SICPA
Sustainability
Report 2022

SICPA

Enabling trust

TABLE OF
CONTENTS

CEO MESSAGE

"The environmental challenge is probably the most important one of our time. For SICPA, environmental performance is a top priority. We aim to be one of the best-in-class companies trying to address this issue globally".

Philippe Amon
Chairman and CEO

In an age of environmental challenges and growing concerns about the well-being of our planet, the need for sustainable practices has become more critical than ever.

Since its beginning almost 100 years ago, SICPA has been committed to mitigating the impacts of its activities on the environment, society and the economy, while promoting positive change across all its operations. Through rigorous analysis, innovative solutions and collaborative efforts, we aim to contribute to a more resilient, equitable and prosperous future.

This 2022 Sustainability Report shows how SICPA continues to embrace and integrate sustainability principles into all aspects of its business. It follows 10 years of SICPA reporting on corporate social responsibility through the SICPA CSR Reports.

We are proud to present this comprehensive Sustainability Report, which for the first time follows the Global Reporting Initiative (GRI) framework. Henceforth, this framework, recognised worldwide for its stringent standards and guidelines, serves as the foundation for the company's reporting on sustainability topics. By adopting this voluntary approach, we aim to provide the interested public with a clear and holistic understanding of our environmental, social and governance initiatives, and to demonstrate our commitment to a sustainable future.

Through this endeavour, we aspire to foster a culture of responsibility, fostering trust and collaboration as we navigate the challenges of today and shape a better tomorrow. We are committed to achieving carbon neutrality by the end of 2035 and we aim to achieve net zero by the end of 2050.

Together, we can make a significant difference and contribute to a more sustainable and prosperous world.
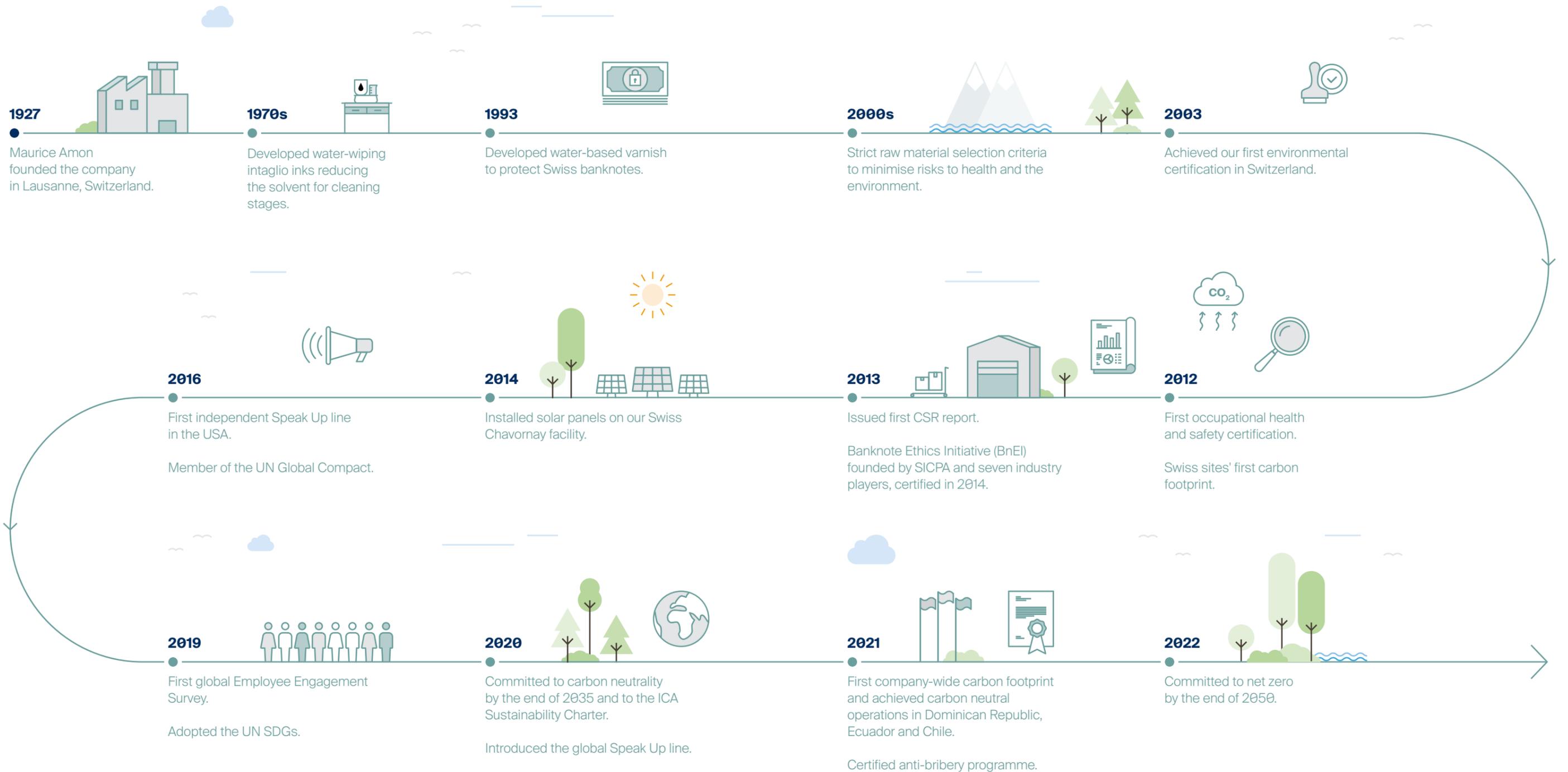
Philippe Amon
Chairman and CEO
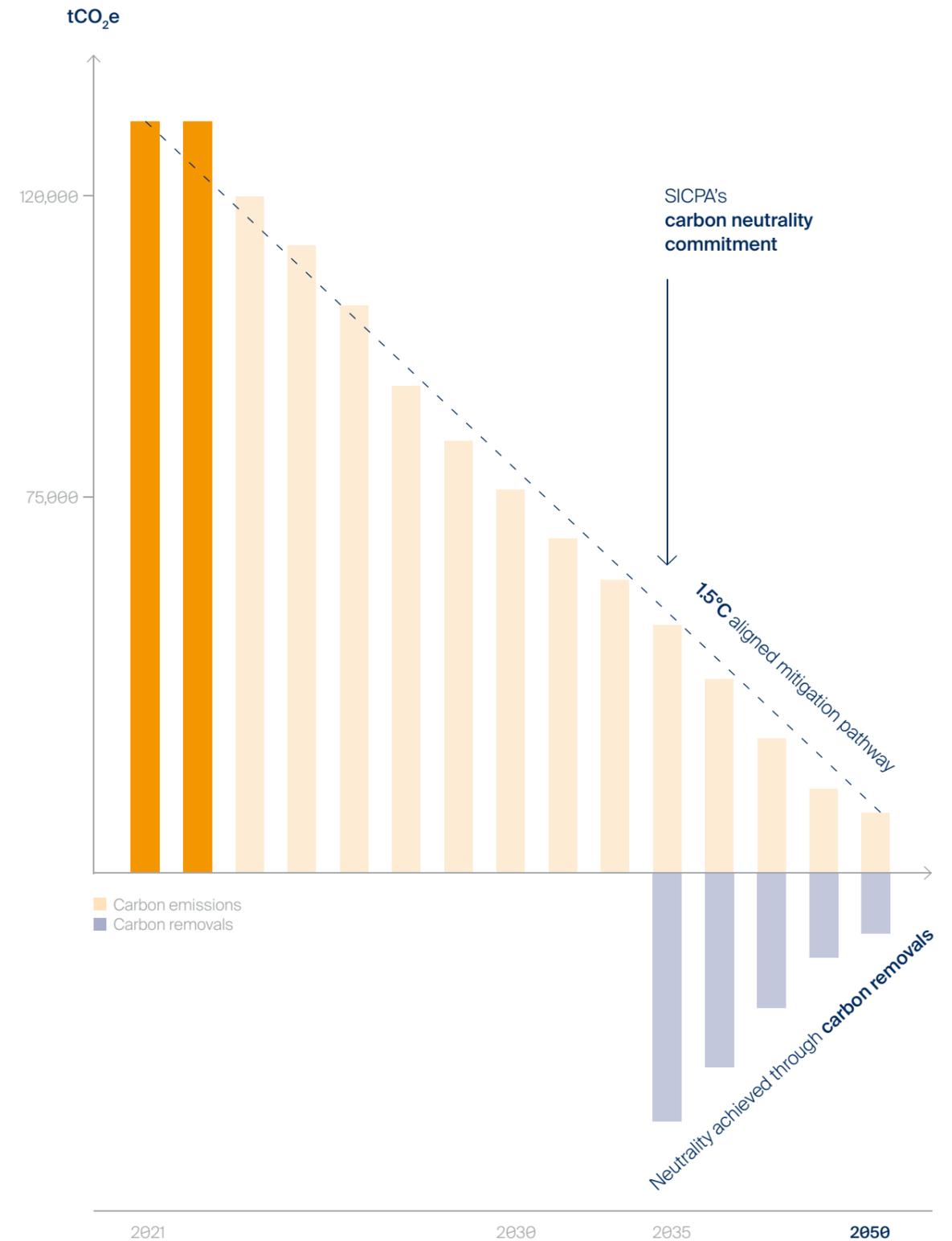
OUR SUSTAINABILITY LEGACY

Committed to contributing to a sustainable world, SICPA has always strived to minimise its environmental and social impact.

For over half a century, we have implemented several programmes to improve our social and environmental performance, partnering with key stakeholders to develop safe and sustainable products and solutions for our clients and supporting local communities.

1927
Maurice Amon founded the company in Lausanne, Switzerland.

1970s
Developed water-wiping intaglio inks reducing the solvent for cleaning stages.

1993
Developed water-based varnish to protect Swiss banknotes.

2000s
Strict raw material selection criteria to minimise risks to health and the environment.

2003
Achieved our first environmental certification in Switzerland.

2016
First independent Speak Up line in the USA.

Member of the UN Global Compact.

2014
Installed solar panels on our Swiss Chavornay facility.

2013
Issued first CSR report.

Banknote Ethics Initiative (BnEI) founded by SICPA and seven industry players, certified in 2014.

2012
First occupational health and safety certification.

Swiss sites' first carbon footprint.

2019
First global Employee Engagement Survey.

Adopted the UN SDGs.

2020
Committed to carbon neutrality by the end of 2035 and to the ICA Sustainability Charter.

Introduced the global Speak Up line.

2021
First company-wide carbon footprint and achieved carbon neutral operations in Dominican Republic, Ecuador and Chile.

Certified anti-bribery programme.

2022
Committed to net zero by the end of 2050.

Between 2016 and 2019, we adopted
the United Nations Sustainable
Development Goals (SDGs) as a framework
for sustainability, committed to carbon
neutrality by the end of 2035 and have since
aimed to reach net zero by the end of 2050.

tCO$_2$e

120,000

75,000

SICPA's
**carbon neutrality
commitment**

1.5°C aligned mitigation pathway

Neutrality achieved through **carbon removals**

Carbon emissions
Carbon removals

2021   2030   2035   **2050**

SICPA operates globally and is committed to acting as a responsible corporate citizen across the environmental, social, economic and governance spectrums.

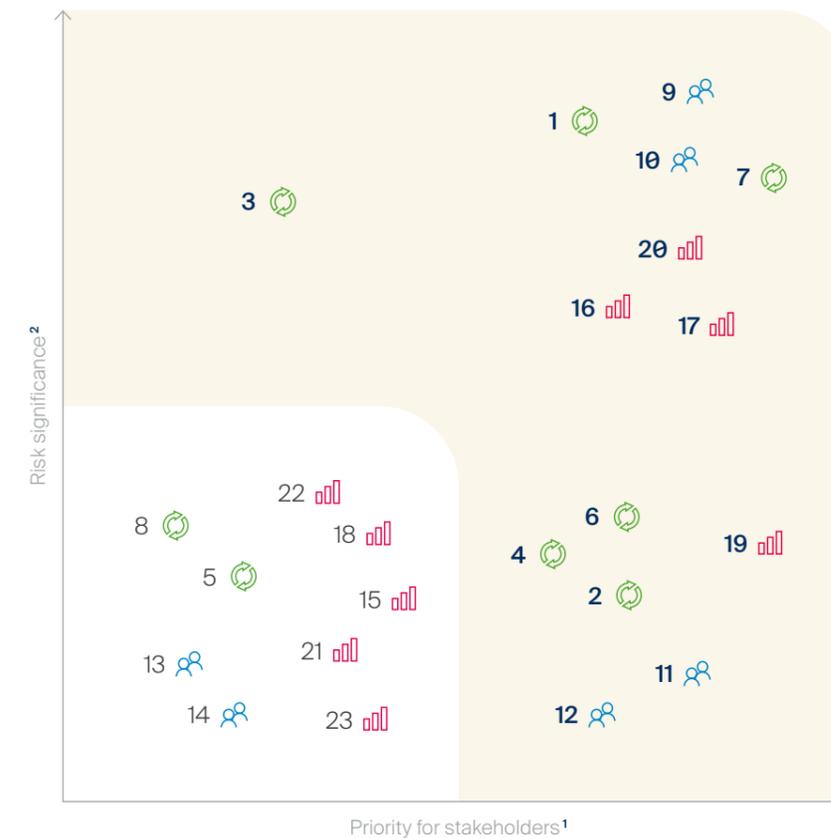To reach our sustainability objectives, SICPA continues to develop new generations of security inks and other technologies, optimise transport and packaging, and implement energy efficiency initiatives as well as ensure the protection and safety of its employees, customers, and citizens around the world.

GOVERNANCE
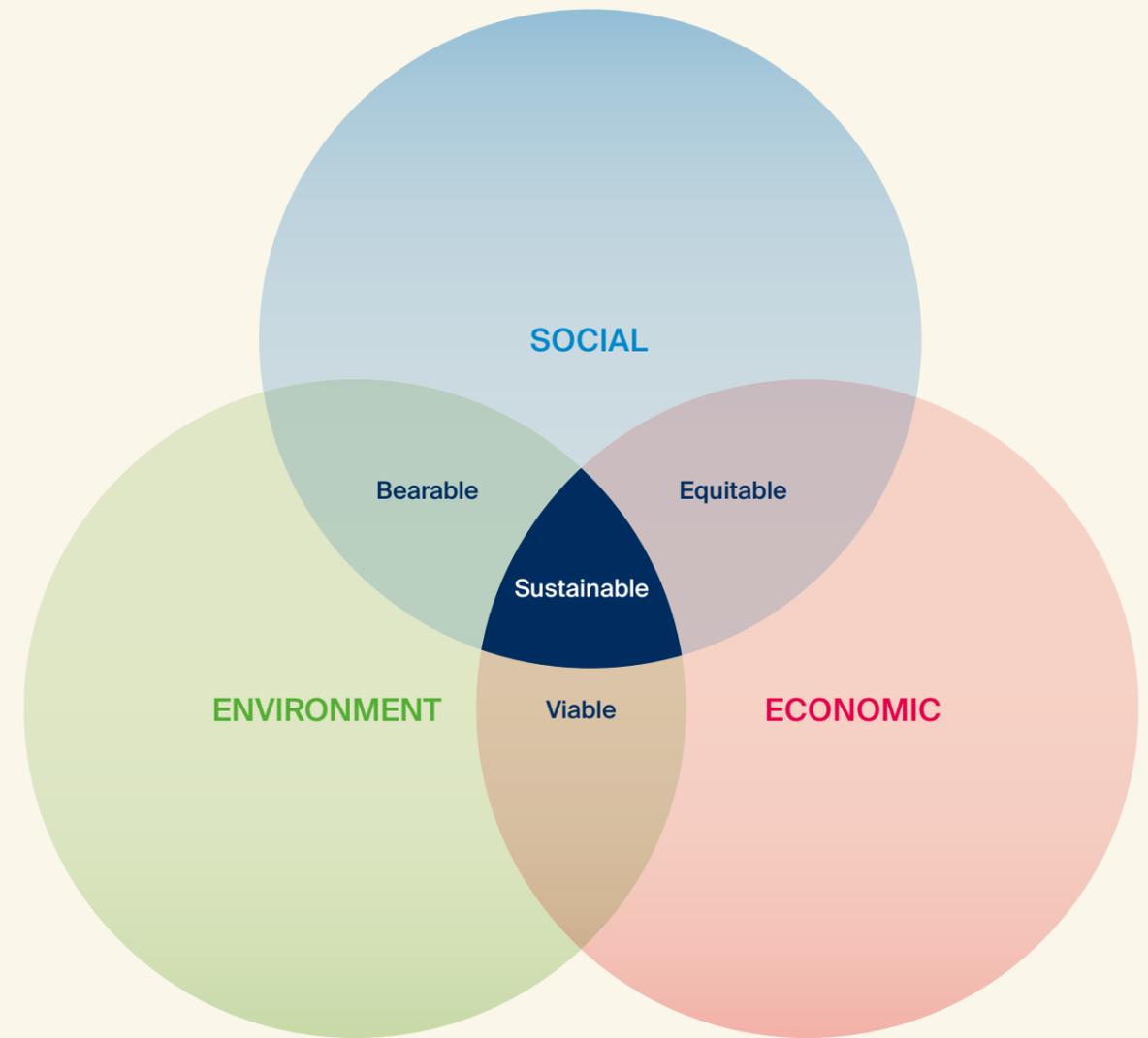
SOCIAL

Bearable

Equitable

Sustainable

ENVIRONMENT

Viable

ECONOMIC

In 2022, SICPA updated its materiality assessment. A process first performed in 2017, it follows recognised methodologies that combine internal perspectives with external input from partners and customers to identify the sustainability topics the company needs to prioritise.

The resulting materiality prioritisation matrix shows 14 topics that have been identified as material and which SICPA is focusing on.

Risk significance[2]

Priority for stakeholders[1]

ENVIRONMENT

1 Climate change
2 Energy management and efficiency
3 Mobility
4 Environmental impacts of production and operations (air, water and waste)
5 Use and storage of hazardous substances
6 Sustainable packaging
7 Sustainable sourcing
8 Biodiversity

SOCIAL

9 Diversity, inclusion and equal opportunities
10 Talent attraction, retention and development
11 Occupational health and safety
12 Working conditions and financial securities for employees
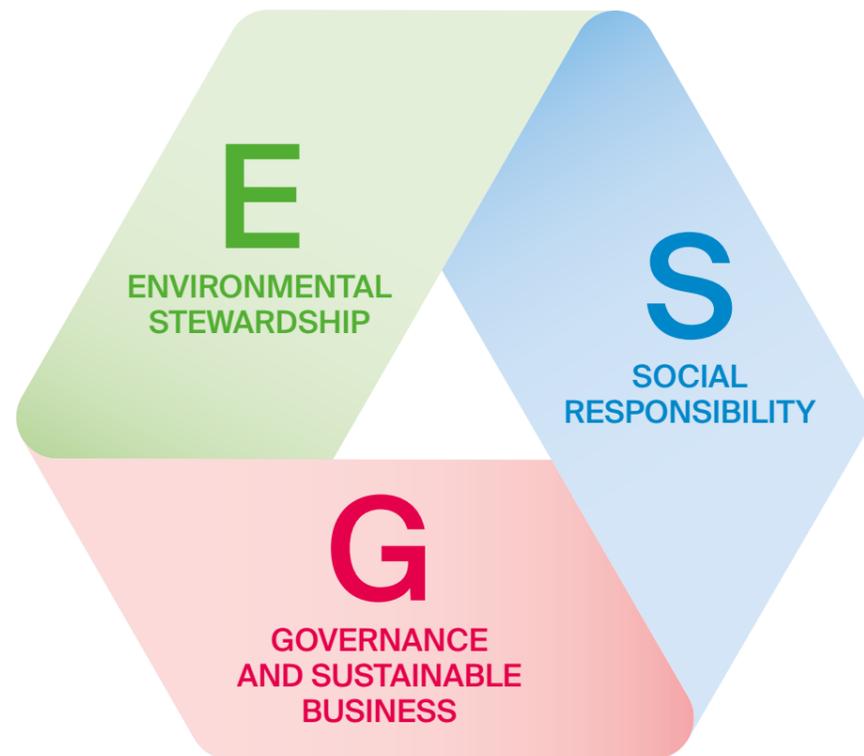13 Labour relations
14 Engagement in local communities

ECONOMICS AND GOVERNANCE

15 Economic performance
16 Business ethics and integrity
17 Environmental and social aspects of supply chain management
18 Responsible leadership and transparent governance
19 Sustainable innovation and improvement
20 Product safety and quality
21 Legal compliance
22 Integration of non-financial information in decision-making processes
23 Security and data protection

[1] Priority for stakeholders according to the materiality assessment
[2] Significance of negative impacts towards the economic, social and environmental fields. (Risk significance = Severity x Likelihood)

Based on the 2022 materiality assessment, SICPA has identified 10 priorities to develop its ESG-informed sustainability strategy.

The 10 priorities are linked to the accomplishment of the corresponding United Nations Sustainable Development Goals (SDGs).

E ENVIRONMENTAL STEWARDSHIP

S SOCIAL RESPONSIBILITY

G GOVERNANCE AND SUSTAINABLE BUSINESS

ENVIRONMENTAL STEWARDSHIP

Climate action
—
Environmental impacts of activities
—
Environmentally friendy and safe products and technologies

6 CLEAN WATER AND SANITATION
13 CLIMATE ACTION
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

SOCIAL RESPONSIBILITY

Talent attraction, retention and development
—
Diversity, inclusion and equal opportunities
—
Working conditions and safety
—
Communities support

3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH

GOVERNANCE AND SUSTAINABLE BUSINESS

Business ethics and integrity
—
Sustainable innovation and improvement
—
Sustainable supply chain management

3 GOOD HEALTH AND WELL-BEING
8 DECENT WORK AND ECONOMIC GROWTH
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

In 2022, for the second year in a row, SICPA consolidated its own carbon accounting across 28 sites worldwide according to the Greenhouse Gas (GHG) Protocol standard. Total emissions amounted to 124,396 t CO_2e, representing a 4.5% drop over 2021.
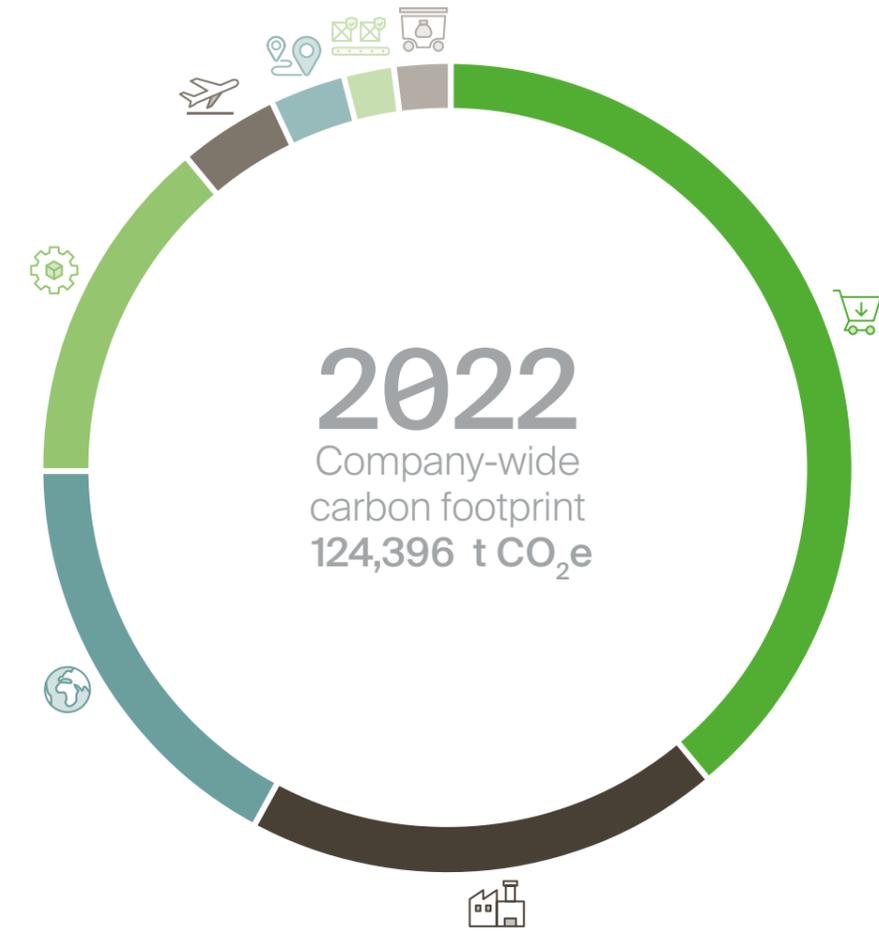
2022
Company-wide
carbon footprint
124,396 t CO_2e

Purchased goods
39%

Capital goods
19%

Transportation
17%

Operations
14%

Business travel
4%

Commuting
3%

Use of printing lines
2%

Waste
2%

SICPA's most energy-intensive
activity is the production of printing inks
where mixing and processing machines
have the largest installed capacity.
Ink production sites in Switzerland
and the USA are the largest
energy consumers in this area.

By the end of 2023, SICPA
will set energy reduction targets
that will be reviewed and adjusted
for each entity worldwide. A key priority
is the installation of renewable energy
production systems. In 2022, solar
panels across SICPA sites generated
663 MWh.

The *unlimitrust campus* by SICPA in Prilly, which opened
in October 2022, includes 1,354 solar panels that
completely cover its roof and is certified Minergie P® –
a Swiss green building standard guaranteeing very low
energy consumption.

Optimising
our energy
usage.
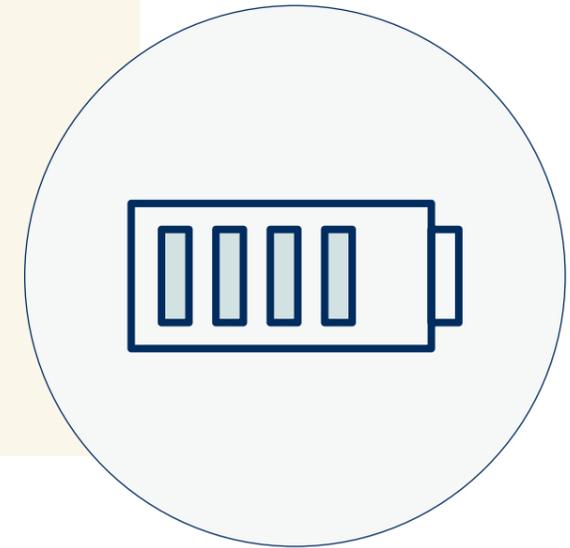
Promoting
energy efficiency
and the use
of renewable
energy sources.
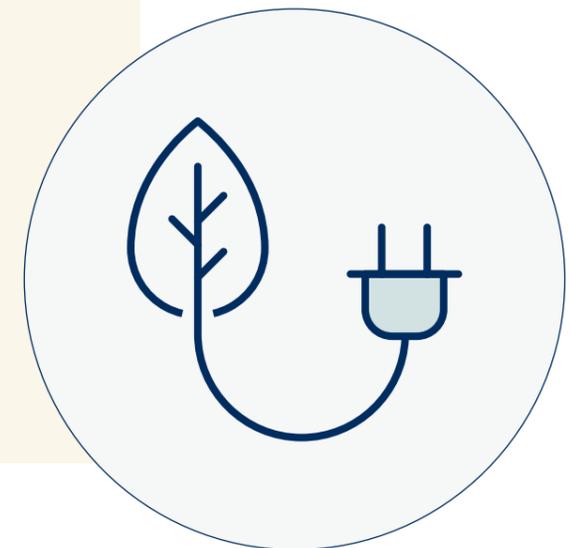
SICPA's environmental impact is mainly due to its manufacturing activities and the use of chemicals in the composition of security inks. Best manufacturing practices and operational controls are applied across all entities to limit our environmental impact as much as possible.

In 2022, 12 SICPA sites were certified ISO 14001 (environmental management system) and four new sites will be certified in 2023. SICPA also changed the treatment path of its Intermediate Bulk Containers (IBCs) to allow their reuse instead of their disposal, reducing its waste tonnage by 24 tonnes per year.

SICPA proactively monitors and complies with all applicable chemical regulations. Since the early 2000s, we adhere to strict internal criteria for the selection of raw materials. These tend to be more stringent than industry regulations. Moreover, we run effective, efficient change management programmes to maintain safety standards over time.

LRQA
CERTIFIED

ISO 14001

SICPA is recognised as one of the best employers in Switzerland and enjoys a high staff retention rate (>90%).

475 new employees were hired in 2022. Employees spent an average of 31 hours of training versus 28 hours in 2021.

For the past two years, SICPA has focused on management training as key to enhancing performance and retaining talent. In 2022, 115 managers were trained on management essentials, including career development. The company also operates two international management programmes.

In line with the evolution of society and the challenges posed by technological development, digitalisation and cyber security, major efforts are being made to strengthen employee expertise and attract new talent.

LE TEMPS
Handelszeitung

BEST
EMPLOYERS
2022

SWITZERLAND

in cooperation with
statista

For SICPA, diversity, inclusion and equal opportunities mean ensuring equal treatment and working conditions regardless of gender, culture or religion. We are committed to eliminating bias and discrimination in all our internal processes globally.

Our employees represent over 75 nationalities worldwide.

At SICPA, we believe that diversity not only strengthens the culture, but also makes the workplace more attractive, creative and stimulating, thus empowering us in the global marketplace.

WORKFORCE (FTE)
BY REGION (2022)

Africa
25%

Asia
12%

Australia
0.2%

Europe
43%

Latin America
13%

Middle East
0.4%

North America
7%

WORKFORCE
(2022)

Men
76%
Women
24%

WORKFORCE (FTE)
BY AGE GROUP (2022)

30-50
66%
> 50
20%
< 30
14%

OCCUPATIONAL HEALTH
AND SAFETY

SUPPORTING
OUR COMMUNITIES

SUSTAINABILITY
REPORT 2022

SICPA's Occupational Health and Safety Management System (OH&S) covers all of SICPA's employees, contractors, activities and workplaces worldwide. The company has implemented rigorous health and safety processes, which have been recognised with ISO 45001 certification.

The company keeps track of all occupational hazards arising from its activities and ensures that they are adequately and effectively mitigated, at all its manufacturing sites.

LRQA
CERTIFIED

ISO 45001

SICPA is keen to positively impact the communities in which it operates and participates in social, cultural, educational, environmental and scientific activities, often with the active involvement of its own employees. In 2022, SICPA contributed approximately CHF 715,000 to 52 projects in its countries of operation.

Guided by its corporate values, SICPA complies with applicable laws and continues to strengthen its integrity management processes across all areas of operation.

All our employees (close to 3,000) including managers, were trained on compliance topics during the 2022 reporting period (1,600 training modules delivered). In addition, 220 people were trained on business ethics.

Key highlights in 2022 include

+ Updated the SICPA Group Anti-Corruption Policy

+ Recertified ISO 37001

+ Reaccredited by the Banknote Ethics Initiative (BnEI)

LRQA CERTIFIED
ISO 37001

BnEI
Banknote Ethics Initiative

This first-ever Global Reporting Initiative (GRI) report was published in July 2023 and covers the calendar year 2022.

Voluntarily adopted by SICPA, the GRI framework, recognised worldwide for its rigorous standards and guidelines, will now serve as the foundation for the company's reporting on sustainability topics.

Moreover, SICPA follows three internationally recognised frameworks: the United Nations Global Compact Principles, the Sustainable Development Goals (SDGs) and the International Currency Association (ICA).

GRI

WE SUPPORT
UN GLOBAL COMPACT

SUSTAINABLE DEVELOPMENT GOALS

ICA

1

INTRODUCTION

IN THIS SECTION

1.1

ABOUT SICPA

Founded in Lausanne in 1927, SICPA is a Swiss family-owned technology company with an international footprint, operating sites, production facilities and centres of excellence on all continents. SICPA offers state-of-the-art technologies based on its unique expertise in combining material and digital security features. Our purpose is to Enable Trust through constant innovation.

As a market leader of ink-based security features for banknotes, identity and value documents, SICPA is a long-trusted partner to governments, central banks and high security printers. The company protects the majority of the world's banknotes including leading currencies such as the euro, US dollar and Swiss franc.

SICPA is also a leading provider to governments of unique direct marking solutions for secured authentication, identification and traceability of products. SICPA marks billions of products annually, notably excise goods such as tobacco and alcohols, but also soft drinks, medicine and cosmetics. As a result, illicit trade can be more effectively tackled, and millions of extra tax revenues are collected around the world. The deployment of SICPA's solutions is regularly highlighted as best practice due to their positive impact by supranational bodies such as the IMF or the World Bank.

Leveraging its robust expertise in marking and authenticating products, the company offers similar brand protection solutions for private companies, thereby also protecting their customers from illicitly traded and counterfeited products. In addition, SICPA proposes a best-in-class molecular fuel marking solution, with proprietary real-time detection capability provided by a mobile lab to fight fuel frauds.

The company also offers specific applications to enable trust in the digital world through forgery-proof digital seal technology that caters to a diverse range of challenges such as protecting land registries, electoral integrity, health documents or diplomas.

As physical and digital interactions merge and present new challenges for our society, SICPA aims to further an Economy of Trust worldwide, where transactions, interactions and products across the physical and digital worlds are based on protected, unforgeable and verifiable data. The company opened the *unlimitrust campus* in Prilly, Switzerland, in the fall of 2022. As a centre of excellence, the campus aims to establish an innovation-driven environment and a dynamic community of startups, corporations, investors and academics that will foster new ideas, partnerships and developments of trust technologies.

SICPA employs close to 3,000 people from more than 75 nationalities globally. The staff includes high-level experts in numerous technical and scientific disciplines, such as chemistry, physics, optics, cryptology, engineering or computer science. With strong innovation capabilities, the company holds more than 5,000 patents.

As part of its commitment to doing business with integrity, SICPA is a founding member of the Banknote Ethics Initiative (BnEI) and was one of the first companies in its industry to be ISO 37001:2016 (antibribery management) certified. SICPA seeks to continuously enhance its environmental and social performance across its entire value chain, in alignment with the United Nations Sustainable Development Goals. SICPA has been committed to the UN Global Compact principles since 2016.

1.2

ABOUT THIS SUSTAINABILITY REPORT

This first-ever Global Reporting Initiative (GRI) report for SICPA was published in July 2023 and covers the 2022 calendar year. The GRI framework, recognised worldwide for its rigorous standards and guidelines, will now serve as the foundation for the company's reporting on sustainability topics. By adopting this voluntary approach, SICPA aims to provide a clear and holistic understanding of its environmental, social and governance initiatives, and to demonstrate its commitment to a sustainable future.

The reporting frequency is annual and the reporting scope covers active wholly or partly owned subsidiaries where SICPA has operational control during the reporting year, unless otherwise stated[3]. In 2022, it covered 28 sites[4]: 11 related to banknotes and 27 related to other activities.

If you have any questions about this report, please contact
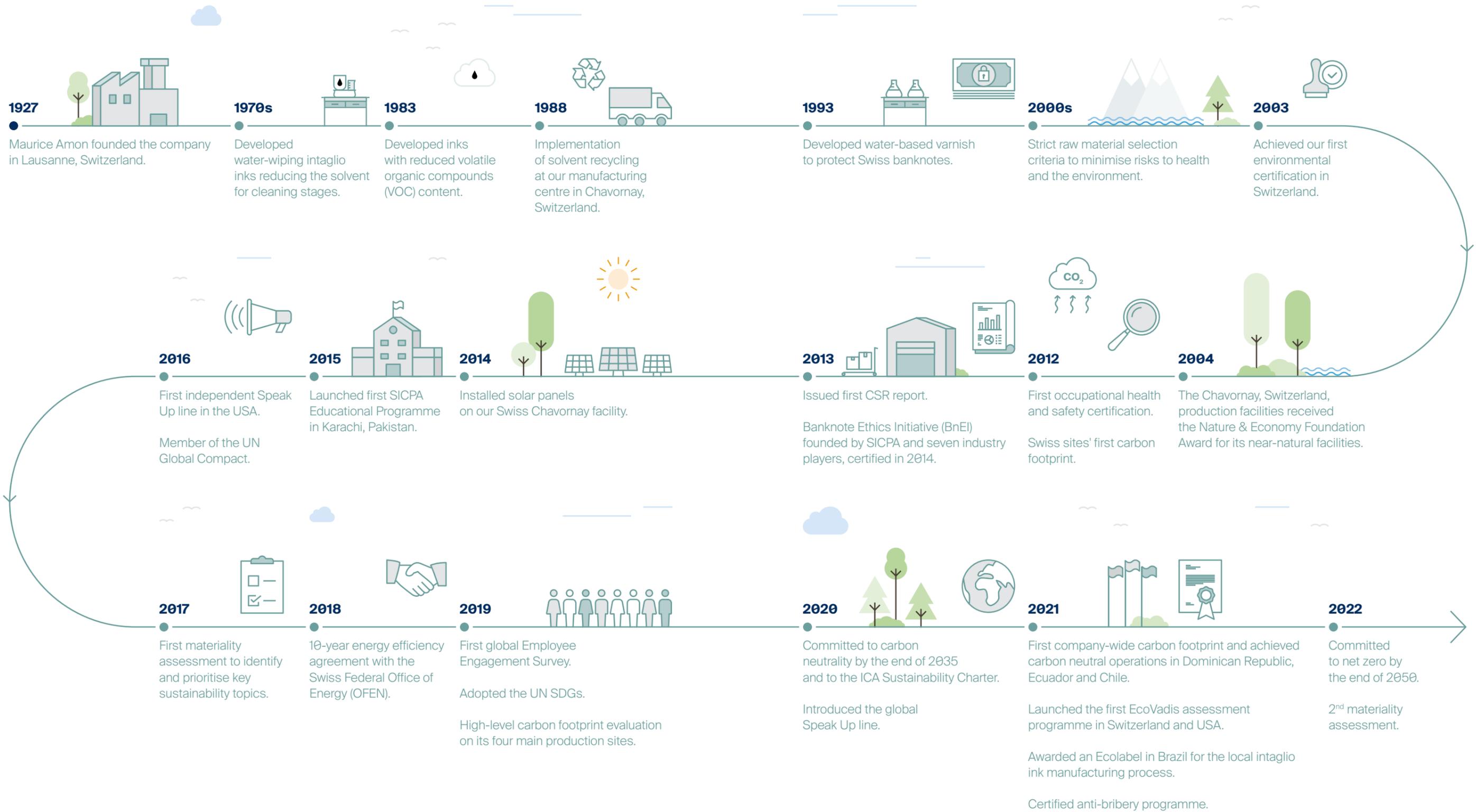
+ **sustainability@sicpa.com**

---

[3] Joint ventures and pure commercial offices are excluded of the scope.
[4] https://www.sicpa.com/map

SICPA has worked to minimise its environmental and social impact for the last 50 years, with the ongoing development of new generations of security inks, the optimisation of transport and packaging as well as energy efficiency initiatives, ensuring the protection and safety of its employees, its customers and citizens around the world.

1927
Maurice Amon founded the company in Lausanne, Switzerland.

1970s
Developed water-wiping intaglio inks reducing the solvent for cleaning stages.

1983
Developed inks with reduced volatile organic compounds (VOC) content.

1988
Implementation of solvent recycling at our manufacturing centre in Chavornay, Switzerland.

1993
Developed water-based varnish to protect Swiss banknotes.

2000s
Strict raw material selection criteria to minimise risks to health and the environment.

2003
Achieved our first environmental certification in Switzerland.

2016
First independent Speak Up line in the USA.

Member of the UN Global Compact.

2015
Launched first SICPA Educational Programme in Karachi, Pakistan.

2014
Installed solar panels on our Swiss Chavornay facility.

2013
Issued first CSR report.

Banknote Ethics Initiative (BnEI) founded by SICPA and seven industry players, certified in 2014.

2012
First occupational health and safety certification.

Swiss sites' first carbon footprint.

2004
The Chavornay, Switzerland, production facilities received the Nature & Economy Foundation Award for its near-natural facilities.

2017
First materiality assessment to identify and prioritise key sustainability topics.

2018
10-year energy efficiency agreement with the Swiss Federal Office of Energy (OFEN).

2019
First global Employee Engagement Survey.

Adopted the UN SDGs.

High-level carbon footprint evaluation on its four main production sites.

2020
Committed to carbon neutrality by the end of 2035 and to the ICA Sustainability Charter.

Introduced the global Speak Up line.

2021
First company-wide carbon footprint and achieved carbon neutral operations in Dominican Republic, Ecuador and Chile.

Launched the first EcoVadis assessment programme in Switzerland and USA.

Awarded an Ecolabel in Brazil for the local intaglio ink manufacturing process.

Certified anti-bribery programme.

2022
Committed to net zero by the end of 2050.

2nd materiality assessment.

SICPA operates globally and is committed to acting as a responsible corporate citizen across the environmental, social, economic and governance spectrums. SICPA has integrated sustainability as a key pillar of its business strategy and operations. Since the 1970s, SICPA has initiated several programmes to improve its social and environmental performance, propose safe and sustainable products and solutions to its customers and support local communities.

Due to the evolving social and environmental stakes, increasing customer expectations and the need for a holistic approach to sustainability, in 2021 SICPA decided to strengthen its internal sustainability organisation by creating a dedicated **CSR function at Group level**. The aim of this function is the coordination and acceleration of SICPA's efforts in the field of sustainability. In collaboration with the business functions, the CSR team focuses on enabling the development of a sustainability strategy and a roadmap for achieving carbon neutrality.

Since 2016, SICPA has been a member of the **United Nations Global Compact** and adopted the **United Nations Sustainable Development Goals** (SDGs) in 2019 as a framework for continuously improving its environmental and social performance across its value chain. In 2020, SICPA committed to and contributed to the **International Currency Association's (ICA) Sustainability Charter**. The Charter articulates the currency industry's goals and commitments on sustainability, working to increase the sustainable design, production, manufacture and distribution of cash and to create economic, environmental and social value.

2022 saw the establishment of a sustainability steering committee at the highest level of the company focused on the company's long-term sustainability strategy, the creation of a new unit dedicated to product sustainability,

the launch of a transversal working group dedicated to sustainability in the currency area and an enhanced integration of sustainability in our process structure. At the same time, the company continued to reinforce its internal governance on ethics, as explained in the Governance chapter.

In addition to this structural reinforcement and its commitment to following international frameworks, **SICPA bases its approach to sustainability on two key principles**. The first is to seek a balance between the economic, social and environmental aspects of the company, integrating a sustainability mindset in all its activities, product and solution development. The second is to assess in a factual and structured way its positive and negative impacts in ESG areas across the entire value chain. This stage involves using recognised analytical methods such as a materiality assessment, a group-wide carbon footprint or product life-cycle assessments.

Committed to contributing to a sustainable world, in addition to achieving carbon neutrality by the end of 2035, **SICPA has the ambition to reach net zero by the end of 2050**. A coordinated effort by employees in all functions and countries, as well as external partnerships, will be essential to achieve this bold ambition.

GOVERNANCE

SOCIAL

Bearable   Equitable

Sustainable

ENVIRONMENT   Viable   ECONOMIC
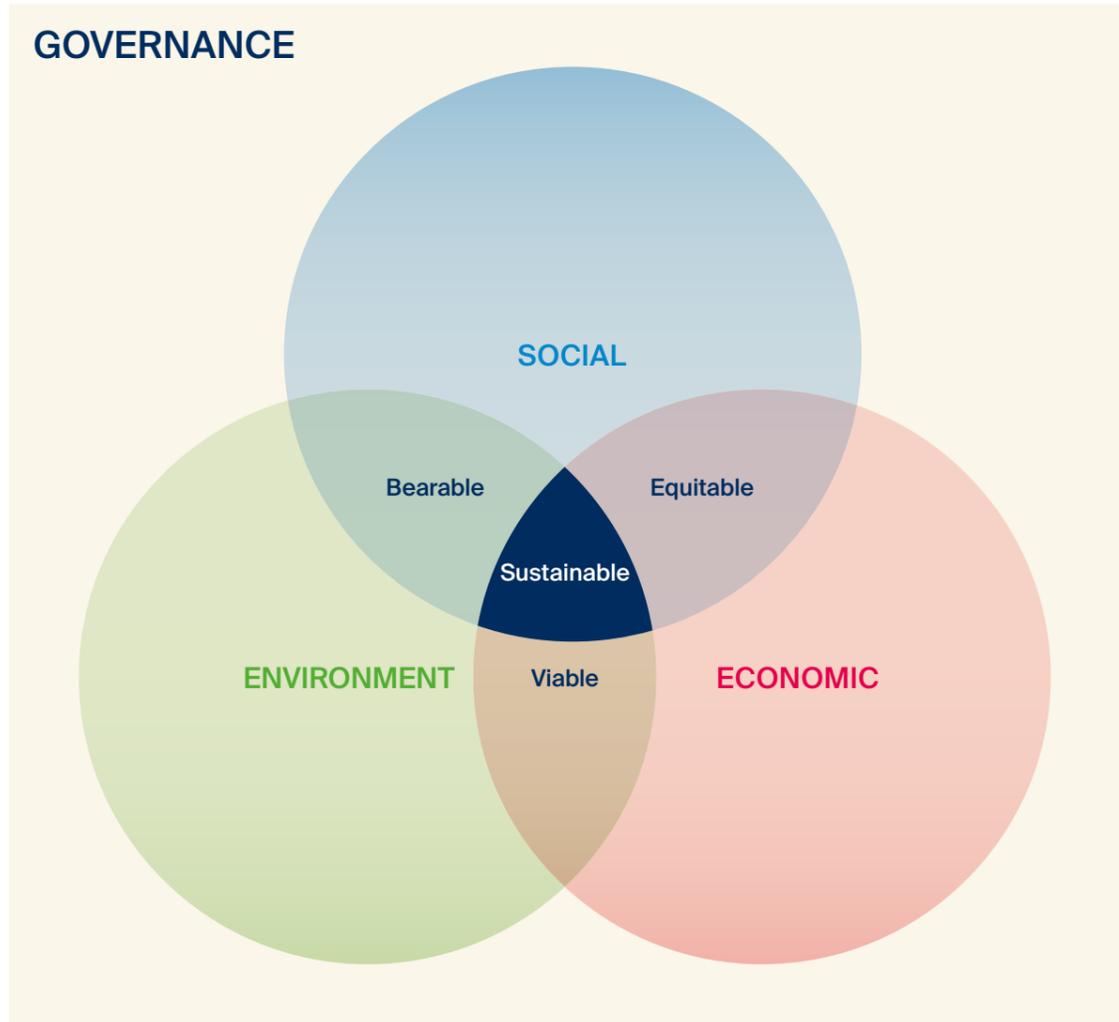
Contributing to
a sustainable future by

+ **Fostering an environment
of cross-collaboration
and innovation**

+ **Partnering with key
stakeholders to develop
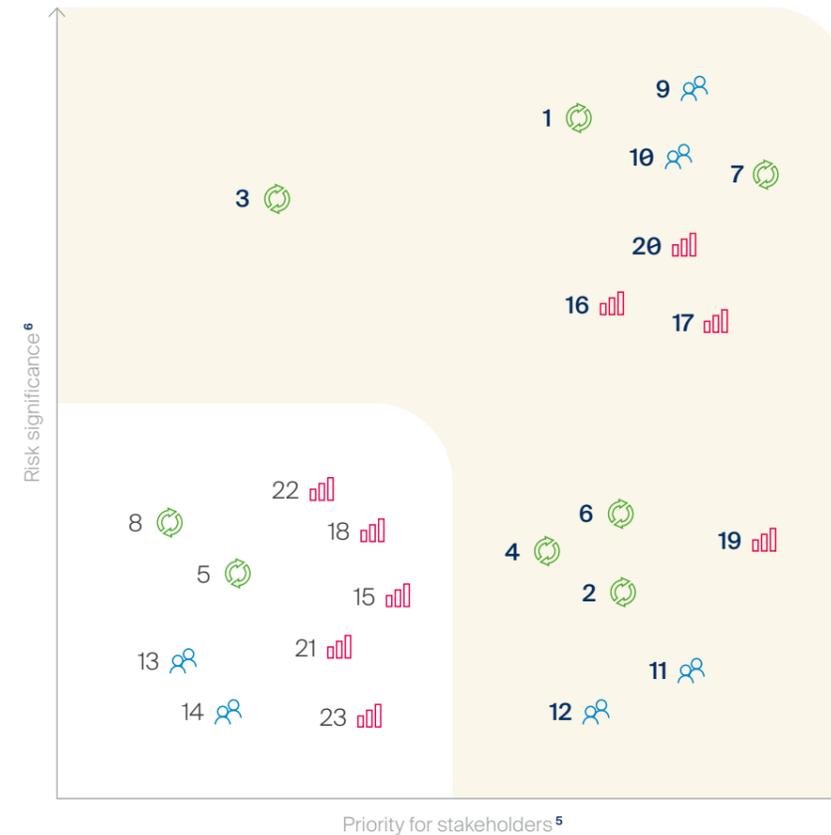and produce safe
and sustainable technologies
& solutions**

+ **Respecting and capitalising
on the company's heritage,
culture and values**

+ **Building on our materiality
matrix and company-wide
carbon footprint, focusing
our efforts on what
matters most**

In 2022, SICPA updated its materiality assessment. A process first performed in 2017, it follows recognised methodologies that combines internal perspectives with external input from partners and customers to identify the sustainability issues the company needs to prioritise.

Between April and August 2022, 39 employees and 29 customers, partners and suppliers, selected according to market, gender, age, function and geography, were invited to participate in roundtable discussions, interviews or online surveys, lead by a sustainability consultancy to gather and analyse their key sustainability concerns.

The data obtained was then analysed according to the perceived importance of each topic by internal and external stakeholders and the level of risk it poses to the economy, environment and society. Risk significance was assessed based on the severity and likelihood of impact.

The resulting materiality prioritisation matrix shows fourteen topics that have been identified as material and on which SICPA will focus.

Risk significance [6]

Priority for stakeholders [5]

⟳ ENVIRONMENT

1 Climate change
2 Energy management and efficiency
3 Mobility
4 Environmental impacts of production and operations (air, water and waste)
5 Use and storage of hazardous substances
6 Sustainable packaging
7 Sustainable sourcing
8 Biodiversity

⧉ SOCIAL

9 Diversity, inclusion and equal opportunities
10 Talent attraction, retention and development
11 Occupational health and safety
12 Working conditions and financial securities for employees
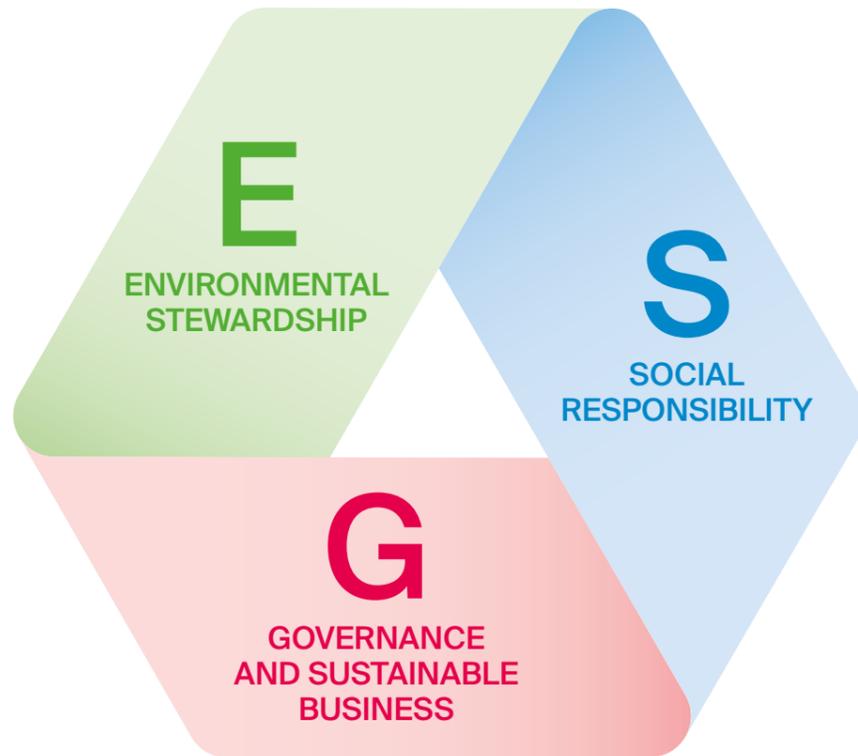13 Labour relations
14 Engagement in local communities

⊞ ECONOMICS AND GOVERNANCE

15 Economic performance
16 Business ethics and integrity
17 Environmental and social aspects of supply chain management
18 Responsible leadership and transparent governance
19 Sustainable innovation and improvement
20 Product safety and quality
21 Legal compliance
22 Integration of non-financial information in decision-making processes
23 Security and data protection

[5] Priority for stakeholders according to the materiality assessment
[6] Significance of negative impacts towards the economic, social and environmental fields. (Risk significance = Severity x Likelihood)

Based on the results of the materiality assessment and its commitment to act as a responsible corporate citizen in the environmental, social and governance fields, and in particular to support the communities in which it operates, SICPA has identified 10 axes to develop its sustainability strategy.

SICPA's sustainability strategy therefore makes a **direct contribution to eight UN SDGs**. At the same time, the company contributes indirectly to all SDGs through one-off local or global initiatives (e.g. cleaning up plastic washed up on the seafront, charitable actions against poverty, participation in reforestation programmes, etc.). In addition, SICPA solutions can play an important role in helping government clients achieve their UN SDG targets. Providing them with the means to safeguard cash as a vital public good and ensuring tax collection and revenue, while tackling fraud and the inefficiencies and distortions it creates, contributes to SDGs 10 - Reduce inequalities, 16 - Peace, justice and strong institutions, 17 - Partnership for the goal.

E ENVIRONMENTAL STEWARDSHIP

S SOCIAL RESPONSIBILITY

G GOVERNANCE AND SUSTAINABLE BUSINESS

ENVIRONMENTAL STEWARDSHIP

Climate action
—
Environmental impacts of activities
—
Environmentally friendy and safe products and technologies

6 CLEAN WATER AND SANITATION

13 CLIMATE ACTION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

SOCIAL RESPONSIBILITY

Talent attraction, retention and development
—
Diversity, inclusion and equal opportunities
—
Working conditions and safety
—
Communities support

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

GOVERNANCE AND SUSTAINABLE BUSINESS

Business ethics and integrity
—
Sustainable innovation and improvement
—
Sustainable supply chain management

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

2

ENVIRONMENTAL STEWARDSHIP

"The environmental challenge is probably the most important one of our time. For SICPA, environmental performance is a top priority. We aim to be one of the best-in-class companies trying to address this issue globally."

Philippe Amon
Chairman and CEO

In addition to the social and economic dimensions, SICPA is committed to addressing environmental challenges by continuously improving its environmental performance, based on a framework set out in the Group Environmental Policy. This policy is used as a true north by all our entities worldwide.

IN THIS SECTION

2.1   CLIMATE ACTION

2.2   ENVIRONMENTAL IMPACT
       OF PRODUCTION AND OPERATIONS

2.3   ENVIRONMENTALLY FRIENDLY
       AND SAFE PRODUCTS

SICPA recognises the importance of addressing climate change, one of the main societal challenges of our time, identified as a material topic for the organisation and its sustainability strategy. As a company, we believe we have a responsibility to do our part to preserve the future of our planet and reduce our environmental impact. In 2022, SICPA consolidated for the second year its own carbon accounting, according to the Greenhouse Gas (GHG) Protocol standard, across 28 sites worldwide.

As a member of the ICA, SICPA contributes to the overall effort to improve the sustainability of the banknote life-cycle, even though ink production is a limited impact driver in the overall banknote value chain as determined by life cycle assessments of banknote series performed by central banks [7].

In 2022, SICPA consolidated for the second year its own carbon accounting, according to the GHG Protocol standard, across 28 sites worldwide, on scopes 1,2 and 3 [8]. The quality of the data and its collection, as well as the quality of the process for measuring carbon emissions, are being continuously improved with the aim to set up a reliable emission baseline. As a result, the **company's operations** (scopes 1&2) **account for 11%** (13,761 tCO$_2$e) of its total carbon footprint, with **scope 3 accounting for 89%** (110,635 tCO^{2}e).

Globally, **emissions have decreased by 4.5%** compared to 2021, mainly due to a decrease in scope 3. This emissions reduction is mainly due to the **refinement of data** related to the purchase of goods (scope 3.1) and a change in the **calculation methodology** for the use of sold products (scope 3.11).

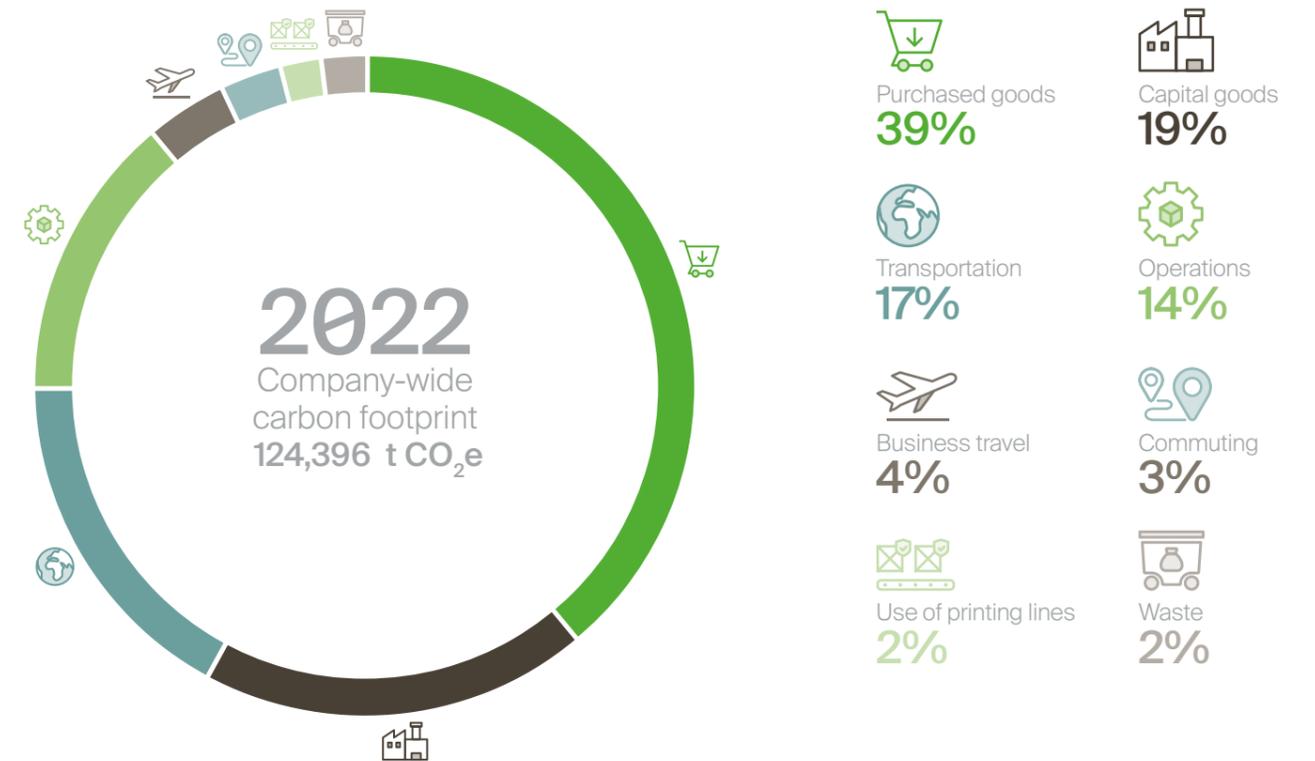The detailed results show that security ink raw materials represent one third of the total carbon footprint, while 11 countries (out of 28 countries with available data) are responsible for 95% of the total emissions. Switzerland accounts for 70% of the emissions, followed by the United States with 8% of the emissions. Consequently, two countries account for almost 80% of the total emissions.

In 2022, SICPA built its new innovation campus dedicated to the Economy of Trust, next to its headquarters in Prilly, Switzerland. The impact of the construction of this building represents around 15% of the company's total carbon footprint in 2022.

In parallel, the company is raising awareness among key stakeholders to identify and focus on the main priority areas and potential opportunities. The overall objective is to develop an operational climate roadmap to support emissions reduction, with quantified targets and milestones to achieve carbon neutrality by 2035 and net zero by 2050. Meanwhile, various actions contributing to decreasing our carbon footprint have been launched in 2022 and are presented in the following chapters. An internal carbon offsetting policy was defined in parallel to ensure investment in reliable and high-quality projects, enabling the company to respond to various government carbon offsetting requirements.

[7] https://www.snb.ch/en/mmr/reference/life_cycle_assessment/source/life_cycle_assessment.en.pdf
[8] Scope 1: Direct emissions derived from sources owned or controlled by the company, such as fuel consumption by our production centres. Scope 2: Indirect emissions derived from the generation of acquired energy, such as the use of electricity in our offices or production centres. Scope 3: All other indirect emissions from the value chain of the company, such as the ones from our suppliers. Scope 3 emission categories used in this report: see p. 80

2022
Company-wide carbon footprint
124,396 t CO$_2$e

Purchased goods **39%**	Capital goods **19%**
Transportation **17%**	Operations **14%**
Business travel **4%**	Commuting **3%**
Use of printing lines **2%**	Waste **2%**

SICPA'S TOTAL EMISSIONS 2021-2022 (t CO$_2$e)

■ 2021   130,307 t CO$_2$e   ■ 2022   124,396 t CO$_2$e

Scope 1
5,992
5,457
↓ -8.9%

Scope 2
8,302
8,305
↑ 0.01% stable

Scope 3
116,013
110,635
Without *unlimitrust campus*   92,332
↓ -4.6%
↓ -20.4%

0   20,000   40,000   60,000   80,000   100,000   120,000

Emissions tCO$_2$e

2.1 CLIMATE ACTION

ENERGY MANAGEMENT
& EFFICIENCY

MOBILITY

SUSTAINABILITY
REPORT 2022

SICPA's most energy-intensive activity is the production of printing inks where mixing and processing machines have the largest installed capacity. Ink production sites in Switzerland and the USA are the largest energy consumers in this area.

SICPA measures the impact of mobility in its global carbon footprint. This includes business travel (95% by air mainly for sales and operational support) and employee commuting. The company acts to reduce and limit this impact, mostly locally, as there is currently no global policy or commitment in place. The effectiveness of the company's initiatives is tracked through carbon accounting results and best practices/lessons learned will continue to be shared globally between entities.

In Switzerland, our site in Chavornay accounts for about two-thirds of SICPA's total Swiss electrical consumption (7 to 8 GWh per year out of a total of 10 to 12 GWh). This places SICPA among the top energy consumers in its region.

By the end of 2023, SICPA will set reduction targets that will be reviewed and adjusted for each entity worldwide. A key priority is the development of photovoltaic installations. Initiatives will continue to be led at entity level, as there is no global energy management policy yet.

Business travel

To raise awareness of the impact of travel within the organisation, CO_2 emissions are shared for information in the travel booking service tool. Global **business air travel decreased by 23% compared to 2019**, before the Covid-19 pandemic. Part of this result was due to travel restrictions implemented in the second half of 2022.

Commuting of employees

For its Swiss sites, SICPA developed a mobility plan, operational as of June 2023. One of the plan's objectives is to reduce the number of cars used to commute to work by 40%, by promoting soft or low-carbon mobility through various incentives. In addition, charging stations will continue to be installed at SICPA sites to encourage the use of electric cars. A global assessment of the various commuting initiatives is ongoing. Entities in different countries have implemented measures such as a shuttle bus for employees in Brazil.

↦ FOCUS ON

+

In Prilly, the new *unlimitrust campus* building opened in October 2022 next to SICPA headquarters. It is connected to the district heating network, includes 1,354 solar panels (346.62 kWc) covering about 20% of the energy needs and is also certified Minergie P®. In addition, to reduce the environmental impact of its construction, estimated at 19,000 t CO_2eq, the concrete from the demolition of the old buildings on the site was reused.

+

At the Swiss cantonal level, SICPA has been reducing energy consumption since 2017 as part of a voluntary federal programme with Federal Office of Energy (OFEN). The company measures and reports the results and improvements on an annual basis. So far, SICPA has always exceeded the energy efficiency targets set by OFEN, by 4% in 2019, 2020, 2021, and 2022.

↦ FOCUS ON

+

In Chavornay, a major renovation of the ventilation system began in 2022, resulting in energy savings of 200 MWh/year. Ventilation technology will be upgraded to reduce heat losses when the buildings are ventilated. The project will be completed by the end of September 2024.

After Pakistan in 2021, SICPA implemented new solar production capacity in Indonesia, Spain and Mexico in 2022, representing an additional installed capacity of 760 kW and leading to a total of more than 663 MWh of electricity produced from renewable energy.

+

In view of the energy crisis and the Swiss "Plan Ostral", the Chavornay site installed back-up generators to ensure energy supply during possible winter blackouts and energy rationing.

SICPA's environmental impact comes mainly from its manufacturing activities and the use of chemicals in the composition of its security inks. Best manufacturing practices and operational controls are applied in all entities to limit our environmental impact as much as possible. In 2022, 12 SICPA sites[9] were certified ISO 14001 and four new sites will be certified in 2023.

Impact on air

SICPA's chemical activities emit a certain number of pollutants into the air, mainly Volatile Organic Compounds (VOCs) associated with the chemical process and human activities (e.g. cleaning). These releases into the air are monitored to ensure compliance with statutory targets. To meet these targets, each building is equipped with an appropriate air treatment system.

In May 2022, an anomaly was detected in one of the Chavornay buildings. Investigations were carried out and additional activated carbon filters were installed. The environmental authority was informed. No adverse effects were observed.

Impact of waste

SICPA's overall impact on waste is limited as most of its production takes place in Switzerland, where waste is treated in modern treatment facilities, including filtration and energy recovery. However, SICPA continues to identify the waste treatment path for each of its entities and aims to eliminate landfilling from its waste disposal practices.

The company's **activities generate two main waste streams**. The first, related to the production and use of inks, consists mainly of chemical waste (reaction and cleaning by-products). This waste is disposed off by specialised companies, in accordance with current legislation and with every effort to apply the principles of circularity. For example, washing water is treated on site by flocculation and then discharged into the sewerage system. Regular measures are taken to ensure compliance with legislation and to protect the environment.

The second, more conventional stream, consists of the generation of wastepaper, cardboard, wood and various types of packaging (cardboard, plastic or metal). In 2022 in Switzerland, SICPA changed the treatment path of its Intermediate Bulk Containers (IBCs) to allow their reuse instead of their disposal, reducing its waste tonnage by 24 tonnes per year. In Ecuador, a recycling campaign was implemented to separate and improve the management of the recyclable wastes, thus reducing the amount of garbage sent to landfills.

Impact on water

Sanitary water and a moderate amount of water are used for cleaning activities, which are treated either directly at the factories and/or via treatment plants in nearby towns. All discharges comply with local legislation and SICPA's Group Environmental Policy. The company mainly uses water to cool certain ink production machines. In this case, the water does not come into contact with the product, its quality is not altered, and it is discharged directly into the natural environment. Some plants (e.g. Indonesia) use a closed water system for machine cooling. Water is sourced mainly from surface sources or wells, depending on the site and no water is extracted without prior approval from the local authorities.

Although the impact of the company's water consumption is low by industry standards, SICPA maintains close contact with its stakeholders to consider potential issues related to its water consumption. In particular, the company conducts a water stress screening using dedicated assessment tools and feedback from the local EHS team to identify, anticipate and mitigate water risks.

[9] 12 out of 28 sites.

Water withdrawal (242 ML)

Surface **23%**

Ground **77%**

Stressed-area **<0.5%**
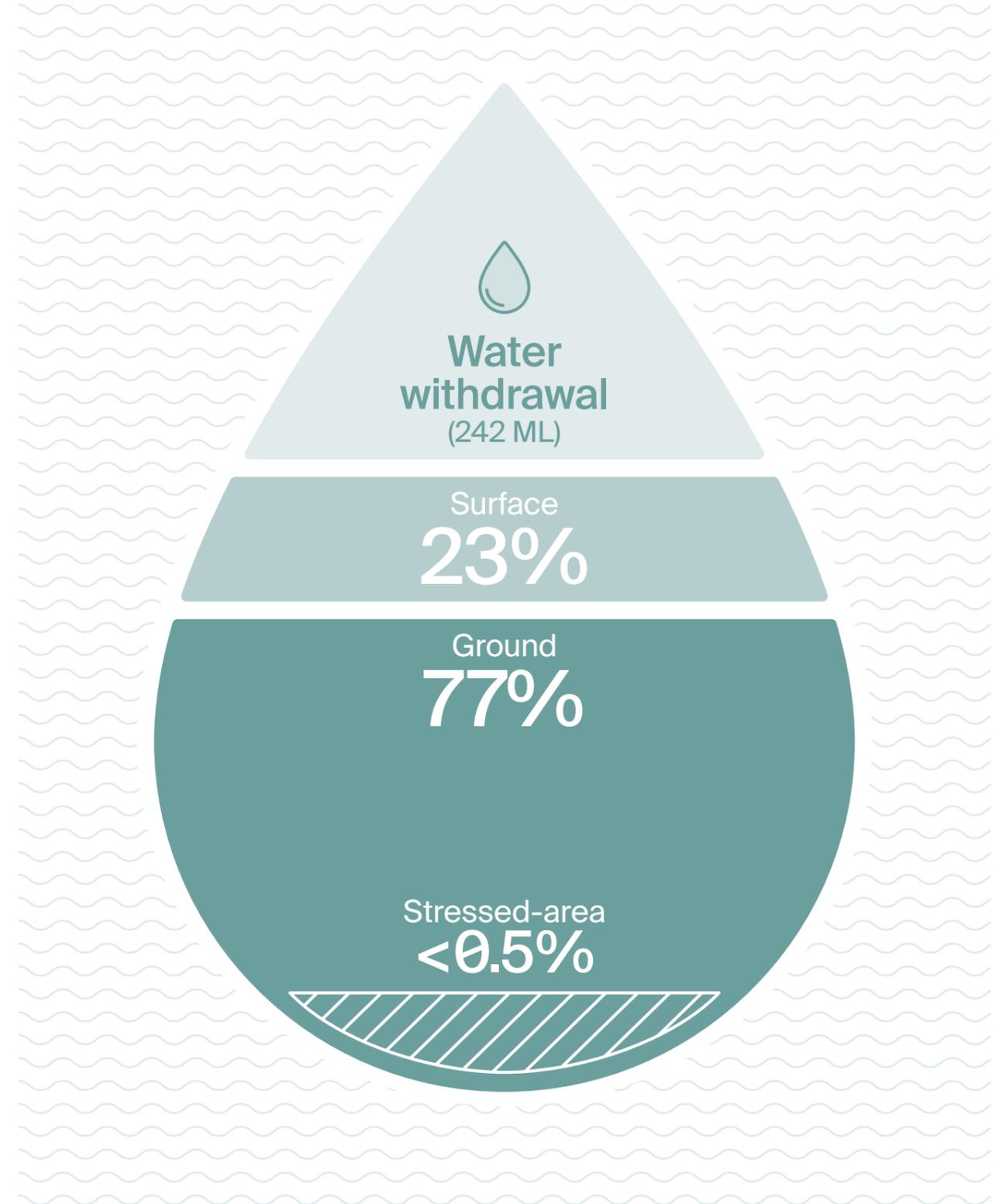
SICPA has always been committed to providing packaging that is appropriate for its products, ensuring their integrity, safety and durability. As part of the materiality assessment carried out in 2022, several external stakeholders highlighted sustainable product packaging as one of their priorities.

Security inks produced by SICPA must comply with strict technological and safety requirements. The raw materials used to produce inks in this specific market are mostly synthetic (resins, solvents, etc.) and have a significant environmental impact from extraction to transformation. As shown in the Climate Change chapter, Greenhouse Gas (GHG) emissions from the production of raw materials for inks are among the most significant.

While traceability products are mostly transported in cardboard packaging, which is easily recyclable and protected by a plastic film, most of SICPA's security inks are transported in **steel drums** with a volume of between 20 kg and 200 kg. The use of steel drums as the primary packaging for inks has an impact at the production stage, but also at the end of the packaging life. Due to the physical properties of the inks, residues remain in the steel drums and are therefore considered hazardous waste, the traceability of which can be an issue depending on the local context.

SICPA's main challenge for the future is to optimise its packaging by using larger containers, up to 1 m^3, wherever possible and by favouring alternative solutions to steel drums, such as cardboard liners. These are made of cardboard with a plastic lining that can be removed, eliminating ink residues with the lining - the cardboard can then be reused. SICPA has started adopting this type of alternative, but needs to expand it with its customers, requiring a change in habits and also affecting the process of emptying the containers.

In 2022, a pilot project was launched in Mexico to replace wooden pallets with cardboard boxes to reduce the impact of tertiary packaging used to transport our inks. This change will save an estimated 20 kg per pallet, contributing significantly to reducing the transport impact on the environment.

Aware of this reality, SICPA is working with its suppliers to significantly increase the percentage of materials from renewable sources. In addition, for the last 3 years, SICPA has been expanding its local sourcing practice to about 30 raw materials, representing several thousand tonnes of raw materials sourced locally, thus avoiding several transport steps in the life cycle of the product.

On the other hand, the company's authentication and traceability business requires, among others, a supply of mechanical and electronic components. The procurement of these has been a challenge over the past two and a half years due to market shortages, making it difficult to implement a sustainable sourcing strategy. Notwithstanding this, SICPA remains committed to local sourcing wherever possible. In 2022, the local spending ratio for Switzerland was 43%, whereas it was 82% for the US sites.

SICPA validated internally its **sustainable procurement policy** which sets global objectives regarding procurement. Practical objectives and short-term actions will be defined in 2023 and 2024. All aspects regarding the sustainable procurement strategy will be integrated in the standard operating procedures and internal policies. More information will be available in next year's report.

↦ FOCUS ON

+

SICPA is currently optimising the sourcing and transport of a key component of its security inks by sourcing the raw material locally, close to its manufacturing centres in **Pakistan** and **Indonesia**. It is estimated that by the end of the implementation period, this will reduce road and sea transport by over 34,000 km and cut carbon emissions by 127 tonnes of CO$_2$ equivalent per year.

ENVIRONMENTALLY FRIENDLY AND SAFE PRODUCTS

PRODUCT SAFETY & QUALITY

The quality and safety of SICPA's products and solutions are essential to its sustainability and success and have been recognised in the marketplace for decades.

For over twenty years, the company has been developing raw material selection criteria to minimise health and environmental hazards. SICPA's Product Compliance Department assesses and categorises 100% of raw materials according to selection criteria based on the most advanced chemical regulations. In 2022, around 2% of these were subject to a health and safety improvement plan. Over the past five years, 18 raw materials have been phased out and substituted with safer alternatives, improving the safety of our inks.

In parallel with product safety, SICPA ensures that all marketed products comply with local regulatory requirements. In particular, registration of chemicals in national inventories is carried out where relevant (e.g. TSCA in the USA, REACh in the EU, K-REACh in Korea, etc.).

In 2022, a new automated **internal label printing solution** was deployed in Switzerland. The labels display clear hazard information to our employees and transportation partners and comply with our warehousing rules subject to various chemical regulations.

In addition to its internal work to ensure high quality and safe products, the company engages with industry partners to understand all impact drivers and activate the right levers to improve the banknote lifecycle and the company's overall sustainability.

3

ENABLING TRUST

AUTHENTICATION

SOCIAL
RESPONSIBILITY

IN THIS SECTION

SICPA is recognised as one of the best employers in Switzerland and has had
a high staff retention rate for several years. In line with the evolution of society
and the challenges posed by technological development, digitalisation
and cyber security in particular, major efforts are being made to strengthen
employee expertise and attract new talent. The company must adapt
to the needs of this talent, a younger generation that expects greater flexibility,
teleworking and a better work-life balance.

Following its HR Policy, SICPA offers **learning opportunities** at every stage of the employee lifecycle, from onboarding to continuous learning, executive education or post-career programmes. To welcome new employees as warmly as possible, the onboarding integration programme is continuously developed, with generic and tailor-made sessions to meet the needs of all profiles. A review was carried out in 2022 and the first sessions of the new programme started at the beginning of 2023.

For the past two years, SICPA has focused on management training as a key to enhancing performance and retaining talent. In 2022, 115 managers were trained on management essentials, including career development. The company also operates two international management programmes.
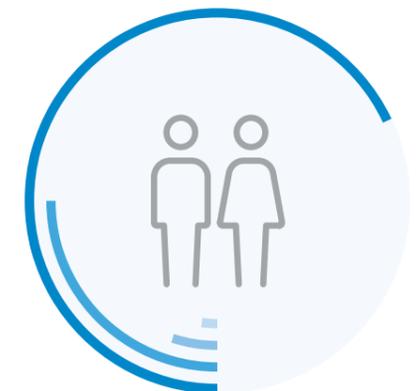
In addition, SICPA provides an extensive collection of training on a variety of platforms to meet specific needs: e-library, podcasts, online training. All employee have access regardless of their grade or position.

31
hours of training
per employee

LE TEMPS
Handelszeitung

**BEST
EMPLOYERS**
2022

SWITZERLAND

in cooperation with
statista

TRAINING (2022)

Men
68%
Women
27%
Unknown
5%

Employees
68%
Managers
25%
Others
5%
Executive
2%

For SICPA, diversity, inclusion and equal opportunities mean ensuring equal treatment and working conditions regardless of gender, culture or religion. The company is committed to a diverse and inclusive workforce, which not only strengthens the culture, but also makes the workplace more creative and stimulating, and empowering SICPA in the global marketplace.

SICPA strives to attract, retain and develop the best talent from a pool that reflects the diversity of its global footprint. This is a challenging topic as the chemical/technology industries tend to have low levels of diversity. This is reflected in the fact that 27% of our employees are women.

To eliminate bias and discrimination in all its internal processes globally - in all aspects of employment, from recruitment to career development - **equal opportunities and non-discrimination** are part of SICPA's values and Code of Conduct, Recruitment & Remuneration Policy and Learning & Development Policy. **Gender equality analyses** have been carried out in Switzerland and in several other entities, such as Spain, Ecuador and Malaysia, and no significant gaps have been identified to date. At its headquarters, SICPA implemented a platform to monitor diversity and inclusion in a structured and systematic way across a number of drivers: diversity in

recruitment, diversity in the workforce, belonging, feeling valued and responding to situations of discrimination, including benchmarking against the industry.

In 2022, SICPA engaged with managers in a variety of ways through **training and workshops** to provide them with tools to ensure equal treatment of employees. In **East Africa**, a Management Essentials programme was conducted with the four countries of Kenya, Uganda, Tanzania and South Africa. Diversity was included in the programme, while in **Switzerland** Career Development Plan workshops were conducted to train managers on performance management reviews. Diversity was one of the topics raised. In **Ecuador**, SICPA introduced online training on the prevention of violence against women. As a result, 100% of employees were certified with a score of over 90%, demonstrating full awareness of the importance of creating a safe and inclusive workplace for both men and women.

WORKFORCE (2022)

Men
76%
Women
24%

WORKFORCE (FTE) BY AGE GROUP (2022)

30-50
66%
> 50
20%
< 30
14%

WORKFORCE (FTE) BY REGION (2022)

Africa
25%
Asia
12%
Australia
0.2%
Europe
43%
Latin America
13%
Middle East
0.4%
North America
7%

DIVERSITY BY GENDER (2022)

	Employee	Senior Employee	Manager	Senior Management
Men	23%	26%	22%	3%
Women	7%	12%	7%	0%

DIVERSITY BY AGE GROUP (2022)

	< 30	30-50	50 +
Employee	5%	17%	8%
Senior employee	5%	27%	6%
Manager	1%	20%	9%
Senior Manager		1%	2%
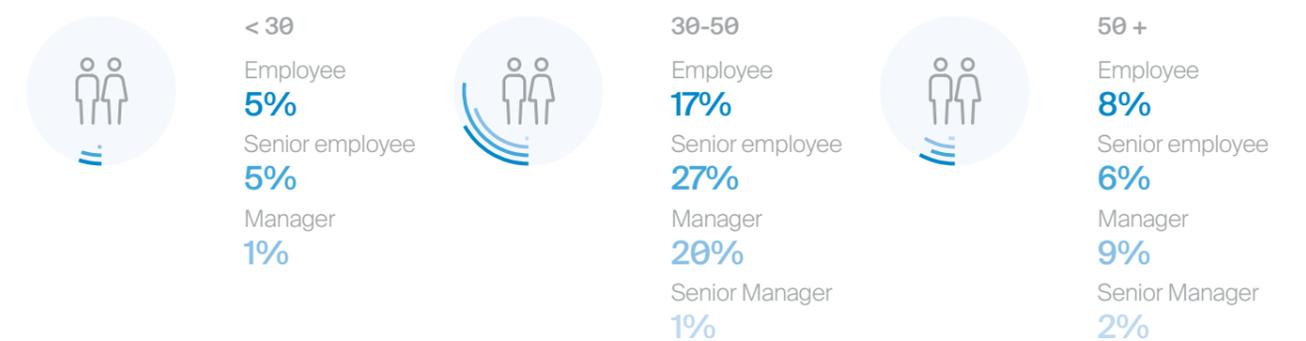
Note: Categories of employees as defined by the internal grading system.

SICPA's Occupational Health and Safety Management System (OH&S) covers all of SICPA's employees, contractors, activities and workplaces worldwide. The company has implemented rigorous health and safety processes, which have been recognised with OH&SAS 18001 certification since 2012 and ISO 45001:2018 certification since May 2020. The company keeps track of all occupational hazards arising from its activities and ensures that they are adequately and effectively mitigated, at all its manufacturing sites.

4.37
frequency rate
of the occupational accidents
with lost time per million
hours worked

0.06
severity rate
of occupational accidents
with lost time
per 1000 hours worked

There were 24 lost time **accidents** in the SICPA Group in 2022, affecting the frequency rate of lost time accidents per million hours worked, which increased slightly from 3.68 in 2021 to 4.37 in 2022, despite all the safety measures in place. Nevertheless, we have managed to reduce the average severity of accidents (SR0 of 0.06) within the Group. Finally, it is important to note that there were no fatalities during the year.

The company keeps **track of all occupational hazards** arising from its activities and ensures that they are adequately and effectively mitigated, whether in large or small manufacturing sites with different types of transformation processes or operations, in research or quality laboratories, in offices or outside the workplace. SICPA monitors regulatory developments and ensures that all sites and offices comply with the latest local guidelines - and where these do not exist, applies Swiss standards.

Updated in 2022, it uses a **structured methodology** with defined criteria to assess risks and impacts from an occupational health and safety perspective. It takes into account workplace hazards, OH&S criteria, environmental criteria, social criteria, hazard topics and information, the Group risk matrix and processes. The risk assessment takes into account different work modes (normal mode, task deviation, maintenance and accident mode) and five main categories of parameters: exposure,

probability, mitigation, severity and legal compliance. The most significant aspects are identified according to the OH&S risk score. This assessment is updated whenever working conditions change and following an accident or occupational disease. The OH&S manual, reviewed in 2022, describes all roles and responsibilities in relation to internal and external stakeholders.

SICPA has implemented an employee consultation and involvement process to ensure appropriate recording of work-related hazards and hazardous situations. In addition, EHS contact persons and first-aiders have been appointed in each entity to collect information on near misses and incidents and to conduct incident investigations (RCA), including detailed root cause analysis and follow-up of action plans.

OH&S initiates new programmes based on employee concerns, accident and incident investigations, near miss recurrence analysis and to improve OH&S conditions in the workplace. According to the guidelines and processes in the OH&S manual, the company engages internally with employees as well as with third party stakeholders or local/federal government officials. Recurrent OH&S training is provided, and the frequency of training is modified according to the conclusions of root cause analysis and OH&S reviews.
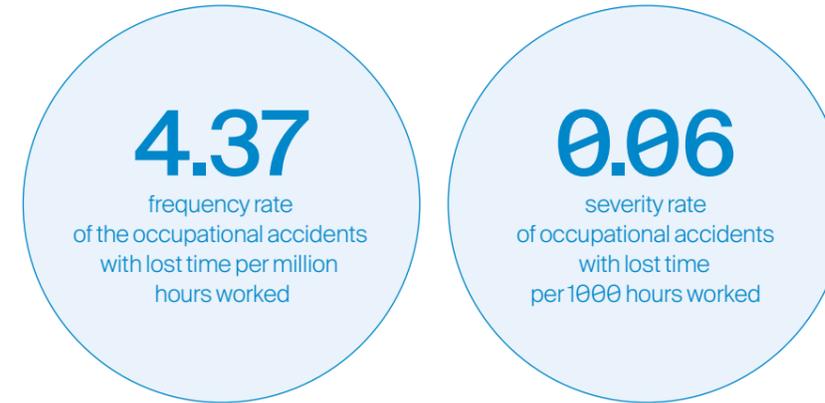
↦ FOCUS ON

+

In **South Africa**, 13 out of 15 SICPA employees received full medical check-ups with reports and recommendations for action, demonstrating the company's interest in the health and well-being of its employees. This type of activity helps to reduce sickness absence, as all employees have access to preventive health checks (vision, hearing, blood pressure, etc.), and also improves recruitment and retention.

+

SICPA **Albania**, following the global efforts to raise awareness about breast cancer, organised a Breast Cancer Awareness Campaign session on 12 October 2022, in cooperation with experts from the Public Health Institute.

3.4 WORKING CONDITIONS AND FINANCIAL SECURITIES FOR EMPLOYEES

Working conditions and financial securities were identified as a material topic as SICPA needs to ensure that the same high-quality of standards is applied in each entity. It is also seen as a key parameter for retaining talent, particularly in competitive sectors such as IT.

As part of its commitment to providing good working conditions and attractive and fair remuneration for all its employees, SICPA implemented a **global grading system** based on the existing job architecture that references all job levels and a set of associated grades within the organisation. The purpose of this project is to ensure consistency and fairness in job evaluation and classification across regions, to align compensation practices globally, to promote pay equity and to facilitate strategic workforce planning. The first phase of this project (global grade mapping) has been completed, and the second phase (development of pay scales) is underway.

As an international group, SICPA is aware of the **economic context** in which its companies operate. For example, in 2022, with the energy crisis, countries such as Türkiye and Pakistan were extremely affected by energy price inflation. As a result, bonuses were given to employees of these entities to compensate for the rising prices.

SICPA strives to ensure that employees can work under the best possible conditions. In Switzerland, for example, SICPA provides a high-quality pension fund and health insurance scheme, as well as brand new, extremely user-friendly facilities at the new *unlimitrust campus*.

In July 2021, an **HR engagement survey** was conducted across the SICPA Group, resulting in a list of actions identified for each entity. By 2022, 165 actions had been created, focusing mainly on recognition, rewards, environment and communication. Most of these actions were designed to be quick wins, while addressing the issues at a more structural level. Examples include the Global Grading Project and the Integrated Talent Management Framework.

In addition, in 2022, Headquarters reviewed the internal HR processes of the Malaysian entity, with a global target to assess one entity per year. Teleworking was introduced at a rate of one day per week in Switzerland and up to 50% of working time in Spain and the USA.

Actions for 2023 include a new HR "Watch and Compliance" review. The mobility plan for Switzerland will also be looked at and a new engagement survey will be conducted.

↦ FOCUS ON

+

In **Spain**, an online wellbeing platform was launched where employees can access a wide range of wellbeing content such as physical and mental health, nutrition, financial support, etc. This tool also creates a community around challenges and gamification, which has been used by 40% of employees, increasing employee engagement. SICPA **Switzerland** was named one of the best places to work for the second year in a row by "Handelszeitung" and "Le Temps" [10]. Our **Ecuador** office achieved Great Place To Work (GPTW) certification, a standard that assesses employees' workplace experience in terms of credibility, respect, fairness, pride and partners.

[10] https://www.sicpa.com/news/best-employers-switzerland-2022

SICPA is committed to positively impacting the communities in which it operates and participates in social, cultural, educational, environmental, and scientific activities, often with the active involvement of its own employees. In 2022, SICPA contributed approximately CHF 715,000 to 52 projects in Switzerland and in countries where it has existing businesses and operations.

To mark **International Women's Day**, SICPA supported multiple projects in various countries, contributing to the advancement of women. A donation was made to the EPFL WISH Foundation in **Switzerland**, which encourages young women in STEM to continue their research and pursue their goal of a higher professional career. SICPA also donated to UN Women's Fund for Gender Equality, which supports national, women-led civil society organisations in achieving women's economic and political empowerment and the UN SDGs. Other examples include **Morocco, Chile, Ecuador and Pakistan** where various events were organised, on topics such as gender equality and women empowerment.

In **Switzerland**, contributions were made to various NGOs helping people affected by conflicts in their own countries, to the Aubonne Valley Arboretum, which looks after a unique and international collection of 3,000 tree species, and to various youth associations near the Chavornay site. SICPA also sponsored a number of cultural events, such as the Renens Cultural Season and La Nuit des Musées, Lausanne's museum night in September, which attracted thousands of visitors to more than 20 museums. The SICPA FitForAll programme continued to promote health and fitness activities among employees, such as the "Bike to work" campaign.

As part of the CSR programme in **Spain**, which includes a variety of social activities, a blood donation campaign was organised with the Red Cross, in which 30 employees from the Madrid office volunteered. Through a dedicated association, the company has also donated several laptops to marginalised people who want to learn IT.

In **Mexico**, SICPA continued to support Lazarus, a charitable foundation that runs shared homes for homeless people and young workers. Monthly donations are used to ensure a stable, healthy and safe environment for the residents of Lazarus and to purchase some supplies for the free weekend soup kitchen.

In June, **Pakistan** experienced one of the worst floods in its history, destroying homes, crops, health centres, roads, and bridges and affecting more than 33 million people. To provide relief, SICPA Pakistan partnered with the Rotary Club of Karachi Metropolitan to work with the Sahil Welfare Association (SWA) to reach displaced people in remote areas. In addition, SICPA staff donated cash, non-perishable food items, medicines, clothing, and repellents. A team of volunteers also travelled to Sujawal district in rural Sindh to support SWA's efforts to distribute ration bags to the affected population.

In **Indonesia**, SICPA continued to support the Children Education Foundation, which guarantees employees' children access to education beyond senior high school. In fact, the Foundation supports children at various levels of education: 37 primary school, 24 junior high school, 14 high school, 29 university.

In **Togo**, staff cleaned up the beach at Agbodrafo, a small coastal town 50km from Lomé, collecting rubbish for recycling. This beach is very popular with the public and is sometimes visited by sea turtles. To celebrate National Tree Day on 1 June, the company launched an action to reforest an area of five hectares, in line with Togo's national reforestation policy. SICPA employees, the local population and the administrative and traditional authorities of the area took part in the planting of 3,000 Terminalia superba, Cola gigantea and Kahya saplings, which will be monitored and maintained over the next three years.

In **Kenya**, the company sponsored the Cleantech Innovation Day, organised by the Kenya Climate Innovation Centre (KCIC) and Strathmore University, which rewarded cleantech innovations developed by local university students.

Community support	2020	2021	2022
Total financial contributions (KCHF) sponsorships and donations to community	2,102	2,407	715
Number of community projects supported	71	59	52
Average project value (CHF)	29,615	40,797	13,756

4

GOVERNANCE
AND SUSTAINABLE
BUSINESS

IN THIS SECTION

4.1 GOVERNANCE

SICPA's governance structures reflect its long-term view of markets and economic sustainability. The company is governed by a Board of Directors made up of shareholders and external non-executive directors appointed by the General Assembly. The company's strategy and operations are overseen by the Executive Committee, which is supported by specialist committees focusing on specific strategic issues, including sustainability.

Overall responsibility for overseeing **sustainability** - and, more broadly, ESG issues - rests at the company's Executive Team level, led by the CEO, who is also the Chair of SICPA's Board of Directors. The CEO engages with members of the Executive Committee to assess and address ESG risks, opportunities and impacts to guide the firm's overall business strategy and reporting. SICPA has also established a **Sustainability Steering Committee** at the company's Executive Team level, which is responsible for setting SICPA's overall sustainability strategy and monitoring progress against ESG goals and targets.

Critical concerns are communicated to the Board of Directors either through a standard bottom-up communication channel, the Group Assurance and Advisory function or the Compliance Officer when critical concerns are raised via the speak-up line.

Business integrity is fundamental to SICPA. To be credible as Trust Enablers worldwide, we must comply with the laws in the marketplace and act in accordance with our values. Business ethics and integrity was identified as one of the most important topics for both internal and external stakeholders in our 2022 materiality assessment.

There are inherent risks and impacts associated with SICPA's business model and international presence, and SICPA makes significant efforts at all levels, from top management and throughout its global operations, to ensure a consistent level of business integrity for all employees and operating entities.

"Compliance with the law and doing business with integrity are not optional; they are crucial as a basis for trust, which is at the heart of what we do.**"**

Philippe Amon
Chairman and CEO

SICPA has a **Compliance function**, focused globally on corruption prevention, competition law and foreign trade controls compliance, headed by a Group Compliance Officer who reports to the CEO and the Chairman of the Audit Committee and acts independently from the business. This enables an organisational structure to oversee and improve processes, supported by a network of Business Compliance Ambassadors around the world.

Since 2021, SICPA has been one of the first companies in its sector to be **ISO 37001:2016** certified for its anti-bribery management system. SICPA is also an accredited member of the Banknote Ethics Initiative, which promotes ethical and responsible business practices worldwide. In 2022, there are no legal actions for anti-competitive behaviour, antitrust and monopoly practices to report. In April 2023, the OAG's investigation into SICPA, initiated in January 2015, concluded with a conviction for "organisational deficiencies". Although it relates to old actions undertaken without the company's consent and against its interests, SICPA took the measure of this sanction, while disagreeing with its grounds.

In 2022, the SICPA Board of Directors approved an update of the company's **Code of Conduct**[11], which had been in place since 2014. This document outlines how we want to do business with integrity, how we are committed to our employees and stakeholders, and what we expect from everyone at SICPA. In addition to organisational and training measures, SICPA promotes a "Speak Up" culture, encouraging its employees to speak up to their managers, other departments, the Senior Leadership Team or the CEO. The same applies to its external stakeholders. Since 2020, SICPA's Speak Up Line[12] (whistleblower system) is in place and allows any employee or external party to confidentially report – anonymously if preferred – any suspected misconduct via an independently managed system that complies with European standards. SICPA has a strict non-retaliation policy.

2022 Actions

All **Compliance policies**[13] **have been approved by the Board of Directors** and communicated to all employees, including Executive Committee members. **All 2992 employees**, including managers, **were trained during the reporting period** (1600 training modules delivered). All new employees must undergo mandatory compliance training as part of their onboarding. Certain employees receive more intensive training due to their role and risk exposure, with approximately 15% of the company required to confirm that they have read and understood the policies and to declare any conflict of interest or suspicious activity.

The **ISO 37001 certification** surveillance visit took place in HQ resulting in 0 non-conformities. The **Banknote Ethics Initiative (BnEI)**[14] **accreditation visit** also took place and no action was required. This accreditation is renewed every three years. Finally, the first **EcoVadis** evaluation of Switzerland took place in 2022 and SICPA received a 70/100 score for compliance (silver, 90th percentile).

SICPA has continuously developed its **Third-Party Management System** to holistically manage third parties that act on its behalf. Their engagement is subject to a thorough integrity due diligence process prior to onboarding. Among other measures, they receive regular compliance training on doing business with integrity and are required to submit an Annual Compliance Declaration. Further audits are conducted by external auditing firms.

Finally, SICPA has fully implemented all applicable sanctions imposed against Russia throughout 2022.

---

[11] https://www.sicpa.com/coc
[12] https://www.sicpa.com/speak-up-line

[13] https://www.sicpa.com/compliance
[14] An initiative established to promote ethical business practices, with a focus on the prevention of corruption and on compliance with anti-trust laws within the banknote industry

4.3 SUSTAINABLE INNOVATION AND PRODUCTS

Since its inception, SICPA has built its reputation as a pioneer and innovator by continually developing new products and technologies. This spirit of innovation is essential to respond to market needs and societal developments. SICPA is constantly innovating to be at the forefront of technological developments and to respond to specific security and traceability problems (e.g. counterfeit banknotes, tax evasion).

The company is also innovating to digitally transform the organisation to meet the expectations of its clients and society in general, and to attract IT talent (more information in the section on attracting and developing talent). In its internal IT organisation, SICPA created a Green IT team to work on sustainable digital transformation and raise awareness throughout the organisation.

The **evolving regulatory framework** is another driver for innovation. On the one hand, SICPA must adapt to new requirements, such as safety requirements for the use of hazardous substances (see the chapter on product safety and quality). On the other hand, new regulations (e.g. new taxes) can create specific needs for governments and thus opportunities for SICPA to deploy its technological solutions.

In terms of sustainability, considering our material topics and key environmental impacts, **one of our main innovation focus is the replacement of synthetic raw materials** used in ink production with bio-based materials. This long-term project, like most of our innovation projects, is being carried out in collaboration with technology leaders.

In 2022, under the guidance of a newly created Product Sustainability Unit, R&D has launched **development programmes** with various currency stakeholders to create new ranges of security inks with an improved sustainability index. SICPA is also contributing to R&D programmes aimed at improving the environmental efficiency of printing processes, such as moving from standard UV curing to LED UV curing. Solutions are also being explored to extend the life of documents and optimise their circulation cycles, thereby improving the sustainability of the value chain. At the same time, SICPA continued to develop leading printed optical security features for banknotes, improving process efficiency, counterfeit resistance and design possibilities.

SICPA's internal *3I Programme* further developed its activities in 2022, involving more than 20 teams of employees in Switzerland. Its aim is to continuously improve the intaglio inks value chain by leveraging real-time operational data, enabling predictive management decisions.

SICPA's quadrennial **"IMMERSION"** event, which took place in April and May, proved to be a successful and fruitful experience, welcoming participants from 41 countries around the world. A mix of banknote industry leaders, customers and stakeholders came together with a common vision to drive the currency industry forward in a responsible, secure, and sustainable manner. Various workshops presented SICPA's key solutions, latest technologies, ongoing developments or best practices related to cash authentication and the cash cycle.

SICPA also brought to market advanced detection methods and tools for combined code reading and authentication. The **CERTUS®** solution, based on a highly energy efficient blockchain, which secures sensitive paper and digital documents using an unforgeable QR code marking, started to be used to tamperproof the world's first Digital Trust Label and to certify a unique data centre efficiency and emissions label, both in Switzerland. In addition, this technology was awarded the Cyber Security Innovation of The Year award from Cybersecurity Malaysia. The **BullionProtect®** solution was implemented by Indonesian bullion producer Hartadinata to provide greater confidence in the gold bar trade. BullionProtect® is designed to enable all actors in the supply chain to authenticate precious metal products through an integrated solution consisting of a security seal and bespoke validation devices. Since 2020, more than 400,000 kilobars of gold worldwide have been marked with this solution.

4.4 SUSTAINABLE SUPPLY CHAIN MANAGEMENT

With a global industrial footprint, SICPA sources and transports raw materials, semi-finished and finished products around the world. The company operates a range of industrial sites, from small to large, for its various businesses and works with over 4,000 suppliers worldwide. The environmental footprint of transporting raw materials, semi-finished and finished products has been assessed for the main materials. SICPA launched its EcoVadis assessments in 2021 and will expand to other regions and sites. The company committed to strengthening its established supply chain governance model.

The vast majority, around 98%, of transformed and semi-finished products are exported from Switzerland, where the largest production sites are located. Considering that Switzerland does not have the necessary natural resources and materials for all transformation processes, this in turn implies the import of raw materials, products, etc., which have an impact on the environment through sourcing, transport and transformation. The systemic nature of a large and complex value chain inherently impacts the social aspects of all actors in the Group's supply chain around the world and may not have a uniform impact depending on geography, context and position in the supply chain. However, SICPA does not currently see any significant risk of child labour or forced labour among its direct suppliers.

In 2021, SICPA launched its **EcoVadis** assessment programme in the United States and has committed to expanding to other regions and sites in 2022 and beyond to assess and improve practices in the areas of environment, labour and human rights, ethics and sustainable procurement. In 2022, SICPA Switzerland was awarded with a silver medal with an overall score of 65 out of 100.

A **Supply Chain Compliance** function operates since 2012 to monitor legal and regulatory developments related to the supply chain, continuously providing intelligence for all decisions and updates to SICPA processes and standards.

SICPA committed to strengthening its established supply chain governance model to include environmental and social aspects, annual targets and objectives as part of a wider two-year programme to integrate sustainability across all functions. Engagement with suppliers is mainly through audits.

SICPA updated its **Supplier Code of Conduct** to include environmental and social aspects - and committed to continue to do so in the coming years to further integrate sustainability-related aspects.

The environmental **footprint of the transport** of raw materials, semi-finished and finished products has been assessed for the most significant materials. Efforts have been made to reduce the footprint of these materials, firstly by assessing their impact and secondly by taking action to reduce their emissions. Over the last four years, a major initiative to increase local sourcing of materials has been implemented. This was largely accelerated in 2021-2022 by Covid-19 and enabled the integration of new local distributors, while ensuring quality and reliability.

SILVER
2022
ecovadis
Sustainability
Rating

PERFORMANCE

IN THIS SECTION

OUR REPORTING STANDARD
AND SUSTAINABILITY FRAMEWORK

DATA

SUSTAINABILITY RELATED CERTIFICATIONS

GRI CONTENT INDEX

SICPA uses the Global Reporting Initiative (GRI) standards for its primary sustainability reporting.

SICPA strives to continuously improve its environmental and social performance throughout its value chain in line with three internationally recognised frameworks: the United Nations Global Compact Principles, the Sustainable Development Goals (SDGs) and the International Currency Association (ICA).

The information disclosed in this Sustainability Report serves as the basis for the Communication on Progress (COP) on the 10 principles of the United Nations Global Compact, as well as for tracking progress on our contribution to the SDGs and the ICA Sustainability Charter, which sets out principles for the currency sector to improve the sustainability of the design, production, manufacture and distribution of cash, and to create economic, environmental and social value.

ENVIRONMENT

Direct & indirect emissions (tonnes CO$_2$e) GRI 305-1; 305-2	2021	2022
Scope 1 : Direct Emissions	5,992	5,457
Scope 2 : Indirect Emissions (Market-based)	9,204	9,304
Scope 2 : Indirect Emissions (Location-based)	8,302	8,305
Total Scope 1 & 2 Emissions (Market-based)	15,196	14,761
CO2 Emissions from Biogenic Sources	-	-

Other indirect emissions (tonnes CO2e) GRI 305-3	2021	2022
Purchased Goods and Services	44,662	48,549
Capital Goods	20,753	23,818
Other Fuel & Energy Related Emissions	3,148	3,053
Upstream Transportation & Distribution	8,856	11,784
Waste Generated in Operations	1,498	1,429
Business Travel	2,350	5,943
Employee Commuting	3,418	3,554
Downstream Transportation & Distribution	7,661	9,138
Use of Sold Product*	17,865	2,432
End-of-life Treatment Of Sold Products	5,730	934
Total Scope 3 Emissions	115,942	110,634

*Non-banknote activity only
Note: Baseline: 2021 (first company-wide carbon footprint). Most recent year of calculation: 2022. Database used for the emissions factors: Ecoinvent 3.8, DEFRA, AIB Report Residual Mix 2021, 2022 Green-e® Residual Mix Emissions Rates (2020 Data). Methodology and calculation method: GHG Protocol, IPCC 2021 GWP100 (incl. CO2 uptake). Gases included: All mandatory gases i.e. CO2, CH4, N2O, HFCs, PFCs, SF6, NF3

Energy (kWh) GRI 302-1	2021	2022
Fuel consumption within the organisation from non-renewable sources		
Oil *	132,532	331,990
Natural Gas	18,674,659	15,940,353
LPG	45,696	22,347
	7,524,371	8,676,241
Total fuel from non-renewable sources:	26,377,258	24,970,931
Fuel consumption within the organisation from renewable sources		
Self generated Solar (with ownership)		663,654
Total fuel from renewable sources:	-	663,654
Electricity purchased	30,894,221	30,836,081
Heating purchased	975,000	1,999,532
Total Energy consumption within the organisation	58,246,479	58,470,198

*Note: oil does not include "fuel from owned vehicles" as reported separetly.

Water withdrawal (m3) GRI 303-3		
Surface		55,887
Ground		186,227
Total		242,114

Water withdrawal in stressed area (m3) GRI 303-3	2022
Surface	-
Ground	625
Total	625

Note: all water withdrawal is from freshwater.

Waste generation (tonnes) GRI 306-3		
Non Hazardous Waste	1,106	1,042
Hazardous Waste	636	688
Total	1,742	1,730

Note: Hazardous waste classified according to local legislation (e.g. OMoD in CH), mostly chemicals and ink related wastes; non hazardous waste include urban, industrial waste like metal, wood, PET, plastic, electronic,...

SOCIAL GRI 401-1, 405-1

Workforce (FTE)	2022	%
Men	2,288	76%
Women	704	24%
Total	**2,992**	**100%**

Note: total workforce at the end of the reporting period

Workforce (FTE) by region		%
Africa	753	25%
Asia	353	12%
Australia	5	0.2%
Europe	1,288	43%
Latin America	385	13%
Middle East	12	0.4%
North America	196	7%
Total	**2,992**	**100%**

Workforce (FTE) by age Group		%
< 30	419	14%
30-50	1,974	66%
>50	599	20%
Total	**2,992**	**100%**

Note: In addition to contract workers, SICPA also uses temporary workers in its production plants to match staffing levels to actual production needs. The management of temporary workers is handled at the level of each site. No consolidated data available.

New employees hires by age group	2022	%
< 30	1	0.2%
30-50	275	58%
> 50	199	42%
Total	**475**	**100%**

New employees hires by gender		%
Men	356	75%
Women	119	25%
Total	**475**	**100%**

New employees by region		%
Africa	117	25%
Asia	47	10%
Australia	-	-
Europe	214	45%
Latin America	73	15%
Middle East	-	-
North America	24	5%
Total	**475**	**100%**

Board of Directors		%
Men	5	83%
Women	1	17%
Total	**6**	**100%**

Board of Directors		%
< 30	-	-
30-50	1	17%
> 50	5	83%
Total	**6**	**100%**

Diversity by gender	Women		Men	
	#	%	#	%
Employee	120	7%	418	23%
Senior Employee	216	12%	472	26%
Manager	123	7%	397	22%
Senior Management	7	0%	46	3%
Total	**466**	**26%**	**1'333**	**74%**

Note: Data related to countries with a grading system in place. 21 countries, representing 60% of the workforce. (Albania, Chile, Dominican Republic, Ecuador, Georgia, Indonesia, Israel, Italy, Kosovo, Malaysia, Mozambique, Pakistan, Slovakia, South Africa, Switzerland, Thailand, Togo, Türkiye, UAE, Ouganda, USA). The company is currently implementing a global grading system.

Diversity by gender	< 30		30-50		50 +	
	#	%	#	%	#	%
Employee	98	5%	305	17%	135	8%
Senior Employee	88	5%	494	27%	105	6%
Manager	9	1%	358	20%	153	9%
Senior Management	-	-	19	1%	35	2%
Total	**195**	**11%**	**1'176**	**65%**	**428**	**24%**

Note: Data related to countries with a grading system in place. 21 countries, representing 60% of the workforce. (Albania, Chile, Dominican Republic, Ecuador, Georgia, Indonesia, Israel, Italy, Kosovo, Malaysia, Mozambique, Pakistan, Slovakia, South Africa, Switzerland, Thailand, Togo, Türkiye, UAE, Ouganda, USA). The company is currently implementing a global grading system.

Turnover by gender	2022	%
Men	152	71%
Women	61	29%
Total	**213**	**100%**

Turnover by age group		%
< 30	58	27%
30-50	138	65%
> 50	17	8%
Total	**213**	**100%**

Turnover by region	2022	%
Africa	29	14%
Asia	34	16%
Australia	-	-
Europe	89	42%
Latin America	45	21%
Middle East	-	-
North America	16	8%
Total	**213**	**100%**

SUSTAINABILITY RELATED CERTIFICATIONS

REGION	COUNTRY	ISO 9001	ISO 14001	ISO 37001	ISO 45001	BNEI	ECOVADIS
Africa	Kenya	●	2023	●	2023	N/A	
	Morocco	●	●	●	●	N/A	
	Togo	2023	2023	●	2023	N/A	
	Tanzania	●	●	●	●	N/A	
	Uganda	●	2023	●	2023	N/A	
	South Africa	●		●		●	
Asia	China	●	●	●	●	●	
	Indonesia	●	●	●		●	
	Malaysia	●		●		N/A	
	Pakistan	●	●	●	●	●	
	Thailand			●		N/A	
	Türkiye			●		N/A	
Australia	Australia	●		●		●	
Europe	Albania	●	●	●	●	N/A	
	Switzerland	●	●	●	●	●	●
	Spain	●	●	●	●	●	
	Georgia	●	●	●	●	N/A	
	Italy			●		N/A	
Latin America	Brazil	●	●	●	●	●	
	Chile	●	2023	●	2023	N/A	
	Dominican Republic			●		N/A	
	Ecuador	●		●		N/A	
	Mexico	●	●	●	●	●	
North America	United States	●	●	●	●	●	●

The full list of certifications is available on our website: **www.sicpa.com/excellence**.

ISO 37001: The anti-bribery management system is certified at headquarters level and covers all subsidiaries.

All banknote-related subsidiaries are certified to the Banknote Ethics Initiative (BnEI).

Specialised certifications such as ISO 17025, 27001, 14298, NASPO, CMMI are implemented based on local needs and activities.

ISO 9001 (quality management); ISO 14001 (environmental management); ISO 37001 (anti-bribery management); ISO 45001 (health and safety management); BNEI (Banknote Ethics Initiative); EcoVadis (sustainability rating).

GRI CONTENT INDEX

SICPA HOLDING SA has reported the information cited in this GRI Content Index for the period 1 January 2022 to 31 December 2022 with reference to the GRI Standards. The content of the Sustainability Report has not been externally assured and no restatement of prior period information has been made.

STANDARD & DISCLOSURES		PAGES / INFORMATION
GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021		
2-1	Organisational details	**Back cover page**
2-2	Entities included in the organisation's sustainability reporting	p. 35 List of entities included in the report: Albania; Australia; Brazil; Chile; China; Dominican Republic; Ecuador; Georgia; Indonesia; Italy; Kenya; Malaysia; Mexico; Morocco; Pakistan; South Africa; Spain; Switzerland; Tanzania; Thailand; Togo; Türkiye; Uganda; United States and Canada, Kosovo, Mozambique, Philippines with only scope 3 data.
2-3	Reporting period, frequency and contact point	**p. 35, back cover page**
2-4	Restatements of information	p. 35
2-5	External assurance	p. 35
2-6	Activities, value chain and other business relationships	p. 35, 75
2-7	Employees	p. 82
2-8	Workers who are not employees	p. 82
2-9	Governance structure and composition	p. 70, 82
2-10	Nomination and selection of the highest governance body	p. 70
2-11	Chair of the highest governance body	p. 70
2-12	Role of the highest governance body in overseeing the management of impacts	p. 70
2-13	Delegation of responsibility for managing impacts	p. 70
2-14	Role of the highest governance body in sustainability reporting	p. 70

GRI 1: Foundation 2021

GRI 2: General Disclosures 2021

2-15	Conflicts of interest	The company has developed and strictly applies a policy on conflicts of interest.
2-16	Communication of critical concerns	p. 70
2-17	Collective knowledge of the highest governance body	General awareness sessions are organised for BoD members with the aim to advance the collective knowledge, skills, and experience on sustainable development.
2-18	Evaluation of the performance of the highest governance body	Aligned to the performance evaluation of other topics. No specific process in place for ESG topics.
2-19	Remuneration policies	p. 64
2-20	Process to determine remuneration	p. 64
2-21	Annual total compensation ratio	Not communicated for confidentiality reasons.
2-22	Statement on sustainable development strategy	SICPA stipulates and implements/deploys a series of policies and internal standards covering aspects of responsible business conduct and respect of human rights, covering all its organisation's activities and its business relationships. SICPA policies are approved at Executive Committee level and cascaded via internal and external communication means, including remote and on-site trainings.
2-23	Policy commitments	
2-24	Embedding policy commitments	
2-25	Processes to remediate negative impacts	
2-26	Mechanisms for seeking advice and raising concerns	p. 72
2-27	Compliance with laws and regulations	p. 72
2-28	Membership associations	Cash essentials / BNEI / ICA / ITSA / Swissmem / UN Global Compact / Commerce chambers of various countries
2-29	Approach to stakeholder engagement	p. 38
2-30	Collective bargaining agreements	SICPA does not monitor the number of employees who are part of a collective bargaining agreement at group level. The terms and conditions of employment of employees not covered by collective agreements are not affected by other collective agreements.

GRI 3: Material Topics 2021

3-1	Process to determine material topics	p. 40
3-2	List of material topics	Materiality From 2017-2021, the list of material topics was: Corporate governance; Business ethics; Sustainable and safe products, Materials and supply chain; Occupational health and safety; Talent acquisition, retention and reward; Learning and development; Diversity, equal opportunities, non-discrimination; Security practices; Child labour; Waste management; Climate change.

STANDARD
& DISCLOSURES

PAGES /
INFORMATION

SUSTAINABILITY
REPORT 2022

GRI 3: Material Topics 2021

3-3	Management of material topics	p. 16, 42

GRI 204: Procurement Practices 2016

204-1	Proportion of spending on local suppliers	p. 53, 75

GRI 205: Anti-corruption 2016

205-1	Operations assessed for risks related to corruption	p. 72 All entities (28)
205-2	Communication and training about anti-corruption policies and procedures	p. 72 www.sicpa.com/compliance
205-3	Confirmed incidents of corruption and actions taken	p. 72 No incidents in the reporting year

GRI 206: Anti-competitive Behaviour 2016

206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	p. 72 https://www.sicpa.com/compliance No incidents in the reporting year

GRI 301: Materials 2016

301-1	Materials used by weight or volume	p. 53

GRI 302: Energy 2016

302-1	Energy consumption within the organisation	p. 48, 81

GRI 303: Water and Effluents 2018

303-1	Interactions with water as a shared resource	p. 50
303-2	Management of water discharge-related impacts	p. 50
303-3	Water withdrawal	p. 50, 51, 81

GRI 305: Emissions 2016

305-1	Direct (Scope 1) GHG emissions	p. 80
305-2	Energy indirect (Scope 2) GHG emissions	p. 80
305-3	Other indirect (Scope 3) GHG emissions	p. 80 3.1; 3.2; 3.3; 3.4; 3.5; 3.6; 3.7; 3.9; 3.11; 3.12
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	No consolidated data available at group level. An improvement plan to capture and consolidate significant emissions will be launched in the coming months.

GRI 306: Waste 2020

306-1	Waste generation and significant waste-related impacts	p. 50

STANDARD
& DISCLOSURES

PAGES /
INFORMATION

STANDARD
& DISCLOSURES

PAGES /
INFORMATION

SUSTAINABILITY
REPORT 2022

GRI 306: Waste 2020

306-2	Management of significant waste-related impacts	p. 50
306-3	Waste generated	p. 50, 80

GRI 308: Supplier Environmental Assessment 2016

308-1	New suppliers that were screened using environmental criteria	No consolidated data available at group level. Suppliers are evaluated during the selection process by local procurement teams. An improvement plan will be launched over the coming months to capture this information.
308-2	Negative environmental impacts in the supply chain and actions taken	p. 53, 75

GRI 401: Employment 2016

401-1	New employee hires and employee turnover	p. 23, 82

GRI 402: Labour/Management Relations 2016

402-1	Minimum notice periods regarding operational changes	Following regulatory framework of the country. SICPA takes care to ensure that employees are informed of the management's plans as early as possible and to involve employee representatives in change processes at an early stage. In general, SICPA is committed to the Health & Safety Management standard ISO 45001:2015 which includes a mechanism of consultation and participation of workers.

GRI 403: Occupational Health and Safety 2018

403-1	Occupational health and safety management system	p. 62
403-2	Hazard identification, risk assessment, and incident investigation	p. 62
403-3	Occupational health services	The OH&S Steering Committee is responsible for establishing the OH&S policy, governing compliance and reviewing the company's Health and Safety performance, as well as escalating Health and Safety initiatives and significant risks and issues. Senior executives are responsible and accountable for implementing this policy within their areas of responsibility, allocating adequate resources and improvement programs.
403-4	Worker participation, consultation, and communication on occupational health and safety	p. 62
403-5	Worker training on occupational health and safety	p. 62
403-6	Promotion of worker health	p. 62

GRI 403: Occupational Health and Safety 2018

403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 62 SICPA is responsible for ensuring that external parties working on its sites are informed and instructed on the constraints and dangers that SICPA could cause to them. Similarly, for the contractor, it must ensure that any safety measures have been identified and that steps have been taken to ensure the safety of its staff. SICPA (HSE) and the provider agree on the safety measures to be implemented at the interface of the two activities before the start of the work and these costs are to be included in the specifications.
403-8	Workers covered by an occupational health and safety management system	p. 62 No homogeneous data available as they are managed at contractor level. However, all contractors are covered by SICPA OH&S management system when on-site.

GRI 404: Training and Education 2016

404-1	Average hours of training per year per employee	p. 59
404-2	Programs for upgrading employee skills and transition assistance programs	p. 58

GRI 405: Diversity and Equal Opportunity 2016

405-1	Diversity of governance bodies and employees	p. 24, 61, 82, 83
405-2	Ratio of basic salary and remuneration of women to men	Not communicated for confidentiality reasons.

GRI 407: Freedom of Association and Collective Bargaining 2016

407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	p. 75 SICPA is committed to the Principles of the Universal Declaration of Human Rights, the Principles of the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the ILO Core Labor Standards. Respect for human rights within supply chains is explicitly stipulated by the SICPA Code of Conduct and the Supplier Code of Conduct. Violations of this principle can be reported via the speak up line both by employees and by third parties.

GRI 408: Child Labor 2016

408-1	Operations and suppliers at significant risk for incidents of child labor	p. 75 SICPA does not currently see any significant risk of child labour or forced labour among its direct suppliers.

GRI 409: Forced or Compulsory Labor 2016

409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	**p. 75** SICPA does not currently see any significant risk of child labour or forced labour among its direct suppliers.

GRI 414: Supplier Social Assessment 2016

414-1	New suppliers that were screened using social criteria	No consolidated data available at group level. Suppliers are evaluated during the selection process by local procurement teams. An improvement plan will be launched over the coming months to capture this information.
414-2	Negative social impacts in the supply chain and actions taken	**p. 75**

GRI 416: Customer Health and Safety 2016

416-1	Assessment of the health and safety impacts of product and service categories	**p. 54**
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No incident during the reporting period.

GLOSSARY

NAME	DEFINITION
CSR	Corporate Social Responsibility
FTE	Full Time Employee
GHG	Greenhouse Gas
GHG scopes	Scope 1: Direct emissions derived from sources owned or controlled by the company, such as fuel consumption by our production centres. Scope 2: Indirect emissions derived from the generation of acquired energy, such as the use of electricity in our offices or production centres. Scope 3: All other indirect emissions from the value chain of the company, such as the ones from our suppliers
GRI	Global Reporting Initiative
ICA	International Currency Association
OAG	Office of the Attorney General of Switzerland
SDG	Sustainable Development Goal (of the United Nations)
STEM	Science, Technology, Engineering and Mathematics
VOC	Volatile Organic Compounds

SICPA
World Headquarters
Av de Florissant 41
1008 Prilly
Switzerland

Tel   +41 21 627 55 55
Fax +41 21 627 57 27
info@sicpa.com
www.sicpa.com

Worldwide locations:
www.sicpa.com/map