Responsible Sourcing Policy

Content

1 Preamble 1

2 Scope 1

3 Core Principles 1

4 Topics: Responsible Sourcing 2
4.1 Responsible Suppliers 2
4.1.1 Relevance 2
4.1.2 Overarching Commitment 2
4.1.3 Targets 2
4.1.4 Implementation Approach 2
4.1.5 Specific Responsibilities 3
4.1.6 Reference To Policies 3
4.2 Sustainable Raw Material Sourcing 4
4.2.1 Relevance 4
4.2.2 Overarching Commitment 4
4.2.3 Targets 5
4.2.4 Implementation Approach 5
4.2.5 Specific Responsibilities 7
4.2.6 Reference To Policies 7
4.3 Energy Sourcing 7
4.3.1 Relevance 7
4.3.2 Overarching Commitment 7
4.3.3 Targets 7
4.3.4 Implementation Approach 8
4.3.5 Specific Responsibilities 8
4.3.6 Reference To Policies 8
4.4 Sustainable Logistics 8
4.4.1 Relevance 8
4.4.2 Overarching Commitment 8
4.4.3 Targets 9
4.4.4 Implementation Approach 9
4.4.5 Specific Responsibilities 9
4.4.6 Reference To Policies 9

5 Changes To This Policy 9

1 Preamble

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

Responsible sourcing is one of three key pillars of the SIG Sustainability Strategy which forms our Corporate Compass. SIG has the ambition to become net positive and has set a clear responsibility roadmap activity plus targets in its sustainability approach. Through our efforts, we aspire to drive systemic change in the industry by fostering responsible sourcing in our supply chain, with our suppliers and beyond.

The SIG Global Responsible Sourcing Policy has been developed to outline our commitments, goals, and approaches for sustainability topics within the area of responsible sourcing identified as strategic or material. In this sense, it defines the basis of our sustainability approach.

2 Scope

The principles and commitments outlined in this Global Responsible Sourcing Policy apply to SIG Group AG, all of its subsidiaries and controlled entities ("SIG") unless otherwise indicated. We expect all our employees to understand and adhere to them and we engage with our suppliers and business partners to ensure that they understand, uphold, and promote these principles as well as support SIG's commitments.

3 Core principles

- Conduct business in an ethically, morally, and socially responsible manner, use good business practices and ensure respect for SIG's fundamental values trust and integrity when conducting business, as set out within the SIG Code of Conduct.
- Strive to apply a due diligence approach, informed by the OECD Due Diligence Guidance for Responsible Supply Chains and the UN Guiding Principles for Business and Human Rights to identify, prevent, mitigate, and account for how SIG addresses actual and potential negative impacts of sourcing decisions in the supply chains of SIG.
- Define a corporate policy position on all relevant responsible sourcing topics.
- Allocate roles, responsibilities, and resources within the company for managing material responsible sourcing topics.
- Set goals on relevant responsible sourcing topics, measure and evaluate performance against SMART targets and ensure continuous improvement.
- Identify, systematically analyze, and regularly review actual and potential negative impacts in the supply chain.
- Implement effective measures to achieve targets, to maximize positive impacts as well as to prevent or minimize the risk of negative impacts on people and the environment in our supply chains by fostering compliance with applicable law, supra-national-regulation and prevalent industry standards.
- Responsibly and transparently engage with all relevant stakeholders in developing, managing, and communicating on corporate responsible sourcing standards, processes and activities, including by developing channels to voice their complaints and grievances.

4 Topics: Responsible Sourcing

4.1 Responsible suppliers

4.1.1 Relevance

Managing supply chain risks by ensuring we work with responsible suppliers is an important foundation for our ambition to have a positive impact on society and the environment across our value chain. Our engagement with significant suppliers, also defined as critical suppliers which include high-volume suppliers, and suppliers of critical and non-substitutable materials and services, is of relevance to this ambition, as these suppliers influence our business through their potential to affect our ability to meet customer needs, through the high volumes we purchase from them or through the sustainability risks identified in the supply chain.

Sustainability risks are potential negative impacts in our supply chain which can encompass a variety of environmental and social issues. For example, the sourcing of wood-based materials may negatively impact forest ecosystem if not carried out in a sustainable manner, metal mines may interfere with the natural habitat of species and negatively impact biodiversity in the area, and fossil fuel extraction for polymer production can disturb wildlife in marine and terrestrial areas. Negative impacts in our supply chain could also result from a violation of human rights, such as those relating to child labor or forced labor.

Demonstrating that our suppliers uphold our high ethical, labor, safety and environmental standards is critical to meeting customer, current and upcoming regulatory as well as investor requirements.

4.1.2 Overarching commitment

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 foster adherence to our requirements by our significant suppliers. Additionally, we strive to enable long-term development of a net-positive supplier base.

4.1.3 Targets

SIG's goals for responsible suppliers are:

- Ensure 100% of significant suppliers[1] accept our Supplier Code of Conduct or have an equivalent code in place
- Audit 50% of high-risk suppliers each year
- Provide regular training (at least every two years) on ethical supplier standards and sustainable sourcing to all employees who interact frequently with suppliers

4.1.4 Implementation approach

SIG's approach to responsible supplier practices is defined in the respective Responsible Sourcing Directives and consists of the following elements: 1) commitment to SIG's Supplier Code of Conduct and Business Ethics Code

[1] Significant suppliers are those considered most significant to our business – based on their potential to affect our ability to meet customer needs, the high volumes we purchase from them, or sustainability risks identified in the supply chain. Significant equipment suppliers are the equipment suppliers considered most significant to our aseptic carton machine business units – based on critical countries where suppliers are located, materials are produced, or services are provided – and also include those providing equipment or components that include conflict minerals.

for Suppliers, 2) risk screening, 3) supplier development and 4) escalation and resolution of conflict with suppliers not able to meet requirements.

All significant suppliers are required to comply with the SIG Supplier Code of Conduct or Business Ethics Code for Suppliers. The documents set out our minimum expectations on ethical, social, and environmental aspects for our suppliers and supply chain.

As part of our onboarding process, suppliers of raw materials (direct suppliers) and indirect suppliers are screened on social and environmental aspects, including human rights, labor rights, resource use and environmental pollution based on the product category supplied and regional information on the supplier.

Significant direct and indirect suppliers are assessed more thoroughly through our CSR assessment system on their performance and transparency through self-assessments, external certifications, and common industry tools. Compliance with SIG's responsibility requirements allows suppliers to be accepted for up to three years prior to reassessment. The frequency of the assessment is dependent on the supplier's performance.

In addition to the broad CSR assessment and as part of human rights and environmental due diligence, we carry out a human rights and environmental risk analysis to identify potential negative impacts amongst our significant direct suppliers and selected indirect suppliers. We conduct this analysis on a regular basis, considering country and product and/or commodity risks and then conducting an in-depth assessment of selected suppliers using information from sources such as EcoVadis and SEDEX SMETA audits. Our approach to human rights due diligence, guided by the UN Guiding Principles on Business and Human Rights and the relevant OECD frameworks, is described in more detail in the Human Rights, Labor, and Community Engagement Policy. SIG requires suppliers to improve their performance if they do not meet SIG's responsibility requirements. Insufficient progress triggers an escalation process, where measures for the remediation or resolution of the conflict are defined. Inability or unwillingness of the supplier to improve may lead to the termination of the business relationship. To adequately prepare our global, regional, and local procurement teams for working with direct and indirect suppliers, they are trained on responsible sourcing and, selectively, auditing requirements, processes and tools every other year.

Our suppliers of forwarding services, which are addressed more specifically in our approach to sustainable logistics within this Policy, are indirect suppliers and therefore covered by the approach described in this section. While gas suppliers are included in the scope of our risk analysis, other energy suppliers that we manage through energy sourcing are not yet covered by this approach. Lastly, the indirect and equipment suppliers of our bag-in-box and spouted pouch business units are not yet in scope of this approach.

4.1.5 Specific responsibilities

Responsible suppliers are managed and implemented by the Vice President of Global Sourcing and Procurement (GSP) and his team and supported by the GSP Framework, Global Corporate Responsibility team, Group Legal team, and Group Quality Management team.

Responsible suppliers in Global Assembly machine business apply to similar rules and are managed by Equipment Sourcing and Procurement team (ESP) lead by the Head of Global ESP. They are supported by ESP Framework, Global Corporate Responsibility team, Group Legal team, Quality Management Equipment team and Global Technology team.

4.1.6 Reference to policies

SIG's approach to managing its impacts from supplier activities is strongly linked to Supplier Code of Conduct or Business Ethics Code for Suppliers the SIG Global Human Rights, Labor and Community Engagement Policy and the SIG Global Environment, Health, and Safety Policy. Our process on supplier performance assessment is described more in detail in our Responsible Sourcing Directives.

4.2 Sustainable raw material sourcing

4.2.1 Relevance

Over-exploitation of natural resources is increasingly impacting our global ecosystems, thereby accelerating environmental depletion and global warming. At SIG, ecological responsibility is firmly anchored in our principles and, as an international manufacturing firm, we recognize our responsibility to address these challenges. Our efforts to source more certified and renewable materials contribute to our aim to mitigate and adapt to climate change, all while supporting thriving forests and their ecosystem functions. At SIG, the sourcing of any raw materials is done from the viewpoint of scarcity, and with this viewpoint, all materials are utilized in the minimal manner possible, recycled when not used, and limited in use whenever possible.

The battle to tackle climate change has stimulated a much deeper understanding of the importance of forests to the world's health and prosperity, and the way forests are managed is vitally important to the local environment and the people who live nearby. Forests and other natural ecosystems are critical for carbon storage, biodiversity protection, water supply, mitigation of natural hazards, adaptation to climate change, and sustaining the wellbeing of Indigenous peoples and local communities.

We do not own our wood supply but purchase a specialty paperboard product called Liquid Packaging Board (LPB) which we use for the manufacturing of carton packaging. Forest-based liquid packaging board makes up around 70-80% of each SIG aseptic carton pack on average.

By ensuring responsible replenishment of our raw materials and the existence of responsible management practices across our value chain, we strive to cut the environmental footprint of our packs, maintain the biological diversity, ecological functions, and integrity of forests, and support the transition to a circular economy. This has a positive impact within our own value chain and beyond by enhancing environmental and social responsibility, stewardship, and traceability, and raising consumer awareness as well as demand for certified products through recognized product labelling. At the same time, it is crucial in supporting us to continue meeting customer needs now and in the future. Further, our commitment to sustainable resources is well-aligned with our brand image and growth potential that we deliver to our consumers and shareholders.

Wherever the replacement of virgin materials is possible and makes sense, we try to use recycled materials. By increasing demand for recycled materials, we are enhancing the environmental credentials of our packs and creating broader net positive effects. This in turn can lead to suppliers making them more widely available for our industry and beyond. In this sense, we are mitigating the risk of losing a reliable source of supply for materials by sourcing them sustainably in the long term.

In our Global Assembly SIG Filling Machines, we assemble filling machines for our carton packs and operate a warehouse for assembly and spare-parts business. The parts assembled can contain minerals such as tin, tungsten tantalum and gold. The natural abundance of these minerals can overlap with conflict areas where armed groups fight for control of mines and use forced labor to mine and sell the minerals, which in turn funds ongoing violence. Therefore, the minerals are referred to as "conflict minerals". SIG recognizes its responsibility to provide transparency on the minerals contained in the supply chains of its products.

4.2.2 Overarching commitment

We are committed to sourcing all raw A-materials[2] from sources certified as responsibly managed and we strive to encourage our suppliers to increase their responsible sourcing activities. We are equally committed to mitigate

[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, and ink 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)

potential and if we identify them actual negative impacts in our raw material sourcing. We are doing so by striving to ensure compliance with local and national laws and considering economic, environmental, and social values – meaning not sourcing illegally, in violation of traditional and civil rights or threatening forest ecosystems' functions and biodiversity- more widely. Our ambition is to make all our packs exclusively with renewable or recycled materials, using only renewable energy, and make sure every carton is recycled – all to help create more resources for future generations.

We commit to ensure that our forest based raw materials originate from forests independently certified as managed in accordance with principles of sustainable forest management. 100% supply of LPB for our packs is FSC-certified. Responsibly managed forests help to store carbon, regulate the climate, prevent deforestation, and forest degradation, thereby supporting eco-system functions and biodiversity (see Biodiversity in EHS policy).

4.2.3 Targets

SIG's goals for sustainable raw material sourcing are:

- Maintain 100% FSC™-certified supply of paperboard for our cartons[3]
- 100% A-materials[4] from certified sources by 2025
- 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[5] by 2030
- Partner with an NGO to develop a methodology to measure the impact of FSC™ certification by 2025
- Work with customers to include the FSC™ label on 100% of the cartons we sell (up from 97% in 2020)[6]
- Use of renewable second-generation feedstock-based polymers and recycled polymers
- Select the polymer suppliers with lowest CO2eq
- Transition to 100% bioethanol or other biomaterials for printing our aseptic cartons by 2025

4.2.4 Implementation approach

SIG uses raw materials from renewable as well as non-renewable resources, including liquid packaging board (LPB), polymers, aluminum, ink, solvents, mineral and fossil resources. We are working to replace virgin and fossil-based

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

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[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] A-materials are the raw materials that go directly into our packs: paperboard, polymers, aluminum foil, ink, and solvents for aseptic cartons; paperboard, polymers, and ink 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.)

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

[6] 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.

The environmental and social requirements for our main raw materials are defined in our purchasing policies for aluminum, LPB and polymers. Furthermore, we apply strict social, environmental, and ethical standards to every supplier we work with, and we have strengthened our procedures to check compliance among our significant suppliers (see responsible suppliers in this Policy).

We require all our aluminum foil suppliers to meet ASI Certification (Aluminium Stewardship Initiative) requirements and complete ASI Certification. This also supports our Climate+ ambition as aluminum makes up a significant portion of our supply chain emissions and ASI Certification sets strict limits for greenhouse gas emissions.

Renewable plant-based paper board makes up 70-80 % of our cartons on average. We buy it from sources certified by the Forest Stewardship Council (FSC™) that sets strict criteria for managing forests sustainably and respecting local communities and indigenous peoples. Independent auditors check compliance. By using FSC™-certified wood and forest products, we're helping forests and communities thrive, and supporting efforts to tackle some of the world's biggest challenges. We are calling on others to support FSC™ certification to contribute to the UN's sustainable development goals and protect the forests – and the planet.

SIG was among the first to sign the Vancouver Declaration, together with other well-known companies. We also support the FSC's Bonn Initiative to develop ways to quantify the contribution that FSC™-certified forests can make specifically to SDG 13 on climate action. The aim is to enable companies and governments to better understand and promote the role of responsible forest management in mitigating climate change. Our FSC™ Chain of Custody certification (license code: FSC™ C020428) enables wood fibers to be traced back to a certified source. This has been in place since 2009 and we have come a long way since then. More than 100 billion SIG packs have now been sold with the FSC™ label and our customers worldwide can choose to display the FSC™ label on any of our packs. An FSC™ label helps to show consumers that companies take their environmental and social responsibilities seriously – and it helps them choose the most responsible products.

For responsible polymer sourcing, our goal is to minimize fossil resource consumption and support sourcing of renewable materials. SIG asks for confirmation for responsible raw material sourcing in the value chain by suppliers of fossil-based polymers as these do not offer any traceability certification. We are striving to avoid GMO crop use, competition with food chains and land conversion from forest area. SIG is cooperating with suppliers and customers for switching to renewable alternatives for polymers. We target an increase in renewable polymers, covered by globally established traceability schemes and connected to certified feedstock which are accepted by major critical stakeholder groups like WWF, Greenpeace, etc. We also encourage polymer suppliers to further develop and invest into recycling technologies and assets as well as CO2 avoidance throughout their own value chain.

In the upcoming years, we also aim to increase the supply of responsibly sourced ink used in our production. As there is currently no external certification provided for the inks we use, we are planning to develop our own responsibility requirements for the suppliers of these ingredients. We are also continuing to engage with suppliers about the potential to introduce more plant-based solvents and other components in the printing process to support our move away from fossil-based materials. The volumes sourced are negligible compared with other A-materials.

As a responsible company, we strive to align our sourcing with relevant international frameworks to improve supply chain transparency for our responsible minerals sourcing. Our approach is informed by legal requirements and voluntary guidelines, such as the OECD Due Diligence Guidance for Responsible Supply Chains from Conflict-Affected and High-Risk Areas. For parts sourced for filling machines, we expect suppliers to confirm that no conflict minerals sourced from conflict-affected or high-risk areas are included in the product.

The topic of conflict minerals topic is also addressed by SIG's General Terms and Conditions or other contractual documents to the suppliers. Through our Supplier Code of Conduct, alongside 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 to support our responsibility to provide transparency about the minerals in the supply chain of our products.

While we are working to integrate the suppliers in the equipment business of our bag-in-box and spouted pouch business units, they are not yet covered by our targets and this approach.

4.2.5 Specific responsibilities

Sustainable raw material sourcing is managed and implemented by the Vice President of Global Sourcing and Procurement and his team and supported by the Global Corporate Responsibility team.

Sourcing for parts for our filling machines is managed by Equipment Sourcing and Procurement team (ESP) led by the Head of Global ESP. They are supported by ESP Framework, Global Corporate Responsibility team, Group Legal team, Quality Management Equipment team and Global Technology team.

4.2.6 Reference to policies

Environmental and social certification requirements for prioritized raw materials are documented in the purchasing policies for LPB, polymers, aluminum, and the purchasing policy for ink to be developed.

SIG's approach to managing its environmental impacts from raw materials is described comprehensively in the topics raw materials and biodiversity within the SIG Global Environment, Health, and Safety (EHS) Policy.

4.3 Energy sourcing

4.3.1 Relevance

Rising emission levels, environmental depletion from fossil fuel consumption and concerns over the world's limited energy resources have become inherent to the discussion of the global energy system. Manufacturing companies depending on stable and secure energy supply are majorly affected by these matters. Stakeholders are holding countries and companies increasingly accountable for a sustainable energy management, demanding them to foster the shift to renewable energy sources and hereby preserving the finite energy resources as well as reducing the emissions induced therefrom.

For SIG's operations, the most significant environmental impact used to be the greenhouse gas emissions from the energy we use in production. Switching to 100% renewable energy in our production plants worldwide in 2017 has significantly cut our carbon footprint. By sourcing all our energy for production from renewables, we live up to the expectations that come with our role as an industry leader for aseptic packaging solutions. Through our efforts, we can set a strong example for other firms in the industry and ultimately contribute to tackling climate change.

4.3.2 Overarching commitment

We are committed to reducing the environmental impacts in energy purchasing by striving to reduce our energy consumption and continuing to source all our energy for production from renewables or international certified renewable energy.

4.3.3 Targets

SIG's goals for energy purchasing are:

- Maintain 100% renewable energy

- 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

4.3.4 Implementation approach

SIG's approach to energy sourcing includes purchasing of electricity, natural gas, and liquefied petroleum gas (LPG) and is focused on renewable energy. Where renewability cannot be provided directly or confirmed with Guarantees of Origin (GoO), we source renewable energy indirectly by purchasing renewable energy certificates from certified renewable energy producers.

In most countries, renewable electricity is evidently embedded in the conventional grid, either 100% or partly. Another approach is to generate renewable energy via on-site photovoltaics equipment for direct consumption in the plants. Power Purchase Agreements with wind power generators shall be established in countries where it is possible.

The non-renewable electricity portion is offset by the GoO or I-Rec certificates. Natural gas and LPG is totally offset by recognized certificates.

4.3.5 Specific responsibilities

Energy sourcing is managed and implemented by the Vice President of Global Sourcing and Procurement and his team and supported by the Global Corporate Responsibility team.

4.3.6 Reference to policies

SIG's approach to reducing its environmental footprint from energy used is described comprehensively in the section energy consumption within the SIG Global Environment, Health, and Safety (EHS) Policy. Our energy sourcing activities are furthermore strongly linked to our material issue tackling climate change, also outlined in our Global EHS Policy.

4.4 Sustainable logistics

4.4.1 Relevance

Global supply chains require transportation of goods over long distances, thereby causing local air pollution and the emission of global greenhouse gases. Consequently, logistics can increase the environmental footprint of manufacturing companies.

Managing our logistic flows is significant for reducing our impact on the environment and supporting our holistic approach to responsible sourcing throughout the value chain. Additionally, eco-efficient transport helps us minimize the cost of logistics. Therefore, a high level of transport efficiency is of strategic importance to SIG, both from an environmental and an economic point of view.

4.4.2 Overarching commitment

We are committed to reducing the environmental impacts from our logistic flows by considering our transport distances and using more efficient vehicles. To follow our ambition of creating positive environmental and societal impacts, we will strive to encourage our suppliers to foster more eco-efficient transport options.

4.4.3 Targets

SIG's goal for sustainable logistics is:

- Reduce CO2 emissions from inbound and outbound logistics by 18% (from 2020)[7]

4.4.4 Implementation approach

SIG's approach to sustainable logistics is built on three pillars: 1) selecting the transportation mode with the lowest CO2 impact, which still fulfils the requirements regarding lead time and safety, 2) selecting the forwarders with the most efficient transport vehicles and 3) avoiding unnecessary transports by combining or increasing the load of the transport volumes. Supplier selection criteria based on eco-efficiency are integrated into the tender process. We also intend to reduce negative impacts from inbound logistics through local sourcing where possible. Furthermore, we apply strict social, environmental, and ethical standards to suppliers of forwarding services, and we have strengthened our procedures to check their compliance (see responsible suppliers in this Policy).

We are working to gradually include our bag-in-box and spouted pouch business units in our approach to sustainable logistics, but they are not yet part of the scope of our targets and implementation approach.

4.4.5 Specific responsibilities

Sustainable logistics is managed by the Vice President of Global Production and Continuous Improvement System. SCM Sleeves & Spouts is responsible for implementation.

4.4.6 Reference to policies

SIG's approach to reducing its environmental footprint and greenhouse gas emissions is described comprehensively in the topic tackling climate change within the SIG Global Environment, Health, and Safety (EHS) Policy.

5 Changes to this Policy

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

[7] Target was revised in 2023 to include the bag-in-box, spouted pouch, and chilled carton businesses we acquired in 2022.