

2020

Sustainability
Report



Corporate Responsibility

APG|SGA aims to foster comprehensive and sustainable values for its partners, customers, shareholders and employees, while making a contribution to the environment and society. Balanced consideration of environmental (planet), social (people) and economic (profit) factors in decision-making and implementation processes is regarded as vital for the long-term success of the company.

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Sustainability is firmly rooted in APG|SGA's values

For more than 120 years, APG|SGA has provided its poster products to organizations and institutions, bringing their messages and causes to the public eye. They bring municipalities and cities to life, convey information and encourage discussion, as well as generating additional income and added value through long-term cooperation and concession agreements, including in the form of urban furniture and posters that present culture and information to the local community. Our commitments are based on continuity and are characterized by a sense of partnership and a sustainable, long-term outlook.

For decades now, APG|SGA has put a particular focus on climate protection and reduction of environmental impact. This means APG|SGA is on track when it comes to the implementation of the Paris Agreement. Under the agreement, almost every country in the world set itself the goal of limiting the global temperature rise to 1.5°C. Over the last year, APG|SGA reduced its CO₂ emissions by around 15%, partly influenced by the Covid-19 pandemic, and its environmental impact by 20%, underscoring its responsible management practices. Along with the consistent implementation of its climate strategy, this striking reduction was also driven by the greater number of employees working from home and reduced business travel activities. The consequences of climate protection measures are also reflected in the CDP ranking (Carbon Disclosure Project). With its "A" score, APG|SGA is one of the most climate-friendly listed companies in the world, according to this established, recognized procedure.

But the company doesn't intend to rest on its laurels, with challenging measures also being implemented in 2021. One example of this is the holistic "Green Office" concept development. Under this future-oriented project, the power supply for the Zurich location will become self-sufficient. With an appropriately dimensioned photovoltaic system, including charging infrastructure for e-vehicles, APG|SGA aims to implement a central part of the new federal Energy Act 2017.

Alongside climate protection, we have set ourselves further targets as part of our integrated sustainability strategy. In this way, we seek to further prioritize responsibility in our relationships with suppliers and partners, and further promote the diverse skills of our workforce. This Sustainability Report will fully inform you about all of our ambitious targets and activities.

For APG|SGA, this is not merely an obligation: it is a heart-felt wish to do more. We take responsibility in accordance with our values and let sustainability guide our actions. We are therefore delighted to communicate these non-financial aspects with credibility and transparency. With this in mind, we compile our Sustainability Report with reference to the guidelines of the Global Reporting Initiative (GRI) and the UN's Sustainable Development Goals. In this way, we comply with the principles of good, scalable sustainability reporting. I hope that this report provides you with a good overview of our activities and that you will continue to take environmental and social factors into account in your partnership and investment decisions.

Sustainable greetings,
Markus Ehrle, CEO APG|SGA



Sustainability strategy

Corporate responsibility and sustainability is enshrined as one of the six values of the APG|SGA Code of Conduct alongside enthusiasm, partnership, entrepreneurship, integrity and transparency – values that are anchored in our daily work. APG|SGA has been reporting on its active commitment to environmental protection for more than 15 years. Since 2018, we have expanded our reporting to reflect an overall view of corporate responsibility.

Both our sustainability strategy and our company strategy follow the APG|SGA corporate Mission Statement, which consists of a vision & purpose as well as promises & principles.

The sustainability strategy is based on the triad of people, planet, profit, and both the guidelines of the Global Reporting Initiative (GRI) and the UN's Sustainability Development Goals.

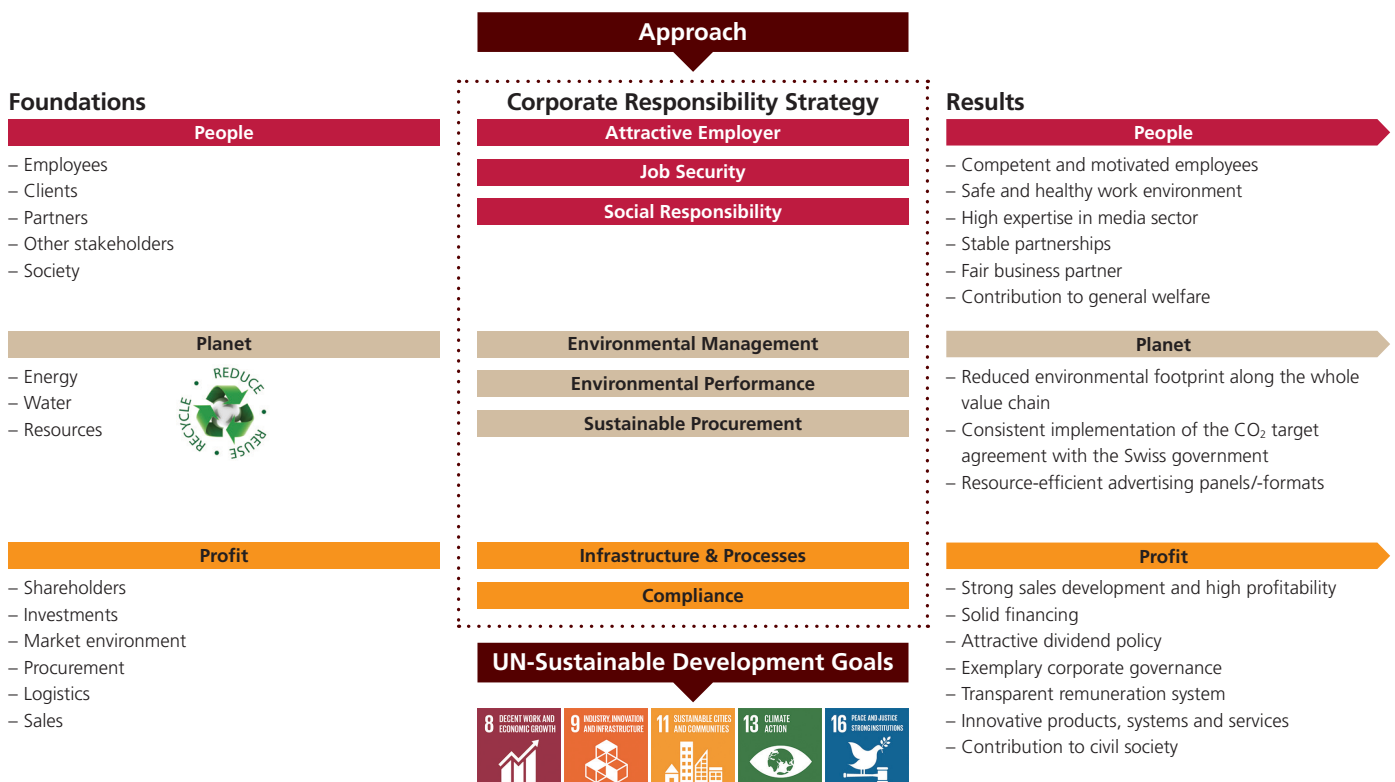
Corporate Mission Statement

Vision

"We want to use the very best communication solutions in public spaces to inspire people."

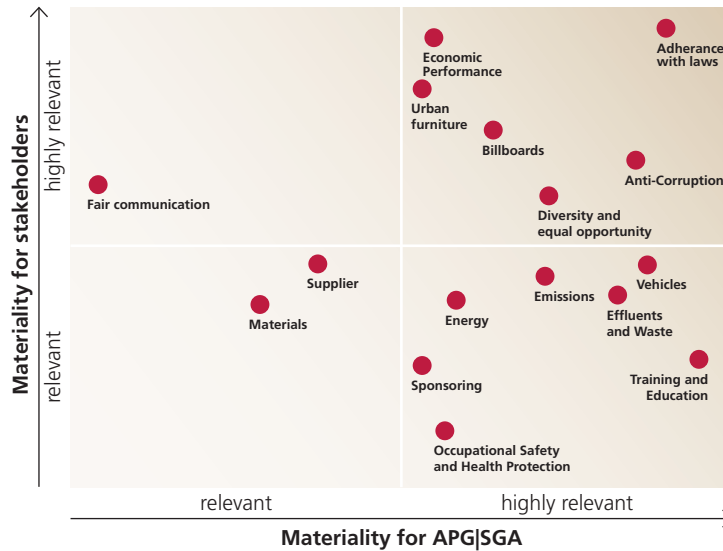
Purpose	Promises	Principles
<ul style="list-style-type: none"> – Focus on out of home media – Sustainability and quality orientation – Development of best locations – Use of technological opportunities 	<ul style="list-style-type: none"> – Compliance with service promises to customers, partners, employees, shareholders, society and the environment – Creativity, technology and innovation at the heart of marketing positioning, as well as the product and service portfolio 	<ul style="list-style-type: none"> – Cooperation, management and leadership based on the values of enthusiasm, partnership, entrepreneurship, integrity, transparency and sustainability – Creation of a positive experience with each contact – Compliance with the Code of Conduct

The full corporate Mission Statement and Code of Conduct:
www.apgsga.ch/corporatemissionstatement



Materiality matrix and UN Sustainability Goals

Materiality matrix



The United Nations' Agenda 2030 for Sustainable Development encompasses a total of 17 Sustainable Development Goals (SDGs) for fundamental improvement in the living conditions of all people, now and in the future, and protection of the planet Earth. APG|SGA is making its own contribution and focuses on the five goals below.



- We place great importance on the issue of equal pay between the genders. Specific (further) training is promoted to ensure that everyone is able to practice their profession competently, responsibly and independently.
- APG|SGA promotes workplace health and safety protection. Preventative measures are used to protect the health of employees.
- APG|SGA is an attractive employer for more than 500 employees, with a profitable and financially sound base.
- We ensure that our products are safe if used in a responsible and professional way, and do not pose a danger to people or the environment. We achieve this through constant improvement and information.



- For APG|SGA, sustainable procurement means the purchase of products and services that are environmentally friendly and produced under fair working conditions. Here, social and environmental criteria and aspects take priority.
- In product development, optimization and innovation, we rely on efficient processes and technologies. This pays dividends for both the company and the environment.
- A modern infrastructure in logistics processes allows us to offer innovative and flexible solutions for changing requirements.



- With the sustainable quality of our products and services, we support cities and municipalities in their energy goals.
- We take our commitment to a goal-oriented energy transformation and resource efficiency very seriously, and apply it across every business area.



- APG|SGA has committed itself to two defined targets – reduction of energy consumption and lowering of CO₂ emissions.
- We are exemplary in our energy behavior and support the use of alternative drives for company vehicles and the use of renewable energy in the operation of our electricity powered advertising.
- We favor renewable raw materials over fossil fuels wherever it is technically, economically and environmentally feasible.



- Compliance with and implementation of anti-corruption and bribery guidelines.
- The APG|SGA mission statement and defined values form the basis of our actions and conduct. We comply with both the relevant statutory provisions and internal regulations.
- Collaborations with disabled workshops/institutions.

People

Modules and direction

Attractive employer

APG|SGA is committed to the creation of future-oriented, attractive jobs in a challenging work environment and the promotion of its employees.

Key facts and achievements 2020

- **Values:** Our employees embody the values defined in the Code of Conduct in their daily working life. To consolidate these values, a company-wide dialog was cultivated, addressing each of the different values at various levels.
- **Vocational and further training:** Employees are specifically trained and promoted. This commitment may be financial or temporal.
- As at the end of 2020, APG|SGA had a total of nine apprentices and was able to offer further employment to one apprentice who completed his apprenticeship in this period.
- **Leadership culture:** Due to the COVID-19 pandemic, reduced measures were implemented under the potential and leadership programs (PEP/FEP) in 2020. All managers were extensively trained and made aware of possible conflict situations as a result of the new situation.
- **Reintegration:** APG|SGA proactively promotes the reintegration of people following illness or accident. The clear objective is the social stabilization of those affected.
- **Feedback culture:** Due to the 2019 restructuring and to COVID-19, an employee survey was carried out in 2020. This will be communicated internally in 2021.
- **Remuneration policy:** APG|SGA offers a fair market and performance-based remuneration. The issue of equal pay between genders is of great importance to us. The remuneration system is designed in such a way that equal work and performance are paid equivalently, and this is regularly reviewed in external audits.
- As a result of the COVID-19 pandemic, many employees received a reduced performance and success bonus.
- **Fringe benefits:** Employees profit from staff discounts and offers, and up-to-date fringe benefits.

Forecast 2021–2025

- A number of feedback instruments (employee satisfaction survey, line manager appraisal, objective setting and review) reflect our focus on values.
- The objective is to meet the demand for qualified employees through training in the form of vocational training and internships.
- APG|SGA offers its employees internal training tailored to meet the changing requirements of the company.
- Company leadership development (FEP) training is carried out periodically.
- Based on assessments from the line management appraisal, two or three concrete objectives will be incorporated into individual objective setting.

People

Modules and direction

Workplace safety/health protection

APG|SGA promotes a culture of safety at a high level. Preventative measures are used to protect the health of employees.

Key facts and achievements 2020

- In 2020, APG|SGA continued to implement the system and associated approaches defined by Switzerland's Federal Coordination Commission for Occupational Safety (FCOS).
- Training in workplace safety and health protection for all billposters in all business locations.
- **Accident/illness:** 96% of employees had no absences due to accident in 2020 (BU and/or NBU). The level of absenteeism across the whole company is comparable with other Swiss companies (seco statistics) and fell compared to 2019.
- **Harmful substances:** In 2020, all harmful substances in the company (Logistics division) were stored and documented in accordance with regulations.
- **Ergonomics:** The office workstations continued to be fitted with chairs and ergonomic desks with electric height adjustment.
- Simple, effective factsheets on workplace safety and health protection were created and published on the intranet, and training carried out for Logistics and the office in 2021.
- **Building/work safety and fire safety:** In 2020, existing safety concepts at the Sion and Lausanne sites were evaluated in an audit in collaboration with an external institute.

Forecast 2021–2025

- Training of company vehicle drivers to promote anticipatory driving and accident avoidance via e-learning.
- Work safety, health protection and sustainability will be instilled in all apprentices as a thematic block.
- Employees in the Logistics division will be tasked with developing a safety concept for the avoidance of cuts and falls, and with training employees accordingly.
- In 2021, the existing safety concept for the Logistics division will again be reviewed and further improved. In addition, building/work safety/fire safety audits are planned for Aarau, Basel, Chur and Wallisellen.

Social responsibility

APG|SGA takes its social responsibilities seriously.

- Through poster sponsorship, we offer non-profit organizations as well as cultural and sporting events support to a media value in the tens of millions.
- All fasteners for affixing advertising vehicles are manufactured by a social institution.
- Household items for APG|SGA properties are procured from the Swiss Workshop for the Blind and Visually Impaired.

- Poster sponsorship to be continued for the benefit of Swiss society.
- Continuation of partnership with social institutions for procurement.

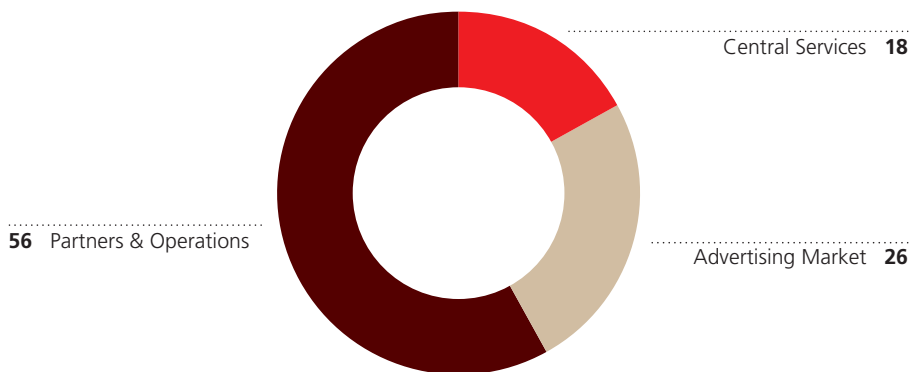
APG|SGA employees

as at December 31, 2020

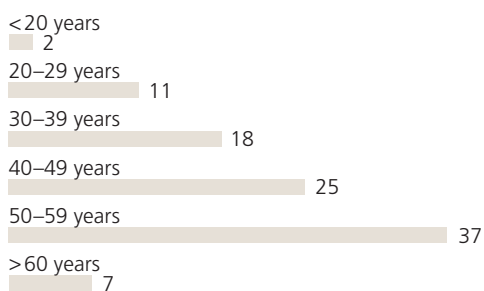
	2020	2019
Total¹	491	507
By country		
Switzerland	443	455
Serbia	48	52
By demographics		
Share of men, in %	69	70
Share of women, in %	31	30
Share of full-time positions (90–100%), in %	79	82
Share of part-time positions (<90%), in %	21	18
Apprentices and interns ²	9	11

¹ Full-time 100% equivalent as basis, percentages rounded, excluding apprentices and interns

² Switzerland, APG|SGA: commercial 7, logistics 2, IT 0

APG|SGA employees in Switzerland, by business unit
in %**Age structure**

in %, excluding apprentices and interns



Planet

Modules and direction	Key facts and achievements 2020	Forecast 2021–2025
Environmental management APG SGA sees environmental management as a continuous process in which identification of environmental impact, action planning, management/monitoring and, if necessary, adjustments are integral components.	<ul style="list-style-type: none"> – The area of “environment” regularly included as an agenda item for the Board of Directors/Executive Board. The objectives were approved by this body and facts and figures on progress thoroughly discussed. – Employees are informed of the sustainability strategy and facts and figures of the Sustainability Report 2019 through newsletters and orientation at the individual offices. 	<ul style="list-style-type: none"> – Constant assessment of the defined modules and objectives. – Communication of environmental achievements to employees through various channels. – Sustainability regularly included as an agenda item for the Board of Directors/Executive Board. – Management objectives also include objectives in the area of corporate responsibility.
Environmental performance APG SGA makes an active contribution to environmental protection, consistently reducing its CO ₂ emissions to levels below legal regulations.	<ul style="list-style-type: none"> – Overall environmental impact: In comparison with 2019, the overall environmental impact fell by about 20%. Greenhouse gas emissions fell by around 15%. – Energy consumption: Energy consumption has decreased by 7% compared with 2019. – Vehicles: Fuel consumption has fallen by 17% since 2019. – Electricity: Despite the continuous expansion of the digital range, electricity consumption only increased by 0.5% remaining almost constant. – Heating energy: Heating energy consumption fell by 6% compared with 2019 due to the warmer winter. At the Lausanne site, the heating system was completely refurbished in late October 2019 and switched to environmentally responsible district heating. Initial evaluations indicated that this change more than halved the environmental impact and greenhouse gas emissions of the heating. – Disposal: Compared with the previous year, total waste decreased in 2020. The recycling rate for poster waste fell by 3% compared with 2019. 	<ul style="list-style-type: none"> – 10% reduction in environmental impact per CHF by 2022 (Base year 2017). – Optimization of energy in APG SGA premises and reduction of energy consumption by advertising vehicles. – Development of further CO₂ measures. – The Green Office pilot project aims to make the Zurich site self-sufficient through an environmentally friendly electricity supply. As part of this, a photovoltaic system will be installed. This system will also be able to power charging infrastructure for electric vehicles. – Development of measures for targeted reduction of energy consumption, and promotion of an ongoing upgrade of APG SGA advertising vehicles with new technology. – 10% reduction in heating energy consumption by 2022 (Base year 2017). – Recycling quotient for poster disposal more than 90%.

Planet

Modules and direction	Key facts and achievements 2020	Forecast 2021–2025
	<ul style="list-style-type: none"> – Materials: Material consumption fell by 19% for the same period. – Posters: In 2020, a total of 1,791,290 posters were hung. This represents a fall of 14%. – CDP climate protection ranking: In the international climate protection ranking carried out by the CDP (Carbon Disclosure Project) in 2020, APG SGA scored an “A”, comparable with the best of the prestigious, listed companies in the CDP Climate Score. This evaluation represents a further improvement on the previous year and illustrates the optimization and consistent efforts APG SGA has pursued as part of its Corporate Responsibility strategy. – In 2018, APG SGA introduced internal, science-based climate goals. These were adjusted in 2019 to keep in line with the vision of a 1.5°C future. 	<ul style="list-style-type: none"> – Introduction of a new reference size in response to increase in digital advertising formats – currently the environmental impact is calculated per poster. – Improvement of ecological assessment. – Continuation of CDP climate protection ranking and consistent implementation of efforts as part of the Corporate Responsibility strategy. – Implementation of environmental quick wins, with one measure to protect the environment being implemented each quarter. – Climate goals in line with the 1.5°C future vision (greenhouse gas emissions in scope 1+2, base year 2017): <ul style="list-style-type: none"> – By 2023 reduction of 30% – By 2035 reduction to “net 0”

Planet

Modules and direction

Sustainable procurement

APG|SGA sets standards for environmentally and socially responsible production.

Key facts and achievements 2020

- **CO₂ reduction path:** Intensifying the CO₂ reduction path to 95 g CO₂/km following the entire NEDC cycle in procurement of new personal vehicles.
- **Eco-fleet:** With a total of 150 “green” vehicles, the commissioning of three hybrid vehicles and a 10% increase in biogas content, APG|SGA achieved impressive CO₂ savings. The gas content in gas vehicle fueling stood at 98% in 2020.
- **Eco-electricity:** Purchase of 100% eco-electricity (naturemadeStar) for illuminated advertising and commercial premises.
- **More energy-efficient technology:** 250 light boxes were once again fitted and optimized with the latest LED tube technology in 2020. Better illumination with lower electricity consumption.
- **Work clothing:** The focus is on sustainability in the procurement of work clothing. The materials are manufactured according to the world's strictest textile standards for environmental and consumer protection and occupational safety. As a result, where available, parts of the new APG|SGA work clothing bear the bluesign® label.

Forecast 2021–2025

- Promotion of alternative vehicle propulsion systems.
- Comprehensive e-mobility concept for APG|SGA's fleet management.
- Continuous review of defined reduction path following the WLTP (worldwide harmonized light vehicles test procedure) measurement methodology.
- Gas vehicles: gas content in fueling maintained at a level of 98%.
- APG|SGA continues to purchase 100% eco-electricity.
- Ongoing reduction of electricity consumption in digital and illuminated advertising vehicles (increasing energy efficiency).
- Introduction of a sustainability code of conduct for all new suppliers.

Overview of environmental performance

Key figures¹

¹ Companies included: APG|SGA AG & APG|SGA Allgemeine Plakatgesellschaft AG

		2016	2017	2018	2019	2020	Change 2020/2019
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Total energy consumption

Total	MWh	11 017	10 631	10 105	10 422	9 683	–7%
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Vehicles

Fuel consumption ²	in 1,000l	472	450	431	419	349	–17%
	l/100 km	7.9	7.6	7.7	7.6	7	–3%
Business travel	m km	6.0	5.9	5.6	5.5	5	–14%
Commuter traffic ³	m km	0.8	0.7	0.6	0.6	0	–21%

² Converted to liters of gasoline (gasoline equivalent)

³ Commute recording for private vehicles

Electricity

Total	MWh	4 370	4 383	4 134	4 427	4 449	+1%
Building ⁴	MWh	1 096	1 028	672	659	615	–7%
Light boxes	MWh	2 287	2 086	2 114	2 017	1 890	–6%
Parking stations ⁵	MWh	153	161	106	103	87	–15%
Digital advertising ⁶	MWh	834	1 108	1 242	1 648	1 857	+13%
Proportion of eco-electricity, incl. building		100%	100%	100%	100%	100%	0%

⁴ Computer center outsourcing 2018

⁵ Space reductions & energy optimization 2018

⁶ Continual expansion of the digital range

Heating energy

Heating oil	in 1,000l	97	70	68	66	52	–22%
Natural gas	MWh	1 480	1 555	1 465	1 540	1 455	–6%
Heating ⁷	MWh				71	162	+127%

⁷ Since 2019 district heating at Lausanne office

Disposal

Waste in KVA	t	68	69	75	69	76	+9%
Sewage	m ³	10 450	9 369	9 040	8 746	7 809	–11%
Recycled paper	t	506	439	366	372	342	–8%

Materials⁸

Anti-freeze	t	3.4	1.8	2.4	1.5	3.5	+138%
Glue	t	25	25	26	22	14	–36%

⁸ Based on requirements and procurement

Greenhouse gas emissions (CO₂ equivalent)⁹

Core total	kg/poster	0.8	0.8	0.8	0.8	0.8	–3%
Scope 1+2 ¹⁰	kg/poster		0.7	0.7	0.6	0.6	–2%
Overall total ¹¹	kg/poster	1.4	1.4	1.4	1.3	1.3	–2%

⁹ CO₂ equivalent: Greenhouse gas potential of substances in the atmosphere, such as methane (CH₄), nitrous oxide (N₂O), CFC/PFC or sulfur hexafluoride (SF₆). The greenhouse impact of carbon dioxide serves as a reference value.

¹⁰ Scope 1: emissions stem from sources within the company, such as the company's own heating systems and vehicles.
Scope 2: emissions arise from externally sourced energy generation. They relate primarily to electricity and heating from energy providers.

¹¹ Overall total minus Scope 1+2 = Scope 3. Scope 3 includes all other indirect emissions generated along a company's value chain (e.g. from material procurement).

Environmental impact¹²

Core total	kEP/poster	0.8	0.8	0.8	0.8	0.7	–8%
Overall total	kEP/poster	1.8	1.8	1.9	1.8	1.7	–8%

¹² kEP = 1000 eco-points

Posters

Amount	F4	2 330 792	2 117 127	2 027 972	2 081 834	1 791 290	–14%
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Milestones in implementation of the environmental mission statement

APG|SGA Milestones

- 2019** Introduced medium and long-term science-based climate targets in accordance with the 1.5°C future vision.
- 2017** Expansion of environmental performance measurement to include sustainability measurement through the addition of social indicators
- 2016** Internal acquisition strategy for digital advertising media (energy efficiency). Upgrade of the latest "ePanel" generation with energy savings of 80 percent
- 2014** Purchase of 100 % green electricity "naturemade star" for buildings: The entire power consumption of APG|SGA is now covered by eco-power
- 2013** Optimization of actual light design in advertising plants
- 2012** Purchase of 100% renewable energy for buildings: renewable energy now covers 100 % of APG|SGA's total electric power environment as a cover story of the annual report consumption
- 2008** Purchase of 100% eco-electricity for back-lighting; environment as a cover story of the annual report
- 2005** First issue of the annual "Facts and figures" folder
- 2004** Start of thermal systems rehabilitation in buildings
- 2003** First environmental report
- 2002** Procurement of first hybrid car, start of conversion of old backlit enclosures for greater energy efficiency
- 2001** First interim report, launch of systematic poster waste recycling
- 2000** Ratification of the environmental mission statement with the core promise: "We will reduce our environmental footprint beyond the legal framework, along the entire value chain, according to the principle: Prevent, reduce, recycle"
- 1999** Introduction of energy accounting, procurement of the first gas-powered vehicles, first Eco-Drive courses

APG|SGA environmental mission statement

Respectful, gentle treatment of the environment is a given – APG|SGA lives and breathes environmental responsibility on a daily basis, in the provision of services to partners and in the interest of the medium.

The goal is to be among the best in environmental matters – now and in the future.

Environmental management

APG|SGA regularly monitors and checks developments in its environmental performance, formulating short and long-term targets accordingly. The company works with its employees to plan and implement continuous improvement measures.

It systematically examines the environmental relevance of its activities, products and materials, and raises awareness of these matters with employees and partners to ensure that everyone works in an environmentally friendly manner.

APG|SGA maintains an open dialog on environmental matters with employees, customers, authorities, investors and other stakeholders, based on transparently and openly sharing information.

Environmental impact

APG|SGA is reducing its environmental impact along the entire value chain, going above and beyond the legal requirements where feasible.

The company actively and continually deals with the diverse requirements of legislators and authorities, and considers compliance with them a minimum requirement.

Sustainable procurement

APG|SGA is aware that out of home media solutions, which optimally protect the environment, can only succeed in collaboration with its market partners. That is why we are committed to environmentally friendly products in dialog with our customers and suppliers.

In our approach to operational ecology, we consciously use environmentally friendly materials and technologies wherever possible; for example, by procuring energy-saving devices, and using alternative fuels and alternative drive systems.

Environmental performance

Environmental impact versus greenhouse gas emissions

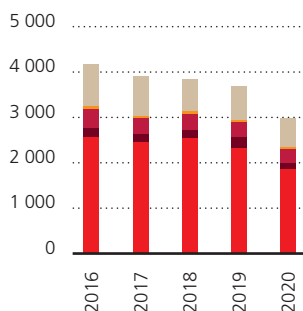
The five-year environmental performance comparison showed a pleasing falling trend. In comparison with 2016, the overall environmental impact fell by almost 30%. This development was supported by: materials –33%, heating –31%, vehicles –27%, electricity –27%, and disposal –14%. Success factors contributing to these reductions included the use of available energy-efficient technologies such as natural gas and hybrid vehicles. Other important measures include heating refurbishment as part of the real estate strategy and the procurement of renewable energy sources.

The environmental impact per poster fell by 7% during the period 2016–2020. However, the growth in forms of digital advertising increasingly puts the significance of this figure into perspective, while the core business – the installation of posters – remains strongly correlated with flows of material and energy. The changes in figures: electricity –5%, disposal +12%, vehicles –5%, heating –10%, and materials –13%.

5-year comparison¹

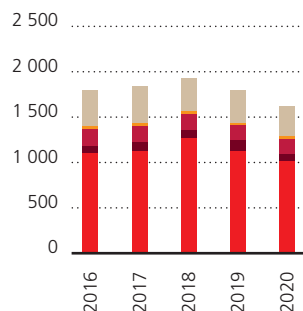
Environmental impact APG|SGA

in m EP



Environmental impact per poster

in EP



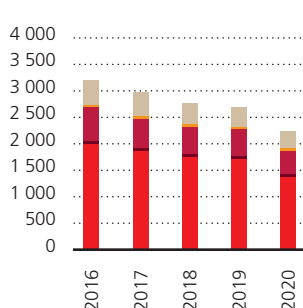
Environmental impact points (EP)² the currency for environmental pollution

In order to assess APG|SGA's environmental impact, it is helpful to compare known products or activities using environmental impact points (EP). For example:

– 100 km car journey (7 l gasoline/100 km):	32,500 EP
– 100 km train journey:	4,500 EP
– Two hours of television, CH electricity mix:	22 EP
– Two hours of television, CH nuclear power:	41 EP
– 1 kg copier paper:	2,100 EP

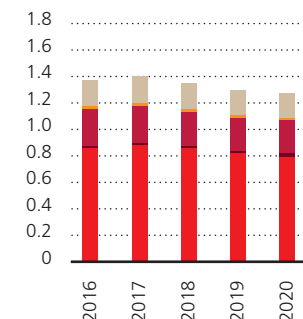
Greenhouse gas emissions APG|SGA

in t CO₂ equivalent



Greenhouse gas emissions per poster

in kg CO₂ equivalent



Greenhouse gas emissions as CO₂ equivalent

An estimation of greenhouse gas emissions is also not common everyday knowledge. In order to make it easier to understand the greenhouse gas emissions published by APG|SGA, we use the same examples of activities and products as above.

For example:

– 100 km car journey (7 l gasoline/100 km):	27.3 kg CO ₂ eq
– 100 km train journey:	1 kg CO ₂ eq
– Two hours of television, CH electricity mix:	0.011 kg CO ₂ eq
– Two hours of television, CH nuclear power:	0.001 kg CO ₂ eq
– 1 kg copier paper:	1 kg CO ₂ eq



¹ Since the Environment Report 2016, the background processes have been based on ecoinvent version 3 (latest version v3.7.1)

² UBP2013: Environmental impact. Swiss Eco-Factors 2013 according to the Ecological Scarcity Method. Methodological basis and application to Switzerland, Federal Office for the Environment (FOEN), Umwelt-Wissen Nr. 1330, Bern, 2014. Greenhouse gas emissions. Emission factors according to Climate Change 2013, Fifth Assessment Report (AR5) of the United Nations Intergovernmental Panel on Climate Change.

Plan environmental targets and measure success

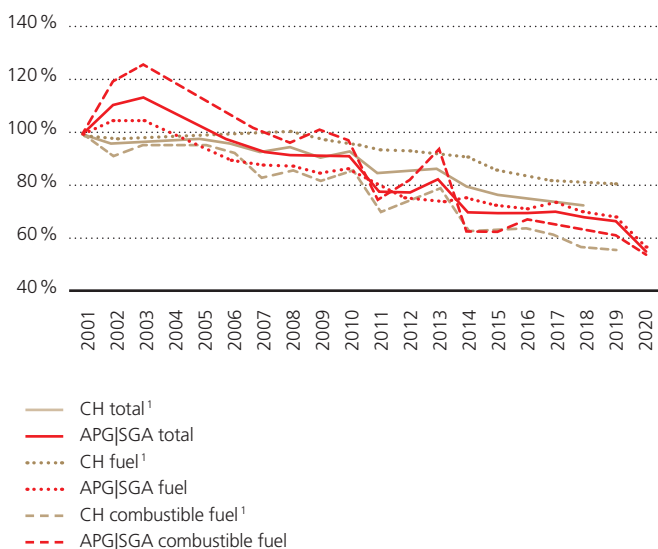
APG|SGA focuses on the efficient use of energy and also considers energy efficiency when looking at potential sources of renewable energy. Since as early as 2012, APG|SGA has been purchasing 100 % eco-electricity. A considerable proportion of the vehicle fleet runs on natural gas. The CO₂ emissions of company vehicles were reduced by more than the average for Switzerland, providing a model example for the CO₂ reduction path by 2020. Natural gas as a fuel not only emits less CO₂, but also reduces emissions of substances harmful to health, such as particulate matter. In managing its vehicle fleet, APG|SGA is working with external partners to explore new avenues. This partnership will allow further development of its advanced fleet management. In the area of electromobility, the company decided to develop a holistic concept for constructing the required charging infrastructure.

Overview of vehicle performance¹

¹ 2020 benchmark figures will be updated in the two graphics in the course of summer 2021

Direct CO₂ emissions for Switzerland and for APG|SGA since 2001²

² The comparison with the index-linked figures is based on: CH CO₂ per inhabitant, APG|SGA CO₂ per employee



If APG|SGA is to achieve its targets, it must observe developments compared with Switzerland as a whole and make corrections if needed. Compared with Switzerland overall, APG|SGA is on course in terms of direct CO₂ emissions, forging strongly ahead in fuels and slightly behind in combustible fuels.

More than 75% of vehicles acquired fulfill the CO₂ threshold value in 2020

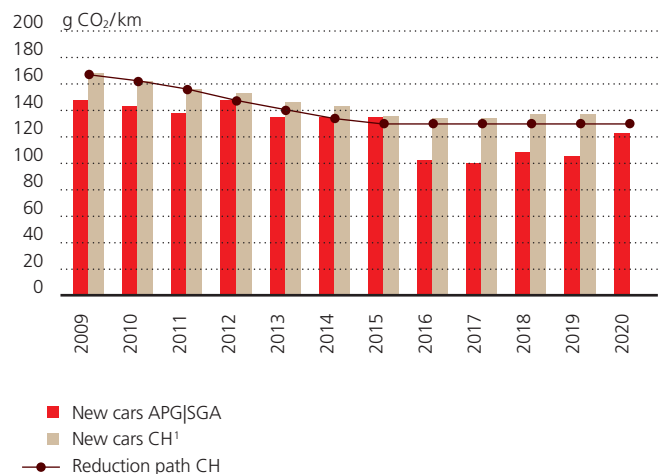
In 2015, APG|SGA set its first CO₂ threshold for newly procured vehicles. This was based on Swiss legislation and was set at 130 g CO₂/km. In 2016, APG|SGA tightened the internal requirements for the reduction path. Until 2020, the threshold will be 95 g CO₂/km. According to the WLTP test standard, the previous target value now corresponds to 118 g CO₂/km. Follow-up tests indicate that APG|SGA has not yet fully achieved the self-defined target value. However, thanks to the engine upgrade, all newly purchased gas vehicles meet this target value.

Reduction path for CO₂ emissions of our vehicles³

Values up to 2019 according to the NEDC (95 g/km) and from 2020 according to the new WLTP measurement method (118 g/km), which also corresponds to the reduction path valid from 2021.

³ New vehicle 2019 average 138.1 g CO₂ per kilometer.

Source: Swiss Federal Office of Energy (SFOE), press release July 2, 2020



APG|SGA has now made it to the fast lane when it comes to CO₂ emissions from vehicles. The difference compared with Switzerland overall is impressive. This success has been due to APG|SGA's consistent procurement of green vehicles. APG|SGA is thus making a significant contribution to the promotion of innovative vehicle technologies.

LED technology – key to major electricity reductions

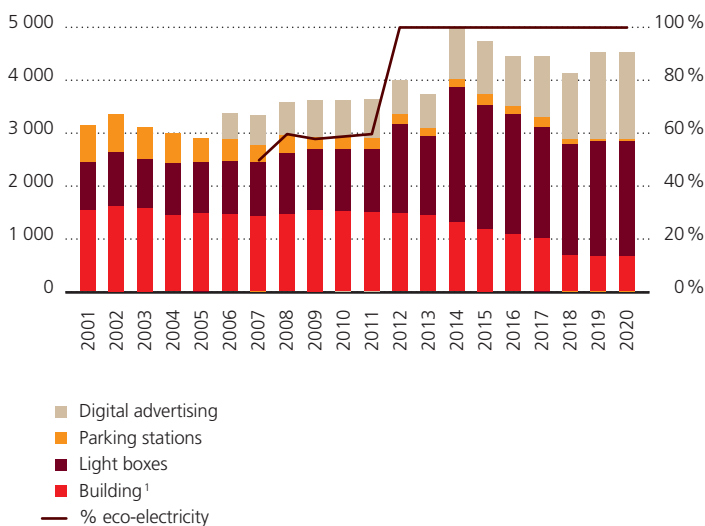
A crucial reduction target in the area of electronic screens was achieved by means of a market-based innovation. Retrofitting the “ePanels” with new LED technology reduced electricity consumption by almost 80 %.

Progress in electricity consumption/savings

The rise in electricity consumption due to new products did not bring an equivalent increase in environmental impact. This may be due to the purchasing 100 % eco-electricity since 2012. At the same time, an optimization campaign for the lighting concept in illuminated advertising panels showed the hoped-for impact.

Electricity consumption APG|SGA 2001–2020

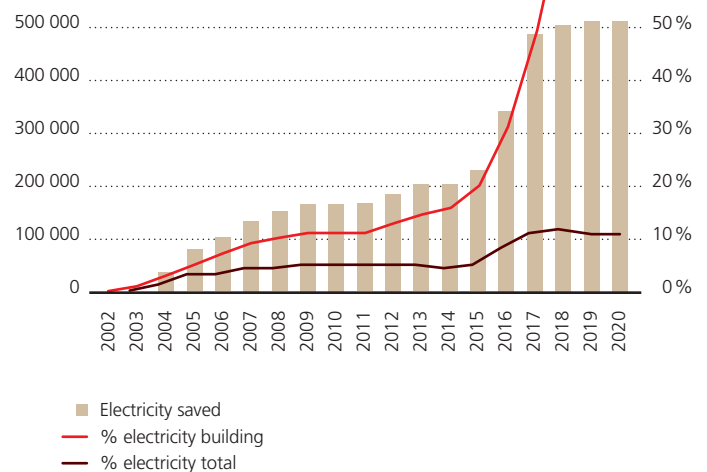
in kWh (left), % purchase of eco-electricity (right)



¹ Computer center outsourcing in 2018

Electricity saved through optimization of lighting concept in illuminated advertising vehicles

in kWh (left), % of total electricity consumption or building electricity (right)



Climate strategy in line with the 1.5°C future vision

An “A” in the 2020 CDP ranking¹. Climate strategy supplemented by climate targets and internal CO₂ award

The climate protection ranking of the Carbon Disclosure Project (CDP) awarded APG|SGA an “A” in national and international comparison of the best-known, listed companies in the CDP Climate Score. This evaluation again represents an improvement on previous years and illustrates the consistent efforts APG|SGA has pursued as part of its Corporate Responsibility strategy.

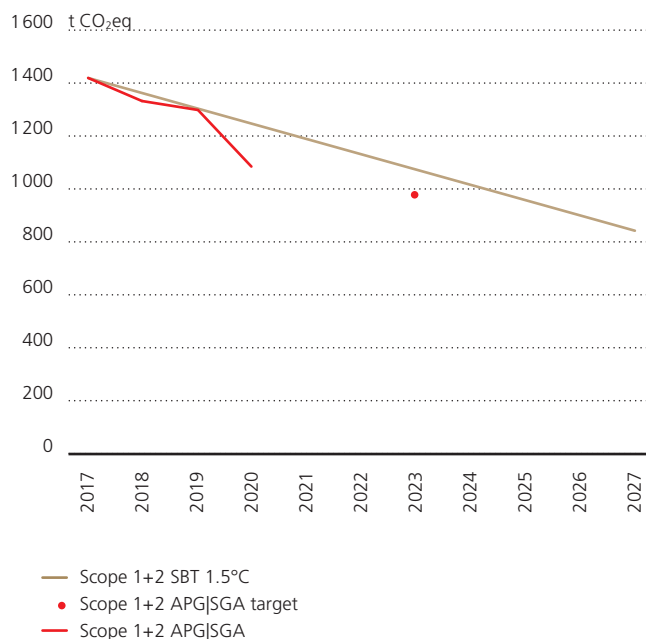
APG|SGA approaches 2023 milestone

The 2023 milestone target for Scope 1+2² promotes a reduction of around 420 t CO₂eq compared with 2017. In 2018, the annual reduction of at least 70 t CO₂eq was exceeded at approximately 85 t CO₂eq. As CO₂ emissions were slightly higher than the defined target in 2019 – but still below the 1.5°C target path – there was a clear shortfall in the APG|SGA target path in 2020. However, a look at the relative greenhouse gas emissions shows only a small increase in efficiency, so the reduction of more than 200 t CO₂eq compared with 2019 is largely due to reduced economic activities as a result of the Covid-19 pandemic. APG|SGA has consistently continued its measures and it remains to be seen what effect this will have in a recovering economic environment.

APG|SGA and the 1.5°C future vision

In 2019, APG|SGA aligned its climate strategy with the Paris Agreement and adapted its existing climate targets to the 1.5°C future vision. In addition, it defined several medium and one long-term science-based climate targets for direct emissions (Scope 1), and emissions from procured energy (Scope 2): by 2023, an absolute reduction of 30 % compared with 2017, thus achieving net zero by 2035. This will enable a review of the full impact of climate measures on future generations.

Measured greenhouse gas emissions compared with science-based reduction target paths



¹ CDP provides a global rating system that enables companies to measure and communicate their environmental impact transparently. CDP reviews the information submitted by companies and calculates the climate score, which is awarded annually on a scale from A (best) to D–.

² Scope 1: emissions stem from sources within the company, such as the company's own heating systems and vehicles.
Scope 2: emissions arise from externally sourced energy generation. They relate primarily to electricity and heating from energy providers.

Profit

Modules and direction

Key facts and achievements 2020

Forecast 2021–2025

Long-term existence of the company

The optimal generation of earnings forms the foundation for the sustainable existence and competitiveness of the company.

- In the financial year 2020, the APG|SGA Group generated an EBIT of CHF 11.9 million* and a consolidated net income of CHF 9.5 million*.
- The cash flow from operating activities amounted to CHF 32.6 million.

- APG|SGA will continue to focus on consistently following its defined objectives. All decisions are made in the interests of long-term company success.

Attractive shareholder policy

APG|SGA aims for attractive returns for shareholders and pays appropriate dividends in line with its business performance.

- Due to the COVID-19 pandemic, no dividend payment is to be made in early 2021.

- APG|SGA pursues an attractive dividend return and pays a reasonable dividend.

Infrastructure and processes

APG|SGA obtains and operates long-lasting, high quality infrastructure, such as buildings, facilities and tools.

- Revised processes to increase the efficiency of operations and material flow.
- Improvement of route planning for more efficient management of poster space.
- Management of company vehicles through an external provider to increase fleet efficiency.

- Constant process and route optimization to minimize mileage.
- Evaluation of defined objectives and implementation of measures relating to external vehicle procurement.

Compliance

APG|SGA adheres to all legislation, guidelines and standards. APG|SGA evaluates the effectiveness of internal control systems and guidelines. In the event of misconduct, appropriate measures are taken.

- Annual review and revision of the APG|SGA Code of Conduct.
- By the end of 2020, all employees of the APG|SGA Group had passed the e-learning course "Anti-Bribery and Corruption Guidelines".
- Training of all office employees through e-learning.
- In 2020, the Compliance Committee reworked the existing guidelines and key principles. Employees will be trained in these via e-learning in the first quarter of 2021.
- Samples <10 were carried out with a positive result and no abnormalities.
- Continual training.

- Continual improvement and implementation of legislative changes through e-learning.
- Consistent training for new employees.
- Compliance Committee to conduct random checks to monitor compliance with the Anti-Bribery and Anti-Corruption Guidelines.



www.apgsga.ch

APG|SGA, Allgemeine
Plakatgesellschaft AG
Giesshübelstrasse 4
Postfach, 8027 Zürich
T +41 58 220 70 00

