Schur®

LEADER OF THE PACK SINCE 1846

Sustainability

ESG Report 2021/22

We are


Schur®

This report is the statutory statement on Corporate Social Responsibility in accordance with sections § 99a and b of the Danish Financial Statements Act. It is therefore a part of the management's review in Schur's annual report.

Reporting period, FY: 01/11/2021 – 31/10/2022.

The figures in this report have not been verified by a third party. In the future all figures will be externally verified. Until then, we emphasize that we dedicate a lot of internal resources to verifying the figures.

Please refer to the Annual Report 2021/22 and Schur.com for further information about the Schur Group.

The sustainability report also constitutes a supplement to our annual Communication on Progress (CoP) to the UN Global Compact. From 2023 there is a new CoP reporting standard which we will follow.

With this report, we begin the transition towards meeting the increasing demands on sustainability data and reporting. Thus, we will be using the terminology ESG - Environment, Social, Governance. Besides being driven by the EU and the coming CSRD (Corporate Sustainable Reporting Directive), we also experience an increasing demand for good reporting and valid data from various stakeholders, e.g. customers, financial institutions and insurance companies. Another focus is to proactively use sustainability as a driver for developing our business.

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CVR no: 83100028.
Written by Group Sustainability & Compliance Manager.
Consent given by people and products presented in the report.

01

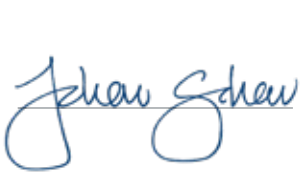
‘One Schur’- Developing sustainable packaging for the future

Over the past year we have experienced an increasing demand for packaging and packaging systems that can be simplified in some form. This can be done by minimizing the materials, changing some ingredients, using recycled raw materials and innovating packaging machinery. All to improve the packaging’s possibility to be recycled and in general optimize the resources used for our packaging and machinery. We will still deliver the features needed by packaging - protecting and preserving the product inside. This helps minimize waste, especially food waste. We take pride in leading the way in this development. It is impe rative that we do our outmost to sustain and enhance the resources needed today and in the future.

Optimizing resources also includes our own production facilities. It is natural to minimize energy, water and waste and we have done this for years. With the European energy situation and increased costs, we are giving our facilities special attention. Currently, we are looking into investing in more solar panels for our production sites. With this focus and gaining more knowledge on CO_2 emissions and our contribution, we are also in the process of evaluating our CO_2 targets.

On many levels, now is a time of transition – especially when it comes to working with sustainability, including a diverse mindset. To cement this in Schur we have welcomed a new board member. She has a strong profile and has experience working with sustainability. All our companies are dedicated to a sustainable approach and are involved in various activities, whether it be new packaging solutions based on mono materials or circular economy projects. On a larger scale the world is also shifting gear. Considering various crises, new ways must be explored and developed. We as people need to do better. It is a demand, especially from the younger generations.

Our history creates a solid base for Schur. It gives us confidence in developing the Schur business and supporting the world we are a part of. We believe that digitization, innovation, all aspects of sustainability and circular economy for packaging production, will be the main drivers in the present chapter of our history. These topics along with cooperation and communication form the base for what we call ‘One Schur’. Together with our customers, employees, suppliers and other stakeholders, we want to develop and produce sustainable packaging for the future.



Johan Schur, Group CEO

Hans Christian Schur, Group CEO

02

About Schur

Schur is a global packaging supplier with a primary focus on carton, flexible solutions, machinery and packaging systems. We can be an end-to-end provider of total packaging solutions or simply deliver the optimal packaging.

Schur's Business Model

Our offering includes design, production, process technology, marking, labels and palletizing of a wide range of packaging products and solutions. In addition, we also develop and market various consumer products such as the DropStop® wine pourer.

Our carton packaging is mainly sold in Northern Europe and the USA, whereas the flexible solutions, machinery and consumer products are sold all over the world. Our customers represent many different industries, e.g. the food sector, pharmaceuticals, OEM, hygiene products, toys, confectionary etc. – and vary from smaller local producers to large multinational enterprises.

To deliver the highest quality requested we work in close collaboration with our customers, suppliers and other stakeholders. Most of our suppliers and the ones delivering the essential raw materials are based in Europe – with Australia and the USA for our overseas businesses – in close proximity to our production sites.

Schur is a family-owned business with close relations between managers, employees and business partners. We are both an agile close-to-the-market partner and a global company with a resource-optimized identity and shared competencies. Our Group structure is decentralized. Each company is independent and have their own development, production and sales activities. The Group functions in Schur International Holding a/s are supportive functions to the operating companies and covers activities like shared IT-infrastructure, corporate branding, financing, overall human resources, legal and overall sustainability management. Co-creation and cooperation are key. We call it 'One Schur'.

Delivering the optimal packaging solutions are based on the right expertise, know-how and more than a decade of experience. It can only take place due to all our stakeholders and continuous investment in production facilities. Being a financially solid company is thus important and sets a strong foundation for our sustainable development.

Schur International Holding a/s

Carton	Flexible	Machines & Logistics	Finance
Schur Pack Denmark a/s	Schur Star Systems GmbH	Schur Technology a/s	Schur Finance a/s
Schur Pack Sweden AB	Schur Star Systems Inc.		Schur Conference Center a/s
Schur Pack Norway as	Schur Star Systems Australia Pty. Ltd.		
Schur Pack Germany GmbH			
Schur Labels a/s			

Schur locations and numbers

Our headquarter is in Horsens, Denmark.

176 years	**6** generations	**12** companies
+100 markets	**+900** employees	**2,054** DKK Million net revenue
3.67% increase in carton sold	**10.8%** electricity used in Schur Pack Germany from own solar cells	**13%** increase in signed CoC by suppliers


Facts
per container
1 tbsp (4g)
% Daily Value*
0
0%
0%
0%
ich Farms
RSLEY
PACKED BY :
BOSKOVICH FARMS, INC.
OXNARD CA 93030
PRODUCT OF USA
PERISHABLE, KEEP REFRIGERATED
1 BUNCH
MIN. NET WT. 2 OZ (56.69g)
SKU# 52364
00523646

03

Sustainability & Responsibility

It is part of Schur's DNA to be a responsible company taking care of the world we operate in and the smaller parts operating in Schur - like our employees and business partners. People, planet, profit and packaging are key elements in our business and understanding of sustainability. Going forward, sustainability is moving into a strategic context, taking our actions to the next level. We will set a direction leading the development of packaging for the future.

Business conduct

For years, Schur's sustainability work has been founded in our commitment to the UN's Global Compacts 10 Principles, the UN's Guiding Principles on Business and Human Rights and OECD's Guidelines for Multinational Enterprises. They are correlated and cover the same fundamental rules for human beings on this planet including business operations.

These commitments comes to life through several activities in our everyday operations. Some are connected to our various certifications focusing on healthy and clean production facilities and the internal and external audits supporting this. Some are related to the regulations connected to a production facility like environmental regulations and workers' rights and safety. It goes without saying that we follow the law wherever we operate. Please see Overview figure in appendix 1 for more detailed content.

These guidelines and everyday actions correspond well with Schur's understanding of business and sustainability. In this understanding working sustainably is about 1) the business and the stakeholder 2) today's activities and the future's and 3) protecting, sustaining and enhancing the environment and human needs.

This thinking characterizes our activities in producing packaging and packaging systems.

COMMUNICATION ON PROGRESS

UN GLOBAL COMPACT

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Our Schur Sustainable Policy contains these obligations and 'translates' them into a Schur context. Please see appendix 2.

Packaging - a solution

Packaging serves many purposes. It is a solution. It protects products, minimizes damage and waste such as food waste, preserves, informs about content and optimizes transportation, to mention a few. To deliver an optimal packaging and packaging system that fulfils all these purposes, various features and attributes are required. Furthermore, they must function optimally in our customer's production set up – as well as our own. Packaging is a complicated product. In the end, when it has fulfilled its purpose, it becomes a problem if not handled or processed correctly – it becomes waste that needs to be thrown away. We call this 'the packaging paradox'. We cannot do without packaging, but we can work on minimizing waste and reusing the resources already in circulation. **At Schur, we want to be part of the solution. Hence, Schur is dedicated to the circular economy.**

"…food waste is really key and we need to reduce that"

Quote: customer A*

"Plastic is not always bad, and actually preserves food"

Quote: customer B*

Circular economy

Schur is in the beginning phase of getting circular principles implemented in our production and packaging products. As illustrated in figure 1, we are part of a larger system, thus it takes collaboration, systemic decisions, and legislation to succeed.

The EU is a front-runner in the transition towards a circular economy. This transition is founded in the European Green Deal. Various initiatives are setting this in motion. Legislation is one path and several directives will directly or indirectly influence our industry and business. The EU's legal framing will to some extent set the standard for our overseas markets as well. Please see more specifics in the Management & Reporting frames section.

The legislation and business all set the direction towards more simple packaging solutions so they can be re-circulated. In practice, it means using mono materials wherever possible and developing various new ingredients, for example for making the needed barriers on the packaging. Minimizing the use of raw materials, especially virgin materials, and other resources is a growing focus for us and our customers.

Circular economy thinking is also relevant for our Machinery company constructing packaging machines. The main materials are aluminum, stainless steel and electronics. They are high quality machines manufactured to have long lifespans. They are maintained, repaired and repurposed when needed. We see exciting opportunities in developing this area with a focused circular economy approach.

In relation to our various production sites, circular thinking can inspire new solutions. From re-circulating the water used for cleaning the machines after having it rinsed in a closed-loop process, to having a recovery system in the production using the heat generated by the machinery. Naturally everything that can be done to minimize energy consumption is already being done.

People and communication

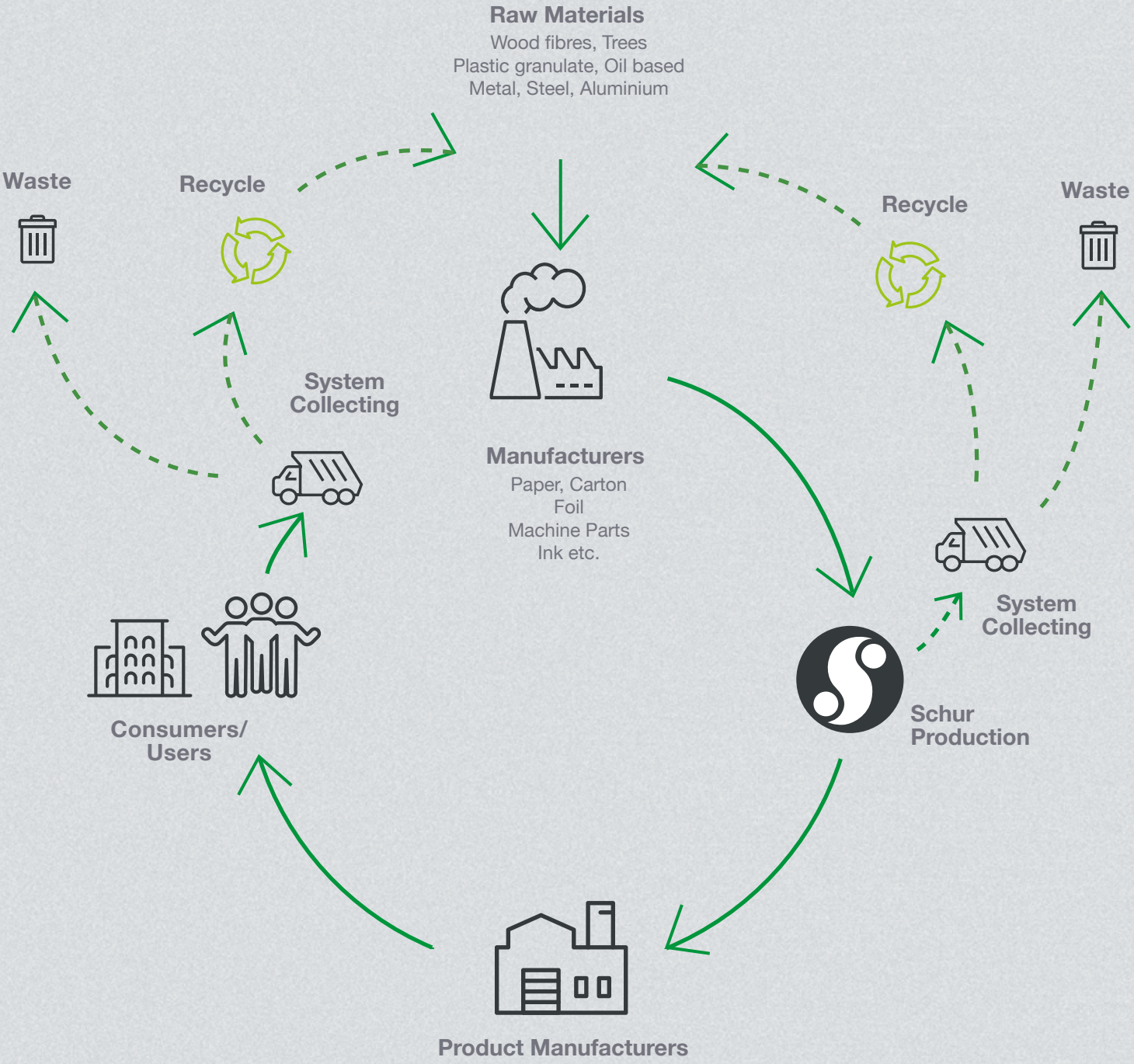
The whole supply chain system is operated by people and the whole supply chain system exists for people. At Schur, we are very aware of all the people that come into interaction with either our company or our products. We take this responsibility seriously and do our best to act on this. Nobody is perfect and we can all make mistakes. Recognizing and managing this is part of being a responsible and humane company.

Responsible communication is also an aspect here. Communicating about sustainability is not a simple task. What does sustainable packaging mean exactly and how are actions being measured? Green washing is becoming a well-known concept in both business, society and not least in the legal system. At Schur, we do our utmost to be accurate and fact-based in our communication. Good stories must be shared and will hopefully inspire future sustainable solutions.

Along with our collegues, customers and suppliers, we are developing an increasing number of examples of more sustainable actions. These are being presented in the various 'Lead by Example' sections throughout this report.

**Quotes are from interviews with customers and are not edited. The quote represents a common opinion from several interviews.*

Figure 1: Schur's supply chain in circulation



LEAD BY EXAMPLE

Inflight meals

Inflight meals used to be served in a 100% plastic container. Now Scandinavian Airlines, SAS are serving meals in this carton container instead. This development has been made in close collaboration with us and is based on our years of experience with carton packaging. For the carton container to hold food and not dissolve it is coated with so-called green PE. This creates a barrier protecting the food as well as the carton. This coating is from a larger supplier, Stora Enso, who have developed these materials.

Green PE is made of renewable, plant-based raw material, so you get a barrier packaging that is 100% renewable as well as recyclable. It still performs like traditional PE and provides the needed humidity protection.

Production: Cleaning printing machinery without solvents

A laser is used to clean the anilox in our printing machinery. It eliminates 100% of solvents and is a much cleaner washing process.

This packaging closes the loop when online shopping and minimizes waste - the Re-zip way

Re-zip is a circular packaging concept for e-commerce. The packaging can easily be returned to sender after use. Then it can be used for a new parcel, returned to sender, used for a new parcel… and so on.

Re-zip are changing the packaging from a partly plastic type packaging to a carton packaging solution. This development has been in close collaboration with Schur's product development department. At first it can be used again and again. End of life, when it is worn-out fulfilling its original purpose, it can easily be recycled to create new carton or paper products.

Certificates

To document quality and different aspects of sustainability living up to customer requirements we have various certificates. There are various types of certificates in our different markets. An overview can be found on our website, schur.com. Below the main ones are mentioned.

BRCGS

BRCGS is a market-leading global brand that helps build confidence in the supply chain. The global standards for Food Safety, Packaging Materials, Storage and Distribution, Consumer Products, Agents and Brokers, Retail, Gluten Free, Plant-Based and Ethical Trading set the benchmark for good manufacturing practice and help provide assurance to customers that your products are safe, legal and of high quality. External audits are performed to assess whether the systems work as intended.

Source: Global Supply Chain Assurance | BRCGS

FSC Chain of Custody

FSC gives companies and organizations around the globe assurance that the forest-based products they buy and sell come from well-managed forests and other responsible sources. FSC therefore put strong, trustworthy supply chains at the center – from the forest to the shelf in the supermarket. Therefore, transparency is top priorities. FSC is a non-profit organization. External audits are performed to assess whether the systems work as intended.

Source: Home | Forest Stewardship Council (fsc.org)

ISO 14001

ISO is a global recognized standard for environmental management. The standard is based on the principle of making continuous improvements by implementing a fixed cycle: evaluate the current situation; set goals and formulate policies; implement the required actions; and, finally, measure the result. Based on the result, an assessment is made of whether actions and goals are adequate or whether to make improvements and set new goals. In some of our companies we also have an ISO 9001 and ISO 50001 covering quality and energy management respectively. External audits are performed to assess whether the systems work as intended.

Source: ISO - International Organization for Standardization

Sedex registration

More and more of our companies are registered in Sedex. Sedex is one of the world's leading ethical trade membership organizations, working with businesses to improve working conditions in global supply chains. Sedex provide an online platform, tools and services to help businesses operate responsibly and sustainably, protect workers and source ethically. A Self-assessment is performed on a yearly basis to assess our working conditions.

Source: Sedex - Empowering Responsible Supply Chains

Strategy, SDG's and partnerships

With our sustainability strategy we want to set ambitious goals and clear actions on how to reach them. The process started last year and we are in the phase of involving the organization. This is to prepare for a strong and relevant implementation of key initiatives and relevant KPIs. Thus, the strategy is not ready for a full presentation in this report, but a few highlights are revealed.

One of the bases for the strategy work is a risk assessment clarifying the key risks for the business. That is performed and communicated in our Annual Report. Some key risks are highlighted here. It is cyber security, it is the energy and raw material shortage leading to increasing prices and finally, it is unexpected legal requirements. These topics will naturally be the focus of the coming priority of activities. Please see the detailed risk assessment in our Annual Report 2021/22.

Besides the overall business risk assessment, thorough research has been conducted as part of the sustainability strategy work. It consisted of:

- *Data from Ipsos international sustainability survey among consumers (secondary data)*
- *All Schur employees had the opportunity to reply on a survey – 235 responded*
- *11 customers have been interviewed*
- *22 employees from all parts of the Schur business and hierarchical levels have been interviewed*

Other sources of knowledge come from participation in various networks and organizations specializing in sustainability topics like the UN Global Compact Network Denmark and DI (Danish Industry) who closely follow the relevant legislation work.

All this knowledge forms the basis of the first simple materiality analysis illustrated in figure 2. On one side, the analysis highlights key topics from society and surroundings affecting our business, including an estimation of strength from 'minimal' to 'essential'. On the other side, the analysis highlights which economic, social, and environmental impacts of importance to Schur affect society.

The double materiality analysis is a part of the coming legal requirements for Sustainability - ESG reporting coming into effect for Schur in 2025. In this context the double materiality analysis contributes to setting the scene for Schur's future work on sustainability.

To form a strong sustainability strategy it is our business imperative to take various aspects into consideration. On the next page in figure 3, is a first topline glance at Schur's future strategic direction on sustainability.

Figure 2: Double materiality analysis

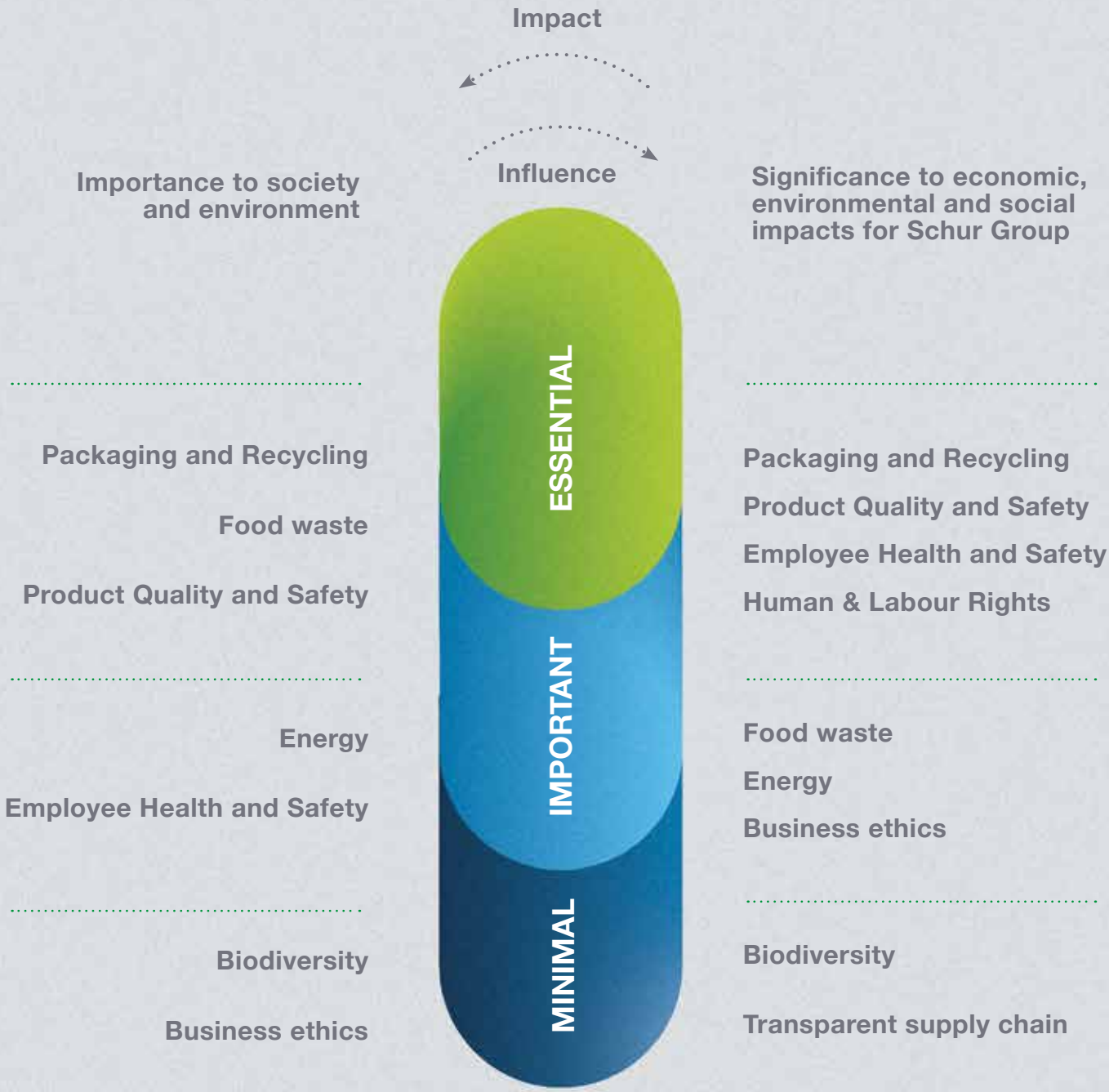
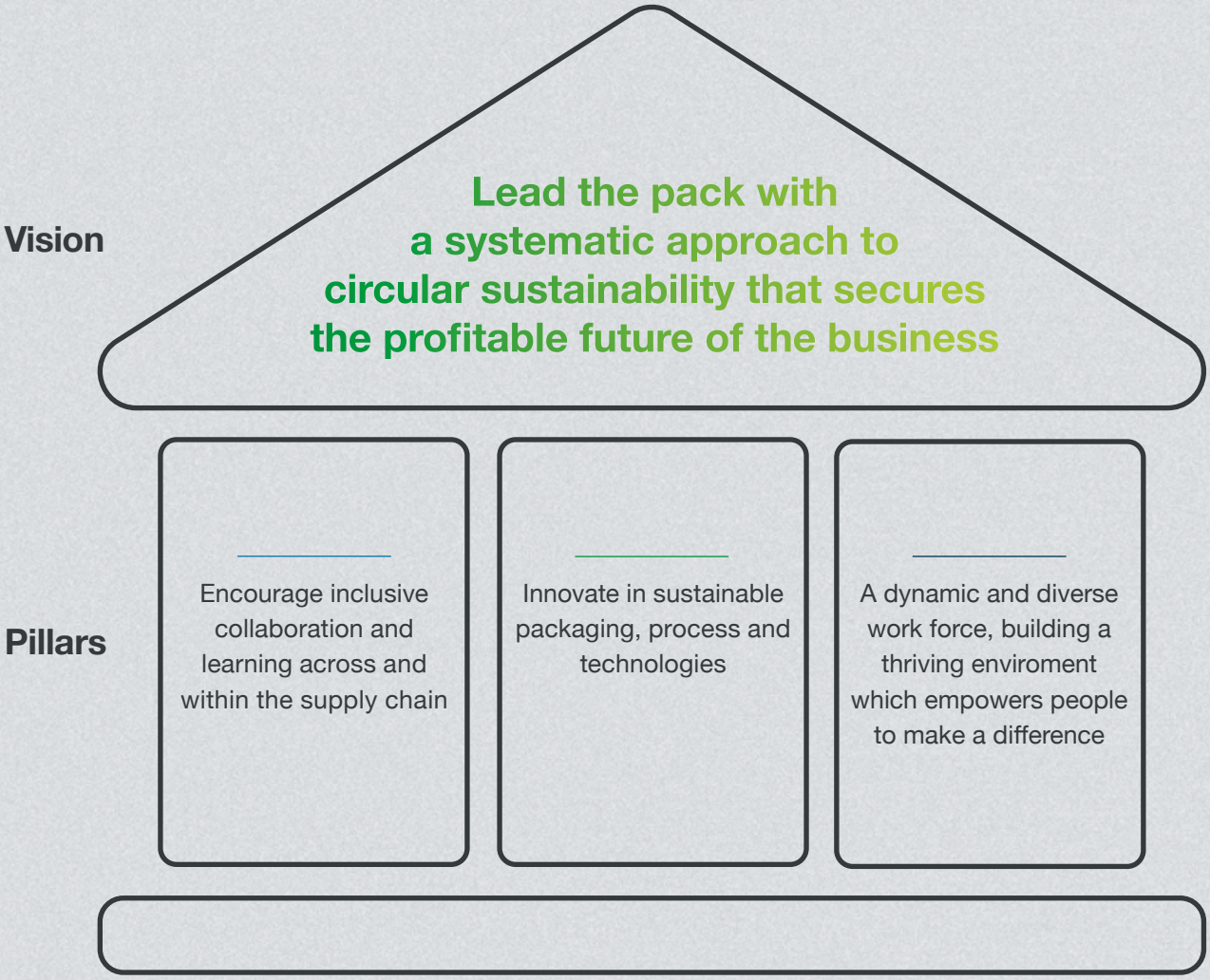


Figure 3: Sustainability strategy framework



The UN's 17 Sustainable Development Goals relate to these pillars and are important for setting our future objectives. Since the 17 SDGs are intercorrelated, we essentially contribute to them all. Some are more directly relevant to our business than others. The strategy work has helped with validating and qualifying these. There will be minor adjustments. The previously defined SDG 7, 'Affordable and clean energy', SDG 8, 'Decent work and economic growth' and SDG 12 'Responsible consumption and production' are the ones leading the way and the foundation for this report. These are closely linked with our future focus as well. As the work proceeds, the SDGs will play a leading role in setting relevant KPIs.

Strong collaboration with various stakeholders has already been mentioned several times as a fundamental part of our way of operating and doing business. This capability is essential for the strategy to make an impact creating new value and supporting the transition to a circular economy.

Our future Sustainability strategy must lead to a systematic way of thinking and conducting business throughout the entire Group. We all have a role to play in developing more sustainable packaging for the future.

"I think… for me, collaboration across the business or across the value chain is becoming an increasingly more important thing because we cannot solve this alone and we need to make sure that things work. There's no point in us having one good solution that doesn't work with the rest of either the suppliers or the rest of the countries or whatever. So, collaboration for a better way would be my key."

Quote: customer C*

"close collaboration is key again here to really understand what is the business need and how soon can we deliver"

Quote: customer D*

*Quotes are from interviews with customers and are not edited. The quote represents a common opinion from several interviews.

LEAD BY EXAMPLE

NKT by ITW, packaging for the outdoors

Packaging for screws must be durable in use, especially outdoors. The barrier that used to ensure this was a plastic layer (PE). Our customer ITW and us wanted to change that. Now it is simply pure untreated carton. We made the packaging from very durable, quality carton that protects it from the outdoor elements. The window is made of acetate (based on cellulose, a biological based raw material) that can be recycled along with the carton without any problems or diminishing the recycling quality of the carton.

04

Management & Reporting framework

Working with sustainability also means being transparent. Clear management structures and processes being followed in a systematic manner deliver credibility and quality in the sustainability work. At Schur, we are moving towards meeting the increasing demands related to sustainability – not just because it is required, but also because it leads to a sustainable business delivering value for the future.

Due diligence

Due to the de-centralized structure in Schur, the individual companies run many of their processes with a high level of interdependency. Thus, there are variations in the due diligence processes in our everyday work. It is a focus area going forward to have similar systematic and shared definitions in areas where it makes sense, still making room for local decision-making– related to sustainability that is. The main model used is illustrated in the table below.

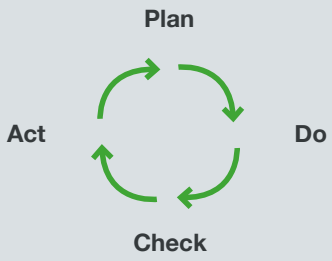
Due diligence model	Main due diligence processes	Practical examples
	Internal audits External audits Quality controls Insurance audits and Risk assessment Work environment evaluations Joint council / Work committee	Facility & Maintenance System handling work accidents Emergency response plans Environment and chemical alert set-up Risk Management Report, yearly for Group Employee satisfaction survey and follow up Schur Group's Ethical Guidelines GDPR guidelines and training Whistleblower system, Speak Up

Table 1: Due diligence in Schur

Supporting systems

The common due diligence processes are to some extent being supported by the digitalization upgrade that the entire Schur Group is undertaking currently. Microsoft is a strategic partner in transforming to full integration of the Dynamics 365 platform. This includes tools for optimizing the digital workplace with a focus on increasing knowledge sharing and common processes to optimize local efficiency. Part of this is the SharePoint platform hosting SchurOnline, the Groups intranet. Another strategic partner is Solitwork. Their Business Intelligence system is integrated with the Dynamics solutions and delivers elements to our financial system.

A specific system on SchurOnline is our Contract Management System. It helps to create, archive, safeguard, recover and share documents and information about suppliers, customers and projects. Furthermore, it offers approved templates for standard contracts. Group Legal & Risk is responsible for this system and for approving the templates. When introducing the system in the various companies, there is a thorough review of the existing management process and how they can be enrolled in the Contract Management System. This process furthermore ties in with the demands and requirements from Schur's insurance vendor. A thorough assessment is conducted by Group Legal & Risk and conclusions are made on the key risks for the Schur business. Similar Group Finance is considering risks to the business. The Group Sustainability and Compliance Manager is in close collaboration with both departments on these matters.

Also available on SchurOnline for all employees are the various Group policies and guidelines. Sustainability, Commercial, IT, Finance and HR & Payroll all have their own dedicated sites. It all supports a shared understanding and common process. Furthermore, it delivers transparent management giving all employees access to relevant documents.

An example is the employee Handbook which can be found on the HR & Payroll site. It gathers all information of relevance for the employees. Currently it is covering the Danish based companies. Location specific versions are in process.

These central systems, policies and guidelines are there to support the individual company.

Apart from the Group based systems, there are the various local requirements and legislation. These set the framework for employee working conditions and wages, environmental rules, working environment rules and systems and emergency response plans etc.

In reports from previous years a digital system to be used as the platform for our risk management process has been mentioned. This has been replaced by the other processes and systems as mentioned in this section.

Reporting principals, data collecting methods and legislation

Our approach to this year's sustainability reporting and data collecting is:

- *A proactive approach going forward*
- *Preparing for the coming EU demands on sustainability reporting (CSRD) with a focus on ESG data (Environment, Social, Governance) and classical accounting principals*
- *To qualify data and the internal systems and procedures, attention is given to documentation practices in the companies. They have responsibility for their own data*
- *Our priority is quality and assurance of data more than quantity. Thus, we are also confining some of our ambitions and want to set realistic ambitions that come with a plan. These will be based on a well consolidated sustainability strategy*

The Group Sustainability and Group Finance department are closely collaborating on the ESG data specifications and systematic collecting. We are using the same data system, which is based on a well-integrated financial reporting setup. This reporting year we have started assessing our own approach. Our actions this year and plan for the coming two years are presented in the table on the next pages.

Apart from the legislation related to the ESG data and reporting mentioned (the first three bullet points) more regulation is in process, mostly from the EU.
We continuously monitor development and prepare to meet the demands.

- *Corporate Sustainability Due Diligence Directive (CSDDD) changed from Human Rights Due Diligence (HRDD)*
- *Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standard (ESRS)*
- *EU Taxonomy*
- *Extended Producer Responsibility*
- *Packaging and Packaging Waste Directive*
- *Product Environmental Footprint Directive*
- *The Danish Marketing Law on Green Marketing and stricter EU legislation in this area*

Even though it might make our sustainability working life more complicated, we also embrace these initiatives. They help set clear standards. **At Schur we are working with them and believe it supports our responsible business development.**

Actions on ESG data and reporting

This year 2021/22	Next year 2022/23	Going forward 2023 ->
Name changed from CSR to ESG reporting	Use of new Solitwork system to collect ESG data supporting a structured process	Solitwork system is fully integrated
Start upgrading on systematic approach and documentation in relation to ESG data handling	The ESG Reporting Guideline to be further qualified = data collecting manual	Begin to have more ESG data collected automatically (through automated digital systems)
Internal audit of 2020/21 data led to: • some corrections and simplifications (will be mentioned in coming sections) • updated ESG reporting guideline focusing on documentation	Keep focus on ESG data quality Add new ESG data relating to strategy (and KPI's) and the coming legal requirements	A solid culture in the individual companies of structuring and documenting ESG data
Systematically reporting on Governance	Systematic work on Scope 3 emission and decide what to include	Clear plans for sustainability initiatives including plans for CO2 reductions both for Group and individual companies
Simple double materiality analysis made based on research	Consolidated double materiality analysis	Sustainability – ESG reporting close to meeting the EU CSRD being implemented in 2025/26 based on dialogue with external accounting partner
Decided on an ESG data handling system connected to the financial data collection (Solitwork)	Update Code of Conduct (CoC) towards supplier's and Schur to send CoC to main suppliers	

Table 2: Actions on ESG data and reporting

Ambition, Achieved, Future actions and initiatives – Overall sustainability and reporting

Ambition	Achieved	Future actions and initiatives
Meeting the EU CSRD, ESRS directives as well as CSDDD Auditors review our ESG reporting to provide a limited assurance statement in 2025/26	Process started in improving ESG data definition, registration and documentation Hired an ESG analysist	More specification of ESG data where unclear Simplifying and automating the data handling procedures using ESG data system with Solitwork Support and guide companies in registering and documenting ESG data
Sustainability strategy implemented for Group and individual companies with KPI's through relevant actions contributing to value creations for the Schur business and stakeholders	Thorough research and analysis made Overall strategic direction in place	Commitment from management Involvement of organization Concrete actions initiated Identified strategic KPI's to measure progress
Being visible internally and externally in relation to key sustainability topics Knowledge is shared in the entire Group		Update of Schur Sustainable Policy Plan for communication of sustainability, internal and external Spreading knowledge in the organization about sustainability

LEAD BY EXAMPLE

Pea shoots grown at the bottom of the innovative Schur®Star Bag

The Danish company Grow Up FARM packs pea shoots, but the innovative part of the packaging is found at the bottom of the package, from which fresh pea shots can grow. Consumers can thus buy fresh pea shoots, harvest them, add water and voila… fresh new shots will grow.

The concept works by removing the top part of the packaging so that the bottom functions as a growing pot. From here, new pea shoots can grow up and provide consumers with fresh pea shoots more than once. With this new way of packing them, the product's life cycle is extended, and consumers get longer-lasting value from their purchase.

The pea shots were already packed using a Schur®Star machine and Schur has helped Grow Up FARM to develop the new and innovative packaging, which is also packed using their Schur®Star machine.

This eat-grow-repeat concept has been nominated for several innovation awards.

A dedicated effort in the canteen supports both health and the environment

Food is important. It is a key factor in one's health and well-being. When you prepare a lot of meals every day the routines in the cooking process can also influence the environment. These aspects are clear in the canteen suppling our Danish locations their daily lunches.

Various initiatives have been taken to help support healthy diets:

- *The plates are small dinner plates, which encourages smaller portion sizes*
- *The menu is composed of healthy and tasty dishes*
- *There is a wide range of vegetables and salads on the menu*
- *Most dishes are prepared from scratch using high quality raw ingredients*
- *There are no sweets, soft drinks or energy drinks available*

Minimizing food waste and supporting the environment is another important aspect. This is supported by:

- *Planning and serving seasonal dishes so ingredients can be obtained from as local sources as possible*
- *Planning a menu for the week so everything can be used*
- *Organizing and preparing the dishes so waste is minimized*
- *The food waste that cannot be avoided is delivered to Re-food – a company that creates biofuels from biomaterials*

05

Environment

It takes resources to produce packaging and packaging systems and it does influence our surroundings. Both the packaging itself and the production of the packaging contribute to this. At Schur we strive to minimize the impact our activities have on the environment.

Packaging development and production

As mentioned previously, packaging itself contributes to protecting the environment. Packaging helps limit waste. It takes product development to tackle the negative consequences of packaging becoming useless waste at end-of-life. Packaging must be transformed into a new resource and packaging systems must optimize the packaging processes. This development takes place in close collaboration with our customers and suppliers.

Minimizing and being effective with the resources used in our production has always been an area of focus. Thus, over the years various optimizations have been made to machinery, electricity, waste and water for cleaning through machinery. In the following, the different areas are covered based on the data we currently register.

Packaging sold

Schur's impact on the environment relates to how much packaging is being sold. We have seen an increase in carton sold and a minor decrease in flexible packaging sold. This corresponds with a tendency we have registered in the market as packaging moves from flexible material to carton.

This year we do not yet have specific quantities sold in our Labels division. It will be in the coming FY. The Machinery division is a different type of product and production. The registration of units sold would not be useful.

Chemicals

Chemicals are a necessity in our industry. Naturally, we always use the solution which has the least impact on people's health and the environment. We are constantly aware of which chemicals are on site and whether the storage of these is appropriate. All chemicals are handled and disposed of according to REACH*, law and legislation. Procedures for chemistry accidents are visible around the production sites.

The chemicals used to clean the machinery, e.g. printing machines, are in a closed-loop system. In several production sites there is a treatment process involving rinsing the water so it can be used again for future cleanings.

Energy consumption

Even though Schur's production is not energy intensive, there is an ongoing process to optimize our energy consumption. Whenever we consider renovating or buying new equipment or buildings, we always have energy efficiency in mind. The various activities to save energy is locally driven. It is at the physical production sites the consumption can be followed and optimized. We are working with energy & environmental groups across all sites and support knowledge sharing. The organization of this concerning facilitation from Group level is currently being assessed along with considerations about CO_2 reductions and targets for the Group – potentially in the format of a climate plan.

We see small variations in the electricity consumption per sold ton compared to last year. Compared to the reference

**REACH is Registration, Evaluation, Authorization and Restriction of Chemicals.*

year the electricity consumption has been reduced considerably in relation to the increased volume being sold and produced.

Energy for heating and production comes from three different sources as presented in the table. Gas consumption is being limited. In Denmark, gas dependency is being terminated this FY through an investment in heat pumps instead of gas. The consumption of gas is minimal in Germany. The most used source comes from district heating.

The main energy consumption is electricity. Besides the continuous focus on minimizing our electricity consumption, we also work on using as much green electricity as possible. We have Solar panels on one production site in Germany and one in the USA. The electricity we produce from our own solar cells contribute to our electricity consumption. The share is presented in the table. Some specific initiatives are:

- *Plan to have more solar panels on our production sites*
- *Consider certificates to secure the delivery of as much green power as possible*
- *Energy saving optimization, where possible – smaller and larger actions*

Water and waste

Using water to clean through of the machinery has been reduced on all sites to the minimum required. In handling carton, water is used to keep the humidity at 50%. There are strict requirements for the purity of the steam used. This limits the options for minimizing water consumption further in our carton production facilities. At all sites, water consumption is being monitored to detect possible leakage.

At all sites minimizing waste from production is a key objective. It cannot be avoided completely due to the complexity of producing packaging both from carton and flexible materials. There is a clear goal at all production sites to reduce waste without compromising quality. All production employees are taught to reduce the waste of raw materials for every production run.

Other waste coming from production is currently not registered in a format ready to be presented in this report.

As much waste as possible is being sorted so it can be reused. Some types of waste can currently not be reused or the systems to handle the sorting and processing after are not in place. We are depending on the system we are part of.

In our Technology company the waste is of a different sort. We do not produce the parts used in constructing the machines, we only assemble them. Thus not much waste is coming from this process. There is some electronic waste and packaging from all the parts being delivered.

Waste is a focus area both to reduce and to reuse and is an important part of the circular economy.

Environment, key figures

Sold volume[1]

		2021/22	2020/21	2019/20	2011/12 Reference Year
Carton	Ton	**71,853**	69,305[2]	69,004	49,169
Flexibles	Ton	**6,062**	6,750	7,854	2,364
Total	Ton	**77,914**	76,055	76,859	51,533

[1] It is ton sold that is registered, not produced as presented previously

[2] Last years sold volume had waste included. This has been corrected

Energy for heating and production

		2021/22	2020/21	2019/20	2011/12 Reference Year
Natural gas	MWh	**4,285**	4,400	3,985	5,139
Oil	MWh	**122**	164	255	1,851
Other (district heating and wood chips)	MWh	**5,744**	5,850	6,546	3,771
Total	MWh	**10,151**	10,414	10,786	10,761

Energy, electricity consumption

		2021/22	2020/21	2019/20	2011/12 Reference Year
Denmark	MWh	**8,011**	8,262[3]	7,086	5,905
Germany	MWh	**12,288**	12,055[3]	11,836	13,675
Sweden	MWh	**5,763**	5,769[3]	6,034	2,787
Australia	MWh	**829**	654	643	-
USA	MWh	**1,490**	1,454	1,088	188
Total Group	MWh	**28,381**	28,194	26,687	22,555
Total carton (excl. label)	MWh	**19,870**	19,455	19,391	13,260
Total flexible	MWh	**7,050**	7,140	6,568	8,142
Electricity per sold ton carton	MWh/ton	**0.277**	0.281	0.281	0.270
Electricity per sold ton flexible	MWh/ton	**1.163**	1.058	0.836	3.444

[3]Electricity consumption has been clasified in wrong geographic area. This has been corrected

Energy, electricity solar cell production

		2021/22	2020/21	2019/20	2011/12 Reference Year
Schur Pack Germany GmbH, produced	MWh	**813**	669	788	-
Schur Pack Germany GmbH, share to production[4]	%	**10.8**	9.5	11.2	0.0
Schur Star Systems Inc.	MWh	**829**	839	316	-
Schur Star Systems Inc., share to production[4]	%	**55.6**	57.7	29.0	0.0
Total Group[4]	%	**5.8**	5.3	4.1	0.0

[4]Share of solar electricity produced that is used for own production or sold

Water and waste[5]

		2021/22	2020/21	2019/20	2011/12 Reference Year
Carton waste	%	**17.2**	17.7[6]	18.8[6]	18.6
Flexible waste	%	**25.0**	20.1	20.8	29.6
Water usage Group	m^3	**21.318**	19.508	22.523	14.433
Water usage carton (excl. Labels)	m^3	**17.217**	15.370	19.120	11.180
Water per sold ton carton	m^3/ton	**0.274**	0.256	0.293	0.280

[5]Waste is calculated from the kg entering production and the volume sold. It is not adjusted for stock. The waste rate is uncertain
[6]Correction from previous years due to adjustment in volume sold and inclusion of production in Vejle

LEAD BY EXAMPLE

Investing in a waste plant to compress die cutting waste

At one of our carton production facilities we have invested in a new waste plant. This machinery handles all the small carton waste pieces that comes from the process of punching the flat printed sheets into a packaging shape. This means that:

- *We can sort the die cutting waste with coated carton from the non-coated carton*
- *The waste can be better recycled*
- *We handle fewer bales of waste ourselves with fewer trips to Germany, where this type of waste is handled for recycling. The truck is simply more loaded*
- *In addition, it makes less noise, both for employees and neighbors, as we switch from vacuuming the waste to a conveyor belt*
- *It requires less energy*

Optimizing freight

A purchaser agrees on a lower delivery rate (when it makes sense) with the supplier e.g. from 2 times a week to 1 time a week and saves:

- *Extra transport and transport of 'air' saving time, energy and CO_2*
- *Handling time with incoming goods*

No more gas used in our Danish production

The last facility in our Danish production had a heating pump installed to replace gas. The installation was done this September, so the positive consequences cannot be registered this FY.

Going forward it means that:

- *We reduce CO_2 emissions by 150 tons going forward, which corresponds to the emissions of 10-15 households per year*
- *The technical installation means surplus heat from the printing machine can be used through a water-to-water heating pump*
- *This heating pump is also set up so other machinery can be connected and the heat coming from the pump can be used*

This type of investment is also being considered in other production sites outside Denmark.

Schur® Spoon

A carton spoon you can still enjoy your yoghurt with.
The Schur® Spoon is a carton spoon that replaces the plastic spoon in on-the-go meals.
Due to the EU's single use plastic directive the plastic spoon was banned from July 2021. An alternative was needed. Several Schur companies developed this alternative carton spoon that is ready-to-use for the producers of on-the-go meals.

Based on the strongest carton fibers possible, this spoon will offer great usability, stability and functionality.

There is no varnish or coating added to the spoon and it is made of nothing but natural materials.

And your yoghurt still tastes like yoghurt.

Greenhouse gas emissions

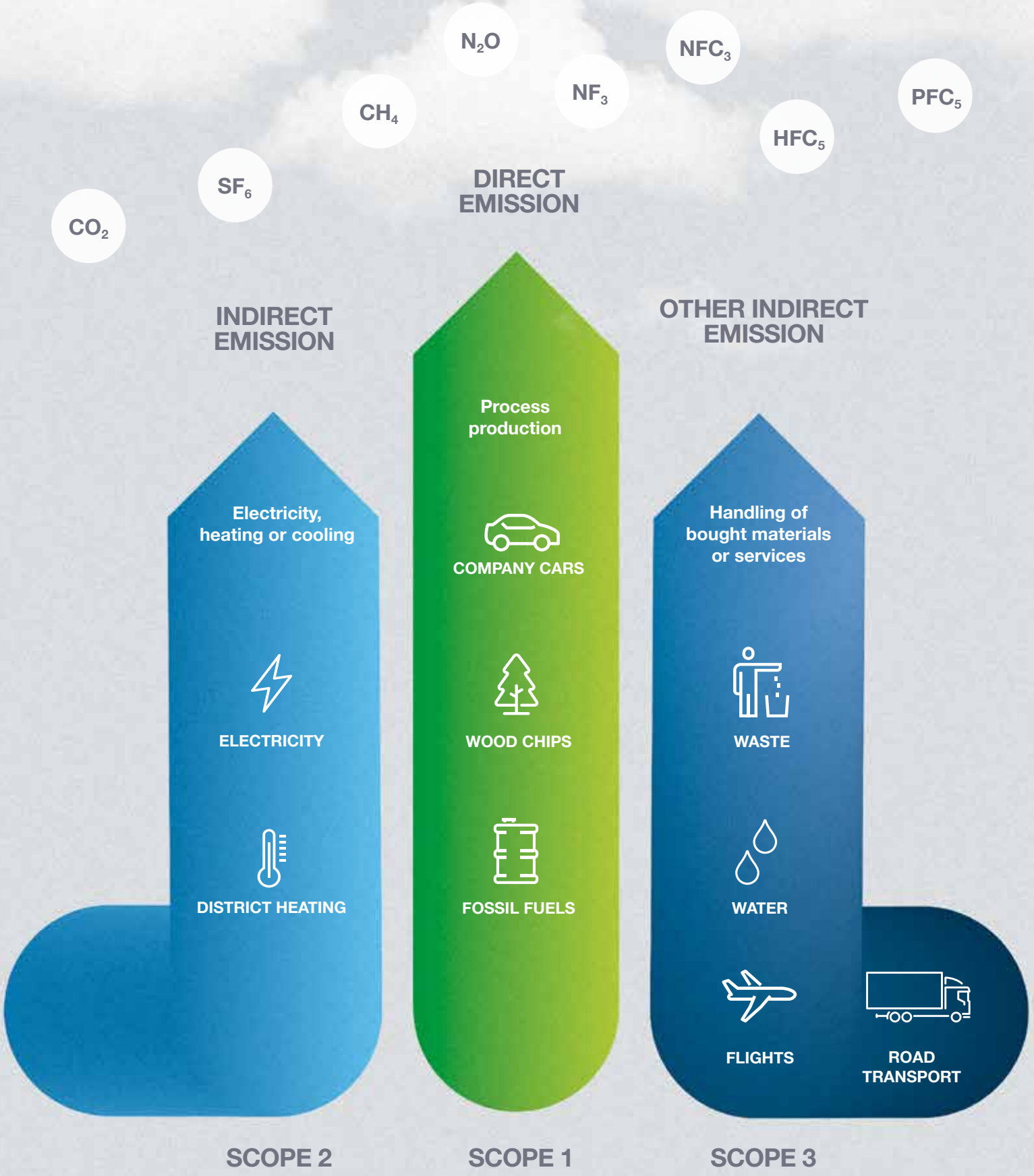
Minimizing greenhouse gas emissions is imperative for us all. Even though Schur's production is not a high-scale emitter of greenhouse gases, it is important for us to do our part. We have not signed up to the Science Based Targets Initiative, but we have started to use and understand the standards and definitions set by the Science Based Targets Initiative introduced in late 2021. We do follow the standards set by the Greenhouse Gas Protocol.

We are learning and are in the process of revising our objectives and plans in this area. Thus our target of having a CO_2e neutral production in 2030 as previously stated must be revised. Based on scientific and recognized methods we must set a new target and plan for our GHG emissions – probably in the context of a climate plan.

This FY we are registering our CO_2e like the previous years and scope 1 and 2 are well defined. Scope 3 emissions are the biggest challenge. Furthermore there is a high level of uncertainty about the scope 3 data. We have only just begun the preliminary understanding of our scope 3 emissions. It takes an analytical process to identify on the main scope 3 emission activities from our business.

All emissions are being calculated using officially recognized emissions factors and are provided automatically by the CEMAsys system we currently use. Going forward these calculations and emissions factors will be a direct part of the ESG data handling system from Solitwork integrated in our financial data handling system as mentioned previously in the report.

Figure 4: Illustration of CO_2e based on the Greenhouse Gas-Protocol



Environment, key figures

Emissions, production

		2021/22	2020/21	2019/20	2011/12 Reference Year
Natural gas	Ton CO_2	**727**	810	727	1,044
Oil	Ton CO_2	**34**	45	63	491
Other	Ton CO_2	**431**	481	689	476
Electricity	Ton CO_2	**5,975**	6,807	7,719	9,248
Total	Ton CO_2	**7,166**	8,143	9,198	11,259
Emissions per sold ton	kg CO_2/ ton	**92**	107	120	218

Emissions, transport

		2021/22	2020/21	2019/20	2011/12 Reference Year
Flights[7]	Ton CO_2	**317**	236	191	410
Cars[8]	Ton CO_2	**684**	538	538	588
Total	Ton CO_2	**1,002**	774	729	998

[7]*Based on emission data from flight tickets*

[8]*Based on emission data from leasing companies and kilometers driven*

Ambition, Achieved, Future actions and initiatives - Environment

Ambition	Achieved	Future actions and initiatives
Plan for CO_2e reduction included in an ambitious climate plan	Minimized gas dependency	Working towards more green energy Develop and implement a climate plan
Highest level possible in green electricity consumption in production, transport and other	Various local initiatives in companies across Schur	Systematic work on scope 3 emissions

Planning an optimal route from a-z saves time and fuel

At Schur Technology we have hired our own driver, Lukaz is collecting parts needed in the operations from the surrounding sub-suppliers. In order to do an optimal job, he plans a route from a-z that uses the least amount of time and fuel. Our new collegue being hired and his dedicated efforts have had a big impact on the everyday work of his colleagues. Without his dedication and careful planning the transportation would be solved either by 1) each individual supplier sending parts 2) using an external driver or 3) another Schur employee would have to drive, which would take this person out of his/her specific job. We save time, money and resources to ensure a much more optimal flow in the production.

A work accident changed his life

An accident at a previous job in 2006, where Allan Justesen lost his hand, shattered his normal life and sent him into a life of constant pain and lack of sleep. A chance encounter in a football stadium five years ago has given him his life back.

A combination of exercise, medical cannabis and a flexible job at Schur has changed the situation completely. It was just the right treatment for Allan.

He is not totally pain-free, but on a pain scale of 1-10 where 10 is the highest level of pain, he is currently only at around 3. Before he started the treatment, he used to be between 8 and 10 on the scale. It's a huge change.

When Allan started the trial period of his job at Schur, his situation was very bad. The support he gets from Schur helps keep him afloat.

'That means everything to me. Schur is really large, it's not all places where you can just come and go as you please. I don't know where I would be today if I hadn't come here', he says.

Schur®


Schur
KANSAS

06

Social

The best solutions come from motivated and healthy people. At Schur, this is a fundamental value. Not just because it matters for the business but because we care – for our employees, customers, suppliers and business partners.

Internal

Without skilled and dedicated employees Schur could not function. It is of the highest priority that Schur is an attractive workplace where everybody contributes and is happy working. It entails both physical and mental health. It is expressed in different ways in different locations. In the Danish sites for example shoulder exercises are done in the middle of the office space several times a week. In other sites walks are a regular part of the lunch break. We accommodate different cultures and respect different ways of life. We strive to support an inclusive culture. To a large extent we succeed since we have many anniversaries at the company – 30, 40 or even 50 years of employment is not a rare event. Even after retirement some (former) employees still visit from time to time to help here and there.

The basis is decent working conditions including reasonable wages, working hours, vacations, leave of absence, safe working environments etc. We support the International Labour Organization (ILO). In Denmark we are members of the Danish Employers association through our membership of Danish Industry (DI). Through this, we are participating in the labor market agreement negotiations setting the conditions on the Danish labor market. At Schur being a responsible employer in relation to working conditions is to give room for the employees to organize and be part of unions. It is part of the Danish labor market organization as well. In this context it is important to stress that there is a free choice for individuals to be in or not to be in a union and which particular union to join.

Indirectly this sets the standard for our non-Danish companies supporting a culture of decent working conditions. If we absorb and follow the standard for the Danish labor market, we cannot tolerate the less than minimum work conditions in our companies in non-Danish locations. Naturally, the national labor markets, systems and standards are being adapted in these companies.

Even with all the best intentions mistakes can sometimes happen. There are challenges in a company with 900+ employees from many different cultures - nationality-wise and various professional backgrounds. Schur is not perfect. We do want to accommodate a culture where people can exist with their imperfections.

Employee satisfaction

An employee satisfaction survey was carried out at the beginning of FY2022. It was undertaken at two of the Danish companies. An external consulting company who are experts in employee satisfaction and organizational development delivered the system for the survey and supported the process. The purpose being to have a systematic and objective evaluation of the organization and how the employees were thriving in their everyday work life. Actions have been taken for example with dialogue meetings between management and employees where emerging topics have been discussed and actions have been initiated.

In the coming year, the same survey will be carried out in most of the remaining companies. A few of the companies must prioritize a digitalization transformation going from Navision to FO (Finance and Operation under Microsoft Dynamics). This is a huge task that involves all levels of the organization. It has been decided that there is no capacity to handle other organizational transformations in the coming year.

Working environment, health and safety

There are different requirements in the companies in different countries, so there are variations in practical activities supporting the working environment. For many employees, heavy components are operated and moved around daily. We are fully aware of the risks related to being a production company as to work-related accidents and injuries. For that same reason, we have local, mandatory health and safety instructions which are all available on our local intranet.

Our goal is to have zero work-related accidents and we take precautions to prevent these from happening. When it comes to sick leave, we have different goals for wage-earning and salaried employees. For wage-earning employees, our goal is to reach a maximum 3 percent absence due to illness, and for salaried employees the goal is 1.5 percent.

Sick rates has gone up compared to last year. The explanation we receive from all companies is sickness related to Coronavirus. Accidents have increased compared to 2020/21 but not compared to 2019/20. Since the average absent days per accident has decreased it indicates that these are more minor accidents. It is an area of focus in all companies to minimize or completely avoid accidents.

Diversity

Diversity in relation to age, gender and nationalities is an important topic to address to mention the most obvious.

Currently, we only register on gender. We have not yet started considering the LGBT+ segment and ‘other’ gender categories. We do have a statement about job diversity in our job advertisements. Everybody is welcome if they can contribute and have the required competencies.

If a person cannot contribute to a full-time standard job due to different disabilities coming from illness or accidents, we strive to find a position that fits. We have many successful experiences within this area – for the individual and for the company.

Our business is in a male-dominated industry (production, printing, machinery construction and engineering) so there are some natural barriers to recruiting for example more women. On the board and management level it is a high priority to have more women included. We have welcomed one new board member. She has a lot of experience with sustainability which supports our dedication to acting on the topic. In the current financial year, it was only possible to have this one female member on board since only one seat was available in the board of directors. At the management level we register a status quo from the previous two years in the proportion between men and women represented. It is a focus area to have more women in management when recruiting. In this FY there has been no specific actions taken in the area. Going forward a policy and an action plan for reaching our ambition will be implemented.

Education

At Schur we see it as one of our responsibilities to contribute to educating the work force, existing and future – not just for the sake of our own company but also as a social responsibility.

We have continuous apprentices both at our different productions and in office positions. Typically we also have interns. Currently we have for example a Master of Law student. There are different possibilities for in-service training and supplementary education. The approach is not systematized throughout Schur, so it is coincidental who receives this and how. Group HR would like to support an overall management process that could lift this area.

Currently we do not have systemized data to report on various educational parameters. We expect to pursue this going forward.

Social, key figures

Working environment

		2021/22	2020/21	2019/20	2011/12 Reference Year
Sick absence, monthly paid[9]	%	**3.0**	1.6	1.6	1.6
Sick absence, hourly paid[9]	%	**6.4**	5.7	5.7	4.5
No. of working accidents[10]	No.	**25**	16	36	21
No. of absent days due to accidents	No.	**211**	168	288	132
Average absent days pr accidents	No.	**8,4**	10,5	8,0	6,3

[9]1-4½ hour sickness is registered as ½ a sick day - more than 4½ hour sickness is registered as 1 day. Longterm illness is more than 30 days of sickness and is not included

[10]Accidents that have caused more than 1 sick day after the accident

Diversity

		2021/22	2020/21	2019/20	2011/12 Reference Year
Employees, women	%	**20.8**	23.3	26.1	19.4
	No.	**186.00**	207.42	233.50	131.50
Employees, men	%	**79.2**	76.7	73.9	80.6
	No.	**708.01**	682.42	661.04	548.00
Management, women[11]	%	**26.0**	21.9	21.3	13.3
	No.	**13.00**	11.22	10.00	5.00
Management, men[11]	%	**74.0**	78.1	78.7	86.7
	No.	**37.00**	40.00	37.00	32.50
Board of directors, women[12]	%	**25.0**	12.5	12.5	11.1
	No.	**2**	1	1	1
Board of directors, men[12]	%	**75.0**	87.5	87.5	88.9
	No.	**6**	7	7	8

[11]Management include employees who report directly to the CEO. Locally this may include directors, managers, head of departments and specialists

[12]Board of directors is the Group board

External

Good and healthy working conditions throughout the supply chain and a genuine interest in our stakeholders are a given for us. It is a focus area that suppliers, business partnerships and end consumers can thrive and experience value in their connection with Schur.

Certifications are part of systematically documenting requirements needed to meet various standards for quality, working procedures and conditions. An overview of our certifications can be found on page 17.

Code of Conduct and supply chains

As mentioned in Schur's business model – sourcing is to a large extent close by. By far most of Schur's business relationships are with companies based in the EU or other similar well-regulated countries. Irresponsible supply chains are not a big risk in the Schur business.

Schur's Code of Conduct for Responsible Business Partnerships (CoC) is a key document to communicate our standards in our supply chain. It is in appendix 5. All of Schur's first tier suppliers must therefore be made aware of our CoC. The core suppliers with whom Schur have a long-standing collaboration must sign it, unless they have their own CoC which is also accepted. We are facing more requirements from our surroundings.

Furthermore, the CoC has been handled by each company without coordination between them. Since some of the key suppliers deliver to several independent Schur companies, there is the possibility that the same key supplier has received, signed and returned the same CoC more than once. Thus, the total number of signed CoC is not accurate.

In the coming year we are entering this area to get a clear overview of our Code of Conduct. They are also going to be assessed to evaluate if they need to be updated to a higher standard. Responsible supply chain management is a focus area for many of our customers.

Consumers

In the end, our packaging and solutions encounter the consumers – our customers' customers. As previously mentioned, Schur delivers packaging and packaging systems to the food and medico sector among others. Thus, high standards in hygiene and quality are imperative in delivering safe packaging.

Social, key figures

Code of conduct to suppliers

		2021/22	2020/21	2019/20	2011/12 Reference Year
Number of key suppliers	No.	**354**	343	347	-
Have signed our CoC	No.	**179**	158	148	-
Have not signed our CoC	No.	**126**	139	184	-
Have returned their own CoC	No.	**49**	46	15	-

Ambition, Achieved, Future actions and initiatives - Social

Ambition	Achieved	Future actions and initiatives
40% women in management by 2025 and 40% women on Group board	One more woman on Group board	Awareness when hiring for the needed competences A policy and an action plan will be implemented
A diverse workplace where there is room for everybody that can contribute		Job satisfaction survey implemented across all companies

LEAD BY EXAMPLE

Schur® Star Zip Pop for microwave

Schur® Star Zip Pop packaging allows you to complete your ready-made meal in one step! The automatically packed dual chamber pouch is unique. Here the spices and flavor are contained until they are released at just the right time in the cooking process. It's a kind of magic. The dual chamber pouch ensures that the products are not mixed before the cooking process takes place, which keeps the foods fresh for longer.

In the bottom compartment any product that can be cooked in the microwave, can be packed. The Flavor release chamber in the top holds the butter-puck or spice mix separate from the product below, leaving no limitation to the cooking creativity.

From an environmental standpoint, the Zip-Pop pouch utilizes approximately 60% less packaging than typical microwavable solutions using PEPT Trays. On top of that the shelf-life of the content is also extended thus reducing food waste.

Education is the way – two successful apprenticeships as Automatic Technicians

Participation in the Danish Championship in Skills

It was not the easiest task for Christoffer Oliver Husted Christensen when he started his apprenticeship at Schur Technology. It was hard for him to get up in the morning and he was not always on time. It is not a good approach to school and it is certainly not the way to go in a workplace. He needed to learn some new routines and how to cope with a job. But he had clear potential to be a skilled automatic technician. It took a lot of coaching, support and clear demands every now and then to unfold this potential. It worked. Christoffer grew up and became a responsible adult during his 4 years of education and internship.

Today he is close to finalizing his education. He is participating in the Danish Championship in Skills – which is only for the most talented and competent of skilled workers. And he is guaranteed a job at Schur. Luckily for Schur Christoffer is more than happy to say yes.

A practical industry job gave confidence

Christian Schou Meyersen was unsure of himself and had trouble adapting in school and in other social contexts. He came from a hard upbringing and did not have the best background for finding the best way in life.

He began an unpaid internship at Schur. It was supported by the municipality and included welfare benefits and pay. Slowly he grew and became confident that he could make a positive contribution. He finished his primary schooling and began an automatic technician education. On top of that he has also managed to get a driver's license which opens up even more possiblities. Christian's life took a total U-turn. His confidence grew. Naturally his apprenticeship has just begun at Schur.

07

Governance

OECD defines corporate governance as the system by which business corporations are directed and controlled. It is important to have clear decision structures in place to validate how the responsibilities are managed. The Schur family and owners are the centerpiece in the governance of the Schur Group. However, it does require more than one family to run and manage a company group the size of Schur – it takes good governance.

Board of directors

Søren Birn (chairman)
Johan Sebastian Schur
Anna Katharina Schur
Morten Rahbek Hansen
Hans Wilhelm Schur
Anne Mette Vestergaard Olesen
Hans Christian Schur
Henrik Burkal

In charge of the daily operations are CEO Johan Schur and CEO Hans Christian Schur.

Various policies

In areas where required and it contributes to responsible management and conduct, we have developed policies. The communication and structure of the policies can be improved. They are all available for all employees through SchurOnline.

GDPR

GDPR policies are in place and the privacy policy is available for everyone on our website, www.schur.com. An upgrade and review of the individual companies' GDPR handling and processes in relation to data are being completed by Group Legal & Risk.

Ethical Guidelines incl. anti-corruption

A Schur Group's Ethical Guidelines were finalized and approved by Group Management in 2022. Schur's ethical guidelines are based on Schur's fundamental values of decency and accountability. All employees and managers across all of Schur's companies are responsible for watching out for each other, our partners and our local environment in their daily work.

Schur developed these ethical guidelines with a view to making that as straightforward as possible. They set the frame within topics such as discrimination, offensive behavior, protection of copyright and anti-corruption and more. The guidelines are in appendix 3.

It has been implemented in the Danish, Swedish, American and Australian companies and is on its way to be presented in the German companies.

Speak Up, Whistleblower

Speak Up is the Schur system that delivers on the EU's whistleblower legislation – implemented in our Danish and Swedish companies. In Germany we await the national German legislation concerning corporate whistleblower systems. In our American and Australian companies, we are in the process of checking our Speak Up policies against local legislation. No incidents where registered this FY.

The purpose of the Speak Up scheme is to provide a secure platform for employees and external stakeholders to report reasonable suspicion or knowledge of illegalities or other very serious issues related to Schur. Schur's Speak Up scheme ensures a high degree of protection for anyone who reports reasonable suspicion or knowledge of illegalities or other serious issues related to Schur.

Schur's Group Management has chosen to use an external and impartial lawyer employed by the firm DLA Piper to screen cases submitted to the Speak Up system. The Speak Up system is also an external system, which safeguards the whistleblowers' confidentiality as well as professional discretion about the reports. The system is accessible both internally through SchurOnline and externally through our website, schur.com.

Schur's Speak Up Policy is in appendix 4.

Ambition, Achieved, Future actions and initiatives - Governance

Ambition	Achieved	Future actions and initiatives
Secure transparency and clear management systems and due diligence performance	Whistleblower system, Speak Up implemented in Sweden	Whistleblower system implemented in Germany, the USA and Australia
Ethical Guidelines implemented	Ethical Guidelines implemented in all companies except Germany	Ethical Guidelines implemented in Germany

New plastic coating-free carton packaging for Espersen's Rahbek seafood products

Espersen produces and sells delicious seafood dishes. Many of us are familiar with the tasty fish dinners from Royal Greenland or Rahbek - a broad variety of frozen breaded and deluxe puff pastry fish products.

Almost all of Espersen's products for the consumer market and their retail segment are packaged directly in a carton box produced by Schur. Thus the carton packaging is coated with PE (a thin plastic layer) on the inside to create a hygienic barrier and to prevent stains from the breaded fish penetrating the carton.

For approximately 2 years Espersen and Schur have tried to replace this PE with an alternative. We have found a coating that is water-based and plastic-free, which provides a barrier that prevents the grease from penetrating the box.

Presently, we use approx. 125 tons of plastic per year for Espersen, which will be cut out completely before 2025 if we succeed with our plan. It is also very likely that the packaging can be better recycled when it has served its main purpose and no longer contains a tasty and healthy fish meal.

A local CSR initiative that makes an impact

Both Schur Technology and Schur Pack Denmark have once again received the HORSENS ALLIANCEN's CSR people badge. It is given to companies that take the lead and show a special social responsibility towards the unemployed on the edge of the labor market, who ensures the well-being of all their employees and who make an effort for young people who need a helping hand to find direction.

This can be done, among other things, by offering small jobs and internships where people can develop and become clarified in relation to competences and resources, or by becoming mentors for vulnerable young people.

Social responsibility is also about working to prevent sickness absences and ensuring that sick employees remain in the labor market.

At Schur we are proud to participate in this important work.

People: Integration of immigrants into the workplace

Our production in Kumla, Sweden has a very good experience integrating citizens with non-Swedish backgrounds into the workplace. There is a close collaboration with the local municipality to have the optimal support for us as a company and the individual immigrant.

Sometimes it does not work out with an employee, but in a lot of cases it is a success. There is one example of an entire family being employed at our production, because they are so skilled and contribute so well to the company.


Dent

08

Economy

Without a solid economy and a focus on managing a profitable company it would be hard to fulfil our ambitions and develop more sustainable solutions – on all dimensions, environment, social and governance.

This financial year has not offered any acquisitions or significant changes in our activities. The year has been marked by the outbreak of the war in Ukraine, raw material shortages, inflation and price increases. The focus has been on handling these challenges and ensuring that the Group stands as strong as possible for the future.

Despite a raw material shortage and heavy price increases on almost everything we use in our production, the expectations from the most recent annual report have been met. Revenue increased by DKK 284 million (16.0% growth).

We have a responsibilty towards our employees and customers to run a sustainable and stable business, therefore this years result is considered satisfactory.

For detailed information please see our Annual Report 2022 which will be published later in the year.

LEAD BY EXAMPLE

Walking for 'Break Cancer'/'Knæk Cancer' campaign

The whole company has been walking to support the Knæk Cancer event. This is a national campaign in Denmark that works to support the fight against cancer. For every employee that walked Konsul Axel Schur og Hustrus Mindefond supported the campaign financially.

Colleagues all over the world have joined and walked. It was a great social event as 'One Schur'. Everybody enjoyed the walk, got some exercise and money was collected for this important cause. DKK 148,100 was collected on the walk alone.

Appendix

Appendix 1: Overview of Guidelines, Policies and Actions

OECD Guidelines for Multinationales Enterprises	UN Global Compact 10 principals	UN Guiding Principles on Business and Human Rights
Covering topics		
(Disclosure) Human Rights Employment and Industrial Relations Environment Combating Bribery Consumer Interests Science and Technology Competition Taxation	Human Rights Principal 1 +2 Labour Principal 3+4+5+6 Environment Principal 7+8+9 Anti-Corruption Principal 10	Respect Human Rights in ref. to Bill of Human Rights and ILO Means: Avoid infringing and prevent Address adverse human rights impacts Action points: Should have in place: • Policy commitment • HR Due Diligence • Processes that can handle and remedying negative impacts Statement of policy declaring this must be embedded into all relevant business functions

Certificates w. external audits BRC, FSC Chain of Custody incl. employees' rights, ISO	**Schur policies and various activities**
Product and production related demands + the following topics are included	Sustainability policy – relates to the guidelines we follow
Child labor	Group Ethical Guidelines
Forced labor	Speak Up Policy (=Whistleblower)
Discrimination	GDPR Policy and practices
Freedom of Association and the Right to Collective Bargaining	Employee handbook (DK version)
Environmental management	Group's Code of Conduct for Responsible Business Partnerships
	Demands from insurance company
	Follow the collective agreements on the labor market (local standards and systems)
	Staff Representatives and joint consultation committee
	Work Environment system according to law included is Workplace Assessment system (APV in DK)
	Medical insurance

Appendix 2: Schur Sustainability policy

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Sustainable Schur Policy

Schur is an international group with main activities being the development, production and sale of packaging made of carton and flexible materials, marking, labels, consumer products, packaging- and production equipment and complete packaging systems. Schur has departments in Denmark, Sweden, Germany, Australia and the USA.

Schur is committed to sustainable development in harmony with Schur's **values**:
"Familializing" our customers!
Constant care!
We think before we act!
We walk the talk!

Basis for the Sustainable Schur Policy

Schur supports the **UN Global Compact** and works to live up to the global minimum standard for responsible business conduct as defined in:
• The UN Guiding Principles for Business and Human Rights
• The OECD Guidelines for Multinational Enterprises.

These are based on the Universal Declaration of **Human Rights**, the Rio Declaration on **Environment** and Development and the UN Convention against **Corruption**.
Schur recognises the **UN Sustainable Development Goals**, and Schur's role is to contribute to their fulfilment within Schur's sphere of influence.

Commitments

Schur commits to:
• respecting the principle of the rule of law and to observing national regulations regardless of the location of Schur's operations.

• contributing positively to socially, environmentally and economically sustainable development whenever possible.

• meeting the global minimum standard for responsible business conduct by:

- identifying, preventing and mitigating potential and actual adverse impacts on human rights, the environment and anti-corruption and by communicating that work.
- handling adverse impacts which we may cause or contribute to or which can be directly linked to us via our business relations.
- seeking to secure access to remedy for persons affected by adverse impacts on which Schur has an influence and/or informing the relevant authorities.

This Sustainable Schur Policy is reflected in other policies, procedures and guidelines in Schur.

Expectations

Schur assumes responsibility in the value chain, i.a. by describing expectations to suppliers in the Schur Code of Conduct.

Schur expects its business relations to:

• meet the global minimum standard for responsible business conduct
• immediately inform Schur if they are connected to serious impacts on human rights, the environment or anti-corruption and to take the initiative to handle them.

Schur expects its employees to:

• honour Schur's commitment by observing this policy in their daily work
• point out - and encourage other stakeholders to do the same - potential and actual adverse impacts on human rights, the environment and anti-corruption to which Schur can be linked.

Communication and Revision

This policy has been approved by the board of directors. The policy is accessible to the public and is communicated internally as well as externally. We welcome all external and internal stakeholders to enter into a dialogue regarding the work for sustainable development, and we want to make sure that there are good possibilities for that dialogue. In order to ensure continued focus on the principles for human rights, the environment and anti-corruption, we will regularly review and revise the policy if necessary. It will be revised at least every three years.

Horsens, August 2020 (revision of the 1st edition from Sep. 2017)

Appendix 3: Schur Group's Ethical Guidelines

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The Schur Group's ethical guidelines for managers and employees

1. Background and purpose
Schur's ethical guidelines are based on Schur's fundamental values of decency and accountability. At Schur, we believe it is crucial to take care of our people, the environment and our business. You can read more about that in Schur's Sustainability Policy here on SchurOnline.

The UN Declaration of Human Rights is reflected in our ethical guidelines. The purpose of our ethical guidelines is to ensure that Schur's employees, stakeholders and surroundings - including the environment - are treated with respect at all times.

A number of different policies are referred to in these guidelines. You can find all of those policies on Schur Online under 'Corporate Functions' here.

2. Where and to whom do these ethical guidelines apply?
All employees and managers across all of Schur's companies are responsible for watching out for each other, our partners and our local environment in their daily work. Schur developed these ethical guidelines with a view to making that as straightforward as possible.

If you are a manager, you have a special obligation to ensure that their employees are familiar with Schur's ethical guidelines. You also serve as a role model for complying with these guidelines. The ethical guidelines must be observed even with respect to areas where it goes beyond practices required by local law.

3. What are Schur's ethical guidelines?
A basic premise for ensuring the ethical guidelines is adhered to is that you, as an employee at Schur, take responsibility. This means that everyone is expected to conduct themselves with decency and make an effort to ensure that Schur is a good workplace for everyone, as well as take care of the problems they encounter. It also means that if you encounter a violation of Schur's ethical guidelines, it is your responsibility to notify someone about it, e.g. your line manager, employee representative, submit a report via our Speak Up scheme (if applicable - see Section 4.1 for more information).
Specifically, the ethical guidelines can be divided into the following topics:

The Schur Group's ethical guidelines. SIN, Group Sustainability & Compliance Manager, Trine M. Nielsen. Ver 1.1 Last updated 10/06/2022

- Duty of loyalty and code of conduct
- Healthy and safe working environment
- Discrimination
- Offensive behavior
  o Sexual harassment
- Protection of copyright and rights
- The right to privacy, data protection (GDPR) and information security
- Anti-corruption
- Conflict of interest
- Consideration for the environment and climate

3.1. Duty of loyalty and code of conduct

At Schur, we encourage an open, respectful and constructive dialogue between colleagues and managers. We want a working environment in which we are sober, professional and respectful of each other at all times. This especially applies to when you have to express anything that could be perceived as negative criticism. Similarly, we also encourage you to give constructive feedback and praise to promote positive communication in the workplace. Good cooperation should be the preferred approach to tackling problems.

In relation to both internal and external communication, Schur employees are obliged to comply with the duty of loyalty. This means that Schur employees are required to act loyally towards Schur, both internally nd externally. Accordingly, you are not permitted to take any actions that directly or indirectly harm or may harm Schur.

At Schur, we have an expectation that you, in your capacity as an employee, will not take any actions that may harm Schur's reputation or business. Among other things, the duty of loyalty entails the following:

- You may not divulge trade secrets.
- You may not make negative remarks about Schur or Schur's employees to customers and business associates.
- You may not start up or engage in competing business.
- You may not steal from Schur.

The duty of loyalty applies throughout your employment, including the entire notice period, even if you are released or suspended by the company. The prohibition on the use and dis-

Schur Group's Ethical Guidelines

closure of trade secrets is indefinite and not contingent on your employment status at Schur. Thus, former employees may only use and disclose information from their time as an employee at Schur when such information can no longer be regarded as trade secrets.

If, while working at Schur, you are contacted by the press regarding an interview or comment in your capacity as a Schur employee, we encourage you to contact Team Commercial at Schur Group, which deals with PR-related matters. The duty of loyalty naturally also applies to making statements to the press, and employees are not allowed to comment on behalf of the company without first having consulted with the PR officer and Group Management. If you are in doubt about other forms of communication and what employees are allowed to say, show and write on social media, for example, contact Team Commercial for advice.

3.2. Healthy and safe working environment

Schur's highest priority is to ensure our employees work in an environment with the lowest possible risk of injury, accidents and physical as well as psychological stress.

The manager's responsibility:

To provide the necessary training, instructions, systems and equipment to prevent injuries and illness.

The employee's responsibility:

To comply with the guidelines for safety, health and hygiene and make use of the measures, systems and equipment provided by Schur.

Smoking as well as the consumption of illicit drugs and alcohol are not allowed during working hours. Alcohol may be consumed in exceptional cases at certain social events on Schur's premises if approval has been granted by management. This applies to both during and outside of working hours.

3.3. Discrimination

No employee may be subjected to discrimination based on race, skin colour, religion or faith, political views, sexual orientation, age, disability, appearance or their national, social or ethnic origin. Everyone must have equal opportunities.

Schur strives to prevent and manage discrimination in relation to recruitment, employee conditions, everyday interactions and the manner in which we communicate with each other.

Employees and visitors with disabilities, impairments and functional variations must have equal

access to Schur's facilities on par with anyone else. For safety reasons, certain restrictions may exist in some production areas. This depends on the specific impairment.

Promotions and recruitment processes at Schur must be based on clear procedures in which we strive for a high degree of transparency. Promotions are based on competencies, conduct and performance in relation to the position in question. In addition to competencies and performance, we listen to our employees' wishes and expectations.

We respect our employees' right to freedom of association, i.e. trade union membership, as well as which trade union they wish to be a member of. Discrimination or harassment of employees based on their decision to join or not join a union is unacceptable.

3.4. Offensive behaviour

Schur does not accept any form of offensive behaviour. This includes bullying, sexual harassment or other degrading behaviour aimed at another person. Offensive behaviour could entail hurtful remarks, slander, physical abuse, threats, being shouted at and many other things. What matters is whether the person subjected to it feels offended, regardless of whether that was the intention of the offender(s). It may occur repeatedly, or it may be an isolated but serious incident. If an employee feels they are being subjected to offensive behaviour over a prolonged period at work, it may impact their physical and mental health.

All employees have a responsibility to help ensure that bullying/harassment does not take place among employees, managers or in relation to customers and other partners.

Special responsibilities of the manager:

- Pay attention to the well-being of your employees and particularly bullying and harassment, as we consider this absolutely unacceptable behaviour.
- Take action if you notice or are made aware of any inappropriate conduct.
- Remember that you are a supposed to be a role model for the tone and behaviour in the workplace.
- Dialogue with employees should always be respectful. If you need to discuss a problematic issue with an employee, you must do so discretely and in private with that employee. Make sure they know that they can bring a companion of their choice to the meeting if so desired.
- If an employee experiences offensive behaviour in the workplace, always take it seriously and take action to resolve the issue. Consult with Group HR if the problem is difficult to resolve.

Schur Group's Ethical Guidelines

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3.4.1. Sexual harassment

Sexual harassment is when a manager or employee displays unwanted verbal, non-verbal or physical behaviour with sexual undertones and the purpose - or effect - of violating the dignity of another person, specifically by creating a threatening, hostile, degrading, humiliating or uncomfortable workplace environment.

Engaging in any form of sexual harassment is forbidden at Schur. A Schur Group policy on sexual harassment is being drafted and expected to be ready by the end of 2022.

3.5. Protection of copyright and rights

Consider the copyright implications of borrowing or using images, slogans, trademarks, designs, art, etc. that others have produced. Check carefully whether it can be used at all, and if it can, be sure to cite the source. Also make sure to obtain written approval to use it. It is also important that Schur employees carefully consider the use of elements that may offend other individuals or groups due to traditional, lifestyle or historical factors.

If you get an idea to create something new, you must investigate whether anyone else has had the same idea and already obtained the rights to or patented it. Contact Group Legal & Risk for guidance.

3.6. The right to privacy, data protection (GDPR) and information security

Schur respects the right to privacy of past, present and potential future employees, partners and end users of our products. We make sure to comply with legislation in the area in an ethical and transparent manner. Schur's Privacy Policy can be found on www.schur.com here.

If you are a Schur employee, Schur processes different types of personal data about you. The types of personal data are indicated in Schur's Personal Data Policy, which can be found on Schur Online here.

Securing information and data is considered a business-critical priority. Employees and managers are expected to comply with Schur's Group Information Security Policy. There are two versions of the policy, one for IT staff and CEOs and another for IT users. Both can be found on Schur Online here.

3.7. Anti-corruption

Schur has a zero-tolerance position on corruption. This also applies to intermediaries, i.e. companies or individuals acting on our behalf.

The Schur Group's ethical guidelines. SIN, Group Sustainability & Compliance Manager, Trine M. Nielsen. Ver 1.1 Last updated 10/06/2022

Any employee who knows or suspects that a Schur representative has engaged in bribery, fraud, extortion embezzlement or any other form of abuse of power has a duty to take action. They also have a duty to take action if they encounter such conduct with a customer, supplier or other Schur partner. For information on how to take action, see Section 4.1 below.

Employees and managers are expected to act with due care when giving and receiving gifts and benefits from customers and other partners. These are only allowed to have a low and purely symbolic value. If you are in doubt as to whether a gift or benefit is excessive, consult your line manager.

Due care must also be exercised in relation to expenses and consumption in connection with day-to-day work and travel for business. Schur only covers expenses that have a clear work-related purpose and if the expenses for items such as accommodation and meals are reasonable in relation to the work-related purpose. Schur's travel policy is currently being updated.

3.8. Conflict of interest

A conflict of interest is when you, as a Schur employee, have personal interests that can lead to actions or decisions that go against Schur's interests. For example, this may be the case if you have a second job, shares in a competing company, a family member in your workplace or if you use Schur's resources for your own interests.

Employees and managers at Schur are expected to act in Schur's interests. Schur seeks transparency about conflicts of interests so they can be addressed through a healthy dialogue.

3.9. Consideration for the environment and climate

Being a manufacturing company, we will always have an impact on the environment and climate, even outside the company. Schur takes responsibility for minimising its negative impact and contributing to sustainable development. We can only do so, however, when our employees also take responsibility and make environmentally friendly choices. If you see opportunities in your work to do things in a more environmentally friendly way, you should do so or, alternatively, offer suggestions to management on how to improve procedures.

The manager's responsibility:

- You must ensure that employees have the knowledge, training, equipment and guidelines they require to comply with legislation and Schur's environmental guidelines.

Schur Group's Ethical Guidelines

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- You must take action if you become aware of environmental hazards in Schur's operations.
- You must contribute to Schur making the environmentally friendly choice in terms of technological choices, manufacturing-related issues and the design of our products.

The employee's responsibility:

- You must follow the environmental instructions you are given.
- When making purchases, you must look into the possibility of purchasing sustainable alternatives and selecting such alternatives provided that the price, quality and delivery factors meet the requirements.
- Always sort your waste and make sure it is disposed of correctly.
- You must help save energy, water, materials and other resources.
- Consider the environment and climate when planning work-related travel. Is the trip necessary, or can the meeting simply be held online, for example? Is there a way to make the trip (more) sustainable?
- You must share any knowledge you have of environmental hazards in Schur's operations and contribute to solving the problem, e.g. by contacting your line manager.

4. What happens if these guidelines are not followed?

If you know or suspect that Schur's ethical guidelines are not being adhered to, you are expected to take action.

4.1 Who should you contact?

If you cannot resolve non-compliance with the guidelines on your own or in collaboration with your colleagues, contact:

a. Your **line manager**

b. The relevant department in **Schur Group**, e.g. Group HR, Group Sustainability, Group Legal & Risk or relevant **employee representatives** (e.g. union representative, working environment committee, etc.)

c. If the above options are not possible, you can also report your knowledge or reasonable suspicion in **Schur's Speak Up system**. The system is in appliance with EU's Whistleblower requirements. **Currently this system is only ratified in EU countries**. You can submit your report anonymously. Only illegalities and very serious violations of the Schur Group's policies and guidelines should be reported through this manner. The Speak Up scheme only takes further action on cases if they entail violations of criminal law or employment law or particularly serious cases of harassment, bullying, discrimination or sexual harassment. You can find more information on the Speak Up portal here.

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The following matters do not fall under the **Speak Up** system: Minor violations and personal conflicts that do not constitute continuous bullying or offensive conduct towards an employee as well as matters relating to your own employment such as pay, work duties or promotions. Such issues should be handled via the ordinary management system (see options a and b above).

You should share what you have experienced in an appropriate and constructive manner with respect for your colleagues and managers.

Deliberately false accusations about another person's violation of the guidelines are unacceptable and will result in employment law consequences for those making them.

We also want to underscore that those handling cases regarding violations of these guidelines are subject to strict confidentiality requirements. It is unacceptable and in itself a violation of these guidelines if a potentially serious case is shared with other individuals than those necessary for responsible and professional handling of the case.

4.2 Consequences of non-compliance with the ethical guidelines
If Schur determines that the ethical guidelines have been violated, the relevant line manager will initially engage in a dialogue with the involved employees to find solutions to any conflicts and prevent any recurrences.

In accordance with applicable law and collective agreements, you may face employment consequences if you do not comply with Schur's ethical guidelines. Employees may receive a reprimand. Particularly serious or recurring cases may result in employment law consequences in the form of a warning, termination or immediate dismissal.

5. Conclusion

Conduct based on decency and responsibility contributes to a well-functioning and good workplace for everyone. This is important to Schur and has been a fundamental aspect of the company's long history. Schur is a workplace for people who are happy, enjoy working here and are proud of the work they do for the company.

Group Management, 2022

Appendix 4: Schur's Speak Up Policy

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Schur's Speak Up Policy

Schur's Speak Up policy is based on the EU's whistleblower legislation as well as the national legislation of the countries in which Schur's companies are located. Our Speak Up policy is also based on the Schur Group's values and code of conduct for managers and employees. The Speak Up policy applies to managers and employees across all of Schur's companies and takes precedence over any local schemes.

The purpose of the Speak Up policy is to explain how Schur's Speak Up scheme works, including what can be reported, how reports are handled and how to submit a report. The purpose of the Speak Up scheme is to provide a secure platform for employees and external stakeholders to report reasonable suspicion or knowledge of illegalities or other very serious issues related to Schur.

Introduction to Schur's Speak Up scheme

Schur's Speak Up scheme ensures a high degree of protection for persons who report reasonable suspicion or knowledge of illegalities or other serious issues related to Schur.

Last updated on 13 June, 2022 by Trine M. Nielsen, SIN The update consisted of minor clarifications.

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Schur's Group Management has chosen to use an external and impartial lawyer employed by the firm DLA Piper to screen cases submitted to the Speak Up system. The Speak Up system is also an external system, which safeguards the whistleblowers' confidentiality as well as professional discretion about the reports.

Group Management is responsible for ensuring that Schur's Speak Up scheme complies with applicable legislation and regulations at all times, including with respect to protecting those persons who submit reports in the system. Group Management is always informed of the final outcome of a case.

Who can submit a report in the Speak Up system?

Reports can be submitted by anyone with a work-related affiliation to Schur. This includes past, present and confirmed future employees as well as persons outside the organisation such as suppliers, customers and other partners. Internal Schur employees can access the system via a link on Schur Online. Persons outside the organisation can access the system via our website, www.schur.com. You can submit a report on behalf of someone else. For example, an employee can submit a report on behalf of their colleague. In such cases, both parties will be protected. If you do not the technical skills to use the system, it is also possible to contact our external partner by phone. Full confidentiality is also guaranteed in such cases.

What matters can be reported?

The Speak Up scheme can be employed in the event of reasonable suspicion or knowledge of violations of Schur's code of conduct or illegalities committed within Schur.

Issues that can be reported via the Speak Up scheme include the following:

- Embezzlement, theft, corruption, bribery, fraud, document forgery, conflicts of interest, extortion and misuse of insider information.
- Accounting and audit irregularities
- Submission of false or misleading information to public authorities
- Physical violence, discrimination, harassment, repeated abusive bullying and sexual harassment
- Serious environmental harm
- Food safety and quality issues with food
- Other serious issues (e.g. serious violations of Schur's Group policies)

The above list is not exhaustive. If you are in doubt as to whether your observation should be reported or not, we recommend that you do. All reports are acted upon. You will be informed if your report does not fall under the Speak Up scheme and receive suggestions on alternative

Last updated on 13 June, 2022 by Trine M. Nielsen, SIN The update consisted of minor clarifications.

Schur's Speak Up Policy

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ways to get the matter addressed. Reports that are not escalated via the system will be immediately deleted in the Speak Up system.

We recommend submitting your report as soon as possible along with as much information and documentation as possible to back up the report.

Matters that cannot be reported

- Matters regarding your own employment, such as dissatisfaction with your pay and assignments.
- Personal conflicts (with the exception of severe bullying, harassment or sexual harassment).
- Minor violations of Schur's corporate policies, e.g. violations of the smoking policy, alcohol policy or travel policy.

However, such matters should still be taken up with your line manager or HR.

How do you submit a report?

Reports can only be submitted via Schur's Speak Up portal. Employees can access the portal via a link Schur's intranet, Schur Online. External stakeholders can submit a report via a link on Schur's website. This link guides the user to an external portal operated by an external company. This means that your report will initially be screened by an impartial and external partner with a legal background at the law firm DLA Piper.

You can submit a report via an audio recording and/or in writing through the portal. If you submit an audio recording, your voice will be distorted to ensure confidentiality. You can also attach documentation to your report, such as images and documents. You can submit your report in Danish, Swedish, German and English. The process for submitting a report and how the report is subsequently handled is illustrated below.

Submission

Reporting of suspicions can be submitted from a named or secure mailbox.

Screening

An external lawyer determines whether the report falls within the framework of the Danish Whistleblower Act.

DLA Piper establishes an investigation group if the report merits a formal investigation

Investigation

Appointment of an objective investigation group

Interviews and obtaining of facts/evidence

Conclusion

Evidence and conclusion presented to relevant and (non-disqualified) stakeholders

Initiatives and measures relevant to the matter enacted

Case closed

Reporter is notified of the outcome, case is closed in the system and anonymised

Last updated on 13 June, 2022 by Trine M. Nielsen, SIN The update consisted of minor clarifications.

When you submit a report, you get the option to create a secure mailbox. This gives the caseworker a chance to ask for more information or request additional documentation. The dialogue between you and the caseworker is confidential.

100 % confidentiality

Reports are submitted with 100% confidentiality. When submitting a report in the Speak Up system, you can choose to make your identity known or create a so-called secure mailbox. A secure mailbox allows our external lawyer to communicate with you while keeping your identity anonymous. In order for reports in the Speak Up system to be evaluated and acted upon (if warranted), it is crucial that our external lawyer is able to ask for further elaboration.

As mentioned, Schur's Speak Up policy is based on the EU's Whistleblower legislation, the purpose of which includes protecting whistleblowers. Accordingly, we at Schur have also made it possible for whistleblowers to create a secure mailbox for further communication about their report.

Serious and factual reports

All reports must be serious and factual. If it turns out that someone is using the scheme to harass colleagues, submit false information, withhold important information or falsify documentation, to name a few examples, the consequence may be a warning, fine and/or employment consequences.

However, we want to underscore that if the report is serious and factual, you will still be protected from any form of retaliation even if it turns out there is no need to act upon it.

Responsibilities and roles

External, impartial lawyer - This person is the first recipient of a report submitted in Schur's Speak Up system. We have a permanent lawyer attached to the scheme and who has received the necessary training and instructions to navigate within Schur's organisation. The lawyer screens the report and evaluates whether the matter should be escalated further within the Speak Up system based on the previously defined principles. If the matter merits escalation, the lawyer will set up an external or internal investigation group in Schur depending on the nature of the report. If the matter does not meet the criteria for further escalation via the Speak Up system, but still needs to be addressed in some other way, it will be handed over to a relevant internal stakeholder. This will be done in close dialogue with the external lawyer so as to ensure the submitter of the report is still protected during this process.

Last updated on 13 June, 2022 by Trine M. Nielsen, SIN The update consisted of minor clarifications.

Schur's Speak Up Policy

Investigation group: The external lawyer sets up an ad hoc investigation group for thorough investigations of each individual case that meets the criteria for handling under whistleblower legislation. The composition of the group depends on the nature of the matter and may involve external experts. The group's aim is to ensure there is evidence for the case.

What happens to a report once it has been submitted?

1. First assessment

Reports submitted in Schur's Speak Up portal are received by an external lawyer who will conduct a preliminary investigation. If the report is determined to be unfounded at an early stage or does not fall under the purpose of the Speak Up scheme, it will be deleted from the Speak Up portal. The external lawyer will inform the submitter of the report of its deletion and advise them on where and how the matter should be handled instead.

2. Thorough investigation

If the initial investigation concludes that the report cannot be characterised as manifestly unfounded, the external lawyer will appoint an investigation group, which may be supported by external expertise. The members of the group must be independent in relation to the submitter of the report and the parties to the case. The duty of confidentiality will be stressed upon all members of the group.

The group management and chairperson of the board of directors will be informed unless the matter relates to them in some way. If so, they will be treated as parties to the case.
A thorough, fair and objective investigation will be conducted as quickly as the circumstances permit. All employees who become involved in the investigation are obliged to cooperate and provide all the information they possess that is relevant to the case. The case may be of such a nature that it will be passed on to the police for further investigation.

3. Consequences of the case

If, after a thorough investigation, the claims are proven true, the case may have employment law consequences for the subject(s) of the report. In serious cases, the subject(s) of the report may be handed a notice of dismissal or even dismissed immediately.

4. Closing a case

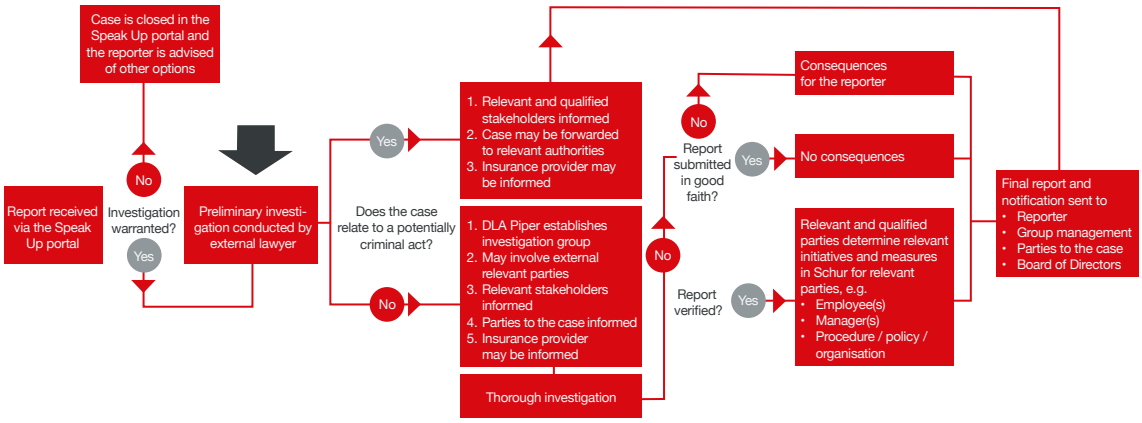
If the identity of the submitter of the report is known, or if a secure mailbox has been created for the reporter in the Speak Up portal, they will be notified of the closing of the case within 3 months after their submission of the report. With a view to protecting all the parties to the case, not all details of the case will be shared with the submitter.

Last updated on 13 June, 2022 by Trine M. Nielsen, SIN The update consisted of minor clarifications.

A final report will be written, the contents of which will include what consequences the management has decided to proceed with and whether the recommendations of the Investigation Group have been followed. The report will be written with consideration for the rules on protecting the parties to the case and the submitter of the report. The group management and board of directors of Schur International Holding A/S will be able to read the report.

All personal data will be removed from the Speak Up portal. If there have been any employment law consequences for an employee or manager, information on that will be stored in his or her personnel records in accordance with applicable legislation.

Case processing of reports



Protection of the submitter of the report

Anyone who submits a report in good faith is safe from any form of retaliation. Any Schur employee who attempts to directly or indirectly retaliate against a submitter of a report will face employment law sanctions and possibly be fined. Employees engaging in retaliatory actions against the persons involved in the processing of a report, including Schur's investigation group, can also face sanctions. If you feel subjected to retaliation, you can report this in Schur's Speak Up portal. The report will be treated like any other report submitted in the portal.

Last updated on 13 June, 2022 by Trine M. Nielsen, SIN The update consisted of minor clarifications.

Schur's Speak Up Policy

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Schur treats reports confidentially. As a rule, the information registered in the system is not transmitted to third parties outside the organisation. In the following cases, however, information may be transmitted (although not sensitive personal data):

- Transmission to an external lawyer or claims handler at an insurance company in connection with the processing of the report.
- If the report results in the initiation of legal proceedings.
- If required by law.

Protection of the subjects of the report

The subject(s) of the report are the parties to the case. Depending on the nature of the case, an assessment will be made as to whether the parties to the case may be informed about the reported matter. For criminal cases, parties to the case will be barred from obtaining an insight into the reported matter(s). For non-criminal cases, the parties to the case will, as a rule, have the right to be informed about the reported matter(s). They do not have the right to be informed about whom submitted the report about them. However, these rights will be assessed on a case-by-case basis in close collaboration with the external lawyer. Other rights can be read in Schur's privacy policy, which can be found here: **https://schuronline.sharepoint.com/sites/Policies og på hhttps://www.schur.com/privacy-policy**

Data protection in the Speak Up portal

The system used to register the reports is operated by EQS Group, an independent company which guarantees the security of the system and compliance with the provisions of the GDPR in the system. The system does not log IP addresses and machine IDs, and all data transmission and storage is encrypted. Only the caseworkers who have been assigned to the case have access to the case management part of the system.

Group Management, 2021

Appendix 5: Schur Group's Code of Conduct for Responsible Business Partnerships

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Schur's Code of Conduct for Responsible Business Partnerships (Suppliers)

I. Introduction

Schur participates in the UN Global Compact. Schur is committed to contributing to social, environmental and economically sustainable development according to the 'Sustainable Schur' Policy.

We strive to meet the global minimum standard for responsible business conduct as outlined by the UN and the OECD. We expect our business partners to do the same. Cooperation should be based on dialogue and mutual inspiration on how we can together improve our sustainability efforts.

This Code of Conduct (CoC) serves the purpose of ensuring that Schur's suppliers demonstrate responsible business conduct by managing risks regarding **human rights (including labour rights), the environment and anti-corruption.** Schur continuously work to prevent or mitigate potential adverse impacts in these areas. We do not ask our suppliers to guarantee that they do not have any adverse impacts – it is not possible to be in business and not have impacts. What we ask is to take responsibility to identify and manage these impacts.

II. Management Requirements

Suppliers are always expected to comply with national laws, where they operate. Schur reserves the right to levy additional, more specific requirements related to sustainable development.

Schur expects its suppliers to develop and implement a management system that is fully aligned with the global minimum standard for responsible business conduct set by:

- the UN Guiding Principles on Business and Human Rights (UNGP)
- the OECD Guidelines for Multinational Enterprises (OECD).

(hereafter 'the UNGP and OECD Guidelines')

II.I Scope of the global minimum standard for responsible business conduct

The required management system shall, as a minimum, address adverse impacts on:

- the human rights stated in the International Bill of Human Rights, including the core labour rights from the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work;
- the external environment in relation to the areas addressed by the Rio Declaration on Environment and Development, including the climate as reflected in the Paris Agreement;
- anti-corruption, as related to the scope outlined by the United Nations Convention against Corruption.

How to do this is covered in the UNGP and OECD Guidelines. This includes the following actions:
II.II. Adopt a Policy Statement
The Policy Statement of our suppliers shall:

- be supported by CEO/Board level
- be based on the UNGP/OECD Guidelines.
- state the company's expectations of employees and its business partners
- be publicly available and communicated both internally and externally
- be embedded in all other operational policies and procedures throughout the company.

If the supplier does not have such a policy in place at the date of signing this CoC, Schur expects that a policy will be developed within a reasonable time frame.

II.III. Establish and Maintain a Due Diligence Process
Suppliers shall establish a process that allows for regular assessments of risks of actual and potential adverse impacts on human rights, the environment and anti-corruption. Suppliers shall act to prevent or mitigate the impacts identified, and the actions shall be tracked to ensure effectiveness.

If the supplier does not have a due diligence system in place at the date of signing this CoC, Schur expects that a system will be developed within a reasonable time frame.

II.IV. Provide for access to remedy
Where suppliers identify that they cause or contribute to actual adverse impacts in relation to human rights, the environment or anti-corruption, they must provide for access to remedy through legitimate processes (grievance mechanisms) for those affected. Notification of relevant authorities may be necessary.

III. Implementation
This Code applies to Schur's first-tier suppliers. Suppliers shall expect from their first-tier suppliers to have adequate processes in place to manage their adverse impacts in accordance with UNGP and OECD Guidelines.
If severe adverse impacts are discovered in the suppliers' value chains, Schur's supplier must use its leverage to make the causing entity adequately address such impacts.
Suppliers must maintain appropriate records to demonstrate compliance with the UNGP and OECD Guidelines. Appropriate records include but are not limited to: Policy Statement(s), doc

Schur Group's Code of Conduct for Responsible Business Partnerships

umentation of due diligence processes, including operational-level impact assessments and records from the tracking process on specific actions and information on grievance mechanisms. Small-sized enterprises may be exempt from formal documentation.

IV. Dialogue

The aim of this CoC is to form the basis for collaboration and dialogue between Schur and our business partners for continuous improvements in driving sustainable development.
Schur expects all suppliers at any time to be able to declare in writing their stage of implementation in relation to the requirements contained in this CoC. Suppliers shall cooperate in answering further questions and if deemed necessary cooperate with Schur in improving management systems and addressing specific impacts. Schur is at any time willing to share documentation on our due diligence system.

If Schur's supplier causes, contributes or is linked to severe impacts, the supplier shall notify Schur immediately, accounting for actions to end, prevent or mitigate the re-occurrence of the severe impacts.

By non-compliance, suppliers must self-correct within a fixed period. As a first step, Schur will always seek dialogue with the supplier on how to manage issues in relation to this CoC. Failure to notify about severe impacts, to self-correct or if suppliers fail to demonstrate willingness to improve systems or address identified adverse impacts, Schur reserves the right to end the business partnership.

_____
(Place/Date)

_____
(Company name of SUPPLIER)

_____
(Name and title of signatory at SUPPLIER)

_____
(Signature of SUPPLIER)


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