



Schur®

LEADER OF THE PACK SINCE 1846

Sustainability

ESG Report 2023/24

Schur.com

Another step towards net-zero

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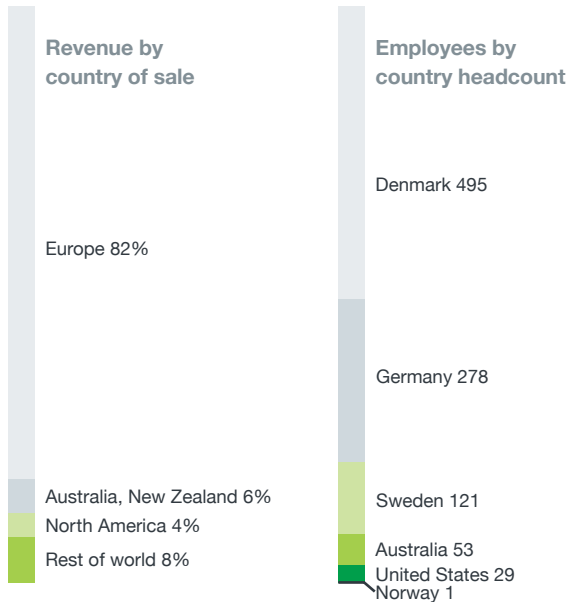
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Schur's production of packaging and packing systems 2023/24

Schur is a family-owned and managed company founded in Horsens, Denmark in 1846. Today, we are 15 companies in 6 countries. Through our years of experience, Schur has built up the expertise and possibilities in advanced technological and tailored packaging solutions our customers have come to rely on.

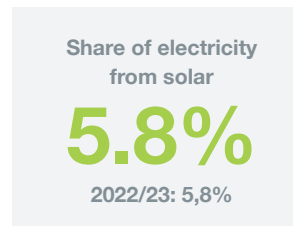


Europe

90% of packaging sold by Schur in Europe. We have Swedish, and German factories producing carton and flexible packaging solutions, automation systems, Schur® Star and other packaging machines. Our group office is located in Denmark.

North America

We have had a Schur® Star production line in North America since 2010. From here, we are producing packaging machines, and computerized automation systems.



ing 4



thur is produced in our Danish, es. Here we produce custom-made, labels, marking solutions, packing Star Machines, and logistic systems. Horsens, Denmark.

roduction located in the USA e supporting our customers in ction of packaging, servicing of lete customized packing

Australia

In 2016, we introduced our Schur® Star concept in Melbourne, Australia. Our Melbourne location has been pivotal in securing strong relationships with our New Zealand and Australian customers and has developed Schur as a global brand.

CO₂e emissions
Scopes 1 & 2 reduction

-8.7%

from 2022/23

Total number
of accidents

14

2022/23: 27

Production waste
recycled

89%

2022/23: 91%

We want to leave a sustainable imprint in all areas of our business

Carton & Labels

Our carton and labels companies offer packaging and label solutions. We seek to understand the effect of the new EUDR, PPWR, and EPR. Our focus on carbon reductions, set the agenda for many years to come.

Flexible

Our flexible packaging companies provide roll-stock flexible packaging. Although we have been challenged as a sustainable solution, our perception is changing. If we can make plastic production possible to utilize the high advantages of roll-stock in reducing food waste, without the need for single-use plastic waste. At Schur, we

Schur International

Carton & Labels

Schur Pack Denmark a/s

Schur Labels a/s

Schur Pack Sweden AB

Schur Pack Germany GmbH

Schur Pack Norway as

Flexible

Schur Star Systems GmbH

Schur Star Systems Inc.

Schur Star Systems Australia Pty. Ltd.

* After the end of the financial year, the company has changed its name from Schur Technology a/s to Schur

er customized, innovative
 e a growing interest in
 EU legislation on the industry
 This will, together with a high
 agenda for the industry for

roduce Schur® Star bags and
 h flexible packaging has
 ution, we see a shift in this
 oduction circular, it would be
 s of plastics, for instance,
 e negative consequences of
 e work with our customers

and the value chain to find more circular solutions. The upcoming
 PPWR regulation will speed up the move towards recyclable and
 recycled materials.

Automation

Our automation companies produce and sell carton and flexible
 packing machines, automation and logistics solutions, and
 marking solutions. Circular production methods have been
 introduced into several areas of our machine production, for
 instance by establishing a take-back service for used machines
 and equipment. We expect the interest in sustainable automation
 and marking solutions to increase further in the coming years.
 By continuing to innovate and improve, we continue to be a
 valuable total solution supplier.

Holding a/s

Schur International a/s

Automation

Schur Automation a/s *

Schur Automation
 Sweden AB

Other activities

Schur Finance a/s

Schur Conference Center a/s

Sarepta a/s

Schur Automation a/s

CEO LETTER

Another step towards net-zero

Looking back on this year, there is no doubt that our sustainability efforts have reached new heights. Sustainability is one of our key strategic objectives. Not just because we are required to work with it, but because we want to, and we owe it to our customers. We work at full speed to keep up with the range of new legislation, and we strive to continuously be one step ahead. Our world is changing, and we must keep pace with these changes. To do so has been our greatest competitive advantage in the past and will remain so in the future.

Although we are not obligated to meet the CSRD requirements before the 2025/26 report, we have decided to work with a great extent of the regulations in this year's report. Sustainability as an environmental and social concern has always been a part of our DNA, and we welcome these new initiatives ensuring that we can all work towards a common goal.

This year, we have finalized our climate plan. We have committed to reaching net-zero emissions in 2046 to mark our 200th anniversary. Four years ahead of the 2050 deadline set forth by the IPCC model pathway limiting global warming to 1.5°C.

As we continue this work, we embrace all the new initiatives within sustainability from society, government, and business partners. And just like everything else we embark on; we strive to remain an attractive and responsible partner.

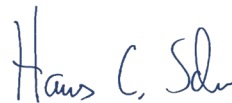
In 2024, we have also focused on our projects with sustainability in mind. We are in line with the Union's reporting standards, and this is part of our daily operations. It is crucial to have a continuous dialogue with customers, suppliers, and stakeholders. As the topic evolves around other regulations such as the EUDR, we will continue to demonstrate that all elements of our business can be Leader of the Pack, also with our customers.

Another milestone from this year is that we have approved our revised sustainability strategy. This ensures that our customers, suppliers, and stakeholders hence our company will benefit from a clear framework for our sustainability. We will continue to work all work together in our commitment to the Planet, People, and Planet.

We hope you enjoy reading this letter.



Johan Schur
Group CEO



d on getting our organization ready
bility. One thing is the new European
adopted in the CSRD, another thing
l that we are able to take on the
pliers, and other stakeholders when
r highly influential pieces of new EU
PPWR, and EPR. And it is para-
r value chain reflect our aspiration to
ithin sustainability.

ear is that our Board of Directors
ustainability strategy. We believe
employees, stakeholders, and
fit greatly from us having a clear
ty efforts. This will support that we
mitment to leave a positive imprint on
et.

is year's report.

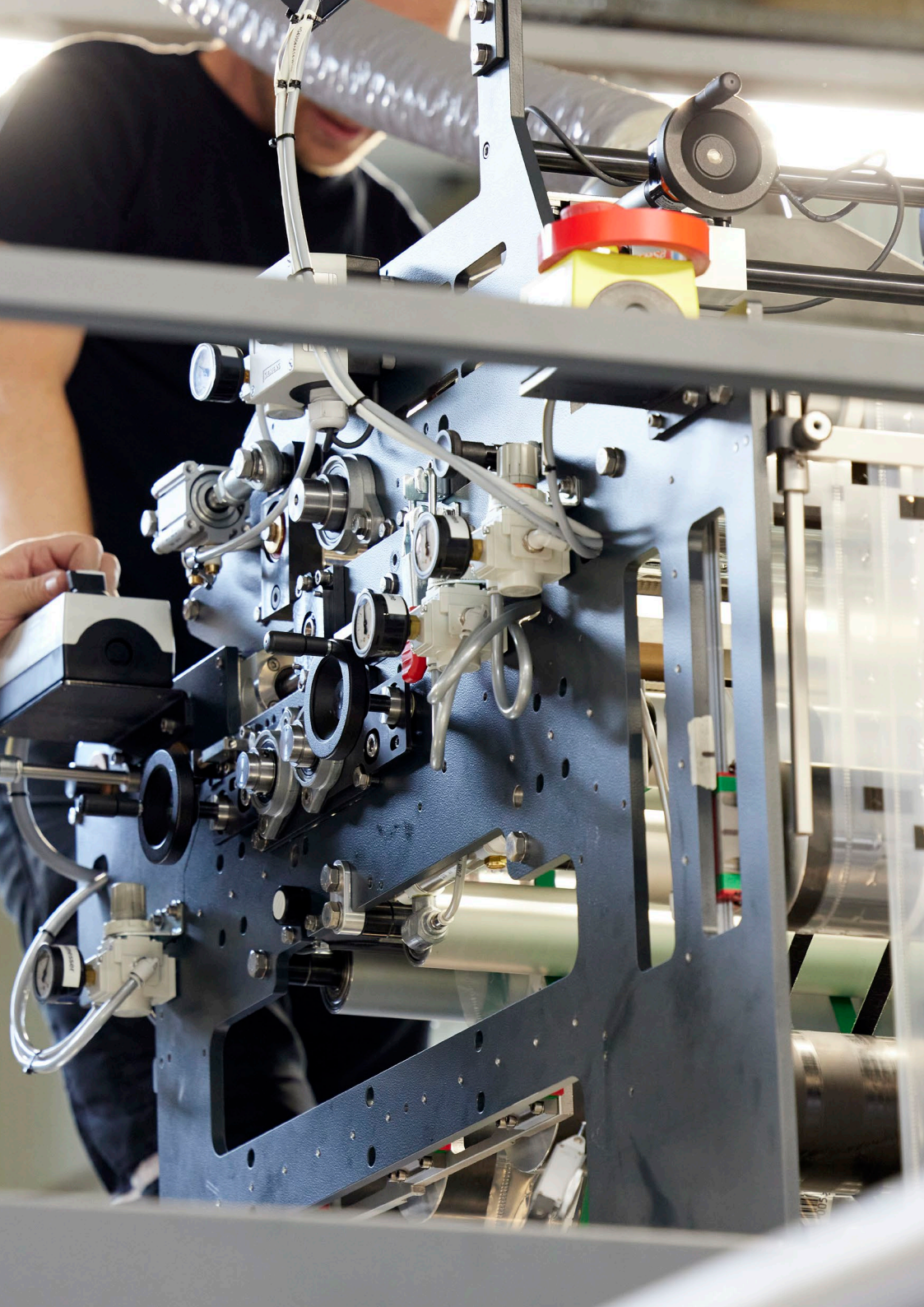


Hans Christian Schur
Group CEO









Progress overview

E	Environmental targets	KPI	Target
	Climate Change	% change to of absolute fossil CO ₂ e-emissions in Scopes 1 and 2 from all consolidated entities	Schur commits to reduce absolute emissions from Scopes 1 and 2 by 42% by 2030
		% change to absolute fossil CO ₂ e-emissions in Scope 3 from all consolidated entities	Schur commits to lowering absolute Scope 3 emissions by at least 25% by 2030
	Circularity	% of production waste sent to recycling or prepared for secondary lives	At least 95% of all production waste will be prepared for secondary lives or recycling
		% of produced packaging with a recyclability above 90%	At least 90% of all packaging produced by Schur will be optimized for recycling at the end of its life by 2030
	Energy	% carton, paper, and plastic production waste per kg consumed material in the Carton and Flexible segments	By 2028 the wastage rate will on average be below 15% for both Flexible and Carton
		Annual change in kWh per kg sold in the Carton, Labels, and Flexible production	Annual energy intensity reductions of more than 3% in Carton, Labels, and Flexible segments
S	Social targets		
	Diversity	% of the underrepresented gender in the management group	In the management group of Schur International Holding a/s, equal representation of men and women
		% of the underrepresented gender across all management teams	Amongst all managers in Schur companies, the share of the underrepresented gender is above 35% by 2028
	Health and safety	Total accidents per 1 million work hours	Across all Schur companies, an accident frequency rate of no more than 5 per 1 million work hours
		Rate of absence hours per number of normal work hours for production and office employees	On average annual absence rate for production employees is below 4% and below 1.5% for office employees
G	Governance targets		
	Board of Directors	Diversity and inclusion, % of the underrepresented gender on the Board of Directors	Sustain the current level of 25% women on Board of Directors until 2028
	Corporate culture	Survey on awareness of chosen topics sent to all companies	Clear group policies that support our business and sustainability strategy
		Rate of whistleblower cases resulting in appropriate actions	All reported whistleblower cases lead to the necessary changes to avoid any repeat incidents
	Human rights	Percentage of identified key suppliers with a signed Supplier Code of Conduct	All key suppliers have signed our Supplier Code of Conduct or returned their own

	2023/24	2022/23	2021/22	Comment on progress
ns	-8.7%	-0.8%	-	On track – Emissions have increased in Scope 1 due to the special-case use of a generator. Scope 2 emissions have been reduced by 12% due to energy efficiency measures and a lower output
3	-0.3%	-1.1%	-	On track – Scope 3 is calculated with additional categories, better consumption data, and emission factors which have led to a minor decrease in emissions
e	88.6%	90.6%	88.1%	Off track – We have unfortunately been able to recycle less plastic waste this year
Schur s	Unable to measure	-	-	On track – All Schur companies are working strategically to innovate the recyclability of packaging in a way that matches customer needs. We are working on optimizing data collection for this new KPI
e	20.1%	20.5%	19.3%	On track – Both in the production of carton and plastic packaging, the wastage rate has been reduced this year
than t	0.6% -9.8% 6.2%	-3.9% -13.7% 13.3%	-	On track – The energy consumption efficiency needs continued focus and innovations in our Flexible production
ional nd	28.6%	28.6%	37.5%	Achieved – the management team comprises 2 women out of 7 total managers, meeting the Danish legal standard for equal gender representation
the ove	26.5%	25.9%	-	On track – We continue to develop our management teams across all Schur companies with a strong focus on diversity, team development, and innovation
on	9.4	17.6	24.6	On track – Our accident rate is still unsatisfactory. With continued improvements to health and safety systems, we will continue to reduce all incidents
tion or	6.2% 2.0%	7.1% 1.8%	6.4% 3%	On track – While we see the effects of more initiatives to lower the absence rate in our production, the impact is not similar for our office workers
the	25%	25%	25%	On track – The number of men and women on the Board remains unchanged. We will prioritize 40-60 representation long-term
ess	First year of survey	-	-	On track – We will continue to test and increase awareness using various tools such as this annual survey of all companies
	0 cases	0 cases	-	On track – We continue to increase the awareness of our Speak Up system with internal and external stakeholders to ensure all incidents are reported
Code	42.6%	40.1%	-	On track – The definition of key suppliers has been updated for all companies. We will renew and resend our CoC to all suppliers in 2024/25

01 General information

Basis for preparation

The ESG reporting has been prepared in accordance with section 99a of the Danish Financial Statement Act. The Schur Group is covered by the new CSRD reporting requirements from the financial year 2025/26. Over the coming years, the Group will adapt the ESG reporting to these requirements and include further elements from the new standards. The greenhouse gas accounting follows the corporate standards and principles of the Greenhouse Gas Protocol.

Reporting scope

Unless otherwise stated, the ESG performance figures are reported following the same principles as the financial statements. Thus, the ESG data includes consolidated data from the parent company, Schur International Holding a/s, and all subsidiaries, as they are all controlled by Schur. The consolidation of ESG data is based on financial control. Associated companies are not included in the sustainability statement. All reported data follows the same reporting period as the consolidated financial statements. The reporting period is from November 1st to October 31st.

The ESG report covers our material impacts in our own operations, as well as in our upstream and downstream value chain, that is, from the extraction of raw materials to product end of life.

Where output figures have been used, these have been adjusted to not include internal sales for our carton and machinery companies. The figures concerning the output from the flexible production, label production, and the conference center have not been adjusted as the difference was deemed immaterial.

The ESG report is primarily based on annual and monthly reporting procedures. Over the coming years, more of the collected data will be changed into monthly procedures and will be collected automatically through systems integrations, for the metrics deemed material. Overall, the reporting is extending in this and the coming years. Unavailable data in prior periods is shown with “-” in the tables.

Detailed accounting policies are presented in the relevant sections of the ESG report.

Value chain data

We use information from our value chain to provide information on the distribution of our greenhouse gas emissions, such as the distribution of our emissions across the value chain.

On page 26 it is explained how we assess the materiality of our value chain opportunities.

Time horizons

Unless otherwise stated in the report, the time horizons follow the definitions in the European Reporting Standards, ESRS1:1.

Short-term: 1 year

Medium-term: 1-5 years

Long-term: More than 5 years

Use of estimation and uncertainty

We use country averages and other data to estimate the preparation of some of the data on greenhouse gas emissions. These estimates result in uncertainties in our sustainability results in a lower level of accuracy. The level of accuracy is acceptable for reporting where the estimates are used.

Where we do not have access to data, we use selected secondary data to provide reliable insights and information of relevance, completeness, and accuracy.

We regularly reassess our use of estimates on experience, the development of new data, and several other factors. Changes in the period in which the estimates are used, we make judgments where necessary. In the coming years, we will continue to improve our data, focusing on our most material information on the key estimates.

upstream value chain in the calculation of emissions and when addressing KPIs in our Supplier Code of Conduct.

Now we have included value chain assessment of impacts, risks, and

In the relevant section, the applied time period is in the European Sustainability

applied, please refer to the detailed accounting policy presented in the relevant sections of the sustainability statement.

Restatement principles

If data quality is improved or if material mistakes in previous years' reporting are discovered, data will be restated if possible. The materiality of mistakes is determined on a case-by-case basis. We clearly indicate where we have restated data.

Uncertainty

Other approximations in the data used in calculating our greenhouse gas estimates are the main sources of uncertainty in our sustainability statement. The use of estimates is necessary to ensure accuracy; however, we consider the uncertainty to be low for the sections of our sustainability statement where estimates are used.

We do not have direct data and have to rely on indirect data sources that we have assessed to be reliable. We strive to meet up to our requirements in terms of accuracy, consistency, conservativeness, and

The use of estimates and judgments based on the materiality of our sustainability reporting, and changes in estimates are recognized when the estimate in question is revised. In addition, we apply the accounting policies. We will continue our work to strengthen our reporting on the most material impacts. For further information on estimates, judgments, and assumptions

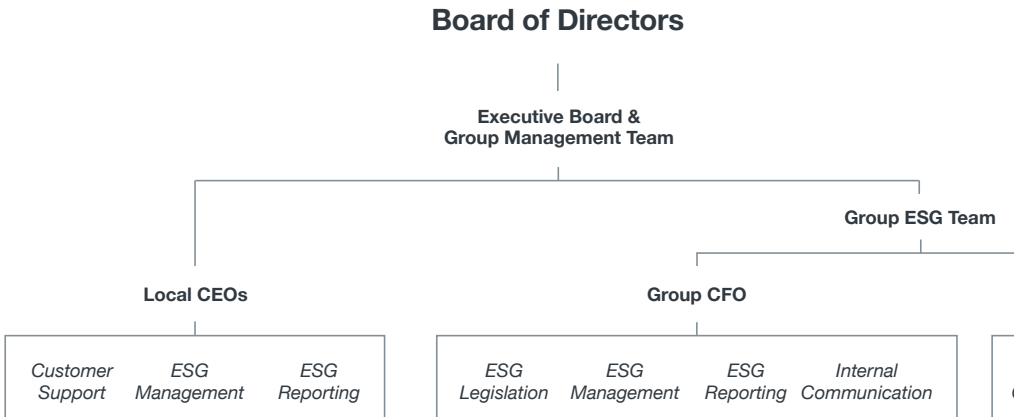
Sustainability management

At Schur, sustainability is owned by the Board of Directors and the Executive Board (our Group CEOs). The Executive Board holds ultimate responsibility for the implementation of the Group’s sustainability agenda and monitoring the sustainability performance, and is thus responsible for oversight of Schur’s impacts, risks, and opportunities.

The sustainability work is led by the Group Commercial Director, who is responsible for the commercial sustainability strategy, communication, branding, development, and opportunities and the Group Chief Financial Officer who is responsible for policies, actions, targets, and reporting, as well as governance processes, controls and procedures to monitor, manage, and oversee impacts, risks, and opportunities. They both report directly to the Executive Board.

At group level, a cross-functional sustainability task concerning daily sustainability task concerning communication, and ESG management.

The local Chief Executive Officers, with the Executive Board, are responsible for the local sustainability strategy and agenda and actions that support the Group’s overall sustainability goals and targets.



Governance structure

Corporate governance model for ESG governance hierarchy levels

sustainability team leads the reporting/finance, legislation, and general.

who report directly to the supporting the Group's and for implementing local and overall sustainability strategy



Board of Directors

Schur has a two-tier management system consisting of the Board of Directors and our Executive Board. The Executive Board consists of our two Group CEO's, Hans Christian Schur and Johan Schur, who are responsible for daily operations. They are supported in their work by the Board of Directors. The Board consists of 3 executive members and 5 non-executive members.

Schur is a family-owned and managed business. Four of the members of the Board are owners, and thereby not considered to be independent. The other four members of the Board are externals and are considered to be independent (50% of the board).

Board of Directors biography

- Owner
- External
- Executive
- Non-executive

Søren Birn (Chairman)

Born: 1970
 Member since: 2011
 Competences: Comprehensive experience in food and plant-based products
 Other positions: CEO Bagge, member of the board, chairman of the board, chairman of the board

Henrik Burkal

Born: 1967
 Member since: 2017
 Competences: 23 years' experience in the IT industry, company, and management experience
 Other positions: CEO Rema 1000 Retail, board member of the board

Profiles

Executive

Extensive management and board experience in international companies in the pharmaceutical industries. Former-Sørensen Equity A/S, board member of Nic. Christiansen Gruppen A/S, and Comwell A/S.

Morten Rahbek Hansen

Born: 1958

Member since: 2014

Competences: Substantial CEO and board experience in international businesses primarily in the food industry.

Other positions: CEO Rahbek Invest ApS, chairman of Jysk Display A/S, chairman of FC Fredericia Aps, board member of Konsul Axel Schur og Hustrus Fond.

Extensive experience in the food retail industry (10 years as CEO), 8 years EVP in the food industry, 4 years as board member in a listed company, and extensive board experience, and experience with mergers and acquisitions. Former CEO of 1000 Danmark A/S, EVP Reitan, and board member Dansk Erhverv, board member of Konsul Axel Schur og Hustrus Fond.

Anne Mette Vestergaard Olesen

Born: 1964

Member since: 2022

Competences: Leading businesses and functions (strategy, business development, and sustainability) globally within the food ingredients and medical device industry. Last position: Chief Strategy & Sustainability Officer at AAK AB (Sweden).

Other positions: Board member of Konsul Axel Schur og Hustrus Fond, NAYA Group ApS, and Trelleborg AB (Sweden).

Hans Wilhelm Schur ●

- Born: 1951
- Member since: 1976
- Competences: Comprehensive management and board experience in international companies in the plastics and packaging industry.
- Other positions: Board member in all the Schur Group's companies, chairman of SP Group A/S, chairman of Konsul Axel Schur og Hustrus Fond, chairman of Konsul Axel Schur og Hustrus Mindefond, chairman of Schurs Støttefond, chairman of Danmarks Industrimuseum.

Anna Katharina Schur ●

- Born: 1979
- Member since: 2011
- Competences: Extensive work with sustainability since 2012, CSR manager in Schur between 2017-2019, active in different sustainability forums. Experience in education, anthropology, and process consultancy.
- Other positions: Board member in all the Schur Group's companies, board member of Konsul Axel Schur og Hustrus Fond.

Hans Christian Schur ●

- Born: 1983
- Member since: 2009
- Competences: Experience in acquisition, strategic management, development, commercial work.
- Other positions: CEO Schur International, CEO Schur Pack Denmark, CEO Schur Systems Inc., board member of Schur Group's companies, chairman of Konsul Axel Schur og Hustrus Fond.

Johan Schur ●

- Born: 1986
- Member since: 2011
- Competences: Experience in education, process management, and board work across various industries in Europe and the United States.
- Other positions: CEO Schur International, CEO Schur Automation, board member of Schur Group's companies, chairman of Konsul Axel Schur og Hustrus Fond.

positions, executive and
ment, international business
mercialization, and board

tional Holding a/s, CEO
ark a/s, CEO Schur Star
d member in all the Schur
s, board member of Konsul
trus Fond.

utive management, acquisi-
ork in an international setting
ustries, including 6 years in

tional Holding a/s, CEO
a/s, board member in all the
panies, board member of
og Hustrus Fond.

Torsten Rasmussen (Board Advisor) 

Born: 1944
 Position since: 2022 (member of board 2003-2022)
 Competences: Comprehensive management and board experience in international and global companies especially within the field of branded goods (including 6 years abroad), branded products, supply chain, globalization, and organizational development.
 Other positions: CEO Morgan Management ApS.

Diversity

The diversity of our Board of Directors is important to us, as it brings the necessary perspectives to our business and progress.

However, as Schur is an owner-managed company, and the Schur family currently has an overrepresentation of men on the Board of Directors (3 men and 1 woman), the gender representation on the Board is tilting towards higher male representation.

We value the experience and professionalism of our Board, whose members possess the expertise necessary to ensure the Schur Group's long-term performance.

We regularly assess the competencies of the members of our Board of Directors. When appointing new board members in the long term, we will prioritize the necessary qualifications as highly as achieving equal gender representation on the Board of Directors.

Taking the industry standards around Schur, the number of independent members on our Board of Directors, and the specific circumstances of our company into consideration, we have decided to set a target of sustaining the current level of 25% women on the Board until 2028. Although this goal may not be ambitious, it reflects a realistic assessment of the current situation for our company and the actions we can foresee being taken within a reasonable time frame.

Accounting policies

The board meeting attendance ratio is the total number of attendants in regular board meetings held physically or virtually during the financial year by the total possible attendance. The statistics do not include meetings of a formal character without any physical or virtual attendance.

The gender diversity of the Board of Directors is calculated as the end-of-period ratio of female to total board members. The total number of members of the Board of Directors does not include any employee representatives. The gender diversity ratio includes the board members elected by the General Meeting.

The age distribution of the members of the Board of Directors is calculated by the end of the period. This number includes the board members elected at the General Meeting.

Management engage

The Board of Directors is informed on a regular basis during the board meetings, which take place at least twice a year. The Board has conducted a materiality assessment and is thereby informed about material impacts, risks, and opportunities. The Board is informed about sustainability matters through dialogue with the subsidiaries and the Group. In its reporting where relevant ESG data points will be included in the annual report. Sustainability matters are an integrated part of the Schur Group's Board and management level. In line with our sustainability strategy, we have integrated sustainability into our business model. The Board of Directors and ESG data will contribute to the continuous monitoring at Schur.

Over the past year, we have informed the Board of Directors about the coming regulatory changes implemented in the EU with the CSRD. Material topics, such as the sustainability materiality analysis, and the climate change strategy with and approved by the Board of Directors.

The Board of Directors always reviews the content of the annual report and sustainability report before it is finalized.

Incentive schemes

Schur does not have a traditional bonus system, only a very limited number of incentive schemes. None of the incentive schemes are sustainability-related performance based.

ement

med about sustainability matters on
rd meetings, which take place 4-5
een involved in the double materiality
olved in identifying and assessing
opportunities. The Executive Board
y matters in their ongoing daily
and via the monthly financial
data points are included. Further,
the coming years. Sustainability
of the strategic discussions at
With the implementation of Schur's
e also put sustainability at the center
ngoing reporting on sustainability
to the sustainability performance and

increased the information to the Board
reporting requirements (imple-
RD) and our sustainability strategy.
ustainability strategy, the double
imate plan have been discussed
ard.

s read and give feedback on the draft
ustainability report before the reports are

on for incentive schemes. Therefore,
people have individually designed
these incentive schemes include any
ance targets for the moment.

Board diversity targets

- Sustain the current level of 25% women on the Board of Directors until 2028
- Keep attendance to Board meetings above 90%

In light of industry standards, Schur has adopted a long-term approach to achieve gender equality on the Board of Directors and aim to maintain the status quo over the next 4 years.

Gender diversity - Board of Directors	2023/24	2022/23
Total members	8	8
Underrepresented gender	2	2
Percentage of the underrepresented gender	25%	25%
Target		
Equal gender distribution reached by	3	3
Schur target	2	2
Schur target percentage	25%	25%
Year target is reached	2028	2028

Age diversity - Board of Directors	2023/24	2022/23
Under 30 years old	0	0
Between 30 and 50 years old	3	3
Over 50 years old	5	5

Board meetings attendance	2023/24	2022/23
Board meetings attendance	100%	93.8%

Progress on targets

On track – The gender diversity of the Board is unchanged. Schur will continue to evaluate the diversity of age groups, backgrounds, and knowledge on the Board of Directors and aims to continue to improve the diversity of voices on the Board.

On track – The board meetings have maintained a high attendance rate. We have continued to include even more sustainability topics and education on the board meetings in 2023/24.

Due diligence

A central element in ensuring good corporate governance is clear due diligence processes. Across Schur's environmental, social, and governance management and development, we have procedures in place to identify, address, mitigate, and prevent adverse impacts. These procedures are not yet fully structured and formalized on group level in accordance with the OECD Guidelines.

Due to the decentralized structure of Schur, the individual companies run many of their processes with a high level of autonomy. Thus, there will be variations in the due diligence processes in our everyday work.

It is an area of focus going forward to have similar systematic and shared definitions in areas where it makes sense, while still making room for local decision-making related to due diligence and value chain management. Our various IT-systems, policies, and guidelines are supporting these processes. An outline of the main due diligence model we apply, the main processes that follow from this model, and some practical examples are illustrated in our *Statement on Sustainability due diligence* table.

Statement on sustainability due diligence

Due diligence step

Embed responsible business conduct into policies and management systems

Identify and assess actual and potential adverse impacts

Cease, prevent, and mitigate adverse impacts

Track implementation and results

Communicate how impacts are addressed

Provide for or cooperate in remediation when appropriate

Intelligence

We have our Sustainable Schur Policy and ethical guidelines in place capturing our material impacts on sustainability. Each Schur company has additional policies, employee handbooks, or procedures regarding supplier management, employee well-being, safety, and general business conduct. Schur policies are made available to all employees in each company. Procedures related to safety, IT awareness, and honoring our corporate culture, are subject to onboarding training and/or recurrent annual training. We have initiated an update of our sustainability policies to be completed in 2025.

In certain sustainability areas, we have previously conducted risk assessments, for instance as part of ISO 14001, ISO 50001, FSC® Chain of Custody, or BRCGS certifications. In addition, our CSRD preparations and double materiality assessment have allowed us to take a more structured and thorough approach to identifying and assessing the impacts on and by Schur across our value chain. See pages 21-26 to read more on how we have approached this exercise.

To address our actual and potential adverse impacts on the environment and people, we use a variety of tools and actions, including conducting internal and external audits, training, and education of our employees and management. In the Schur companies, several energy consumption, sourcing, and quality management systems have been introduced over the years, of which we can include one more FSC® Chain of Custody certification of our Labels company in December 2024. Our employee representatives, grievances, and whistleblower systems are an important part of the support offered to employees (read more in Sections 03 and 04).

Schur collects data on sustainability indicators supporting several sustainability targets presented in this report. This data is used for external reporting, but also for internal tracking of our results related to Schur's impacts. With the CSRD, we will from 2025/26 be required to collect information on several new indicators, which will be implemented over the coming years. These new qualitative and quantitative data collections will be utilized to understand the results of our preventive and mitigating actions even better and improve our overall ESG data collection and monitoring.

We communicate internally and externally how we address our impacts. We will over the coming years improve our external reporting and communication of Schur's sustainability work. Additionally, it is a part of our sustainability strategy to educate and communicate more on ESG topics and Schur ESG work internally, to ensure anchoring and understanding across our organization (see pages 17-18). We use an internal shared platform across all Schur companies for internal communication and information sharing.

At Schur, we value the engagement with our stakeholders. It is important to us that internal as well as external stakeholders can report actual and suspected adverse impacts related to human rights, business ethics, quality, environment, and labor rights. Our whistleblower hotline Speak Up can be used by employees, suppliers, customers, business partners, and other internal stakeholders. All reports are treated confidentially and are handled by an independent third party (read more on page 46).

Internal controls over sustainability reporting

With the new requirements for reporting coming over the next years (implemented in the EU with the CSRD), Schur will increase the number of KPIs and sustainability information collected and reported. At the same time, focusing on implementing internal controls will increase the quality of the data.

In 2023/24, the responsibility for the annual ESG report has moved to Group Finance. This has been done to take advantage of the processes and controls known from finance reporting to further enhance reliable ESG reporting.

Upgrading the internal controls for ESG data will not be a quick fix. The number of data points, the character of the data points, the involvement required in the disclosure requirements, and the volume to be collected by each subsidiary is a substantial task to solve for a company of the size and complexity of Schur.

Schur will build up the internal controls for sustainability reporting using the COSO framework. The five components of the COSO framework are; control environment, risk assessment, control activities, information and communication, and monitoring activities. Schur's internal control framework for ESG data will be developed by the Group Finance and ESG team.

Progress on the development of internal controls for Schur's sustainability reporting and reporting on findings related to material risk concerning the sustainability reporting process is reported to the Group CFO regularly.

Currently, we have conducted a preliminary risk assessment regarding errors and internal controls of our ESG data, utilizing our knowledge and experience from Finance. This risk assessment is based on our experiences, findings from previous years' ESG reporting, and areas where we have detected errors in our controls.

The preliminary assessment following risks:

- Missing data collection on
- Missing audit trail from ESG data collection on both qualitative and
- Misunderstandings of how data is calculated at local sites

The key activities to reduce

- Perform a double materiality
- Perform a gap analysis of reporting to start data collection on the
- Develop an internal ESG action plan
- Monthly data collection and reporting
- Implementing relevant controls
- Internal education of employees on data processing
- Support data collection and reporting with relevant IT systems

What we revealed the

data points required
 G report to underlying documenta-
 and narrative information
 data points should be perceived or

Risks are:

ty analysis
 missing data points and
 se data points
 ccounting manual
 d internal reporting on selected KPIs
 trol activities
 oyes involved in data collection and
 d reporting processes

2024/25 Targets for Sustainability Reporting

- Double materiality assessment conducted involving all key stakeholders in 2024/25. Hereafter annual reassessment. Ensuring results that can be used to prioritize actions and reporting
- Establish internal monthly reporting on selected sustainability KPIs in 2024/25
- Establish relevant control activities, guidance, IT systems, etc. to support higher quality in reporting

Progress on targets

On track – During 2023/24, we have continued the work towards full CSRD compliance. We have conducted our first double materiality assessment and gap analysis and included more data points from the European Sustainability Reporting Standards (ESRS). We have developed the first version of an internal accounting manual with definitions and explanations of the single data points and a guideline for the reporting process.

On track – We have started monthly data collection of key environmental data points in 2023/24. It has been a demanding transition for all stakeholders as it meant establishing new measurements, routines, and controlling with limited resources. We aim to commence monthly reporting in 2025 when more attention can be given to the use and analysis of the figures.

On track – As part of the improvement of ESG data quality over the coming years, we will improve relevant control activities and IT systems, as well.

Key actions

- Continue to improve the internal controls in the ESG data collection
- Continue the development of our BI-based ESG reporting setup for carbon accounting and other qualitative data points
- Implemented a questionnaire system for collecting narrative data points in 2023/24 to increase documentation practices and the quality of the audit trail
- Continue to improve the scope and quality of our data collection

Strategy, business model and value chain

Packaging has many advantages and serves various purposes and roles for a product. Despite its many benefits such as protecting a product, reducing food waste, prolonging shelf-life, and serving as a branding and communication tool to the end-user, it also comes with a negative impact from production, sourcing of raw materials, and packaging waste. Therefore, at Schur, we work hard to be part of the solution and to mitigate the negative impacts that may occur. Hence in the development of our long-term strategy, we are focusing on our main impacts and how we can work strategically towards a circular business model.

Our sustainability strategy

In 2023/24, we conducted our first double materiality assessment to identify and understand our impact, risks, and opportunities in relation to sustainability matters. As a result, we have updated our sustainability strategy to better reflect the identified material impacts, risks, and opportunities and our ambitions to ensure that our growth follows a business model dedicated to Packaging, People, and Planet. In developing our sustainability strategy, it is vital for us to include our stakeholders (see page 20). It is a crucial step, as we innovate and collaborate with our customers, that we maintain a strong collaboration with our suppliers who provide solutions tailored to our customer's needs.

Moreover, we recognize that our employees possess valuable knowledge for developing our strategies and policies. We find it essential to engage with our internal and external stakeholders, as they hold key insights that contribute to accomplishing our vision, leaving a sustainable imprint on Packaging, People, and Planet.

By transforming our upstream and downstream value chain towards a circular business model, we acknowledge that we are part of a whole and that we are one unit in a greater system. This awareness is a central parameter in our sustainability strategy towards 2030 (visualized in our Strategy house). Waste must be limited, and the use of resources must be optimized.

We understand the duality that stems from sourcing materials such as plastic and carton for our flexible and carton packaging solutions. On the one hand, plastic and carton pollute our ecosystems when they are wrongly disposed of or designed without consideration for recycling and the least harmful end-of-life disposal. On the other hand, materials such as plastic and carton are vital in conserving food and reducing food waste.

When compared with other alternatives, plastic and carton have superior capabilities regarding certain physical and chemical properties. Thus, we believe that by following circular principles, both plastic and carton materials will continue to play a role in the future of packaging and food production.

Consequently, we aim to increase the use of recycled carton materials in our solutions. We will reduce the carbon footprint of our products by working on optimizing our processes and advising our customers on more sustainable options.

To reach our goal, we want to engage our suppliers and partners to ensure we have the right channels and processes for sourcing materials. Sourcing recycled materials will help us to decrease pollution connected to extraction and production.

Minimizing packaging footprint

We optimize and innovate to reduce the packaging footprint



Strategy house

Our revised corporate sustainability strategy

... solutions, plastic and carton durability, weight, and barrier focusing on circular economy materials play a paramount role protection.

... use of recycled plastic and will reduce the environmental closely together, informing, sustainable options.

... e closely with suppliers to source recycled raw s will not only help to facting raw materials but will

... reduce our overall CO₂e emissions. These efforts bring us closer to minimizing our packaging footprint. We understand that transforming packing solutions and packaging will take time – circular economy infrastructures must be established, more production facilities leveraging recycled materials must be in operation, and the effectiveness of new and more sustainable solutions must be proven. Nevertheless, we are ready to commit to the journey that lies ahead.

We want to leave a sustainable imprint on Packaging, People and Planet

<div style="background-color: #f08080; color: white; padding: 5px; font-weight: bold; font-size: 1.2em;">1</div> <p style="text-align: center; font-weight: bold; margin-top: 10px;">Reducing food waste</p> <p style="text-align: center; margin-top: 10px;">We innovate and collaborate to reduce food waste and protect health & safety of consumers</p> <div style="display: flex; justify-content: center; align-items: center; gap: 10px; margin-top: 10px;"> <div style="background-color: #f08080; padding: 5px; font-size: 0.8em;">9</div> <div style="background-color: #f08080; padding: 5px; font-size: 0.8em;">12</div> <div style="background-color: #f08080; padding: 5px; font-size: 0.8em;">S4</div> </div>	<div style="background-color: #f08080; color: white; padding: 5px; font-weight: bold; font-size: 1.2em;">2</div> <p style="text-align: center; font-weight: bold; margin-top: 10px;">Empowering our people</p> <p style="text-align: center; margin-top: 10px;">We create a healthy and diverse work-culture that empowers people to develop and impact the succes of Schur</p> <div style="display: flex; justify-content: center; align-items: center; gap: 10px; margin-top: 10px;"> <div style="background-color: #f08080; padding: 5px; font-size: 0.8em;">8</div> <div style="background-color: #f08080; padding: 5px; font-size: 0.8em;">S1</div> </div>	<div style="background-color: #f08080; color: white; padding: 5px; font-weight: bold; font-size: 1.2em;">3</div>
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We establish and grow strategic partnerships
 We build capacity and ensure knowledge across Schur
 Our sustainability brand positioning is our commercial value driver
 We lead by example across E, S and G

G1

UN Sustainable Development Goals

UN's 17 Sustainable Development Goals (SDGs) are integrated into our strategy, as visualized in our Strategy house. In the development of our sustainability strategy, we identified SDG 9 - Decent work and economic growth, SDG 12 - Industry, innovation and infrastructure, and SDG 8 - Responsible consumption and production as the topics, where we can have a meaningful impact. Other SDGs are also closely related to our business, such as SDG 3 - Good health and well-being, SDG 5 - Gender equality, SDG 7 - Affordable and clean energy, and SDG 17 - Partnerships for the goals. These are all central to our objective of running a responsible business.

Where do we go from here?

Involving the organization is a crucial part of implementing a strategy. This involvement is vital in developing our strategy into concrete initiatives. More than 100 colleagues from across the Group have contributed by participating in a series of workshops held during the spring of 2023. As we maintain working with sustainability, strategically, and in relation to upcoming regulatory requirements such as the CSRD, we will continue to involve our employees. In doing so, we believe that we can empower our employees and create a healthy and engaged workforce with a positive impact on the success of Schur's sustainability work.

Having an innovative mindset, the competencies to develop initiatives are needed to adapt to an ongoing changing environment. We need to be up to date on the newest developments, technologies, and legislation, enabling us to guide our customers in a circular direction around their packaging choices. We will continue to participate in industry organizations, networks, conferences, and trade shows, as well as follow relevant updates to legislation processes and know-how.

Meaningful sustainability actions that create value internally and externally demand cross-functional and cross-organizational collaborations. The tasks are often complex and need different perspectives. Thus, we strive to keep improving our ongoing dialogue and learning processes among colleagues, functions, and professions to find new and better solutions. To better allow these processes to prosper we have, as mentioned on page 11, restructured our ESG organization, strengthening our cross-functional and cross-organizational collaborations, to accommodate our strategic sustainability ambitions and ensure compliance with upcoming ESG regulation.

As previously stated, people a value-based approach to bus with employees, customers, s stakeholders. These interacti and we are dedicated to leavi know that we can improve. An new procedures, knowledge, our sustainability journey.

Business model and

At Schur, we provide total pac combining innovative technol responsible materials, and kn value for our customers. Sign product line include carton an machines, and marking equip products, our main customers variety of industries.

By mixing skilled employees, and a strong network of partn and packaging solutions that people, and the planet.

Our upstream value chain con manufacturers as well as a ran materials we procure are pape to the materials used for the m that we produce, such as stee transform value chains from b packaging solutions, our prod our customers' value chains a to positively impact multiple a

As a result of our business an identified:

E1 Climate Change

E5 Resource use & circular ec

S1 Own workforce

G1 Business Conduct

As material sustainability topic assessment (page 21). We hav strategy with these areas of im

are fundamental to Schur. A business involves close relationships with suppliers, and other relevant partners will continue to play a vital part in creating a sustainable imprint. We also understand we will continue to implement our competencies along the way on

value chain

packaging and packaging solutions, technology, automation, environmentally friendly know-how to create end-to-end solutions for significant groups of products in our core and flexible packing, labels, packaging development. Due to the nature of our customers are B2B, while we serve a wide

expertise, high-level production sites, and partners, we provide cutting-edge packing solutions to create value for our customers,

maintains an extensive selection of a wide range of raw materials. The main materials are paper, carton, and plastic, in addition to machinery and packaging systems. Schur is part of the process to transition from being linear to circular. With our solutions, products become an integrated part of the value chain across various industries, enabling us to operate in various areas.

and value chain activities, we have

onomy

for Schur in our double materiality assessment. We have matched our sustainability strategy with our impact.

How is our vision of leaving a sustainable imprint on Packaging, People, and Planet intertwined with our business model and value chain? Our business model, particularly the sourcing of various raw materials in our production of packaging, requires a diverse value chain, impacting and creating risks and opportunities related to the climate, resource in- and outflows, our own workforce, and general business conduct, as identified in our double materiality assessment.

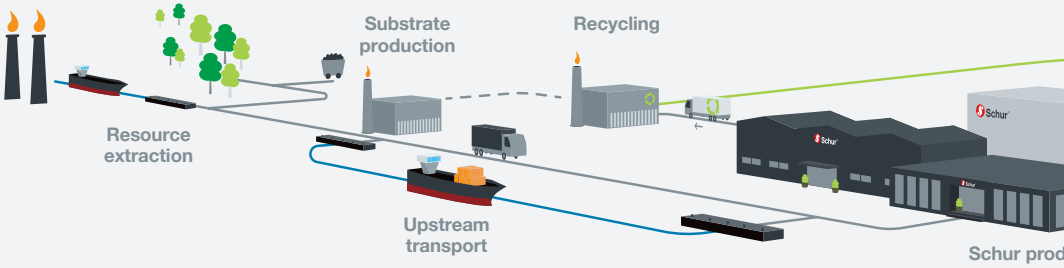
Consequently, we understand that in producing our solutions, Packaging, we will inevitably impact local and global communities positively and negatively, People, as well as the ecosystems of our home, the Planet.

Therefore, in our new sustainability strategy, we work towards and invest in reducing the negative impacts generated by our business model. We do so by strengthening the activities that support and develop the positive impacts of our business model, enabling the fruitful relationship of Packaging, People, and Planet.

A simplified version of our complex business model and value chain is illustrated on page 19.

Resources

Business



Employees

Inspired, involved, and experienced employees are the backbone of Schur. We continue to grow our expertise in recyclable, circular, low-carbon solutions

Expertise

Know-how and experience in our solutions built up through almost two centuries are key to creating value

Innovation & Technology

Across all sites, we are developing and investing in optimized production facilities, and better, circular, low-carbon, environmentally safe applications and solutions

Key Partners & Collaboration

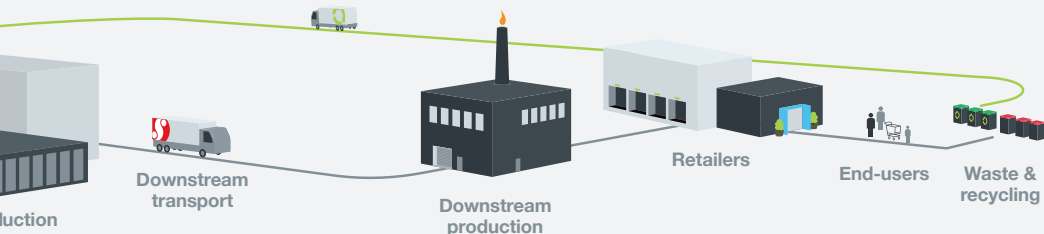
Our suppliers and customers are large corporations and local businesses and are key in innovating design solutions, materials, and recyclability

Core business

We provide total packing and packaging end-to-end solutions for our customers. We help our customers in innovating automotive flexible packaging, labels

es

Value Creation



Business

packaging solutions creating... We produce and guide... carton packaging, ... and marking

People in our Value Chain

We preserve products by providing protection and enhancing safety. We support our local communities, get involved, and contribute to education and local business. We create a safe and healthy work environment

Environment

By lowering our greenhouse gas emissions, creating safe products, minimizing food waste, minimizing packaging waste, investing in circular solutions, and partnering to enhance recyclability we support a thriving planet

Customers

Through a strong ability to innovate and diversify quality design and materials, we support our customers in meeting the demand for responsible, long-lasting, safe products. We offer consistency and reliability in tailored end-to-end solutions that last

Interest and views of stakeholders

Schur recognizes its stakeholders and takes a general approach to analyzing stakeholder needs from a long-term perspective.

Schur's internal and external stakeholders have a great influence on our sustainability strategy. In our daily operations, overall company developments, and market assessments, we take the requirements and developments of customer needs, end-consumers, suppliers, employees, various industry associations, and financial institutions into account. We are fortunate to be close to Schur's owners who sit on the Board of Directors, the local companies' Board of Directors, and make up the Executive Board. Their wishes for the development of Schur are always at the forefront of strategic and operational decisions.

We engage with our stakeholders on an ongoing basis and assess their expectations of us. This engagement also concerns sustainability issues, which are becoming noticeably more and more present in the dialogue with suppliers and customers.



Owners	Customers	End-consumers & waste handling companies	Suppliers
<p>The foundation to Schur's sustainability strategy lies in our owners' long-term approach to the sustainable development of the Schur Group</p>	<p>Our customers buy tailored solutions developed together with them and they often include a strong focus on finding the right responsible solution. In the packaging companies, the product's recipe is developed in close collaboration between the customer, Schur's creative departments, and the raw material supplier</p>	<p>The way in which packaging waste is collected from the end-consumers and subsequently processed into new raw materials or waste has a great influence on the design of raw materials and automation systems. Schur supports the move towards higher quantities and better-quality recycled packaging materials</p>	<p>Based on needs, we solutions to suppliers of carton, plastic adhesives. The o with our su highest im</p>

Key stakeholders

Description of Schur's key stakeholder groups



Employees

Industry associations

Financial institutions

the customers' find the right together with our of iron and steel, astic films, inks, foils, and coat-collaboration suppliers is of the portance

We are in ongoing dialogue with our employees focusing on improving their physical and mental work environment, reducing the risk of accidents, and increasing their overall well-being. Inspired, involved, and experienced employees are the backbone of Schur

We receive information from industry associations in the countries where Schur companies are present, to ensure we get the latest development and best practice information

Schur does not depend on investments from the capital market but does depend on good relationships with our financing partners. Our financial partners have also increased their interest in our sustainability practices and progress over recent years

Materiality assessment

In 2023/24, we conducted our first double materiality assessment to identify and understand our impacts, risks, and opportunities related to sustainability matters.

The double materiality assessment is a strategic and comprehensive approach to evaluating impacts, risks, and opportunities related to sustainability, following the European Sustainability Reporting Standards (ESRS). The double materiality assessment is developed to provide an understanding of where in Schur’s business model and our upstream and downstream value chain material impacts, risks, and opportunities are concentrated.

Outcome

The results of the double materiality assessment are shown in the Double materiality results matrix. The evaluation is presented on a scale from one to five, with a threshold of three indicating materiality. Consequently, any impacts and risks scored from three and above, along with their corresponding ESRS subtopics, are considered material.

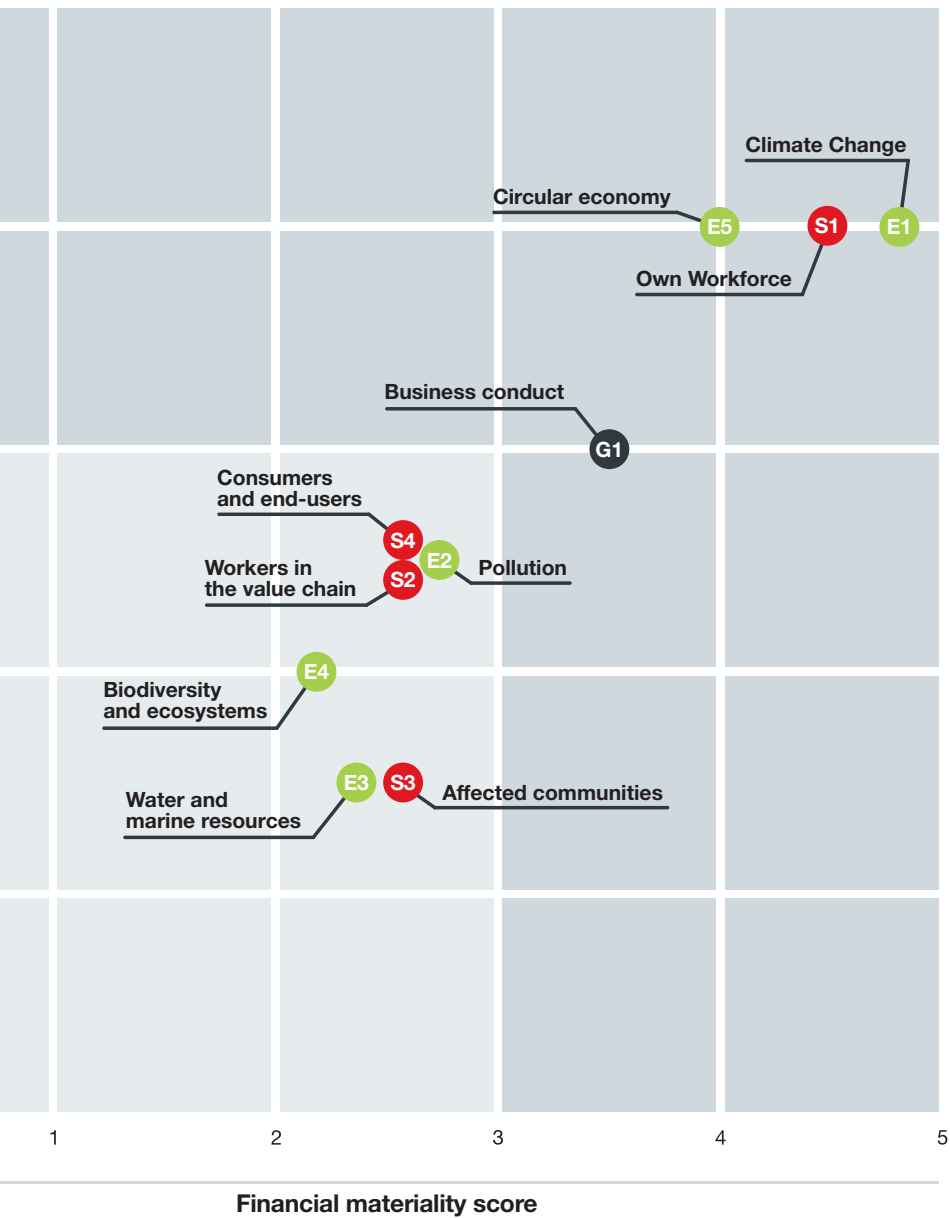
Although some sustainability topics are scored below the threshold for material topics, we recognize that a number of these subtopics may be relevant for some of our stakeholders, and we have therefore continued to disclose KPIs related to these topics (e.g., water usage). However, as these topics are considered non-material for Schur, we have not created targets or policies for these KPIs but have chosen focused actions to support a positive development.

The double materiality assessment resulted in the following material and non-material topics:

Material topics	Non-material topics
E1 Climate change	E2 Pollution
E5 Resource use & circular economy	E3 Water & marine resources
S1 Own workforce	E4 Biodiversity & nature
G1 Business conduct	S2 Workers in value chain
	S3 Affected communities
	S4 Consumers & end-users

The tables on the following pages give an overview of the material risks, opportunities, and impacts and the argumentation by Schur in each material topic E1, E5, S1, and G1, divided into material subtopics.





Impact of the company on environment. Companies can have a impact - either positive or negative - on society and environment.

ESG related impact areas: actual and potential impact on the value creation of the company. ESG impact areas can constitute material risks and opportunities.

Impact Materiality



Society and environment

Financial Materiality



Company

Society and environment

ClickShare

LG

poly



Climate change

E1

Topic	Value chain section	Description of risks and opportunities
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Climate change mitigation

Actual negative impact	Own operation	Scopes 1 and 2 emissions primarily originate from our own operations. These emissions have a negative impact on climate change.
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Financial risk	Own operation and suppliers' raw materials	We see that customers are increasingly demanding sustainable products. There is a financial opportunity in our products and services for our customers and revenue.
----------------	--	---

Actual negative impact	Suppliers' raw materials	Scope 3 emissions primarily come from the production of raw materials. The acceleration of climate change. As more and more companies are required to reduce their emissions.
------------------------	--------------------------	---

Potential positive impact	End-consumers	Food waste has a huge CO ₂ impact worldwide. Reducing food waste has a negative CO ₂ impact.
---------------------------	---------------	--

Potential financial opportunity	End-consumers	We have a significant opportunity to increase our sales by offering sustainable products. One of the best options for preserving food. It is a financial opportunity for our customers and revenue.
---------------------------------	---------------	---

Energy

Financial risk	Own operation	Price or tax increases on energy will impact our operations.
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Resource use and circular economy

E5

Topic	Value chain section	Description of risks and opportunities
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Resource inflows, including resource use

Actual negative impact	Suppliers' raw materials	Due to the nature of our business and supply chain, we use a lot of paper, iron and steel. This leads to environmental impacts.
------------------------	--------------------------	---

Financial risk	Suppliers' raw materials	Negative perceptions of plastic and its challenges. EU's Packaging and Packaging Waste Regulation. The amount of plastic used in carton packaging, which is a financial risk for our customers and revenue.
----------------	--------------------------	---

Resource outflows related to products and services

Financial opportunity	Suppliers' raw materials	Schur has a significant opportunity to develop new products for our customers, thereby reducing food waste.
-----------------------	--------------------------	---

Waste

Actual negative impact	Own operation	Too high a percentage of waste from our production process.
------------------------	---------------	---

from the use of electricity, and to a lesser extent, from the use of cars and gas. We acknowledge that our emissions are significant.

Implementing ambitious climate reduction plans from Schur. If we do not implement these plans, we risk losing future revenue and offering customers solutions with a lower CO₂ footprint. Without an ambitious climate plan, we risk losing both.

The purchase of raw materials such as cartons, plastic, iron, etc. Schur's Scope 3 emissions can significantly impact the environment. The negative effects of anthropogenic climate change become actual the scope of this impact increases.

Our packaging solutions that focus on increasing shelf life can reduce food waste and thereby lessen the environmental impact.

Our business and revenue through packaging solutions that extend shelf life. Currently, plastic packaging remains the dominant material. However, we are also seeing a growing number of barrier solutions for alternative types of packaging.

Our profit. By installing solar panels on our factories, we can reduce dependency and mitigate price risk.

In our supply chain, we require a significant inflow of resources for packaging materials and systems such as carton, plastic, and metal, which have significant environmental impacts, including energy consumption, use of wood/pulp, and reliance on oil-based plastics.

Changes with reusability could lead to a shift away from plastic packaging, potentially reducing our turnover. The Packaging Waste Regulation (PPWR) mandates that all packaging must be reusable, recyclable, or both by 2030. It also regulates the design of packaging in general. We are investing resources to adapt to these new demands and requirements.

Our packaging solutions that enhance circularity, reduce pressure on primary resources, and extend the shelf life of products can reduce food waste. Seizing these opportunities can lead to increased revenue.

Our production will increase the use of raw materials and, consequently, raise the cost of these materials.

Own workforce

S1

Topic	Value chain section	Description of risks and opportunities
Working conditions		
Potential negative impact	Own operation	As an employer with approximately 9,000 office employees in skilled, unskilled and semi-skilled working conditions.
Financial risk	Own operation	Schur relies heavily on its workforce; we risk high employee turnover and associated costs.
Financial risk	Own operation	Retaining long-term relationships with our employees; with our packaging processes retaining employees.
Potential negative impact	Own operation	Due to the nature of Schur's operations, we risk high employee turnover and associated costs.
Financial risk	Own operation	Stressed employees, reduced efficiency and increased working hours may impact our productivity.
Actual positive impact	Own operation	Schur can positively impact employees' well-being. These measures can help employees work more efficiently.
Opportunity	Own operation	The flexibility we can offer at Schur can help reduce burnout and stress.

ties

000 employees across Europe, the US, and Australia, Schur impacts a diverse workforce, including both production and administration, and sales positions. Production roles face higher risks due to machinery, which can negatively affect

s experience in the packaging industry and knowledge of our processes. If we do not provide good working conditions, difficulty attracting talent, which can increase costs.

h employees has consistently proven to positively impact overall profitability. The deep understanding and experience ed by our expert employees are key to our success.

ons, some employee groups experience irregular working hours, which may lead to stressful situations.

ncy, and an increased risk of mistakes can negatively affect business performance and brand image. Additionally, unbal- ar ability to attract and retain talent in the future.

ees by offering opportunities such as family leave, flexible working hours, flexible shift scheduling, and other benefits. s achieve a better work-life balance.

enhances efficiency and optimizes resource use, while a lack of work-life balance and resources increase the risk of

Own workforce

S1	Topic	Value chain section	Description of risks and opportunities
Equal treatment and opportunities for all			
	Potential negative impact	Own operation	There is a potential risk of unfair pay in the market. Employees are not always paid equitably. Production employees are subject to individual negotiations, which can vary based on experience or skill, not gender or any other bias.
	Financial risk	Own operation	If employees feel they are not being paid equitably, it could lead to financial risks.
	Potential negative impact	Own operation	In Schur, we have a continued focus on the talent and skills of our employees. However, a lack of diversity can have a potentially negative impact on the employee's motivation and satisfaction while also enhancing our business growth.
	Financial risk	Own operation	Without educating our employees, we may slow down our business growth.
	Actual positive impact	Own operation	Equal opportunities for career development and growth.
	Opportunity	Own operation	A strong focus on diversity can positively impact our business to attract and retain talent, diminish brand risk, and enhance our business growth.

Business conduct

G1	Topic	Value chain section	Description of risks and opportunities
Corporate culture			
	Actual positive impact	Own operation	Through our long history, Schur has developed a strong corporate culture and suppliers and has a positive impact on our business.
Protection of whistleblowers			
	Potential negative impact	Own operation	Protecting whistleblowers, both internal and external, is crucial. If the system fails, it could have severe consequences for our business.
Management of relationships with suppliers, including payment practices			
	Potential negative impact	Own operation	Our relationship with suppliers is crucial to Schur's business. Therefore, our actions, including payment practices, can influence them.
Corruption and bribery			
	Financial risk	Own operation	Corruption and bribery within Schur's business can lead to contract breaches or cancellations, resulting in financial risks.

manufacturing industry which should be addressed. Schur has therefore taken measures to ensure all employees are protected by collective bargaining agreements in all European factories. Office employees are in some cases lead to higher pay variations. In all companies, efforts are being made to ensure the variations are based on unbiased reason for pay differences.

quitably, there is a risk of resignations or job changes. This could result in losing specialized or experienced talent.

training and development of our employees. If the right training and skill development is not provided, it can impact employee's motivation. However, if the right training and skill development is provided, it can boost employee confidence in their future career prospects, both within and outside Schur.

struggle to meet market demands and adapt to new legislation. Failing to upgrade employee skills could hinder

and a diverse workplace positively impact all our employees.

impact our branding, business performance, and turnover. Conversely, a lack of diversity can make it challenging to attract top talent, impact employee equity, and have other negative effects.

ed strong values, including 'decency'. Our culture influences how we collaborate with employees, customers, and partners across our value chain.

external, is crucial. Our Speak Up system ensures anonymity to safeguard whistleblowers. However, if this system is not effective, it poses risks for those who come forward.

Schur's success. For some smaller, local suppliers, Schur is a significant customer, and our behavior can greatly impact them. Delaying payments could pose a risk to these suppliers.

ness could damage our reputation and violate signed codes of conduct with customers. This could potentially result in a loss of revenue.

Double materiality assessment methodology

In the following, we describe the methodology behind Schur's double materiality assessment conducted in 2023/24. The applied methodology is based on the principles of the European Sustainability Reporting Standards, ERS1.

In the double materiality assessment, we analyze sustainability-related risks, impacts, and opportunities from a dual perspective. The double materiality assessment in 2023/24 involved the Executive Board, the executive management teams of all Schur companies, and the Board of Directors. The double materiality assessment is reviewed annually.

In the double materiality process, we evaluate impacts, risks, and opportunities from an inside-out perspective (impact materiality), and an outside-in perspective (financial materiality). When assessing impact materiality, we assess Schur's impact on society and the environment. When assessing financial materiality, we assess the effects of society/social matters and the environment on Schur. We assess impacts related to the entire value chain.

All assessed impacts and risks have been mapped to their relevant topical ERS1 standard.

The following main considerations have been applied:

- ✓ Both positive and negative impacts have been assessed.
- ✓ Impacts have been identified as actual or potential.
- ✓ Both sustainability-related risks and opportunities were assessed.
- ✓ Impacts and risks were assessed for our own operations and for the value chain, where relevant.

Assessments of impacts and risks are made prior to any mitigation actions that are already part of our daily operations.

The assessment of actual negative impacts is based on the severity of the impact, and the assessment of potential negative impacts is based on the severity and likelihood of the impact. Severity is based on the scale, scope, and irremediability of the impact. In the case of a potential negative human rights impact, the severity takes precedence over the likelihood.

The assessment of positive impacts is based on the scale, scope, and likelihood of potential positive impacts.

Financial impact assessments opportunities, or dependencies expected to have a material impact on financial position, financial performance, or cost of capital.

Stakeholder involvement

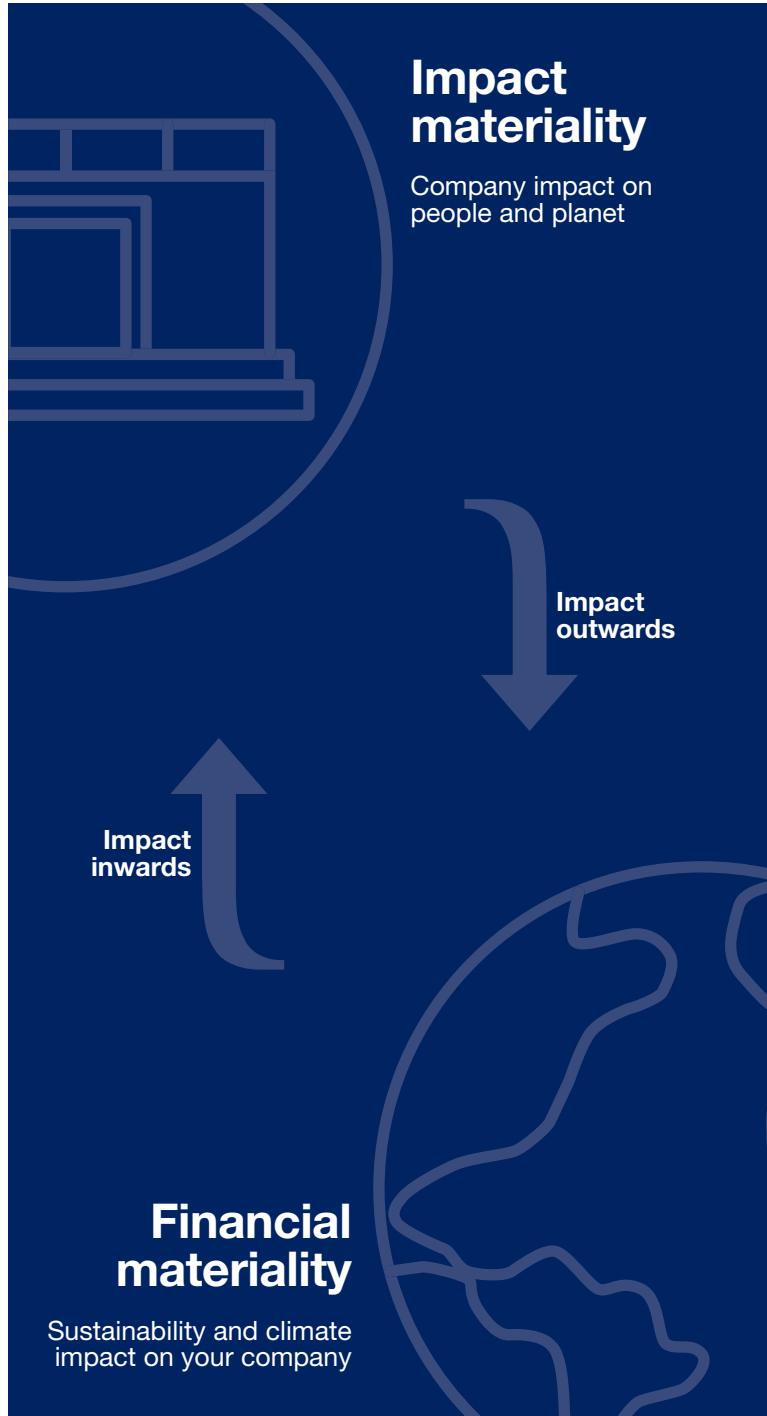
Since this is our first double materiality assessment, we applied the ERS1 principles for conducting stakeholder engagement. These are extensive, we decided to involve a wide range of stakeholders. When assessing impacts, risks, and opportunities, we consulted not only internal stakeholders. The consultation afterwards been supplemented by external stakeholders' and suppliers' sustainability interviews of employees, customers, and suppliers over the past few years.

In 2024/25, we will further include external stakeholders. This can potentially lead to the identification of new topics.

are based on assessments of risks, issues that have or could reasonably be expected to have a significant influence on Schur's development, performance, cash flow, access to

materiality assessment and as the result of a double materiality assessment to limit the number and groups of stakeholders. In assessing our sustainability-related risks, the assessment has been limited to a double materiality assessment has been conducted with analyses of selected customer reports, and previous external reports, and suppliers conducted in

include stakeholders in the analysis. The identification of further material







02 Environment

At Schur, we are proud to be manufacturers of packaging and packing systems. We take pride in the solutions and inventions we create, and we know the continuation of this work is heavily dependent on the footprint we leave behind.

Climate change mitigation plan

Schur's main impact on the environment is the greenhouse gas emissions we cause in our own operations and our supply chain. By sectors, the manufacturing and construction sector is the third-largest contributor to global emissions.¹ As we are the end-provider of packaging to our customers, the majority of Schur's emissions (+90%) stems from the supply chain.

In 2023/24, Schur has developed near- and long-term reduction targets for Scopes 1, 2, and 3. This is the first long-term greenhouse gas reduction plan covering the whole Group. For Scopes 1 and 2, Schur commits to limiting global warming to 1.5 C° in line with the Paris Agreement and reducing 2030 emissions by 42% relative to a 2022/23 base year.

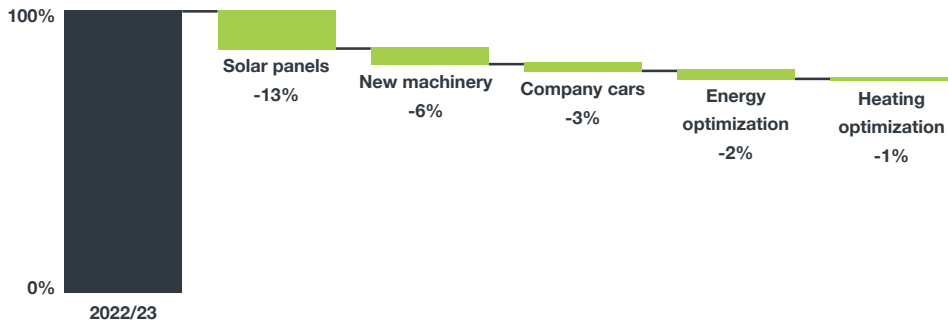
For Scope 3, Schur commits to stay well below 2 C° and reduce 2029/30 greenhouse gas emissions by 25% relative to a 2022/23 base year.

Furthermore, Schur commits to reducing greenhouse gas emissions across the value chain. By 2030, Schur will reduce emissions across Scopes 1 and 2 by 42% and find ways to neutralize Scope 3 emissions by 90% and find ways to neutralize the remaining 10%.

Developing Schur's transition plan

The overall goal is to halt the climate change by following the recommendations of the Intergovernmental Panel on Climate Change (IPCC) and the Paris Agreement. In the long-term targets for reducing greenhouse gas emissions, in this context, we follow the SBTi Core Climate Standard. For the near- and long-term, where the focus is on the short- to mid-year timeframe and long-term

targets, we focus on the development and finalization of the transition plan, which is embedded in Schur's overall business strategy and approved by the Executive Board. Schur has currently identified several key areas (DKK (CapEx) in the company's transition plan. There are additional investments in the roadmap but have not yet been finalized. The investments include 27 million



Scopes 1 and 2 reduction roadmap towards 2023

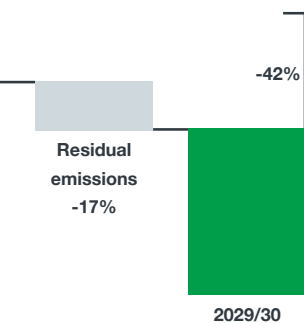
% expected reductions from planned actions

to reaching net-zero greenhouse gas emissions by 2046. To reach net-zero we will reduce our absolute emissions from Scopes 1, 2, and 3 by a minimum of 42% and reach net-zero residual emissions by 2046.

Transition plan

The rapid increase of global temperatures and the findings of the Intergovernmental Panel on Climate Change (IPCC) led to setting Paris-aligned near-term and long-term targets for our absolute CO₂e emissions. In this transition plan, we incorporate net-zero Standard definition and our near-term targets are over a 5-10-year period. Our long-term targets are set for no later than 2050.

Key elements of the transition plan are embedded in our business strategy and financial planning and are approved by the Board and the Board of Directors. We have allocated investments for approx. 45 million DKK over the next 5 years to roadmaps to reduce Scopes 1 and 2 emissions. Key identified actions that are included in our transition plan have not yet been quantified. This year's total emissions from DKK invested in installing solar



Emission reduction targets

- Schur commits to reducing absolute emissions from Scopes 1 and 2 by 42% by 2030
- Schur commits to lowering absolute Scope 3 emissions by at least 25% by 2030
- Schur commits to reaching 75% absolute reduction of Scopes 1 and 2 emissions by 2035
- Schur commits to reaching net-zero emissions across Scopes 1, 2, and 3 by 2046

GHG emissions reduction targets

Year	Scope 1 & 2	Scope 3
2030	42%	25%
2035	75%	-
2046	Net-zero	Net-zero

Base year: 2022/23

Key actions

- Local action plans developed in 2023/24 for Scopes 1 and 2 emissions reductions focusing on:
 - Change to electric company cars for all new cars after 2027 for the Danish companies,
 - Improved energy and heating efficiency in building and machinery,
 - Solar energy production on 5 additional sites,
 - New technology in printing presses with reduced CO₂ footprint
- Develop action plans covering residual emissions in Scopes 1 and 2
- Improve Scope 3 data quality over the coming years focusing on primary data from suppliers and transport partners
- Involve the value chain more and more, promoting higher commitment to decarbonization plans
- Further develop data collection from the supply chain and engage with suppliers to improve data quality and encourage ambitious target setting

panels on 5 factories. The extension of solar energy production from 2 to 7 factories is expected to reduce annual CO₂e emissions by 10-20%. We have further identified energy-saving initiatives that are not yet fully matured due to economic, practical, planning, or other reasons. These have not yet been included in the reduction roadmap.

The action plans developed in 2023/24 with input from all Schur companies leave a 17% gap between the initiatives currently in place and our 2030 reduction goal (see the Scopes 1 and 2 reduction roadmap towards 2030). The remaining action plans will be developed in the coming years. We will review action plans and progress towards the target annually.

We recognize that Scope 3 is a new area of expertise at Schur, and we will need to continue to build up knowledge and gather data on our Scope 3 emissions. When we discover a significant change in base year emissions as a result of this, the Scope 3 base year and target emissions will be recalculated.

To ensure the success and continued improvement of our greenhouse gas reduction actions, the development and implementation of them have been made part of the annual strategy and budget process, and are approved by the local boards.

Schur does not apply internal carbon pricing schemes as an incentive.

Necessary enablers

We cannot achieve the targeted emissions reductions without a high level of engagement from the supply chain. The emission reductions in Scope 3, which stands for 90% of our CO₂e emissions, stem almost entirely from the value chain. Schur will need to extend our close collaboration with suppliers to even more areas. In 2023/24, we have started to collect greenhouse gas emissions data from our suppliers in one company, and we will continue to improve the necessary processes and systems to include more companies. The aim is to have data on emissions from direct sources on all our major Scopes 1, 2, and 3 emission categories.

The improvement of the data quality in Scope 3 is imperative for reaching our goal of a 25% reduction of Scope 3 CO₂e emissions by 2030. Therefore, Schur's key action plan for Scope 3 is to

develop quality data collections and to collect primary data in the materiality areas. We will continue to work with them to set ambitious targets.

The actions that will lead to the 2030 target for Scopes 1, 2, and 3 are not dependent on the availability of new technologies that are not currently developed. As the value chain will play a large role in reaching this target, this could be the case for the 2030 target. We will continue to evaluate the possibilities, and make the necessary investments to reach this goal.

Alignment with current standards

The transition plan for reducing emissions in Scope 3 follows the cross-sector pathway as defined in the transition plan developed by the Science Based Targets initiative (SBTi). Schur has, however, not had the transition plan for Scope 3 in Scopes 1, 2, and 3 verified by the SBTi.

The transition plan has been developed based on the current organizational boundary criteria and the consolidation of ESG figures.

The Scopes 1 and 2 reduction target is based on 2019 base year emissions. In the roadmap for Scope 3, we have not included an estimate of activity growth. The packaging industry is going through a period of high growth in outputs. Schur has managed to keep its emissions per unit of output to expect to continue to do so with innovation and efficiency development teams. We have also not included the forecasted lower CO₂e emissions from our suppliers in countries where Schur companies are active.

engage with the supply chain categories and to encourage

CO₂e emission reductions in at on any emission reduction developed. However, seeing e in reaching our long-term 2046 net-zero target. We will innovations, and necessary

ds

sions from Scopes 1, 2, and nd associated guidelines gets initiative (SBTi). Schur plans for reducing emissions SBTi.

ed following the same reporting period as applied in

covers 100 % of the base scopes 1 and 2, we have growth towards 2030. The a period with decreasing a level output, and we vation and strong business ot included the effects of m electricity networks in the e located.

Emission reduction performance

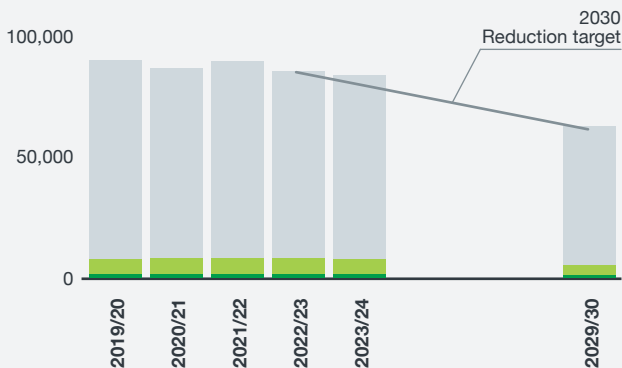
Change in CO₂e emissions Scopes 1 & 2	2023/24	2022/23
Scope 1 absolute CO ₂ e emissions development	5.9%	-
Scope 2 absolute CO ₂ e emissions development	-12.1%	-
Overall reductions in Scopes 1 and 2	-8.7%	-
Scope 3 absolute CO ₂ e emissions development	-0.3%	-

Base year: 2022/23

Progress on 2030 targets

On track – We have managed to reduce Scopes 1 and 2 emissions by 8.7% in 2023/24. The reductions are due to extended solar panel electricity production, overall energy efficiency improvements, reduced output, and lower emission factors in some categories. Scope 1 emissions have increased by 5.9% due to the singular use of a diesel-powered generator.

On track – Due to a change in our calculation method for Scope 3 C1 Purchased goods and services (page 31), and calculations for two new Scope 3 categories, C4 and C7, which it was not possible to include in the base year emissions, our Scope 3 emissions have only decreased slightly by 0.3%.



Scopes 1, 2 and 3 emissions reductions towards 2030

Average annual reductions

The 2030 reduction targets require an average annual reduction in greenhouse gas emissions of 6% for Scopes 1 and 2, equivalent to 119 tCO₂e in Scope 1 and 412 tCO₂e in Scope 2 per year.

The 2030 Scope 3 reduction target requires an annual average reduction of 3.6%, equivalent to 2,895 tCO₂e, relative to a 2022/23 base year. The Scope 2 target emissions are calculated using the location-based method.

Our target is to reach a 75% reduction of Scopes 1 and 2 emissions in 2035. Assuming the 2030 target is reached, the 2035 target will require a slight increase in average annual reductions in Scopes 1 and 2 to 6.6%, equivalent to 131 tCO₂e in Scope 1 and 454 tCO₂e in Scope 2.

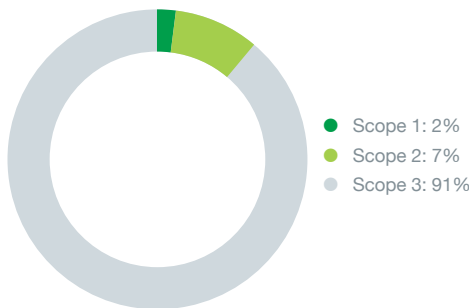
The Scope 3 reduction target covers 100% of the measured and estimated Scope 3 emissions in the base year.

The 2022/23 base year emissions include biogenic CO₂ emissions from Scopes 1 and 2 reported in the section Outside of Scopes on the following page.

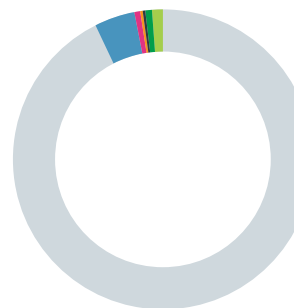
Greenhouse gas emissions

It has been an important part of our strategy to set reduction targets to gain a better understanding of our greenhouse gas emissions across Scopes 1, 2 and 3. We have developed the quality of Scopes 1 and 2 reporting from quarterly to monthly reporting, and we have moved from annual to Scope 3. This has been done to improve the accuracy of our emission sources and to ensure that we have precise greenhouse gas emissions data. Our greenhouse gas accounting follows the methodology of the GHG Protocol's Corporate Standard (2021) and ISO 14064-3 Accounting and Reporting of Greenhouse Gases (2006).

In 2023/24, we focused on improving the accuracy of our largest categories of emission sources. In Scope 3, C1 Purchased raw materials contributes 91% of our current emissions. We have moved from a proxy calculation to actual data and m² of purchased raw materials from our supplier companies.



Distribution of CO₂e emissions 2023/24
% of total CO₂e emissions



Distribution of Scope 3 CO₂e emissions
% of total Scope 3 emissions

Emissions

of developing Schur's reduction
standing of our greenhouse gas
, and 3. This year, we have deve-
and 2 emissions further by moving
and we have added more categories
to ensure the best representation
to create a more complete and
emission account. Schur's greenhouse
methodology of the Greenhouse Gas
and Corporate Value Chain (Scope
Standard.

improving the data quality of our
s, as well as including more Scope 3
purchased goods and services, which
recently identified Scope 3 emissions, we
moved on to using invoiced amounts of kg
materials, for all packaging production

- C1 Purchased goods and services 91%
- C2 Capital goods 6%
- C3 Fuel- and energy-related activities 0.7%
- C4 Upstream transportation and distribution 0.2%
- C5 Waste generated in operations 0.2%
- C6 Business travel 0.7%
- C7 Employee commuting 1.2%

Emissions 2023/24

CO₂e emissionsTon CO₂e

Company cars

Natural gas

Fuel oil

LPG-gas

Wood chips

Diesel

Scope 1

Purchased electricity from grid (location-based)

District heating

Scope 2 (location-based)**Scopes 1+2 (location-based)**

C1 Purchased goods and services

C2 Capital goods

C3 Fuel- and energy-related activities

C4 Upstream transportation and distribution

C5 Waste generated in operations

C6 Business travel

C7 Employee commuting

Scope 3**Total emissions (location-based)**

Electricity purchased from grid (market-based)

Total emissions (market-based)

Outside of Scopes

Biogenic CO₂ from Scopes 1 and 2**CO₂e emissions by segment**Ton CO₂e (location-based)

Carton

Labels

Flexible

Automation

Other

Total emissions**CO₂e intensity by segment**CO₂e (location-based)

Carton

Labels

Flexible

Automation

Total Group location-based CO₂e intensityTotal Group market-based CO₂e intensityNet revenue used to calculate CO₂e intensity

	Change	2023/24	2022/23
		527	562
		621	611
		64	35
		337	366
		12	12
		118	-
	5.9%	1,679	1,586
based)		5,634	6,380
		408	492
	-12.1%	6,042	6,872
	-8.7%	7,721	8,458
		73,397	73,041
		5,079	6,988
ion		534	177
		158	-
		181	486
		570	362
		924	-
	-0.3%	80,843	81,054
	-1.1%	88,564	89,512
ased)		12,593	11,782
	0.6%	95,523	94,914
		376	403
		53,460	62,283
		1,345	1,207
		30,738	22,685
		2,797	2,766
		224	571
		88,564	89,512
		kg/kg	0.84
		kg/kg	1.25
		kg/kg	5.54
		kg/DKK	0.02
y		ton/tDKK	0.05
		ton/tDKK	0.05
sity		tDKK	1,938,339
			2,108,359





Accounting policies



We calculate greenhouse gas emissions as CO₂ equivalents (CO₂e). This means that other common greenhouse gases have been converted into CO₂ equivalents by assessing their global warming potential (GWP) and calculating the similar GWP of CO₂. The GWP value bases used for calculating CO₂ equivalents from other greenhouse gases are from the IPCC's assessment reports AR5 and AR4, assessed over a 100-year period. In all the applied CO₂e emission factors, we are accounting for methane (CH₄) and nitrous oxide (N₂O) emissions as well as CO₂ emissions.

Greenhouse gas emissions are calculated using emission factors derived from Exiobase v3.3, AIB, Ecoinvent, and government data. We strive to secure country-specific factors wherever possible. In cases where this has not been possible, we have used data from the UK Government's Conversion factors 2024. When calculating the emissions from district heating consumption and purchase of raw materials (for some raw materials), we have used supplier-specific data on emissions.

Scope 1

Scope 1 includes the sources of direct emissions from gas used for production and heating and the combustion of fossil fuels in company cars. The only biofuels burned on-site are wood chips. The CO₂e emissions from biofuels included in Scope 1 cover the N₂O and CH₄ emitted from the combustion of wood chips. The biogenic CO₂ from the combustion of biofuels is reported in our CO₂e emissions table as Outside of Scopes.

The CO₂e emissions are calculated using emission factors from the UK Government's Conversion Factors 2024, representing average European greenhouse gas content conversions.

Scope 2

Following the Greenhouse Gas Protocol and the CSRD, we report our Scope 2 emissions both as location-based and market-based emissions. As Schur has not purchased any contractual instruments denoting electricity from renewable energy sources, the market-based emissions reported are the average residual electricity mixes for each country. The residual mixes are estimated by the Association of Issuing Bodies (AIB) for our locations in Europe, and by the respective governments for our locations in Denmark and Australia.

The CO₂e emissions for district heating are calculated using the direct emissions estimated by the district heating company. CO₂e

emissions for location-based electricity are calculated using country-specific electricity grid averages. For market-based emissions, we use the average emissions of organizations or the Association of Issuing Bodies (AIB).

Scope 3

The largest quantity of Schur's emissions is from Scope 3. C1 Purchased goods and services. C1 is calculated for all significant groups of purchased goods and services using average emissions from Ecoinvent, or, for part of the emissions, provided by the suppliers. Purchased electricity. For our automation factory and conference center, Scope 3 emissions are calculated on the basis of the consumption of materials and transport.

The estimation of CO₂e emissions in C1 is based on location-based and C4 Upstream transportation and distribution. For C1, we spend-based activity data for investment in equipment, and transport purchased by Schur. For C4, we retrieved emissions data from the supplier. For the company, we retrieved emissions data from the manufacturer regarding the purchase of two printing presses. Emission data has been included in the calculation. In C4, we include the emissions from the purchased by Schur, in accordance with the Greenhouse Gas Protocol. C9 Downstream transportation is therefore not used. The emissions from the transportation it was possible to estimate.

C7 Employee commuting CO₂e emissions are calculated using national or city averages of transport emissions multiplied by distances in the countries where Schur has employees.

Emissions from C10 Processing of sold products are not reported due to the complexity of processing of sold products. It consists a multitude of ways in which the products manufactured by Schur can be filled. It has not been possible to estimate the greenhouse gas emissions of the sold products.

C11 Use of sold products will be included in the next report. It is energy use from machines sold by our customers in the coming years. It has not been possible to estimate the emissions in 2023/24.

C12 End-of-life treatment of sold products is not reported as a very important emission category for Schur.

ity are calculated using
 ges provided by government
 suing Bodies.

ions stems from the category
 1 CO₂e emissions are calcu-
 -based materials in the period
 ean production facilities,
 the purchase, emissions
 services are not included.
 erence center, C1 CO₂e
 s of a spend-based estimate
 ons of waste produced.

category C2 Capital goods
 distribution is based on
 ents in machinery, buildings,
 y Schur companies. With one
 a directly from the manufac-
 rinting presses. The supplier
 e C2 total, and the monetary
 is excluded from the spend-
 the downstream transportation
 with the methodology of the
 stream transportation and
 C4 calculation only contains
 estimate spend-based.

sions are estimated from
 choices and commuting
 ur companies are located.

old products are not included
 of Schur's products. There ex-
 -bespoke packaging manufac-
 t been possible to estimate
 continued processing.

uded as an estimate of
 ur Automation companies in
 ssible to make this estimate

ducts could potentially be
 or us. Schur can have a

considerable impact on emissions from this category by creating
 recyclable packaging and supporting recycling systems. We will
 continue to work on including a reliable estimate of this category.

In 2024/25 we will estimate emissions from Schur's associated
 companies in Scope 3 C15 Investments. The following categories
 have been deemed non-applicable to Schur: C8, C13, C14.

The category *Biogenic CO₂ from Scopes 1 and 2* is emissions from
 the consumption of woodchips.

CO₂e intensity

The CO₂e intensity is total Scopes 1, 2, and 3 location-based
 emissions in kg CO₂e divided by volume sold and by DKK net
 revenue, divided into segments, in the reporting period. The
 CO₂e-emissions by segment split has been corrugated for the
 internal sale of carton and machinery.

Uncertainties and estimates

In the emission factors from Ecoinvent used to estimate CO₂e
 emissions from the purchase of virgin carton material, we have
 found a potential overlap between the Scopes 1 and 2 emissions
 from our carton factories and the carton conversion process
 included in this emission factor of approximately 10-15%. We have
 not adjusted any figures against this overlap.

In Scope 3, categories C2, C4, we use a spend-based estimate
 of activity in the period. The CO₂e emission estimates calculated
 from spend-based activity data result in uncertainties from market
 fluctuations and negotiations that may affect the reliability of the
 CO₂e emissions estimate.

Energy consumption

The various activities put in place to optimize our energy consumption are controlled and approved locally. It is locally, on the production sites, that consumption can be followed and optimized. Three of our European companies are certified to ISO 50001 or ISO 14001 and maintain a strong focus on improving energy efficiency. It was an area of focus in 2023 and 2024 to have energy screenings completed and heighten our attention to energy efficiency further.

This year, we have continued the work to improve our data collection on energy consumption. This has meant a transition from annual to monthly reporting of energy consumption and increased attention to the completeness and correctness of the figures.

Increased focus on renewable electricity sources

The decision to increase the capacity for photovoltaic energy production at our sites is driven by a goal to run our production on as many renewable energy sources as possible, using trustworthy and reliable methods.

The question we face is: How do we secure a supply of green energy to our production and at the same time avoid purchasing instruments designed to short-cut our way to net-zero with no real effect on actual market CO₂e emission levels? As we are researching certificates and power purchase agreements, this question is at the top of the agenda.

In the meantime, we have increased the production of renewable electricity from solar panels by 14% in 2023/24. This number includes new photovoltaic production from our Australian and two Danish factories. Two of our other factories in Denmark and one in Germany have installed solar panels but have not been able to produce energy from them due to external factors that have delayed the start of production of solar energy.

In 2023/24, we have improved our energy efficiency in the labels production by 9.8% with an increased production volume and decreased the total consumption of purchased electricity and heating by 2%. We will continue these improvements in our energy consumption over the coming years, as well as assess the need to purchase green energy through power purchase agreements or certificates.

Accounting policies

Data on energy consumption in the Schur sites monthly from utilities. There is no significant storage of fuel. The carbon content is calculated for oil and gas from the UK government's 2022

Following the European Sustainability Reporting Standards, electricity consumption where the purchase of a certificate is determined for electricity consumption. Therefore, the energy that Schur's locations are consumed is split between renewable and non-renewable.

The renewable energy share is calculated based on solar panel power production and purchased power production table included in the report. Electricity consumed in the local electricity grid.

Energy intensity is calculated as the ratio of revenue and kWh consumed per unit of production. It is in high climate impact sectors and Flexible packaging production. Energy intensity is the percentage change in energy consumption.

Changes to earlier periods

In the 2022/23 ESG Report, Schur's energy consumption was reported including the amount of electricity sold back to the grid. This has been excluded from panel electricity consumption in the 2023/24 report. The energy mix is changed from 1,458 to 1,458 tCO₂e. Biofuels is changed from 2,599 to 2,599 tCO₂e. Renewable energy consumption is changed from 1,458 to 1,458 tCO₂e. Total consumption is changed from 1,458 to 1,458 tCO₂e.

The energy intensity table has been updated to include high-climate impact sectors where the segment not included is our core business.

is collected and consolidated from all invoices or meter readings. There are no meters at any of our sites. The calorific value of natural gas using thermal value metrics is 24 Conversion factors set.

Renewability Reporting Standards, all electricity from the origin is not ensured by the certificates. Electricity produced as non-renewable energy in the local grids connected to, is not accounted for in the non-renewable energy consumption.

the consumption of energy from the burning of biofuels. The Solar energy produced on-site but not connected to the electricity network.

as kWh consumed per tDKK net per kg sold in Schur segments that are affected by factors: Automation, Carton, Labels, and Flexible packaging. Energy efficiency improvement projects aim to reduce energy intensity.

Solar panel electricity consumption and the amount of electricity from solar panels have been corrected for 2022/23. Solar energy is included in table *Energy consumption and greenhouse gas emissions*, page 1,336. Total Renewable energy and greenhouse gas emissions decreased from 1,9 to 2,477 and the share of renewable energy increased from 7% to 6.7%. Total energy consumption decreased from 37,352 to 37,230.

has been changed to only include the energy consumption where Schur operates. The only exception is the conference center.

Energy consumption targets

- Annual energy intensity reductions of more than 3% in Carton, Labels and Flexible segments
- Solar panels mounted on factories in all countries where it would be beneficial in 2024
- All Danish company cars purchased or leased after 2027 will be electric vehicles
- Replace the oil-run heating system with electric heat pumps at Schur Conference Center in 2025

Change in energy intensity

Change in kWh/kg sold	2023/24	2022/23
Carton	0.6%	-3.9%
Labels	-9.8%	-13.7%
Flexible	6.2%	13.3%

Progress on targets

On track – The energy intensity has decreased in the label production and is almost unchanged for carton production despite a lower output. This is due to energy efficiency improvements in the factories. The energy used in the production of flexible packaging has increased this year due to increased heating and the use of a generator.

On track – Solar panels have been successfully installed in 5 factories in Denmark, Germany, and Australia. All factories except in Sweden, where the yield was found to be too low, now have solar panels installed. In three factories in Germany and Denmark, energy production has not yet commenced.

On track – All Danish companies that are leasing vehicles have agreed to only lease battery electric vehicles when the contract on current vehicles expires. The change of owned cars will be slower than the change of leased cars.

On track – The project to shift from an oil-run heating system to electric heat pumps has begun this year. However, the installation of the heat pumps is not yet initiated. The work should be completed in 2025.

Energy consumption and mix

MWh

Non-renewable energy consumption

Electricity

Natural gas

LPG gas

Fuel oil

District heating

Diesel

Total**Renewable energy and biofuels**

Wood chips

Solar panel electricity consumption

Total**Total energy consumption**

Share of renewable energy consumption

Energy consumption by location

MWh

Denmark

Germany

Sweden

Australia

USA

Total**Energy intensity in high climate impact**

per net revenue, Automation

per sold kg, Carton

per sold kg, Labels

per sold kg, Flexible

Total energy consumption in high climate impact**Solar power production**

Carton

Labels

Flexible

Automation

Group share of total electricity use

	2023/24	2022/23
	24,984	25,153
	3,364	3,314
	1,573	1,710
	250	135
	4,018	4,441
	492	-
	34,681	34,753
	1,074	1,141
	1,511	1,336
	2,585	2,477
	37,266	37,230
	6.9%	6.7%

	8,744	9,062
	14,856	15,659
	6,781	6,558
	3,097	2,440
	3,788	3,511
	37,266	37,230

sectors

	kWh/tDKK	4.63	3.37
	kWh/kg	0.34	0.33
	kWh/kg	0.86	0.95
	kWh/kg	2.49	2.35
		36,832	36,901

ate impact sectors

Produced	MWh	813	853
Share of electricity use		4.8%	4.8%
Produced	MWh	10	-
Share of electricity use		1.3%	-
Produced	MWh	822	605
Share of electricity use		12.2%	9.7%
Produced	MWh	10	-
Share of electricity use		3.5%	-
		6.6%	5.8%

Resource use and circular economy

New regulation and new opportunities

As a manufacturer of goods, there is no denying the impact of extracting resources from nature. And there is no arguing against the importance of keeping the planet we all rely on safe and thriving. In Schur, we work hard to be responsible suppliers of goods and services. We work to minimize our impact from resource inflows and outflows as much as possible while creating products that live up to our customers' expectations.

The commitment from the EU to sustainable business practices will lead to strengthened value chains and improved regulatory landscapes. The task of adopting new packaging, waste, and sourcing regulations on businesses is taxing, and Schur is working hard to comply with new regulations while continuing to improve our operations.

EUDR

The Regulation on Deforestation-Free Products (EUDR) aims to minimize the risk of placing or exporting products in the EU that are associated with deforestation. The regulation covers the production of cattle, cocoa, coffee, palm oil, rubber, soya, and wood and will be implemented at the end of 2025. Schur will during 2025 continue to integrate due diligence processes and improve tracing systems in our productions to meet the new requirements.

PPWR

The Packaging and Packaging Waste Regulation (PPWR) has been adopted by the EU to target the market and transparency failures that are currently creating barriers to a circular economy. The goal of the regulation is, in short, to reduce packaging waste. By 2030, the packaging waste of each member state should be reduced by at least 5% compared to 2018-levels and all packaging items have to be recyclable. The regulation places restrictions on the design, reusability, and recycled content of packaging. The effects of this regulation are considerable, and Schur welcomes both the challenge and the need to limit unnecessary packaging material.

EPR

The idea of Extended Producer Responsibility (EPR) was implemented in the EU in 1994. However, the implementation as a directive led to fragmented recycling systems across member states. With the PPWR, all member states will have to adopt similar methods of Extended Producer Responsibility and match these to the many national laws already put in place. The hope is that

recycling systems will be funded by regulation with a high focus on ensuring a successful supply and

Waste handling and recycling

To support the success of the regulation, Schur has started working outside the EU, Schur has started working on reuse, recycling, and finally reusing. In Schur, we have implemented the separation and recycling of

Similarly, when we produce products, we are designing for disassembly, but also for refurbishing, and scaling automation to maximize functionality and

Accounting policies

Resource inflow is the amount of material purchased in the period. The amount of material has been assessed based on this information was available. The amount of material considered material are included

Waste is reported annually via our reporting companies. The data collection includes: landfill, recycling, incineration, and recovery. Recycling is both self and external. The category "Other recycling" includes wood, glass, and different types of plastic recycling at our locations.

The wastage rate is calculated as the amount of production as the amount of carbon dioxide and waste respectively, by total production. If different, the wastage rate is not

Changes to earlier periods

The wastage rate was not calculated for the period 2022/23; this year the Labels of Environmental Performance table has been expanded with the addition of Labels. Due to updated waste management, the amount of recycled paper and cardboard disposal is changed for 2022/23. The amount of disposal is changed from 16,041 to 16,041. The amount of disposal is changed from 2,023 to 2,023. The amount of disposal 2022/23 is changed from 21,3

tional across borders. Unanimous information-sharing is needed to build a demand system for the future.

Stability in Schur

These regulations, and similar programs, have started the work to ensure reduction, responsible disposal in all parts of our production. The daily procedures in place to ensure reduction of production waste.

Investing in packaging machines and systems, and recycling used machines for automation projects to reduce materials are already core parts of the process.

Classification of goods by material categories and amount of recycled and virgin substances based on supplier information, where possible. Only the categories of purchase are used.

Waste from invoices from waste collection and disposal on waste is split into four categories: incineration, and incineration with energy recovery, secondary and primary recycling. Waste categories are electronic waste, food waste, and other types of materials that are separated for recycling.

Waste for the Carton, Flexible, and Labels segments is carton, plastic, or paper and combustible input. As the waste categories are not comparable between segments.

Labels

Waste calculated for the Labels segment in 2023/24 has been included and the waste is shown in separate figures for Carton and Flexible. Waste from Automation, the Labels segment, and carton and waste directed to incineration in 2023. Recycled paper and carton waste in 2023/24: 1,054 tons and waste directed to incineration: 1,945 to 2,005 tons. Total waste in 2023/24: 2,998 to 21,426 tons.

Resource use and circular economy targets

- At least 90% of all packaging produced by Schur will be optimized for recycling at the end of its life by 2030, and we will support customers in the EU in meeting PPWR requirements
- At least 95% of production waste will be prepared for secondary lives or recycling
- By 2028, the wastage rate will on average be below 15% for both Flexible and Carton

Production waste sent to recycling

By packaging segment	2023/24	2022/23
Carton	97%	99%
Labels	2%	2%
Flexible	28%	31%
Total Group	89%	91%

Progress on targets

On track – We guide our customers on the best materials for their purposes regarding product safety, consumer health, shelf life, and recyclability. We are unable to measure progress on this KPI this year due to system restraints.

Off track – Due to less plastic waste going to recycling and more waste categories added this year, the total level of recycled production waste from our factories has dropped slightly.

On track – The wastage percentage has decreased in our carton and flexible packaging businesses due to an optimized use of resources.

Key actions

- One of our Danish factories commissioned a new waste sorting system in 2023/24 improving waste recycling and reducing energy consumption by up to 100,000 kWh per month
- In Flexible packaging, to support our customers in complying with new regulation such as the PPWR, we have invested more than DKK 4 million over the past two years running more than 100 trials on new material structures to improve recyclability and maintain quality

Material in-flows of raw material

Ton

Carton

Paper

Recycled carton and paper

Plastic films

Recycled films

Inks

Lacquer

Wax

Adhesives

Corrugated cardboard and other packaging

Total**Total recycled materials purchased**

Percentage recycled materials purchased

Waste generated in productions

Ton

Recovered for recycling

Paper and carton

Mixed plastics

Metal

Hazardous waste

Other recycling

Total waste sent to recycling

Share of total waste

Directed to disposal

Incineration

Of which hazardous waste

Landfill

Total waste sent to disposal

Share of total waste

Total waste

Percentage hazardous waste generated

Wastage rate by segment

Carton (carton and paper waste)

Labels (paper and combustible waste)

Flexible (plastic waste)

	2023/24	2022/23
	40,866	-
	1,585	-
	35,529	-
	7,092	-
	24	-
	553	-
	693	-
	188	-
	196	-
ng materials	1,008	-
	87,734	-
	35,553	-
	41%	-
	14,849	16,054
	417	497
	75	57
	101	129
	2,599	2,684
	18,041	19,421
	89%	91%
	1,865	1,513
	6	36
	424	492
	2,289	2,005
	11%	9%
	20,330	21,426
	0.5%	0.8%
	19.1%	19.6%
	28.5%	33.3%
	21.1%	21.5%

Water consumption

In our double materiality analysis, we have not found the consumption of water or threat to water systems to be a material sustainability topic for Schur. However, we continue to report on figures related to our water consumption as we expect water consumption to be a relevant topic for some of our business partners.

In all carton factories, we use water to keep the humidity in the factories at 50%. This is to avoid any damage to the carton and paper during printing. To keep the high quality of the materials we use intact and to protect the health of our personnel, we adhere to very strict regulations concerning the purity of the water used for humidity control in our facilities. Unfortunately, this limits the possibility of using recycled water or recycling water on-site.

Some of our printing machines are rinsed with water to keep them clean and running smoothly. This water contains residues and one of our factories has developed a partnership to clean and recycle this water, a method we look into replicating in our other factories. The recycled rinse water is reported in the table Waste generated in production.

Accounting policies



The reported water consumption includes all water purchased in the period. We do not have any self-controlled water sources. The water consumption is reported annually from invoice statements from all sites and consolidated for the group. In the USA we rent facilities, and therefore the water consumption here is estimated as water use per employee over 12 months. The Other category contains our conference center.

Water intensity is calculated as the cubic meters of water used per ton of goods sold in the Carton, Labels, and Flexible segment.

Changes to earlier periods

Water intensity in Machines and Logistics and our conference center has been deemed immaterial as the water consumption in these segments is relatively modest. These figures are therefore excluded from the Water intensity by segment table.

Water consumption key actions

Water use by segment

M ³	2023/24	2022/23
Carton	13,754	17,407
Labels	667	629
Flexible	1,101	1,006
Automation	496	529
Other	2,002	2,506
Total group	18,020	22,077

Water intensity by segment

		2023/24	2022/23
Carton	m ³ /ton	0.22	0.26
Labels	m ³ /ton	0.62	0.67
Flexible	m ³ /ton	0.20	0.18

Key actions to support sustainable water usage

Tracking recycled wastewater – This is the first year of monitoring the amount of water used in the production that was sent to be recycled. As this is a new measure, it is important that we continue to develop this measurement.

Water scarcity – We have two factories, located in California, USA, and Melbourne, Australia, where water scarcity and water depletion may become an issue. The production here is not water-intensive, but the use of water should be protected as much as possible.

Sustainable water consumption – We monitor the consumption of water from all Schur sites annually or monthly and will as soon as possible start to monitor the use from all sites monthly to detect any leakages or changes in consumption.



Discussion in groups:

How should Schur prepare to comply with the EUDR?

Consider:

- Do you have customs data (HS codes) available on the material you procure?
- Can you exclude that you are the first actor in the supply chain that makes leeches products available on the EU market?
- Do you know the countries from which relevant commodities originate?
- Do you have geotagging data available on the land plots from which the relevant products originate?
- Do you have information available on deforestation and non-legacy risks in countries of origin?
- Do you have due diligence procedures in place?

03 Employees

Our employees are the backbone of Schur. Without them, there would not be a company or 178 years' tradition to uphold. We are dedicated to their well-being, safety, and personal development. Being a modern workplace populated by healthy and happy people is our top priority.

Securing employee well-being

At Schur, we are committed to securing the well-being of all employees and we strive to support an inclusive culture. In all our companies, it is prioritized that employees are heard, know their way to success, feel at home in their jobs, and bring their individuality and talent to work. Only in this way can we retain the tremendous employees, we already have and keep attracting the talent we need.

Diversity

One of the best things we can do for our employees is make sure they are diverse. As many studies have shown, a mix of ages, backgrounds, cultures, and genders makes for a better work environment, stronger and more innovative solutions, and overall, a more resilient workforce.

The manufacturing industry has historically more male than female employees which is also noticeable in the productions and offices of Schur's companies. We need to continue to work towards curbing the trend of male-dominated industries and attract more women and younger people to our industry. At group level and in the local companies, new recruitment processes, more positions for students and trainees, increased focus on grouping HR data, and working with synergies between companies and countries support Schur's work on increasing diversity.

Working conditions

In all companies, there are employee representatives or management contacts through which complaints and grievances can be voiced and will be acted on. These are in addition to the whistleblower system which is also implemented in all companies. In 8 out of 10 Schur companies with production employees, they are covered by collective bargaining agreements. Danish employees not covered by a collective bargaining agreement will follow the Danish Employer's and Salaried Employees' Act. Within the EU, we have several different collective bargaining agreements in Germany, Denmark, and Sweden covering almost all production

employees. Outside the EU, not all employees are covered by national awards systems or collective bargaining agreements in our production

In all Schur companies, meetings with employee representatives are held on a regular basis in all departments. All employees are encouraged to voice concerns, raise awareness of safety issues, and contribute to improve well-being and their physical and mental health. There is a focus on managers and supervisors listening to employees and overcoming issues together. There is a focus on the relationship between employees and managers.

Schur is committed to the Ten Principles of the UN Global Compact and the Sustainable Development Goals. Schur annually submitted a Communication Action Plan to the UN Global Compact, since 2015. In our global Human Rights Policy, we stated that Schur does not tolerate or support forced labor, compulsory labor, discrimination or harassment on the basis of race, ethnicity, sex, sexual orientation, gender identity, age, religion, political opinion, national extraction, or social origin amongst our employees nor in our supply chain.

In 2023/24, there have not been any reported grievances or complaints that relate to human rights or any severe human rights impacts. Schur has a whistleblower system and grievance and complaints channels. For more information on the whistleblower system, see page 46.

All employees are covered either by national social security insurance, or contractual agreements, or collective bargaining agreements to sickness, employment injury, and pension, and some level of retirement.

Living wages

In 2024, Schur conducted a survey to ensure the payment of adequate wage payments to all employees. This includes a wage check for all employees in the EU, either based on the minimum wage or based on the national minimum wage or based on the collective bargaining agreement.

our employees in Australia are systems. We do not use collective bargaining in the USA.

ings between management and on a regular basis, company-wide or in smaller groups. We make sure employees are made aware of how to tackle sustainability issues, and discuss actions to improve physical and mental working conditions. We ensure support is being available and close to their needs, such as language barriers and cultural differences.

Principles of the UN Global Compact and the UN Sustainable Development Goals and has been incorporated into our Communication of Progress to the UN Global Compact. As part of our group-wide sustainability policy, it is our goal to prevent any form of human trafficking, forced labor, or child labor, or any cases of discrimination based on race, color, gender, age, disability, religion, or social origin neither in our operations nor in the value chain.

When we have reported any instances of human rights violations that couldn't be remediated immediately, we take corrective actions through the companies' own channels or any cases through the external channels. We provide information on our whistleblower system.

Support is provided through public programs, health insurance, and benefits against loss of income due to illness, acquired disability, parental leave, and unemployment if they are let go.

We conducted a survey of all companies on the question of working conditions for all employees. The survey did not cover all countries, but an overall assessment of working conditions, wage level, in countries that have a standard industry or collective agree-

ments. We have not found any evidence that any employees should be paid less than adequate wage in this survey. This evidence is supported by the high number of employees covered by collective bargaining agreements, who have been found to earn higher wage shares overall when compared to their non-unionized counterparts.²

Education and training

Schur held its first Legislation Day in September 2024 inviting employees from all countries to a day focusing on new sustainability legislation in the EU and how it may affect our companies. The focus was on the new EU regulations PPWR, and EUDR, and the implementation of EPR in Denmark. 47 employees, representing all EEA-located Schur companies, were there, ready to discuss implementation, benefits, and obstacles.

The Legislation Day was the first of its kind. Schur has held other similar events in the past, including a Green Claims communication day for Danish Schur companies, the annual Finance meeting for all finance roles in Schur, and similar cross-functional meetings established between Schur companies.

Although this form of training cannot stand alone, it has provided insights into a new way to structure education offers in Schur. Training such as the legislation day is supported by cross-company function meetings, local training and education initiatives, course programs, and the planned development of our online E-learning system, including topical and Schur-wide training videos.

Accounting policies

Information on working conditions has been collected through an interview or questionnaire-based survey of all Schur companies in 2024. The responses to the survey are based on current information.

All figures are reported at the end of the year. Full-time equivalents (FTEs) are the contractual working hours of an employee by a full-time work week in the same country. The length of a standard full-time work week varies from 37-40 hours in Schur companies.

A Schur employee is defined as someone who receives a paycheck directly from a Schur company. This number includes part-time employees, temporary employees, seasonal employees, zero-hour contract employees (e.g., employees not contracted to a fixed

number of hours), persons on strike, or persons on short- and long-term leave (incl. parental leave) in the period. In 2023/24, out of 977 employees by headcount, 63 were hired on zero-hour contracts.

Management teams are defined as the two highest management levels in the company with at least one direct report. In the group management of Schur International Holding a/s this is the Executive Board and the group management team. The percentage of female managers is female managers by total managers in the management teams in all Schur companies. Equal representation is defined as the number of the underrepresented gender that comes closest to while remaining below 40%.

Employees are separated by their core activities into production employees and office employees. The share of female employees is calculated as the number of women by total employees.

Employee turnover is the total number of employees who have left the period divided by the average headcount.

Employees by country	Headcount	
	2023/24	2022/23
Denmark	495	499
Germany	278	280
Sweden	121	104
Australia	53	49
USA	29	30
Norway	1	1
Total	977	963

Gender diversity - All employees

Men	732	732
Women	245	231
Total	977	963
Share of female employees		
Office employees	33%	-
Production employees	21%	-
All employees	25%	24%

Age diversity - All employees

Under 30 years of age	
Between 30 and 50 years of age	
More than 50 years of age	
Total	

Employee turnover

contract type, wage-earning and salaried employees as well as the number of employees is the number of

number of people who left during the period and the account of employees.

FTE	
2023/24	2022/23
418	441
285	280
111	104
53	49
29	30
1	1
897	905

723	721
174	184
897	905

34%	36%
11%	11%
19%	20%

Headcount	
2023/24	2022/23
152	126
449	452
376	385
977	963
15%	-

Employee well-being and diversity targets

- In the management group of Schur International Holding a/s, both genders are represented 40-60% by 2025
- In all management teams, the share of the underrepresented gender is above 35% in all Schur companies by 2028
- Average employee turnover in all Schur companies stays below 10%

Gender diversity – Management

	2023/24	2022/23
Two highest management levels		
Group management team total	7	7
Share of female managers	28.6%	28.6%
All Schur management teams total	49	54
Share of all female managers	27%	26%

Progress on targets

Achieved – the management team of the group function went from 8 to 7 people in 2023. The representation is as close to while remaining below 40%.

On track – The share of managers of the underrepresented gender increased to 27% in 2023/24 across all management teams. We will continue to work towards an increased focus on diversity in our industry and our companies.

Off track – The employee turnover has been slightly too high in 2023/24. This affects well-being, knowledge-sharing, and efficiency in all affected departments.

Key actions

- Continuing to cultivate a diverse workplace with opportunities for people of all backgrounds, ages, beliefs, genders, sexualities, etc.
- Implementation of a Schur Group diversity policy and action plan in 2024/25
- Heightened focus on employee retention, onboarding, successful work engagements and futures at Schur

Securing employee health and safety

We are fully aware of the risks that our employees face working with machinery, in warehouses, and on night shifts. We do not take these risks lightly, and we do our best across all Schur locations to minimize them. At all factories, we have local health and safety programs and instructions that all production employees must adhere to. Safety training is given special priority for employees who operate heavy machinery, work in close proximity to machines or chemicals, in noisy environments, or under any other conditions that pose a risk of injury. In all factories dangerous situations are observed and discussed in safety meetings or by hazard teams. As Schur consists of companies of many different sizes, the formalization, and reporting on health and safety management are handled differently. We will continue to increase the focus on creating synergies and streamlining processes of the health and safety management systems across Schur companies.

This year, we have managed to bring down the absence rate among our production workers from 7% to 6.2%, while office workers have had slightly more absence days than the previous year. Unfortunately, in some companies, the absence rate for production employees continues to rise. We are continuing our efforts to find the cause of this rise and the best course of action going forward.

Accounting policies

The number of work accidents and absence days due to accidents are collected from all companies annually. The recorded incidents have resulted in at least one day of absence and do not include incidents occurring while commuting to and from the workplace.

The accident rate is calculated as accidents per 1,000,000 work hours, corresponding to approximately 500 employees' work time over one year. Similarly, the average absence days per accident has been calculated as absence days per 1,000,000 work hours.

The absence rate is the number of absence hours by the number of normal work hours in a year. The absence rate does not include hospital visits, parental leave, and long-term illness of more than 30 days. If the country/company has a rule of absence for children's illness, days absent on this account have been included. The work time is the scheduled hours worked, including absence time, excluding annual vacation time.

Changes to earlier period

An overall improvement of our accounting policies has led to a decrease in the number of accidents in 2022/23. The number of accidents has changed from 44 to 27 accidents. The number of accidents has changed from 3

S

processes for data collection and led to a change in the recorded number. The number has been changed from 314 to 306.

Health and safety targets

- Across all Schur companies, an accident frequency rate of no more than 5 per 1 million work hours
- On average the absence rate for production employees is below 4% annually
- On average the absence rate for office employees is below 1.5% annually

Absence rates	2023/24	2022/23
Absence rate, office employees	2.0%	1.8%
Absence rate, production employees	6.2%	7.1%

Recordable work-accidents

Total number of accidents	2023/24	2022/23
Number of work-related accidents	14	27
Accident frequency rate per 1 million work hours	9.4	17.6
Accident-related absence days per 1 million work hours	308	199

Progress on targets

On track – The number of recorded accidents was 14 in 2023/24 which is close to half the accidents reported in the previous year. However, it shows we still need to work harder to ensure proactivity in our health and safety management systems across the Group.

On track – The absence rate for production employees was 6.2% which, although it is an improvement, remains concerning. We are investigating the reasons for the high absence rate and methods by which to improve it.

Off track – The absence rate for office employees rose to 2% in 2023/24. This supports the need to focus on well-being and other factors that can lead to increased absenteeism across our entire organization.





04 Governance

At Schur, we care about how we do business. One of our key values is decency. Being transparent and having sound governance in place is imperative when running a responsible organization. We support a flat organizational structure, keep a short distance between executives and employees, learn from our mistakes, and make corrections as they become necessary. Our group structure is decentralized and agile with local profit centers. On top of this, we have supportive group functions.

Our policies and compliance

Schur is committed to taking responsibility for our actions, complying with all relevant laws and regulations, and maintaining a responsible relationship with all its customers, suppliers, employees, and other stakeholders.

In areas where it is required and contributes to responsible management and conduct, we work actively on having policies in place to guide and establish frameworks for running our organization. Our Sustainable Schur Policy, which supports our sustainability strategy and targets will be revised and updated in 2024/25.

The goal is to have easily understandable policies that are known and comprehensible by all employees and partners. All group policies are available for all employees through our corporate intranet, SchurOnline.

For better implementation, compliance, and knowledge sharing of Schur's ESG requirements, regulations, and implemented policies, Schur has established an ESG team across functions that also continuously work to improve Schur's sustainability strategy and targets.

At Schur, we support and commit our business to the following international guidelines:

- ✓ UN Global Compact 10 Principals
- ✓ UN's Guiding Principles on Business and Human Rights
- ✓ OECD's Guidelines for Multinational Enterprises

These guidelines are fundamental in our approach to sustainability and how we act as a responsible business. They will continue to be of utmost importance to us.

Certified management systems

The services and expertise provided are guaranteed by several international standards approved by the International Organization for Standardization (ISO) and the European Standardization System (EN). These standards assure the quality of the products we produce and our production processes, both internal and external. The latter by autonomous agencies that certify management systems in Schur companies. Certifications and rankings held by Schur companies are in accordance with any legally required controls of the products and contact materials production.

Corporate culture

Operating as a family-owned business, Schur has a strong DNA embodied in our values: to take responsibility, go the extra mile, and with constant care, and maintain our quality. This originates from the two absolute values of decency and innovation.

These values have remained the same over time since 1846. In all generations of the company, they have been acted upon.

When 1st generation arrived in the 19th century, they started the business by building relationships. In 1930, Anna-Hansine took over the business. Her husband, Johan Wilhelm (3rd generation), extended our product portfolio and flexible packaging. In the 1950s, Schur consolidated our business and showed the necessary care and

None of this would have been possible without the employees who have played a key role in building a strong corporate culture. These values have been and still are the backbone of our business. For us to maintain a strong culture and an appealing work environment.

Systems

provided in all Schur companies are national and European standards (Accreditation Forum (IAF) or the system (ISO/EIC or CEN/CENELEC). Credibility and safety of the products on procedures. To obtain the certification audits are being effectuated, the s. The list of Certified management gives an overview of the certificates companies. The table does not include of food production safety or food safety.

business since 1846, we have a values. In everything we do, we strive extra mile, conduct business with our willingness to invest. All of this ate cornerstones of our set of values:

the same ever since the beginning the Schur family, these values have

h Horsens, Johan W. Schur grew onships and a strong reputation. In the business after the loss of her husband (4th generation, Axel Schur, by adding packing machinery 2010's, when 5th generation, Hans less during the financial crisis, he and secured a profitable future.

possible without the generations of a key part in turning these values into rough all generations, our employees backbone of Schur. Thus, it is important ture and to ensure that we create an

Certified management systems in Schur companies

Schur Pack Denmark a/s	ISO 14001:2015 FSC® Chain of Custody BRCGS
Schur Pack Germany GmbH	ProcessStandard Offset BRCGS DIN EN ISO 9001:2015 DIN EN ISO 14001:2015 DIN EN ISO 50001:2018 FSC® Chain of Custody Chain of Custody of PEFC™ EcoVadis Silver
Schur Pack Sweden AB	BRCGS FSC® Chain of Custody
Schur Labels a/s	Esko XPS Crystal Certification BRCGS
Schur Star Systems GmbH	DIN EN ISO 9001:2015 DIN EN ISO 50001:2018 FSC® Chain of Custody BRCGS SMETA 6.0
Schur Star Systems Inc.	FSSC 22000 Food Safety Standard Certification
Schur Star Systems Australia Pty. Ltd.	FSSC 22000 Food Safety Standard Certification
	ISSC Plus Certification
Schur Automation a/s	NiceLabel Partner

Implementation of “One Schur”

Since 2021, we have built on the foundation and strength of our values, with the implementation of “One Schur” to create an even stronger, homogeneous workforce.

Globalization has provided opportunities to position ourselves even more as a total solution supplier. However, we have not previously focused that strongly on cross-sales activities or knowledge sharing across our companies.

Thus, group management formulated their thoughts on the future Schur under the title “One Schur”. As part of the process, they identified our core business and how they see Schur grow in the future. This growth covers both market shares and how we become a more interconnected organization.

When the first draft of the “One Schur” document was completed, the Executive Board asked for input from a range of employees across the whole Group. It was important for them to get their employees’ opinions on the subject and involve them as co-creators.

Therefore, One Schur is not a strategy document, and it is not our set of values. One Schur is an internal policy combining our core narrative, our ambitions, and our values. We often refer to it as the “One Schur Mentality”, because we know that we are facing a transformation process in our organization. We wish that One Schur becomes deeply rooted in our culture instead of being an occasional behavior.

The initial implementation of One Schur has been through management presentations and distribution of One Schur presentation material to all Schur locations. Further initiatives will be implemented to ensure that we get all employees onboard and embrace the One Schur mentality.

Data ethics

We work systematically to secure stored data against cyber-attacks. Data security is continuously monitored and checked immediately in the event of suspected attacks. Any breach of data security or leakage of personal data is reported to the relevant authorities for Data Supervision, if required.

Our work with IT security and digitalization has led to the same ERP system in all locations. We are also incorporating streamlined IT security and risk analysis tools to align with the current regulatory requirements, strengthen governance and awareness. All employees have received training on NIS2, and all new hires are receiving mandatory training on IT awareness.

Anti-corruption & bribery

Schur’s ethical guidelines are based on our core values of decency and accountability. These guidelines across all Schur companies are all reviewed and updated with diligence in relation to each other, our legal requirements, and the environment in their daily work.

Schur’s corporate culture sets the framework for topics such as discrimination, offensive marketing, copyright, anti-corruption, anti-bribery, and data protection. Guidelines have been implemented in all Schur companies.

In relation to corruption, the risks lie with our business partners. We recognize that unethical behavior can occur when dealing with third parties while operating in high-risk areas. Our anti-corruption and anti-bribery policies are regularly updated, and we are working towards increasing awareness of current and updated policies.

ization involves moving
ns over the next years,
structures, and updating our
rming NIS2 regulations. To
ss, the Board of Directors
employees are continuously
awareness.

on Schur's fundamental
. Employees and managers
responsible for exercising due
r partners, and our local

ramework for how we handle
ve behavior, protection of
y, and more. Our ethical
all companies.

within our global supply chain.
may present a risk when deal-
n a global setting. Therefore,
es are a part of our Group
ensuring relevant employee
licies, and other measures.

Governance targets

- Clear group policies that support our business and sustainability strategy
- All GDPR breaches in EU-located companies are reported and acted upon
- All reported whistleblower cases lead to the necessary changes in governance structures or resources to avoid any repeat incidents

Progress on targets

On track – An update of the Group's policies is not yet completed. It is expected to be completed in 2025. The update includes the implementation processes and education. It is important to ensure that policies have relevant applicability in everyday working life, are easy to access, and well-known to all employees.

On track – In 2023/24, we have not had any GDPR breaches reported to the authorities. We will continue to work on strengthening the understanding of GDPR and data ethics in all Schur companies.

On track – In 2023/24, no incidents have been recorded through our whistleblower system. We will continue to work with the training of employees and promotion of the system. In a survey completed this year, all companies reported 0 incidents of discrimination, harassment, or severe human rights inflection.

Key actions

- An update and re-implementation of group policies that support our business and sustainability strategy will be initiated in 2024/25
- A new HR system with training functions and comprehensive data quality control will be taken into use in 2025. It is expected fully implemented by 2026
- A new GDPR system will be updated in all companies in 2024/25
- Updating our ethical guidelines to an employee Code of Conduct. This task is expected to be completed in 2024/25

‘Speak Up’

Speak Up is the name of the whistleblower system implemented by Schur in accordance with the EU’s directive on the protection of whistleblowers. This is implemented in all Schur companies.

Schur takes all incidents seriously. Therefore, the purpose of the Speak Up system is to provide a secure platform for employees and external stakeholders to report reasonable suspicion or knowledge of illegalities or other serious issues related to Schur. Schur has decided to use external partners both when it comes to the IT system used for reporting and the screening of cases. Our partners are EQS and DLA Piper, respectively. The system is accessible both internally through SchurOnline and externally through our website www.schur.com. All reports are treated with strict confidentiality.

Relationships with suppliers

We believe in long-term relationships with our suppliers. Our suppliers have a major impact on our sustainability performance. We expect them to sign our Supplier Code of Conduct, which describes the areas we expect our suppliers to comply with related to:

- ✓ Labor and human rights
- ✓ Health and safety
- ✓ Environment
- ✓ Business ethics and governance
- ✓ IT, Data Security and Confidentiality

In addition to the above, we are looking for ways to ensure good and healthy working conditions throughout our value chain. We strive to take part in creating value for our suppliers, business partners, end-consumers, and everyone else involved in the creation, distribution, and use of our products.

By signing our Supplier Code of Conduct when entering the purchase agreement, our suppliers are made aware of our key sustainability goals and that their actions must support Schur in this.

Most of the raw materials purchased by Schur are sourced within the EU, the United States, or Australia. Schur considers, therefore, our first-tier supply chain as having no severe risk of violations of Human Rights. In 2025, we plan to commence the process of mapping our supply chain beyond the first tier. Any risks of bad practices beyond this level are therefore currently unknown to us.

Tax practice

Schur acknowledges that tax is an important part of our welfare society and the country we live in. We see our role as being a responsible partner in our relation to our total tax contribution.

We maintain a strong focus on tax in all countries in which we operate. We act in a responsible manner for tax calculation and tax reporting. We follow the principle to intra-group transactions.

We only apply business model tax. Our tax planning is based on the applicable legislation. We include a prudent interpretation.

We have no companies in low tax jurisdictions. We do not use any special tax optimization measures without commercial content.

We pay taxes on profits where they are earned.

Our tax policy also applies to our shareholders, customers, suppliers, and partners. We do not provide tax benefits in connection with transactions.

We aim to have a good relationship with tax authorities to minimize potential disagreements.

By providing user-friendly information, we believe that we contribute to increasing transparency in our tax payments. See our annual report on corporation taxes paid at the end of the year for the effective tax rate in the different countries.

For further information, see our website.

Accounting policy

Information on the number of employees at the end of the year through our partners. If the incident results in dismissals, official warnings,

es and duties are important to our
ries in which we operate. We focus
r to society and in particular in
ution.

n tax compliance in the countries in
accordance with applicable legislation
orting. We apply the arm's length
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ls that are commercially driven.
fair and reasonable interpretation of
ude the intention with legislation in

-tax countries, and we do not apply
models designed only to save tax

e profits are generated.

our relationship with our employees,
rtners. Schur is not instrumental in
ers, and partners obtaining any tax
nsactions relating to Schur.

nsHIP with the tax authorities to
ents and double taxation.

ormation on our tax position, we be-
creasing the trust in our business and
annual financial report for information
he country level and an explanation
Group.

ur tax policy at www.schur.com.

whistleblower cases is collected
our contact point to the external
ed in long-term consequences such
s, or police involvement, the incident

Governance targets – continued

- Zero breaches of our Supplier Code of Conduct, including any violations of human rights
- All key suppliers have signed our Supplier Code of Conduct or returned their own

Speak Up Incidents

Number of cases	2023/24	2022/23
Total incidents reported through the EQS system	0	0
Incidents with employment consequences or police report	0	0
Incidents closed after sessions with the involved	0	0

Distribution of Code of Conduct

Key supplier status	2023/24	2022/23
Have signed Schur's Code of Conduct	33	39
Have returned their own Code of Conduct	50	36
Have not signed Schur's Code of Conduct	112	112
Total number of Key Suppliers	195	187
Percentage signed and returned CoCs	43%	40%

Progress on targets

On track – Through audits, reviews, and conversations with suppliers, no violations of our CoC have been discovered and reported. We continue to increase the awareness and attention to our Speak Up and internal grievances systems.

On track – There has been a change in suppliers in some companies, which has led to changes in the number of signed CoCs. We will renew and resend our CoC to all suppliers in 2024/25.

Key actions

- Update of supplier code of conduct, addressing our key sustainability goals and concerns in the value chain
- Implementation of a new Group sanctions system was started in 2024
- Implementation of NIS2 system started in 2024

will be reported in the category *Incidents with employment consequences or police report*. If the incident did not lead to any long-term consequences, it will be reported in the category *Incidents closed after sessions with the involved*.

The percentage signed Supplier Code of Conducts out of total key suppliers includes both the share of signed Supplier Code of Conducts from Schur and signed Code of Conducts from the supplier returned as a valid replacement of Schur's Supplier Code of Conduct.

The distribution of our Supplier Code of Conduct is targeted at first-tier suppliers that are of key importance to Schur, or that are estimated to be at risk of having severe negative impacts on human rights, labor rights, the environment, or anti-corruption, or who deliver products or services to a Schur company for more than DKK 1 million, or 100,000 EUR for German companies, within 12 months.

Data is collected annually at the end of the period. The total number of key suppliers includes key suppliers from all companies, even if they have not yet initiated sending the Supplier Code of Conduct to their suppliers.



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