

# Human Rights, Labor and Community Engagement Policy

## Content

1	Preamble	1
2	Scope	1
3	Core Principles	1
4	Encompassing Human Rights Commitment	2
5	Topics: Human Rights And Labor	2
5.1	Human Rights Due Diligence	3
5.1.1	Relevance	3
5.1.2	Overarching Commitment	3
5.1.3	Targets	3
5.1.4	Implementation Approach	4
5.1.5	Specific Responsibilities	5
5.1.6	Reference To Policies	5
5.2	Child and Forced Labor	5
5.2.1	Relevance	5
5.2.2	Overarching Commitment	6
5.2.3	Implementation Approach	6
5.2.4	Reference To Policies	6
5.3	Fair Labor Practices	6
5.3.1	Relevance	6
5.3.2	Overarching Commitment	7
5.3.3	Targets	7
5.3.4	Implementation Approach	7
5.3.5	Specific Responsibilities	8
5.3.6	Reference To Policies	8
5.4	Diversity, Equity And Inclusion	8
5.4.1	Relevance	8
5.4.2	Overarching Commitment	9
5.4.3	Targets	9
5.4.4	Implementation Approach	9
5.4.5	Specific Responsibilities	10
5.4.6	Reference To Policies	10
5.5	Employee Relation And Communication	10
5.5.1	Relevance	10
5.5.2	Overarching Commitment	11
5.5.3	Targets	11
5.5.4	Implementation Approach	11
5.5.5	Specific Responsibilities	12
5.5.6	Reference To Policies	12
5.6	Employee Engagement And Retention	12



5.6.1	Relevance .....	12
5.6.2	Overarching Commitment .....	12
5.6.3	Targets .....	12
5.6.4	Implementation Approach .....	13
5.6.5	Specific Responsibilities .....	13
5.6.6	Reference To Policies .....	13
5.7	Employee Recognition And Development .....	14
5.7.1	Relevance .....	14
5.7.2	Overarching Commitment .....	14
5.7.3	Targets .....	14
5.7.4	Implementation Approach .....	14
5.7.5	Specific Responsibilities .....	15
5.7.6	Reference To Policies .....	15
6	Topics: Community Engagement .....	15
6.1.1	Relevance .....	15
6.1.2	Overarching Commitment .....	16
6.1.3	Targets .....	16
6.1.4	Implementation Approach .....	16
6.1.5	Specific Responsibilities .....	17
7	Changes To This Policy .....	17
8	Annex 1: List Of Key Human Rights Issues .....	17



# 1 Preamble

SIG is a leading provider of sustainable, innovative, and versatile packaging solutions. We work in partnership with our customers and further stakeholders to deliver food and beverages to consumers across the world in a safe, sustainable, and affordable way.

We are leading the industry by pioneering sustainable innovations to deliver scalable, systemic net positive impacts – for society, the environment, and our business.

Our work is guided by the SIG Group AG Code of Conduct, which sets out the rules and values by which we operate. The respect for internationally recognized human rights and labor rights as defined in the international bill of human rights, the core labor standards by the International Labor Organization (ILO) and as specified in the base code of the Ethical Trade Initiative (ETI) focused on labor practices, and the United Nations Global Compact (UNGC) is a cornerstone of our approach to live up to these values. Respecting labor and human rights are fundamental for us to be able to lead a sustainable business, which is responsible for the society, throughout our workplaces and along the entire value chain.

Further, SIG has adopted a culture of awareness relative to labor and human rights as we believe that such awareness adds value to the corporate culture, our employees, shareholders, and further relevant stakeholders.

The SIG global Human Rights, Labor, and Community Engagement Policy ("Policy" hereafter) has been developed to outline our commitments, goals and approaches for sustainability topics identified as strategic or material. In this sense, it serves as SIG's declaration on respect for human rights and it defines the basis for our sustainability approach.

## 2 Scope

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

## 3 Core principles

- Conduct business in an ethically, morally, and socially responsible manner.
- Ensure respect for internationally recognized human rights, such as those encompassed within the international bill of human rights, the core labor standards by the ILO, as specified in the ETI base code and the UN global compact, within our sphere of influence.
- Ensure compliance with applicable local and national labor and human rights laws, regulations, generally accepted industry standards and corporate policies while seeking to respect international human rights standards, whichever provide more favorable conditions to the affected stakeholders.
- Define a corporate policy position on all labor and human rights topics relevant for our business.
- Identify, systematically analyze, regularly review, and responsibly manage all relevant (material and salient) labor and human rights topics as well as opportunities, risks, and impacts.
- Clearly allocate roles, responsibilities, and resources within the Group for managing material labor and human rights topics.



- Implement effective measures to protect labor and human rights of people working on behalf of SIG as well as other stakeholders affected by our business activities (including people in our neighbor communities), and to maximize positive impacts as well as to prevent or minimize the risk of negative impacts and incidents.
- Set goals on relevant labor and human rights topics, measure and evaluate performance against smart targets, and ensure continuous improvement.
- Consider employees' perspectives and affected people, their concerns and needs in our decision-making processes.
- Responsibly and transparently engage with all relevant and affected stakeholders in developing, managing, and communicating on corporate labor and human rights topics, standards, processes, and activities, including by developing channels to enable them to voice their complaints and grievances.
- Influence suppliers and partners to foster their adherence to these principles and encourage them to extend SIG's commitments for employee engagement, fair working conditions and human rights to their own activities and our value chain.

## 4 Encompassing human rights commitment

We are committed to respect the human rights of our employees, supply chain partners along our global value chain, the local communities in our operating and sourcing regions, distributors, customers, consumers, other business partners and external stakeholders. Our commitment to human rights encompasses all internationally recognized human rights, including those covered in the universal declaration of human rights and the core labor standards of the ILO (International Labor Organization), in line with our responsibilities under the United Nations Guiding Principles on Business and Human Rights (UNGP) and as included in the OECD Guidelines for Multinational Enterprises. If national law in our areas of operation conflicts with internationally recognized human rights, we comply with national legislation but strive to adhere to the principles of internationally recognized human rights to the greatest extent possible.

## 5 Topics: Human Rights and Labor

As an employer, SIG wants to be the best in the industry and beyond. As a basis, this requires our continuous engagement to prevent and mitigate risks and adverse labor and human rights impacts in our own operations and our value chain activities. In this context, we ensure to fulfil our legal responsibilities for upholding human rights and providing fair labor conditions.

Respect for human rights is a relevant factor of SIG's ambition to create systemic and regenerative net positive impacts for its people and communities and a topic of significant stakeholder concern. As a global company with local presence in more than 60 countries, SIG recognizes its responsibility to advocate and protect the human rights of its employees, employees of supply chain partners, employees of distributors, customers, consumers, and people in local communities situated in its operating and sourcing regions. Potential negative impacts from our activities on people and their human rights are most closely linked to the topic's health, safety and wellbeing, modern slavery, discrimination and harassment, children's rights, minorities, liberty and security of the person, fair labor conditions, freedom of thought and expression, social security and freedom of association. While violations of human rights can occur at the company's own operations, we are mainly exposed to incidents in our supply chain where we have less control over the impacts.



Hence, SIG advocates for the human rights of all people worldwide as fundamental to the way of life and the societies in which we live and operate. We will strive to use our influence to motivate others in the industry to promote respect for human rights. Behaving ethically in everything we do, respecting and supporting our people and communities, and keeping our employees safe and satisfied at work are all fundamental corporate responsibilities that we take very seriously. We believe that fostering a winning team, one of the three main business goals in our corporate compass, is essential to the success of our business. By providing jobs, investing in training and development, and fostering a more inclusive culture we are creating positive impacts for our people, communities, and shareholders. The following chapters outline our position on these human rights and labor issues and guide our actions. We expect our employees to understand, respect and internalize the following statements. Our suppliers and other business partners are encouraged to act in accordance with this Policy and adopt it to their business environment.

## 5.1 Human rights due diligence

### 5.1.1 Relevance

We believe that fundamental rights ensuring people’s dignity, freedom and justice are crucial to societal development and are ultimately required to help businesses thrive in the future. We have initiated a comprehensive process to develop a fit-for-purpose human rights due diligence framework to identify, prevent and manage actual and potential human rights impacts. This allows us to contribute to global respect for human rights and meet our ambition to have a scalable, systemic net positive impact.

### 5.1.2 Overarching commitment

We strive to identify, prevent, and manage actual and potential human rights impacts in our operations, supply chain and with respect to our major business relationships. For new major business relations, i.e., Mergers and acquisitions as well as joint ventures, we consider among other decision-making factors environmental, social, and human rights risks as well as governance factors.

### 5.1.3 Targets

SIG’s goals for human rights<sup>1</sup> due diligence are:

- Advance our human rights risk identification and assessment processes in our own operations and supply chain to define salient human rights issues by 2025.
- Conduct assessments of potential human rights risks and impacts in 50% of our own plants every two years.
- Maintain SEDEX members ethical trade audit (SMETA) at all production sites
- Ensure 100% of significant suppliers<sup>2</sup> accept our Supplier Code of Conduct or have an equivalent code in place
- Audit 50% of high-risk significant suppliers<sup>3</sup> each year

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<sup>1</sup> Includes freedom of association, freely chosen labor, living standards, and protection of the child.

<sup>2</sup> 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.

<sup>3</sup> 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.

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

#### 5.1.4 Implementation approach

Our approach to human rights due diligence, guided by the UN Guiding Principles on Business and Human Rights and the relevant OECD frameworks, is integrated into our existing business practices for our salient and material ESG topics (see annex 1: list of key human rights issues).

Our encompassing human rights commitment outlines our responsibility to respect human rights and is the foundation of our human rights due diligence. Complementary to this commitment, SIG expects all suppliers to comply with the Supplier Code of Conduct and the and the SIG Business Ethics Code for Suppliers or an equivalent code and screens suppliers on social and environmental criteria, including human rights, labor rights, resource use and environmental pollution as part of the onboarding process. Suppliers are considered the most significant to our business based on their potential to affect our ability to meet customer needs, the high volumes we purchase from them, or sustainability risks, including human rights risks, identified in the supply chain. Our supplier requirements and processes are described in further detail in our Responsible Sourcing Policy.

To cease, prevent and mitigate risks, SIG conducts regular internal or third-party assessments and audits, globally at our production sites and of selected suppliers. Regular SEDEX (supplier ethical data exchange) members ethical trade audits (SMETA) conducted at all our own production sites and including human and labor rights criteria help to assess compliance with fair labor practices and ensure that we uphold high standards on human rights. 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. Additionally, we conduct assessments of our global policies and performance, including labor and human rights, by EcoVadis. We conduct more in-depth assessments of significant suppliers at least every three years through self-assessments, external assessments or SEDEX and EcoVadis assessments, and our own on-site audits of high-risk suppliers. Together, these assessments support the evaluation of SIG's approach to address human rights issues.

We strive to address and resolve identified risks or negative human rights impacts within our own operations and aim to minimize 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.

Our assessment of human rights risks in the supply chain last year focused on identifying high-risk suppliers by their country of operation. We used the findings to inform further risk assessment of raw material and equipment suppliers this year. This involved mapping suppliers against publicly available country and product risk data, then conducting an in-depth assessment of selected suppliers using information from sources such as EcoVadis and SEDEX SMETA audits.

Affected rightsholders within the company have the possibility to anonymously seek advice or file grievances through our SIG Integrity & Compliance Hotline (anonymous to the extent permissible under local law), their supervisors, line managers, or, dependent on topics addressed, directly through the legal & compliance or people & culture departments. Reported issues received through these channels are subsequently investigated. Each case is proceeded with a systematic approach to addressing and resolving the mentioned issues and is concluded by a subsequent analysis and evaluation of potential root causes. SIG seeks to find solutions in an individual process tailored to the grievance reported and as deemed appropriate, together with the affected person. The hotline is available to all SIG Group employees and external stakeholders such as investors, suppliers and customers, or other business partners. looking to make a complaint concerning an employee or a supply chain partner of SIG.

SIG is aware that the systematic inclusion of internal as well as external stakeholders and rightsholders throughout the due diligence process is crucial. We engage key internal stakeholders on an as-needed basis to address

findings and will, in the context of further developing our human rights due diligence framework, evaluate the required steps to consider further stakeholders throughout our approach.

We have developed a roadmap including various steps we are taking along the various responsible functions within the company. We are tracking our progress on human rights due diligence, transparently communicate our approach as well as progress, and to inform our stakeholders on our human rights due diligence efforts.

### **5.1.5 Specific responsibilities**

Ensuring respect for human rights is an operational responsibility across our organization, supported by HR and compliance professionals. To account for the relevance of human rights in our organization we have appointed a human rights responsible in the Group Executive Board, Suzanne Verzijden, who oversees and bundles human rights related activities across our organization. Our steering committee, comprised of senior executives from people & culture, procurement as well as legal and compliance, ensures appropriate engagement on and oversight of human rights issues. To manage human rights due diligence progress on an operational level there is a human rights task force in place comprised of the global functions of people & culture, corporate responsibility, procurement departments for materials and machine components, legal & compliance, and EHS.

The responsibility for implementing our human rights commitment and due diligence approach lies with the local departments in charge of individual human rights issues. The mapping of human rights to our material and strategic ESG topics (see annex 1: list of key human rights issues) reflects on the responsibilities for individual human rights based on their allocation to the topics.

### **5.1.6 Reference to policies**

Our approach on human rights and human rights due diligence described in this Policy is complemented by operational-level documents. The SIG Code of Conduct sets out the rules and values by which we operate, including specific responsibilities for the upholding of human rights. The SIG Supplier Code of Conduct and Business Ethics Code for Suppliers and our Responsible Sourcing Policy describe our expectations that our suppliers are equally as committed to upholding human rights. We commit ourselves to adhere to the principles set out in these documents alongside our encompassing commitment to human rights included in this Policy. Suppliers of the recently acquired businesses are gradually receiving the SIG Supplier Code of Conduct.

## **5.2 Child and forced labor**

### **5.2.1 Relevance**

Victims of child and forced labor may suffer from detrimental effects to their mental and physical health, livelihoods, and development opportunities. As an international company, SIG recognizes its responsibility for safeguarding that neither adults nor children are exposed to harmful or hazardous conditions resulting from work performed within its facilities. Consequently, we place high value on respecting the human rights and fundamental freedoms of our people and relevant stakeholders in our operations and global value chains.

SIG conducts business globally and operates in more than 60 countries, some of them characterized by weak institutional mechanisms struggling to enforce human rights laws or regulations and therefore being particularly prone to risks associated with child and forced labor. While SIG's own operations are less subjected to these risks, we assume that the greatest risk may be found in our global value chain activities. The severity of the associated impacts and the relevance to stakeholders require child and forced labor to be of central concern to us. Through

our commitment, we are contributing to ensuring the bodily integrity of individuals and the creation of a more safe, resilient, and respectful business environment.

### **5.2.2 Overarching commitment**

We do 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 both adults and children. We are seeking to respect the principles on child and forced labor encompassed within the international bill of human rights, the ILO core labor standards, the ETI base code, and the UN Global Compact. We are committed to prevent, mitigate, and address the risks of child and forced labor in our global value chains. We extend our commitment to respect the rights of relevant stakeholders influenced by our business activities, including our suppliers and their workers, as well as our local communities. We will strive to use our influence to enable remediation of adverse impacts resulting from child and forced labor and related to our activities together with relevant stakeholders.

### **5.2.3 Implementation approach**

SIG condemns child, forced and prison labor, slavery, and human trafficking as well as any other form of labor that threatens the fundamental rights and bodily integrity of both adults and children. We have defined principles and requirements to meet our commitments and follow our ambitions in this area in the SIG Code of Conduct and the SIG Business Ethics Code for Suppliers. If any of these principles might be violated, employees can seek advice or raise concerns through their line managers, the legal and compliance department, or our integrity & compliance hotline. Anyone within or outside our business can raise concerns confidentially (and anonymously where permitted by local legislation) via our 24-hour external ethics and compliance hotline.

We are regularly and systematically screening our suppliers for child labor risks, working with abstract country and product and/or commodity risks. Any risks or impacts of child and forced labor in relationships involving SIG will be observed and addressed through adequate remediation mechanisms. Regular supplier ethical data exchange (SEDEX) members ethical trade audits (SMETA) of our business and assessments of our global policies and performance by EcoVadis help to evaluate our approach towards addressing child and forced labor.

### **5.2.4 Reference to policies**

The principles and commitments on child and forced labor established in this Policy are complemented by operational level documents. The SIG Code of Conduct and the SIG Business Ethics Code for Suppliers/Supplier Code of Conduct point out the ethical and legal principles relating to workers' rights and are expected to be adhered to by SIG, our employees, and suppliers.

Our approach towards addressing actual and potential impacts of child and forced labor in our value chain activities is aligned with this Policy and outlined more specifically in the focus area responsible suppliers within our Responsible Sourcing Policy.

## **5.3 Fair labor practices**

### **5.3.1 Relevance**

SIG takes its responsibility for protecting employees at work and improving their working conditions very seriously. Through our commitment, we ensure that the rights of workers in our operations are protected, and we contribute to providing respect for the rights of workers in our global value chains. We are also convinced that our business benefits from meeting employees' needs for fair wages, working hours and working conditions.





Upholding labor rights and providing fair working conditions is an important aspect of respecting human rights, a topic of significant concern for us and our stakeholders. External stakeholders expect us to treat employees fairly and to support them so that they can use their full potential. Moreover, implementing fair labor and business practices is essential to comply with regulations and thereby, maintain stakeholder trust.

Through our engagement for fair labor practices, we are living up to our responsibility as an employer and responding to our stakeholders' expectations to provide a safe, engaging, and motivating working environment for our employees.

### **5.3.2 Overarching commitment**

We are fully committed to respect and promote fair labor practices and protect the labor rights of our employees. This includes the provision of fair and equal pay and decent working conditions, recognizing the right to freedom of association and collective bargaining, and preventing discrimination, child labor and modern slavery (human trafficking, forced and compulsory labor, bonded labor, and slavery). We adhere to the labor standards encompassed within the international bill of human rights, the ILO core labor standards, the ETI base code, and the UN global compact. We extend our commitment to contribute to the respect of the labor rights of relevant stakeholders influenced by our business activities, including our suppliers and their workers, as well as our local communities. SIG is running gender pay analyses, thereby underpinning our commitment towards equal remuneration and fostering a gender-diverse workplace. We will also include living wage testing in our pay analysis. We are committed to take all reports or complaints of violations against labor standards or practices with seriousness and investigate all issues reported.

### **5.3.3 Targets**

SIG's goals for fair labor practices are:

- Maintain SEDEX members ethical trade audit (SMETA) at all production sites every two years.
- Assess our equal pay and living wage status at our own operations.
- Address and resolve all filed grievances in due time.

### **5.3.4 Implementation approach**

We have committed to the ethical trade initiative (ETI) base code, which is focused on good labor practices. Our understanding of fair labor practices is based on the principles and requirements included in this code, informed by labor and human rights standards referenced in further generally accepted international frameworks, and supported by our operational level documents described below in the reference to policies section.

SIG has defined the necessary requirements and implemented relevant measures to provide fair working conditions and improve the working lives of its employees. We strive to create a workplace and culture that can ensure the physical and mental integrity of everyone. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or any form of intimidation are strictly prohibited. We are also ensuring that wages and benefits as well as working hours are in accordance with national legal standards. Beyond this, we are taking industry standards into consideration when setting our remuneration practices. The work performed must be based on the recognized employment relationship established through national law and practice to every extent possible. Further specifications on the obligations to employees under labor or social security laws and regulations arising from the regular employment relationship are outlined in our business ethics code. To make sure that our principles are lived throughout SIG, we conduct regular audits. SIG is striving to foster an equal and diverse workplace. Therefore, a status quo assessment is conducted to initially understand where SIG operations stand regarding gender pay and living wage.



SIG considers the measures outlined above as the minimum requirement in its approach to working conditions. We strive to establish a competitive and thriving working environment for our employees, where they can be motivated, grow and excel. These issues form part of our approach to creating positive impacts for employees and are therefore outlined in the sections on employee engagement and retention and on employee recognition and development within this Policy.

### **5.3.5 Specific responsibilities**

Our People & Culture department is responsible for the working conditions in our own operations, while our EHS department is responsible for occupational health and safety (for further details please refer to our global Environment, Health, and Safety Policy). Our global sourcing and procurement department and our equipment sourcing and procurement team (esp.) are responsible for the topic fair labor practices in our supply chain. Concerns or complaints related to fair labor practices are reviewed and investigated by our Group Compliance Department with the support of our internal audit and people & culture department, as appropriate.

### **5.3.6 Reference to policies**

The principles and commitments on fair labor practices established in this Policy are supported by two key documents which point out the ethical and legal principles relating to workers' rights: the SIG Code of Conduct addresses the ethical and legal principles in general.

Our approach towards addressing actual and potential impacts of our activities related to working conditions at our suppliers' facilities is aligned with this Policy and outlined more specifically in our Responsible Sourcing Policy. Our minimum expectations on fair labor practices for our suppliers and supply chain are encompassed in the supplier code of conduct and business ethics code for suppliers.

SIG recognizes that a comprehensive approach to fair working conditions requires the provision of a safe and hygienic working environment. Due to its significance, we refer to this issue in our global Environment, Health, and Safety (EHS) Policy.

## **5.4 Diversity, equity and inclusion**

### **5.4.1 Relevance**

Creating a diverse workforce with equal opportunities for everyone has always been an important topic for SIG. By fostering a more inclusive culture, we strive to create positive impacts for our people and communities.

For employees, diversity has shown to increase engagement – among all groups of people. For our increasingly diverse customers and consumer base we need people in our teams who can think like our end consumers, understand the needs of different groups and develop products relevant to them. A diverse workforce representative of the geographies where SIG does business can allow us to excel in a variety of international and cultural environments. Our ability to leverage our employees' differences gives us the possibility to deliver innovative solutions. Additionally, discussions in diverse teams are enriched by different perspectives, new ideas and contrary points of view which leads to more creativity and better outcome and results in more innovation.

Therefore, we strongly believe that empowering people with different abilities will help us to add to the value and success of SIG, improve the lives of our employees, and furthermore, provide a significant contribution to the society. Moreover, investors and other stakeholders increasingly expect companies to demonstrate a strong commitment to diversity.



## 5.4.2 Overarching commitment

We are committed to providing an inclusive working environment for our employees free of bias. All our employees should feel safe, valued, treated fairly, and empowered. We do not tolerate discrimination of employees or suppliers' workers based on race, religion, national origin, political affiliation, gender, sexual orientation, disability, age, or any other relevant category. Focusing on gender discrimination as one of our prioritized diversity indicators, we aim to enhance our efforts for attracting and promoting the career development of our female leaders to advance gender equality. Through this commitment, we are also addressing our goal of enhancing diversity, equity and inclusion at the management and board level.

## 5.4.3 Targets

SIG's goals for diversity, equity and inclusion are:

- Increase percentage of women in leadership positions to 30% by 2025
- Maintain survey score<sup>4</sup> linked to inclusive environment above industry benchmark
- 0% "all-male" shortlists and selection panels in talent acquisition processes

## 5.4.4 Implementation approach

To us at SIG, diversity is about recognizing the spectrum of different qualities of our employees, understanding variety as an opportunity, and taking advantage of it. Hence, we strive to prevent discrimination on any grounds and create an inclusive workplace where a range of nationalities and cultures are represented, and where there are equal professional opportunities regardless of gender, age, disability, or any other potential differentiating factor. We drive diversity, equity, and inclusion primarily through our impact on the four global focus topics inclusive work environment, gender balance, cultural agility and cross-functional experience. However, our efforts go well beyond these focus topics and include measures to ensure the integration and equality of people across different generations, with different sexual orientation and identification (LGBTQ+ community) and of different races and ethnicity.

There is no discrimination in hiring, compensation, access to training, promotion, termination of contract or retirement based on race, religion, national origin, political affiliation, gender, sexual orientation, disability, age, or any other relevant category. Through our pro-active approach to diversity, we intend to increase our efforts for those individuals that continue to encounter discrimination in the working place to advance the provision of equal opportunities.

An example of how we strive to foster diversity, equity and inclusion in the workplace is our diversity and inclusion awareness training for leadership positions aimed at driving behavioral change and which integrates SIG employees as co-trainers. We also 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. Local initiatives to attract diverse talent included establishing a talent pool of people with disabilities and people of color in the Americas South region and joining school career fairs to encourage more young women into engineering roles in Europe. We also piloted training in the Americas to help managers create psychological safety at work to help our people feel confident to bring their whole selves to work. This training will be rolled out across the business in 2024, together with mandatory training on unconscious bias and inclusion for all SIG leaders.

Furthermore, we integrate diversity criteria in management tools such as SIG-retain, which is supporting SIG in employee retention, development and engagement and puts special emphasis on critical minority groups. As a

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<sup>4</sup> Industry benchmark defined as norms for manufacturing companies participating in the Willis Towers Watson employee engagement survey.

signatory of the German corporate initiative "Charta der Vielfalt" (diversity charter), SIG openly commits to promote diversity throughout its organization. In 2020 SIG invited all employees to apply for a Group-wide focus group. This focus group is now made up of a diverse representation of our employees from across the organization that helps to inform and drive the diversity, equity, and inclusion strategy. We established a DE&I Council in 2023, made up of four GEB members, to champion DE&I from the top of the business. Members completed training this year on topics such as allyship and inclusive leadership. They are supported by a team of 20 employee representatives forming our DE&I Alliance. We also raised awareness of DE&I issues through cultural days and other events, including local talks on topics such as imposter syndrome and wellbeing on International Women's Day and a global webinar on allyship to support the LGBTQIA+ community on Pride Day.

For our goal to increase the rate of women in leadership positions, including at management and board-level, we will implement measures in three focus areas: recruiting, retention, and career development. Amongst others, SIG is planning to cooperate with research universities to attract female engineers and better address women, both prospective candidates and leaders, on websites, in campaigns or through career networks and communities. We will better consider women and minorities in recruiting by defining requirements in our internal career development and application processes to be able to select the best candidate from a diverse pool of internal talents and external applicants. We have launched a dedicated Women Acceleration Program, which offers virtual learning, coaching, and mentoring, as well as project challenges. We also extended flexible working policies and guidelines in all regions, except China, to support more flexible working for eligible roles. The guidelines recommend a mix of office and homeworking to be agreed between employees and their managers. We established employee resource groups to help people with shared characteristics or experiences connect – including groups for parents, new mothers, and alumni of our Women Acceleration program.

To track our performance and allow for constant improvement, we are regularly evaluating existing measures, processes, and tools in the human resource area regarding a more strategic diversity and inclusion approach. We measure our progress towards a more diverse and inclusive company through the D&I dashboard developed in 2019. The consideration of the perspectives of our employees is a relevant part of this stage.

#### **5.4.5 Specific responsibilities**

The Group People & Culture team is responsible for managing our approach and delivering our goals in diversity, equity, and inclusion. Our newly created role Group HR Manager D&I and culture initiatives and our globally responsible Talent & Organizational Development team will drive progress towards our diversity and inclusion targets. Depending on the measure, the Group HR Department cascades responsibilities to local HR departments.

#### **5.4.6 Reference to policies**

The principles and commitments on diversity, equity and inclusion outlined in this Policy are complemented by further operational level documents. The SIG Code of Conduct, and accompanying training, addresses various aspects of human rights that are relevant to SIG's operations. It includes a strict policy against discrimination on any grounds.

### **5.5 Employee relation and communication**

#### **5.5.1 Relevance**

Establishing good relationships with our employees, which are based on mutual respect, trust, and a constructive dialogue, is essential for SIG and reflected in our workplace culture. We believe that open and honest communication between all levels can enhance employee satisfaction and support them in being more ambitious, productive, and motivated for the work they do.



Likewise, our employees attach great importance to a meaningful communication with management, and they expect senior leadership to explain the company goals and strategy, to listen to employees' inputs and to consider their concerns and needs in the definition of workplace policies.

We recognize our responsibility to provide our workers with the necessary channels and processes to voice their grievances and concerns. Considering the importance of satisfied and motivated employees for the business success of SIG, it is crucial for us to ensure a continuous dialogue with employees, to understand their expectations, to endeavor to satisfy their needs and to create trustful relationships. High employee satisfaction helps SIG to recruit and retain the best people and maintain a productive workforce.

### **5.5.2 Overarching commitment**

SIG strives to create an engaging and energizing work environment for our employees, where they feel their ideas, needs and concerns are heard and valued. As a minimum, we are fully committed to respect and protect the rights to freedom of association and to collective bargaining of our employees. We extend our commitment to relevant stakeholders influenced by our business activities, including our suppliers and their workers. Beyond this, SIG is supporting an open feedback culture between employees at all hierarchical levels.

### **5.5.3 Targets**

SIG's goals for employee relation and communication are:

- Ensure that all employees are informed about formal and informal communication channels.
- Resolve all grievances and conflicts related to employee relation and communication in an appropriate manner and timeframe.
- Increase % of employees who feel SIG has responded to their feedback based on the last survey by 2025

### **5.5.4 Implementation approach**

SIG's approach to employee relations and communication consists of the following elements: 1) direct communication and feedback between employees and line managers, 2) employee surveys and communication between senior management and employees, including dialogue and feedback forums with the executive management team, 3) dialogue and negotiations with trade unions and employee representatives with employees and 4) offering appropriate channels to report grievances, and fair processes to handle reported grievances.

We foster direct communication and feedback between employees and line managers through a culture of esteem, fairness, trust, and transparency as well as through structured feedback and appraisal meetings (see employee recognition and development within this Policy for further information). To enable direct communication between senior management and employees, we hold regular townhalls. We update the organization on business performance, latest financial results, strategy deployment and highlights along the key dimensions of our corporate compass, the Group strategy, globally relevant organizational changes, as well as other globally relevant events and initiatives. Special townhalls are held on an ad-hoc basis for major events relevant for all employees globally. Our townhalls always include question-and-answer sessions to give employees the opportunity to directly address their questions and concerns to management.

We also foster direct communication through our SIGer app to share corporate news, people & culture updates, and regional news. Most employees at SIG take part in the app.

Within our approach to dialogue and negotiations regarding labor relations, we respect and protect the rights of freedom of association and collective bargaining as defined in the international bill of human rights, the ILO core labor standards, and as specified in the ETI base code and the UN Global Compact. Where employees decide to engage in the activities of trade unions and their organizational activities, SIG will adopt an open attitude. In situations where these rights are restricted, we respect the workers' right to freely elect their own representatives. A



significant proportion of our employees are already covered by collective labor agreements, and, in Europe, many are represented by work councils.

It is important to us that employees can ask questions and report concerns and violations without fear of retaliatory measures. Therefore, we encourage our employees to report any concerns or violations through any available channel including their supervisor and manager, representatives of Group HR, Group Compliance, Group internal audit or through our SIG integrity & compliance hotline which allows to report anonymously (to the extent permissible under local law).

### **5.5.5 Specific responsibilities**

Employee relation and communication is under the oversight of our global and local HR departments, supported by the Group communication and the legal departments.

### **5.5.6 Reference to policies**

Our people & culture framework guides all our activities with regards to employees. It provides all those responsible for human resource with information on compliance, personnel planning, recruitment, compensation, and personnel development among others.

## **5.6 Employee engagement and retention**

### **5.6.1 Relevance**

As an employer, SIG directly impacts the lives of over 9,000 employees globally through the work environment it creates. Our success depends on the sustainable engagement level of our employees to perform and to shape the future of SIG by innovating and continuously improving to win at the customer.

Highly engaged employees feel committed by strong attachment to SIG and its vision, purpose, goals, tasks, and action. They also feel enabled through a work environment and learning experiences that support productivity and performance. Moreover, highly engaged employees are energized by their individual physical, mental and social well-being at work.

It is SIG's belief that only by fostering employees' engagement we can create sustainability in our teams and our business success. Cultivating a culture that enables employees to identify strongly with the SIG brand, as well as their understanding of an enabling organization and team environment, allows SIG to attain talented employees, retain such employees, and maintain a productive workforce.

### **5.6.2 Overarching commitment**

We are committed to creating an engaging, enabling, and energizing work environment for our employees that allows them to identify with what they do, be successful in their work and feel related to the company they work for. While intending to maintain a high level of employee engagement, we acknowledge the necessity to offer our employees a satisfying life domain (i.e., Work/life) balance.

### **5.6.3 Targets**

SIG's goals for employee satisfaction and retention are:



- Achieve engagement level above industry benchmark by 2025<sup>5</sup>

#### 5.6.4 Implementation approach

SIG's approach towards employee engagement and retention is centered around creating a culture of collaboration, ownership, and empowerment by dedicated programs in which we reflect on our values, principles and purpose to foster engagement.

A collaborative environment requires integrating employees in decision-making, listening to them and knowing their needs, desires, and concerns. Therefore, feedback is one of the core values at SIG. We are giving our employees a dedicated voice in our employee survey program conducted yearly, which includes "result to action"-workshops on team level to allow improvements to occur directly at the place where change is needed and to create corporate initiatives for overall cultural improvements.

Our employee networks that were formed as part of various initiatives such as the women acceleration program also provide important opportunities for employees to engage globally and build collaborative networks.

We also place high value on the personal development of our employees and empowering leadership styles that enable them to expand their potentials. In this regard, we are supporting our leaders to find their personal transformational leadership style with the core intention to offer our employees choices for identification, inspiration, intellectual challenge, and individual support. We believe that only by sustainable talent leadership, we can grow above market, to win at the customer and to create jointly the culture and the environment to foster our winning team.

To enable our employees to feel motivated and energized at work, we are implementing measures that can support a healthy life domain balance (i.e., Work/life balance). We are doing this by offering employee benefits depending on the regional, legal, and cultural context. These can include for example retirement benefits, health and life insurance, flexible work arrangements (e.g., Part-time positions, working from home arrangements, flexible working hours), and parental benefits and leave. Childcare services or allowance is available for our employees in Brazil, Switzerland and in the us. In Switzerland, there is a childcare facility available at the SIG site available for all employees for a reduced fee. In the us, maternity leave exceeds the legally required minimum due to an extension of the total days of maternity leave. In Switzerland and the Netherlands, working mothers receive full salary for 16 weeks. In Brazil, the us, Thailand, and India SIG provides paid maternity leave that exceeds the legally required minimum. SIG is expanding flexible working options, focusing first on implementation in the DACH region, as part of our approach to improve diversity, equity, and inclusion (see diversity, equity, and inclusion in this Policy).

#### 5.6.5 Specific responsibilities

The Group People & Culture team is responsible for managing our approach and delivering our goals around employee engagement and retention. Our globally responsible talent & organizational development team will help to drive progress. Depending on the measure, the Group HR department cascades responsibilities to local HR departments. In addition, our CEO Samuel Sigrist is the sponsor for employee engagement, as it is considered a "must-win" workstream within our responsibility roadmap.

#### 5.6.6 Reference to policies

SIG recognizes that a comprehensive approach to employee engagement requires the consideration of their health and wellbeing. Due to its significance, we refer to our concern for our employees' health and wellbeing in our focus area health & safety within our global Environment, Health, and Safety (EHS) Policy.

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<sup>5</sup> Industry benchmark defined as norms for manufacturing companies participating in the Willis Towers Watson employee engagement survey.

## 5.7 Employee recognition and development

### 5.7.1 Relevance

Recognizing the performance and potential as well as supporting the professional development of our employees is important for our employees, the SIG Group and the locations we operate in. Our employees expect us to develop people, continuously improve, and be accountable for our actions. Their feedback has shown us that we need to increase our efforts when it comes to recognition, which means providing positive feedback and acknowledging good performance and initiatives.

A driving force for the SIG culture is the development of exceptional people who can leverage their full potential and master the challenges of our business. We need people with diverse talent, who believe in their potential, take on challenges as they succeed and look out for what's next to fulfil our promise to deliver "excellence – engineered. Solutions – delivered". We believe that hiring for potential, growing individual talent, and sustaining our organizational capabilities is our enabling force for future success.

To reach our strategic goals, it is crucial to meet our employees' expectations, to foster employee development, attract new talents and thereby create a talent pool of future leaders. By providing attractive job opportunities, offering fair rewarding schemes, and investing in training and development, we are creating positive impacts for our people and communities.

### 5.7.2 Overarching commitment

Our commitment is to guide employees through transformational leadership and cultivate an environment where everyone is empowered to lead their development by vocalizing career options and pursuing ambitious personal goals. An environment that fosters calculated risks and provides the support and orientation employees need for growth. We are committed to creating an environment where all our employees are recognized for the work that they do, rewarded, and provided with equal opportunities for their career development. We are continuously working on opportunities to increase the number, the ways and the quality of feedback and appraisal sessions to create impact on the engagement, development and with this, also the performance of our employees. With our investments in training and development, we aim to set a new benchmark in the industry. Additionally, we strive to be recognized as an attractive employer by external stakeholders and thereby also attract new talents.

### 5.7.3 Targets

SIG goals for employee recognition and development are:

- Increase % of employees who feel SIG makes adequate use of recognition and reward other than money by 2025
- Sustain our training and development investment above industry benchmark by 2025<sup>6</sup>
- Minimum one feedback and appraisal session per employee per year

### 5.7.4 Implementation approach

SIG's approach toward employee reward and recognition is built around the two pillars feedback and appraisal, and performance reward. As part of our feedback and performance appraisal process, all employees have the right to receive detailed performance feedback at least twice a year in order to compare their own performance and behavior with SIG's expectations and to discuss and implement targeted measures to strengthen their own

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<sup>6</sup> Industry benchmark defined as norms for manufacturing companies participating in the Willis Towers Watson employee engagement survey.



success. The feedback and performance appraisal process forms the basis for rewarding performance, for supporting professional development planning and for identifying talents that we can support by actively developing their career within SIG. Our approach towards rewards and recognition builds on a grading system which ensures that performance is rewarded in a fair and transparent manner. We benchmark our remuneration approach with other companies to check we offer competitive reward packages. We are planning to align shareholder interests and broader employee compensation through a broader employee share plan. In addition, we honor individuals with outstanding performance through special acknowledgments, such as the SIG shine awards.

With respect to employee development, SIG has established measures for both prospective and existing talents. SIG employees can identify training and development opportunities through regular discussions with their manager. Every SIG employee can take part in learning and development offerings such as internal and external trainings, mentoring, coaching or on-the-job development opportunities, compiled in their individual development plan. We will include our bag-in-box and spouted pouch business units in these offerings by the end of 2023. We identify talents that we need to foster as well as gaps in our succession pipeline that we need to fill. The idea of our talent and succession management is to establish frameworks, processes, tools, and skills to systematically and effectively identify, manage, actively develop and retain the employees with great potential and high performance within SIG. By tailoring existing development measures as well as developing new ones, target Group-specific programs are created that precisely address the development demands of a population, which we have in our strategic focus (e.g., operations leader development program, commercial excellence, female accelerate program, new leader program) and prepare our talents for their success in the aspired future role.

#### **5.7.5 Specific responsibilities**

The Group People & Culture team is responsible for managing our approach and delivering our goals around employee recognition and development. Depending on the measure, the Group HR department cascades responsibilities to local HR departments.

#### **5.7.6 Reference to policies**

Our people & culture framework guides all our activities with regards to employees. It provides all those responsible for human resource with information on compliance, personnel planning, recruitment, compensation, and personnel development among others. For example, it regulates procedures concerning remuneration, hiring and appraisal interviews. Regarding succession management, SIG's Internal Fill Policy (IFP) outlines the approval requirements needed prior to engaging with an internal candidate. It is a critical enabler to support the development and engagement of our employees by maximizing the consistency of talent consideration and movement within SIG and to promote a positive employee experience.

## **6 Topics: Community Engagement**

### **6.1.1 Relevance**

Community engagement is central to SIG's net-positive strategy. As a company and human beings, supporting communities and society is our responsibility. Our dedication to communities is also driven by the belief that our work can make a real difference for the society.

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



our business by being a good neighbor and an employer of choice, enhancing our corporate image and exploring new models and markets.

Support for local communities is just one of the ways we have a positive impact on people's lives. Delivering societal benefits is inherent in SIG's purpose to partner with our customers to bring food products to consumers around the world in a safe, sustainable, and affordable way.

### **6.1.2 Overarching commitment**

We are committed to engage with the communities we operate in, and/or distribute our products within, to listen and understand how SIG might make a meaningful positive impact on the community. In this manner, SIG is committed to engaging with the community to make SIG's business and the community thrive in a transparent and mutually beneficial partnership. We furthermore believe that good nutrition and clean water should be available to everyone and that natural habitats need to be preserved for future generations. Together with partners and through our SIG foundation, we are committed to contribute to the identification and promotion of activities and projects that strengthen civil society and create positive impacts for the environment.

### **6.1.3 Targets**

SIG's goals for community engagement are:

- Increase the impact of community engagement programs by 50% by 2025 (from 2020)
- Create self-sustaining, scalable models for the foundation's cartons for good project by 2025.
- Scale up and expand our community recycling model by 2025.

### **6.1.4 Implementation approach**

Our support for local communities is channeled through our engagement program. We focus on projects that meet the needs of local stakeholders, harness the skills of our people, and have a positive impact in communities. Each local team has an allocated budget each year to run community projects. In the future, additional investment in community projects, will be funded through our new SIG foundation. Local action groups will help us drive progress and run a global engagement day each year to encourage people to volunteer their time to projects that share a common theme across the company. As part of SIG's commitment, we partner with stakeholders to support collection and recycling of beverage cartons. Furthermore, we engage with communities through family days and open days at our sites.

We have developed a methodology for measuring the impact of our community programs, based on an assessment by the employees and communities involved. It considers contributions to the SDGs, which benefit from the project and the type of impact it has, such as improving education or supporting recycling. This tool allows SIG to consistently measure and track the overall impact of their community engagement programs worldwide.

We will amplify our impact through our newly formed SIG foundation, which will initially focus on our flagship cartons for good project. Cartons for good, launched in 2018, is an ambitious initiative to apply our technology and expertise to help communities reduce food loss, support farmers' livelihoods, and promote children's nutrition and education. Through this flagship project, we are exploring new models with the potential to support global sustainable development goals through our packaging solutions, expertise, and partnerships. The foundation's next area of focus will draw on learnings from our successful community recycling project (*so+ma partnership*) in Brazil to create and expand innovative partnerships to increase recycling of used beverage cartons while delivering social benefits for underprivileged people.



### 6.1.5 Specific responsibilities

Our *sustainability approach* engagement program is run by local action groups of employee volunteers led by our network of champions.

Within our SIG foundation, the supreme body is the board of trustees, which is comprised of members of our GEB and senior management, and responsible for advising and passing resolutions on all important foundation businesses.

## 7 Changes to this Policy

The global Human Rights, Labor and Community Engagement Policy will be regularly reviewed by the respective policy owner. Any changes or updates will be communicated. This Policy was last updated on July 20, 2023.

## 8 Annex 1: list of key human rights issues

SIG is committed to respect the human rights of our employees, supply chain partners along our global value chain, the local communities in our operating and sourcing regions, distributors, customers, consumers, other business partners and external stakeholders. While our commitment to human rights respect encompasses all internationally recognized human rights, we focus our efforts on those issues which are more closely linked to our activities.

The following table provides an overview of where, within our strategic and material ESG topics, we address and manage key human rights issues at SIG.

Human rights issue	Human right	ESG policy manual	ESG topic
Health, safety & wellbeing	Right to life. Right to health	Environment, Health, and Safety Policy	Workplace safety. Chemical safety. Employee health and wellbeing
		Product Safety and Quality Policy	Product safety and quality. Product liability. Health and nutrition
		Human Rights, Labor, and Community Engagement Policy	Employee engagement and retention
		Responsible Sourcing Policy	Responsible suppliers
Modern slavery	Right not to be subjected to slavery, servitude or forced labor.	Human Rights, Labor, and Community Engagement Policy	Child and forced labor. Fair labor practices
	Right of detained persons to human treatment	Responsible Sourcing Policy	Responsible suppliers

Discrimination & harassment	Right not to be subjected to torture, cruel, inhuman and/or degrading treatment or punishment.	Human Rights, Labor, and community engagement policy	Fair labor practices. Diversity, equity, and inclusion
	Right to equality before the law, equal protection of the law, and rights of non-discrimination	Responsible Sourcing Policy	Responsible suppliers
Child rights	Rights of protection for the child	Human Rights, Labor, and Community Engagement Policy	Child and forced labor.
		Responsible Sourcing Policy	Responsible suppliers
Minorities	Rights of minorities	Corporate Governance Policy	Board composition and selection
		Human Rights, Labor, and Community Engagement Policy	Diversity, equity, and inclusion
		Responsible Sourcing Policy	Responsible suppliers
Liberty and security of the person	Right to liberty and security of the person	Human Rights, Labor, and Community Engagement Policy	Fair labor practices
		Responsible Sourcing Policy	Responsible suppliers
Fair labor conditions	Right to work. Right to enjoy just and favorable conditions of work (including fair wages and working hours)	Human Rights, Labor, and Community Engagement Policy	Fair labor practices
		Responsible Sourcing Policy	Responsible suppliers
Freedom of thought & expression	Rights to freedom of thought, conscience, and religion. Rights to freedom of opinion and expression	Human Rights, Labor, and Community Engagement Policy	Fair labor practices. Diversity, equity, and inclusion Employee relation and communication
Social security	Right to social security, including social insurance	Human Rights, Labor and Community Engagement Policy	Fair labor practices

		Responsible Sourcing Policy	Responsible suppliers
Freedom of association	Right to freedom of assembly	Human Rights, Labor, and Community Engagement Policy	Fair labor practices. Diversity, equity, and inclusion Employee relation and communication

