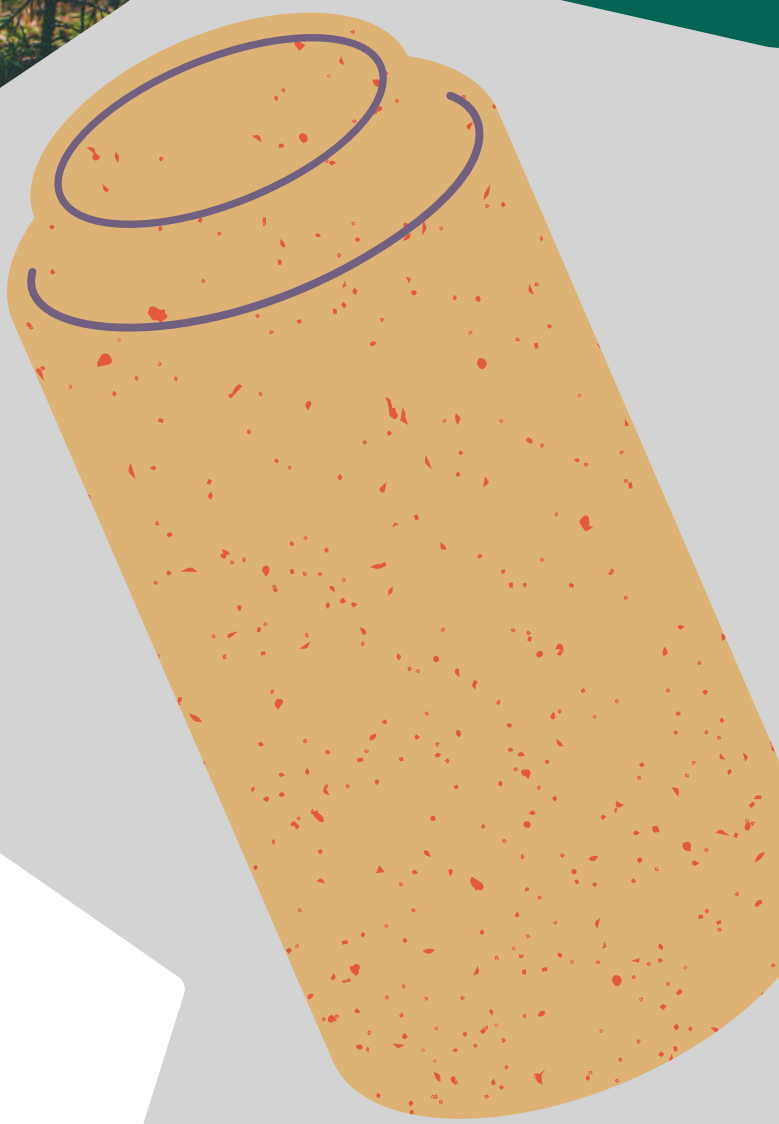
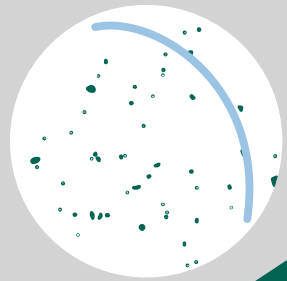


SUSTAINABILITY REPORT 2019



SCHUR
FLEXIBLES



*“Shaping a Sustainable
Future Together”*

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FOREWORD.



Michael Scherthaner
Chief Executive Officer

2019 saw flexible packaging suddenly going from being a rather invisible commodity product to being on media headlines. Plastics became a hot topic across the world. The current spotlight on climate change shows very simple, yet strong statements that are shared by activists. Within this global plastics movement, the flexible packaging industry was prominently brought on stage. While “the industry” generally had difficulties jumping into this dialogue at first, at Schur Flexibles we saw and still see this development as a valuable discussion in which we aim to pro actively and transparently contribute with facts and figures on innovative packaging solutions.

One of the questions that still needed to be addressed in 2019 was the core reason why flexible packaging plays such an important role in supplying safely sealed essential goods to people. Furthermore, the second question that had to be answered was how these flexible packaging solutions like ours help prevent food waste and are the best option in terms of ecological footprint. When addressing these topics, it is crucial to have a holistic view on the issue and consider all aspects, just as with our company sustainability strategy or with public discussions on climate change.

As we have already been taking so many steps in making our business more and more sustainable, it now becomes important to shed light on these actions and confidently present our plans for the future. Hence, for the first time ever, we are now publishing our Group’s Sustainability Report, providing a clear and transparent first analysis of where we stand, and publicly committing to how we will proceed on our journey.

In our daily activities, at Schur Flexibles we commit to an approach that follows the holistic 4P principles, focusing on Purpose while keeping People, Planet, and Prosperity in mind. This means to consistently focus on “HOW we produce”. To us, protecting the packed goods is just as important as taking responsibility for the effects of our business on people along the entire value chain – employees, consumers, and partners – as well as on our environment.

With regards to sustainability in our business, 2019 has been an important year. Firstly, our expert sustainability team worked with a clear focus on our products and the regulatory framework. Secondly, both in 2018 and 2019 the European authorities published new regulations affecting the long-term perspective of our business. Thanks to the hard work of our Sustainability and R&D teams throughout the year, we were able to adapt exceptionally fast and are the first amongst our peers to offer a recyclable alternative in ten out of the eleven market segments we serve. The fact that we listened to our customers and their needs along the way was an immensely important success factor that allowed us to achieve this result.

Furthermore, we are making sustainability and resource-efficiency the core objective in every step of the production process. Working in the flexible packaging industry means identifying, reflecting, implementing, and following sustainable business solutions on a daily basis. In our sustainability strategy we focus on 5 pillars. We call it our “**5R**” strategy with **Responsibility** at its core. We take responsibility for our products and our company, and we are committed to sustainability. The remaining 4 pillars outline our fields of action: **Replacement** of conventional concepts with new and alternative raw materials, **Reduction** of plastics while maintaining the highest product protection and processing quality, design for **Recycling** of our solutions, and **Renewal**, meaning the use of second-generation renewable raw materials.

All these efforts go together with our outspoken commitment to the United Nations Global Compact and our continuous support of this initiative and its 10 principles that we wish to renew. This entails setting precise objectives and communicating them transparently, for instance in accordance with the Global Reporting Initiative, the international widest accepted guidelines for sustainability reporting. We also aim to further cultivate our partnerships by advancing our agile innovation management and collaborating with organisations who contribute to our shared goals, such as the Save Food initiative.

All in all, the core of our business is supplying people with protected and safe essential goods on a daily basis, ranging from food to pharmaceuticals. When considering the carbon footprint of packaging, flexible packaging proves to be the best-in-class option to protect these goods during transport, shelf life and storage – i.e. during their whole journey from the producers to the consumers. Smart and innovative packaging solutions are those that equally prevent resource-damaging food waste, contamination, and waste of goods. Most importantly, plastic is a valuable resource and material which guarantees protection and safety in many fields – therefore we should aim to keep it within a closed, circular system and ideally should never let it be discarded.

Today, we have 1.972 colleagues working for our customers in 22 production sites across Europe, but we still embrace a start-up type of management and leadership culture rather than that of a large industrial player. This unconventional identity enables us to do things somehow differently – taking decisions more quickly, concentrating on what really matters, and pushing for sustainable innovation in every corner of our house.

Therefore, 2019 was also the time to kick-off a process to rethink our purpose and value set at Schur Flexibles, which later on shall lead to the joint development and definition of our Group identity in a cross-functional, cross-country span of people from all corners of Schur Flexibles.

Adopting and implementing this holistic and solution-driven strategy will contribute to fostering a sustainable and prosperous activity in Europe. This is not a sprint, but a journey, and it will be worth every mile.



Juan Luis Martínez Arteaga
Chief Operating Officer

When it comes to sustainability, Schur Flexibles Group is a true front runner. This is thanks to the full commitment of the Group Operations team to minimise our organisation's impact on the environment: we have identified several action streams and deployed them effectively across our production units; we aim to minimise the amount of resources needed by working intensively to ensure a responsible supply chain; and finally, we have developed several initiatives to reduce and manage waste as well as to reduce CO_{2e} emissions.

Since transparency is the key to proof, let's share some concrete examples:
Concerning production, the management teams of every production unit worked closely with the Group Operations team to define specific annual waste targets. Thanks to the monthly tracking done by our KPI dashboard, we clearly see a gradual waste reduction across the business. The implementation of different lean techniques and the full organisation's attention to detail during all production stages have contributed to this success. Residual waste is handled by segregation and selective valuation, by engaging appropriate suppliers and by providing a second life to most of the materials we can no longer use within our production. A team of experts supports this process within the whole Group, with some of them focusing solely on the deployment of waste reduction techniques and follow-up.

This team of experts, working with our Group Operations team, also supports our so-called PIT Stop concept, solving a major challenge the flexible packaging industry is facing. Due to the large variety of designs, the effective utilisation of our means of production is limited. This means that during a significant part of their productive time, our machines are standing still and being adjusted for the next order. To tackle this industry-specific problem, at Schur Flexibles we have developed a structured concept that minimises the change-over time by using SMED technologies. This is a huge contribution to the reduction of energy use and waste generation during set-up phases.

Following our Planning departments, we have implemented a controlled Freeze Process within our production, leading to a significant reduction in the number of days of dispatch. Today, our trucks drive perfectly loaded across Europe, resulting in lower CO_{2e} emissions.

These are only three examples, but our Sustainability Report provides more transparency on further initiatives we have implemented to contribute to our front runner position in sustainability.



Friedrich Humer
Chief Sales Officer

Over the last years, Schur Flexibles has developed a profound knowledge about sustainable packaging. We put great effort into the R&D of new products in order to fulfil our responsibility on the way towards a circular economy. Not only have we developed a recyclable packaging solution in each of our food and hygiene sectors – one year ahead of what we had originally pledged – but we have already implemented these sustainable solutions together with our customers. The innovative drive of our packaging solutions has also been recognised by industry experts and our products have received sustainability awards. The German Packaging Institute awarded us with the Sustainability Award for our recyclable FlexiClose[®] as well as the Gold Award for outstanding innovations in 2018.

Being a leader in sustainability does not mean being satisfied and accomplished after achieving the first results. We strive for a more holistic approach, which means that we embed sustainability into our strategy and are now turning our complete value chain towards it. Starting with our raw materials and leading up to the close exchange with recyclers to open up new possibilities, existing solutions are being questioned, more and more processes are being aligned and it is our declared intention to rethink our current behaviour.

Changing the way in which we behave is probably one of the greatest challenges our society is facing, but it is mandatory if we really want to create a sustainable future. Choosing a holistic approach also requires joining forces. It means being team players with all partners along the value chain, from suppliers to customers and beyond to achieve even greater results. We collaborate with relevant institutions such as CEFLEX, SaveFood or the startup Recyda and we choose partners who will accelerate our journey towards a circular economy.

Sharing our beliefs about a sustainable future does not end at the consumption phase. We are also committed to looking at the end-of-life options and valorising our materials. We want to improve our surroundings and therefore will change the way we are working and behaving in our daily life.

THE SCHUR FLEXIBLES GROUP.

Headquartered in Wiener Neudorf, Austria, the Schur Flexibles Group is specialised in innovative, high-quality, and tailor-made packaging solutions for food, tobacco and pharmaceutical industries. We have a fully integrated value chain, from extrusion via print and lamination, to extensive bag and pouch production, making us one of the top European companies in the industry.

Founded in 2012, Schur Flexibles Group is quite a newcomer – but nonetheless well-experienced. Our Group companies are established players across Europe: specialised, flexible, and fast. We don't just keep up with the market, but rather we set the bar higher by defining direction and speed. We break new grounds. In short: we are creatively shaping change in the packaging industry and providing new momentum. This is the spirit which has nurtured our rapid growth in the past years.

Schur Flexibles has a track record of successfully acquiring and integrating renowned players in the European market, especially since 2016 when Lindsay Goldberg secured ownership of our dynamically growing Group. The companies we are pooling are technological leaders in their respective markets – they have proven expertise, often successfully covering market niches, and have managed to build an excellent reputation over the decades. This is what makes them our Centres of Excellence.

OUR VISION

The flexible packaging market is characterised by continuous technological developments and increasing customer requirements. We are ready to face all challenges, leveraging our experience, our expertise, and our enthusiasm to always provide our customers with best-in-class solutions. We consider ourselves pioneers and lateral thinkers, breaking new grounds by conviction to optimise solutions.

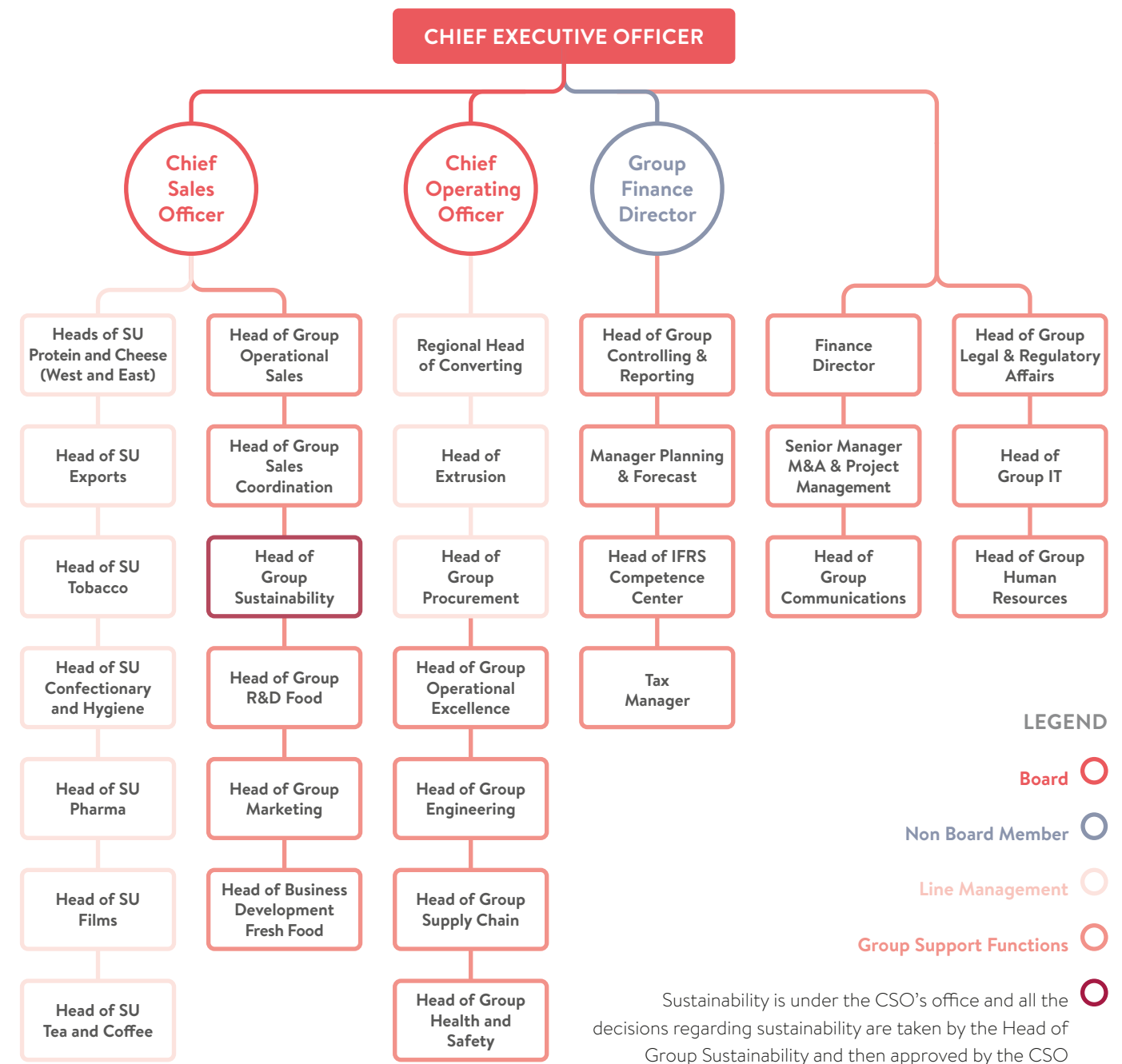
OUR MISSION

All our employees are motivated to go the extra mile to find and adopt new approaches in the packaging industry. We all work to achieve this challenging mission and strive to subsequently meet our customers' demands while also becoming a technological leader. Our international, multifaceted orientation, supported by continuous learning, helps us to achieve this. Schur Flexibles' employees stand out for their passion, entrepreneurial spirit as well as for their strong accountability. They identify and take opportunities geared to market requirements, for the benefit of our customers and consequentially for the benefit of the company.

OUR CORPORATE VALUES

This is what we care about!

- **Expertise:** The Schur Flexibles Group can tap into a huge pool of knowledge and experience. This opens new perspectives, saves resources, and gives us a competitive edge.
- **Reliability:** For a company to be able to grow, the trust in this company must be able to grow, too. This is equally beneficial for our customers and our employees.
- **Sustainability:** Ecological and economical sustainability as well as socially responsible behaviours are key to our work. This is our basis to be able to implement our ambitious plans.
- **Pioneering spirit:** We are staying curious and remain open to new solutions, being flexible and adventurous. This is the only way to break new grounds and achieve the maximum for our customers and for our Group.
- **Ambition:** Being good is not enough for us. We strive to achieve top performance by reaching our full potential and always exceeding our own expectations.
- **Anticipation:** Recognising customer requirements and problems at an early stage and drawing the right conclusions – this is our mission and our task, and the foundation for solutions.



RETHINKING SCHUR FLEXIBLES

In late 2019, Schur Flexibles initiated the process of redefining the Group's core purpose and value set through the comprehensive corporate initiative "ReThinking Schur Flexibles". This collaborative journey was kicked-off with management teams across Europe in 2019 and will be continued in

2020, leading to a Group-wide stream of joint work on the future purpose of the organisation. This jointly developed identity will give Schur Flexibles Group a strong basis for further growth, bringing the necessary visibility to the innovative and dynamic spirit of the organisation.

OUR GROUP COMPANIES.

Today we run 22 production sites – our Centers of Excellence – across 11 European countries. Our core strategy was and is to carefully acquire and integrate selected expert players in the European market into our operations. Our continuous collaboration with all our companies, most of which were family-owned, is a proven success story. Through reliable and agile partnerships, we leverage their strengths with our Group’s capabilities and network, hence helping them to maintain their excellent reputation.



LEGEND

- Headquarters
- Centers of Excellence
- Clients

OUR VALUE CHAIN AND OUR PRODUCTS.

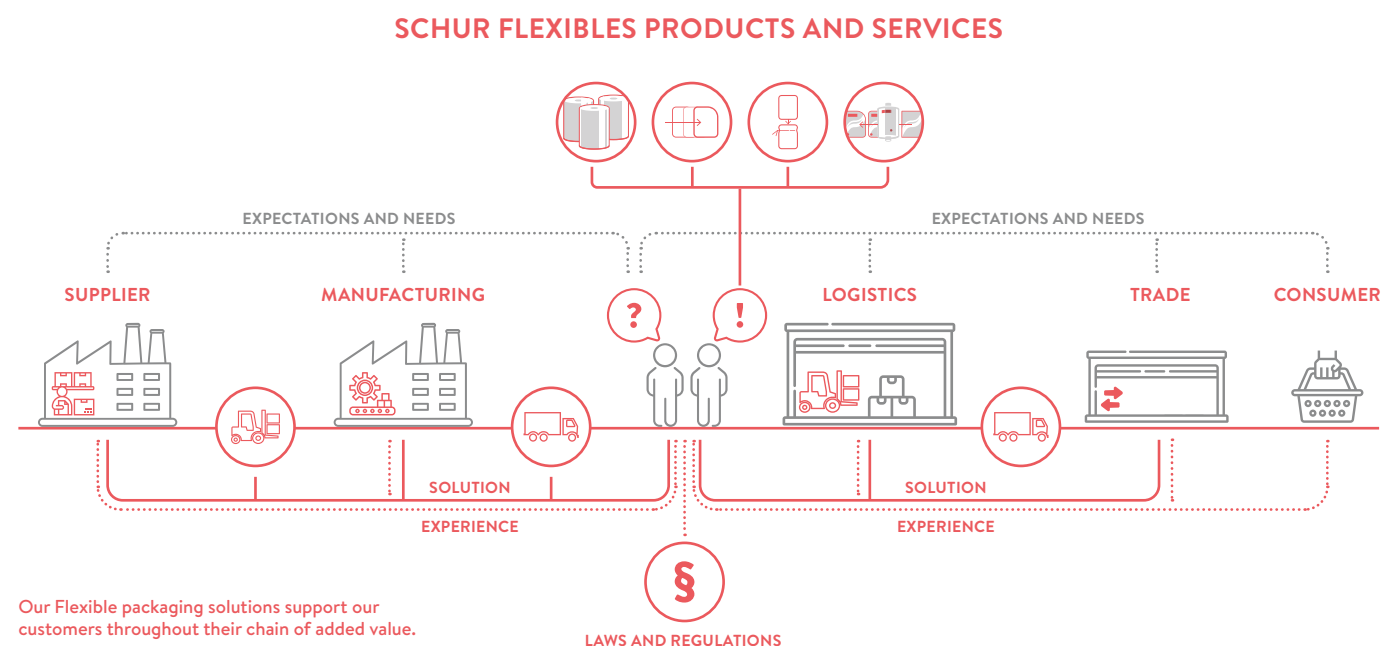
From the sourcing of raw materials to production, printing, refinement, lamination, and converting, individually or as a package – we have developed a one-stop-shop under the roof of the Schur Flexibles Group. Our fully vertical integration makes us a leading pan-European provider of customised flexible packaging products and specialty solutions. 22 Centers of Excellence, each of which a technological leader in its respective market, cover all the steps of the flexible packaging solutions value chain. This puts us in an advantageous position to drive innovation for sustainable solutions in flexible packaging.

HOW WE WORK

Schur Flexibles is an integrated film and packaging material producer:

- **Extrusion:** Raw material input is taken, melted to form the molten polymer into a shape with a continuous profile.
- **Cylinder Engraving:** Roto Cylinders are copper plated and polished before being engraved. They are then chrome-plated and finished with the desired printing image and surface roughness.
- **Printing:** An engraved cylinder (Roto, “cup”) or plate (Flexo, “bump”) with the desired pattern is immersed in ink. The substrate is then sandwiched between this cylinder and a roller to obtain the pattern. For some special applications, we can also print in UV Offset.
- **Laminating:** 2+ webs are taken and joined using a bonding agent. An adhesive is applied to the less absorbent web, and the other is then pressed against it.
- **Slitting:** The large roll of material is cut into narrower rolls suitable for the customer. The substrate web is unwinded and passed through blades before being rewound as a narrower roll.
- **Converting:** Printed and laminated polymer webs are converted directly into bags, sleeves, pouches, or other formats requested by the customer.

Additionally, in a long-standing relationship (strategic partnership) with **HP Indigo**, we have successfully been ramping up our digital printing capacity and can now enable short run business to benefit from our high speed.



Our Flexible packaging solutions support our customers throughout their chain of added value.

LAW AND REGULATIONS

OUR PRODUCTS.

Schur Flexibles offers an extensive portfolio for efficient and safe packaging. Continuous technological innovation and a willingness to create tailor-made solutions for individual requirements makes us pioneers in the field of flexible packaging. With our comprehensive range of packaging customised to individual requirements, we offer our customers the convenience of receiving a complete set of solutions from a single provider. Doing so, we also provide the opportunity of hands-on collaboration to solve future challenges. In the collaborative process, packaging solutions

can be individually designed and tested to simulate and optimise the packaging process required by the customer. Our product portfolio consists of efficient mono materials as well as sophisticated and functional laminates for high-performance sealing and barrier protection for products. Since 2018, we have been primarily developing sustainable packaging solutions with a strong focus on resource-saving and recyclable materials. We can already offer a wide range of different sustainable as well as recyclable solutions for each product category.

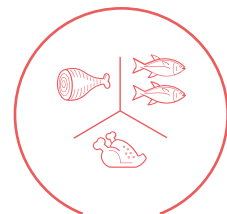
ALL TOGETHER, WE COUNT 15 MAIN PRODUCT CATEGORIES AND 65 DIFFERENT BRANDS



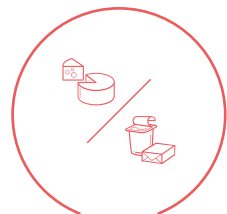
OUR MARKETS.

With our innovative, premium quality and tailor-made medium or high-barrier packaging solutions, we serve eleven different market segments in the food, tobacco and pharmaceutical industries. Our food division covers fresh as well as dry and frozen products.

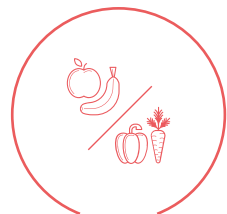
Our strongest market is protein and cheese (meat, fish, poultry, dairy and cheese), which covers 36% of our sales, followed by confectionery, covering 22%. These markets have a strong regional customer base and almost 90% of our sales are in Europe.



Meat, Fish & Poultry



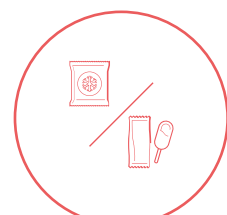
Cheese & Dairy



Fruit & Vegetables



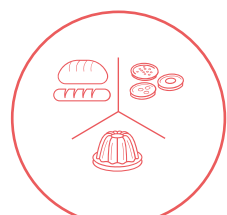
Confectionery



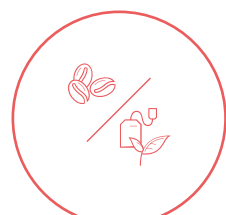
Frozen Food & Ice Cream



Dry Food & Cereals



Bread, Biscuits & Cakes



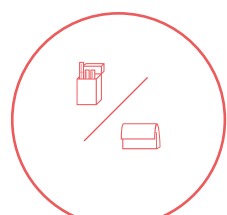
Coffee & Tea



Medical & Pharmaceutical

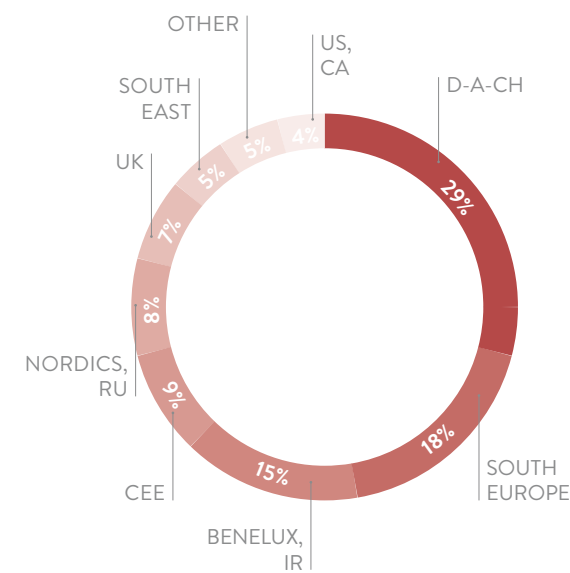


Toiletries & Hygiene

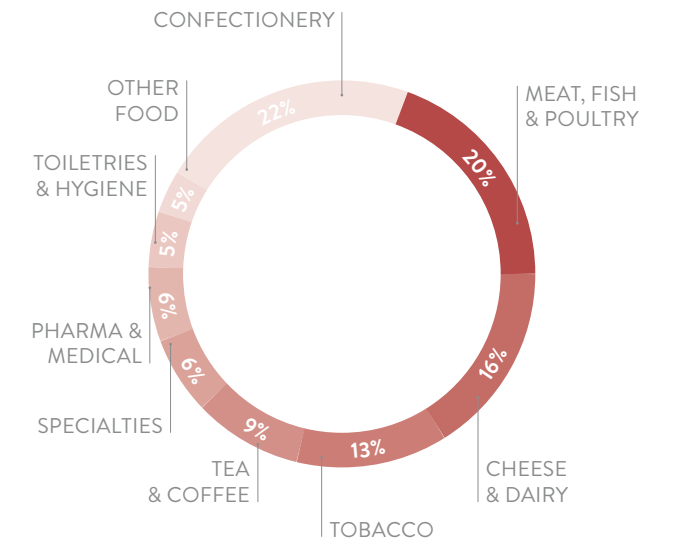


Cigarettes & Tobacco

SALES BY REGIONS



SALES BY MARKET SEGMENTS



SCHUR FLEXIBLES IN NUMBERS IN 2019

496,8 million
Group revenue in Euro

82,8 million
EBITDA (from continued operations)

3,46
Net debt / EBITDA

65
Number of product brands

15
Number of product categories

3,5%
CAPEX/Sales: 3,5% (excl. Cylinder)

16,7%
EBITDA Margin

488
Number of raw material suppliers

239,1 million
Purchasing volume in Euro

RAW MATERIAL SUPPLIERS

405
Female

1.972
Total

1.567
Male

NUMBER OF EMPLOYEES

SCHUR FLEXIBLES AND SUSTAINABILITY – OUR 5R APPROACH.

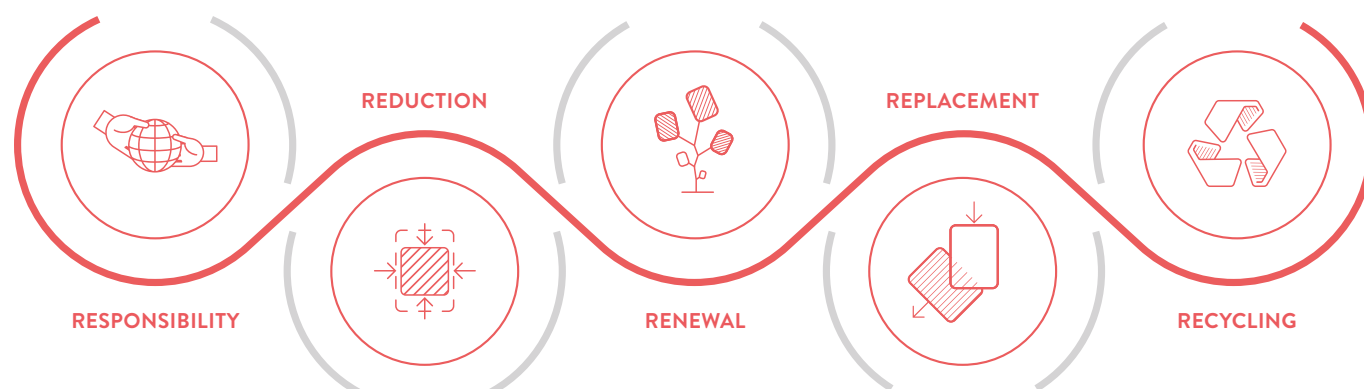
At Schur Flexibles, we carry sustainability in our DNA. This means investing in continuous development to find solutions that keep our planet's ecosystems in balance. This is why we extensively invest in R&D of new sustainable packaging solutions. We have set up a dedicated sustainability team of experts in different fields,

who act as consultants both internally and externally. They support us on our journey to shaping a sustainable future together and have made their way across the jungle of legislations – all over Europe and beyond – to help us provide the best service to our clients.

PACKAGING NEEDS TO FULFIL A WIDE RANGE OF REQUIREMENTS



OUR SUSTAINABILITY STRATEGY IS BASED ON A 5R APPROACH



RESPONSIBILITY

The first “R” is RESPONSIBILITY. We take responsibility for our products and our company and are committed to sustainability in our Group's sphere of activity. Still there are certain non-ecological elements in the flexible packaging production that, as yet, cannot be avoided. Nevertheless, we aim to improve every day with continuous R&D and strong cooperation with our stakeholders.

Responsibility is to be seen in three fields

- **In society:** we take responsibility for our employees, our customers and for society as a whole. We collaborate with social organisations, scientific institutions, universities, municipalities, authorities, and government entities. We respect human rights and condemn child labour.
- **In the environment:** we strive to permanently reduce our material consumption and optimise our production processes. We accelerate the use of more sustainable input materials as much as possible. We optimise existing processes and implement new ones both to reduce waste and resource consumption.
- **In business:** we strive to establish long-term, sustainable partnerships with our customers and suppliers. We support the use of innovative new raw materials, intelligent technologies, and sustainable equipment.

REDUCTION

The REDUCTION pillar addresses the need to invest in innovative research to develop thinner, light-weight films to reduce the amount of input material used in the production process. Obtaining these reductions requires a high level of technical expertise, specifically considering that we can make no compromise on product protection. This pillar does not only result in a reduction in material use, but also in a reduction of packaging weight and volume which leads to smaller storage space requirements and fewer transport loads.

→ *SuperThin, the world's thinnest laminate films.*

RENEWAL

The RENEWAL pillar focuses on resource-saving and renewable raw materials. The resources of our planet are finite and to keep our planet's ecosystems in balance, we must guarantee the regeneration of materials removed from these systems. To ensure this, we focus on raw materials that do not overexploit our planet, for instance using FSC-certified paper or substituting fossil fuel-based raw materials with renewable ones. Our R&D team is continuously improving our renewable materials portfolio.

→ *Polyolefins from renewable resources second generation; Coated Paper Wrappers as Paper solution.*

REPLACEMENT

The REPLACEMENT pillar stands for our pledge to replace all non-sustainable materials with more sustainable ones. We want to replace conventional materials with new and innovative ones. This also includes the use of alternative input materials to reduce the amount of plastic per packaging unit, while also considering its recyclability. We also work to replace rigid packaging with flexible packaging and to replace packaging concepts with new innovative ones using less material while keeping the same high level of protection.

→ *Replacing PS with E-base, a PP based film or replacing common PET or PA composite material solutions with the fully recyclable PP flow pack solution MonoFlow[®] for fresh food.*

RECYCLING

In order to get the most out of the raw materials invested into the production of packaging films, we want to keep them in the loop by making them RECYCLABLE. With “Design for Recycling” we offer packaging solutions to the different markets that can be recycled according to applicable laws and standards. We invest greatly in R&D of flexible mono and polyolefin materials to make the recycling process easier, therefore supporting a circular economy. Already today, we are able to offer a recyclable alternative for each of our consumer goods markets.

→ *Our ready to recycle PE-based skin and shrink films and the awarded FlexiClose[®] solution.*

WE ARE INTER ALIA MEMBER OF THE FOLLOWING INITIATIVES



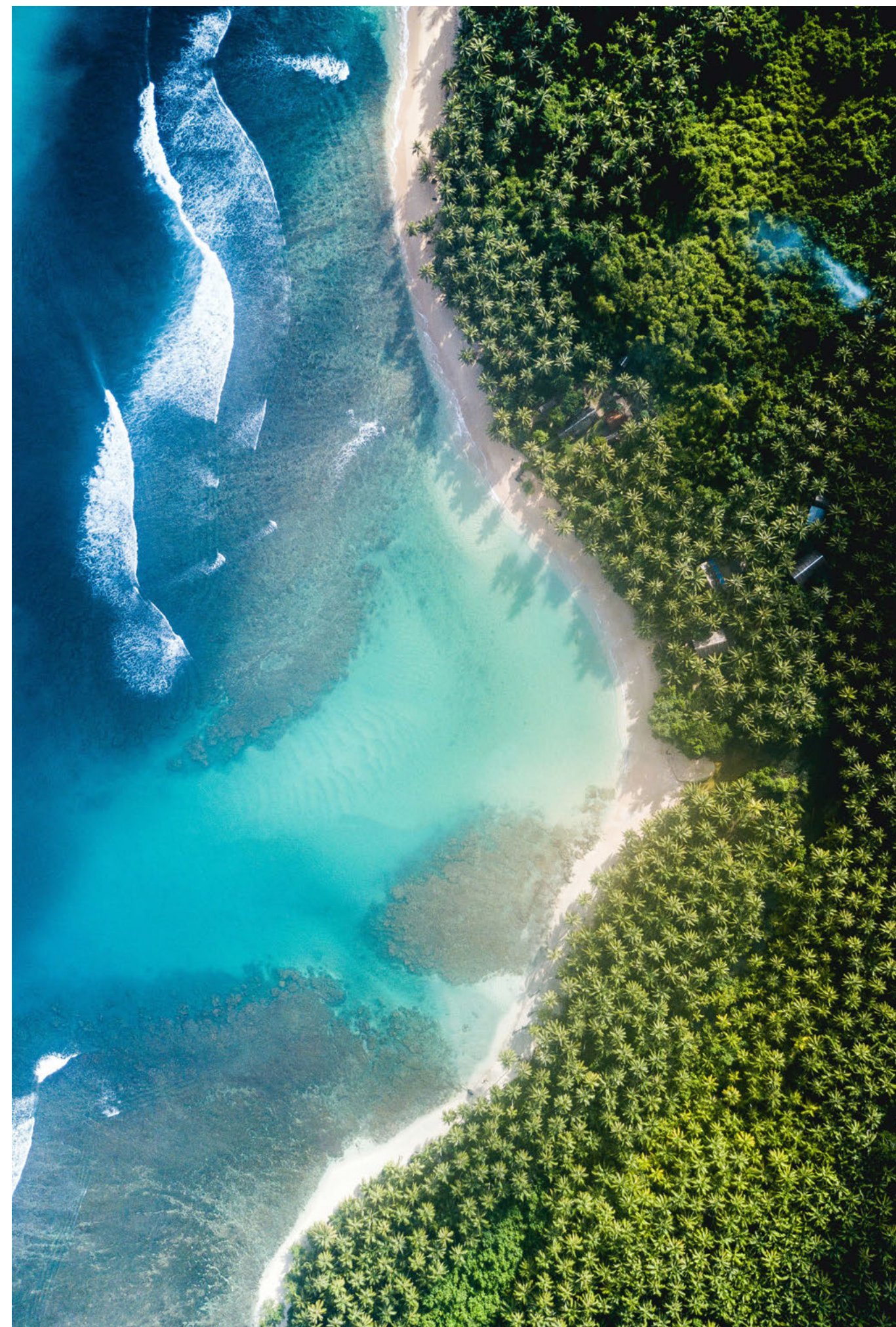
WE ARE INTER ALIA MEMBER OF THE FOLLOWING ASSOCIATIONS



ANTI-CORRUPTION

Schur Flexibles is committed to promoting fair competition and fighting corruption. Schur Flexibles adheres to all national and international anti-corruption laws, such as the United Nations Convention Against Corruption (UNCAC). Bribery and accepting or granting benefits are forms of corruption. Corruption can occur in the private sector and vis-à-vis with public officials. Further, corruption also includes the abuse of trust to gain advantage without any legal justification, and in a wider sense, the violation of general interest for personal advantage. We do not tolerate any form of corruption anywhere in the world, whether it involves a government official or business partner, or whether we buy or sell goods or services.

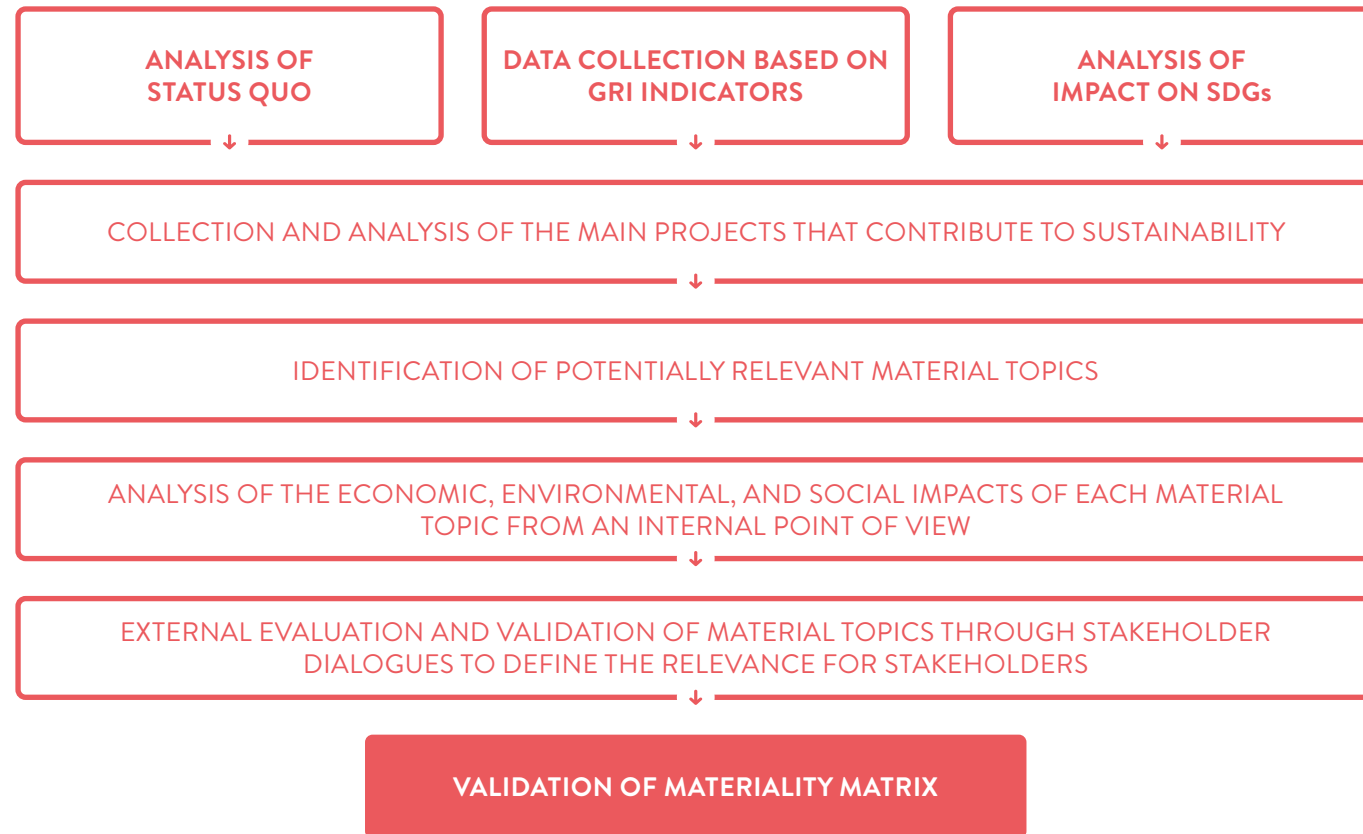
We expect to make business decisions based on quality, service, and price. To ensure our position against corruption, we have implemented a Code of Conduct (CoC), binding for all our employees in all business units and production sites, introduced a whistleblowing mechanism and we provide regular compliance trainings. The CoC is enforced within the company through surveys and audits. Moreover, we hold one-to-one trainings with new employees who sign the CoC as part of the recruitment process. We have now introduced mandatory online trainings, with traceability. We provide tailored in-house or external trainings for managers, depending on the topics addressed.



MATERIALITY ANALYSIS.

The materiality analysis displays the path through which the company identifies the most relevant topics in the context of its environmental, economic, and social responsibility. The material topics reflect the company's impacts and serve as a guide for determining future objectives, indicators, and strategies. The heart of this analysis is the definition of the potential material topics and their positioning on the matrix.

The graph below offers an overview of the steps that have been completed:



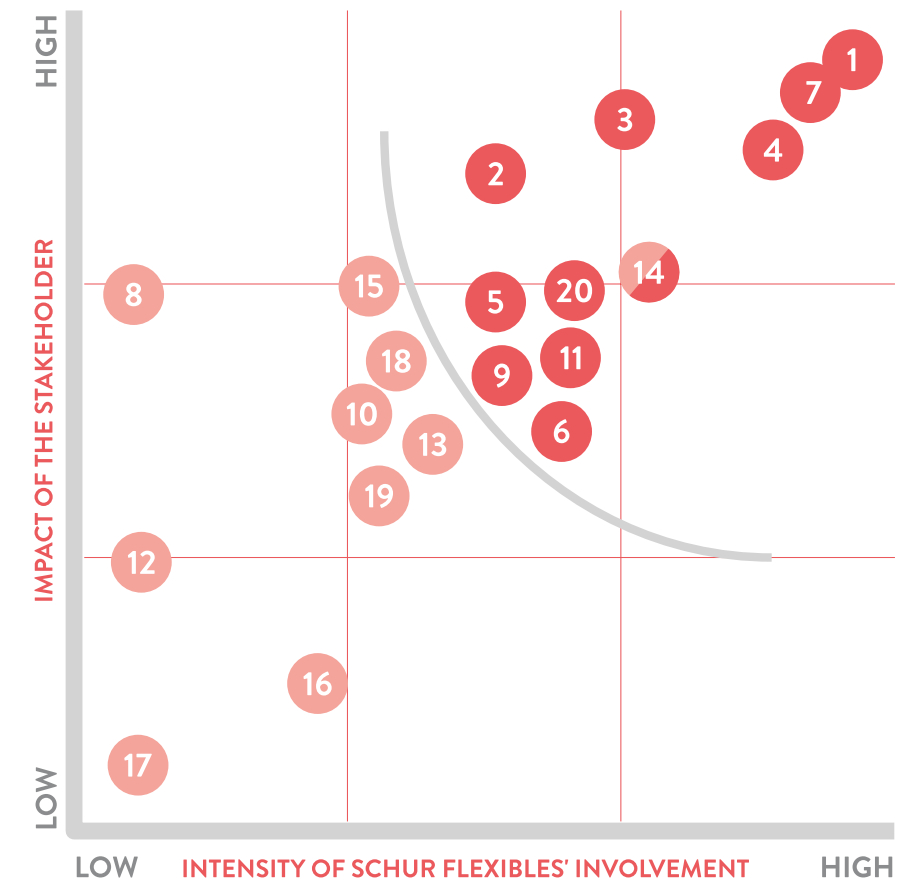
1. First of all, we conducted an analysis of the status quo, which gave us a rough overview about the actual sustainability performance in all our sites. After, we started the first Group-wide data collection process based on the indicators of the Global Reporting Initiative (GRI). Further, we analysed our positive and negative – current and future – impacts on the SDGs.
2. The first step gave us insights into existing projects within the company that contribute to the corporate sustainability development path.
3. By consolidating all information gathered in the first two steps, we identified a list of 27 possible material topics.
4. These topics were then evaluated from an economic, environmental, and social perspective. This evaluation was conducted within the sustainability team, verified by the board, and signed off by our CEO, Michael Schernthaner.
5. The internal evaluation was completed with an external stakeholder dialogue. Each material topic was validated by our most relevant stakeholder groups, who were asked to assess the extent to which a given topic could potentially influence their actions and decisions.
6. All this resulted in our first materiality matrix.

STAKEHOLDER DIALOGUE.

Pursuing a complete and credible sustainable development path requires continuous dialogue and discussion with our major stakeholders to identify and include their needs in our strategic development. Listening to and giving a voice to interest groups that influence or are influenced by the activities of a company is a very important principle, not only for the strategic benefit, but also in terms of risk management and added value generated through a stronger relationship.

Being aware of the importance of this process, we mapped the company's main stakeholders and identified twenty interest groups. As we wanted to pursue a deep rather than a broad interaction, we decided

to narrow down the list and engage with ten categories in this first round of dialogues. To do this, we assessed them according to their impact on the Schur Flexibles Group and the intensity of our involvement towards them. Furthermore, we made sure that all the involved groups were able to analyse both an internal and external perspective. Thus, the stakeholder groups involved in the dialogue carried out in spring 2020 are: shareholders, financial service providers, employees, clients, suppliers, new and future employees, retailers, NGOs, media, recyclers and waste disposal organisations. Although consumers were assessed as a relevant group, due to organisational reasons we were not able to initiate a dialogue with them in this first round.



Stakeholder

- | | | | |
|--------------------------------|----------------------------------|-----------------------------------|--|
| 1. Shareholders | 7. Retailers | 12. Public authorities | 17. Unions |
| 2. Financial service providers | 8. Policy makers and legislators | 13. Society | 18. Research |
| 3. Employees | 9. NGOs | 14. Consumers | 19. Service providers |
| 4. Clients | 10. Associations | 15. Competitors | 20. Recyclers and waste disposal organisations |
| 5. Suppliers | 11. Media | 16. Neighbours, local communities | |

Given the exceptional situation resulting from the COVID-19 pandemic, all dialogues, conducted by external consultants, were performed online via a telecommunications software. Nevertheless, the technological means used gave us the possibility to use different formats: so, while financial service providers, NGOs, recyclers and waste disposal organisations were involved through personal interviews; employees – both newcomers and long term – took part in a focus group (4 groups altogether) and other interest groups were consulted by means of a questionnaire.

The objectives of the stakeholder dialogue were, on the one hand, to validate the potential material topics that emerged from the status quo analysis, the data collection process and the impact analysis on the Sustainable Development Goals (SDGs) and, on the other hand, to understand the stakeholders' perception of the Schur Flexibles Group, their expectations, their interpretation of sustainability, and their assessment of opportunities and risks.

This first experience of conducting stakeholder dialogues in this format has proved to be very positive. The gathered information is very meaningful, and the willingness and gratitude shown by all participants went far beyond expectations. The constructive, open, and transparent dialogue has motivated us to expand the process in the future, possibly implementing it on a regular and continuous basis.

All collected inputs regarding the validation and the evaluation of the material topics are represented along the vertical axis of the materiality matrix and the indications that emerged with respect to the additional questions were discussed and reflected with various company departments. Further steps have been defined for each of the stakeholder groups. A summary of the results and next steps of each dialogue can be found in the appendix.



SDGs IMPACT ANALYSIS.

Our planet and humanity are facing important environmental, social, and economic challenges. In 2015, more than 150 world leaders from the United Nations defined the SDGs to set priorities and aspirations to respond to these challenges. The SDGs are a universal call for contribution from all levels. Each and every one is asked to strive to achieve them. Globally, many governments and companies have started actively working in line with the goals.

We also want to contribute. Therefore, while preparing our first Sustainability Report, we took the chance to analyse our impact on the SDGs and how we relate to them as a company. As a first step, we studied each goal in depth by studying its relevance, its single targets, its current global situation, and its meaning on a corporate level.

As a second step, we assessed the positive and negative impact – current and potential – we have on each of the goals. Even though we are aware the goals are deeply interconnected, they do not have equal relevance for our company.

As a result of the analysis, we identified that the Schur Flexibles Group has most impact on the following SDGs: 5, 8, 12, 13, 14, 15.

The resulting image is helping us better understand how we can contribute to the realisation of the goals and how we can integrate the SDGs into our future strategic planning. The SDGs played an important role in the drafting of the material topics list that we validated through the stakeholder dialogue process.

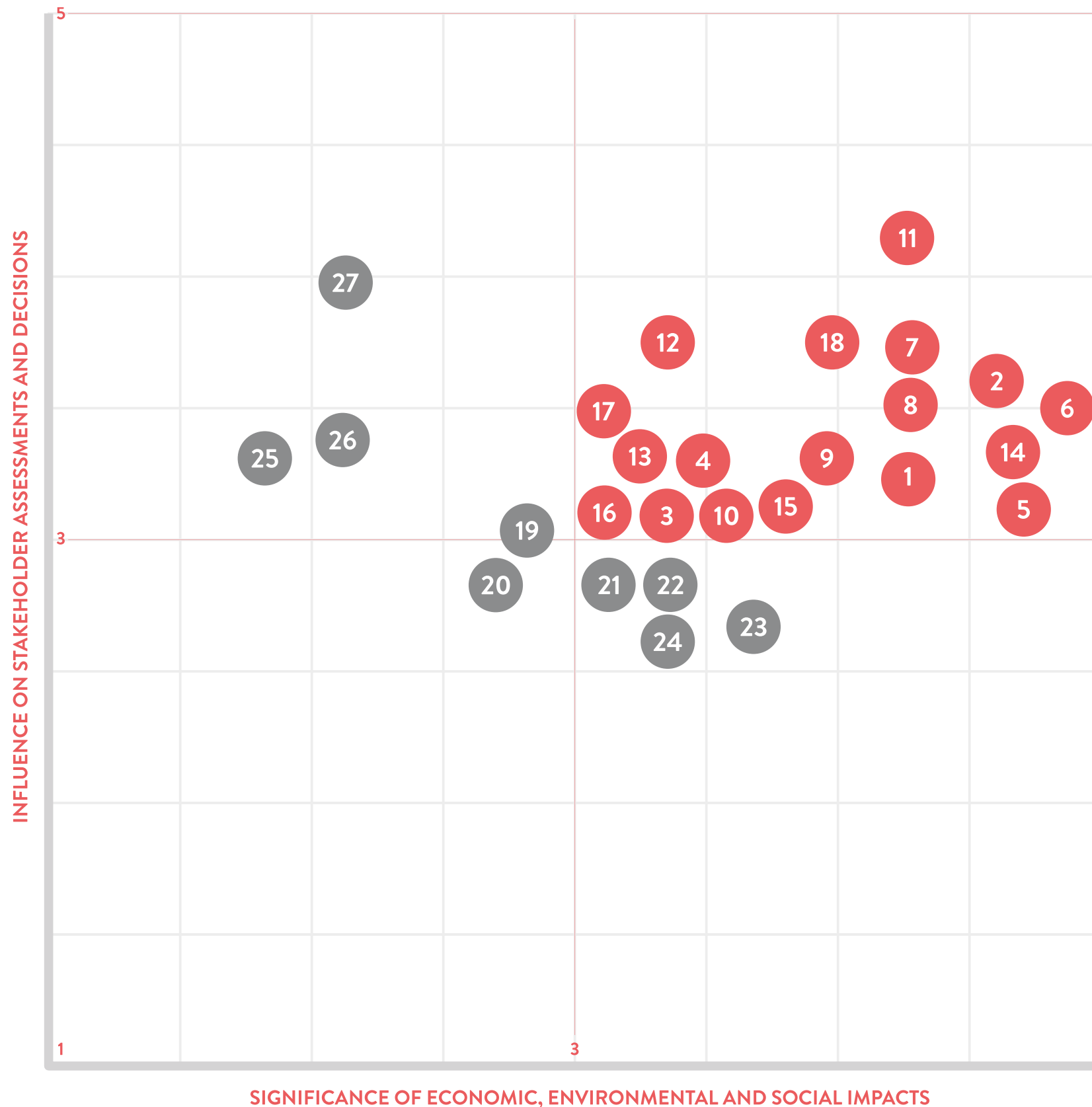


THE RESULT: OUR MATERIALITY MATRIX.

Topics that overcome the threshold (set at 3) both from an internal and external perspective are considered as relevant for the company's sustainable development, entering the list of Schur Flexibles Group's material topics.

Each topic is reported on within this document with a description of the overall objective, its boundaries, the management approach and the KPIs. This allows us to assess what has already been implemented at a strategic and operational level and how we aim to reach each topic's objective in the future. Additionally, we present projects and business processes that reflect the operative side of this strategic thinking. During the elaboration process, it became clear that some material topics are strongly interconnected with one another and we therefore decided to group them and not report on them singularly.

Topics below the threshold are not included in this report. However, there are topics that could potentially play a relevant role in the future and we intend to update and evaluate the materiality analysis on a yearly basis.



LEGEND

- Material topics
- Topics below the materiality threshold; not included in the report
- Grouped material topics

1. EDUCATION AND TRAINING
2. HEALTH AND SAFETY
3. EMPLOYEE PARTICIPATION
4. GENDER EQUALITY
5. DIVERSITY
6. GOVERNANCE
7. GREENHOUSE GAS EMISSIONS
8. ENERGY CONSUMPTION
9. RENEWABLE ENERGY
10. MOBILITY
11. RESOURCE EFFICIENCY AND CIRCULAR ECONOMY
12. WASTE VOLUME AND TREATMENT
13. STAKEHOLDER INVOLVEMENT ON SUSTAINABILITY TOPICS
14. TRANSPARENCY OF SUPPLY CHAIN
15. SUPPLIER ENVIRONMENTAL ASSESSMENT
16. SUPPLIER SOCIAL ASSESSMENT
17. USAGE OF RENEWABLE MATERIAL
18. ECOLOGICAL FOOTPRINT OF PRODUCTS
19. SOCIAL POLICIES AND BENEFITS
20. BIODIVERSITY
21. LOCAL COMMUNITY ENGAGEMENT
22. UNIONS ALLOWED
23. WORKING TIME MODEL
24. EMITTED VOLATILE ORGANIC COMPOUNDS IN ATMOSPHERE
25. WATER CONSUMPTION
26. SUSTAINABILITY OF TRANSPORT PACKAGING
27. RECYCLED RAW MATERIAL

METHODOLOGY.

This Sustainability Report has been prepared following the guidelines set out by the Global Reporting Initiative (GRI) Standards, application level “Core”. The information and data refer to all the twenty production sites manufacturing flexible packaging solutions and the company headquarters for the period ranging from the 1st of January 2019 to the 31st of December 2019, unless otherwise indicated.

The corporate boundary is defined by Schur Flexibles GmbH; for each material topic the overall objective, boundaries, management approach and KPIs are specified. The Sustainability Report has been prepared based on the fundamental principles outlined by the GRI to guarantee the completeness and quality of the provided information. Further, this Sustainability Report serves as our Communication on Progress (COP) to the United Nations Global Compact.

Group companies included in the reporting boundaries:

Administrative sites

- Schur Flexibles Holding GesmbH, Wiener Neudorf, Austria
- Schur Flexibles GmbH, Berlin, Germany
- Schur Flexibles Germany GmbH, Kempten, Germany
- Schur Flexibles Dixie Verwaltungs GmbH, Kempten, Germany (Established end of 2019)
- Schur Flexibles Flexofol GmbH, Kempten, Germany
- Schur Flexibles Uni UK Limited, Midlothian, Great Britain
- Schur Flexibles Uni SAS, Averdoingt, France
- Schur Flexibles Uni Logistics SASU, La Ferté-Bernard, France

Production sites

- Schur Flexibles Denmark A/S, Bjert, Denmark
- Danapak Flexibles A/S, Slagelse, Denmark
- Schur Flexibles Finland Oy, Jakobstad, Finland
- Schur Flexibles Dixie GmbH, Kempten, Germany
- Schur Flexibles Dixie Films GmbH & Co. KG, Kempten, Germany (Established end of 2019)
- Hänsel Flexible Packaging GmbH, Freital, Germany
- Schur Flexibles Vacufole GmbH, Bad Grönenbach, Germany
- Schur Flexibles Uni UK Converting Limited, St Helens, Great Britain
- Schur Flexibles ABR SA, Komotini, Greece
- Schur Flexibles Uni Roto SAS, Averdoingt, France
- Schur Flexibles Uni Flexo SAS, Fontenay-le-Comte, France
- Schur Flexibles Uni Coextrusion SA, Vendôme, France
- Schur Flexibles Uni Pouches SARL, La Ferté-Bernard, France
- Cats Flexible Packaging B.V., Rotterdam, Netherlands
- Schur Flexibles Benelux B.V., Leek, Netherlands
- Drukkerij Zwart B.V., Amersfoort, Netherlands
- TSO Packaging Printers B.V., Goirle, Netherlands
- Schur Flexibles Poland Sp.z.o.o., Bogucin, Poland
- Schur Flexibles Moneta s.r.o., Trebisov, Slovakia
- Scandiflex Pac AB, Landskrona, Sweden

STRUCTURE OF THE REPORT.

The material topics presented and described within this report are structured according to our 4Ps logic: Purpose, People, Planet and Prosperity. This logic is a result of our Group-wide project “ReThinking Schur Flexibles”, which has the goal of redefining the Group identity and developing a stronger Group thinking. These four dimensions shape the strategic future of Schur Flexibles.

The structure of this report follows the ten relevant material topics or groups of material topics displayed in the matrix. The material topics are assigned to one of the 4Ps. At this point, it is essential to mention that the 4Ps are strongly interconnected and the assignment of one material topic to a specific P does not necessarily exclude its relevance for another P.

The allocation took place based on the predominant objective of the material topic.

Each material topic is represented by:

- an overall objective towards which it tends,
- the boundaries for which it is relevant,
- the management approach and the internal responsibilities,
- KPIs to give insights about the status quo,
- current and future projects to further develop the topic and achieve the overall objective.

This work serves as a basis for our objectives to be increasingly concrete and specific and for improving our monitoring system.



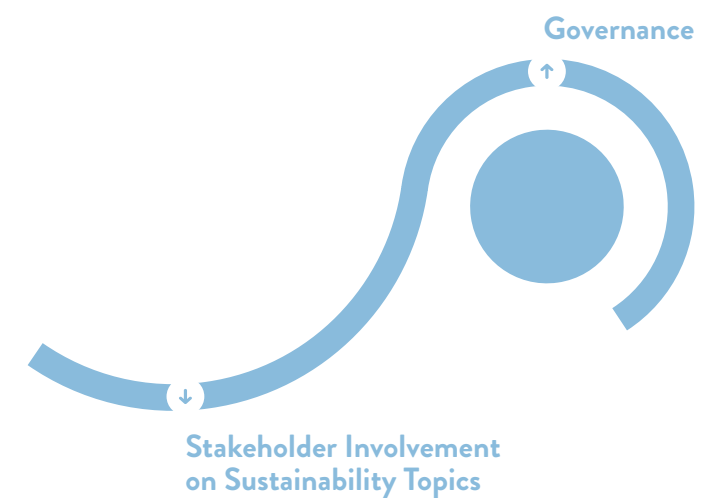
PURPOSE.

Purpose is our central pillar. It is the element that aligns each and every one of our people in their different roles and leads us on our co-creational journey. It encompasses why we do what we do and outlines our core reason of existence. Purpose gives meaning and invites all employees to contribute to the maximum of their capabilities.

Today's world requires adaptation to rapid change. At Schur Flexibles we have taken up this challenge and want to play an active role in shaping the future of the flexible packaging industry. This is why we dare to move out of our "business as usual" comfort zone and work to achieve those outstanding results that we all want and need.

Purpose – along with its accompanying field of values – will allow the Schur Flexibles Group to grow together into one organism. Within this purpose driven organisation, we will contribute to the fulfilment of the objectives and visions defined in our 3 corporate strategic fields of actions: People, Planet and Prosperity.

MATERIAL TOPICS



GOVERNANCE.

OVERALL OBJECTIVE

Our ambition is to become a sustainability pioneer within our industry. This entails connecting R&D, technical and manufacturing capabilities, sales representatives, and our administrative team to develop together as a group. Sustainability is one of our key leadership tasks and every employee is invited to join the journey. Therefore, we want to encourage group thinking as well as promote organisational development that drives personal and professional growth. By collectively working towards eco effectiveness and eco efficiency, we are not only promoting connectivity throughout the Schur Flexibles Group, but also with all our clients. Together we are improving products and at the same time contributing to the objectives set by the SDGs.

MANAGEMENT APPROACH

With the objective of favouring cooperation on all levels to become a sustainability pioneer, we are addressing this material topic with the launch of the “ReThinking Schur Flexibles” project, which started at the end of 2019. In an open participation process, a team of employees from all our production sites is shaping the Schur Flexibles Group strategy by establishing a new Group-wide vision, mission, and values.

BOUNDARIES

Group level, including all corporate overarching activities.

KPIs



PROJECTS

DEVELOPMENT OF A SUSTAINABILITY TEAM

RETHINKING SCHUR FLEXIBLES

DEVELOPMENT OF A SUSTAINABILITY TEAM.

CONTEXT

The establishment of a corporate sustainability team, end of 2018, marked our first step towards the fulfilment of our vision to become sustainability leaders in the industry. The team’s objective is to grow even further and cover all areas of sustainability. On an operational level, the team is responsible for the non-financial reporting and has the goal of publishing a yearly Sustainability Report based on the GRI Standards – with this very document representing the first edition.

DESCRIPTION

The members of the sustainability team are experienced industry experts with profound knowledge of Schur Flexibles’ technologies and with strong relationships with important stakeholders such as associations, suppliers, and clients. They are the first point of contact for all sustainability aspects. Martin Berlekamp and Max Wolfmaier are part of the team since its creation and they directly report to our CSO, Friedrich Humer. At the end of 2019, we brought Fiene Berger on board. The drafting of this first Sustainability Report has already shown a good and important result: the first consolidation of all key figures regarding the Group’s sustainability performance. This represents the basis for further strategic developments.

SCHUR FLEXIBLES SUSTAINABILITY TEAM



Martin Berlekamp
Head of Sustainability



Max Wolfmaier
Manager Sustainability



Fiene Berger
Corporate Responsibility Manager

Within the team, Max and Martin are responsible for products and regulations while Fiene is focusing on processes. Together, they support Schur Flexibles' goals and those of our stakeholders towards a sustainable future.

RETHINKING SCHUR FLEXIBLES.

CONTEXT

A strong and united core combined with an agile and future-oriented approach are necessary to drive change in a rapidly evolving world. "ReThinking Schur Flexibles" is our journey to define the Group identity and values, co-created by the people of Schur Flexibles. Cross-site and inter-departmental cooperation brings our specialised centres of excellence together and helps us grow to become one unified Group.

DESCRIPTION

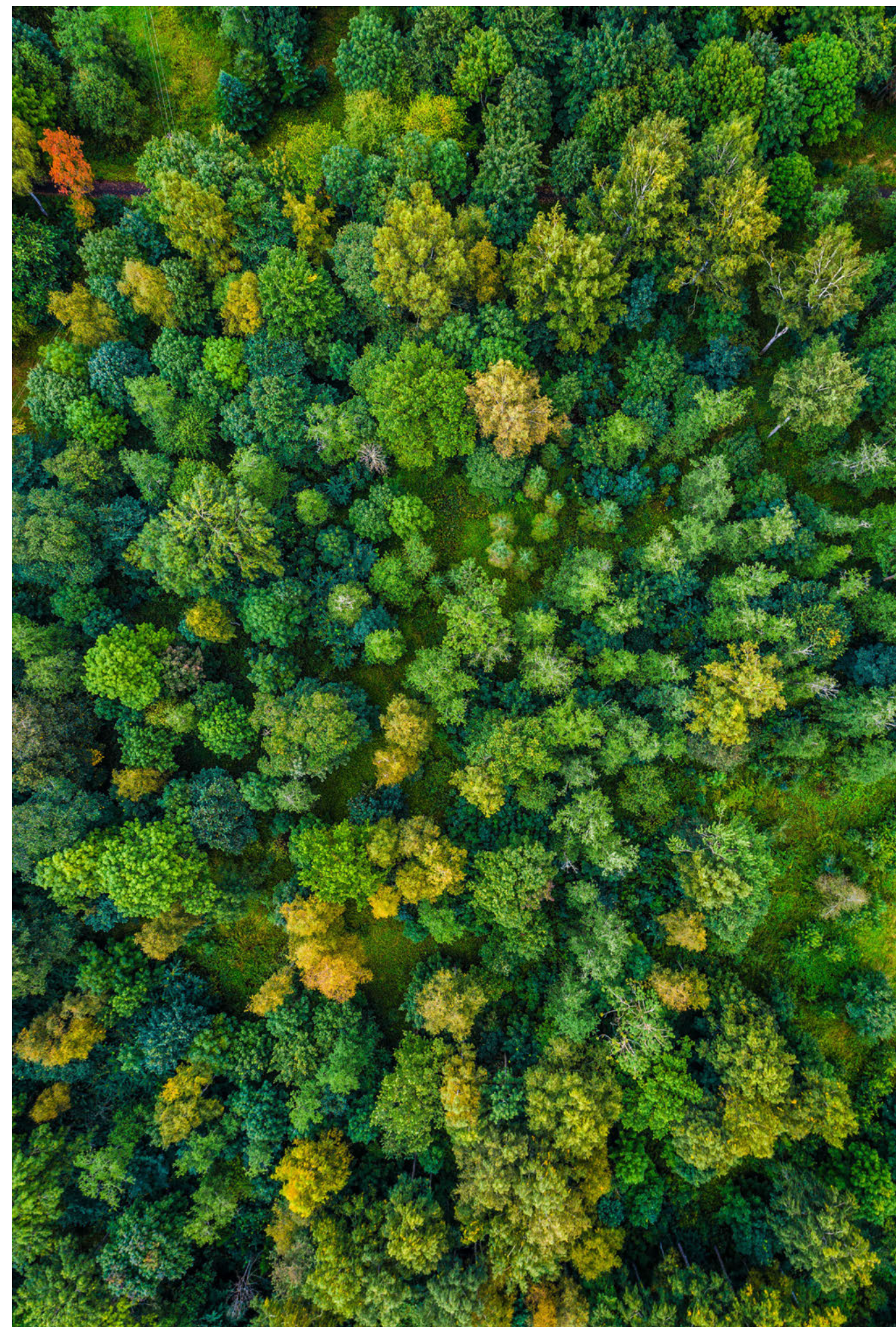
Jointly developing a value framework allows us to increase awareness both on sustainable behaviour as well as on the strategic role of diversity throughout the Group. The process is designed to make the defined values visible, to be able to integrate them into our daily work at all levels and to transfer them in all areas of the company. This development was promoted by implementing an open participation process between site managers and sales units. Further, a broader group of Schur Flexibles employees from all functions and locations was involved in the project through qualitative interviews. Additionally, all our employees were asked to complete surveys which served as the basis for our work.

PROCESS

- 2019 →
- Group-wide employee surveys on Values, Group Culture and Collaboration.
 - Multi-day teambuilding workshop for the project kick-off within the Group Leadership Team, composed of 32 decision makers.
 - Regular dialogue forums on cultural and organisational topics involving sales managers and employees from different locations.

Our principles are anchored within our organisation thanks to a broad base of multipliers and reflected across all areas of operation on a daily basis, both internally and externally. On a more practical level, we want to create cross-site and inter-departmental teams and forums to activate and implement the purpose and value framework in all locations.

← OUTLOOK 2020



STAKEHOLDER INVOLVEMENT ON SUSTAINABILITY TOPICS.

OVERALL OBJECTIVE

Our business environment is characterised by a dense global network, making interactions with multiple stakeholders complex. Nevertheless, remaining true to Schur Flexibles' principles, we can only find the best solutions involving as many stakeholders as possible in our decision-making process and in the consequent implementation of our plans. The drafting of this report creates the right occasion to embark on a wide stakeholder dialogue to define the sustainability topics we should put our primary focus on. Moreover, we want to nurture a strong interaction with our most important stakeholders to align our sustainability strategy with customer and market needs, integrating them into our product development. Finally, we want to use these dialogues as opportunities to develop and initiate projects and activities together in the field of sustainable development.

MANAGEMENT APPROACH

We manage this topic and its respective objectives by building cooperative partnerships to develop and run joint activities and projects. The recommendations, needs and overall results of a former study we conducted on our stakeholders are used as a basis for our company development. The main responsibility for stakeholder engagement lies with our CSO, Friedrich Humer, and our Head of Sustainability, Martin Berlekamp.

BOUNDARIES

This material topic covers all our relevant stakeholders. The stakeholder groups "employees" and "suppliers" are specifically covered by other material topics.



FINDING WAYS TO RECYCLE OUR PRODUCTION WASTE.

CONTEXT

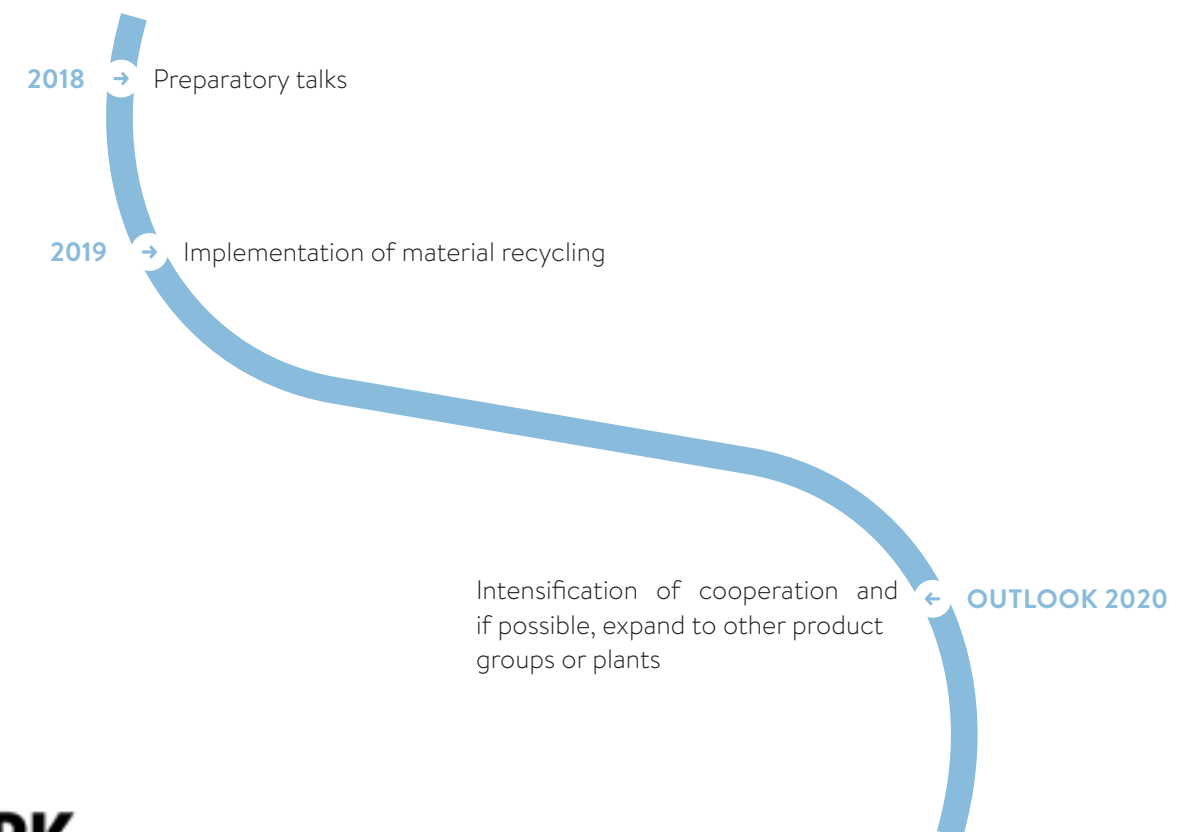
The aim of this project is to find ways to recycle our PA/PE (polyamide/polyethylene) production waste into a higher quality material instead of disposing of it in an incineration plant. To do so, we started a cooperation with innovative recycling technologies specialist APK AG.

DESCRIPTION

The solvent-based recycling process used by APK enables the separation of PA/PE composite materials, thus enabling material recycling and reuse of production waste, previously treated by a local waste management company. The successful implementation of the project helps us close this loop, contributing to the fulfilment of our vision of a circular economy. Only by integrating APK into our previous waste disposal concept and by closely exchanging information, we were able to improve our raw material recycling in this area.

As a matter of fact, Schur Flexibles Vacufof GmbH's PA/PE production waste has been collected by APK for recycling for over a year now. This result is the very evidence that new technologies and close cooperation with recycling companies can lead to closing the loop of waste recycling. Additionally, it has also shown what added value we can achieve through stakeholder involvement. Lastly, instead of paying for the recycling, we now also generate additional turnover for the company.

PROCESS



WASTE – BE CIRCULAR – A COOPERATION WITH FUTURY AND RECYDA.

CONTEXT

For Schur Flexibles, the cooperation with Futury is an ideal project to discuss innovative approaches to sustainable food packaging and waste reduction with different stakeholders. The project also provides the opportunity for networking across all stages of the value chain. Through this exchange with partners we want to contribute to our vision of providing a sustainable packaging system.

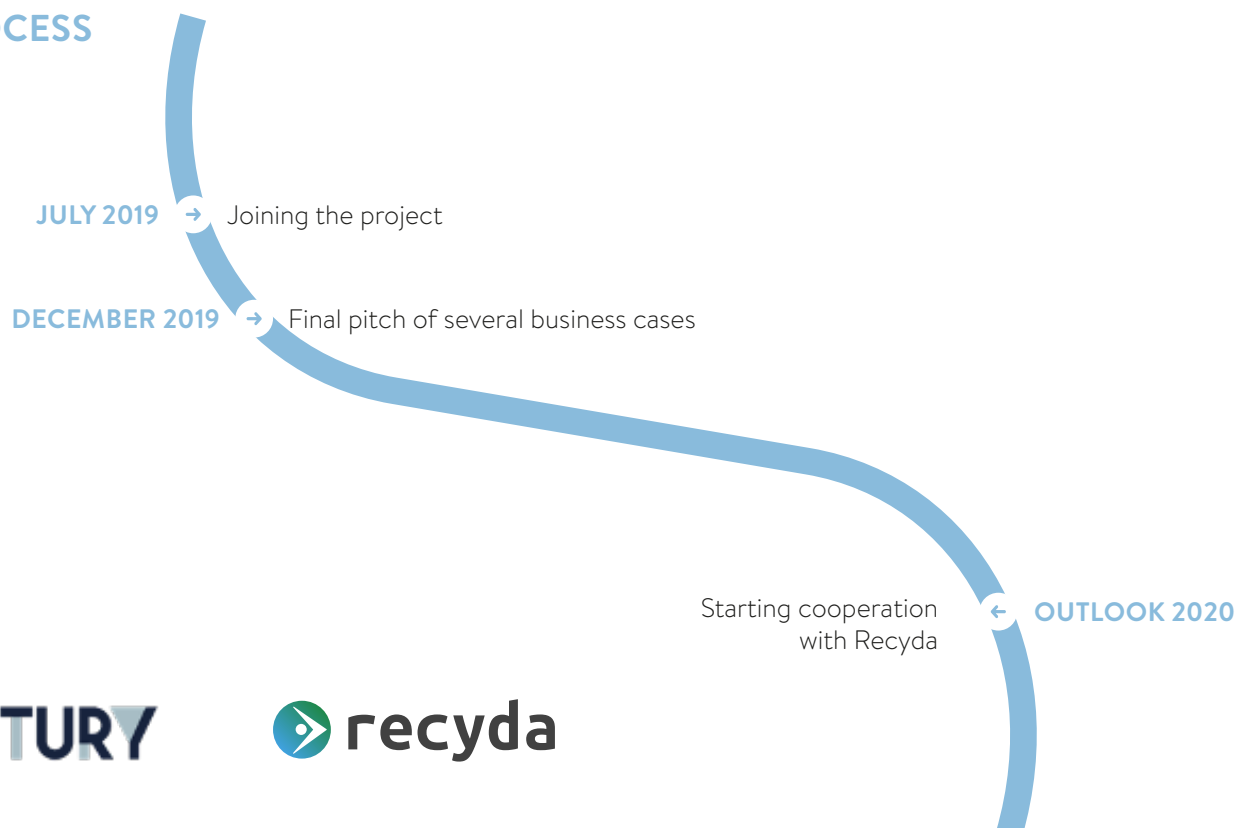
DESCRIPTION

Futury is an innovation and venturing platform that connects entrepreneurial talents with leading companies. It was created in 2015 by “Werte Stiftung” in Frankfurt am Main and is an independent foundation that strives for equal opportunities and social cohesion in Germany. In 2019, Futury launched the “THE MISSION” initiative together with Deutsche Bank, The Schwarz Group, and Handelsblatt. During the initial phase, Bain & Company joined. It aims at promoting the development of sustainable solutions in 12 defined industrial areas. The first one: “Waste – be circular” wanting to contribute to the development of more sustainable food packaging. Schur Flexibles got involved in this area, together with 10 other companies covering the entire value chain of packaged food: from production and packaging, to distribution, retail, and end-of-life.

We supported the project teams with information, know-how and prototyping and gained important new insights also thanks to the network of stakeholders across the whole value chain, i.e. customers, recyclers, and competitors. After 3 months of hard work, several promising business cases were presented in a final pitch, providing a basis for sustainable packaging concepts in various areas.

One concept dealt with an automated machine for packaging-free fresh sausage slicing. Another one with a re-use concept with uniform packaging units. A third outcome was a recycling database called Recyda, a global recyclability assessment tool containing national and industry guidelines as well as collection, sorting and recycling infrastructures for plastic packaging in Europe. Schur Flexibles intends to actively support Recyda on this project in the future.

PROCESS



FUTURY

 **recyda**



PEOPLE.

Our people are our most valuable asset. The pillar “People” is therefore fully dedicated to our employees. Thanks to their knowledge and experience, we can deliver the highest possible level of performance and quality.

The wide-ranging backgrounds of the Group companies have allowed us to make diversity our greatest strength. It is our responsibility that every person who is working at Schur Flexibles feels comfortable, part of the Group and can develop both on a personal and on a professional level.

Together as a team, we are on a co-creational journey striving for a sustainable future.

MATERIAL TOPICS



GENDER EQUALITY AND DIVERSITY.

OVERALL OBJECTIVE

Diversity is in our roots. Our corporate Group may seem young, but our companies all have their own history. Thereby, we see our multinationality as our biggest strength. We combine our backgrounds and complement each other's knowledge. The key for a well-working atmosphere at Schur Flexibles is guaranteeing acceptance and respect and promoting learning from each other. We are open minded and promote a cooperative management style in all our entities. In this manner, our biggest goal is for everyone at Schur Flexibles to be treated equally and have the same opportunities, regardless of gender, sexual identity, race, religion, ethnic origin, belief, disability, or age.

BOUNDARIES

The group of material topics is covering every single employee working for Schur Flexibles.

MANAGEMENT APPROACH

Equality for everyone is part of our Code of Conduct, which all employees must follow. As our Group has grown rapidly, there is not yet a Group-wide management system for diversity, but there are many site-specific ones. Thanks to our data collection effort for this report, we got many insights into human resource data which serve as a basis for future development. The responsibility of the material topics "Gender Equality" and "Diversity" lies on the C-level management and the Human Resource department.

PROJECT

INCLUSION AND
EMPLOYEE FEEDBACK

KPIs

| | | | 2018 | 2019 | |
|--|--------------------------|---------------------|--------------|--------------|--------------|
| EMPLOYEES | TOTAL | # | 1.929 | 1.972 | |
| | MALE | # | 1.561 | 1.567 | |
| | | % | 80,9% | 79,5% | |
| | FEMALE | # | 368 | 405 | |
| | | % | 19,1% | 20,5% | |
| EMPLOYEE CATEGORY | SENIOR EXECUTIVES | UP TO 30 YEARS | # | 0 | 0 |
| | | FROM 30 TO 50 YEARS | # | 41 | 41 |
| | | OVER 50 YEARS | # | 46 | 48 |
| | | TOTAL | # | 87 | 89 |
| | | % | 4,5% | 4,5% | |
| | ADMINISTRATIVE EMPLOYEES | UP TO 30 YEARS | # | 53 | 63 |
| | | FROM 30 TO 50 YEARS | # | 230 | 229 |
| | | OVER 50 YEARS | # | 103 | 113 |
| | | TOTAL | # | 386 | 405 |
| | | % | 20,0% | 20,5% | |
| | TECHNICAL EMPLOYEES | UP TO 30 YEARS | # | 30 | 28 |
| | | FROM 30 TO 50 YEARS | # | 110 | 107 |
| OVER 50 YEARS | | # | 55 | 59 | |
| TOTAL | | # | 195 | 194 | |
| | % | 10,1% | 9,8% | | |
| PRODUCTION EMPLOYEES | UP TO 30 YEARS | # | 231 | 258 | |
| | FROM 30 TO 50 YEARS | # | 644 | 638 | |
| | OVER 50 YEARS | # | 386 | 388 | |
| | TOTAL | # | 1.261 | 1.284 | |
| | % | 65,4% | 65,1% | | |
| EMPLOYMENT CONTRACTS | TEMPORARY | TOTAL | % | 9,7% | 11,7% |
| | | OF WHICH WOMEN | % | 18,9% | 22,7% |
| | PERMANENT | TOTAL | % | 90,3% | 88,3% |
| | | OF WHICH WOMEN | % | 18,5% | 19,9% |
| | PART-TIME | TOTAL | % | 3,8% | 4,6% |
| | | OF WHICH WOMEN | % | 75,3% | 75,3% |
| FULL-TIME | TOTAL | % | 96,2% | 95,4% | |
| | OF WHICH WOMEN | % | 16,8% | 17,9% | |
| EMPLOYEES WITH SPECIFIC WORK PLACES | TOTAL | # | 23 | 24 | |

INCLUSION AND EMPLOYEE FEEDBACK.

CONTEXT

Including each one of our employees is fundamental for us. Many site-based initiatives are organised to create an environment where team spirit and inclusion are central. We want to introduce two of these projects in more detail:

→ TEAM UNITY AND INCLUSION

This process has been implemented in our Group company Schur Flexibles Poland. Its main goal is to include a large number of employees in the company's decision-making process and allocate different fields of responsibilities to them. Through frequent meetings, employee participation is fostered, knowledge shared and acceptance for everyone increased.

The first step of the process was gaining an overview of the status quo of employee wellbeing, which allowed to highlight existing problems and deficiencies that had a negative impact on teamwork. Based on the outcomes, specific trainings and Group events were defined and organised, especially focusing on fostering team unity and encouraging personal development. When necessary, the team was also supported by a mental coach.

The goal is to reduce potential tensions among team members and stimulate open and transparent communication. This helps improve critical thinking and team inclusion. The process is highly integrative for every employee regardless of department, hierarchical position, or gender. Through this process the Group company wants to grow together and approach the future as one team.

→ GATHERING FEEDBACK FROM EMPLOYEES

At Scandiflex in Sweden, a process aimed at gathering feedback from employees has been introduced. The main objective is achieving open communication amongst all employees to create a healthy working environment and ensure inclusion of every team member. In this context, gender equality has a high priority. The ambition is for all employees to be treated equally regarding rules and principles applied within the Group company. Through honest and transparent communication, undesirable situations or disregard should be avoided and detected right away. It is the employee's responsibility to notify the immediate supervisor in this case. Furthermore, the annual appraisal is another opportunity for employees to give voice to their needs, requests, and ideas. This process is an ongoing activity.



EMPLOYEE PARTICIPATION.

OVERALL OBJECTIVE

As our company is a learning entity, our overall objective regarding this material topic is to actively include employees in the project's development process to make them co-authors of the company's growth. Thereby, we want to foster participation on both an inter-departmental level and a cross-site level. Our goal is to be on a long-term co-creational journey with our employees and to reach high employee satisfaction rates. We want every one working for Schur Flexibles to understand and perceive his or her uniqueness for the company.

BOUNDARIES:

As a young Group of companies, many initiatives are site based and not Group wide. We aim to foster Group-wide initiatives.

KPIs

At the moment, we do not have Group-wide data available that measures our path towards the achievement of our overall objectives of this material topic. We are working on setting up a process for this.

MANAGEMENT APPROACH

In 2019, we started our co-creational journey with Group-wide surveys on values, Group culture and collaboration as part of our ReThinking Schur Flexibles project. This type of inclusion should be more frequent in our future path as well. Furthermore, at some sites we have an anonymous feedback box in place. We are working to find a Group-wide system for this initiative. As an integral part of our Code of Conduct we installed a Whistle Blowing procedure in case individuals conduct in conflict with it. Employees can decide to report in person, anonymous to the Manager or even to an anonymous basis. Employees acting as Whistle Blowers will be protected and shall not be in fear of retaliation. Moreover, through the organisation of workshops we want to increase employee participation rates.



RAW MATERIAL WORKSHOP.

CONTEXT

Since 2019, we started to conduct raw material workshops with participants from different departments (such as Operations, R&D, Purchasing, Sales and Sustainability) and across several production sites. The workshops are organised to offer the possibility to present innovations, exchange experiences and initiate joint projects. The aim is to involve as many Group companies, departments, suppliers and employees as possible, to allow them to benefit from the experience and find the best response to various requirements. This project also promotes a greater common understanding at Schur Flexibles, allowing us to reach a stronger harmonisation across the Group companies.

DESCRIPTION

The raw material workshops have become a valuable part of the cross-departmental and cross-plant employee participation. They create understanding for diversity and at the same time promote further joint development. The cross-departmental cooperation enables lateral thinking and the breakthrough of established patterns. In the raw material workshops, suppliers or specific departments present their innovations, products and projects. Experience shows that topics often overlap in the industry but also within Schur Flexibles. Through the workshops, know-how can be shared, synergies can be created, and new projects or developments can be promoted together. With the workshops, we have created a new depth and quality of interdisciplinary work and understanding for other company divisions. We have achieved the participation and involvement of the various divisions in a joint development. We will continue adopting this workshop concept and extend it to new fields.

PROCESS



TEAM BUILDING AND CROSS-SITE NETWORKING.

CONTEXT

To foster team building and employee participation, many site- or department-based initiatives are taking place. There are also some Group-wide projects already in place. We want to give some insights into our efforts.

→ EMPLOYEE DIALOGUE AT SCANDIFLEX

At our Group company Scandiflex in Sweden, an employee dialogue project is in place. The objective is to engage employees by giving them the chance to take responsibility for certain tasks and give suggestions for the corporate development which are then evaluated and, if possible, implemented. Everyone at Scandiflex works as a team to reach common goals. Through transparent dialogue in regular meetings, employees are informed about ongoing topics, are asked to give active feedback and encouraged to communicate possible needs. The goal is to create a long-term relationship with employees and create a working environment for continuous learning.

→ GROUP IT MEETING

Our IT department organised a two-day Group-wide workshop in Vienna for different IT teams throughout the Group. The aim was to develop a basis for effective cooperation and to get to know each other for joint projects in the future. The IT team established a common strategy and view for the Group. Through team building exercises and transparent communication, separate departments merged to one big team that now collaborates strongly on achieving the best results.

→ TEAM BUILDING WITHIN THE HOLDING COMPANY

The holding company launched a one-and-a-half-day team building workshop, with a further one-day follow up. The objective was to work on an interdepartmental communication strategy within the headquarters' team to improve communication and coordination.

→ FINANCE WORKSHOPS

Due to the young age of our Group, certain departments are still operating on a local decentralised level. In order to grow as a Group, pulling in one direction in the future, our Finance team performed a series of workshops in past years. The aim was to create a common vision and path for the Finance department while linking central and local functions. The Finance community developed an orientation for the future with common values and built up trust within the team. The basis for that is transparent and open communication within the team.

PROCESS

- 2017 Series of workshops
- 2018 Three workshops
- 2019 One two-and-a-half-day workshop

Outlook 2020: Continue with workshops on a more frequent level

→ APPLES AND ORANGES

Apples and Oranges is a business game for finance and non-finance colleagues to involve other departments and employees from all our locations. The idea developed in the Finance team during their workshop and aims at strengthening interdisciplinary cooperation, increasing mutual understanding, and building up knowledge in our organisation. In 2019, we organised games with production planners as well as salespeople and the feedback was very positive. The idea is to implement this game in different contexts throughout the company.



EDUCATION AND TRAINING, HEALTH AND SAFETY.

OVERALL OBJECTIVE

This group of material topics has the overall objective of achieving a long and mutually enriching working relationship for all our employees through knowledge-building for personal and professional development and for a safe workplace. We have a cross-functional, high-performance organisational structure and want to benefit from knowledge sharing across departments and locations.

BOUNDARIES

All employees working at Schur Flexibles are considered in this group of material topics.

MANAGEMENT APPROACH

As circumstances vary greatly between locations, the management approach of this group of material topics is organised on a decentralised level. Supervisors of each production site are asked to guarantee access to educational programmes and trainings for all employees. Supervisors are in close contacts with the Human Resources team. Further, each training is documented through a decentralised data collection system. We are currently working on a uniform Group-wide system to facilitate data collection. Besides the organisation of internal as well as external trainings, we also offer different modules to facilitate working and studying at the same time. Our greatest concern is safety in the workplace. Thus, our employees are trained on health and safety, going well beyond legal requirements.

KPIs



While for employees working in production the average hours on training represent primarily training on health and safety, for administrative employees other topics are also included. The presented number of accidents equals the Lost Time Injury index. A lost time injury is an injury sustained during an activity within the given reporting boundaries by a member of the Schur Flexibles workforce that will result in a loss of productive work time. A more in-depth definition can be found in the glossary.

PROJECTS

- IN-HOUSE SAFETY TRAINING
- DEVELOPMENT OPPORTUNITIES

IN-HOUSE SAFETY TRAINING.

CONTEXT

Safety within our production sites is our highest priority. Therefore, the aim of the annual in-house trainings is to provide our employees with regular updates on existing and new safety topics in order to keep the number of accidents at a minimum. It is compulsory for every production employee to undergo this training on a yearly basis.

DESCRIPTION

Through regular instruction of existing and new safety rules, the understanding and awareness of occupational safety and hygiene is constantly refreshed and deepened. All production employees must attend the in-house safety training on a yearly basis. In this context participants go through what went well and what did not in the previous year and are informed on new regulations or guidelines on safety and hygiene. Incidents that happened in the previous year are analysed together in the Group and resulting corrective measures are defined. Thanks to this project, occupational health and safety has been continuously improved and the number of accidents at work has been substantially reduced.



DEVELOPMENT OPPORTUNITIES.

CONTEXT

Personal development that goes beyond the ordinary working day is essential to grow and outgrow oneself. This is the reason why we want to give our employees the opportunity to continue their educational path. At Schur Flexibles, we promote further education by encouraging our employees to take on learning opportunities, giving them the flexibility, they need, and if possible, supporting them financially. Here are some examples of some of our employees' learning journeys:

→ MIN LU'S MASTER OF ENGINEERING PROGRAM

In May 2019, our colleague Min Lu started a part-time master's degree course in "Applied Plastics Engineering" at Schmalkalden University of Applied Sciences' Centre for Continuing Education. The master is divided in 12 teaching blocks and will be completed with a master thesis at the end of 2021.

To be able to attend classes, Min Lu gets education leave from work. Thanks to this master, Min Lu will gain deeper knowledge on extrusion functioning and techniques, giving her insights she can apply to her daily working activities. This in-depth knowledge can ultimately drive the company forward in developing innovative ideas, also within the area of sustainability. Initiatives like this contribute to employees' further education and to a sustainable business development. Furthermore, they create a strong basis for employee loyalty.

"In order to deepen my knowledge, I started with the master's programme. The advantage with respect to a full-time course of study, is that I can learn in a practice-oriented way and at the same time directly apply what I have learnt. Without the support of Schur Flexibles Dixie, it would have been more difficult for me to continue my education. I would like to express my gratitude for this." – Min Lu



→ PROMOTING MBA PROGRAMS

In our Group company Schur Flexibles ABR S.A. in Greece, employees are strongly encouraged to attend different MBA programs. Since 2015, eight MBAs and diplomas have been promoted. Besides offering education leave from work, the company also partly covered the program fees. The courses focus on different fields, like foreign language, quality management and technology, IFRS, negotiations, sales, project management, organisation, and office management. In the past years, Schur Flexibles ABR S.A. invested EUR 20.850 to promote MBA programs.

→ TALENT PROMOTION

Mainly initiated by our Finance Director, Christian Lehner, and his team, this project is about establishing a talent pipeline for future project, management and leadership tasks and creating cross-site and inter-departmental networks of employees. The main objective is to support and challenge young talents aiming at a long-term commitment to Schur Flexibles and at increasing diversity in the leadership team while integrating new innovative ideas. Thus, individual and tailor-made coaching sessions are organised and learning materials are provided.

→ EXCHANGE BETWEEN LOCATIONS

The high degree of diversity and different backgrounds is one of the biggest intangible assets we have at Schur Flexibles. To foster knowledge transfer and cooperation between Group companies, we have launched a pilot project thanks to which employees can switch working locations for a certain period of time. For instance, an employee from our production site in Germany supported one of our plants in the Netherlands. She conducted a profitability analysis and created a tool to improve transparency on the contribution margins. The purpose was to increase the in-depth understanding of the underlying cost structure and have a better decision-making basis for pricing, bottom slicing and required cost outs.

MOBILITY.

OVERALL OBJECTIVE

Being present across Europe and managing clients from around the world, travelling is part of our every-day business. More and more we recognise the necessity to limit our travel activities and increase the number of online meetings where possible. As a result, we can reduce greenhouse gas emissions, allow our employees to spend more time with their families and minimise the amount of valuable time wasted on travel. In the future, inevitable business trips should increasingly be carried out using more sustainable means of transport.

MANAGEMENT APPROACH

To reach the overall objective we need to raise employee awareness on the environmental impact of travelling and the resulting greenhouse gas emissions. To be able to reduce the number of business trips, it is necessary to consistently collect data. At the moment, the only Group wide data we have is the amount of fuel consumed for the company's fleet. We are working on a data collection system to get more insights to steer this material topic. Further, we have a travel policy that is updated frequently.

BOUNDARIES

This material topic is exclusively dedicated to employee mobility, not to logistics and supply chain matters.

KPIs

| | | 2018 | 2019 |
|--|----------|---------|---------|
| QUANTITY OF FUEL USED FOR COMPANY FLEET, IN LITRES | AD BLUE | 4.364 | 3.934 |
| | LPG | 20.026 | 23.227 |
| | GASOLINE | 42.646 | 37.268 |
| | DIESEL | 230.106 | 207.721 |

PROJECTS



ELECTROMOBILITY.

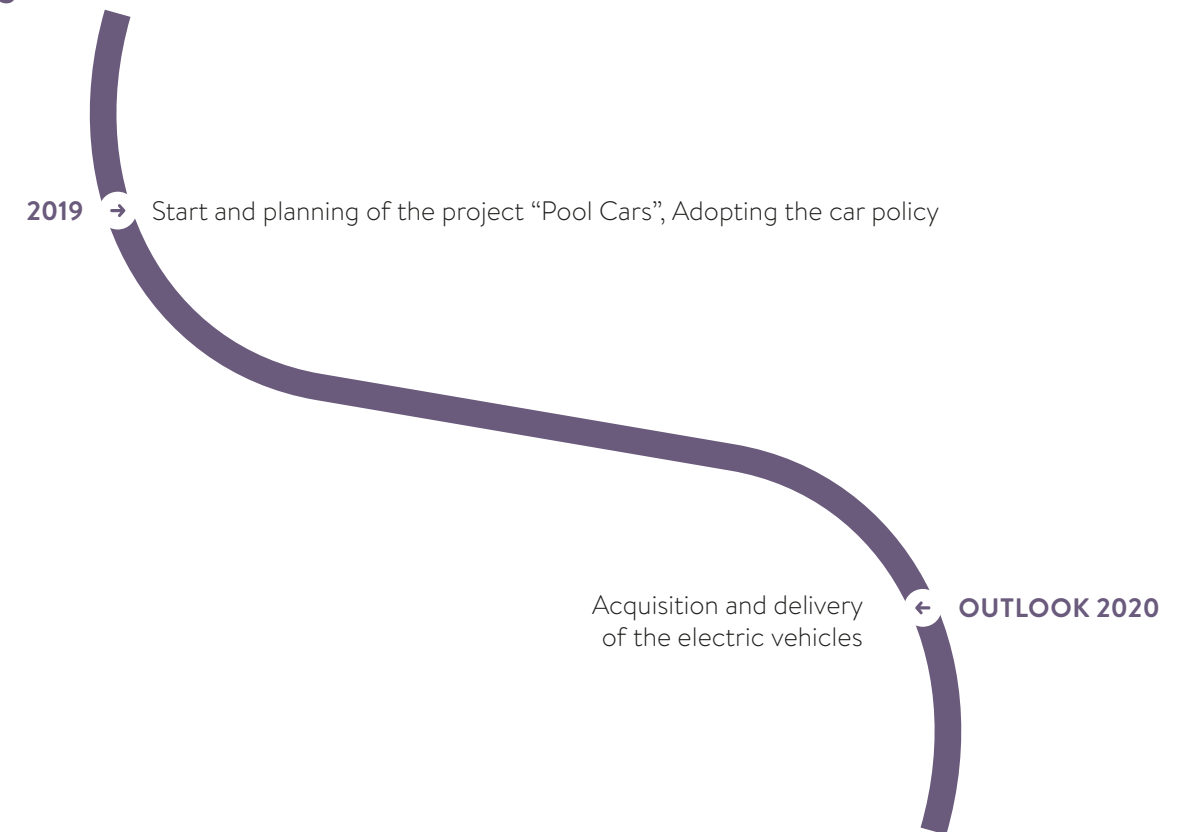
CONTEXT

Electromobility is a pilot project in our headquarters and two German Group companies. The idea is to replace the existing vehicles with more sustainable options. As the car travel distances are rather short, and leasing charges as well as operating costs are comparable to our previous diesel vehicles, we decided to lease two electric VW Golf and one hybrid VW Passat for the company fleet. At our headquarters, two of the personal company cars are also battery powered.

DESCRIPTION

With this pilot project, we can test electric mobility and its economic viability for the Group. This supports us in our overall objective to reduce greenhouse gases, while also increasing employee satisfaction through quieter vehicles. Further, the pool cars will also be used as advertising space to communicate our vision. We also plan to opt for electric vehicles for future employee car leasing. Besides electric cars, we invest in building a charging infrastructure for electromobility.

PROCESS





ONLINE VIDEO CONFERENCING.

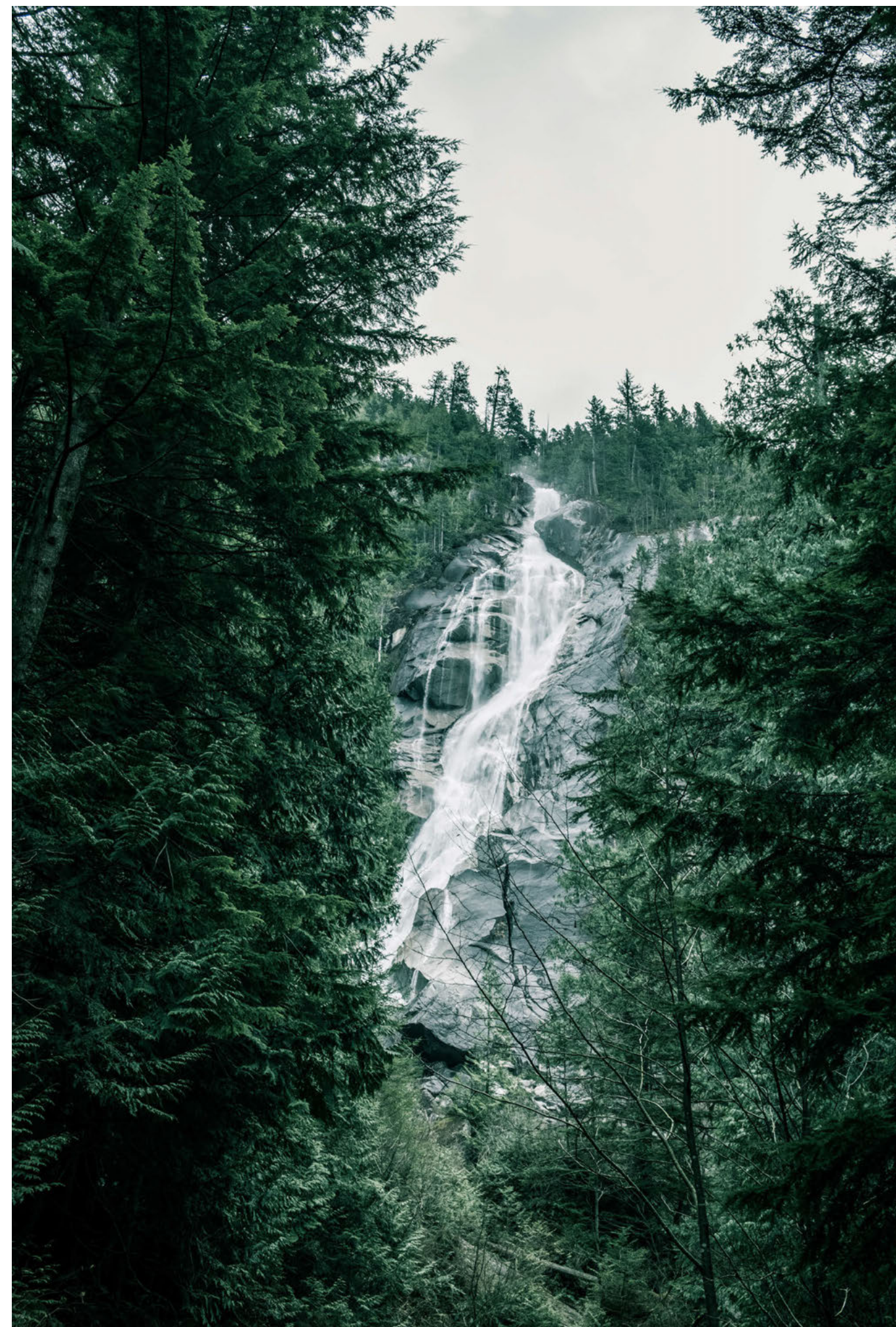
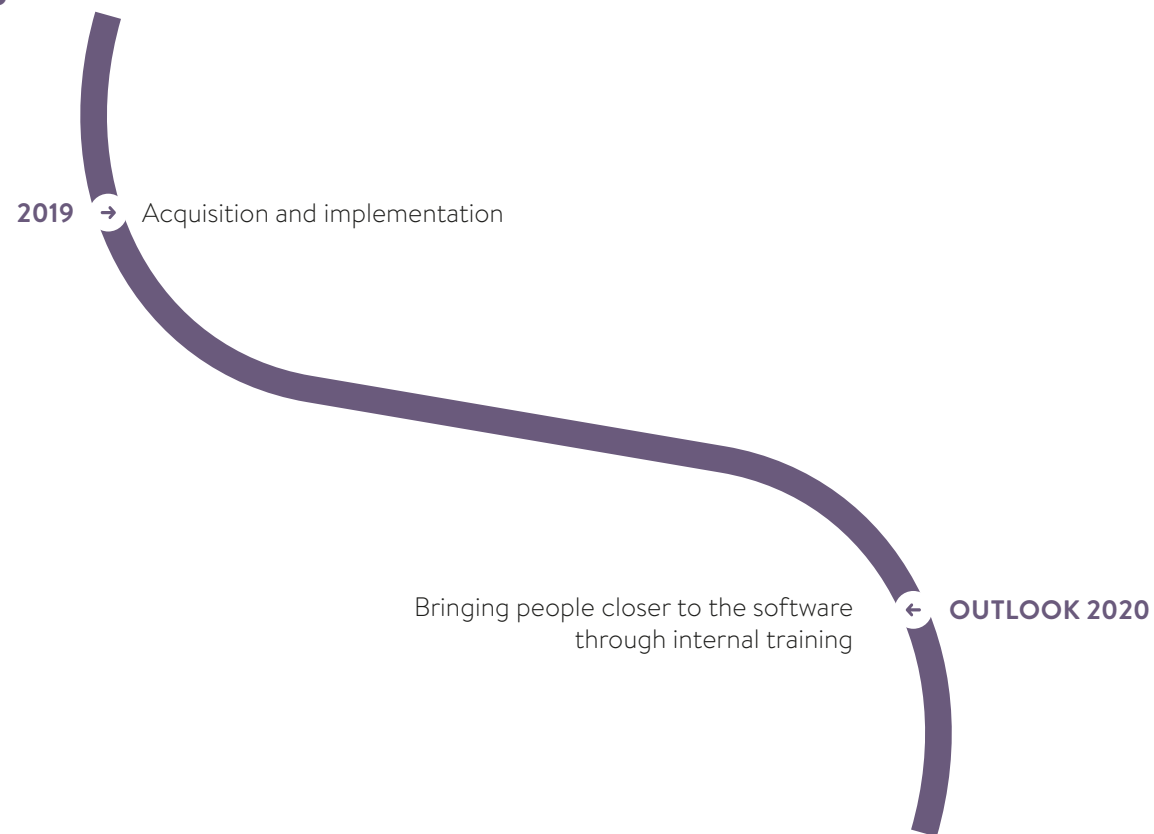
CONTEXT

The project “Online Video Conferencing” is strongly supporting our overall objective to reduce business travel to a minimum. By facilitating online communication, many business meetings can be held virtually. Further, we increase communication between employees from all our company locations.

DESCRIPTION

Decreasing employee mobility through online communication is reducing our carbon footprint while facilitating networking. In 2019, we decided to switch our entire communication to Microsoft Teams and use it as an information system for everyone, both internally between co-workers and with external stakeholders. We aim to give every employee – administrative, technical, production – a digital link to the organisation in order to connect and integrate everyone.

PROCESS



PLANET.

Humanity's responsibility is to protect the planet for current and future generations. Our ambition is to manufacture products that support the needs of the present whilst not harming the planet's future viability.

Therefore, all employees are asked to strive for accelerating innovation that can reduce the product's environmental impact without jeopardising its quality and safety.

The pillar "Planet" is underlining the passion of each and every one at Schur Flexibles about making the planet a better place. Together as a team we want to create a more sustainable present for a liveable future.

MATERIAL TOPICS

Usage of Renewable
Material, Ecological
Footprint of Products

Greenhouse Gas Emissions,
Energy Consumption,
Renewable Energy

USAGE OF RENEWABLE MATERIAL, ECOLOGICAL FOOTPRINT OF PRODUCTS.

OVERALL OBJECTIVE

Replacing finite and fossil-based materials with responsibly-managed renewable materials is key for a sustainable future. Through the usage of renewable materials, we can decrease greenhouse gas emissions whilst also reducing dependency on finite resources. Our main goal is to increase the usage of renewable materials in our products, always focusing on the technical and economic feasibility and evaluating all possible alternatives while doing so. Moreover, our ambition is to reduce potential negative impacts of our products to the minimum, considering all its life stages.

BOUNDARIES

Environmental supplier assessment is not part of this group of material topics but is specifically covered by another material topic.

MANAGEMENT APPROACH

To accomplish the overall objectives, we plan to integrate the life cycle assessment (LCA) approach into our product development process. Through that, we want to get insights into the ecological footprint of our products and best available options to reach our overall goal. Further, through our yearly data collection system in our production sites, we are getting a better understanding on how the trend of substituting fossil-based materials with renewable ones is evolving. This is complimented by the intensive work of our R&D and Product Development teams on future solutions and the selection of raw materials. The responsibility for this group of material topics lies on our sales team as well as on our Head of Sustainability.

KPIs

| | | 2018 | 2019 |
|---|-------------------------|---------------|---------------|
| PRODUCTS SOLD BY WEIGHT | | 96.399.538 KG | 95.641.041 KG |
| TOTAL WEIGHT OF MATERIALS USED TO PRODUCE OUR PRODUCTS | NON-RENEWABLE MATERIALS | 94.981.980 KG | 95.788.375 KG |
| | RENEWABLE MATERIALS | 16.859.328 KG | 16.495.911 KG |
| TOTAL WEIGHT OF MATERIALS USED TO PACKAGE OUR PRODUCTS | NON-RENEWABLE MATERIALS | 821.018 KG | 870.494 KG |
| | RENEWABLE MATERIALS | 3.601.907 KG | 3.666.274 KG |

The main materials used in Schur Flexibles are polymers and films. Beside those, we utilise aluminium and paper. The lion's share of the renewable materials in 2018 and 2019 belongs to paper and fibre based products. Having a 2 % smaller amount of renewable resources used in 2019 reflects the product mix and market requirements and not a general strategic path of the Group. The increase of non-renewable materials has the same root cause. Customer's requirements in the food- and pharma related markets as well as in hygiene markets are moving to smaller reels (which do need higher percentage of packaging material in overall). Furthermore, we do still see the tendency to replace wooden pallets and cardboard cores to plastic ones to avoid fibre contamination at the customers production sites. This effect is reflected in the higher amount of non-renewable packaging materials. The figures for renewable packaging materials are demonstrating the movement to smaller order volumes. Further, it is essential to mention that due to intercompany business transaction double counting of material is possible. However, this demonstrates the resource inputs in the most transparent way.

PROJECTS

MASTER THESIS – LIFE-CYCLE ASSESSMENT

ASSESSMENT FOR CONVERSION FROM PE, PP AND PA TO RENEWABLE RESOURCES

MASTER THESIS – LIFE-CYCLE ASSESSMENT.

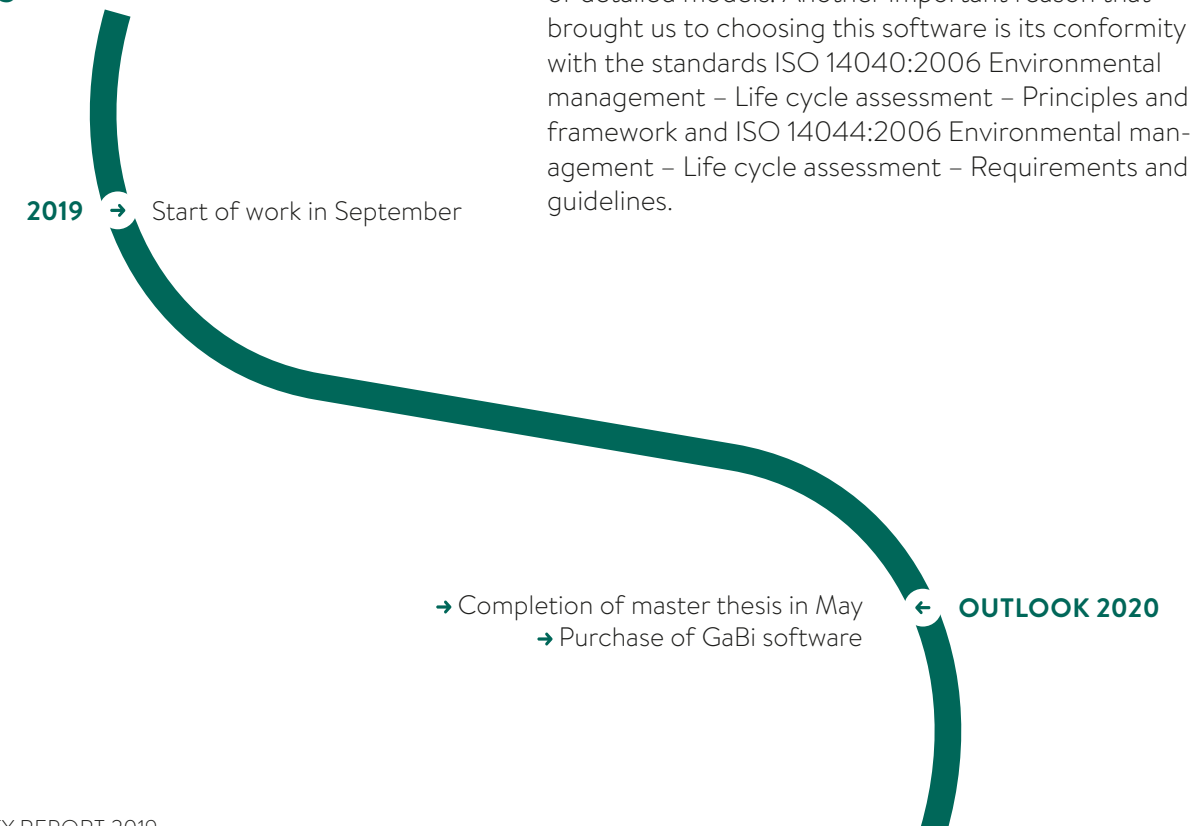
CONTEXT

To set up an LCA model, the input and output data for the specific product produced on a dedicated production line must be accurately evaluated. Hence, we must use a suitable LCA software to reach our overall objective. Therefore, we initiated a project with a Master Student of the University Bayreuth aimed at understanding which LCA software could successfully map our processes and products. The resulting thesis "Key Figures for the Development of a Sustainability Management System at a Production Site for Food Packaging Films" presents a comparison of different software solutions and a guideline for selecting the most appropriate one.

DESCRIPTION

With the support of an LCA software we can determine and evaluate the ecological impacts and emissions of our products. These evaluations help us compare processes, input materials, and products based on their environmental impact and thus give us the possibility to optimise or replace them in case of above-average impact values. This enables our Group to further advance our vision of offering sustainable products with minimal environmental impact. The working group responsible for this task is asked to carry out detailed LCAs that are in line with the requirements of the life cycle assessment standards and can be applied across all our production sites. We also want to use the results of these calculations to identify more energy- and resource-efficient production processes. On the basis of the research conducted by the master's student, we opted for the GaBi software, for it guarantees high flexibility in the configuration of detailed models. Another important reason that brought us to choosing this software is its conformity with the standards ISO 14040:2006 Environmental management – Life cycle assessment – Principles and framework and ISO 14044:2006 Environmental management – Life cycle assessment – Requirements and guidelines.

PROCESS



ASSESSMENT FOR CONVERSION FROM PE, PP AND PA TO RENEWABLE RESOURCES.

CONTEXT

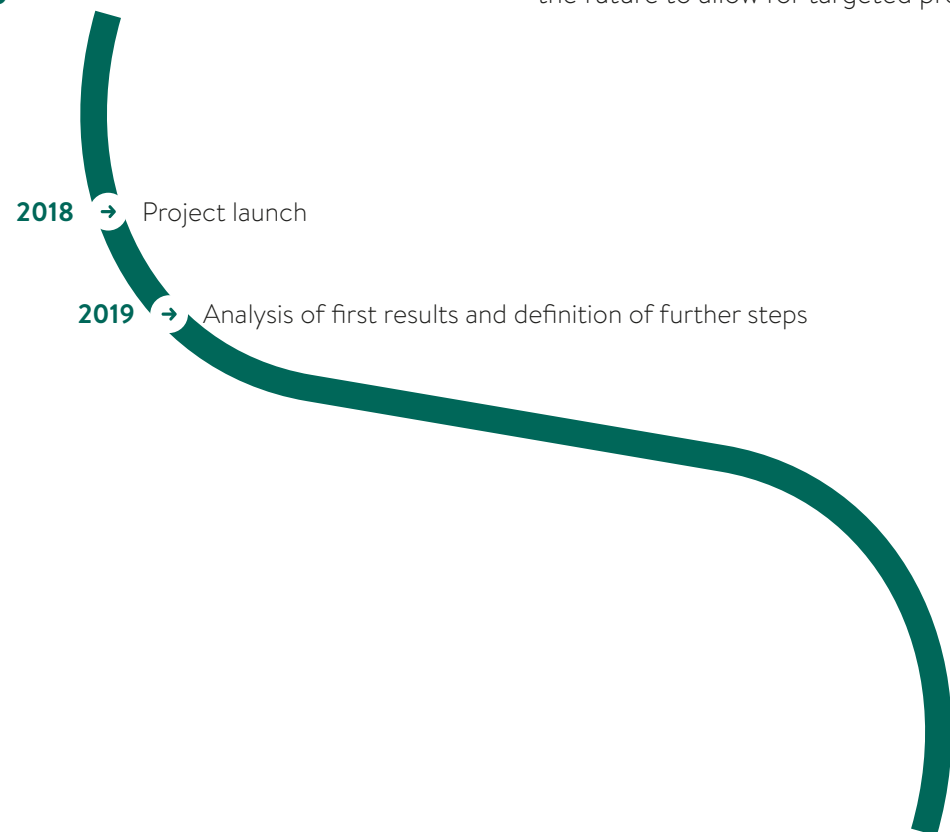
In 2019, the R&D, Sustainability, Production and Purchasing teams collaborated to examine the technical and commercial feasibility of a general conversion from fossil-based PE, PP, PA to renewable resources. The aim was to examine the technical and operational feasibility as well as the commercial effects of such a conversion and to understand what a possible implementation would entail. The data and findings obtained from this assessment will also be useful for future projects concerning other products as well as for the market orientation of Schur Flexibles.

DESCRIPTION

A general or far-reaching conversion of Schur Flexibles' film extrusion from fossil-fuel to renewable resources would be a huge step forward in improving the environmental performance of many of our products. This shift in the sourcing of raw materials strongly contribute to Schur Flexibles' vision to become a leader in sustainability.

The technical feasibility in different extrusion locations was successfully tested during this project. For some raw materials, empirical values based on standard extrusions already exist. The general conversion of all PE, PP, PA raw materials to renewable resources would be technically possible without implications on quality. As a next step, the costs associated to this substitution were determined. The resultant price increases for our products cannot yet be implemented in our markets. However, we will include the results of the project in the future to allow for targeted product development.

PROCESS



GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION, RENEWABLE ENERGY.

OVERALL OBJECTIVE

The world is facing a climate emergency and it is everyone's responsibility to reduce greenhouse gas emissions. At Schur Flexibles we take this at heart and aim to assess our environmental impact by including also our entire supply chain in detail. We are striving to reduce our greenhouse gas emissions to a minimum both on a corporate and on a product level. Our ambition is to constantly improve our processes by reducing input materials used and energy consumed. Further, renewable energy is fundamental for combating climate change, thus we are investigating possibilities to increase the renewable energy share in our overall energy consumption.

MANAGEMENT APPROACH

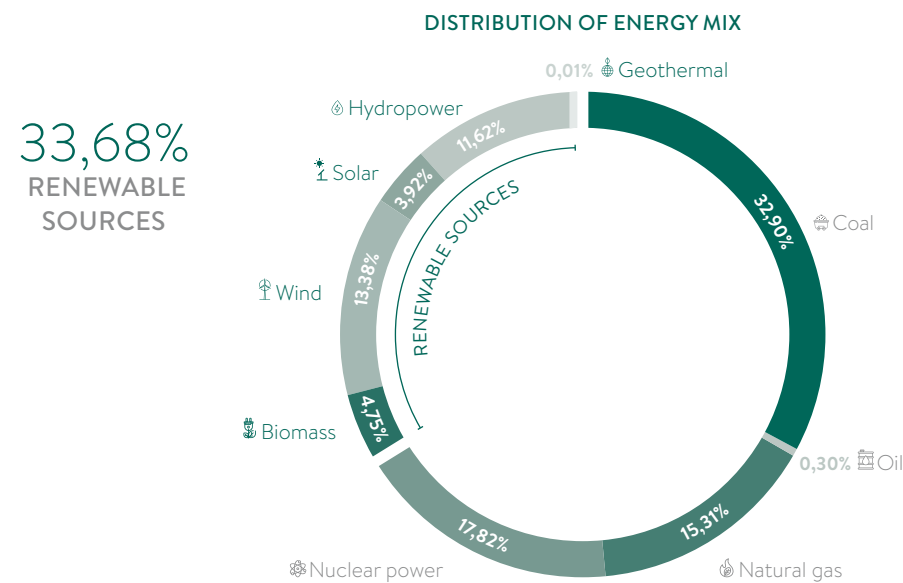
To achieve the overall objectives of the three grouped material topics, we are improving our bank of data thanks to the implementation of an annual data collection system in our production sites. This gives us an overview of the energy consumption and the resulting carbon footprint. Some of our production facilities already have an energy management system in place. Using this as a best practice, we are assessing how we can implement a Group-wide system. Further, the access to renewable energy differs greatly across all countries where we operate. Therefore, we are screening possibilities on how to implement a comprehensive transition towards renewable energy.

BOUNDARIES

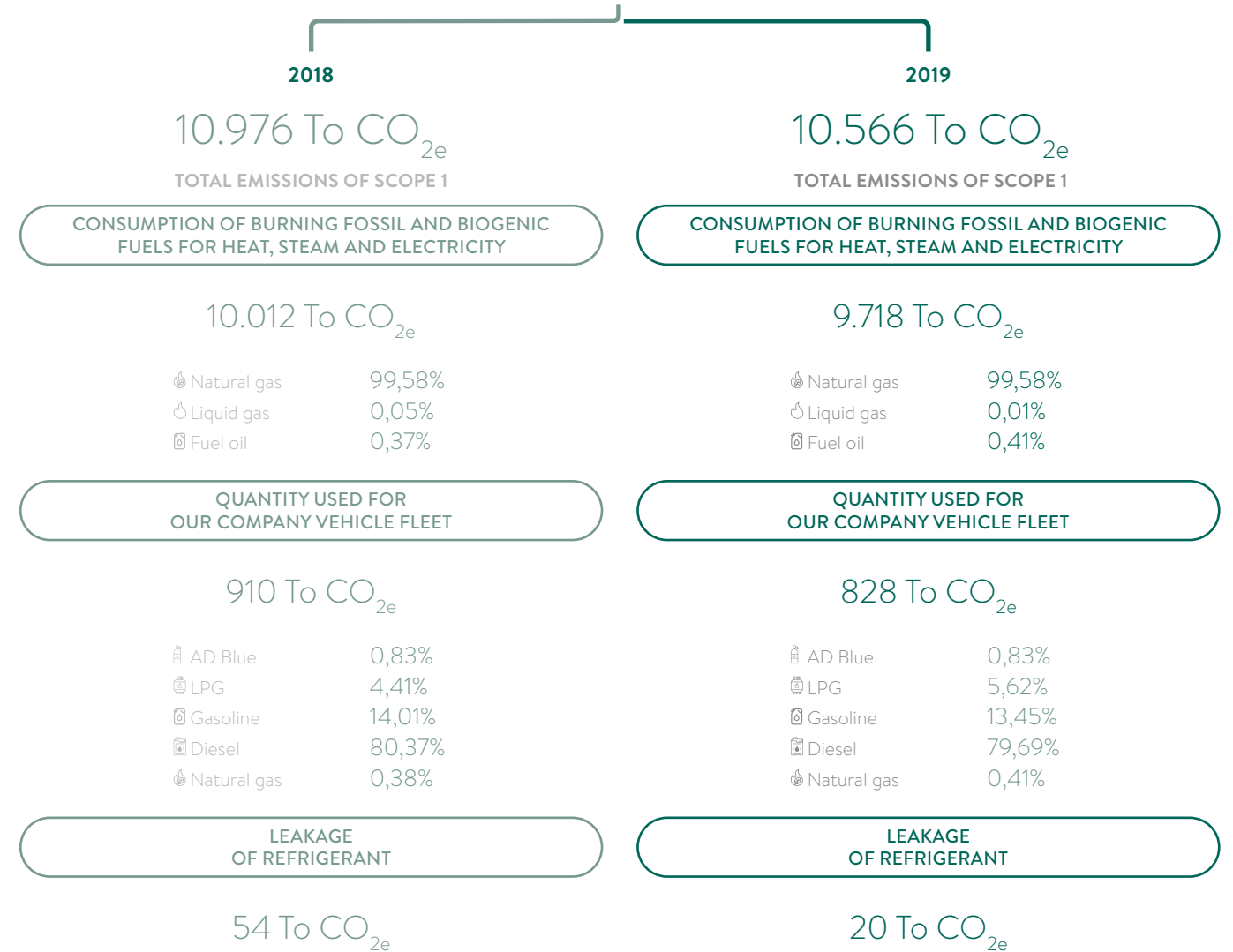
Currently, we only have information on scope 1 and 2 emissions.

KPIs

| | 2018 | 2019 |
|-----------------------------|----------------|----------------|
| TOTAL ELECTRICITY PURCHASED | 91.055.443 kWh | 91.066.212 kWh |



SCOPE 1



SCOPE 2



PROJECT

MASTER THESIS – LIFE-CYCLE ASSESSMENT (SEE PAGE 61)

The project "Master Thesis – Life-Cycle Assessment" is also strongly supporting this group of material topics as it gives us insights into possibilities to reduce the use of greenhouse gases as well as energy consumption. Based on the results, we can define more detailed projects that help us to fulfil the overall objective.



PROSPERITY.

We want our work to be key in creating ecosystems of opportunities. These shall add value in two ways: supporting our stakeholders – enabling them to live prosperous and fulfilling lives – and achieving our economic, social, and technological progress in harmony with nature and its limits.

Prosperity serves as a framework that helps us steer every business activity and decision, allowing us to get closer and closer to reaching our overall objective of minimising our negative impacts and maximising our positive ones. Innovation and transparency are fundamental drivers to achieve this vision.

MATERIAL TOPICS

Resource Efficiency and Circular Economy, Waste Volume and Treatment

Transparency of Supply Chain, Social and Environmental Supplier Assessment

RESOURCE EFFICIENCY AND CIRCULAR ECONOMY, WASTE VOLUME AND TREATMENT.

OVERALL OBJECTIVE

Nature, humanity and the economy are strongly sustained by natural resources. As their existence is finite, the way we manage them is the key to our future. The Schur Flexibles Group wants to be the most sustainable supplier of flexible packaging solutions in Europe. To achieve this goal, we are working to continuously improve the resource efficiency of our range of sustainable and recyclable products and implement the principles of circular economy throughout our business – as outlined in our 5R sustainability approach. Improving resource efficiency and keeping materials in the loop not only reduces the speed at which natural resources are depleted, but also gives us the opportunity to optimise costs.

BOUNDARIES

These two material topics are grouped together and focus on the development of alternative packaging solutions. Continuous process improvement is not subject to this chapter.

KPIs

| | 2018 | 2019 |
|--|---------------|---------------|
| PERCENTAGE OF RECLAIMED PRODUCTS | 1,10% | 1,16% |
| PERCENTAGE OF RECYCLED INPUT MATERIALS | 2,42% | 1,97% |
| NUMBER OF NEW RECYCLABLE PRODUCTS | 1 | 13 |
| TOTAL WASTE | 20.217.189 KG | 21.195.686 KG |

The Schur Flexibles Group transferred products and machinery from a printing and laminating production site in Germany to sites in France and Poland and closed the former Schur Flexibles Flexofol. Therefore, the figures of this production site are not covered in the Sustainability Report 2019 – in overall one would see a decrease in all resources needed. While transferring products in the flexible films industry the “tribal knowledge” providing the last percentages of the long-known customer requirements cannot be transferred as easy. Therefore, we have seen in the production sites taking over a higher percentage of non-conform products – which had been blocked out due to quality reasons. Printed films cannot be re-used in the production and therefore the waste figures increase. While closing and cleaning up a site, one typically has to dispose a lot of not any more used spare parts etc. This also contributes to the higher waste rates. Within our business, we do not buy external postindustrial materials to safeguard the hygiene and quality of our packaging films and the customers goods. Therefore, the only source for postindustrial materials is our own production scrap from the extrusion factories. Having a “decreased” input of recycled input materials therefore clearly expresses, that less recycled material was available – i. e. less “scrap” had been accrued. In overall, a more sustainable result in 2019 compared to 2018.

MANAGEMENT APPROACH

To achieve the overall objective, we are investing greatly in innovation to increase our range of recyclable products. Further, we have established a close contact with our suppliers, partners and clients and are observing their needs and reactions across markets. We assess our improvements based on real data: we are improving the data collection on key factors and have implemented a system that works across all our production sites, allowing us to collect data on a yearly basis. Moreover, ensuring compliance with legal requirements gives us the framework for our strategic development. The main responsibility for this group of material topics lies with our Head of Sustainability.

WASTE TREATMENT

INTERNALLY TREATED

5.086.061 kg 2018 5.115.535 kg 2019

HAZARDOUS

2.850.900 kg 2018 2.855.979 kg 2019

| | 2018 | | 2019 |
|--------------------|-------|--------------------|-------|
| ♻️ Recycling | 16,4% | ♻️ Recycling | 23,6% |
| ♻️ Recovery | 67,7% | ♻️ Recovery | 59,7% |
| 🔥 Incineration | 11,3% | 🔥 Incineration | 11,0% |
| 🗑️ On-site storage | 0,2% | 🗑️ On-site storage | 1,2% |
| ... Other | 4,4% | ... Other | 4,5% |

NON-HAZARDOUS

2.235.161 kg 2018 2.259.556 kg 2019

| | 2018 | | 2019 |
|--------------------|-------|--------------------|-------|
| ♻️ Recycling | 44,2% | ♻️ Recycling | 46,4% |
| 🗑️ On-site storage | 0,5% | 🗑️ On-site storage | 0,3% |

EXTERNALLY TREATED

15.131.128 kg 2018 16.080.151 kg 2019

HAZARDOUS

1.467.255 kg 2018 1.843.323 kg 2019

| | 2018 | | 2019 |
|----------------|-------|----------------|-------|
| ♻️ Recycling | 4,6% | ♻️ Recycling | 3,0% |
| ♻️ Recovery | 36,5% | ♻️ Recovery | 40,5% |
| 🔥 Incineration | 31,4% | 🔥 Incineration | 25,2% |
| ... Other | 4,8% | ... Other | 10,6% |
| × N/A | 12,7% | × N/A | 12,4% |

NON-HAZARDOUS

13.66.874 kg 2018 14.236.828 kg 2019

| | 2018 | | 2019 |
|----------------|-------|----------------|-------|
| ♻️ Recycling | 53,0% | ♻️ Recycling | 49,5% |
| ♻️ Recovery | 8,1% | ♻️ Recovery | 12,3% |
| 🔥 Incineration | 21,3% | 🔥 Incineration | 20,6% |
| 🗑️ Landfill | 2,9% | 🗑️ Landfill | 2,1% |
| × N/A | 7,9% | × N/A | 8,0% |

PROJECTS

MONITORING THE LEGAL ENVIRONMENT

DEVELOPMENT OF RECYCLABLE PRODUCTS

MONITORING THE LEGAL ENVIRONMENT.

CONTEXT

By continuously monitoring the legal environment, we aim to ensure compliance with legal requirements in the area of materials use and circular economy. This ongoing process gives us the framework for our work and decisions.

DESCRIPTION

In order to be a leader in the field of sustainability, we demonstrate trustworthiness to our clients regarding our expertise and our products. We are selling our products worldwide and legislative requirements vary widely from country to country. To ensure compliance with all regulations, we must screen each country's legislations individually to be able to develop suitable recyclable products that can then be used with all their functions in the respective country. On an operational level, this entails conducting desk research and participating in panel discussions and forums. Our Sustainability team is responsible for this ongoing process.

PROCESS



EU DIRECTIVE ON PACKAGING AND PACKAGING WASTE (EU) 2018/852

The EU Directive 2018/852 on Packaging and Packaging Waste is a supplement to Directive 94/62/EC. It defines the rules on packaging as well as on packaging waste in the European Union with the aim to harmonise national measures regarding impact management and reduction. The 2018/852 Directive sets more challenging requirements for member states, with the objective to prevent the production of packaging waste and to encourage reusable packaging, avoiding final disposal. Further, it defines new recovery and recycling targets. The Directive applies to all packaging placed on the European market.

DEVELOPMENT OF RECYCLABLE PRODUCTS.

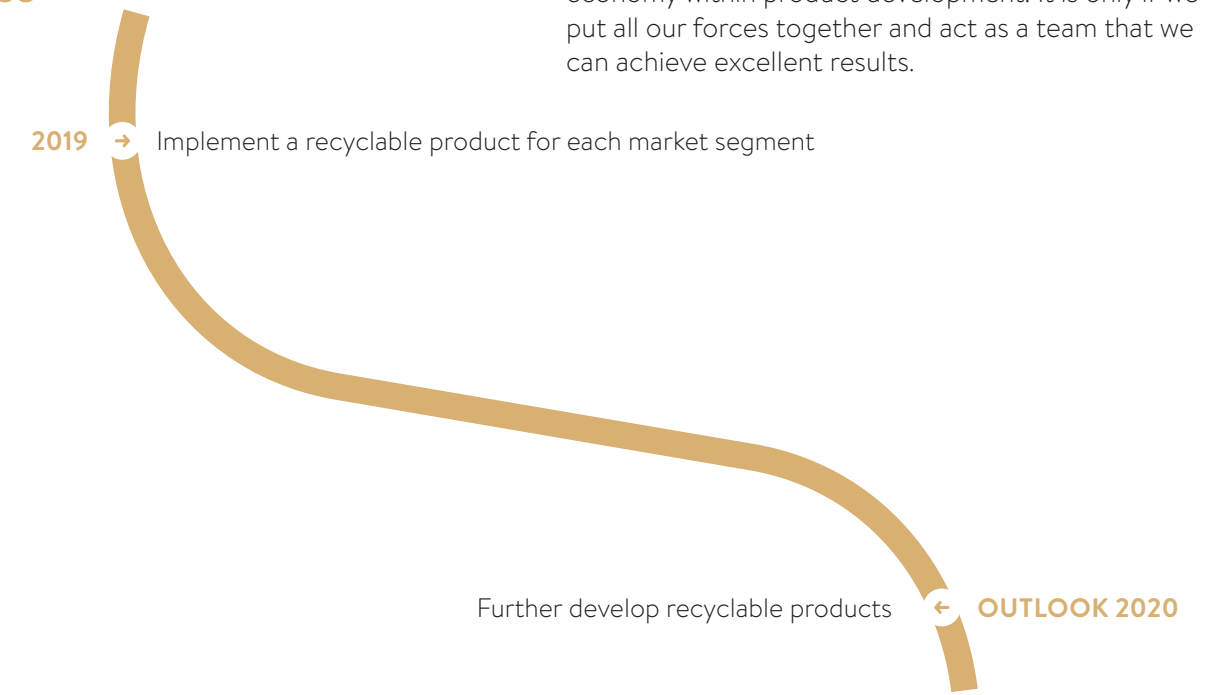
CONTEXT

For us, developing recyclable products means being able to offer at least in the beginning one recyclable alternative for each market segment served by Schur Flexibles and extending the product portfolio to more recyclable structures later on.

DESCRIPTION

Amongst other principles, easy product recyclability is essential in a circular economy. In this context, our ambition is to keep the input materials used for our products in the loop. With the development of recyclable packaging solutions and the usage of mono-material, we want to contribute our share to a circular future. We want to offer recyclable solutions for every market segment covered by our business. To reach our goal and speed up the development, our Head of R&D, Michael Martin, together with our Sustainability team, set up an internal network of employees to specifically focus on recyclability and circular economy within product development. It is only if we put all our forces together and act as a team that we can achieve excellent results.

PROCESS



SUCCESS STORY: VACUFLEX(RE) EX-T

Our thermoforming film made of polyolefins combines recyclability with resource efficiency. It is available in thicknesses from 80 to 175 µm and features excellent machinability in all thermoforming machines with extremely high product protection. The high-gloss and transparent film can be printed in up to ten colours and is suitable for fresh and processed foods. In a project with Neuberger GmbH & Co. OG., we developed an innovative packaging solution for their vegetarian food range HERMANN that reduces the use of input material by 80%. The packaging uses Schur Flexibles' recyclable VACUflex® EX-T for the bottom film combined with FlexTop® transparent and recyclable top film.

TRANSPARENCY OF SUPPLY CHAIN, SOCIAL AND ENVIRONMENTAL SUPPLIER ASSESSMENT.

OVERALL OBJECTIVE

Schur Flexibles aims to achieve full transparency of its supply chain. In this respect, ensuring full traceability throughout the supply chain is one of our key ambitions. Further, we define the quality of our products also by considering environmental and social factors that arise throughout the supply chain. At the moment, there are several site-based initiatives at Schur Flexibles. Our aim is to work on a Group-wide process to guarantee fulfilment of the legal requirements and highest quality with each of our supplier.

BOUNDARIES

In this group of three material topics, the focus is on raw material suppliers.

MANAGEMENT APPROACH

Compliance with the present legal framework forms the basis to ensure traceability and risk assessment. Today, compliance is mainly organised independently by each site. The most common approach is asking suppliers to complete a questionnaire covering ecological and legal requirements. We are now working on a harmonised corporate policy, which will become effective in 2020. The document will be a Supplier Code of Conduct which lays out our strict environmental, social, and ethical standards throughout our raw materials supply chain.



SUPPLIER QUESTIONNAIRE.

CONTEXT

The supplier questionnaire guarantees compliance with legal regulations, ethical and hygiene requirements and quality standards and ensures traceability of raw materials. It is the most widely used initiative at Schur Flexibles today.

DESCRIPTION

The questionnaire includes questions to ensure:

- Compliance with legal and official regulations (mainly regarding food contact, environmental protection, regulation on chemicals, and noise reduction)
- Observation of the recognised rules of technology, safety regulations and the agreed technical specifications
- Hygiene and quality
- Traceability of raw materials
- Anti-corruption rules
- Health, safety, environmental and employment legislation

Currently, a wide range of our suppliers are screened according to these questions and possible non-conformities are ground for exclusion.

EUROPEAN FRAMEWORK REGULATION (EC) 1935/2004

As our products are mostly used for the food packaging industry, we must follow the requirements for food contact materials laid out by the European Framework Regulation (EC) 1935/2004. The implementation of the framework guarantees that all materials in contact with food neither harming human health, nor change the food's taste, smell or composition. Further, all materials that are in contact with food must be produced based on the guidelines of the European Framework Regulation (EC) 2023/2006. In addition to the framework, there are specific European measures for certain food contact materials, such as plastics (EC 10/2011), regenerated cellulose film, ceramics, recycled plastics, and active and intelligent materials. Materials like paper, cardboard, glass, metal, printing inks, colourants and other items are part of the framework 1935/2004 and no harmonised European regulation is in place at the moment.

SUPPLIER CODE OF CONDUCT.

CONTEXT

The objective of the Supplier Code of Conduct is to implement a Group-wide harmonised process to guarantee responsible production along our supply chain.

DESCRIPTION

With the implementation of a Supplier Code of Conduct, we want to guarantee baseline social and environmental standards throughout our supply chain. It will encompass the fundamental principles of our Group Code of Conduct and will be based on the ten principles of the United National Global Compact and core labour standards of the International Labour Organization.

PROCESS

2019 → Drafting of the Supplier Code of Conduct

- Finalisation of the Supplier Code of Conduct
- From the end of 2020, all new suppliers will be asked to sign the new Supplier Code of Conduct
- Step by step, all our existent suppliers will also be informed about it and asked to sign

← OUTLOOK 2020



APPENDIX.

FULL LIST OF CONSOLIDATED SCHUR FLEXIBLES SUBSIDIARIES

- Schur Flexibles Holding GesmbH, Wiener Neudorf, Austria
 - Schur Flexibles GmbH, Berlin, Germany
 - Schur Flexibles Uni Austria GmbH, Pottendorf, Austria
 - RPD Liegenschafts GmbH, Pottendorf, Austria
 - Schur Flexibles Denmark A/S, Bjert, Denmark
 - Danapak Flexibles A/S, Slagelse, Denmark
 - Schur Flexibles Finland Oy, Jakobstad, Finland
 - Schur Flexibles Germany GmbH, Kempten, Germany
 - Schur Flexibles Dixie GmbH, Kempten, Germany
 - Schur Flexibles Dixie Verwaltungs GmbH, Kempten, Germany (Established end of 2019)
 - Schur Flexibles Dixie Films GmbH & Co. KG, Kempten, Germany (Established end of 2019)
 - Schur Flexibles Flexofol GmbH, Kempten, Germany
 - Hänsel Flexible Packaging GmbH, Freital, Germany
 - Schur Flexibles Vacufof GmbH, Bad Grönenbach, Germany
 - PS Polymer Sourcing GmbH, Warburg, Germany
 - Schur Flexibles Uni UK Limited, Midlothian, Great Britain
 - Schur Flexibles Uni UK Converting Limited, St Helens, Great Britain
 - Oui3 Ltd, Liverpool, Great Britain
 - Schur Flexibles ABR SA, Komotini, Greece
 - Prisma SA, Komotini, Greece
 - Schur Flexibles Uni SAS, Averdoingt, France
 - Schur Flexibles Uni Roto SAS, Averdoingt, France
 - Schur Flexibles Uni Flexo SAS, Fontenay-le-Comte, France
 - Schur Flexibles Uni Coextrusion SA, Vendôme, France
 - Schur Flexibles Uni Pouches SARL, La Ferté-Bernard, France
 - Schur Flexibles Uni Logistics SASU, La Ferté-Bernard, France
 - Nimax B.V., Elst, Netherlands
 - Nimax Onroerend Goed B.V., Elst, Netherlands
 - Cats Flexible Packaging B.V., Rotterdam, Netherlands
 - Schur Flexibles Benelux B.V., Leek, Netherlands
 - Drukkerij Zwart B.V., Amersfoort, Netherlands
 - TSO Packaging Printers B.V, Goirle, Netherlands
 - Schur Flexibles Poland Sp.z.o.o., Bogucin, Poland
 - Schur Flexibles Moneta s.r.o., Trebisov, Slovakia
 - Dixie Iberia SLU, Cerdanyola Del Valles, Spain
 - Scandiflex Pac AB, Landskrona, Sweden
 - OOO Schur Flexibles Rus, Saint Petersburg, Russia
 - Zwart LLC, Saint Petersburg, Russia
- Schur Flexibles participates in the above listed companies with different degrees of ownership.

LIST OF COUNTRIES IN WHICH SCHUR FLEXIBLES HAS CLIENTS

Albania, Algeria, Argentina, Aruba, Australia, Austria, Belarus, Belgium, Bermuda, Brazil, Bulgaria, Canada, Chile, Colombia, Costa Rica, Côte d'Ivoire, Croatia, Cyprus, Czech Republic, Denmark, Dominican Republic, Egypt, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, India, Indonesia, Iran, Ireland, Israel, Italy, Japan, Kazakhstan, Kuwait, Latvia, Lithuania, Luxembourg, Macedonia, Malaysia, Martinique, Mexico, Monaco, Morocco, Netherlands, New Zealand, Nicaragua, Norway, Oman, Paraguay, Peru, Poland, Portugal, Qatar, Romania, Russian Federation, Samoa, Saudi Arabia, Serbia, Slovakia, Slovenia, Solomon Islands, South Africa, South Korea, Spain, Suriname, Sweden, Switzerland, Tunisia, Turkey, Turkmenistan, Ukraine, United Arab Emirates, United Kingdom, United States, Uruguay, Uzbekistan

MATERIAL TOPICS

| MATERIAL TOPIC | EXPLANATION |
|--|---|
| Education and training | Facilitation and financing of professional and personal development (training, university, additional courses, ...); internal training |
| Health and safety | Guarantee of occupational safety for all employees (training, protective measures, protective clothing, ...) |
| Employee participation | Flat hierarchy; participation in design; involvement of employees |
| Gender equality | Equal rights and opportunities between women and men; equal payment; no discrimination; no violence |
| Diversity | Women and men in management positions; social diversity of employees (age, gender, education, ethnic origin, religion, sexual orientation, ...) |
| Governance | Principles of corporate governance – regulatory framework for the management and supervision of the company |
| Greenhouse gas emissions | Calculation of greenhouse gas emissions; reduction of emissions |
| Energy consumption | Energy consumption; energy management system in the company; energy reduction |
| Renewable energy | Energy mix used from renewable sources; production of own electricity |
| Mobility | Staff mobility (travel to and from work, business trips); means of transportation; reduction of greenhouse gas emissions |
| Resource efficiency and circular economy | Efficient use of resources (waste prevention, promotion of reuse) and implementation of the principles of circular economy (no waste, no pollution, keeping products and materials in use, regeneration of natural systems) |
| Waste volume and treatment | Waste management – reduction; separation; reuse; treatment |
| Stakeholder involvement on sustainability topics | Cooperation with stakeholders; transparent communication; management of joint projects |
| Transparency of supply chain | Information on the entire supply chain; countries of origin; composition of materials |
| Supplier environmental assessment | Ecological criteria requested from suppliers as a prerequisite for cooperation (use of materials, waste management, wastewater management, use of toxic materials, etc.) |
| Supplier social assessment | Social criteria that are required of suppliers as a prerequisite for cooperation (equality, fair payment, health, education, ...) |
| Usage of renewable material | Use of materials that are quickly replenished by ecological cycles or agricultural processes, for example: wood, cork, bamboo |
| Ecological footprint of products | Calculation of the overall environmental impact of products |
| Social policies and benefits | Optimising performance at the workplace (preventive programmes, childcare, insurance, sports facilities, parental leave) |
| Biodiversity | Protection and promotion of biodiversity (protection of species, habitats, and genetic diversity) |
| Local community engagement | Voluntary help (time or money) for projects that serve a good cause |
| Unions allowed | Establishment of unions is generally permitted and is encouraged by the company |
| Working time model | Flexitime; home office; part-time; confidential working hours |
| Emitted volatile organic compounds in atmosphere | Amount of VOC emitted in the atmosphere and efforts towards recovery and reduction |
| Water consumption | Wastewater management; reduction of water consumption |
| Sustainability of transport packaging | Use of sustainable and reusable packaging materials |
| Recycled raw material | Use of raw materials that can be recycled and/or that are recycled |

RESULTS OF STAKEHOLDER DIALOGUES

STAKEHOLDER 1 – SHAREHOLDERS

- Objectives**
- Identify and validate the potential material topics
 - Collect their expectations and understanding of sustainability
- Method** Interview conducted via telephone
- Results**
- The most relevant topics for shareholders: diversity, gender equality, health and safety, resource efficiency and circular economy, greenhouse gas emissions, ecological footprint of products, recycled raw materials, energy consumption, local community engagement
 - The shareholders gave a positive feedback regarding Schur Flexibles' work on sustainability
 - We were able to get a deeper insight and understanding on their sustainability considerations and investment decision mechanisms, as well as planned future path to increase value

STAKEHOLDER 2 – FINANCIAL SERVICE PROVIDERS

- Objectives**
- Identify and validate the potential material topics.
 - Understand stakeholders' perception of Schur Flexibles in general and of its sustainability engagement in particular.
 - Measure stakeholder's commitment regarding the sustainability path pursued at Schur Flexibles.
- Method** Online video conference
- Results**
- The most relevant topics for the financial service providers: recycled raw materials, usage of renewable material, greenhouse gas emissions, resource efficiency and circular economy, health and safety.
 - The financial service providers are satisfied with the sustainability engagement, nevertheless, they found it difficult to specifically evaluate the performances on the 3 different sustainability pillars since there is a perceived lack of information. They have positively welcomed the stakeholder engagement initiative as well as the first Group-wide Sustainability Report.

STAKEHOLDER 3 – EMPLOYEES AND 6 – NEW AND FUTURE EMPLOYEES

- Objectives**
- Identify and validate the potential material topics
 - Gain insight into employees' perception regarding the importance of sustainability
 - Understand their perception of Schur Flexibles' sustainability engagement
- Method** Online focus groups
- Results**
- The most relevant topics for employees: health and safety, waste volume and treatment, recycled raw material, ecological footprint of products, energy consumption
 - Sustainability represents a high priority for the employees. Among others, topics like responsibility for the future of our children, health, circular economy, human rights, climate and safety were addressed
 - Generally, employees gave positive feedback on Schur Flexibles' work on sustainability, with a specific focus on the improvements attained in the last years

STAKEHOLDER 4 – CLIENTS

- Objectives**
- Identify and validate the potential material topics
 - Gain insight into clients' expectations and understanding of sustainability
 - Understand clients' perception of Schur Flexibles in general and of its sustainability engagement in particular
- Method** Online questionnaire
- Results**
- The most relevant topics for clients: health and safety, resource efficiency and circular economy, waste volume and treatment, greenhouse gas emissions, ecological footprint of products, usage of renewable material, recycled raw material
 - Generally, clients have a positive image of Schur Flexibles. Most of them pointed out that the cooperation is good, proactive and reliable.
 - Clients underlined the increased importance of sustainability in the industry and the need for cooperation of all stakeholders within the supply chain

STAKEHOLDER 5 – SUPPLIERS

- Objectives**
- Identify and validate the potential material topics
 - Gain insight into clients' expectations and understanding of sustainability
 - Understand clients' perception of Schur Flexibles in general and of its sustainability engagement in particular
- Method** Online questionnaire
- Results**
- The most relevant topics for suppliers: employee participation, health and safety, education and training, resource efficiency and circular economy, waste volume and treatment, greenhouse gas emissions, energy consumption, governance
 - Suppliers see sustainability as one of their top priorities and they fully recognise the need for the packaging industry to move from a linear to a circular economy and the consequent need for strong cooperation amongst stakeholders along the entire value chain
 - Suppliers generally perceive Schur Flexibles as an innovative company with ongoing optimisation efforts

STAKEHOLDER 7 – RETAILERS

- Objectives**
- Identify and validate the potential material topics
 - Gain insight into clients' expectations and understanding of sustainability
 - Understand clients' perception of Schur Flexibles in general and of its sustainability engagement in particular
- Method** Online questionnaire
- Results**
- The most relevant topics for retailer: resource efficiency and circular economy, waste volume and treatment, usage of renewable material, recycled raw material, sustainability of transport packaging
 - Retailers see the greatest challenge in the implementation of a circular economy
 - Schur Flexibles is perceived as an innovative and future-oriented company that is open to cooperation

STAKEHOLDER 9 – NGOS

- Objectives**
- Identify and validate the potential material topics
 - Understand NGOs perception of Schur Flexibles in general and of its sustainability engagement in particular
 - Explore possibilities to improve sustainability engagement
- Method** Online video conference
- Results**
- The most relevant topics for the NGOs: health and safety, resource efficiency and circular economy, greenhouse gas emissions, supplier environmental assessment, water consumption, transparency of supply chain, ecological footprint of products, renewable energy, biodiversity,
 - NGOs see the main challenge in building strong and true cooperation among stakeholders (especially manufacturers, politics, and consumer) to overcome the plastic waste problem. They see the most important topics in varietal purity, separability, and recyclability.
 - They see uniform packaging guidelines as the most crucial possibility to improve sustainability engagement. Furthermore, the analysis of packaging reduction, social change, recyclability, and transparency are considered as essential
-

STAKEHOLDER 11 – MEDIA

- Objectives**
- Identify and validate the potential material topics
 - Understand media's perception of Schur Flexibles in general and of its sustainability engagement and communication strategy in particular
 - Understand media's standing point regarding the sustainability discourse
- Method** Online questionnaire
- Results**
- The most relevant topic for media: resource efficiency and circular economy, greenhouse gas emissions, ecological footprint of products, usage of renewable material, recycled raw material, sustainability of transport packaging, energy consumption, governance
 - Media overall have a positive perception of Schur Flexibles, mentioning key words like, full-service provider, research focus, innovative, international.
 - Sustainability in the packaging industry is essential. Legislation is seen as a key enabler to anchor it in the sector
 - Cooperation with media is perceived as very good and further opportunities for cooperation were pinpointed
-

STAKEHOLDER 20 – RECYCLERS AND WASTE DISPOSAL ORGANISATIONS

- Objectives**
- Identify and validate the potential material topics
 - Understand interest group's perception of Schur Flexibles' sustainability engagement
 - Explore cooperation opportunities
- Method** Online video conference
- Results**
- The most relevant topics for recyclers and waste disposal organisations: resource efficiency and circular economy, waste volume and treatment, recycled raw material, governance, ecological footprint of products, greenhouse gas emissions
 - This stakeholder group values Schur Flexibles' knowledge on sustainability, but found it difficult to evaluate social responsibility efforts, as they don't have insights on that
 - Cooperation in different fields is not only perceived as possible but already existing and with potential to grow, although currently there are certain conflicts of objectives



GLOSSARY.

ABBREVIATIONS

| | | | |
|------------------|---|-------|--|
| CEFLEX | Circular Economy for Flexible Packaging | PA | Polyamide |
| CoC | Code of Conduct | PE | Polyethylene |
| CO _{2e} | Carbon dioxide equivalents | PP | Polypropylene |
| COP | Communication on Progress | R&D | Research and Development |
| GRI | Global Reporting Initiative | SDGs | Sustainable Development Goals |
| IFRS | International Financial Reporting Standards | SU | Sales Unit |
| KPI | Key Performance Indicator | UNCAC | United Nations Convention Against Corruption |
| LCA | Life-Cycle Assessment | VOC | Volatile Organic Compounds |
| NGO | Non-Governmental Organisation | | |

GLOSSARY

| TERM | DEFINITION |
|------------------------------------|---|
| 4Ps | The 4Ps represent Purpose, People, Planet and Prosperity and are a result of our Group-wide project “ReThinking Schur Flexibles”, which has the goal of redefining the Group identity and developing a stronger Group thinking towards sustainable development and behaviour. These four dimensions shape the strategic future of Schur Flexibles. |
| 5R | Our sustainability strategy is called the 5R, which represent: Responsibility, Reduction, Renewal, Replacement and Recycling. |
| Administrative employees | Employees without technical tasks at Schur Flexibles (e.g. employees that work in HR, Marketing, PR, Accounting). |
| C-level management | C-level management includes the top-level management positions at Schur Flexibles (“Board members”). |
| Employees with specific workplaces | Employees with disabilities that need specific workplaces adapted to their personal physical or psychical abilities. |
| Employment contracts | Employment contracts are recognised under national law or practice that can be written, verbal, or implicit. |
| Global Reporting Initiative | The Global Reporting Initiative is an international guideline for sustainability reporting that aims at reporting on sustainability impacts in a consistent and credible way. |
| Greenhouse gas emissions | Greenhouse gas emissions are the sum of emissions of various gases: carbon dioxide, methane, nitrogen oxide, and smaller trace gases that are by-products of the industrial processes of business operations. The increased production of greenhouse gas emissions is the main driver of global climate change. |
| Greenhouse Gas Protocol | The Greenhouse Gas Protocol is the world’s most widely used standard to account greenhouse gas emissions for companies. |
| IPCC | The Intergovernmental Panel on Climate Change assesses the science related to climate change and is a United Nations body. |
| LCA (Life-Cycle Assessment) | A tool used to analyse the environmental impact of a product, activity, or process along all phases of its life cycle, by quantifying the use of resources and emissions into the environment associated with the system under assessment. |

| | |
|-----------------------------------|---|
| LTI (Lost time injury) | A lost time injury is an injury of a member of Schur Flexibles’ workforce sustained during an activity within the given reporting boundaries that will result in a loss of productive work time. An injury is considered a lost time injury when the injured worker is unable to perform regular job duties, takes time off for recovery for more than one day, or is assigned modified work duties while recovering. Lost time injuries encompass both temporary injuries that keep the employee away from work for a day to permanent disabilities and conditions that prevent them from ever returning to the job or performing the same work tasks. |
| Non-renewable material | Non-renewable materials are resources that don’t renew in short time periods (“fossil”, e.g. crude oil, coal, minerals). |
| Part/full time employee | A part-time employee is an employee whose working hours per week, month, or year are less than full-time. Full-time means the employee’s working hours per week, month, or year are defined according to national legislation. |
| Permanent employment contract | A permanent employment contract is a contract with an employee, for fulltime or part-time work, for an indeterminate period. |
| Production employee | Employees that work in the production. |
| Reclaimed product | Refers to collecting, reusing, or recycling products and their packaging materials at the end of their useful lives. |
| Recycled input materials | Material that replaces virgin materials, which are purchased or obtained from internal or external sources suitable for the desired application. |
| Renewable energy source | Energy source that is capable of being replenished in a short time through ecological cycles or agricultural processes, like geothermal, wind, solar, hydro, and biomass. |
| Renewable material | Material that is derived from plentiful resources that are quickly replenished by ecological cycles or agricultural processes, so that the services provided by these and other linked resources are not endangered and remain available for next generations (e.g. wood, bamboo and cork). Within the polymer and plastics industry, there are new resources available now which are under consideration to be utilised in Schur Flexibles products. |
| Scope of greenhouse gas emissions | Classification by the Greenhouse Gas Protocol of the operational boundaries where greenhouse gas emissions occur. |
| Scope 1 | Greenhouse gas emissions from sources that are owned or controlled by an organisation. |
| Scope 2 | Greenhouse gas emissions that result from the generation of purchased or acquired electricity. |
| Senior executives | CEO, CSO, CFO and individuals reporting directly to the CEO, CSO, CFO. |
| Stakeholder | A stakeholder can be any individual, group or party that has an interest in a company and can either affect or be affected by the business. |
| Technical employees | Employees that are working in the technical field and that have a technical function (e.g. employees working in product development, head of production). |
| Temporary employment contract | A temporary employment contract is of limited duration, and is terminated by a specific event, including the end of a project or work phase or return of replaced employees. |
| Volatile Organic Compounds | VOC are released into the atmosphere by evaporation when solvent-based products are used. It is a diverse group of substances that include petrol, alcohol, thinners, etc. |

GRI INDEX.

INTRODUCTION

| GRI Disclosure Number | Disclosure Title | Page ref. | Comments |
|-----------------------|---|---|---|
| 102-1 | Name of the organization | 10 | Legal name of the company until 2019: Schur Flexibles GmbH, Berlin, Germany Legal name of the company from 2020: Schur Flexibles Holding GesmbH, Wiener Neudorf, Austria |
| 102-2 | Activities, brands, products, and services | 14-15 | |
| 102-3 | Location of headquarters | 10; 12-13; 76 | |
| 102-4 | Location of operations | 10; 12-13; 76 | |
| 102-5 | Ownership and legal form | 10; 88 | |
| 102-6 | Markets served | 12-13; 16-17; 76 | |
| 102-7 | Scale of the organization | 17; 60 | |
| 102-9 | Supply chain | 14-15; 72-74 | |
| 102-10 | Significant changes to the organization and its supply chain | not applicable as first report | |
| 102-11 | Precautionary Principle or approach | not applicable | |
| 102-12 | External initiatives | 20 | |
| 102-13 | Membership of associations | 20 | |
| 102-14 | Statement from senior decision-maker | 6-7 | |
| 102-15 | Key impacts, risks, and opportunities | 22-27 | |
| 102-16 | Values, principles, standards, and norms of behavior | 10-11 | |
| 102-18 | Governance structure | 11 | |
| 102-19 | Delegating authority | 11 | |
| 102-20 | Executive-level responsibility for economic, environmental, and social topics | 11; 30 | |
| 102-21 | Consulting stakeholders on economic, environmental, and social topics | 23-24; 36-38 | |
| 102-22 | Composition of the highest governance body and its committees | 11; 30 | |
| 102-41 | Collective bargaining agreements | not relevant | No employees are covered by collective bargaining agreements. |
| 102-42 | Identifying and selecting stakeholders | 23-24 | |
| 102-43 | Approach to stakeholder engagement | 22-24; 78-81 | |
| 102-44 | Key topics and concerns raised | 22-27 | |
| 102-45 | Entities included in the consolidated financial statements | 28; 76 | |
| 102-46 | Defining report content and topic boundaries | 28-29; 32; 36; 42; 46; 50; 54; 60; 64; 68; 72 | |
| 102-47 | List of material topics | 26-27; 77 | |
| 102-48 | Restatements of information | not applicable as first report | |

| | | | |
|--------|--|--|---|
| 102-49 | Changes in reporting | not applicable as first report | |
| 102-50 | Reporting period | 28 | 1.1.2019-31.12.2019 |
| 102-51 | Date of most recent report | not applicable | This is the first report in accordance to the GRI standard. |
| 102-52 | Reporting cycle | 28 | Annual |
| 102-53 | Contact point for questions regarding the report | 88 | sustainability@schurflexibles.com |
| 102-54 | Claims of reporting in accordance with the GRI standards | 6-7; 28 | |
| 102-55 | GRI content index | 84-87 | |
| 102-56 | External assurance | not relevant | |
| 103-1 | Explanation of the material topic and its boundary | 32; 36; 42; 46; 50; 54; 60; 64; 68; 72 | |
| 103-2 | The management approach and its components | 32; 36; 42; 46; 50; 54; 60; 64; 68; 72 | |
| 103-3 | Evaluation of the management approach | 32; 36; 42; 46; 50; 54; 60; 64; 68; 72 | |
| 205-2 | Communication and training about anti-corruption policies and procedures | 20 | |

PURPOSE

| GRI Disclosure Number | Disclosure Title | Page ref. | Comments |
|-----------------------|--|-----------|----------|
| | Number of publications | 32 | |
| | Ecovadis ranking | 32 | |
| 102-43 | Approach to stakeholder engagement: number of implemented projects on sustainability with stakeholders | 36 | |
| 102-43 | Approach to stakeholder engagement: number of client visits by the sustainability team | 36 | |
| 102-43 | Approach to stakeholder engagement: number of cooperations for sustainability topics | 36 | |

PEOPLE

| GRI Disclosure Number | Disclosure Title | Page ref. | Comments |
|-----------------------|---|------------------|---|
| 102-8 | Information on employees and other workers | 43 | Headcount |
| 305-1 | Direct (Scope 1) GHG emissions: Quantity of fuel used for company fleet | 54 | The presented numbers were collected through our internal data collection system and have been reported individually by each Group company. Data of the company headquarters is not included. Amounts of ad blue have been estimated. |
| 403-2 | Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | 50 | The presented number of accidents equals the lost time injury index. A lost time injury is an injury sustained during an activity within the given reporting boundaries by a member of the schur flexibles workforce that will result in a loss of productive work time. A more in-depth definition can be found in the glossary. |
| 404-1 | Average hours of training per year per employee | 50 | While for employees working in production the average hours on training represent primarily training on health and safety, for administrative employees other topics are also included; no differences are made between gender on training hours per employee. The presented numbers have been estimated. |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | 44; 47-48; 51-53 | |
| 405-1 | Diversity of governance bodies and employees | 43 | Headcount |

PLANET

| GRI Disclosure Number | Disclosure Title | Page ref. | Comments |
|-----------------------|--|-----------|---|
| 301-1 | Materials used by weight or volume | 60 | Due to intercompany business transaction double counting of material is possible. The data includes estimates from our Group companies Schur Flexibles Moneta and Schur Flexibles Finland Oy. |
| 302-1 | Energy consumption within the organization | 64 | The presented numbers were collected through our internal data collection system and have been reported individually by each Group company. Data of the company headquarters is not included. For our Group companies Drukkerij Zwart BV and Schur Flexibles Moneta country data from the International Energy Agency has been applied. |
| 305-1 | Direct (Scope 1) GHG emissions | 65 | The presented numbers were collected through our internal data collection system and have been reported individually by each Group company. Data of the company headquarters is not included. Amounts of ad blue have been estimated. |

| | | | |
|-------|---|-------|--|
| 305-2 | Energy indirect (Scope 2) GHG emissions | 64-65 | The presented numbers were collected through our internal data collection system and have been reported individually by each Group company. Data of the company headquarters is not included. For Scope 2 regional values have been calculated and the emission factors used are from the European Open Data Portal. |
|-------|---|-------|--|

| | | | |
|--|-------------------------|----|--|
| | Products sold by weight | 60 | Due to intercompany business transaction double counting of material is possible. The data includes an estimate from our Group company Schur Flexibles Moneta. |
|--|-------------------------|----|--|

PROSPERITY

| GRI Disclosure Number | Disclosure Title | Page ref. | Comments |
|-----------------------|---|-----------|---|
| 301-2 | Recycled input materials used | 68 | The presented numbers were collected through our internal data collection system and have been reported individually by each production site. |
| 301-3 | Reclaimed products and their packaging materials | 68 | The presented numbers were collected through our internal data collection system and have been reported individually by each production site. The data includes an estimate from our Group Companies Schur Flexibles Moneta, Schur Flexibles Dixie Gmbh and Schur Flexibles Vacufof Gmbh. |
| 306-2 | Waste by type and disposal method | 68-69 | The presented numbers were collected through our internal data collection system and have been reported individually by each production site. The data includes an estimate from our Group Companies Schur Flexibles Moneta and Drukkerij Zwart BV. |
| 308-1 | New suppliers that were screened using environmental criteria | 72-74 | We don't have Group-wide data on that yet, but we are currently implementing a process for generating this data for the future. |
| 308-2 | Negative environmental impacts in the supply chain and actions taken | 72-74 | We don't have Group-wide data on that yet, but we are currently implementing a process for generating this data for the future. |
| 414-1 | New suppliers that were screened using social criteria | 72-74 | We don't have Group-wide data on that yet, but we are currently implementing a process for generating this data for the future. |
| 414-2 | Negative social impacts in the supply chain and actions taken | 72-74 | We don't have Group-wide data on that yet, but we are currently implementing a process for generating this data for the future. |
| 416-1 | Assessment of the health and safety impacts of product and service categories | 68- 73 | EU Directive on Packaging and Packaging Waste (EU) 2018/852; European Framework Regulation (EC) 1935/2004 |
| 417-1 | Requirements for product and service information and labeling | 68- 73 | EU Directive on Packaging and Packaging Waste (EU) 2018/852; European Framework Regulation (EC) 1935/2004 |
| | Number of new recyclable products | 68 | |

NOTES.

“For all that has been,
Thank you.
For all that is to come,
Yes!”

Dag Hammarskjöld

IMPRESSUM.

We gratefully acknowledge the co-operation within the Schur Flexibles Team. With your help and contribution, we are now presenting this report. Furthermore, we like to thank our stakeholders for taking the time to participate – with your guidance, we are sure to develop in the right direction.

A personal thanks to all people being involved in preparing the report – from the Terra Institute as well as from the Schur Flexibles team.

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Graphic studio: Cover Design, Bleed Design Studio / Graphic Layout, lucasartorigd.com
Photo credits: Page 6, Christina Häusler
Printed by: Druckerei Janetschek GmbH, 3860 Heidenreichstein | Brunfeldstraße 2, Austria



With the consultancy of



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Grid of red dots for notes.

