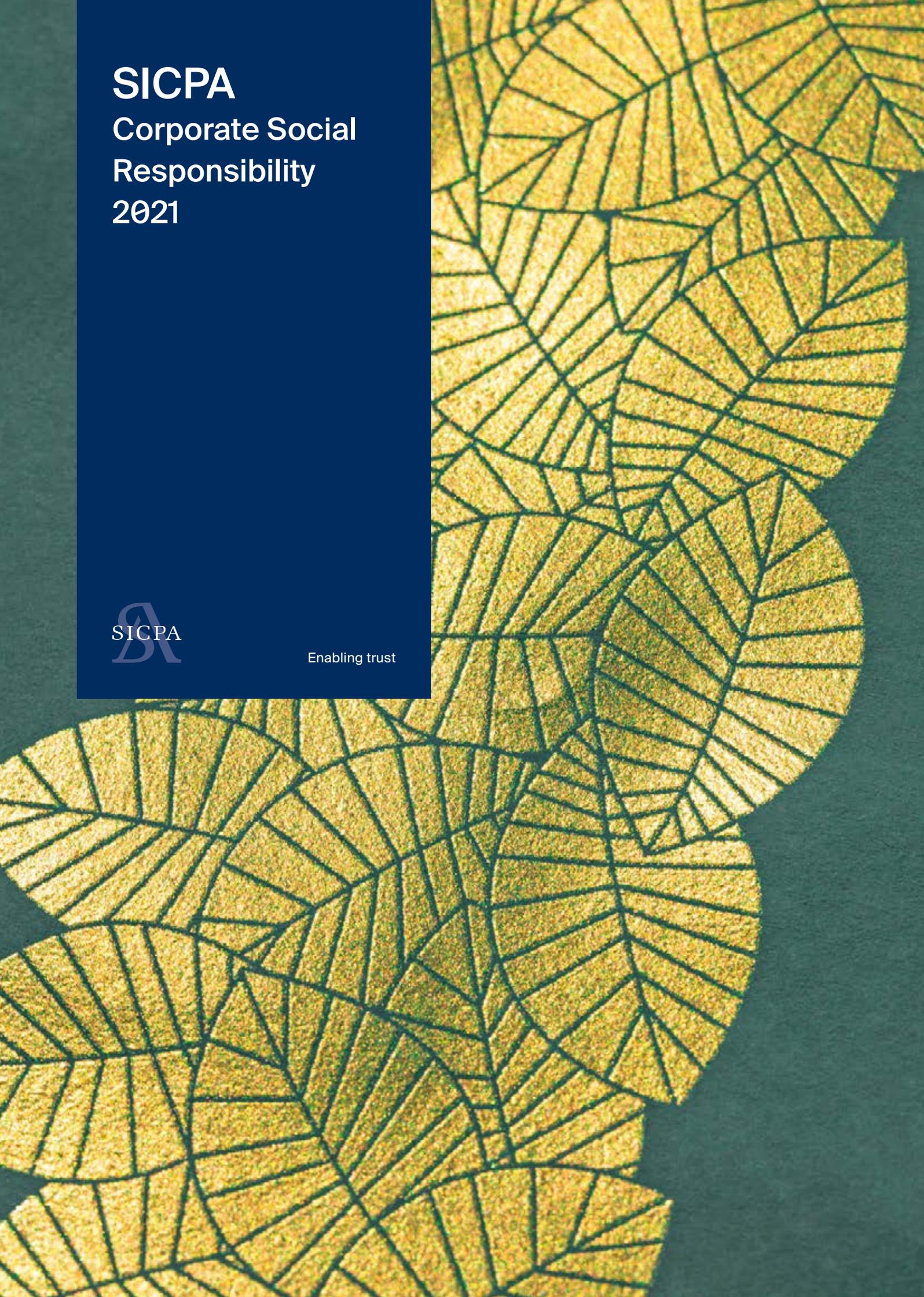


# SICPA

Corporate Social  
Responsibility  
2021



Enabling trust



# CEO introduction

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If there is one thing that the COVID-19 pandemic has shown us is that our world is fragile and that interdependences are increasing. While the virus continued spreading around the world in 2021, we have also seen a rise in natural disasters in a variety of geographies with often devastating impacts on the local populations, supply chains have been vastly disrupted overall and raw material sourcing has become an unexpected challenge at many levels. Building resilience as a business has become ever more essential in order to continue operating and remain sustainable in the future, yet it cannot work without also addressing companies' wider impacts on their environmental and social ecosystems.

I am proud of how SICPA's teams around the world have confronted these numerous challenges last year and have found solutions to ensure that all our employees could stay safe and respect all our client engagements without any interruption, all the more while finding ways to reduce our environmental impacts through energy efficiency initiatives and new ink solutions, and supporting the communities in which we operate by participating in social, cultural, education, environmental and scientific activities. At the same time, we reinforced our Corporate Social Responsibility (CSR) approach to accelerate our environmental and social actions.

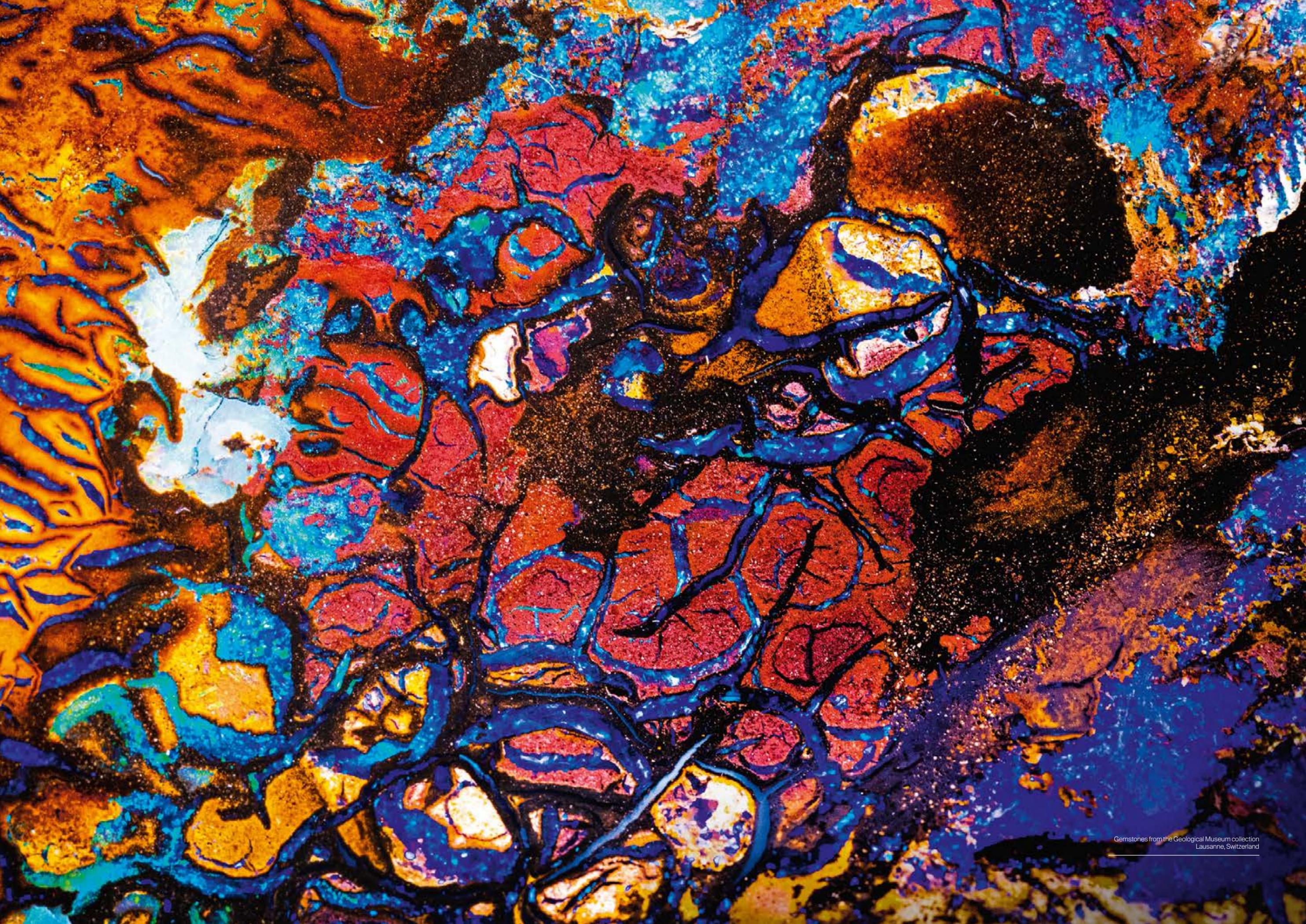
Trust is fundamental to our societies and economies. Trust in each other. Trust in the products we use. Trust in the technologies that act as the backbone of our economic transactions and social exchanges. Our purpose as a company is to *enable trust* between governments and citizens, and between companies and consumers, developing *trust by design* technologies that support rightful, authenticated and verified transactions, exchanges and products. Our solutions have an underlying social benefit to society - protecting banknotes as a vital public good, securing tax revenues for governmental use or authenticating products for consumers - all contributing to securing the economic, administrative and health ecosystems of countries around the world.

As a responsible corporate citizen, SICPA has always been committed to doing business with integrity and has zero tolerance for any form of corruption. I am very pleased that our robust compliance and anti-bribery management approaches were recognised with the renewal of our Banknote Ethics Initiative (BnEI) accreditation and the obtention of the ISO 37001:2016 certification, a first in our industry.

I am proud that SICPA can continue to positively contribute to society in line with our purpose of *Enabling Trust* and I look forward to continuing our CSR journey together with all our employees, our partners and our clients.

*Philippe Amon*  
**Chairman and CEO**

Philippe Amon  
in SICPA's main facility  
in Switzerland  
Cover image:  
Designed with AKOYA®  
iridescent gold ink  
(for silkscreen printing)



# Executive Summary

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As a member of the United Nations Global Compact and an adopter of the UN Sustainable Development Goals (SDGs), SICPA aims to further integrate sustainability in its business and operations and continuously enhance its environmental and social performance, adapting to a future where sustainability is ever more essential. SICPA's approach respects and capitalises on the company's heritage, culture and values. It is based on four key pillars: our markets, our people, communities and environment.

The company continuously evaluates and seeks to reduce the impact of its products and operations on the environment, while also creating positive impact for the communities in which it operates and a positive working environment for its employees. Due to the evolving societal and environmental challenges, increasing customer expectations and necessity to approach sustainability in a holistic way, SICPA decided in 2021 to create a CSR function, with a dedicated role at Group level.

In light of new stakes to reinforce state health policies and epidemiologic surveillance, SICPA launched a new business unit to support governments' decision making and responsiveness to public health issues and to enable trust in critical health supply chains.

SICPA obtained the ISO 37001:2016 certification for its global anti-corruption management system and renewed its Banknote Ethics Initiative (BnEI) accreditation.

## OUR MARKETS AND PRODUCTS

Throughout the ongoing COVID-19 crisis, SICPA safely deployed effective measures to protect its staff members and enable them to operate and serve all customers without interruptions of operations, deliveries and services. SICPA continued to develop and produce security inks for banknotes, as cash remains a vital public good, even more so in uncertain and crisis times. The company also expanded its portfolio of high security traceability technologies as well as its product and brand protection solutions.

Construction works continued on the *unlimitrust campus*, dedicated to advance the *Economy of Trust*. Adjacent to SICPA's headquarters, the building will open in the fall 2022.

## OUR PEOPLE

As the pandemic continued in 2021, SICPA's priority was its staff health, both physical and mental. Measures in place since 2020 ensured a safe working environment for those on site and appropriate home office conditions. SICPA once again reported a low 3.68 frequency rate of occupational accidents with lost time per million of hours worked. Only two occupational illnesses and no fatalities were reported during the year. The company continued offering its training programmes to staff and implementing integrated talent management processes while its employee branding programme engaged students through various activities.

## COMMUNITIES

In 2021, SICPA contributed approximately CHF 2.4 million to 59 cultural, education and environmental projects, in Switzerland and near its local entities around the world. Several initiatives helped local communities during the COVID-19 crisis with financial or material contributions.

## ENVIRONMENT

In 2021, SICPA decided to start its journey towards climate neutrality. Throughout the year, the company revised its data collection approach, enlarging it to all subsidiaries, with the aim of determining its global environmental footprint. The results of this exercise, which will be finalised in 2022, will allow for the creation of SICPA's climate neutrality roadmap for the years to come. Simultaneously, the company continued to install energy efficient solutions in its entities around the world. SICPA evaluated, in accordance with its ISO 14001:2015 certified policies and processes, the environmental impact of the company's business and operations, which is mostly driven by the intensity of its ink manufacturing operations. The electricity and water consumptions per FTE increased, in line with the 25% increase of inks manufactured. Total waste produced increased only by 5% compared to 2020. This year, we also added in this report a KPI on the quantities of waste per ton of inks produced in the company's manufacturing facilities. From 2004 to 2021, while the inks production increased, SICPA managed to steadily decrease waste by -34%.



# OUR APPROACH

## SUSTAINABILITY

SICPA operates worldwide and is committed to acting as a responsible corporate citizen across the environmental, social and governance fields. SICPA has integrated sustainability as a key pillar in its business strategy and operations.

For more than 50 years, SICPA has worked to minimise its environmental and social impact 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 the general public. The company continuously evaluates and seeks to reduce the impact of its products and operations on the environment, while also creating positive impact for the communities in which it operates and a positive working environment for its employees.

Since its first CSR Report in 2013, SICPA has initiated multiple programmes to enhance its social and environmental performance and to contribute to local communities. Due to the evolving societal and environmental stakes, increasing customer expectations and necessity to approach sustainability in a holistic way, SICPA decided in 2021 to create a CSR function, with a dedicated role at Group level. The objective is three-fold: 1) to consolidate all environmental and social actions which have already been undertaken in various functions and markets within SICPA for several years; 2) to accelerate efforts in this area and 3) to develop a roadmap in close collaboration with all business functions and local entities in order to reach climate neutrality. This will comprise of reductions of our carbon emissions and compensation measures for unavoidable emissions. A coordinated effort of employees in all functions and in all countries in alignment with our future global roadmap will be essential so that our company can reduce its environmental footprint and deliver on its ambition.

## TODAY, SICPA'S CSR PROGRAMME IS BASED ON 4 KEY PILLARS

### Our markets

Interaction and impact on the sustainability of economies and markets

### Our people

Engagement with employees

### Communities

Participation within the communities where the company operates

### Environment

Impact of the company's operations on the environment

## ECOVADIS RATING

In 2021, SICPA launched a first sustainability assessment in one site in Illinois, USA, with Ecovadis, a recognised global sustainability rating provider evaluating four main CSR themes in a company (environment, labour & human rights, ethics,

sustainable procurement), which resulted in a silver medal award (Ecovadis rating score of 64). Building on this successful pilot, other assessments are planned for 2022-23.

**OUR COMMITMENT TO INTERNATIONAL FRAMEWORKS**

SICPA has been a member of the United Nations Global Compact since 2016. In 2019, SICPA adopted the United Nations' Sustainable Development Goals (SDGs) as a framework to which it aligns its actions. SICPA aims to continuously enhance its environmental and social performance across its entire value chain, in alignment with the UN Global Compact principles and the SDGs, together with its internal and external stakeholders.

The 17 SDGs cover a wide spectrum of sustainable development topics relevant to companies, such as poverty, health, education, climate change and environmental degradation. The solutions we offer as a company have an important role to play in helping our state clients meet their UN SDG targets, providing them the means of safeguarding cash as a vital public good and securing tax collection and revenues, while fighting fraud and countering the inefficiencies and distortions it creates, hereby contributing to SDGs 10 - reduced inequalities, 16 - peace, justice and strong institutions, and 17 - partnerships for the goals.

In 2021, SICPA committed to the International Currency Association (ICA) Sustainability Charter, which it contributed to. The Charter articulates the aims and commitments of the currency industry in regard to sustainability, working to increase sustainable design, production, manufacturing and distribution of cash and creating economic, environmental and social value. It includes five principles:

- 1 Promoting the adoption of Circular Economy principles
- 2 Striving towards a decrease of emissions in the cash cycle
- 3 Striving for resource efficiency across global value chains and in operations
- 4 Preventing harm to humans and biodiversity and limiting the environmental impact of cash throughout its whole life cycle
- 5 Engendering personal and professional growth in the workforce

**GOVERNANCE**

SICPA's governing structures reflect its long-term view on markets and economic sustainability. The company is headed by a Board of Directors made up of shareholders and external non-executive directors. The company's strategy and operations are overseen by the Executive Committee, supported by specialised committees addressing specific strategic topics. Strategic Business Areas (SBA), which are responsible for driving commercial activities, are supported by transversal functions. This enables SICPA to efficiently execute its missions and to develop new markets and products. In 2021, in light of new stakes to reinforce state health policies and epidemiologic surveillance, SICPA launched a new SBA to support governments' decision making and responsiveness to public health issues and to enable trust in critical health supply chains.



# “The achievement of becoming ISO 37001:2016 certified is a confirmation of our strong commitment to compliance and acting with integrity.”

Philippe Amon  
Chairman and CEO

## COMPLIANCE AT SICPA

SICPA is committed to doing business with integrity and acting in accordance with all applicable laws worldwide. Following a successful independent audit in 2021, SICPA obtained the ISO 37001:2016 certification for its global anti-corruption management system. In addition, SICPA renewed its Banknote Ethics Initiative (BnEI) accreditation, an initiative in which SICPA has participated since its inception in 2014. BnEI promotes ethical business practices, with a focus on the prevention of corruption and on compliance with anti-trust laws within the banknote industry.

At SICPA, the Board Audit Committee exercises oversight of compliance risk under the leadership of the Board of Directors. The implementation of a compliance system, particularly in the fields of corruption prevention, foreign trade controls and competition law, and the supervision of its business and operational application are at the core of the mission of the Chief Compliance Officer, who reports to the CEO and the Chairman of the Audit Committee. The Chief Compliance Officer and his team at headquarters are supported by nearly 30 Business Compliance Ambassadors in the local subsidiaries, who assist local management with compliance, while the Managing Director remains responsible for it. These Business Compliance Ambassadors, previously known as Compliance Coordinators, help bridge language barriers, are a first point of contact in their entities and help the Compliance team spread the message to local teams, for example by explaining Compliance matters in a new internal video series “Compliance Explained”.

The SICPA Compliance Management System (CMS) includes elements such as an annual risk assessment, ongoing consultations, web-based and in-person training, as well as the Integrity

Due Diligence platform. In 2021, two web-based Compliance eLearning courses were rolled out to support policy updates and reinforce awareness, such as with the updated Competition Law policy, which was translated into 6 languages and on which employees received a 30 minutes e-learning. In 2021, more than 1.000 SICPA employees received web-based Compliance training.

Third Party management remains an important element of the CMS. Comprehensive Integrity Due Diligence is conducted, which includes the completion of internal and external questionnaires and a research report by an external provider to ensure the integrity of third parties. All approved third parties are monitored on an ongoing basis, and the Integrity Due Diligence is updated periodically based on the level of risk identified. In addition to other elements of the third-party programme, third parties have been audited by an independent audit firm.

In anticipation of the forthcoming EU Whistleblowing Directive, a Speak Up line for both employees and third parties, managed by an independent external provider, has been available in all SICPA markets since 2020. On June 23 and December 9, company-wide communications were issued on the occasion of World Whistleblowing Day and International Anti-Corruption Day, encouraging employees to continue to have an open culture and to speak up if and when necessary.

### PROGRESS: 2021 ACTIONS

- Obtain the ISO 37001:2016 certification ✓
- Renew BnEI accreditation ✓
- Submit UN Global Compact COP ✓
- Create an internal Compliance Ambassadors Network ✓

Legend: ✓ completed ▷ on-going ✕ pending

### LOOKING FORWARD: 2022-2023

- Actively apply UN Global Compact principles
- Renewal of certifications
- Comply with annual customer audits
- Promote compliance awareness and trainings

## MATERIALITY ASSESSMENT

In 2021, SICPA continued to implement improvement measures based on its 2017 materiality assessment. Material topics are included in this report, on the following pages:

MATERIAL TOPICS	SECTION (status and actions)	PAGE
 ECONOMIC ASPECTS		
Corporate Governance	Governance	10
Business Ethics	Compliance at SICPA	12
Sustainable and Safe Products, Materials & Supply Chain	Quality, procurement	15
 SOCIAL ASPECTS		
Occupational Health & Safety	Operational integrity	21
Talent Acquisition, Retention & Reward	Workplace excellence	19
Learning & Development	Workplace excellence	19
Diversity, Equal Opportunities, Non-discrimination	Workplace excellence, human rights	19, 20
Security Practices	Human rights	20
Child Labour	Human rights	20
 ENVIRONMENTAL ASPECTS		
Waste Management	Environment	27
Climate Change	Environment	27

Considering the legal, social and climate contexts, as well as evolving expectations from customers, partners and society in general, SICPA will renew its materiality assessment in 2022 in order to determine current key material topics and define a new sustainability roadmap.

SICPAGUARD®, an integrated security solution developed for instant machine-readable authentication of documents and products.



# OUR MARKETS & PRODUCTS



SICPA develops lasting business relationships throughout its markets, responding to its evolving customers' requirements. SICPA's products and solutions have an underlying social benefit. The company contributes to the well-being of society at large by actively contributing to ensuring cash systems, value documents and vulnerable goods are safer and more secure for use or consumption, while helping states secure revenues through rightful tax collection.

### STAKEHOLDERS & COVID-19

Throughout the ongoing COVID-19 crisis, SICPA demonstrated continuous commitment, one of its core values, through continued communication and uninterrupted access to quality products, services and technical support. The company safely deployed effective measures to protect its staff members and enable them to operate and serve all customers without interruptions of operations, deliveries and services.

The COVID-19 Tactical Operations Centre set up in 2020 continued to monitor and report on the fast-evolving situation in order to proactively mitigate potential disruption, putting in place relevant actions to ensure business continuity. These timely measures have enabled security inks operations to successfully weather through changes in personnel availability, supply of raw materials, production capacity and logistics, including cross-border land transport restrictions and global freight capacity – resulting in steady deliveries to customers. The crisis communication taskforce continued to provide regular updates to keep customers and staff informed of the company's revised safety measures and operational actions.

SICPA continued to establish and nurture strong partnerships with both academia (Ecole Polytechnique Fédérale de Lausanne (EPFL), Centre Suisse d'Electronique et de Microtechnique (CSEM), International Institute for Management Development (IMD), Faculté des Hautes Etudes Commerciales of Lausanne University (HEC) and industry – from long established companies to newcomers in blockchain or data analytics – to leverage best practices and develop new technologies.

### QUALITY & PRODUCT SAFETY

SICPA has built its reputation as a pioneer and innovator, thanks to the continuous development of new products and technologies, annually investing a significant portion of its revenues in research and development. The company had more than five thousand patents at the end of 2021. The quality and safety of its products and solutions are essential to SICPA's sustainability and success. The company also consistently renews and extends the scope of its certifications, such as ISO 9001 and ISO 45001. As an example, in Chile, the SICPA LATAM entity was certified ISO 9001:2015 (quality management system), after an external audit performed in March.

### PROCUREMENT

SICPA requests its suppliers to abide by its Supplier Code of Conduct, which sets out requirements for business continuity and contingency plans, product changes and phase out. The Supplier Code of Conduct also covers ethics, security, environmental and human rights requirements and principles.

**2021 STATUS AND ACHIEVEMENTS**

Despite the COVID-19 pandemic, SICPA participated in various international conferences, sometimes presenting its recent products and solutions developments. The Marketing team set up a studio to host virtual events and interact with customers, creating an immersive and engaging digital live experience, while maintaining SICPA's usual standards of confidentiality, personalisation and quality.

SICPA continued to develop and produce security inks for banknotes, as cash remains a vital public good which most people depend on and a key pillar of the payments eco-system, even more so in uncertain and crisis times. Among its various security inks, SICPA continued to promote SPARK Flow®, the third generation of the established optical security technology SPARK®, providing new state-of-the-art features for banknote protection and authentication.

In December 2021, the first note featuring a SPARK Flow® feature was issued by the National Bank of the Republic of Kazakhstan. The commemorative 20,000 tenge banknote offered unprecedented feature visibility, powerful design impact and heightened security. Dedicated to contribute to banknote durability and clean-note policy, SICPA has teamed up with security partners to develop a banknote varnish containing biocidal properties that effectively provide antiviral, antibacterial and antifungal protection of banknotes. SICPAPROTECT® Biocide has the combined purposes of providing cleaner and durable banknotes with an improved overall hygienic circulation of banknotes.

SICPA continued to participate in the International Currency Association (ICA) and contribute to its Sustainability Charter, which calls on members to promote the adoption of circular economy principles and integrate sustainability criteria throughout all aspects of current and future processes and projects. Members committed to reduce their environmental footprint by reducing consumption of water and raw materials, re-assessing the chemicals used in production, increasing recycling and the use of renewable energy, decreasing emissions through innovation and new technologies and setting emissions reduction objectives.

As a trusted, decades-long partner in the global cash industry, SICPA is intensely aware of the emerging trends and competing market pressures prompted by rapid digitalisation. The company continued to explore the development of a retail Central Bank Digital Currency (CBDC) solution. In line with its purpose of enabling trust and leveraging its extensive knowledge of the cash life cycle and ecosystem, the ambition is to develop a CBDC solution that is efficient, inclusive and safe, enabling trustworthy transactions for all and satisfying both the needs of sovereigns and the public within a diverse payments landscape.

**Initiative to promote and defend cash**

In 2021, SICPA continued to support and participate in the CashEssentials initiative to promote the use of cash and to ensure its longevity as a sustainable payment method. CashEssentials is a global, independent think tank whose mission is to monitor ongoing developments and undertake research and analysis on cash and its future. Since 2017, the platform has been publishing numerous reports and articles by a range of contributing experts on the topic of cash and the payments landscape.

**Protecting products and brands**

Illicitly produced products, which respect no regulations or norms, are so often harmful to the environment, to the workers who produce them and to those to whom they are ultimately sold.

SICPA's broad portfolio of high security traceability technologies and solutions help governments and companies fight illicit trade while at the same time supporting sustainability objectives. In 2021, SICPA introduced OPALINE®, a new family of printed and applied security features with highly aesthetic and smart designs, exhibiting multiple colour-changing effects. This innovation marks a new milestone in the security printing industry as the feature exhibits double colour changes and inherent polarisation properties, allowing for both visual authentication and detection by devices. Dedicated to protecting security documents and products, the use of this technology is already industrially proven, with several security printers having mastered the production of billions of tax stamps with OPALINE® features.

SICPA also continued in 2021 to develop new technologies for brand owners to authenticate their products and for consumers to verify products at points of sale. These solutions are applicable across a range of industry sectors such as pharmaceutical, electronic consumer goods, luxury goods and food and drinks. The company was present at Pharmapack 2021, the most important European trade fair dedicated to pharmaceutical packaging, in October in Paris, exhibiting its innovative overt and covert product protection solutions such as QUAZAR® product labels and SICPAGUARD®.

True to its innovative spirit, SICPA continued to take on the challenge of linking the security of the physical world with its digital counterpart to protect goods and people from the vulnerabilities created by today's global digitalised economy and governance. Projects were piloted to meet a diverse range of challenges, such as protecting digital identities, land registries, electoral integrity and diplomas with the CERTUS® forgery-proof digital seal technology.

**PROGRESS: 2021 ACTIONS**

Development of partnerships	✓
On-going development of sustainable solutions	✓

**Legend:** ✓ completed ▷ on-going ✕ pending

**LOOKING FORWARD: 2022-2023**

On-going replacement of harmful substances	▷
On-going development of sustainable solutions	▷
On-going deployment of the ICA Sustainability Charter principles	▷

**Legend:** ✓ completed ▷ on-going ✕ pending

# ⇒ FOCUS ON

## *unlimitrust campus*

In the Lausanne region, SICPA continued the construction works of its *unlimitrust campus*. Adjacent to SICPA's headquarters, the campus is due to open in the fall 2022, bringing together SICPA employees, actors from the industry, public organisations and academia in the field of trust technologies to further the *Economy of Trust*, an economy where transactions, interactions and products across the physical and digital worlds are based on protected, unforgeable and verifiable data. This community of trust innovators will develop, adopt and value technologies, policies as well as practices that guarantee the secure, ethical and sustainable flow of products, services and people, all along their physical and digital journey.



## Building SICPA's expertise in inclusive and privacy-preserving digital identity

SICPA Spain participated in an initiative bridging EU and US Internet research and aiming to develop a more human-centric Next Generation Internet (NGI). The collaboration enables identity researchers on both sides of the Atlantic to connect different platforms and test security features, such as European digital signatures already used in legacy systems and privacy-preserving biometric tools, to increase transaction security and levels of assurance. A specific use case involved the verification of EU-issued verifiable credentials by US counterpart i-Respond Global, a humanitarian NGO specialising in privacy-preserving biometric identity solutions using physical characteristics such as iris recognition. This organisation has developed health and livelihood credentials to improve the lives of vulnerable populations in Africa and South East Asia, including stateless refugees, undocumented migrant workers and at-risk groups requiring access to healthcare.





# OUR PEOPLE

SICPA laboratory in Switzerland



The SICPA workplace reflects the importance of technical and scientific excellence and capabilities to the company, as well as the long-term and diverse nature of its business and markets.

## WORKPLACE EXCELLENCE

### Talent acquisition, retention & reward

During the year, SICPA continued implementing its integrated talent management processes, keeping a high retention rate of employees at 94%, a minor 2% decrease compared to 2020. The core focus remained on talent acquisition, focusing on quality of new hires, strengthening recruitment processes overall and continuing rolling out procedures, tools and common practices globally.

SICPA continued building its numerous academic partnerships established with reputable institutions in the region of Swiss Romandie, such as École polytechnique fédérale de Lausanne (EPFL), Lausanne University (UNIL) and Haute École spécialisée de Suisse occidentale (HES-SO), to grow its employer brand awareness and facilitate recruitment. More than 20 students with Swiss and French academic backgrounds were welcomed in headquarters for specific internship programmes.

Despite the challenges caused by the pandemic, the company continued organising throughout 2021 various recruiting events and student engagement activities. These events were a great opportunity for employees to share their experience with young graduates or students wishing to follow their path. Among these events were the Woman Hack (virtual) and Tech Job Fair (virtual) in Spain, and the Forum HES-SO (virtual), HEC Lausanne Career Fair (virtual) and Forum EPFL, in Switzerland.

### Learning & development

SICPA has specific programmes to develop leadership, management and innovation capabilities and skills. As the pandemic continued in 2021, changing the way of working for employees at home, efforts were made to cover topics such as managing a remote workforce, time management and working from home. The company also continued to subscribe to Bookboon, an e-learning library, to further develop a proactive learning culture. In addition, several e-learning courses on the management of new technologies, cybersecurity and the GDPR (General Data Protection Regulation) were offered to address these sensitive issues that are increasingly present in our daily lives.

In 2021, the average number of annual training hours per employee increased from 27 in 2020 to 28, including all sorts of learning activities, formal and distance learning and on-the-job knowledge transfer.

Through the continuation of the SICPA Management Development Programme, more than 330 managers in Switzerland and internationally were able to improve their team management and leadership skills by focusing on communication, professional relationship building, change management and cultural awareness.

**Natural turnover**  
% of employees who leave at their own volition



**Performance reviews**  
% employees with formal performance review



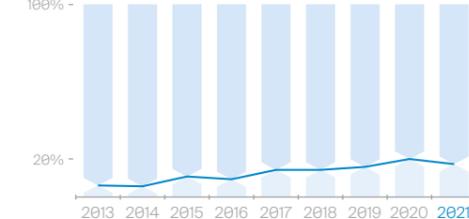
**Training hours**  
Number of annual training hours per employee



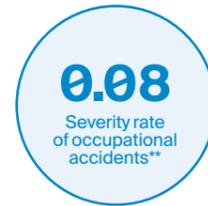
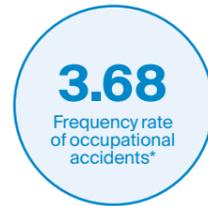
**Gender ratio**  
% of employees (male/female)



**Equal opportunities**  
% of employees in management – grade 11 and above (male/female)



Note: Figures for 2013 and 2014 concern Switzerland only. From 2015 to 2017, figures represent 80% of SICPA worldwide employees. In 2018, the figures represent all SICPA worldwide employees except for the annual turnover. From 2019, the figures represent all SICPA worldwide employees.



### Diversity & equal opportunities

Equal opportunities and non-discrimination are part of SICPA's values and Code of Business Conduct. This is reflected in SICPA's workforce with more than 75 nationalities represented. To shine a light on the diversity within SICPA, the "Chef for a day" initiative continued in 2021 in the Swiss Headquarters restaurant, to enable colleagues to share the gastronomical treasures from their country of origin.

In Spain, the first Equal Opportunity Plan for women and men was launched with actions on hiring, training, development and remuneration. An equal opportunities committee composed of employees from different departments participated.

In Switzerland, a first equal pay analysis was conducted to comply with the Swiss Equality Act, which aims to promote equality in working life while prohibiting all forms of discrimination. The analysis covered all the pay elements as well as personal information, such as level of education and job-related information. Detailed results will be audited and communicated to employees in 2022.

In Latin America, as signatory of the Women's Empowerment Principles (WEPs), SICPA measured its performance in terms of equality through the WEPs Gender Gap Analysis Tool, improving its results in Ecuador from intermediate to advanced status and in Chile from beginner to achiever.

### Values & corporate culture

As part of its efforts to promote a common culture and build a transversal organisation, SICPA has introduced a common competency framework in 2019. Leading and managing teams of different people with different personalities, career goals, communication styles and culture is one of the most challenging aspects of a manager's role. The SICPA Competency Model supports HR and managers to identify the critical behaviours leading to success within SICPA and to put in place measures to develop them. In addition, managers are trained on people management skills.

During the year, the SICPA values and sense of cohesion were promoted through numerous communications and several local entities' events, online and offline when Covid-related measures allowed.

### Human rights

SICPA aims to conduct its business in full respect of prevailing human rights standards and legislation. Human Rights elements such as non-discrimination and respectful labour and safety and security practices are incorporated in the company's policies, in particular the Code of Business Conduct, HR and Health & Safety Policies which are communicated accordingly to staff worldwide. The Supplier Code of Conduct covers topics such as freedom of association, child labour, employment conditions, human treatment and freely chosen employment, for suppliers to comply with.

Due to the nature of its business, SICPA maintains the highest security standards, in relation to physical and data security and ensures that adequate guidelines and training are given to staff, both at SICPA and for some third parties.

SICPA's staff in Switzerland voted in 2015 against the establishment of a staff association explicitly renewing their trust in management when it comes to the management and resolution of labour issues. In other countries, the freedom of association and collective bargaining principal is applied through a trade union as and when determined by staff.

\*Frequency rate of occupational accidents with lost time per million of worked hours

\*\*Severity rate of occupational accidents with lost time per thousand of worked hours

### PROGRESS: 2021 ACTIONS

- Priority to staff health during the COVID-19 crisis ✓
- HR Engagement Survey ✓
- Offer new learning and training programmes ✓

Legend: ✓ completed ▷ on-going ✕ pending

### LOOKING FORWARD: 2022-2023

- Improve health & safety incident rates
- Align operations to human rights due diligence regulations
- Continue to streamline HR processes with job architecture
- Implement equal opportunities actions

### Operational integrity

The health and safety of SICPA's employees and the communities in which the company operates are essential for the operational integrity and sustainability of the SICPA business. SICPA has rigorous health and safety processes, which were recognised with the ISO 45001:2018 certification. The company provides periodic and continuous training to its employees on occupational hazards and professional safety.

### 2021 status and achievements

The number of accidents with and without lost time increased from 34 in 2020 to 54 in 2021, for a population of 2899 employees worldwide, hence impacting the frequency rate of occupational accidents with lost time per million of hours worked, which slightly increased from 3.64 in 2020 to 3.68 in 2021. Despite the increase of their frequency, we were able to reduce, on average, the severity of the occupational accidents. The increase of accidents

is mainly due to the return on site of employees after the COVID-19 pandemic and to the inclusion in the calculation of additional SICPA sites worldwide, which experience higher working risks, despite all SICPA safety and security measures in place.

It is important to highlight that there were only two reported occupational illnesses and no fatalities during the year.

In response to the COVID-19 pandemic, safety measures to protect employees continued in all SICPA entities worldwide to ensure a safe working environment for staff by providing them with appropriate advice and equipment, including thousands of masks.

## ⇒ FOCUS ON

### New industrial infrastructure in Mexico

In operation since 2005, SICPA's Naucalpan site in Mexico was completely revamped and extended. Machines and equipment, storage areas, safety and working areas were brought up to standards. The teams now have a more friendly work environment, encouraging collaboration, including comfortable production areas with natural lighting and meeting rooms and glass offices that encourage exchanges between people.



### Pioneer of a Swiss internship programme

In Switzerland, SICPA partnered with the HEIG-VD (School Of Management and Engineering Vaud) for a dual study programme of "Bachelor's degree with integrated practical training" in the field of computer science and engineering, welcoming one intern in the IT department. This 4-years bachelor programme combines theory provided by the school with practical work performed in a company. SICPA is among seven companies pioneering this new federal programme aimed at encouraging young students to embrace professions related to information technology.



# COMMUNITIES



**2407**  
KCHF invested in community projects

**59**  
Community projects supported

Beyond recruiting local staff and investing in the local economies through its activities in over 30 countries in the world, SICPA is keen on creating positive impact for the communities in which it operates and participates in social, cultural, education, environmental and scientific activities which often actively involve its own staff. The focus of the company's corporate sponsorship and donations is in Switzerland, the company's home country and where its main production centre is, and in countries where SICPA has existing businesses and operations.

### 2021 STATUS AND ACHIEVEMENTS

In 2021, SICPA contributed approximately CHF 2.4 million to 59 cultural, education and environmental projects, in Switzerland and near its local entities worldwide.

In Switzerland, the company contributed among others to the Theodora Foundation, which finances and organises weekly visits by professional artists, called Dream Doctors, to children in hospitals and specialised institutions; to the Aubonne Valley Arboretum, taking care of a unique collection of 3,000 species and varieties of trees and shrubs from all temperate zones of the world; and to various youth associations near its Chavornay plant.

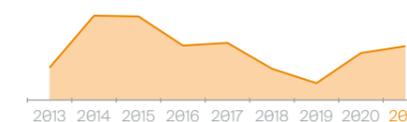
SICPA continued to sponsor various cultural events despite limited activities due to the COVID-19 pandemic, such as the cultural season of the city of Renens and the Lausanne museums event *La Nuit des Musées* that was held in September, gathering several thousands of visitors in more than 20 museums. The company also sponsored a major exhibition organised by the University of Lausanne and the EPFL, *Deep Fakes: Art and Its Double*, which explores the potency of digital replicas to absorb audiences in enduring emotional encounters with universal art treasures.

In addition, SICPA significantly contributed to *Plateforme 10*, a newly built regional platform of three different art and photography museums in the centre of Lausanne.

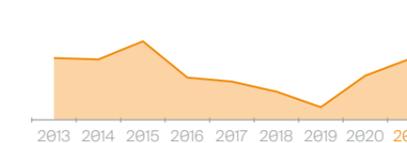
SICPA Switzerland also continued its FitForAll programme when possible due to health measures to encourage health and fitness activities among employees, such as Bike to work. With the pandemic, many employees worked from home and specific resources were communicated to encourage a healthy work-life balance.

SICPA local entities supported a number of projects as well, such as SICPA Kenya, which planted trees (see Focus page). SICPA Pakistan, in addition to its water intervention project (see Focus page), renewed its support, among others, to The Kidney Centre and Layton Rahmatullah Benevolent Trust (LRBT), which both provide either free or largely subsidised medical services. The Kidney Centre provides quality renal care to almost 100,000 poor patients and SICPA's support enabled them to refurbish their operating rooms. LRBT is an institution that provides eye care and surgeries for the under-privileged and SICPA funded diverse medical equipment.

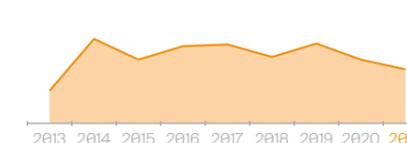
**Total financial contributions (KCHF)**  
Sponsorships and donations to community



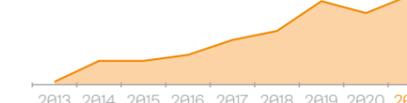
**Average project value (CHF)**



**Number of community projects supported**



**Impact assessment and follow up\***  
Number of projects with implemented impact assessments and development programmes



*Note: a substantial number of donations are given to cultural events as one-off contributions that do not require follow up.*

*Note: these figures are indicative and exclude, to the extent that it was possible to identify them, commercial donations, membership of associations, subscriptions and documentation. Numbers since 2019 reflect this as several subscriptions were excluded.*

# ⇒ FOCUS ON

## Kenya Tree planting event

On March 8, 2021, SICPA Kenya, with the International Tree Foundation (ITF) and the Karai Youth Forum Community Based Organization, held a colourful tree planting event at the Mai-a-Ihii Primary School in Kikuyu, Kiambu County. 200 indigenous trees were planted around the school compound with various officials and more than 25 SICPA employees. The activity was a steppingstone towards rehabilitating an area that is adversely affected by extreme dry weather conditions. In addition, sanitary towels and undergarments were distributed to female students.



## Clean water in Pakistan

SICPA Pakistan collaborated with the Hisaar Foundation to install a solar water bore system and two handpumps in three different villages in the rural area of Tharparkar, an underdeveloped district of Sindh. The solar bore system includes a water tank storage and will support about 800 people with 600 livestock heads. The handpumps will provide over 170 villagers and over 80 animals with fresh water, hereby reducing the rate of water borne diseases, and the distance previously required to fetch clean water. The company has visited the installations and the Foundation will provide quarterly updates on the project for the next three years.



### LOOKING FORWARD: 2022-2023

Continue to support community projects worldwide

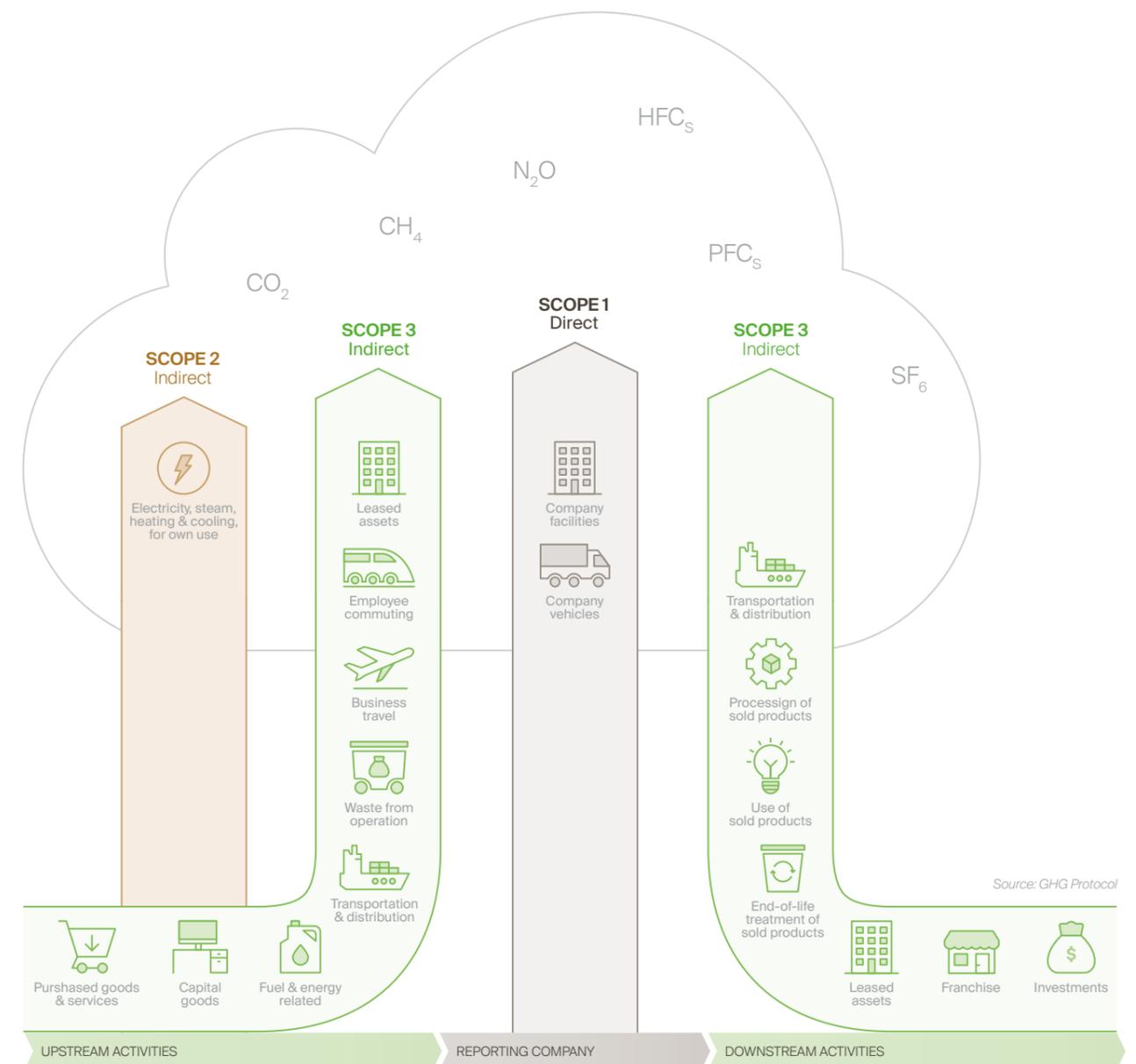
Continue FitForAll programme in Switzerland



# ENVIRONMENT



SICPA has been working to mitigate its environmental impact since the 1970s, putting in place many initiatives to reduce the carbon emissions related to transport, packaging and raw material sourcing, and optimise the composition of its security inks. The company has also been improving its products and processes to increase overall industrial efficiency and reduce waste, as well as upgrade the energy efficiency of its buildings. All these efforts continue to be monitored according to the GHG Protocol and corresponding impacts are split according to Scopes 1, 2 or 3, as illustrated below.



## CLIMATE CHANGE

SICPA recognises the importance of addressing climate change, one of the main societal challenges of our times. As a company, SICPA believes it has a responsibility to do its part to preserve the future of the planet and reduce its environmental impact.

In 2021, SICPA decided to start its journey towards climate neutrality. Throughout the year, the company revised its data collection approach, enlarging it to all subsidiaries, with the aim of determining its global environmental footprint. The results of this exercise, which will be finalised in 2022, will allow for the creation of SICPA's climate neutrality roadmap for the years to come. It will consider scope for carbon reduction as well as strategies for compensation.

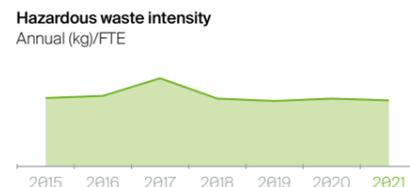
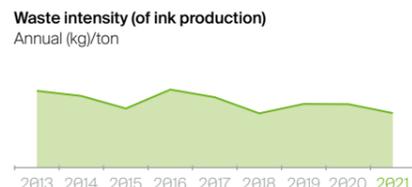
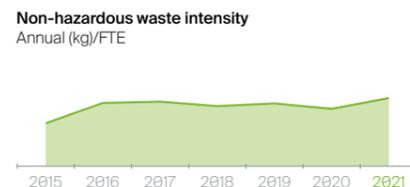
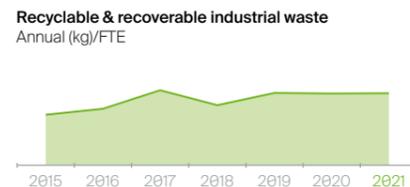
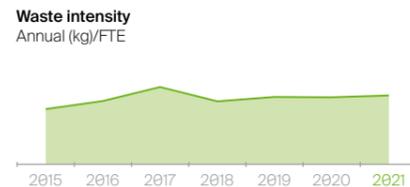
## 2021 STATUS AND ACHIEVEMENTS

As in previous years, SICPA evaluated in 2021, in accordance with its ISO 14001:2015 certified policies and processes, the environmental impact of its business and operations, which is mostly driven by the intensity of its ink manufacturing operations. The graphs in this chapter provide an overview of the environmental performance of SICPA in 2021.

## Climate neutrality

Addressing climate change by improving the company's environmental performance is the right thing to do for the future of the planet, but also to remain a credible leader in the industry and answer to customers' expectations. SICPA hence decided in 2020 to become carbon neutral and in June 2021 to extend this ambition towards becoming climate neutral by the end of 2035.

In South America, SICPA's entities in Ecuador, Dominican Republic and Chile achieved carbon neutrality in their own controlled operations in 2021, by mitigating and reducing quantified emissions through the efficient use of resources and offsetting the remaining carbon emissions thanks to Emission Reduction Certificates (CERs) from the United Nations Climate Neutral Now platform (support of a renewable energy project in Chile).



## Energy and water

The energy KPIs calculation is based on the number of FTEs in December of the year. In 2021, SICPA's FTEs worldwide remained to a similar level as 2020. The electricity and water consumptions per FTE went up in line with the quantity of inks manufactured in tons which increased by 25% from 2020. In 2021, three new entities were added in the sustainability monitoring (Italy, Togo, Illinois USA), while at the same time, operations were discontinued in Mozambique, leading to a 31% increase in electrical consumption (+29% vs 2020). These results show that SICPA's energy footprint is strongly correlated to its manufacturing operations and the number of operating sites.

Water intensity increased per FTE, in line with the production increase. 82% of water consumption came from Switzerland where it is mostly used as machines' coolant water without impacting its quality.

The company continued to install energy efficient solutions in its entities around the world, like in Indonesia where a solar system was installed on top of the ink production facility. In Switzerland, the future campus being built next to SICPA's headquarters will include the latest technology for electrical, ventilation and heating installations including the use of the city district heating. The campus will also feature solar panels on its roof which will serve its own energy needs and supply the local network.

## Waste

In 2021, the amount of total waste produced in kg per FTE increased by 5% compared to previous years. This was mainly due to a 15% increase of non-hazardous waste while dangerous waste quantities remained stable.

This year, we also added in this report the quantities of waste per ton of inks produced in the company's manufacturing facilities. From 2004 to 2021, while the inks production increased, SICPA managed to steadily decrease waste by -34%. In addition, in 2021, the result was below the internal target.

SICPA's Swiss manufacturing facility continued to send its dangerous waste to CRIDEC (Centre de ramassage et d'identification des déchets spéciaux) for disposal and reuse.

# ⇒ FOCUS ON

## Environmental initiatives of SICPA Mexico

The Mexico entity put in place various initiatives throughout 2021 to reduce its environmental impact. It reduced electricity consumption by switching light bulbs to LED, installing motion sensors in its premises and power save modes. It also optimised the cleaning process of ink production by reducing the use of solvents and recycling them. Contributing to the circular economy, it also increased the sorting and recycling of waste, training employees to give a second life to wood packaging and other recyclable materials (metal, glass, carton).

### LOOKING FORWARD: 2022-2023

- Develop roadmap for climate neutrality ▷
- Maintain carbon neutrality in South America ▷
- Comply with energy efficiency obligations ▷
- Enhance waste management solutions

Legend: ✓ completed ▷ on-going ✕ pending



PRINCIPLE	ACTIONS 2021	CSR REPORT 2021 REFERENCE-SECTION
<b>Human Rights</b>		
<b>Principle 1</b> Businesses should support and respect the protection of internationally proclaimed human rights	<ul style="list-style-type: none"> <li>– Policies inclusive of human rights</li> <li>– Grievance mechanism and remediation</li> </ul>	People - Human Rights
<b>Principle 2</b> Make sure that they are not complicit in human rights abuses	<ul style="list-style-type: none"> <li>– Policies inclusive of human rights</li> </ul>	Markets & Products - Procurement People - Human Rights
<b>Labour</b>		
<b>Principle 3</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	<ul style="list-style-type: none"> <li>– Policies inclusive of Labour Practices</li> </ul>	People - Human Rights
<b>Principle 4</b> The elimination of all forms of forced and compulsory labour	<ul style="list-style-type: none"> <li>– Code of Conduct</li> <li>– Supplier Code of Conduct</li> <li>– National labour laws and regulations</li> <li>– Clear contractual basis</li> </ul>	Markets & Products - Procurement People - Human Rights
<b>Principle 5</b> The effective abolition of child labour	<ul style="list-style-type: none"> <li>– Code of Conduct</li> <li>– Supplier Code of Conduct</li> <li>– National labour laws and regulations</li> <li>– Clear contractual basis</li> </ul>	Markets & Products - Procurement People - Human Rights
<b>Principle 6</b> The elimination of discrimination in respect of employment and occupation	<ul style="list-style-type: none"> <li>– Code of Conduct</li> <li>– HR policy and procedures</li> <li>– Records of recruitment, training and promotion</li> <li>– Grievance mechanism and remediation</li> </ul>	Markets & Products - Procurement People - Workplace Excellence & Human Rights
<b>Environment</b>		
<b>Principle 7</b> Businesses should support a precautionary approach to environmental challenges	<ul style="list-style-type: none"> <li>– Policies inclusive of environment</li> <li>– Stakeholder engagement</li> <li>– Governance structures</li> <li>– Grievance mechanism and remediation</li> </ul>	Approach - Governance Markets & Products - Stakeholders Environment
<b>Principle 8</b> Undertake initiatives to promote greater environmental responsibility	<ul style="list-style-type: none"> <li>– Sustainable products programme</li> <li>– Climate neutrality</li> </ul>	Markets & Products Environment
<b>Principle 9</b> Encourage the development and diffusion of environmentally friendly technologies	<ul style="list-style-type: none"> <li>– Product design</li> <li>– More sustainable materials</li> </ul>	Markets & Products Environment
<b>Anti-Corruption</b>		
<b>Principle 10</b> Businesses should work against corruption in all its forms	<ul style="list-style-type: none"> <li>– Global Anti-Corruption policy</li> <li>– Board Audit Committee</li> <li>– Whistle-blower process</li> <li>– Compliance Management System</li> <li>– Third-party Management System</li> <li>– ISO 37001:2016</li> <li>– Banknote Ethics Initiative accreditation</li> </ul>	Approach - Compliance

# ABOUT SICPA

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

**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 hence 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 is hence building the *unlimitrust campus* in Prilly, Switzerland, a centre of excellence that will establish an innovation-driven environment and a dynamic community of start-ups, corporations, investors and academics that will foster new ideas, partnerships and developments of trust technologies. Supported by the EPFL Innovation Park and the Canton de Vaud, it is due to open its doors in the fall of 2022.

**SICPA employs over 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 (anti-bribery 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.

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