

# Purchasing policy liquid packaging board (LPB)

## 1 Target

This policy comprehends the general principles of SIG for the procurement of liquid packaging board (LPB). SIG places great importance at three key aspects in the purchasing of LPB:

- Legality and acceptability of wood sources
- Sustainability in forest management
- Traceability of wood / fiber flow / knowledge of the wood source

## 2 Responsibilities

Responsibility for the content of this policy: Corporate Responsibility in close cooperation with purchasing department.

SIG purchasing department has the responsibility to monitor the compliance, define adequate key controls and develop control elements as well as taking corrective actions in cases of non-compliance. Adherence to this regulation is in the responsibility of every employee.

## 3 Ecological responsibility

In the light of global warming and increasing scarcity of fossil resources a sustainable use of renewable raw materials like wood plays an important role. Using wood fibers as the main material distinguishes the beverage carton fundamentally from all other drinks packaging. SIG therefore has a major vested interest in ensuring that such resources are sustained over the long term, both to the benefits of society and to secure future supply of LPB for the company's business.

Consequently, ecological responsibility is firmly anchored in the SIG Principles and its Code of Conduct. Primary responsibility for environmental protection during business activities lies in the responsibility of SIG.

Therefore, environmental aspects are considered at the product development and production stage, by taking into account a life cycle perspective. This ensures an excellent environmental performance of our products in combination with a high product protection.

In addition to assessable quantifiable factors, the SIG investment policies require that qualitative elements such as the ecological sustainability of investments be observed. In this way, SIG ensures that, even in future activities, the environmental aspect is given due consideration.



## 4 Wood sources

Regarding the sourcing of wood fibers SIG expects that the wood used for the production of LPB is not harvested:

- Illegally
- in violation of traditional and civil rights
- in forest management units in which high conservation values are threatened by management activities
- in areas in which forests are being converted to plantations or non- forest use
- from forests in which genetically modified trees are planted

## 5 Forest management

SIG further expects that the forests where the wood is sourced from are managed in a sustainable manner, considering the economic and environmental values as well as the social responsibility.

To guarantee that all aspects of sustainability are treated well balanced we ask our suppliers to support forest certification schemes that are credible and accepted by all stakeholders, including major international Environmental Non-Governmental Organizations (ENGO's).

We therefore demand a continuously increase of the share of certified wood fiber in the LPB for SIG. As long as FSC is seen as the only credible certification scheme by ENGO's for the forest management, we ask to prioritize the sourcing from FSC certified forests.

The target is to reach 100% share of certified fiber according to the FSC or equivalent standard.

To guarantee that all wood is coming from controlled and acceptable sources, all non-certified wood fiber must at least fulfill and be covered by the FSC Controlled Wood Standard.

## 6 Traceability

To ensure credible traceability in order to proof that the wood is coming from certified or from controlled and acceptable sources, the tracing system shall be certified as complying with the international chain-of-custody (CoC) standards of FSC.

## 7 Definition and structure

ENGO: Environmental Non-Governmental Organization

FSC: Forest Stewardship Council

LPB: Liquid Packaging Board

