

# — WAY BEYOND GOOD —

Corporate Responsibility  
Performance Update  
2017



# MESSAGE FROM OUR CEO

**We're striving to contribute more to society and the environment than we take out – to go *Way Beyond Good*.**

Our bold *Way Beyond Good* ambitions are driving progress across all three of our responsibility pillars: company, sourcing and products. The latest rating from EcoVadis recognises that progress, placing SIG in the top 1% of the 30,000 or more businesses assessed on wide-ranging corporate responsibility topics.

As part of our commitment to being a responsible company, we have established a partnership with BRAC, a development NGO, to pilot our flagship Cartons for Good project in Bangladesh. The innovative project will use our technology to help communities preserve surplus food at harvest time with a specially designed mobile filling unit. In future, we will channel our support for Cartons for Good through the SIG *Way Beyond Good* Foundation we are setting up.

We have kept up the momentum on responsible sourcing in 2017 by increasing the minimum supply of liquid packaging board made with wood from Forest Stewardship Council™ (FSC) certified forests from 70% to 89%. We also had the honour of presenting the Vancouver Declaration at the FSC's General Assembly, pledging together with other leading companies to ensure that our use of forest materials contributes to the United Nations Sustainable Development Goals (SDGs).

Our new **SIGNATURE PACK** marks a significant milestone in our roadmap for responsible products. It is the first aseptic carton to be linked to 100% renewable forest-based materials. Sales of our 82% renewable EcoPlus packs also continued successfully.

We support the SDGs and our commitment to the principles of the United Nations Global Compact is unwavering. At COP23, together with IKEA, we supported the launch of the FSC's Bonn Initiative that aims to help quantify the contribution that FSC-certified forests can make specifically to SDG 13 on climate action. The new targets we have set for our own business will support our efforts to reduce greenhouse gas emissions across the value chain.

I am enormously proud of the strides we have made in 2017. But we have a long way to go. Our employees have a big role to play in helping us achieve our ambitions and our new team of *Way Beyond Good* champions are getting people involved across the business.

We are working with partners through initiatives such as the Net Positive Project to help drive progress in our own business and beyond, as well as inviting input from external stakeholders through our new Responsibility Advisory Group.

This Performance Update highlights these and other key stories from 2017, and sets out the progress we have made towards our responsibility roadmap this year. I look forward to reporting further progress in our next full Corporate Responsibility Report for 2018.



**Rolf Stangl**  
Chief Executive Officer



## About this report

This interim update on our performance in 2017 supplements our biennial full Corporate Responsibility Report.

For more information on how we manage our most material

social and environmental issues, see our [2016 Report](#), produced in accordance with the Global Reporting Initiative (GRI) G4 Guidelines Core option.

You can also read our UN Global Compact Communication on Progress and find out more about

our approach to responsibility at [www.waybeyondgood.com](http://www.waybeyondgood.com).

We welcome stakeholder views on our approach. Please share your feedback via email at [waybeyondgood@sig.biz](mailto:waybeyondgood@sig.biz).



WE SUPPORT

# INSIGHT FROM **EXTERNAL STAKEHOLDERS**

In 2017, we formed an independent Responsibility Advisory Group (RAG) of external corporate responsibility experts.

The role of the RAG is to offer an external view, advise our Responsibility Steering Group and Group Executive Board, and challenge us to continually improve.

RAG members represent key stakeholder groups across our regions. The group will meet with senior SIG executives at least twice a year. We may also consult individual RAG members on specific issues related to their areas of expertise as part of our wider stakeholder engagement on responsibility topics.

The RAG is chaired by Greg Norris. He is Co-Director of the Sustainability and Health Initiative for Net Positive Enterprise at the Harvard School of Public Health and leads the methodology working group within the Net Positive Project.



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*"Through collaboration with people from SIG over the last few years, I have seen the depth of their commitment and the seriousness of the pursuit of net positive by the company.*

*That goes all the way to the CEO. Speaking to him, I was very encouraged not only by the sincerity of that pursuit, but also the real desire and the willingness of the company to listen to candid input from advisors – even if it may not always be complimentary.*

*I think SIG's **Way Beyond Good** approach sets a perfect starting point for their net positive work. SIG employees have already made great contributions within the Net Positive Project, weighing in on questions of methodology and helping to ensure that we develop net positive methodologies that are fully in line with accepted international standards, such as the ISO standards for lifecycle assessment.*

*At these early stages of the net positive movement, a company like SIG has a real opportunity to make a huge difference – not only by striving to create more good than harm through the lifecycles of its products, but also by setting a powerful example to other companies. SIG can show others that, while challenging, net positive is possible and it makes good business sense.*

*The ripple effects from leadership like SIG is pursuing can be really powerful. That's why I'm grateful to accept the opportunity to chair an advisory group to SIG and help them make the most of this opportunity."*

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**Greg Norris**  
Chair, SIG Responsibility Advisory Group



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*"We supported the launch of the **Way Beyond Good** strategy with local teams in the US and Latin America. It's clear that SIG has deeply considered sustainability in their strategy, resulting in an integrated approach of doing business by doing good. Here in Brazil, SIG is backing up this strategy with the investments in local infrastructure necessary to increase recycling. I look forward to working with SIG to build a just and sustainable world."*

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**Joe Sellwood**  
Director, REVER  
(BSR's local partner in South America)

# OUR NET POSITIVE COMMITMENT

We want to become net positive in the long term by contributing more to society and the environment than we take out – across our value chain. We call that going *Way Beyond Good*.

As one of the world’s leading solution providers for the food and beverage industry within the field of carton packs and filling technology, we partner with our customers to bring food products to consumers around the world in a safe, sustainable and affordable way.

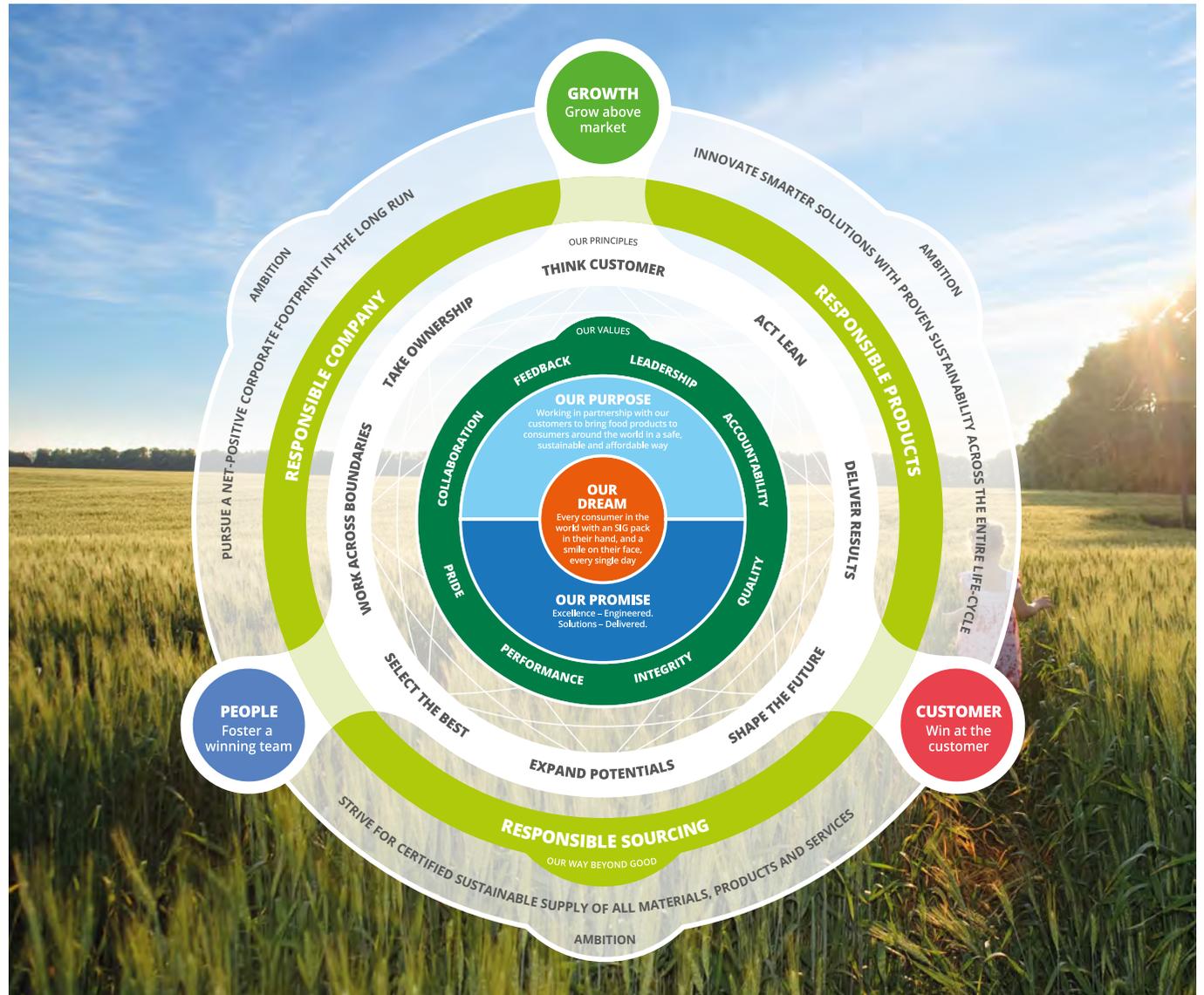
Our Corporate Compass (right) shows how we aim to fulfil this purpose. This strategy for our core business includes bold ambitions to go *Way Beyond Good* that we will deliver through a detailed responsibility roadmap for our company, sourcing and products.

## Partnering with others

Collaboration will be critical in achieving wider net positive impacts and is a key principle of the United Nations Sustainable Development Goals.

SIG is one of an elite group of businesses that have committed to go net positive and we are encouraging suppliers and others to do the same. We are a member of the [Net Positive Project](#). In 2017, we contributed to its work to align on the principles to be followed, to develop a methodology to consistently measure both positive and negative impacts on society and the environment, and to create a case study resource to share pioneering net positive examples at product and corporate level.

We are also part of the [Science Based Targets Initiative](#) (SBTI) that aims to cut emissions enough to prevent the worst effects of climate change. We have submitted our new greenhouse gas reduction targets to the SBTI for approval (see [page 9](#)).



# CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT GOALS

**SIG supports the United Nations Sustainable Development Goals (SDGs). We recognise that business has an important role to play in partnering with others to end poverty, ensure prosperity for all and protect the environment.**

Our commitment to go *Way Beyond Good* aligns with these global goals and our responsibility roadmap sets out a series of specific objectives that will enhance our contribution to the SDGs.

In 2017, for example, we have set new targets to reduce greenhouse gas emissions across our value chain (see [page 9](#)) which will contribute to the SDG on climate action. And our Cartons for Good flagship programme (see [page 8](#)) will support several of the SDGs by working with partners to target hunger, poverty and food waste.

## **The Vancouver Declaration to support the SDGs via FSC™ certification**

In October 2017, we joined the Forest Stewardship Council™ (FSC) and other leading businesses in a pledge to ensure that our use of forest materials contributes to global sustainable development goals.

SIG and other signatories to the [Vancouver Declaration](#) acknowledge that we have a

special responsibility in ensuring that the world's forests are managed sustainably because forest products are an essential part of the goods we produce for customers and our success is dependent on long-term access to those raw materials.

Collectively, we recognise that forests play an essential role in mitigating climate change, protecting biodiversity and providing livelihoods to hundreds of millions of people, and we want to ensure that our use of forest materials contributes to sustainable development, not least to local people who are dependent on the forests.

By pledging our support for FSC certification as the most credible and widely acceptable choice for promoting sustainable forestry and by calling upon others to support this movement, we aim to work together to achieve sustainable production and consumption through market transformation.

Our Chief Financial Officer, Samuel Sigrist, presented the Vancouver Declaration at the FSC's 8th General Assembly. SIG was also the exclusive top sponsor of the General Assembly which sets the direction of the organisation. Our sponsorship funds facilitated the attendance of FSC members who otherwise might not have had the resources to attend the assembly and exercise their membership rights. See [pages 15-16](#) for more about our FSC commitment.

## **Understanding our contribution**

We are conducting a full analysis of all 17 SDGs and 169 accompanying targets to identify where we have the most potential to make a significant contribution. To complete this analysis, we will draw on the guidelines on business reporting on the SDGs being developed by the Global Reporting Initiative and the United Nations Global Compact. We are also engaging with sustainability ratings agencies such as EcoVadis that are working towards integrating the SDGs in their assessments.

At the FSC General Assembly, we participated in an event with the FSC, the World Business Council for Sustainable Development, WWF and leading businesses to discuss how to better understand, enhance and communicate contributions to the SDGs. Forest certification is one of the indicators set out by the United Nations to measure progress towards the goals and the FSC's [analysis](#) identifies 11 of the SDGs (and 35 of the accompanying targets) where the FSC forest management certification can make the biggest contribution.

At the COP23 global climate conference, together with IKEA, we supported the launch of the FSC's Bonn Initiative that aims to develop methodologies 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.



*"It was a great honour for me to present the Vancouver Declaration at the FSC's 2017 General Assembly. We believe that this initiative, with its commitment to FSC certification, is a key tool in achieving parts of the United Nations Sustainable Development Goals"*

**Samuel Sigrist**  
SIG Chief Financial Officer



# CHAMPIONING *WAY BEYOND GOOD*

We are harnessing the energy and enthusiasm of our people to raise awareness of responsibility issues across the business and help us go *Way Beyond Good*.

Our employees play a vital role in delivering on our ambitions. Volunteers across the business are helping us engage our people on important responsibility topics through regular campaigns in each region. Together, they form a network of *Way Beyond Good* champions.

We provide toolkits with tips on how to run each campaign, including information on the topic we want it to focus on. With the sponsorship and support of a member of our Group Executive Board, the champions then come up with creative ideas and activities to make the campaign resonate in their region and engage employees effectively on the selected topic.

In 2017, they began running awareness activities and events at all our major locations worldwide. The first campaign on food waste offered great opportunities to get people involved in fun – and tasty – ways. The champions' next challenge is to promote our flagship project, Cartons for Good (see [page 8](#)).



Linnich Germany

## Linnich Germany

An exhibit and a questionnaire in the site canteen got people thinking about food waste. We also demonstrated the concept for our Cartons for Good project (see [page 8](#)), using seasonal ingredients to make pumpkin chutney at the local autumn market.

## Chester USA

Two chefs showed people how to make delicious meals out of leftovers at a 'lunch and learn' on food waste. Employees were given misshapen fruits and vegetables that are often thrown away to take home and cook.

## Mexico City Mexico

A buffet lunch gave employees a chance to share food and tips on how to cut food waste at home, in the office and at restaurants.

## Campo Largo Brazil

Competitions encouraged employees to donate food to local families in need (nearly five tonnes in total) and aimed to inspire local children to waste less food in the school canteen. A scoreboard also highlighted the amount of food being wasted in the SIG site canteen.

## São Paulo Brazil

External speakers were invited to talk about food waste issues and we partnered with a local NGO to offer snacks made with unusual parts of foods such as cake made from banana skins, bread made from beetroot peel and paté made from vegetable stalks.



Whakatane New Zealand

## Neuss Germany

Employees took part in an awareness raising lunch with a local charity that collects and distributes food which cannot be sold in supermarkets because its expiry date is too short.



Cluj Romania

## Cluj Romania

A local chef cooked up recipes using the ingredients most often wasted in people's fridges at home and, together with a local charity, employees prepared meals for 250 people in need using unwanted food from restaurants. Employees can now easily share their leftovers from lunch through an allocated area in the office, avoiding food going in the bin because their colleagues don't know it's free to take.

## Rayong Thailand

A team from SIG shared tips with 70 children at a local school to help them and their families reduce food waste, and asked them to put these tips into practice at home.



Rayong Thailand

## Whakatane New Zealand

At the local school, SIG volunteers ran a competition for children to make the pies that not only looked and tasted best but had the least food waste left over.

# RESPONSIBLE COMPANY

Being a responsible company is essential to earn the trust of our customers and other stakeholders. Our goal is to halve our environmental footprint and double societal benefits across our value chain by 2030, while meeting our business growth targets.



# RESPONSIBLE COMPANY

Working with a responsible company is becoming increasingly important to our customers as stakeholders expect businesses to drive higher standards throughout their supply chain.

To demonstrate our commitment to responsibility and achieve our *Way Beyond Good* ambitions, we have set targets on all our most material environmental and social topics. Our Responsibility Steering Group coordinates implementation of the roadmap and ultimate accountability for our performance lies with our CEO and Group Executive Board.

We verify our credentials through recognised third-party assessments, such as EcoVadis and the Supplier Ethical Data Exchange (SEDEX). In 2017, we retained our EcoVadis Gold status and are now ranked in the top 1% of participating companies.

To show how we are performing against our ambition to become a net positive business, we need to be able to measure our impacts at each stage of the value chain – from forests and suppliers to our own operations, customer use of filling machines, and consumer use and disposal of our packs.

We are working on ways to quantify our environmental footprint and societal impacts as we continue to drive progress towards our ambition.

## Cartons for Good: Our flagship project



Our flagship project, Cartons for Good, will help to enhance farmers' livelihoods, promote children's nutrition and education, and cut food waste.

A third of all food produced worldwide is wasted every day, yet over 2 billion people are malnourished. Even in developing countries where rates of malnutrition are among the highest in the world, food is still wasted due to a lack of adequate storage and preservation.

We are using our technology, expertise and enthusiasm to tackle this challenge. Our innovative self-contained mobile food filling unit will help communities preserve surplus food at harvest time, which they could not otherwise sell. With our mobile solution, there is no need for them to invest in their own cooking or canning equipment to do this.

**1** Farmers bring their surplus crops to sell at harvest time.



**3** Local schools give the packs to children so they don't have to drop out of school to work for their food.

**2** The crops are turned into nutritious meals and preserved in SIG packs using our specially-engineered mobile filling unit.

We are partnering with **BRAC**, an international development organisation, to pilot Cartons for Good in the Manikganj region of Bangladesh in 2018. The food preserved will be used to provide free school meals throughout the year for underprivileged children attending schools run by BRAC.

Not only will this give the children essential nutrition, it will also improve their education by enabling them to stay in school instead of going out to work because they cannot afford food.

Find out more and view a video about the pilot in Bangladesh on our [website](#).

*"We run schools for underprivileged children across the country. Often, they cannot afford to pay for their education or even for food. Most of them drop out of school because they need to go out and work to buy food for themselves and for their families. That's why we run a milk programme to attract them to come to school. They know that if they come to school, they are not only getting an education, but a pack of milk too. Converting that into a meal will mean that not only will they learn, they will also have something to eat. That's a very good idea."*

**Mohammad Anisur Rahman**  
Director Dairy and Food, BRAC

## EcoVadis Gold: SIG ranked in the top 1% of companies

We've made great progress in the first year of *Way Beyond Good* and that progress has been recognised in an independent assessment by EcoVadis. We were already in the top 4% of companies assessed the previous year and now we are in the very top 1%.

EcoVadis conducts a detailed independent assessment of our policies, processes and performance on environment, social, ethics and supply chain criteria. Not only have we maintained our Gold rating, we have also significantly increased our overall score from 64 to 77.



We improved our scores in all four categories and we're now in the top 1% of around 30,000 participating companies for both environmental management and sustainable procurement. We aim to enhance our focus on labour and fair business practices over the next few years through the actions set out in our responsibility roadmap.

## Targeting greenhouse gas reductions

We're committed to cutting our carbon footprint across the value chain. We established a methodology to quantify Scope 3 emissions from our supply chain in 2016 and this year we have built on this initial work to develop new targets to reduce greenhouse gas emissions.

By 2030, we will reduce greenhouse gas emissions across our value chain (scopes 1, 2 and 3) by 25% per litre of food packed.<sup>1</sup>

We chose 'per litre of food packed' as our comparator, rather than revenue or number of packs produced, to better reflect our corporate purpose to get food products to consumers around the world in a safe, sustainable and affordable way – regardless of the size of the pack or our company turnover.

We have also developed new science-based targets for emissions from our own business. We are now targeting a 50% reduction in our Scope 1 and 2 greenhouse gas emissions by 2030 – and a 60% reduction by 2040 – from the 2016 baseline.

The metrics accompanying these targets are now included in our key performance indicators (see [page 24](#)). We have submitted our new greenhouse gas reduction targets for approval by the Science Based Targets Initiative to support global efforts to prevent the worst impacts of climate change.

SCOPE 1 & 2  
**-50%**  
by 2030

SCOPE 1 & 2  
**-60%**  
by 2040

SCOPE 1, 2 & 3  
**-25%**  
per litre of food  
packed by 2030

<sup>1</sup> Scope 3 emissions include our paper mill in New Zealand.



## Building sustainability into our new technical centre in China

Our new technical centre for product innovation and customer support in China will be housed in a state-of-the-art sustainable building. On completion in 2018, we are targeting gold standard from LEED (Leadership in Energy and Environmental Design), a recognised green building certification.

The building will be highly efficient with energy-saving features such as LED lighting, sensors to turn off lights and air conditioning when rooms are unoccupied, and adaptive shading for windows to maximise natural light while controlling glare and heat from the sun. More than 75% of the offices and meeting rooms have daylight.

Water use will be minimised through rainwater collection and water recycling. Solar panels on the roof will heat water and generate renewable electricity to power the building's highly efficient air conditioning units. We will also promote use of public transport, low-emitting vehicles and bicycles to travel to and from the site.

We are now exploring the potential for on-site renewables at other sites, including a 3.2MW roof-top solar unit planned at Rayong in Thailand.

## Suzhou site combines Best Employer with award-winning safety performance

Our production site in Suzhou, China, was named the Best Employer in the region in 2017. SIG ranked first among more than 100 other companies based on a combination of public voting, employee surveys and expert evaluation.

Suzhou also won the SIG CEO Safety Excellence Award in 2017, achieving more than 1.5 million working hours and over three years with zero lost-time cases. The team at Suzhou put this success down to making safety – and our life-saving rules – part of the site's DNA. Over the last year, the focus has been on behaviour-based safety to understand and prevent at-risk behaviour and reinforce the site's excellent safety record.

Getting everyone at the site involved is key. Team meetings start with a discussion on safety and the site holds regular quizzes and

awards to encourage people to share ideas on how to improve safety. Together with routine safety checks, this has enabled us to spot and eliminate more than 70 barriers to safe behaviour at Suzhou.

In 2017, we extended the criteria for our Safety Excellence Awards to recognise smaller production sites and offices that demonstrate a strong commitment to behaviour-based safety too.

**1.5 million hours**  
with zero lost-time cases



## *Building trust and strengthening leadership for our people*

Building trust has been a major focus of our leadership training in 2017, in response to feedback from our 2016 global employee engagement survey that showed we need to provide stronger leadership.

More than 250 top managers were coached in transformational leadership during 2016 and we rolled out training on this new model to the next level of managers across the business in 2017. In addition, 367 supervisors have now completed a combination of e-learning modules and face-to-face training to get their 'Leadership Licence'. The aim is to empower leaders to create a positive, motivating work environment.

We encourage constructive feedback and managers are assessed by employees to understand how they can further develop their skills to complete the transformational leadership training.

## Managing change

In September 2017, we announced changes to the business to enable us to continue our long-standing success in an increasingly challenging competitive environment.

To continue to grow profitably in the future, we are investing worldwide in the modernisation and expansion of our plants, in the development of innovative products and new markets, and in research, development and technological expertise. Central to this is our unwavering commitment to invest in training and developing our people to ensure we have the right skills to succeed in a changing environment.

All of this requires resources and it has been necessary to realign our cost structure to make the investments that will drive future growth. The resulting cost-saving measures include a reduction of roles in administrative and corporate functions.

We communicated the changes to all our employees and we are engaging with those affected to provide outplacement services and other support in line with local legislation. We aim to avoid compulsory redundancies as far as possible.

In 2017, we also made the transition from local human resources representatives to a central team that employees contact remotely.

Through our 2016 employee engagement survey, we heard from our people that we need to manage change better. We responded by engaging in a dialogue about this new system for HR support that was well-received by both managers and employees. This included tailored communications to different groups of employees, information booths and consultations to listen and respond to concerns.



## Engaging employees on ethics



*"We got this training right at the start when the new Business Centre opened in Cluj. Seeing ethics at the core of the business was a breath of fresh air, especially in such a competitive space. We need to win at the customer, but not by all means or at any cost. And if something doesn't feel right, always ask and don't be afraid to call Legal for advice."*

**Gabriel Albert**  
Network Engineer,  
Romania

In 2017, we ran a series of in-depth training sessions on ethics and compliance. More than 200 employees participated, including purchasing teams and staff at our new service centre in Cluj,



*"I found the training very useful and engaging. Discussing real life examples made it easier to relate to the theory in the Code of Conduct and understand how to react in real life situations. The training will also help my HR team make sure all employees are aware of what is expected of them."*

**Ioana Balogh**  
Team Leader,  
HR Global

Romania. We have also made this training an integral part of our in-house technical and sales training for participants in SIG's CombiCollege.



*"SIG's procurement teams are dealing directly with suppliers and they have to understand what those relationships mean as a customer. The training was particularly useful to help them understand real life issues they may come across in their work. For example, they need to know when an invite from a supplier is against our policy in order to politely decline."*

**Henrik Wagner**  
Global Sourcing &  
Procurement Director,  
Switzerland

# Our roadmap: progress in 2017

FOCUS AREA	2020 TARGET	PROGRESS IN 2017
	<p><b>Define a methodology to measure our environmental footprint and societal benefits across our value chain to establish a baseline for our 2030 goal</b></p>	<p>We have established a methodology for measuring greenhouse gas emissions at each stage of the value chain and we have begun work to extend this to cover our environmental footprint. We are also working through the Net Positive Project to develop a methodology for businesses to measure their positive and negative impacts (see <a href="#">page 4</a>). Quantifying societal impacts is particularly challenging. One aspect of this is our support for communities and we are developing a tool to measure the impact of our community engagement programmes.</p>
<p><b>Environmental footprint</b></p>	<p><b>Put a science-based CO<sub>2</sub> reduction target in place covering our entire value chain (by 2018)</b></p>	<p>We have committed to cut scope 1 and 2 greenhouse gas emissions by 50% by 2030 – and by 60% by 2040 – and reduce scopes 1, 2 and 3 emissions by 25% per litre of food packed by 2030 (from the 2016 baseline). We have submitted our new greenhouse gas reduction targets for approval by the Science Based Targets Initiative (see <a href="#">page 9</a>).</p>
	<p><b>Achieve compliance with ISO 50001 and revised ISO 14001 standard at all production plants</b></p>	<p>We achieved recertification to the ISO 50001 energy management standard, following audits at three of our main production sites in Europe. Nine production sites and corporate functions underwent audits to achieve Group-wide recertification to ISO14001 and we are preparing for the revised standards that will apply from 2018.</p>
	<p><b>Reduce energy rate* by more than 35% (from 2014)</b></p>	<p>Our energy rate increased by 4.6% from last year (10.6% from 2014) largely due to the optimisation process for our newly-built combined heat and power plant in Linnich that enables us to produce our own electricity on site and will help us cut greenhouse gas emissions in the long term. We also implemented initiatives to better analyse and reduce energy use, including introducing over 1,000 energy monitors at Linnich and reusing heat generated in production at Suzhou.</p>
	<p><b>Cut operational greenhouse gas emissions rate* (Scope 1 and 2) by more than 50% (from 2014)</b></p>	<p>We have cut our operational greenhouse gas emissions rate by a further 63.5% during 2017 to achieve an overall 65% reduction from 2014, achieved primarily through the transition to 100% renewable electricity at our production plants (see <a href="#">page 17</a>).</p>
	<p><b>Reduce waste rate* by more than 45% (from 2014)</b></p>	<p>Our waste rate has increased by 4.6% from the 2014 baseline, partly as a result of better waste reporting. This standardised reporting has enabled us to benchmark performance across all our sites to help us better understand the impact of improvements and identify best practices for waste reduction that we will begin implementing in 2018. One example of best practice is the introduction of a new facility to internally recycle waste polymers on site at Suzhou in 2017.</p>

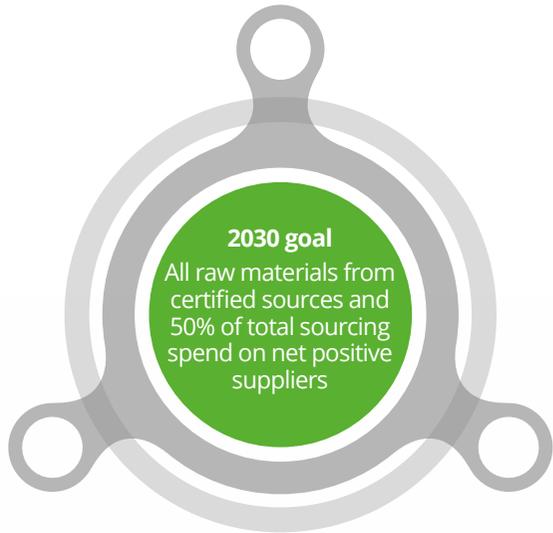
\* Energy, emissions and waste rates are per million square metres of sleeves produced.

# Our roadmap: progress in 2017

FOCUS AREA	2020 TARGET	PROGRESS IN 2017
<b>Employees</b>	<b>Increase employee net promoter score year by year; Achieve a sustainable engagement score above industry benchmark; Achieve cultural entropy level below 10%</b>	We will measure progress towards our goals on employee net promoter score, engagement and cultural entropy through our next employee engagement survey, which is planned for 2018.
	<b>Maintain voluntary turnover below 5%</b>	We maintained a voluntary turnover of 4%.
	<b>Make our training and development investment above industry benchmark</b>	We have continued to invest in our people's development, offering a range of new training modules and providing an average of 23.8 hours of training per employee, just below the industry benchmark of 24 hours per employee.
<b>Health and safety</b>	<b>Zero lost-time case rate</b>	We have decreased our lost-time case rate by 32% to 0.36 during 2017. Our behaviour-based safety programme has now launched at four sites and contributed to safety excellence at Suzhou (see <a href="#">page 10</a> ). We also continue to focus on our life-saving rules and initiatives to address specific issues such as risks to hands and fingers in parts of the production process.
	<b>Achieve a life-critical safety elements score of 100% at all production sites</b>	We maintained a score of 96% at all production sites. Our emphasis on standards, education and behaviour will help us improve this score.
	<b>Maintain a health rate of more than 97%</b>	We have conducted an analysis of the key health issues for SIG employees to help us develop a suitable health rate metric and a health management system to focus on key topics such as ergonomics when lifting.
<b>Governance and ethics</b>	<b>Mandatory annual Code of Conduct training for all employees</b>	We have begun developing e-learning modules to train employees on aspects of our Code of Conduct. We have also set out detailed policies on gifts and entertainment to provide guidance for staff in each region.
	<b>In-depth training on specific areas of compliance for high-risk roles every two years</b>	More than 200 people in high-risk roles across the business completed in-depth training on compliance with our Code of Conduct (see <a href="#">page 11</a> ).
	<b>SEDEX Members Ethical Trade Audit (SMETA) at all large sites with more than 40 employees</b>	Our site in Mexico became the first of our office and service sites to complete a SMETA audit. We also conducted an internal assessment of our New Zealand paper mill in preparation for its SMETA audit in 2018. All our production sites were audited in 2016 and the next audits of these sites are due in 2019.
<b>Communities</b>	<b>Double the number of community and education programmes over five years</b>	We have increased our community and education activities across the business and we are developing a global framework to help local teams ensure all programmes align with our priorities and deliver tangible benefits for communities and our business.
	<b>Launch a global flagship project using our expertise to support communities</b>	We have begun work on our flagship project, Cartons for Good, by adapting our technology to create a mobile filling unit, establishing a partnership with an NGO to help us reach communities who need it and identifying a region in Bangladesh where we will pilot the project in 2018 (see <a href="#">page 8</a> ).

# RESPONSIBLE SOURCING

Impacts from the materials and services we buy are a significant part of our value chain footprint. Our goal is for all our A-materials to come from certified sources and to increasingly buy from suppliers that share our net positive commitment.



## RESPONSIBLE SOURCING

We spend around €1 billion a year with suppliers and we aim to promote high ethical standards among all our suppliers, focusing initially on significant suppliers<sup>1</sup> that have the biggest impact on our business.

As we work towards our own net positive ambition as a company, we are also encouraging suppliers to set similar goals. In 2017, we were pleased to welcome the Stora Enso Consumer Board Division, one of the main suppliers of liquid packaging board for our packs, as a fellow member of the Net Positive Project. Our aim is for 50% of our purchasing spend to be with net positive suppliers by 2030.

Around 60% of our total spend goes on the raw materials used to make our cartons. Recognised external certifications such as FSC provide us, our customers and consumers with reassurance that the materials we use to make our packs are produced in a way that minimises environmental and social risks.

By 2020, we aim to source 100% of our A-materials – liquid packaging board, polymers, aluminium, ink and solvents – from certified sources. Our customers can already include the FSC-certified label on any of our cartons and we have begun sourcing forest-based polymers<sup>2</sup> that are certified through the ISCC PLUS or CMS71 schemes. In 2017, we introduced new purchasing policies defining responsibility requirements for polymers and aluminium, complementing the existing policy on liquid packaging board.

We made another significant step forward in our responsible sourcing goals in 2017 by purchasing 100% of electricity for production from renewable sources to help reduce our environmental footprint.

1 Suppliers are defined as significant based on their potential impact on our ability to meet customer needs, the high volumes we purchase from them and sustainability risks.  
2 Using a mass balance system (see [page 20](#))

## Promoting the business call for FSC™ certification to support the United Nations Sustainable Development Goals

We continued our engagement with the Forest Stewardship Council™ (FSC) in 2017 and reconfirmed our commitment to remain actively engaged in the development of the FSC certification scheme.

SIG was the main sponsor of the FSC's General Assembly, where we had the honour of presenting the [Vancouver Declaration](#) – a business call for FSC certification to support the United Nations Sustainable Development Goals.



In signing the Declaration, we joined other leading companies in pledging to continue to increase our sourcing of FSC-certified materials and call upon others to do the same (see [page 5](#)). By the end of 2017, it had already been signed by 65 [companies](#) including IKEA, H&M and M&S.



*“Our forests are a wonderful yet delicate natural resource, and a lot of people’s lives depend on their sustainable and responsible use. By committing to using FSC-certified wood and forest products, our partners are helping to protect our forests – and the planet – for future generations.”*

**Kim Carstensen**  
Director General of FSC  
(above left, with our CEO Rolf Stangl)



*"Joining the net positive initiative is an important and logical next step in Stora Enso Consumer Board division's sustainability strategy. In this, we aim to realise concrete actions that will help us fulfil our purpose, which is to 'Do good for people and the planet. Replace fossil-based materials with renewable solutions'. Joint value chain activities will bring this ambition to its maximum, creating added value on the market. Therefore, we look forward to working jointly with SIG on the net positive activity."*

**Eija Hietavuo**  
SVP Sustainability,  
Consumer Board,  
Stora Enso



*"At BillerudKorsnäs, sustainability is an important part of our core business and a key element to support our customers. Therefore we are proud to be rated by EcoVadis for the fourth time in a row among the top 1% of all companies assessed to the highest rating for sustainability and to share this top rating with our customer SIG. This shows our strong alignment on sustainability along the value chain."*

**Henrik Essén**  
SVP Communication and  
Sustainability, BillerudKorsnäs

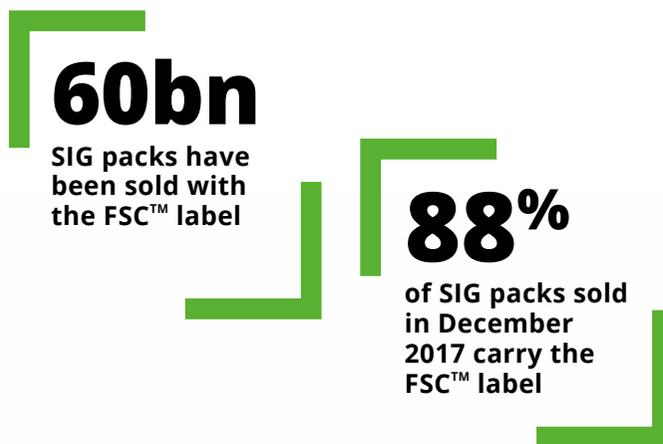
## Reaching the next milestone on our FSC™ journey

More than 60 billion SIG packs have now been sold with the FSC™ label, showing how responsible sourcing is supporting sales. Over 80% of SIG cartons sold in 2017 carried the FSC label. With the share rising to 88% in the month of December, we are well on our way to achieving our target of 100% by 2020.

This follows the previous milestone on our FSC journey in 2016 when we became the first carton provider to secure a sufficient supply of FSC-certified liquid packaging board to guarantee that our customers can choose to include the FSC label on any of our cartons.

SIG has led the industry in providing 100% global coverage of FSC chain of custody certification (licence code FSC C020428) and FSC-certified carton packs that can be traced back to source since 2009, when we introduced FSC labelled packs at a large scale for juice and dairy in many countries worldwide.

In 2017, we continued to source 100% of our liquid packaging board from FSC-certified paper mills and increased the minimum supply made with wood from FSC-certified forests from 70% to 89%.



## Certifying mass balanced plant-based polymers

Our innovative **SIGNATURE PACK** is 100% linked to forest-based renewable material from renewable European wood sources. The liquid packaging board is made directly from forest-based material and the polymers used for laminating the paperboard, creating the barrier layer and making the spout are linked to forest-based material via a mass balance system (see [page 20](#)).

In line with our 2020 commitment to obtain 100% of our A-materials from certified sources, we set out to identify a suitable certification for the plant-based polymers used in the **SIGNATURE PACK** to ensure they are sourced sustainably and do not contribute to unsustainable land use practices.

The International Sustainability and Carbon Certification (ISCC PLUS) for biomaterials does just that.



It certifies that the plastics are made from – or are linked via a mass balance system to – bio-based raw materials sourced from either sustainable agriculture or bio-waste that would otherwise be disposed of. The polymers we use are linked to tall oil, a wood-based residue from paper production.

All our European sleeve and spout production plants have achieved certification to ISCC PLUS to ensure full traceability of renewable credits along the supply chain. External audits are performed every year to ensure full compliance with ISCC PLUS standards. This works in a similar way to the FSC™ chain of custody certification we have in place for our liquid packaging board and we have suitable purchasing policies in place for both.

## Towards certification of our aluminium supply chain

The Aluminium Stewardship Initiative (ASI) launched a certification programme for the responsible production, sourcing and stewardship of aluminium in December 2017.

In anticipation of this launch, we worked closely with our value chain partner Amcor during the year to assess the readiness of our supply chain against the requirements of the ASI's Performance Standard for the sustainable sourcing of aluminium foil.

Together, we engaged third-party verification body DNV GL to conduct pilot assessments with our aluminium foil and foil stock manufacturers in our supply chain in Europe and Asia. These assessments were designed to give us a snapshot of performance against the ASI Performance Standard in our supply chain and identify areas for improvement for suppliers in readiness for the new ASI certification.

We will continue to work with value chain partners in 2018 to share best practice and support continuous improvement among our suppliers, as well as encouraging engagement with smelters and mines to enhance transparency and promote responsible practices throughout the supply chain.



*"Engaging suppliers on improving sustainability performance from mine to manufacturing is a challenging task. We are proud to work together with SIG and Amcor to bring visibility over their supply chains, build capacity and help all stakeholders to get ready for ASI through our pilot audits. This is a pioneering approach to multi-tier engagement that delivers value and benefit for all involved."*

**Dr Colin Morgan**  
Principal Consultant,  
DNV GL

## Completing the switch to 100% renewable electricity at production plants

We are the first in our industry to source all our electricity for production from renewable sources. At the start of 2017, we made the switch to 100% renewable electricity at all our production plants worldwide.

In Brazil and Europe, we buy green electricity from the grid. But in China and Thailand this is not a viable option so we purchase power through local renewable energy projects certified to the GoldPower® standard.

GoldPower® projects deliver measurable emissions reductions as well as creating benefits for local communities, such as air or water quality improvements or job opportunities. One project in Thailand extracts methane from wastewater to generate electricity and produce more than 5.7 million litres of treated water per day for local communities.

In 2017, we purchased 35,900MWh of GoldPower® electricity in Thailand alone, saving 20,323 tonnes of CO<sub>2</sub> equivalent emissions.



**100%**

**of our electricity for production from renewable sources**

## Introducing bio-based solvents for printing our packs

The printing process for our packs involves the use of small amounts of solvents. In 2017, we sourced more of these solvents from plant-based ethanol for use in our European manufacturing. Although the amounts per pack are small compared with our three key raw materials, this move away from fossil-based materials supports our long-term ambition to go *Way Beyond Good*. We are also engaging with ink suppliers to explore the feasibility of introducing more plant-based ingredients for other components, such as the binders used to make the ink stick to the packs.

## Engaging with services suppliers on ethical standards

In 2017, we extended our engagement on ethical standards beyond our significant suppliers to those that provide services that are not directly related to production. We have identified approximately 50 high-risk suppliers in this category, based on the services they provide and their country of operation.

We are now working with them to communicate and assess compliance with our responsibility requirements. Around 70 suppliers took part in workshops held at our production plants in Europe and Asia, where we introduced our *Way Beyond Good* ambitions and explained our expectations of suppliers. We will hold a similar workshop in Brazil in 2018.

# Our roadmap: progress in 2017

FOCUS AREA	2020 TARGET	PROGRESS IN 2017
<b>Ethical supplier standards</b>	<b>Include new social responsibility requirements in 100% of contracts with suppliers of our key raw materials</b>	Approximately 96% of our contracted suppliers of key raw materials (by spend) have either signed our Business Ethics Code or have demonstrated they have an equivalent code in place through platforms such as SEDEX or EcoVadis. Our new procurement software, to be rolled out to all suppliers, includes a functionality to monitor suppliers' acceptance of our Business Ethics Code. We are exploring how this could help us extend our 2020 target to cover all our significant and high-risk suppliers.
	<b>Audit 10% of high-risk suppliers each year</b>	We identified 12 significant suppliers as high-risk because they had provided no evidence of their commitment to corporate responsibility (CR). Two of these (17%) were selected for audit, but one has since been removed from our list of suppliers. As a result, we only audited one (8%) of our high-risk suppliers in 2017.
	<b>Provide regular training (at least every two years) on ethical supplier standards and sustainable sourcing to all employees who interact frequently with suppliers</b>	We trained everyone in our global, regional and local procurement teams on their role in implementing our new Responsible Sourcing Directive which sets out our processes for assessing suppliers' CR performance and promoting improvements. We also trained 27 buyers and quality managers to conduct high-level CR checks during regular visits to suppliers' sites and trained six people to conduct in-depth CR audits.
<b>Sustainable raw materials</b>	<b>100% FSC™ labelled packs (work with customers to include the FSC logo on 100% of the packs we sell)</b>	We reached a milestone by selling our 60 billionth FSC™ labelled pack and increased the share of packs sold with the FSC logo on them to 88% by the end of 2017 (see <a href="#">page 16</a> ).
	<b>100% A-materials from certified sources</b>	We sourced 100% of our liquid packaging board from paper mills with the FSC Chain of Custody certification, increased the minimum supply made with wood from FSC certified forests from 70% to 89% and worked with key suppliers to understand how they can help us reach 100%. We continued to explore options for certification of polymers, including ISCC PLUS for biopolymers (see <a href="#">page 16</a> ) and worked with one of our value chain partners to begin pilot audits of our aluminium supply chain in anticipation of the Aluminium Stewardship Initiative's new certification (see <a href="#">page 17</a> ). We also introduced new purchasing policies that set out our responsibility requirements for sourcing of polymers and aluminium, alongside the existing policy on liquid packaging board.
<b>Energy sourcing</b>	<b>100% renewable energy and Gold Standard CO<sub>2</sub> offset for all non-renewable energy (at production plants)</b>	We have made the switch to 100% renewable electricity at all our production plants (see <a href="#">page 17</a> ) and we plan to introduce renewable alternatives for gas in 2018.
<b>Sustainable logistics</b>	<b>Increase the rate of full truck loads delivered to customers</b>	We increased the rate of full truck loads delivered from 92% to 93% and introduced a new stacking process that enables more sleeves to be transported per truck.
	<b>Ensure logistic partners use trucks that meet Euro 6 emissions standards for 100% of outbound road transport from our production plants in Europe</b>	Our partners used Euro 6 trucks for 60% of outbound road transport from our European production plants, up from 47% in 2016.

# RESPONSIBLE PRODUCTS

Our goal is to offer customers the most sustainable solutions on the market. We are cutting environmental impacts across the lifecycle through responsible sourcing and manufacturing – and a strong focus on product innovation in our packs, our filling machines and our technical service.



## RESPONSIBLE PRODUCTS

We partner with customers to offer solutions that meet their needs. Many of our customers – major food and beverage producers – are increasing their focus on sustainability and have set targets to improve environmental and social performance throughout their value chain.

With *Way Beyond Good*, we can help them meet those targets. Packaging is part of the lifecycle impact of our customers' products and the footprint of our cartons from cradle to gate is up to 70% smaller than alternatives such as bottles and cans.<sup>1</sup>

All our cartons are made up of 70-80% renewable materials on average and are fully recyclable. Our innovative EcoPlus pack is 82% renewable and our award-winning new **SIGNATURE PACK** is 100% linked to forest-based materials (see right).

We are working to further enhance the environmental credentials of our packs, our filling machines and our technical service. Our efforts to cut the impacts of our company (see [page 7](#)) and sourcing (see [page 14](#)) also play an important role in reducing lifecycle impacts of our products as we work to become a net positive business in the long term.

### SIGNATURE PACK: the world's first aseptic pack 100% linked to forest-based renewable material

Our **SIGNATURE PACK** is the world's first aseptic carton pack that is 100% linked to forest-based renewable material. It won the 2017 Beverage Innovation Award for best carton or pouch. The judging panel commented that "the **SIGNATURE PACK** is a commendable environmental step forward".



The pack builds on the success of our EcoPlus design, which increased the renewable wood-based content of each carton to 82% by removing the need for an aluminium barrier layer while providing the shelf life performance expected from an aseptic carton. **SIGNATURE PACK** takes this a step further by using polymers that are linked to 100% forest-based material to make up the rest of the carton, the barrier and the spout.

To link the polymer to forest-based material, we use mass balance systems. This means that our suppliers must include the amount of plant-based raw materials in

manufacturing their polymers equivalent to the amount we buy to make our **SIGNATURE PACK** cartons and spouts. The certified plant-based materials are mixed in with conventional fossil raw material to produce the polymers and the totals are balanced through recognised and audited certification schemes to ensure strict traceability and accountability.

We believe this mass balanced approach supports a wider transition from fossil to bio-based raw materials within the conventional and highly efficient polymer industry, instead of using niche small scale producers with a limited number of plastic grades. In October 2017, we partnered with a mass balanced forest-based polymer supplier to present and discuss mass balancing at the Sustainable Brands [conference](#) in Copenhagen.

The polymers used in the coating and closures of **SIGNATURE PACK** cartons are certified to ISCC PLUS (see [page 16](#)) and those used for the barrier layer of the packs are certified through the alternative TÜV SÜD CMS71 scheme.

Many major consumer brands are targeting a switch from fossil-based plastics to bio-based packaging to enhance the sustainability of their products and customers have welcomed our announcement of the new **SIGNATURE PACK**. Development of the pack was finalised in 2017, ready for market launch in 2018.



<sup>1</sup> See lifecycle assessments on our [website](#).

## EcoPlus launched by Carrefour in Spain

Sales of our 82% renewable, aluminium-free EcoPlus packs successfully continued in 2017 with the official launch of the packs for three types of milk under the brand of Spanish retailer Carrefour. Following their corporate principles to think and act sustainably, Carrefour is now filling Spain's first UHT milk in an environmentally friendly packaging with 28% less CO<sub>2</sub> emissions along the product lifecycle.



## Cutting polymer use in our packs

Our combibloc RS structure has saved more than 750 tonnes of polymer since it went into production in March 2016. The material composition of the new structure optimises the properties of the carton, improving stability during processing while contributing to better environmental performance. RS reduces the carbon footprint of our standard packs by 5% from cradle to gate for 1 litre packs and by 6% for 200ml packs.<sup>1</sup>

<sup>1</sup> Calculation based on SIG lifecycle assessment tool, cradle to factory gate, EU28.

**More than  
750 tonnes  
of polymer saved since  
March 2016**



## Partnering with customers to promote sustainable consumption in Brazil



*“Cemil knows that caring for the environment is as important as caring for the quality of products and people's health. We always seek to promote environmental sustainability by raising awareness among our employees, partners, producers and consumers, promoting sustainable consumption and supporting the preservation of the environment. In recent industry audits on food quality and safety and social responsibility, we received a very high evaluation – one of the highest results in Brazil. The ‘Eu Penso Meio Ambiente’ portal in partnership with SIG is an important tool for sharing information and promoting environmental education for its entire chain.”*

**João Bosco Ferreira**  
President, Cemil

We are helping customers in Brazil publicise their social and environmental programmes, enhance their reputation and promote recycling among consumers through our dedicated website entitled ‘Eu Penso Meio Ambiente’ (‘I think environment’).

The portal uses dynamic content to inform people about ways to preserve our environment and natural resources, including changing attitudes and choosing more sustainable products.

SIG customers such as Piá, Godam, Cemil and Latco have set up their own pages on the site to raise awareness about sustainable consumption and share information about their own sustainability initiatives, including those we work on together in partnership.

## Using technical service to help customers become more sustainable

In 2017, we surveyed customers across our regions to understand how important they consider sustainability criteria to be in the technical service we offer them. Of the 90 customers we asked, 87% said that services to help them reduce their CO2 footprint in particular are important or very important.

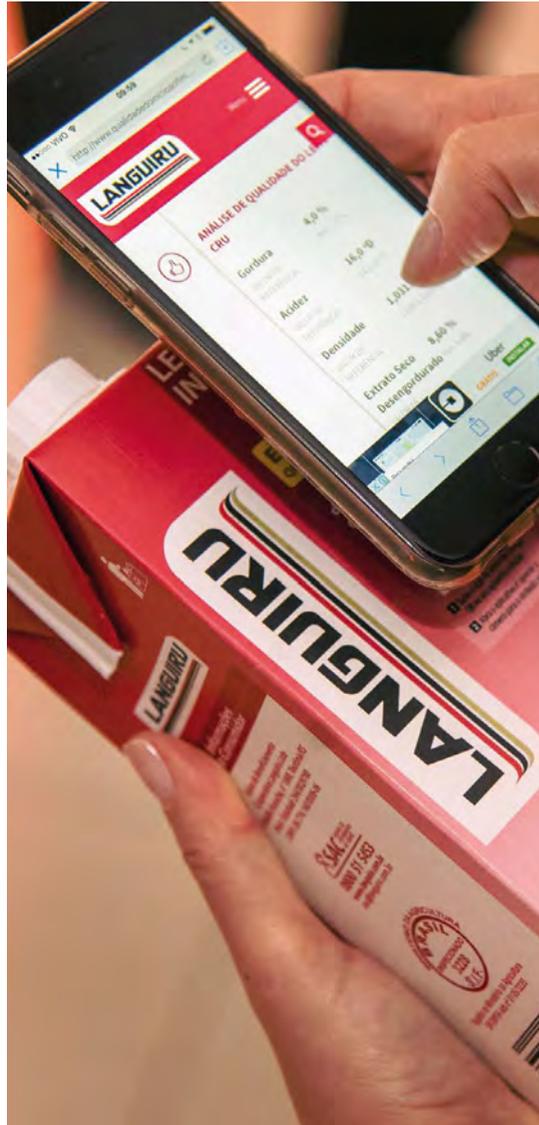
Feedback from our service teams confirmed that customers are interested in technical solutions that can improve environmental performance. With this in mind, we have designed several technical upgrades to reduce energy and water use that can be retrofitted to existing SIG filling machines or purchased with new fillers.

Our new cleaning unit, specially designed for use with SIG filling machines, uses 83% less water and 47% less energy than manual cleaning. As parts do not have to be manually cleaned, it also saves time for operators and enhances cleaning quality.

A separate water reduction kit is designed to reduce the amount of water required for cooling in our filling machines. Tests show this can cut water use by 50-60%. The kit will be available in 2018.

There is also demand from customers for sustainability certificates that demonstrate the environmental performance of a filling machine has been checked or improved through regular preventative maintenance or technical upgrades. We are now exploring the potential to offer such a certification.

## Track and trace: Enhancing transparency on product quality and food safety



Our new digital track and trace solution enables our customers to prove the quality of their products to consumers in a fast, practical and accessible way.

We developed the solution in partnership with our customer, Languiru – the second largest production cooperative in the region of Rio Grande do Sul in Brazil – to support its 'Qualidade do início ao Fim' ('Quality from Beginning to End') dairy product line.

At the time of production, each filled pack is printed with an individual QR code, using anti-fraud paint. The trays and pallets that packs are transported in also have unique codes to trace the packs' journey from factory to retailer.

Using the new solution, Languiru can locate every single packaged product at any point in the supply chain – from the collection of raw milk products to the point of sale to consumers – for quality checks and, if necessary, product recalls.

Consumers can scan the QR code on their pack to find out more about the product from a website that includes information about the product itself as well as Languiru's quality system and production process.



*"With this unprecedented project, we have no doubt that from now on we have a greater competitive advantage within this market compared to many other brands without this technology. Through this process, consumers have convenient and safe access via QR Codes to full information about the production of the UHT milk inside the carton."*

**Dirceu Bayer**  
President,  
Cooperative Languiru

# Our roadmap: progress in 2017

FOCUS AREA	2020 TARGET	PROGRESS IN 2017
<b>Our packs</b>	<b>Create a 100% renewable aseptic pack</b>	We have developed <b>SIGNATURE PACK</b> , the first aseptic pack that is 100% linked to renewable forest-based material. <sup>1</sup> Like EcoPlus, <b>SIGNATURE PACK</b> eliminates the need for an aluminium layer in our conventional packs, although this limits its use to products such as UHT milk. We also began a project to create a 100% renewable aseptic pack with enhanced barrier properties that could be used for other products such as juices.
	<b>Offer a carton made of 50% recycled content</b>	We continued to engage with suppliers to discuss a common approach for the use and measurement of recycled content in our raw materials.
	<b>Ensure environmental performance is one of the core value drivers of our product innovations</b>	Environmental performance has been established as a core value driver for our product innovations, alongside other factors such as cost and convenience. We have begun raising awareness of this among project leaders and we are developing a system to track how many of our innovation projects include environmental performance as a core value driver.
<b>Filling machines</b>	<b>Reduce energy use by 20%, hydrogen peroxide use by 35% and water use by 25% per hour of runtime in our next generation filling machine</b>	We completed the concept phase for our next generation filling machine that includes innovations designed to reduce use of energy, hydrogen peroxide and water. We are also testing a prototype new drive system that can reduce energy use by around 40% and we have developed a system that will cut water use by up to 80% in one of our new filling machines for small format packs.
<b>Technical service</b>	<b>Support sustainability improvements for at least 50% of our customers through technical service</b>	We have surveyed customers to understand their needs and developed technical upgrades to our filling machines that will support sustainability improvements for customers (see <a href="#">page 22</a> ).
<b>Recycling</b>	<b>Partner with stakeholders to support collection and recycling of beverage cartons</b>	We have developed a checklist to help local teams find a suitable approach to support collection and recycling of cartons in each region.
<b>Product safety</b>	<b>All production plants certified based on ISO 9001:2015 and all sleeves and spout production plants certified based on BRC Packaging Issue 5 with AA Grade</b>	We achieved Group-wide recertification to the ISO 9001:2008 standard and trained quality managers worldwide in preparation for our transition to the ISO 9001:2015 standard. All our production plants achieved AA or A grade in the latest round of BRC audits in 2016/17. We continued to communicate about food safety through a dedicated internal newsletter and we have introduced an online database where our people can get updates on evolving regulatory requirements.

<sup>1</sup> Including liquid packaging board directly from forest-based materials and polymers linked to forest-based materials via mass balance systems

# KEY PERFORMANCE INDICATORS

The table below shows the key performance indicators (KPIs) we use to measure our performance on our most material issues and additional strategic topics.

Most of the data for 2016 was assured with limited assurance by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft for the publication of our full [Corporate Responsibility Report](#) in 2016. We plan to have KPI data assured again for our next full report in 2018.

MATERIAL ISSUE	METRIC	2015	2016	2017
<b>RESPONSIBLE COMPANY</b>	Operational energy use (GWh)	276	309	<b>323</b>
	Energy rate (MWh/million m <sup>2</sup> of sleeves produced)	181	200	<b>209</b>
	Energy rate (% change from 2014 baseline)	-4.2	5.8	<b>10.6</b>
	Scope 1 greenhouse gas emissions (thousand tonnes CO <sub>2</sub> equivalent)	21.3	29.3	<b>34.5</b>
	Scope 2 greenhouse gas emissions (thousand tonnes CO <sub>2</sub> equivalent)	80.7	78.0	<b>0</b>
	Greenhouse gas emissions rate (tonnes CO <sub>2</sub> equivalent/million m <sup>2</sup> of sleeves produced)	70	72	<b>25</b>
	Greenhouse gas emissions (% change from 2014 baseline)	-11.3	-6.7	<b>-70.0</b>
	Scope 3 greenhouse gas emissions (million tonnes CO <sub>2</sub> equivalent) <sup>1</sup>	-	1.37 <sup>2</sup>	<b>1.31</b>
	Scope 1, 2 and 3 greenhouse gas emissions (grams CO <sub>2</sub> equivalent/litre of food packed) <sup>1</sup>	-	119.4	<b>109.8</b>
	Waste rate (tonnes non-product output/million m <sup>2</sup> of sleeves produced)	37	35	<b>37</b>
	Waste rate (% change from 2014 baseline)	5.7	0	<b>4.6</b>
	<b>Health and safety</b>	Lost time cases	23	21
Lost time case rate (per 200,000 hours worked)		0.55	0.53	<b>0.36</b>
<b>Employee engagement</b>	Sustainable engagement score (% favourable responses)	-	74	- <sup>3</sup>
	Employee Net Promoter Score (% promoters minus % detractors)	-	-16	- <sup>3</sup>
<b>Training and development</b>	Training and development investment (average training hours/employee)	28.5	24.8	<b>23.8</b>
<b>Labour rights</b>	Plants completed SEDEX Members Ethical Trade Audit <sup>4</sup>	-	7	<b>8</b>
<b>RESPONSIBLE SOURCING</b>	A-materials from certified sources (% by spend)	27	39	<b>47</b>
	Electricity in production plants from renewable sources (%)	31.2	33.4	<b>100</b>
<b>Deforestation</b>	Packs sold labelled with FSC™ logo (%)	42	56	<b>80</b>
<b>Ethical supplier standards</b>	New suppliers screened using social responsibility criteria (%)	-	100	<b>100</b>
<b>RESPONSIBLE PRODUCTS</b>	<b>Sustainable product innovation</b>	Impact mitigation potential of innovations related to current standard product	See <a href="#">2016 CR Report</a>	<b>See pages 20-22</b>
	<b>Recyclability</b>	SIG packaging portfolio that is recyclable (%)	100	<b>100</b>
	<b>Food quality and safety</b>	Significant product and service categories for which health and safety impacts are assessed for improvement (%)	100	<b>100</b>
		Significant fines for non-compliances (€)	-	0

<sup>1</sup> Scope 3 emissions include our paper mill in New Zealand. Categories include goods and services, energy production, transportation, travel, commuting, use of our products (filling machines) and product end of life (cartons). See our [2016 CR Report](#), p22.

<sup>2</sup> 2016 figure recalculated as required by the Greenhouse Gas Protocol.

<sup>3</sup> Next employee survey planned for 2018.

<sup>4</sup> Includes all sites with a valid SEDEX certification, based on audits conducted every three years.

## Scope of data

Unless otherwise stated, data in this report covers all our global operations, except our Whakatane paper mill in New Zealand and our joint ventures in the Middle East.