plan exceeded the present value of its pension obligations by €181.8 million (€191.8 million as of December 31, 2023). See also the section "Expense recognized in other comprehensive income" below. For the years ended December 31, 2024 and December 31, 2023, the amount recognized as a net defined benefit asset did not exceed the asset ceiling.

Expected annual contributions to the Group's defined benefit pension plans during the year ending December 31, 2024 are estimated to be €6.1 million. The Group's pension plans had a weighted average duration of 14 years as of December 31, 2024 (12 years as of December 31, 2023).

Movement in net defined benefit obligation

Information about the net defined benefit obligation as of and for the years ended December 31, 2024 and December 31, 2023 is included below.

(In € million)	Defined benefit obligation		Fair value of plan assets		Impact of asset ceiling		Net defined benefit liability/(asset)	
	2024	2023	2024	2023	2024	2023	2024	2023
Carrying amount as of the beginning of the year	**532.6**	**501.9**	**(620.1)**	**(579.9)**	**(0.0)**	**61.4**	**(87.5)**	**(16.6)**
Service cost	9.2	7.9	–	–	–	–	9.2	7.9
Interest expense/(income)	11.5	13.6	(10.7)	(13.0)	–	–	0.8	0.6
Administrative expenses	–	–	0.6	0.6	–	–	0.6	0.6
Curtailments and settlements	0.2	0.1	–	–	–	–	0.2	0.1
Total expense/(income) recognized in profit or loss	**20.9**	**21.6**	**(10.1)**	**(12.4)**	**–**	**–**	**10.8**	**9.2**
Actuarial losses arising from:								
Demographic assumptions	14.5	6.9	–	–	–	–	14.5	6.9
Financial assumptions	5.0	15.6	–	–	–	–	5.0	15.6
Return on plan assets, excluding interest income	–	–	(22.9)	(23.7)	–	–	(22.9)	(23.7)
Change in asset ceiling	–	–	–	–	–	(62.2)	–	(62.2)
Total remeasurement (gains)/losses included in other comprehensive income	**19.5**	**22.5**	**(22.9)**	**(23.7)**	**–**	**(62.2)**	**(3.4)**	**(63.4)**
Contributions by the Group	–	–	(7.6)	(5.8)	–	–	(7.6)	(5.8)
Contributions by plan participants	1.9	1.8	(1.9)	(1.8)	–	–	–	–
Benefits paid by the plans	(34.0)	(35.4)	34.0	35.4	–	–	–	–
Addition through business combinations	–	–	–	–	–	–	–	–
Effect of movements in exchange rates	(2.5)	20.2	6.6	(31.9)	–	0.8	4.1	(10.9)
Total other movements	**(34.6)**	**(13.4)**	**31.1**	**(4.1)**	**–**	**0.8**	**(3.5)**	**(16.7)**
Carrying amount as of the end of the year	**538.4**	**532.6**	**(622.0)**	**(620.1)**	**(0.0)**	**(0.0)**	**(83.6)**	**(87.5)**
Comprised of:								
Swiss retirement plan	389.3	375.6	(571.1)	(567.4)	(0.0)	(0.0)	(181.8)	(191.8)
All other plans	149.1	157.0	(50.9)	(52.7)	–	–	98.2	104.3
Carrying amount as of the end of the year	**538.4**	**532.6**	**(622.0)**	**(620.1)**	**(0.0)**	**(0.0)**	**(83.6)**	**(87.5)**
Included in the statement of financial position as:								
Employee benefits (asset)							(181.8)	(191.8)
Employee benefits liability							98.2	104.3
Total net defined pension benefits							**(83.6)**	**(87.5)**

Expense recognized in profit or loss

The net pension expense is recognized in the following components in the statement of profit or loss and comprehensive income.

(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Cost of sales	5.0	4.8
Selling, marketing and distribution expenses	1.7	1.1
General and administrative expenses	4.1	3.3
Total net pension expense	**10.8**	**9.2**
thereof the Swiss retirement plan	4.0	2.6

Expense recognized in other comprehensive income

The remeasurement of the Group's defined benefit pension plans as of December 31, 2024 resulted in a €1.5 million net increase in other comprehensive income (net of tax), of which a €2.3 million decrease relates to the Group's Swiss retirement plan.

The remeasurement of the Group's defined benefit pension plans as of December 31, 2023 resulted in a €53.2 million increase in other comprehensive income (net of tax), of which €57.1 million relates to the Group's Swiss retirement plan. The increase is due to positive asset performance, partially offset by a decrease in the discount rate, and to an increase of the asset ceiling.

Plan assets

(In € million)	As of Dec. 31, 2024	As of Dec. 31, 2023
Equity instruments	147.0	144.2
Debt instruments	274.2	270.6
Real estate	164.5	174.1
Other	36.3	31.2
Total plan assets	**622.0**	**620.1**

Approximately 92% of total plan assets were held by the Swiss retirement plan as of December 31, 2024 (92% as of December 31, 2023). The debt instruments consist principally of corporate and government bonds. The equity and debt instrument values are based on quoted market prices in active markets. The real estate is held through unlisted funds. The investment policy of the Swiss retirement plan is to target an asset mix of around 25% equity instruments, 45% debt instruments and 25% real estate funds, and to hold 5% in cash. An assessment of the investment policy for the Swiss retirement plan is performed yearly.

Actuarial assumptions

The amounts recognized under the Group's defined benefit pension plans are determined using actuarial methods. The actuarial valuations involve assumptions regarding discount rates, expected salary increases and the retirement age of employees. These assumptions are reviewed at least annually and reflect estimates as of the measurement date. Any change in these assumptions will impact the amounts reported in the statement of financial position, plus the net pension expense or income that may be recognized in future years. The mortality table used for the Swiss retirement plan for 2024 and for 2023 was BVG 2020 GT.

While the Swiss retirement plan does not provide for compulsory benefit increases for pensioners, increases have been granted from time to time at the discretion of the foundation board, depending on the funding situation at the time.

The discount rate and future salary increases are the assumptions with the most significant effect on the defined benefit obligation. They are presented in the table below.

	Swiss retirement plan		All plans	
(In %)	As of Dec. 31, 2024	As of Dec. 31, 2023	As of Dec. 31, 2024	As of Dec. 31, 2023
Discount rates	0.95%	1.50%	0.95%–7.0%	1.2%–7.1%
Future salary increases	1.50%	2.00%	0.0%–9.0%	0.0%–9.0%

The table below shows the effect on the defined benefit obligation of a change in the discount rate and future salary increases.

	Swiss retirement plan		All plans	
(In € million)	As of Dec. 31, 2024	As of Dec. 31, 2023	As of Dec. 31, 2024	As of Dec. 31, 2023
Discount rates				
50 basis points increase	(7.4)	(5.7)	(15.8)	(13.7)
50 basis points decrease	8.1	6.2	17.2	15.0
Future salary increases				
50 basis points increase	1.5	1.3	3.2	2.8
50 basis points decrease	(1.4)	(1.2)	(2.9)	(2.5)

Accounting policy

Short-term employee benefits

Short-term employee benefits are expensed in profit or loss as the related services are provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans and outstanding annual leave balances if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

Defined benefit plans

The Group's obligation with respect to its defined benefit plans is calculated separately for each plan by estimating the amount of the future benefits to which employees are entitled in return for their services in the current and prior years, discounting that amount to determine the present value of the Group's obligation and then deducting the fair value of any plan assets. The discount rate used is the yield on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have maturity dates approximating the terms of the Group's obligations. The calculations are performed annually by qualified actuaries using the projected unit credit method.

If the calculation results in a potential asset for the Group (such as for the Group's Swiss retirement plan), the recognized asset is limited to the present value of economic benefits available in the form of reductions in future contributions to the plan (the case for the Swiss retirement plan) or any future refunds from the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined liability, comprising actuarial gains and losses, the return on plan assets (excluding interest) and, if any, the effects of the asset ceiling (excluding interest), are recognized immediately in other comprehensive income.

The net interest expense/(income) on the net defined benefit liability/(asset) for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined liability/(asset) as of that time, taking into account any changes from contributions and benefit payments. Net interest expense and other plan expenses are recognized in profit or loss.

If the benefits of a plan are changed or a plan is curtailed, the resulting change in benefit that relates to past services or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Defined contribution plans

The Group's obligation for contributions to defined contribution plans is expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available. The Group has no further obligations once the contributions have been paid.

Termination benefits

Termination benefits, when applicable, are payable when employment is terminated by the Group before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for such benefits. Termination costs are expensed when the Group can no longer withdraw the offer of the benefits or when the Group recognizes any related restructuring costs, whichever occurs earlier.

Significant judgments and estimates

Amounts recognized under the Group's defined benefit pension plans are determined using actuarial methods. These actuarial valuations involve various assumptions that reflect estimates as of the measurement date. See the section "Actuarial assumptions" above for an overview of the impact of any change in these assumptions.

30 Share-based payment plans and arrangements

The Group has share-based long-term incentive plans for certain members of management and other key employees and talents. The members of the Board of Directors receive a part of their total compensation under share-based payment arrangements. These plans and arrangements have an insignificant impact on the Group's result.

The Group expects to settle its obligations under its equity-settled plans and arrangements using own shares (treasury shares) or, alternatively, using shares issued from its conditional share capital (see note 25). The majority of the Group's share-based payment plans and arrangements are equity-settled.

Share-based long-term incentive plans for SIG employees

Performance share unit plan

The Group grants performance share units ("PSUs") to the members of the Group Executive Board and certain other members of management on an annual basis. The PSU plans have equivalent terms and vesting conditions, including a three-year service vesting condition.

One PSU represents the contingent right to receive one SIG share. The number of granted PSUs is determined by dividing each participant's award under the plan by the volume-weighted average of the closing prices of the SIG share over the last 20 trading days prior to the grant date as per the PSU regulations. The number of PSUs that vest depends on the Group's long-term performance over the three-year vesting period. The plans include the following vesting conditions:

- Service condition: Continuous employment through to the vesting date.
- Two non-market performance conditions: Achievement of a cumulative diluted adjusted earnings per share target and a cumulative free cash flow target.
- One market performance condition: Achievement of a relative total shareholder return target, measured relative to the SPI® ICB Industry 2000 "Industrials" Total Return Index (with a vesting factor capped at 1.0 for a negative absolute TSR).

At vesting, the three performance conditions are first assessed individually to determine the level of achievement of the set targets (in a range from 0% to 200%). The achievement percentage of each performance condition is then combined based on a relative weighting of the performance conditions (50% for the relative total shareholder return target and 25% each for the earnings per share and cash flow targets). The combined vesting multiple determines how many shares the plan participants are entitled to receive at the end of the vesting period.

The fair value of one PSU is calculated based on a Monte Carlo simulation model, which reflects the probability of over- or underachieving the market performance condition. The model also takes into account various inputs such as the closing share price of one SIG share on the grant date and adjusts for expected dividends (discounted at a risk-free interest rate) to which the plan participants are not entitled until the PSUs vest after three years.

The table below provides an overview of the annual management PSU plans.

	Overview of PSU plans				
	2024	**2023**	**2022**	**2021**	**2020**
Grant date	April 2, 2024	April 3, 2023	June 13, 2022	April 1, 2021	April 1, 2020
Vesting date	April 1, 2027	April 1, 2026	March 31, 2025	March 31, 2024	March 31, 2023
Grant date fair value (one PSU)	19.99 CHF	23.35 CHF	19.56 CHF	22.31 CHF	15.05 CHF
Number of participants	17	16	15	9	8
Granted number of PSUs	240,757	231,648	234,753	201,707	342,198
thereof to members of the Group Executive Board	214,412	217,846	215,169	187,139	325,586

The table below provides a reconciliation of the outstanding management PSUs.

	Outstanding PSUs	
Number of PSUs	**2024**	**2023**
As of January 1	**524,024**	**525,710**
Granted PSUs	240,757	231,648
Vested PSUs (2021 plan)	(154,642)	–
Vested PSUs (2020 plan)	–	(158,088)
Forfeited PSUs	(1,460)	(75,246)
As of December 31	**608,679**	**524,024**
thereof held by members of the Group Executive Board	507,116	432,607

A total of 154,642 PSUs under the 2021 PSU plan vested on March 31, 2024, of which 109,818 PSUs relate to members of the Group Executive Board at the vesting date. Based on the achievement of the targets described above, the participants were entitled to 71,139 shares, of which 50,518 shares relate to members of the Group Executive Board at the vesting date. Under the 2020 PSU plan, 158,088 PSUs vested on March 31, 2023, of which 142,860 PSUs related to members of the Group Executive Board at the vesting date. Based on the achievement of the targets described above, the participants were entitled to 265,591 shares, of which 240,007 shares related to members of the Group Executive Board at the vesting date.

The Group settled its obligation under the 2021 and 2020 PSU plans by delivering treasury shares (see note 25). The total amount of €3.5 million recognized as a share-based payment expense for the 2021 PSU plan has been recognized as a decrease in equity (€3.0 million for the 2020 PSU plan). The difference between this amount and the sum of the cost of the delivered treasury shares is presented as an adjustment of additional paid-in capital.

Any resignation of members of the Group Executive Board results in forfeitures of a certain number of granted PSUs as per the good and bad leaver clauses in the PSU plan regulations.

Restricted share unit plan

The Group grants a small number of restricted share units ("RSUs") to a limited number of employees on an annual basis. One RSU represents the contingent right to receive one SIG share, subject to the fulfilment of a three-year service vesting condition.

RSUs under the 2021 and 2020 RSU plans vested on March 31, 2024 and March 31, 2023, respectively. The Group settled its obligation by delivering treasury shares.

Equity investment plan

The Group has an annual equity investment plan ("EIP") for a wider group of management in leadership positions and other key employees and talents, under which the participants may choose to invest in SIG shares at market value. The shares are blocked for three years. For each purchased share, the Group grants the participants two matching options to purchase another two shares at a predefined exercise price at the end of a three-year vesting period.

A total of 97,112 options under the 2021 EIP plan vested on June 1, 2024. The options can be exercised during a ten-month period after the vesting date. No options had been exercised as of December 31, 2024. The Group's obligation under the 2021 EIP plan will be settled by delivering treasury shares. A total of 190,380 options under the 2020 EIP plan vested on June 1, 2023. A total of 187,500 options had been exercised within the ten-month exercise period after the vesting date and settled by delivering treasury shares.

The grant date for the 2024 EIP plan was May 31, 2024, when 51 employees were granted a total of 123,536 options. Under the 2023 EIP plan, 60 employees were granted a total of 130,212 options on June 2, 2023. The fair value of one option, calculated using the Black-Scholes model, was CHF 3.06 as of the grant date for the 2024 EIP (CHF 4.58 for the 2023 EIP).

A total of 369,758 not yet vested options under all EIPs were outstanding as of December 31, 2024, of which 18,640 options were held by a member of the Group Executive Board (360,794 options as of December 31, 2023, of which 41,365 options were held by members of the Group Executive Board).

Integration plans

As part of the integration of Scholle IPN and Evergreen Asia into the Group, 41 employees who are key to the integration were granted a total of 302,792 PSUs under two smaller PSU integration plans in August 2022. One of the plans is cash-settled. The number of PSUs that will vest on December 31, 2025 depends on the achievement of certain targets, including targets linked to the performance and integration of the two acquired businesses.

A total of 234,128 PSUs under the integration plans were outstanding as of December 31, 2024, of which 10,469 PSUs were held by a member of the Group Executive Board (260,234 PSUs as of December 31, 2023, of which 10,469 PSUs were held by a member of the Group Executive Board).

Share-based payment arrangements for members of the Board of Directors

The members of the Board of Directors receive 40% of their total compensation in SIG shares that are blocked for three years. The grant date is the date of the Annual General Meeting (normally held in April), when the total compensation package for the next term of office is approved. The compensation is paid out four times during the one-year term of office (i.e. there are four award dates, each relating to work performed during the quarter before the respective award date). The fair value of one blocked share is calculated based on the closing share price of one SIG share on the grant date.

The Group granted 54,740 blocked shares to the members of the Board of Directors in the year ended December 31, 2024 (38,959 blocked shares in the year ended December 31, 2023). The fair value of one granted instrument was CHF 19.36 as of the grant date in the year ended December 31, 2024 (CHF 24.42 in the year ended December 31, 2023). The blocked shares have been delivered using treasury shares.

Share-based payment expense

The share-based payment expense (including adjustments due to varying plan performance) recognized as a personnel expense for the year ended December 31, 2024 relating to the PSU, RSU, equity investment and integration plans for all SIG employees totals €1.5 million. The share-based payment expense for only the members of the Group Executive Board amounts to €1.7 million. The share-based payment expense relating to these plans for the year ended December 31, 2023 amounted to €6.8 million, of which €4.2 million related to members of the Group Executive Board.

The share-based payment expense recognized as part of general and administrative expenses for the year ended December 31, 2024 relating to the arrangement for the Board of Directors amounts to €1.0 million (€0.9 million for the year ended December 31, 2023).

Accounting policy

The Group's share-based payment plans and arrangements are primarily equity-settled payment arrangements.

For the equity-settled plans, the grant date fair value of the awards is recognized as an expense, with a corresponding increase in equity (retained earnings), over the vesting period. The amount recognized as an expense is adjusted to reflect the number of instruments awarded for which the related service and any non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of instruments awarded that meet the related service and any non-market performance conditions at the vesting date. Any market performance conditions are reflected in the grant date fair valuation of the instruments awarded and there is no true-up during the vesting period or at the vesting date for differences between expected and actual outcomes.

For cash-settled plans, the fair value of the amounts payable to employees is recognized as an expense, with a corresponding increase in liabilities (employee benefits), over the vesting period. The liability is remeasured at each reporting date and at the settlement date so that the ultimate liability equals the cash payment on the settlement date. Any changes in the fair value of the liability are recognized in profit or loss.

Other

This section provides details about the Group's income tax exposure and different categories of financial instruments (including derivative instruments). It further covers fair value information, off-balance sheet items and subsequent events.

31 Income tax

This note covers the Group's current and deferred income tax exposure, with corresponding impacts on the statement of profit or loss and other comprehensive income and the statement of financial position.

Management believes that its accruals for tax liabilities are sufficient for all open tax years based on its assessment of existing facts, prior experiences and interpretations of tax laws.

Amounts recognized in profit or loss

(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Current year	(124.4)	(113.5)
Adjustments for prior years	7.2	2.7
Current tax expense	**(117.2)**	**(110.8)**
Origination and reversal of temporary differences	38.8	40.6
Tax rate modifications	(0.1)	(8.1)
Recognition of previously unrecognized tax losses	0.2	–
Adjustments for prior years	(8.2)	(2.5)
Deferred tax benefit	**30.7**	**30.0**
Income tax expense	**(86.5)**	**(80.8)**

Amounts recognized in other comprehensive income

The Group has recognized in other comprehensive income a deferred tax expense of €1.9 million relating to the remeasurement of defined benefit plans for the year ended December 31, 2024 (a deferred tax expense of €10.2 million for the year ended December 31, 2023).

Reconciliation of effective tax expense

The following table presents the Group's reconciliation between profit before income tax and the income tax expense. The reconciliation is based on the Company's applicable Swiss tax rate and adjusts for the effect of tax rates applied by Group companies in other jurisdictions because the Group's business activities and taxable income are mostly located outside Switzerland. The effect of tax rates in foreign jurisdictions comprises the difference between the Company's applicable Swiss tax rate and the statutory tax rates per each individual jurisdiction. The Company's applicable Swiss tax rate of 15.19% for the year ended December 31, 2024 slightly increased compared to the comparative period (13.94%).

(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Profit before income tax	**281.0**	**324.0**
Income tax using the Swiss tax rate of 15.19% (2023: 13.94%)	(42.7)	(45.2)
Effect of tax rates in foreign jurisdictions	(31.1)	(28.3)
Non-deductible expenses	(10.2)	(9.0)
Tax-exempt income	19.8	28.3
Withholding tax	(12.6)	(10.6)
Tax rate modifications	(0.1)	(8.1)
Recognition of previously unrecognized tax losses	0.2	–
Unrecognized tax losses and temporary differences	(4.4)	(1.3)
Tax uncertainties	0.9	(7.3)
Tax on undistributed profits	(3.4)	0.5
Adjustments for prior years	(1.0)	0.2
Current tax expense from global minimum top-up tax	(1.9)	–
Income tax expense	**(86.5)**	**(80.8)**

The effective rate for the year ended December 31, 2024 was 30.8% (24.9% for the year ended December 31, 2023).

Current tax assets and liabilities

Current tax assets of €13.9 million as of December 31, 2024 (€6.0 million as of December 31, 2023) represent the amount of income taxes recoverable with respect to current and prior periods and arise from the payment of tax in excess of the amounts due to the relevant tax authorities. Current tax liabilities of €50.3 million as of December 31, 2024 (€49.3 million as of December 31, 2023) represent the amount of income taxes payable with respect to current and prior periods.

Recognized deferred tax assets and liabilities

(In € million)	As of Dec. 31, 2024	As of Dec. 31, 2023
Included in the statement of financial position as:		
Deferred tax assets	68.7	60.6
Deferred tax liabilities	(223.0)	(244.2)
Total recognized net deferred tax liabilities	**(154.3)**	**(183.6)**

The following table provides details about the components of deferred tax assets and liabilities.

(In € million)	PP&E	Intangible assets	Inventories	Receivables	Other payables	Deferred revenue	Unremitted earnings	Other items	Net deferred tax assets/ (liabilities)
Carrying amount as of Jan. 1, 2023	**(143.8)**	**(159.8)**	**23.6**	**0.3**	**40.1**	**73.6**	**(46.6)**	**11.3**	**(201.3)**
Recognized in profit or loss	(3.6)	26.5	8.5	0.5	(0.6)	1.7	0.5	(3.5)	**30.0**
Recognized in other comprehensive income	–	–	–	–	–	–	–	(10.2)	**(10.2)**
Effect of movements in exchange rates	1.8	0.7	(0.1)	0.1	(2.3)	(1.2)	–	(1.1)	**(2.1)**
Carrying amount as of Dec. 31, 2023	**(145.6)**	**(132.6)**	**32.0**	**0.9**	**37.2**	**74.1**	**(46.1)**	**(3.5)**	**(183.6)**
Carrying amount as of Jan. 1, 2024	**(145.6)**	**(132.6)**	**32.0**	**0.9**	**37.2**	**74.1**	**(46.1)**	**(3.5)**	**(183.6)**
Recognized in profit or loss	(24.8)	23.6	(4.3)	(3.1)	(6.4)	17.7	(3.3)	31.3	**30.7**
Recognized in other comprehensive income	–	–	–	–	–	–	–	(1.9)	**(1.9)**
Effect of movements in exchange rates	(2.4)	(1.0)	(0.1)	–	0.8	2.0	–	1.2	**0.5**
Carrying amount as of Dec. 31, 2024	**(172.8)**	**(110.0)**	**27.6**	**(2.2)**	**31.6**	**93.8**	**(49.4)**	**27.1**	**(154.3)**

Other payables mainly include a deferred tax asset relating to liabilities for various customer incentive programs. Other items mainly include net deferred tax assets or liabilities relating to employee benefits and tax loss carry-forwards. Tax loss carry-forwards recognized as a deferred tax asset amount to €20.5 million as of December 31, 2024 (€5.9 million as of December 31, 2023).

Unrecognized deferred tax assets

Deferred tax assets have not been recognized with respect to tax losses of €12.1 million (gross amount €39.1 million) as of December 31, 2024 (€9.3 million, gross amount €31.2 million as of December 31, 2023) because management has assessed that it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom. Under the current applicable tax legislation, €30.3 million of the unrecognized tax losses as of December 31, 2024 does not expire while €4.0 million expires in two to five years and €4.8 million expires after more than five years.

OECD Pillar Two model rules

In 2021, the OECD published a regulatory framework for a global minimum top-up income tax (the OECD Pillar Two model rules). The rules are designed to ensure that multinational companies within the scope of the rules pay a minimum tax rate of 15% in each jurisdiction where they operate.

The Group became subject to the global minimum 15% top-up tax under the OECD Pillar Two Model Rules from January 1, 2024. The Group applies the transitional safe harbor rules for the jurisdiction it operates. It has recognized a current tax expense of €1.9 million for the year ended December 31, 2024 relating to top-up tax in UAE (statutory tax rate of 9%). The top-up tax for 2024 is levied on one of the Group’s subsidiaries in Luxembourg. For 2025, any top-up tax under the income inclusion rule will be levied in Switzerland.

The Group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Accounting policy

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income.

For subsidiaries in which the profits are not considered to be permanently reinvested, the additional tax consequences of future dividend distributions are recognized as income tax expense.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years. Current tax assets and liabilities are only offset if certain criteria are met.

Deferred tax

Deferred tax is recognized, using the balance sheet method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future and the Group is in a position to control the timing of the reversal of the temporary differences. Deferred tax is also not recognized in relation to Pillar Two income taxes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. The recoverability of deferred tax assets is reviewed at each reporting date. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are only offset if certain criteria are met.

Significant judgments and estimates

Determining the Group's worldwide income tax liability requires significant judgment and the use of estimates and assumptions, some of which are highly uncertain. Each tax jurisdiction's laws are complex and subject to different interpretations by the taxpayer and the respective tax authorities. Significant judgment is required in evaluating the Group's tax positions, including evaluating uncertainties. To the extent actual results differ from these estimates relating to future periods and depending on the tax strategies that the Group may implement, the Group's financial position may be directly affected.

Deferred tax assets represent deductions available to reduce taxable income in future years. The Group evaluates the recoverability of deferred tax assets by assessing the adequacy of future taxable income, including reversal of taxable temporary differences, forecasted earnings and available tax planning strategies. Determining the sources of future taxable income relies heavily on the use of estimates. The Group recognizes deferred tax assets when the Group considers it probable that the deferred tax assets will be recoverable.

32 Financial instruments and fair value information

This note provides an overview of the Group's financial instruments, including derivative financial instruments, and their categorization under IFRS. Further details about the different types of financial assets and financial liabilities are provided throughout these consolidated financial statements. This note also contains information about the fair value of the Group's financial instruments and some general accounting policies covering more than one type of financial assets and liabilities.

Categories of financial instruments and fair value information

The following tables present the carrying amounts of the Group's different categories of financial assets and liabilities as of December 31, 2024 and December 31, 2023. They also present the respective levels in the fair value hierarchy for financial assets and liabilities measured at fair value.

	Carrying amount as of December 31, 2024			Fair value hierarchy Level		
(In € million)	At amortized cost	At fair value through profit or loss (mandatorily)	Total	1	2	3
Cash and cash equivalents	303.4		**303.4**			
Trade and other receivables	400.8	49.7	**450.5**		x	
Derivatives		11.3	**11.3**		x	
Other financial assets		8.1	**8.1**			x
Total financial assets	**704.2**	**69.1**	**773.3**			
Trade and other payables	(1,088.9)		**(1,088.9)**			
Loans and borrowings:						
– Senior unsecured notes	(549.5)		**(549.5)**			
– Senior unsecured Euro term loan	(49.7)		**(49.7)**			
– Unsecured US Dollar term loan	(259.5)		**(259.5)**			
– Unsecured SSDs	(1,097.4)		**(1,097.4)**			
– Unsecured committed revolving credit facilities	(100.0)		**(100.0)**			
– Local credit lines	(93.2)		**(93.2)**			
– Lease liabilities	(321.8)		**(321.8)**			
Derivatives		(9.0)	**(9.0)**		x	
Contingent consideration		(3.7)	**(3.7)**			x
Total financial liabilities	**(3,560.0)**	**(12.7)**	**(3,572.7)**			

	Carrying amount as of December 31, 2023			Fair value hierarchy Level		
(In € million)	At amortized cost	At fair value through profit or loss (mandatorily)	Total	1	2	3
Cash and cash equivalents	280.9		**280.9**			
Trade and other receivables	378.1	17.8	**395.9**		x	
Derivatives		10.2	**10.2**		x	
Other financial assets		2.6	**2.6**			x
Total financial assets	**659.0**	**30.6**	**689.6**			
Trade and other payables	(1,003.2)		**(1,003.2)**			
Loans and borrowings:						
– Senior unsecured notes	(548.5)		**(548.5)**			
– Senior unsecured Euro term loan	(548.1)		**(548.1)**			
– Unsecured US Dollar term loan	(243.8)		**(243.8)**			
– Unsecured SSD	(648.2)		**(648.2)**			
– Unsecured credit facility	(100.0)		**(100.0)**			
– Local credit lines	(112.1)		**(112.1)**			
– Lease liabilities	(251.1)		**(251.1)**			
Derivatives		(14.3)	**(14.3)**		x	
Contingent consideration		(55.0)	**(55.0)**			x
Total financial liabilities	**(3,455.0)**	**(69.3)**	**(3,524.3)**			

Fair value of financial assets and liabilities at amortized cost

The carrying amount of the financial assets and liabilities that are not measured at fair value is a reasonable approximation of fair value. Excluding transaction costs, this is also the case for the Euro and US Dollar term loans, the two SSDs and draw-downs of the Group's revolving credit facilities and local credit lines. The fair value of the Group's notes due in 2025 was €545 million as of December 31, 2024 (€538 million as of December 31, 2023).

Fair value of trade receivables to be sold under securitization and factoring programs

Trade receivables that will be sold under the Group's securitization and factoring programs are categorized as measured at fair value through profit or loss. They are sold shortly after being recognized by the Group and the amount initially recognized for these trade receivables is representative of their fair value. These trade receivables are categorized as Level 2 fair value measurements in the fair value hierarchy.

Fair value of derivatives

The following tables show the types of derivatives the Group had as of December 31, 2024 and December 31, 2023, and their presentation in the statement of financial position. The derivatives have been entered into as part of the Group's strategy to mitigate operational risks (commodity and foreign currency derivatives) and to mitigate financing risks (interest rate swap and forward interest rate agreements).

(In € million)	Current assets	Non-current assets	Total derivative assets	Current liabilities	Non-current liabilities	Total derivative liabilities
Commodity derivatives	3.1	0.2	**3.3**	(3.5)	–	**(3.5)**
Foreign currency derivatives	4.7	–	**4.7**	(5.5)	–	**(5.5)**
Total operating derivatives	**7.8**	**0.2**	**8.0**	**(9.0)**	**–**	**(9.0)**
Interest rate derivatives	3.3	–	**3.3**	–	–	**–**
Total financing-related derivatives	**3.3**	**–**	**3.3**	–	–	**–**
Total derivatives as of December 31, 2024	**11.1**	**0.2**	**11.3**	**(9.0)**	**–**	**(9.0)**

(In € million)	Current assets	Non-current assets	Total derivative assets	Current liabilities	Non-current liabilities	Total derivative liabilities
Commodity derivatives	2.1	–	**2.1**	(11.3)	(0.1)	**(11.4)**
Foreign currency derivatives	1.5	–	**1.5**	(2.9)	–	**(2.9)**
Total operating derivatives	**3.6**	**–**	**3.6**	**(14.2)**	**(0.1)**	**(14.3)**
Interest rate derivatives	–	6.6	**6.6**	–	–	**–**
Total financing-related derivatives	**–**	**6.6**	**6.6**	**–**	**–**	**–**
Total derivatives as of December 31, 2023	**3.6**	**6.6**	**10.2**	**(14.2)**	**(0.1)**	**(14.3)**

The Group measures derivative assets and liabilities at fair value. The fair value is calculated based on valuation models commonly used in the market. These include consideration of credit risk, where applicable, and discount the estimated future cash flows based on the terms and maturity of each contract, using forward interest rates extracted from observable yield curves and market forward exchange rates at the reporting date.

The derivatives are categorized as Level 2 fair value measurements in the fair value hierarchy because the measurements of fair value are based on significant observable market data, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Changes in fair value are recognized in profit or loss as the Group generally does not apply hedge accounting under IFRS 9.

Fair value of contingent consideration

The Group's liability for contingent consideration relates to the acquisition of Scholle IPN in 2022 and depends on the acquired bag-in-box and spouted pouch businesses outperforming the top end of the Group's mid-term revenue growth guidance of 4-6% per year for the years ended December 31, 2023 and 2024 and the year ending December 31, 2025. Payments for growth rates ranging from 6 to 11.5% per the respective year will be made based on a pre-agreed ratchet structure. The liability will be settled in cash. The maximum amount payable is $300 million ($100 million per year).

The fair value of the contingent consideration was €3.7 million as of December 31, 2024 (€55.0 million as of December 31, 2023). The unrealized gain of €51.3 million for the year ended December 31, 2024 (an unrealized gain of €58.2 million for the year ended December 31, 2023) is presented as part of other income and expenses (see notes 8 and 9). The contingent consideration is presented as part of other non-current liabilities.

No payment is expected by the Group for the 2024 and 2025 contingent consideration periods based on the actual result and the growth rate used when assessing the contingent consideration as of December 31, 2024 (a payment of €39.2 million was expected as of December 31, 2023, see note 26).

Significant judgments and estimates are made by management relating to the assessments of the fair value of the contingent consideration. As significant unobservable inputs are used in the assessment of the fair value, the contingent consideration is categorized as a Level 3 fair value measurement in the fair value hierarchy. The fair value has been assessed using a Monte Carlo simulation, under which the simulated contingent consideration payments (for each of the three payment streams) have been discounted to present value at a corresponding risk-free rate.

The fair value of the contingent consideration of €3.7 million as of December 31, 2024 would increase by approximately €2.9 million if the revenue growth rates increased by 1.0 percentage point (decrease by approximately €1.9 million if the revenue growth rates decreased by 1.0 percentage point), and would increase by approximately €0.2 million if the discount rates decreased by 1.0 percentage point (decrease by approximately €0.3 million if the discount rates increased by 1.0 percentage point).

The fair value of the contingent consideration of €55.0 million as of December 31, 2023 would have increased by approximately €9.3 million if the revenue growth rates had increased by 1.0 percentage point (decreased by approximately €8.6 million if the revenue growth rates had decreased by 1.0 percentage point), and would have increased by approximately €2.7 million if the discount rates had decreased by 1.0 percentage point (decreased by approximately €2.4 million if the discount rates had increased by 1.0 percentage point).

Accounting policy

The specific accounting policies for the Group's different types of financial assets and liabilities are included in other sections of these consolidated financial statements. This section includes the accounting policy for topics that are covered in more than one note.

Initial recognition of financial assets and liabilities

The Group initially recognizes loans and receivables and any debt issued on the date when they are originated. All other financial assets and liabilities are initially recognized on the trade date when the entity becomes party to the contractual provisions of the financial instrument.

Offsetting

Financial assets and financial liabilities are only offset and the net amount presented in the statement of financial position if the Group currently has a legally enforceable right to offset the amounts and intends to either settle them on a net basis or realize the asset and settle the liability simultaneously.

Derivatives

Derivatives are measured at fair value with any related transaction costs expensed as incurred. Derivatives with a positive fair value are presented as other current or non-current assets in the statement of financial position, while derivatives with a negative fair value are presented as other current or non-current liabilities.

The gain or loss on remeasurement to fair value is recognized in profit or loss. Net changes in the fair value of derivatives entered into as part of the operating business are presented as part of profit from operating activities, while net changes in the fair value of derivatives entered into in relation to the financing of the Group (if any) are presented in other finance income or expenses. The Group does not generally apply hedge accounting under IFRS 9.

A derivative embedded in another contract is separated and accounted for separately if its economic characteristics and risks are not closely related to those of its host contract, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the host contract is not measured at fair value with the fair value changes recognized in profit or loss. Changes in the fair value of a separated embedded derivative are recognized immediately in profit or loss.

Contingent consideration

Contingent consideration for acquired subsidiaries is measured at fair value at the acquisition date. When contingent consideration is payable in cash, and therefore recognized as a financial liability, it is remeasured to fair value at each reporting date until it is settled. Any changes in the fair value are recognized as part of other income and expenses.

33 Contingent liabilities

The Group has contingent liabilities relating to legal, tax and other matters arising in the ordinary course of business. Based on legal and other advice, management is of the view that the outcome of any such proceedings will have no significant effect on the financial position of the Group beyond the recognized provision.

Clean Holding B.V., owned by Laurens Last, has filed a request for arbitration with regard to the contingent consideration for the Scholle IPN acquisition in 2022. Refer to note 32 for further information on the contingent consideration, which is limited to a maximum of $100 million per year for the years ended December 31, 2023 and 2024 and the year ending December 31, 2025.

Accounting policy

Contingent liabilities are possible obligations arising from a past event to be confirmed by future events not wholly within the control of the Group, or present obligations arising from a past event for which an outflow of economic benefits is not probable, or which cannot be measured reliably. Contingent liabilities are not recognized in the statement of financial position, except for certain items assumed in a business combination, but are disclosed separately. If it becomes probable that an outflow of economic benefits will be required for an item previously disclosed as a contingent liability, a provision is recognized when the change in probability occurs.

34 Subsequent events

There have been no events between December 31, 2024 and February 20, 2025 (the date these consolidated financial statements were approved) that would require an adjustment to or disclosure in these consolidated financial statements.

→ Report on the audit of the consolidated financial statements

Report of the statutory auditor
to the General Meeting of SIG Group AG, Neuhausen am Rheinfall

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of SIG Group AG and its subsidiaries (the Group), which comprise the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2024, the consolidated statement of financial position as at December 31, 2024, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 229 to 292) give a true and fair view of the consolidated financial position of the Group as at December 31, 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

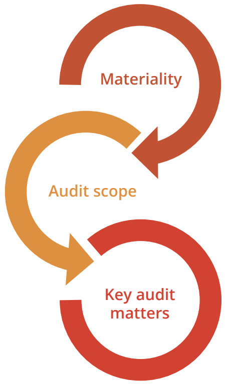
Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers AG, St. Jakobs-Strasse 25, 4002 Basel, Telefon: +41 58 792 51 00, www.pwc.ch

Our audit approach



Overview

Overall group materiality: €33 million

We concluded full scope audit work at 12 components in 11 countries. In addition, specified procedures were performed on a further 9 components in 5 countries. Our audit scope addressed 82% of the Group's revenue

As key audit matter the following area of focus has been identified:

- Recoverability of Goodwill

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	€33 million
Benchmark applied	Revenue
Rationale for the materiality benchmark applied	We chose revenue as the benchmark as, in our view, it is the most appropriate measure considering the Group's current year's result is impacted by effects from purchase price accounting. It is further a generally accepted benchmark.

We agreed with the Audit and Risk Committee that we would report to them misstatements above €3 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

The Group financial statements are a consolidation of 90 entities and one joint venture, comprising the Group's operating businesses and centralized functions. The audit strategy for the audit of the consolidated financial statements was determined taking into account the work performed by the component auditors. As Group auditor, we performed the audit of the consolidation, disclosures and presentation of the consolidated financial statements and in particular of the impairment testing of goodwill. Where audits were performed by component auditors, we ensured that, as Group auditor, we were adequately involved in the audit in order to assess whether sufficient appropriate audit evidence was obtained from the work of the component auditors to provide a basis for our opinion. Our involvement comprised communicating the risks identified at Group level, specifying the audit procedures relating to the accounting of key audit areas, specifying the materiality thresholds to be applied, conducting virtual and on-site meetings with the component auditors during the planning phase, the interim audit and the year-end audit, review of their working papers on a sample basis and analyzing their reporting.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of Goodwill

Key audit matter	How our audit addressed the key audit matter
As at December 31, 2024, the carrying amount of goodwill was €3,185.3 million, allocated to different groups of cash generating units (CGUs). The recoverable amounts of the CGUs are calculated based on their value in use. Deriving the value in use requires significant management judgement specifically in determining future cash flows, discount rates and terminal growth rates. Refer to the consolidated financial statements Note 14 – Intangible assets and Note 5.4 – Significant accounting judgements, estimates and assumptions.	We assessed whether the CGUs identified by Management are appropriate. We further assessed whether the allocation of goodwill to the respective group of CGUs is the appropriate basis for impairment testing. With the involvement of our internal valuation experts, we assessed the methodology used to perform the impairment test in accordance with the provisions of IAS 36 and challenged and evaluated Management's value in use calculation for each group of CGUs. This included an assessment of the appropriateness of the model used, as well as challenging the key assumptions made by Management. • With the involvement of our internal valuation experts, we evaluated the reasonableness of the discount rates, as determined by Management, by assessing the cost of capital for the Group, as well as by considering territory specific factors. • We ensured consistency of Management's cash flow assumptions by comparing them to the Group's 5-year business plan as approved by the Board of Directors. • We challenged Management's cash flow assumptions, and sensitivity analyses. • We evaluated the planning accuracy of Management's forecast model by comparing historical forecasts to actual results. • We verified the mathematical accuracy of the model and recalculated the headroom for each group of CGUs. We further performed independent sensitivity analyses around the key assumptions to ascertain the extent of changes in those assumptions that either individually or collectively would be required for the goodwill to be impaired. We also considered the market capitalisation of the Group in comparison with the Group's equity value. As a result of our procedures, we determined that the conclusions reached by Management with regards to the recoverability of the carrying amount of goodwill are reasonable and supportable.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements, that give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website: http://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Joanne Burgener	Manuela Baldisweiler
Licensed audit expert Auditor in charge	Licensed audit expert

Basel, February 20, 2025

In this section

Financial statements for the year ended December 31, 2024

SIG Group AG

Income statement

(in CHF thousand)	Note	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Income from investments	3.1	194,396.4	97,406.1
Other income	3.2	6,484.6	8,940.8
Total income		**200,881.0**	**106,346.9**
Personnel expenses	3.8	(4,251.7)	(8,028.2)
Other operating expenses	3.2	(11,941.6)	(11,398.4)
Total operating expenses		**(16,193.3)**	**(19,426.6)**
Profit from operating activities		**184,687.7**	**86,920.3**
Finance income		268.4	838.5
Finance expenses		(403.4)	(952.1)
Profit before income tax		**184,552.7**	**86,806.7**
Income tax expense		–	–
Profit for the period		**184,552.7**	**86,806.7**

Balance sheet

(in CHF thousand)	Note	As of Dec. 31, 2024	As of Dec. 31, 2023
Cash and cash equivalents		106.0	636.2
Trade receivables		4.8	1,104.2
– Due from Group companies	3.3	4.8	1,104.2
Current interest-bearing receivables		136,779.1	132,180.0
– Due from Group companies	3.4	136,779.1	132,180.0
Other current receivables		17.3	13.2
– Due from third parties		17.3	13.2
Accrued income and prepaid expenses		518.2	166.1
Total current assets		**137,425.4**	**134,099.7**
Investments	3.5	3,456,752.9	3,449,752.9
Total non-current assets		**3,456,752.9**	**3,449,752.9**
Total assets		**3,594,178.3**	**3,583,852.6**
Trade payables		3,605.4	946.4
– Due to third parties		3,320.2	856.0
– Due to Group companies	3.6	285.2	90.4
Current interest-bearing liabilities		12,759.8	4,006.4
– Due to Group companies	3.7	12,759.8	4,006.4
Other current liabilities		1,439.3	2,584.8
– Due to third parties	3.8	1,439.3	2,584.8
Accrued expenses	3.9	2,235.3	3,518.9
Total current liabilities		**20,039.8**	**11,056.5**
Non-current liabilities		1,940.0	1,842.6
– Due to third parties	3.10	1,940.0	1,842.6
Total non-current liabilities		**1,940.0**	**1,842.6**
Total liabilities		**21,979.8**	**12,899.1**
Share capital	3.11	3,822.7	3,822.7
Legal reserves		2,825,631.7	3,009,082.5
– Capital contribution reserve	3.12	2,825,631.7	3,009,082.5
Retained earnings		743,524.1	558,971.4
– Profit brought forward		558,971.4	472,164.7
– Profit for the period		184,552.7	86,806.7
Treasury shares	3.13	(780.0)	(923.1)
Total shareholders' equity		**3,572,198.5**	**3,570,953.5**
Total liabilities and shareholders' equity		**3,594,178.3**	**3,583,852.6**

Notes

1 General information

SIG Group AG ("SIG" or the "Company") is domiciled in Neuhausen am Rheinfall, Switzerland, and is listed on SIX Swiss Exchange. References to the "Group" are to the Company and its consolidated subsidiaries.

2 Summary of significant accounting policies

The financial statements of the Company for the year ended December 31, 2024 have been prepared in accordance with Swiss law. Where not prescribed by law, the significant accounting and valuation policies applied are described below.

2.1 Exclusion of a cash flow statement and certain note disclosures

SIG Group AG prepares its annual consolidated financial statements in accordance with IFRS Accounting Standards. It further includes a management report (Financial review) in its annual report. In accordance with Swiss law (Art. 961d para 1 of the Swiss Code of Obligations), the Company has therefore elected not to include a cash flow statement and a management report in its financial statements.

2.2 Foreign currency translation

The Company maintains its accounting in Swiss Francs (CHF), which is also its functional currency. The balance sheet and income statement are also presented in this currency.

The exchange rates used for the balance sheet items are the closing rates as of December 31, 2024 and December 31, 2023. Balances denominated in foreign currencies are translated into CHF as follows:

- Investments expressed in a currency other than CHF are translated into CHF at the exchange rate at the date of their acquisition. At the balance sheet date, such investments are maintained at their historical exchange rate. Liabilities which are economically linked to investments and expressed in a currency other than CHF are maintained at their historical exchange rate at the end of the year.
- All other monetary assets and liabilities expressed in a currency other than CHF are translated into CHF at the exchange rate prevailing at year-end. All exchange differences resulting from this translation are presented in the income statement. Any unrealized exchange gains included therein are not considered significant.

Income and expenses denominated in foreign currencies are translated into CHF at the rate at the transaction date.

The following significant exchange rates have been applied.

	Average rate for the year		Spot rate as of	
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
EUR to CHF	0.95260	0.97177	0.94120	0.92600
USD to CHF	0.88055	0.89864	0.90596	0.83801

2.3 Investments

Investments are initially recognized at cost. Investments are analyzed on an annual basis for impairment indicators and are, if needed, adjusted to their recoverable amount.

2.4 Treasury shares

Own shares held by the Company are accounted for as treasury shares. Treasury shares are initially recognized at acquisition cost and deducted from equity with no subsequent remeasurement. If the treasury shares are disposed of, the resulting gain or loss is recognized in the income statement.

3 Information relating to income statement and balance sheet items

3.1 Income from investments

Income from investments for the year ended December 31, 2024 consists of a dividend of CHF 194,396.4 thousand from SIG Combibloc Holdings S.à r.l. (a dividend of CHF 97,406.1 thousand for the year ended December 31, 2023).

3.2 Other income and other operating expenses

Other income primarily consists of management fees charged to direct or indirect subsidiaries. Other operating expenses primarily consist of compensation paid to the Board of Directors and consultancy costs.

3.3 Trade receivables

Trade receivables due from Group companies mainly consist of management fees charged to direct or indirect subsidiaries.

3.4 Current interest-bearing receivables

As of December 31, 2024, current interest-bearing receivables due from Group companies consist of an interest-bearing intercompany Swiss Franc loan of CHF 136,779.1 thousand (CHF 125,616.1 thousand as of December 31, 2023) due from SIG Schweizerische Industrie-Gesellschaft GmbH. As of December 31, 2023, the Company also had an interest-bearing inter-company Swiss Franc loan receivable of CHF 6,563.9 thousand due from SIG Services AG.

3.5 Investments

The following subsidiary is directly held by the Company.

		As of Dec. 31, 2024		As of Dec. 31, 2023	
Name and legal form	Registered office	Capital	Votes	Capital	Votes
SIG Combibloc Holdings S.à r.l.	6C, rue Gabriel Lippmann L-5365 Munsbach Grand Duchy of Luxembourg	100%	100%	100%	100%

The subsidiaries indirectly held by the Company are listed in note 27 of the consolidated financial statements of the Company for the year ended December 31, 2024.

The increase in investments in the year ended December 31, 2024 is due to a capital contribution made by the Company to one of its indirectly held subsidiaries.

3.6 Trade payables

Trade payables due to Group companies as of December 31, 2024 and December 31, 2023 mainly relate to intragroup recharges.

3.7 Current interest-bearing liabilities

As of December 31, 2024, current interest-bearing liabilities due to Group companies include an interest-bearing intercompany Euro loan of CHF 5,627.3 thousand (CHF 4,006.4 thousand as of December 31, 2023) from SIG Services AG and an interest-bearing intercompany Swiss Franc loan of CHF 7,132.5 thousand from SIG Services AG (nil as of December 31, 2023).

3.8 Other current liabilities

Other current liabilities primarily consist of liabilities arising due to share-based payment plans and arrangements (granted in 2022 for the year ended December 31, 2024 and granted in 2021 for the year ended December 31, 2023) for certain members of management and the Board of Directors.

In the year ended December 31, 2024, the performance share units ("PSUs") that were granted to current and former members of management of the Company under the 2021 PSU plan vested. The settlement of this 2021 PSU plan in April 2024 resulted in an expense reduction of CHF 1,159.1 thousand (excluding social charges) recognized as part of personnel expenses for the year ended December 31, 2024. The settlement of the vested PSUs under the 2020 PSU plan in April 2023 resulted in an additional expense of CHF 2,655.5 thousand (excluding social charges) for the year ended December 31, 2023.

For additional information about the share-based payment plans and arrangements, see note 30 of the consolidated financial statements of the Company for the year ended December 31, 2024. See also note 3.10 below.

3.9 Accrued expenses

Accrued expenses for the year ended December 31, 2024 include employee benefit obligations of CHF 1,858.2 thousand (CHF 1,145.9 thousand as of December 31, 2023). There were no payments outstanding to the pension funds as of December 31, 2024 or December 31, 2023.

3.10 Non-current liabilities

Non-current liabilities primarily consist of liabilities arising due to share-based payment plans (granted in prior years) for certain members of management. See also note 3.8.

3.11 Share capital

As of December 31, 2024 and December 31, 2023, the share capital consisted of 382,270,872 shares, issued and fully paid, representing CHF 3.8 million of share capital.

Capital band and conditional share capital

As of December 31, 2024 and December 31, 2023, the Company had conditional share capital of CHF 640,106.48 and a capital band ranging from CHF 3,440,437.85 (lower limit) to CHF 4,587,250.46 (upper limit). The capital band was introduced in 2023 due to a revision of Swiss corporate law, replacing the previously existing authorized share capital.

Under the capital band, the Board of Directors is authorized to increase the share capital by up to 20% of the current share capital if shareholders' subscription rights are granted, and by up to 10% if shareholders' subscription rights are excluded. The Board of Directors may also reduce the share capital by up to 10% through cancellation of shares or nominal value reduction or by a simultaneous reduction and re-increase of the share capital. The authorization under the capital band is limited until April 20, 2026 or the full use of the capital band.

The total number of registered shares issued from (i) the capital band, where the shareholders' subscription rights are excluded, and (ii) the conditional share capital, where the shareholders' advance subscription rights for equity-linked financing instruments are excluded, may not exceed 38,227,087 registered shares. Within the limit outlined above, the proportion of new shares assigned to each of the categories is stipulated by the Board of Directors.

The proceeds from an issue of new shares under the capital band can be used for various purposes. This provides flexibility to seek additional capital, if required, for investment and acquisition opportunities or to take advantage of favorable market conditions to further improve the Group's capital position.

The conditional share capital is divided into CHF 160,026.62 for employee benefit plans and CHF 480,079.86 for equity-linked financing instruments as of December 31, 2024 (also as of December 31, 2023).

3.12 Capital contribution reserve

The capital contribution reserve consists of the following:

(In CHF thousand)	Balance
Capital contribution reserve as of January 1, 2023	**3,188,724.2**
Dividend payment of CHF 0.47 per share from the capital contribution reserve	(179,667.3)
Dividend not paid on treasury shares held by the Company	25.6
Capital contribution reserve as of December 31, 2023	**3,009,082.5**
Capital contribution reserve as of January 1, 2024	**3,009,082.5**
Dividend payment of CHF 0.48 per share from the capital contribution reserve	(183,490.0)
Dividend not paid on treasury shares held by the Company	39.2
Capital contribution reserve as of December 31, 2024	**2,825,631.7**

Withholding tax-exempt distributions from the capital contribution reserve of Swiss listed companies are generally only permissible to the extent that at least the same amount is distributed from other reserves. These provisions do not apply to repayments of "foreign capital contribution reserves".

The Company has a capital contribution reserve of CHF 2,825.6 million as of December 31, 2024 (CHF 3,009.1 million as of December 31, 2023), which is confirmed by the Swiss Federal Tax Administration. Foreign capital contribution reserves included in the capital contribution reserve amount to CHF 1,591.6 million (CHF 1,775.1 million as of December 31, 2023).

The whole dividend paid in 2023 and 2024 was distributed from foreign capital contribution reserves. The whole dividend to be proposed to the Annual General Meeting in April 2025 is expected to be distributed from foreign capital contribution reserves.

3.13 Treasury shares

The Company purchases its own shares on the market to settle its obligations under the Group's equity-settled share-based payment plans and arrangements. The Company held 39,172 shares for this purpose as of December 31, 2024 (39,985 shares as of December 31, 2023), representing an amount of CHF 780.0 thousand (CHF 923.1 thousand as of December 31, 2023).

In the year ended December 31, 2024, the Company transferred 225,111 treasury shares (380,166 treasury shares in the year ended December 31, 2023), representing CHF 4,480.1 thousand (CHF 8,682.7 thousand for the year ended December 31, 2023) to participants in the Group's equity-settled share-based payment plans and arrangements.

The table below provides an overview of the Group's treasury shares.

	2024		2023	
(Number of treasury shares or in CHF thousand)	Number	Amount	Number	Amount
Balance as of January 1	**39,985**	**(923.1)**	**23,295**	**(510.7)**
Purchases	224,298	(4,336.9)	396,856	(9,095.1)
Transfer under equity-settled share-based payment plans and arrangements	(225,111)	4,480.0	(380,166)	8,682.7
Balance as of December 31	**39,172**	**(780.0)**	**39,985**	**(923.1)**

No treasury shares are held by the Company's subsidiaries or joint venture.

4 Other information

4.1 Employees

The number of full-time equivalent employees in 2024 and 2023 did not exceed ten on an annual average basis.

4.2 Significant shareholders

According to the disclosure notifications reported to the Company and published by the Company via the electronic publishing platform of SIX Swiss Exchange, the following shareholders had holdings of 3% or more of the voting rights or purchase positions for shares of the Company as of December 31, 2024 and 2023.

	Voting rights/purchase options as of	
Significant shareholders	Dec. 31, 2024	Dec. 31, 2023
Laurens Last[1]	10.00%	9.64%
UBS Fund Management (Switzerland) AG	10.00%	3.18%
Haldor Foundation[2]	9.95%	9.95%
al Obeikan Fahad[3]	5.00%	5.00%
BlackRock Inc (Mother company)	5.0%/0.24%	5.0%/0.24%
Swisscanto Fondsleitung AG	3.13%	3.13%

1 The direct shareholder is Clean Holding B.V. (formerly CLIL Holding B.V., "CLIL"), which is 100% owned by Laurens Last. He is a member of the Group's Board of Directors. The Company acquired its bag-in-box and spouted pouch businesses from CLIL in 2022. Laurens Last indirectly held 38,224,658 shares (35,921,188 shares as of December 31, 2023) via his 100% shareholding in Clean Holding B.V. according to the disclosure notifications reported to the Company. He also directly held blocked shares received as compensation for being a member of the Company's Board of Directors (9,732 shares as of December 31, 2024 and 5,500 shares as of December 31, 2023). As of December 31, 2023, Laurens Last moreover held 1,073,430 option rights to receive registered shares of the Company that lapsed without conversion into registered shares of the Company.
2 The direct shareholder is Winder Pte Ltd.
3 The direct shareholder is Al Obeikan Group for Investment Company CJS.

For further details about the significant shareholders as of December 31, 2024, refer to section 1.2 of the Corporate Governance Report. To the best of the Company's knowledge, no other shareholder held 3% or more of SIG Group AG's total share capital and voting rights as of December 31, 2024 and 2023.

4.3 Granting of instruments under share-based payment plans

The members of the Board of Directors receive 40% of their total compensation in SIG shares that are blocked for three years. The Company granted 54,740 blocked shares to the members of the Board of Directors in the year ended December 31, 2024 (38,959 blocked shares in the year ended December 31, 2023), representing a value of CHF 1,060.0 thousand based on the grant date fair value (CHF 951.4 thousand for the year ended December 31, 2023).

The members of the Group Executive Board participate in a management share-based long-term incentive plan under which they are granted performance share units ("PSUs") on an annual basis. One PSU represents the contingent right to receive one SIG share after a three-year vesting period. In the year ended December 31, 2024, the Company granted 134,582 PSUs under the 2024 PSU plan to members of the Group Executive Board employed by the Company, representing a value of CHF 2,690 thousand based on the grant date fair value. In the year ended December 31, 2023, 117,099 PSUs were granted under the 2023 PSU plan to members of the Group Executive Board employed by the Company, representing a value of CHF 2,734.3 thousand.

Further details about compensation and shareholdings of the Board of Directors and Group Executive Board are included in the Compensation Report (see the sections marked as "audited"). Additional information about the share-based payment plans and arrangements is included in note 30 of the consolidated financial statements for the year ended December 31, 2024. Note 4 includes information about organizational changes in the Group Executive Board and the Board of Directors.

4.4 Other

Guarantee obligations

The Company is the guarantor on a stand-alone basis for the Group's obligations under its notes, its new senior unsecured credit facilities (including outstanding letters of credit), its US Dollar term loan and its two unsecured *Schuldscheindarlehen* ("SSD"). As of December 31, 2024, the guaranteed debt totaling €2,061.5 million (€1,994.8 million as of December 31, 2023) is taken up by indirectly held subsidiaries of the Company. For further details, see note 23 of the consolidated financial statements of the Company for the year ended December 31, 2024.

Contingent liabilities

Clean Holding B.V., owned by Laurens Last, has filed a request for arbitration with regard to the contingent consideration for the Scholle IPN acquisition in 2022. Refer to note 32 of the consolidated financial statements of the Company for the year ended December 31, 2024 for further information on the contingent consideration, which is limited to a maximum of $100 million per year for the years ended December 31, 2023, and 2024 and the year ending December 31, 2025.

Subsequent events

There have been no events subsequent to December 31, 2024 that would require an adjustment to or disclosure in these financial statements.

There are no further items to disclose according to Art. 959c of the Swiss Code of Obligations.

Proposal of the Board of Directors for the appropriation of the retained earnings

(In CHF thousand)	As of Dec. 31, 2024	As of Dec. 31, 2023
Profit brought forward from previous period	558,971.4	472,164.7
Profit for the period	184,552.7	86,806.7
Retained earnings at the end of the period	**743,524.1**	**558,971.4**
Retained earnings to be carried forward	**743,524.1**	**558,971.4**

The Board of Directors will propose to the Annual General Meeting to be held on April 8, 2025 to carry forward retained earnings of CHF 743.5 million.

Proposal of the Board of Directors for the appropriation of the capital contribution reserve

(In CHF thousand)	
Capital contribution reserve as of December 31, 2023	**3,009,082.5**
Dividend payment of CHF 0.48 per share in April 2024 from the capital contribution reserve	(183,490.0)
Dividend not paid in April 2024 on treasury shares held by the Company	39.2
Proposed dividend of CHF 0.49 per share in April 2025 from the capital contribution reserve	(187,312.7)
Capital contribution reserve carried forward after cash dividend	**2,638,319.0**

Provided that the proposal of the Board of Directors is approved by the Annual General Meeting to be held on April 8, 2025, the dividend will amount to CHF 0.49 per share and is expected to be paid from the Company's foreign capital contribution reserve. Dividends are not paid on treasury shares.

Report of the statutory auditor
to the General Meeting of SIG Group AG, Neuhausen am Rheinfall

Report on the audit of the financial statements

Opinion

We have audited the financial statements of SIG Group AG (the Company), which comprise the income statement for the year ended December 31, 2024, the balance sheet as at December 31, 2024, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements (pages 296 to 301) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 18,000,000
Benchmark applied	Total Assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because it is a relevant and generally accepted measure for materiality considerations relating to a holding company.

We agreed with the Audit and Risk Committee that we would report to them misstatements above CHF 1,800,000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website: http://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

Based on our audit according to article 728a para. 1 item 2 CO, we confirm that the Board of Directors' proposals for the proposed appropriation of retained earnings and for the appropriation of the capital contribution reserve complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Joanne Burgener	Manuela Baldisweiler
Licensed audit expert Auditor in charge	Licensed audit expert

Basel, February 20, 2025

Disclaimer and cautionary statement

The information contained in the Annual Report and in any link to our website indicated herein is not for use within any country or jurisdiction or by any persons where such use would constitute a violation of law. If this applies to you, you are not authorized to access or use any such information.

The Annual Report contains certain "forward-looking statements" that are based on our current expectations, assumptions, estimates and projections about us and our industry. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain the words "may", "will", "should", "continue", "believe", "anticipate", "expect", "estimate", "intend", "project", "plan", "will likely continue", "will likely result", or words or phrases with similar meaning. The sustainability-related information in this Annual Report also contains certain forward-looking statements based on management's current assumptions and expectations such as targets, commitments, actions and initiatives. Undue reliance should not be placed on any such forward-looking statements because, by their nature, forward-looking statements involve risks and uncertainties, including, without limitation, economic, competitive, governmental, technological and climate-related factors outside of the control of SIG Group AG ("SIG", the "Company" or the "Group"), that may cause SIG's business, strategy or actual results to differ materially from the forward-looking statements (or from past results). For any factors that could cause actual results to differ materially from the forward-looking statements contained in this Annual Report, please see our offering circular for the issue of notes in June 2020.

SIG undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise. It should further be noted that past performance is not a guide to future performance. Persons requiring advice should consult an independent adviser.

The declaration and payment by the Company of any future dividends and the amounts of any such dividends will depend upon SIG's ability to maintain its credit rating, its investments, results, financial condition, future prospects, profits being available for distribution, consideration of certain covenants under the terms of outstanding indebtedness and any other factors deemed by the Directors to be relevant at the time, subject always to the requirements of applicable laws.

The information contained in the Annual Report is not an offer to sell or a solicitation of offers to purchase or subscribe for securities. The Annual Report is not a prospectus within the meaning of the Swiss Financial Services Act nor a prospectus under any other applicable laws.

For additional information about alternative performance measures used by management that are not defined in IFRS Accounting Standards, including definitions and reconciliations to measures defined in IFRS Accounting Standards, please refer to the link below:

https://www.sig.biz/en/investors/financial-definitions

Some financial information in this Annual Report has been rounded and, as a result, the figures shown as totals may vary slightly from the exact arithmetical aggregation of the figures that precede them.