

We are the accelerator of change
for a better world

through
protective
packaging
solutions.





Shaping a Sustainable
Future Together



purpose

“Purpose” is our underlying pillar. It aligns our people to their different roles and leads us on our journey of co-creation. Purpose lends meaning and invites all employees to contribute as much as they are capable of. At Schur Flexibles we have taken up this challenge and play an active role in shaping the future of the flexible packaging industry.



people

Our people are our most valuable assets. For this reason, our focus on “People” is fully dedicated to our employees. We can deliver the highest possible level of performance and quality thanks to their knowledge and experience. The wide-ranging backgrounds of the Group companies have enabled us to make diversity our greatest strength.



planet

The pillar “Planet” underlines the passion of each and every one of us at Schur Flexibles to make our planet a better place. We aim to manufacture products that support the needs of the present without harming the planet’s future. Therefore, all employees strive to accelerate innovation that can reduce the product’s environmental impact without jeopardising its quality and safety. At the same time, we leverage the benefits of protecting the packed goods and thus helping to prevent food waste.



prosperity

“Prosperity” serves as a common framework that helps us steer every business activity and decision to achieve our overall main objectives. Innovation and transparency are fundamental drivers enabling us to put this vision into practice. We want our work to be crucial in creating ecosystems of opportunities. These should add value by supporting our stakeholders and achieving economic, social, and technological progress in harmony with nature.



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Foreword

When it comes to unparalleled challenges, we need something to hold on to. In 2020, our people were the most reliable and adaptable team one can imagine – so, first and foremost, I wish to thank my colleagues: For all their intensive extra miles and efforts to keep our business up and running throughout this extraordinary year, and also for actively participating in our co-creational journey of ReThinking Schur Flexibles. Amidst all immediately arising changes and challenging circumstances, our people not only adapted swiftly and continued to fulfil their important role in the supply-chain of essential goods, but they also did not hesitate to join our collaboration to discuss the core purpose of our Group's future.

Discussing the future route for our Group's journey and how we wanted to walk on that path together, unsheathed the strong commitment and overall open-mindedness of our people. Encompassing people from all our sites and all departments, we identified our purpose to answer the question why we get up in the morning and go to work – this is what we need to hold on to.

Sustainability was not only identified as one central value of our work, but has also become the core of our purpose: "We are the accelerator of change for a better world through protective packaging solutions." To bring this purpose to life means to consequently challenge "HOW" we produce and "HOW" we work in every step of our business. This enables us to leverage sustainability on all levels of our day-to-day work and ensures that sustainability is also top of mind in our conversations and plans for our future development.

Involving our employees in the co-creation of our future path was a matter of team-spirit and trust. This is what distinguishes us, and consequently both "Trust" and "Team spirit" were defined as two of our corporate values. In 2020, during an extremely strenuous period with high order intakes because of stockpiling both by end-consumers as well as clients, and with additional protective and hygienic measures, our teams have always proven to be the most reliable and accountable workforce.

Though we are a quite young group of established companies, this year has bonded us even closer as one strong team. It was a real "turbo" to intensify transparency in learning from each other and to trust one another. So today, when we think about sustainability, we take a holistic approach: We focus on our people, we consider the effects of our actions on our planet, and we reflect on how we contribute to prosperity overall. What we always have in mind is the people's needs, meaning our employees, our partners, clients and further stakeholders as well as the end-consumers.

From the end-consumers' perspective, we as a company in the supply chain of essential goods and as part of the packaging industry, experienced a substantial change in the public mindset: All of a sudden, due to the pandemic, some of the most basic requirements in the supply with vital goods were put in the spotlight. Overall availability, shelf-life as well as safety aspects suddenly gained new relevance in the consumers minds. Not by chance, these are exactly our central competencies as specialists in protective packaging solutions. For the first time in many years, we were able to spotlight our holistic approach towards sustainability, emphasising food-safety, the protection of goods and the prevention of food-waste alike.

This approach is at the centre of our objective to contribute to paving the way for economic prosperity in the so-called "new normal." We aim to leverage our competencies and share our know-how, also by intensifying our network in the international business community. We proactively support the sustainability goals of the restart in Europe, for instance by partnering in a lighthouse initiative on "Decarbonisation of the Food Systems in Europe" with the World Economic Forum's CEO Action Group on the European Green Deal. Also, we bring visibility to our concrete actions in the initiative of international companies within the group of "50 Climate & Sustainability Leaders".

In 2020, we signed the United Nations Global Compact and assessed our impacts on the Sustainable Development Goals, leading to a conclusion on where we could contribute most. In this spirit, we have continued our collaboration with several innovative partners such as the start-up Recyda or certain industry related initiatives like the Operation Clean Sweep, the Save Food Initiative or CEFLEX.

Internally we have expanded the competencies both by enlarging our dedicated sustainability team as well as by focusing and supporting knowledge-transfer to all departments through online-trainings



Michael Schernthaner

Chief Executive Officer

or team-activities such as our internal Sustainability Award. All these efforts go together with our outspoken commitment to the United Nations Global Compact and our continuous support of this initiative and its 10 principles, that we wish to renew.

All in all, we see that our purpose was not something that had to be defined – we only had to put into words what our people were all striving for in their efforts to shape our industry towards a circular economy. To me, one thing is clear: if we define what we stand for in times of crisis, when we are all pushed outside our comfort zone, these values will guide us under any and all circumstances. With this purpose in mind, we will continue our journey with the dedicated agility and adaptability to a changing world.

So once again, let me thank all my colleagues for joining this path, for sharing these exciting moments of extraordinary team-spirit in such a demanding and unusual year as 2020, and for their dedication to shape our future in the most sustainable way in the next years to come.



Juan Luis Martínez Arteaga

Chief Operating Officer

Putting sustainability at the forefront of everything we do means focusing on what we produce as well as how we produce. We want to underpin our sustainability leadership in our industry. Therefore, we really strive to keep our processes lean, save valuable resources and work meticulously to increase efficiency and produce in a sustainable way.

We continued our sustainability efforts in 2020, even though we were facing outstanding challenges. Looking at the reliability and agility of both our employees and our partners, I want to thank everyone involved for their incredible efforts that keep our business up and running. Thanks to this sense of togetherness, we didn't have to shut down any of our sites for a single day in the wake of the pandemic. Furthermore, we expanded existing partnerships and started new ones to further improve our business.

The restless quest for "Continuous improvement" is what makes us tick. It is one of our core values and key drivers. Hence, it is of the utmost importance that we continue on our path towards optimising our ecological footprint and efficient use of resources – by guaranteeing the highest level of protection for our products, reducing waste in our production, implementing projects that bring us towards a circular economy and by investing in energy saving technologies.

In 2020, due to the pandemic, we had to change and rethink familiar processes within our Company to keep operating safely and effectively. Whether by digitalising aspects of our daily operations and collaborations, responding to uncertainties in the "new normal" or anticipating industry shifts, we as a Group have proved our "Adaptability to a changing world". We defined this notion as a core skill to foster flexibility and open-mindedness and nurture the incredible entrepreneurial spirit of our teams. Going forward, we want to proactively anticipate change, support and drive it.

We will boost the synergies within our Group companies by further sharing knowledge and best practices through transparency and mutual support. We have already set the course to facilitate continuous learning within our Group by launching our Digital Academy, for instance, or our best practice collaboration between production plants. In this way, we create synergies, and we all benefit from being part of a bigger Group.

Group values like these lay the foundation for how we want to grow and lead Schur Flexibles. We want to inspire new ideas and practices to drive efficiency and reduce our footprint. Among other things, this report provides examples of how we are already working towards that vision today.



Friedrich Humer

Chief Sales Officer

On our journey of ReThinking Schur Flexibles in 2020, "Sustainability" was not only chosen as one of our corporate values by our people, but it also became the core element of our Group's purpose. Our holistic and collaborative mindset on sustainability is deeply rooted in the way we work with our teams and clients and in how we develop our products: at Schur Flexibles, this is in our DNA.

Throughout this year of exceptional challenges, we pushed ahead thanks to close cooperation between our research and development experts, our sustainability team, and our customers, bringing new ideas to life. In 2020, we gained a new sense of togetherness as we had to improvise to deal with new circumstances. We adapted quickly. For us, it was an opportunity to put our core values of "Accountability & reliability", in action. There was strong motivation and an ingenious spirit that helped find new ways to digitalise internal processes and the interactions with our clients. With this great flexibility on both sides, we kept our business going and could identify new and alternative approaches. We had to switch to digital means, and we successfully managed to find and try alternatives.

All in all, we managed to team up with our customers – this is something we are deeply thankful for and proud of, and creates a solid basis for further

developments in the future. We will continue to support our clients in switching to more sustainable products and offer them our advice, thanks to our outstanding material know-how of the entire production process. At Schur Flexibles, we are best-in-class in delivering tailor-made packaging solutions with the highest quality. We also fulfil the needs for customised short runs based on swift turnovers.

Receiving the World Star Packaging Award as well as the German Packaging Award 2020 for our MonoFlow[®]PXC flowpack solution is a testimony to the success of our sustainable product development. This trailblazing sustainable packaging solution features outstanding protective functions, whilst saving up to 70% of plastic, and being recyclable.

This type of recyclability is key to our business and for the general debate about plastic. Both the industry as well as the society are changing their viewpoints on plastic and are taking on a more holistic attitude. We must seize the benefits of flexible packaging and consider the materials used as a valuable good, and valuable goods must be recycled instead of being thrown away. Ultimately, we need to preserve resources and establish a circular economy. This is what we are going to tirelessly work for in the future.

Our corporate values

Trust

We trust that everyone is doing their utmost to meet our expectations with openness, respect, fairness, empathy and integrity. We earn trust by living up to the expectations of our partners. Every single day. On every scale, small and large.

Accountability & reliability

Accountability is about acting responsibly and taking ownership. For us, it is important to consider others and involve them when taking responsibility. Reliability means being committed, doing what we say and saying what we do. To the customer – and to ourselves.

Continuous improvement

We always challenge ourselves and the world around us in striving for a better future. Key drivers of continuous improvement are empowering learning and allowing people to make mistakes and learn from them. In short, we are ready to leave our comfort zone.

Adaptability to a changing world

We are open-minded, flexible and courageous. We proactively anticipate change, support and drive it. We have an impact on our new shared reality.

Sustainability

We consider it vital to protect this wonderful world for upcoming generations through our packaging solutions. Therefore, we start with ourselves by striving for sustainability in all aspects of operations. We assess and evaluate all our impacts and resource use.

Team spirit

We truly live the team spirit, working towards a common goal through effective collaboration and active participation. In this way, many "me's" form one large "we".



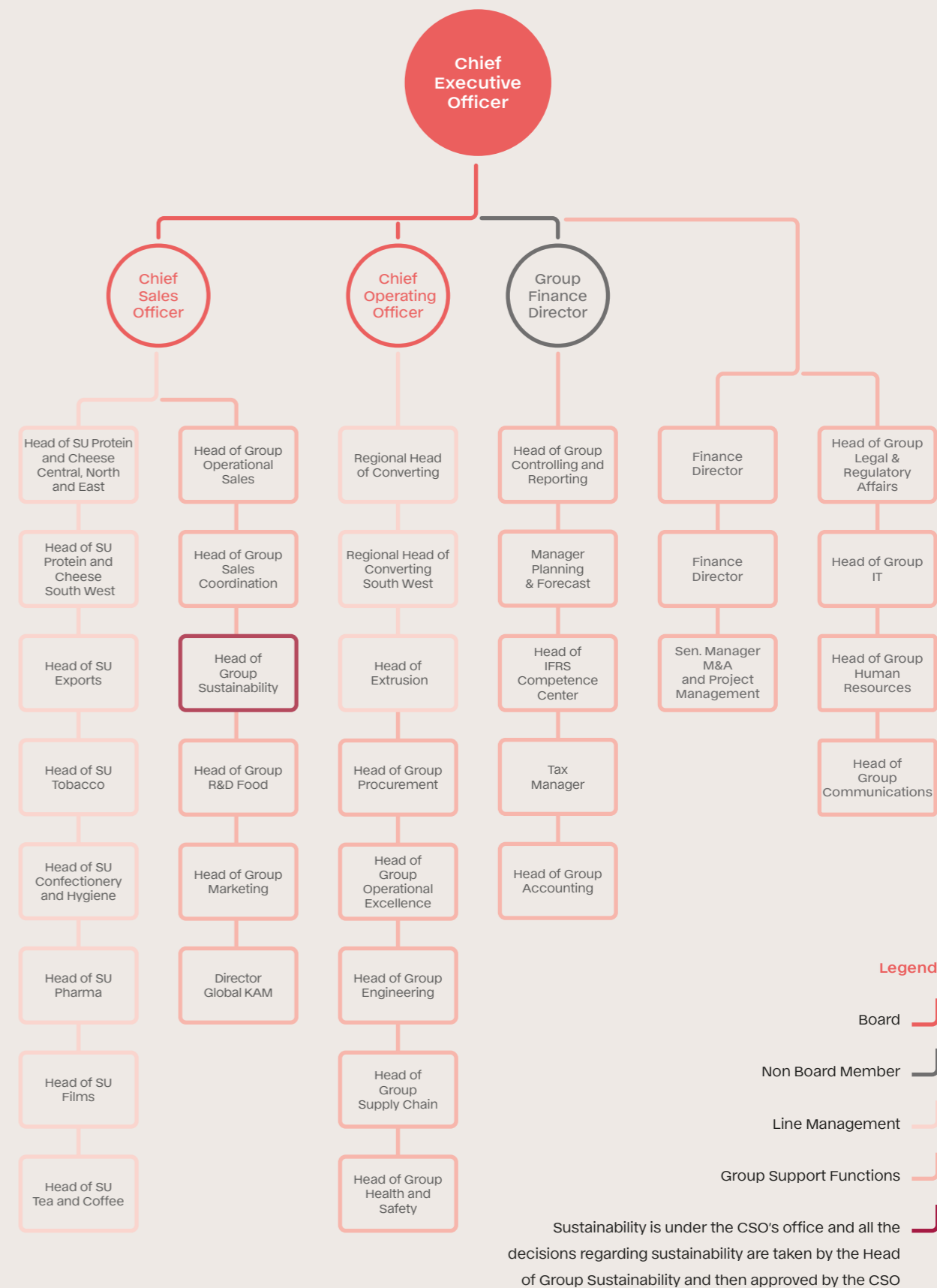
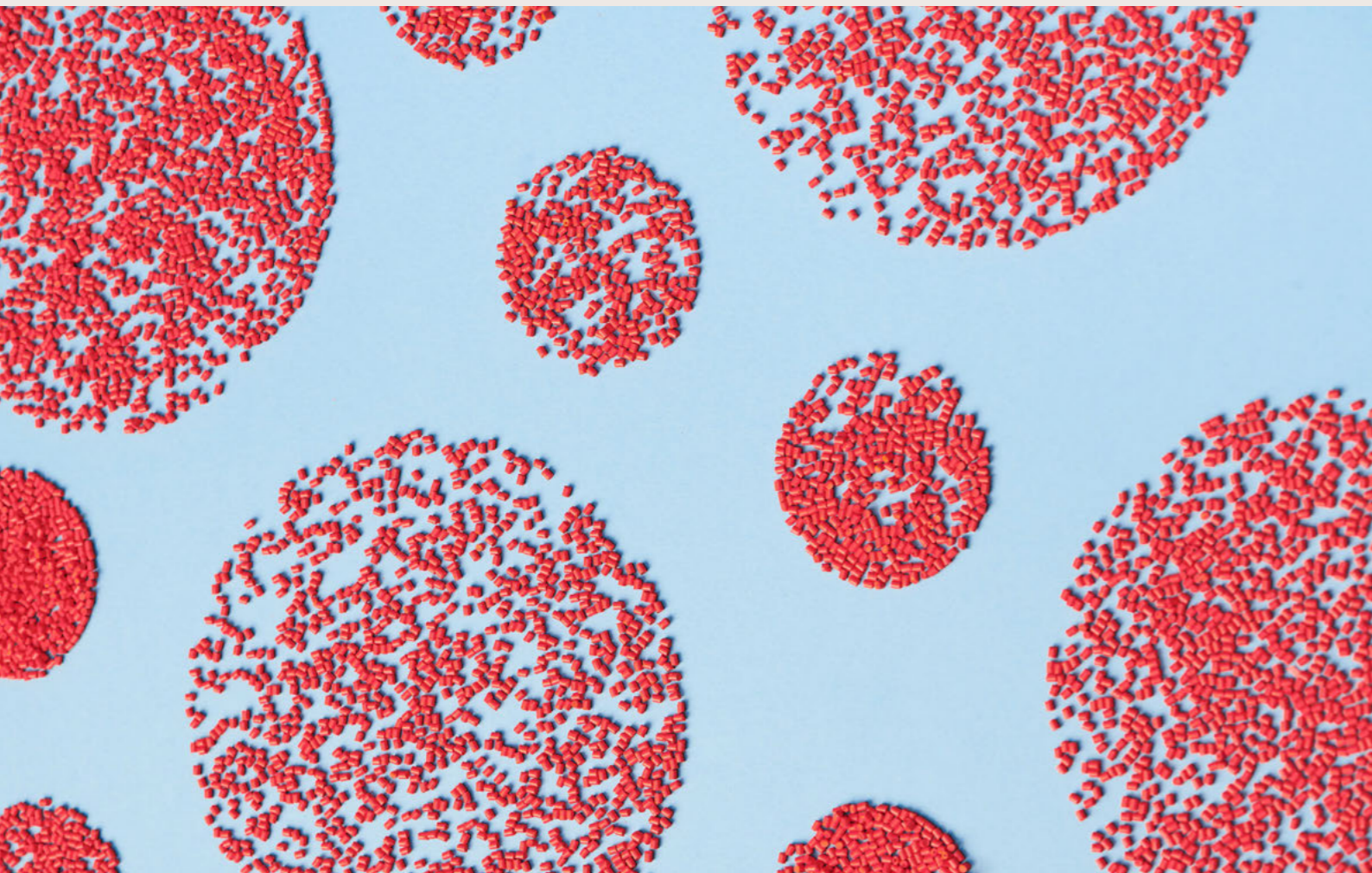
Based on our ReThinking journey, our logo has evolved to embody an agile concept with a fresh and forward-looking appeal, which feels vibrant, positive and human. Just like we are.

Our new visual language stands for innovation, agility and provides exciting possibilities for change. A friendly and vivid colour range supports the human-centred company approach of Schur Flexibles and clearly positions the visual profile of a modern and progressive Group. As a vessel for the different locations of our Company, the brand visual stands for individuality within one strong and reliable company, for transparency and trust in each other.

Schur Flexibles Group

As a leading European supplier of specialised flexible packaging solutions, we at Schur Flexibles have made sustainability our core purpose. In 2020, our fast-growing Group connects 1,955 employees (FTEs) and 22 production sites in eleven countries, operating some of the most modern printing houses in Europe. We aim to pave the way for a circular economy, fully endorsing the EU Green Deal, and emphasising "HOW" we produce in each and every step of our business. We deliver best in class customised packaging to prevent loss and waste of food along the supply chain of essential goods.

Our Centres of Excellence are well-known players in their markets, encompassing the full range of competencies along the entire integrated value chain for made-to-measure protective solutions – from the sourcing of raw materials, film production, printing and refinement to laminating and converting. This makes Schur Flexibles a one-stop shop for tailor-made packaging specifically for the food, hygiene, aroma protection and pharmaceutical industries. Continuously adapting to a changing world, we are relentlessly optimising our technologies, products and solutions. This is how we drive the digital transformation and creatively shape change in the packaging industry.



Changes to chart in 2020: Due to the Group's continuous growth, we reorganised and improved our organisational structure in 2020. We introduced the "Head of"-Concept, to cluster f.e. the management of sites according to the business area (Converting, Extrusion) and region. In the field of Converting, we split between North East and South West, implementing a Head of Converting for each region, with a direct line to the C-Level. A Head of Group Sales Coordination was also implemented to act as a direct report to the C-Level.



Our Centres of Excellence ...

1 1 Schur Flexibles ABR
... a one-stop shop in high performance gravure printing and converting for food and hygiene packaging in one of the most modern printing houses in Europe.

2 Prisma
... for outstanding quality in cylinder gravure.

3 Schur Flexibles Benelux
... for the production of aroma protection pouches, one of the most modern printing houses in Europe and one of the leading companies for roll-your-own applications.

4 5 Schur Flexibles Cats-Haensel
... for coated and laminated products for the confectionery industry.

6 Danapak Flexibles
... for the pharmaceutical and dairy industry and one of the most modern printing houses, from lids for blister packages to transdermal packaging solutions.

7 Schur Flexibles Denmark
... for the development and production of extruded PE multi-layer films for the further conversion in food, pharmaceutical and aroma protection product packaging.

8 Schur Flexibles Dixie
... for skin films, barrier shrink films and bags, barrier films and rigid PP films for the food industry.

9 9 Drukkerij Zwart
... for tea and coffee, with special shapes of tea tags, pyramid bags and small batch sizes.

10 Schur Flexibles Finland
... for cast PP films and cast barrier films for the further conversion in the food, medical, pharmaceutical and aroma protection segments.

11 Schur Flexibles Moneta
... for high-performance confectionery packaging films.

12 Schur Flexibles Poland
... for flexo printing and lamination for food and hygiene packaging and a leading supplier of drawstring bags.

13 Schur Flexibles TSO Packaging printers
... for special finishes and high-quality offset printing.

14 Scandiflex Pac
... for packaging solutions for food products.

15 Schur Flexibles Uni Coextrusion
... for excellence in multilayer barrier PE films.

16 Schur Flexibles Uni Converting UK
... for flexo printing and bag making, mainly for the food industry.

17 Schur Flexibles Uni Digiflex
... for digital printing, serving all types of markets for small and medium production runs.

18 Schur Flexibles Uni Flexo
... for flexo printing and lamination, mainly for the cheese and protein markets.

19 Schur Flexibles Uni Pouches
... for stand-up pouches, shrink-sleeves and sachets for food and beverages.

20 Schur Flexibles Uni Roto
... for rotogravure printing and lamination for the food industry, mainly in the cheese and protein markets.

21 Schur Flexibles Vacufoi
... for film extrusion, barrier shrink films and bags in the food industry, with exceptional water-quench blown extrusion and film extrusion.

22 SIDAC*
... for printing and high-performance lamination in the food and beverages industries.

PS PS Polymer Sourcing
... for the selection, procurement and distribution of raw materials.

Schur Flexibles Holding
Head office of the Group

● Production site
● Administration site

* SIDAC acquired in early 2021



Pan-European player:
22 production sites in 11 countries

Our integrated value chain: a one-stop shop for flexible packaging solutions

Schur Flexibles is a one-stop shop for flexible packaging solutions, boasting a fully integrated value chain, from the sourcing of raw materials, production, printing, laminating, refinement or converting, individually or as a package. The company is a specialist for customised solutions with a broad specialty portfolio.

The 22 production sites, each a Centre of Excellence in its respective market, offer a full vertical integration of customised flexible packaging production. This makes the company an innovative driver of sustainable speciality solutions, especially as it operates some of the most technologically advanced printing houses in Europe.



Purchasing – Excellent raw materials are the basis for high-performance packaging solutions.

Polymer Sourcing bundles the expertise for the selection, procurement and distribution of standard and high-quality polymers under the umbrella of Schur Flexibles Group. The Polymer Sourcing experts serve as the professional interface between polymer producers and processors, offering extensive resin granulate and additive know-how across the supply chain. This central organisation connects the supply for all sites, providing global market insights and strategies to secure the ongoing supply of all required raw materials.

Extrusion – The raw material is melted to form the molten polymer into a shape with a continuous profile.

Schur Flexibles focuses on sustainable products in film production, which the company runs at its sites in Denmark, Finland, Germany and France. In addition to polyethylene films and polypropylene flat films, Schur Flexibles develops individual packaging solutions, ideally customised to suit customer and market requirements. For example, this could mean customising high-barrier shrink films for shrink bags and 3-side sealed pouches as well as extremely flexible PA/PE films or PP based rigid films.



Cylinder engraving – Copper plating, polishing and engraving of rotogravure cylinders

The high-quality cylinders are the basis for top printing quality. The Schur Flexibles Prisma site in Komotini, Greece is the Centre of Excellence for producing cylinder bodies and engravings. All roto cylinders are copper plated and polished before being engraved, chrome-plated and finished with the desired printing image and surface roughness.



Printing – Rotogravure, flexo print as well as UV offset and digital printing, all tailored to individual client needs

Schur Flexibles covers the entire range of printing processes on polymer films, aluminium foils and paper based substrates, from rotogravure and flexo printing to UV-offset printing, providing optical effects from matt to high-gloss varnish or tactile effects. An engraved cylinder (roto) or plate (flexo) with the desired pattern is immersed in ink. The substrate is then sandwiched between this cylinder and a roller to obtain the pattern. Additionally, Schur Flexibles has been successfully ramping up its digital printing capacities in a long-standing strategic partnership with HP Indigo.



Laminating – Solvent-free or solvent-based adhesive lamination is used to fuse the individual films into a composite, fulfilling various functionalities.

Two or more webs are taken and joined using a bonding agent. The adhesive is applied to the less absorbent web, and the other is then pressed against it. The carrier film is the film layer that is used for printing the film. The composite film can be equipped with an additional barrier layer.



Slitting – The large roll of material is cut into narrower rolls suitable for the customer.

The substrate web is unwound and passed through blades before being rewound as a narrower roll in a highly precise and customised process.



Converting – Printed and laminated polymer webs are converted directly into bags, sleeves or pouches.

We offer a wide range of drawstring bags, stand-up pouches and various other pouches, or other tailor-made formats requested by the customer.

Protective packaging solutions

Driving and accelerating sustainable innovations for each of our products and services in close cooperation with individual client needs is a key element of our growth strategy. For this reason, sustainability is at the core of and reflected in our product portfolio. The R&D teams as well as the Group sustainability team, all part of the Group sales organisation, closely collaborate to deliver best-in-class innovation based on a client-oriented focus.

Furthermore, the R&D strategy aims to promote a group-wide knowledge exchange and innovation management in close collaboration with clients as a means of developing tailor-made solutions. That is why all innovation work includes local experts at all production sites, who run test stations and laboratories to continuously improve production processes. The R&D centres based in Denmark, Finland and Germany reach out to enlarge the portfolio of sustainable products and ensure that all EU packaging targets the Group aims to support are actually met by 2025.

In turn, this is crucial to creating future-oriented solutions which meet all legal and sustainability requirements across Europe and ensure optimal operability at client sites. Standardised interaction like this has demonstrated the company's ability to deliver the greatest benefit from tailor-made solutions and precisely fulfil every aspect of customer needs.

Ready today to meet tomorrow's requirements

On the basis of this holistic sustainability approach along the entire value chain, a large proportion of our products already conform to environmental regulations, which are scheduled to come into force in 2025 and 2030. Our products comply with the EU circular economy Action Plan "Targets". Schur Flexibles provides a recyclable alternative to clients in almost all of its market segments except for pharmaceutical packaging, due to its specific requirements. At the same time, it fulfils the very high protection and safety expectations. For example, this is one of the reasons why Schur Flexibles is a top supplier of recyclable PE packaging, delivering innovative solutions to meet future regulatory requirements. The comprehensive range of customised packaging gives the customer the convenience of receiving a complete set of solutions from one single provider.

Flexible packaging offers an incredibly broad variety of protective solutions, meeting a wide range of **additional** requirements and contributing to reducing food waste.

Prevent

Food waste is one of the main reasons for the expansive growth of the carbon footprint in the food chain. Protective packaging solutions increase shelf life and guarantee food safety, thus leveraging the effects of preventing food waste.

Manufacturers expect perfect machine runnability, and protection of the product against damage, contamination, light, moisture or oxygen. Sometimes, the packaging is also supposed to support the further improvement of the product such as ripening.

Protect

Attract & inform

Consumers expect an attractive packaging design, which also provides important information on product usage, ingredients, shelf life or disposal, along with a guarantee for the best quality and freshness of the packed good.

Recycle

Society at large expects packaging materials which are reduced to an absolute minimum and recycled in a circular economy in order to preserve our planet's future.

Our products

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

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



Market segments

With our innovative, premium quality and tailor-made medium or high-barrier packaging solutions, we serve eight different market segments in the food, aroma protection and pharmaceutical industries.



Schur Flexibles in numbers

Food represents the Group's most significant customer base in Europe, encompassing protective flexible packaging solutions for fresh as well as for dry and frozen products. In this segment, some of the top products are now available as PE based solutions, one of the most efficient packaging materials. This also conforms to recycling regulations, providing optimal product protection and qualities for good machine performance.

Schur Flexibles is one of the leading companies for producing aroma protection pouches and runs some of the most modern and experienced Centres

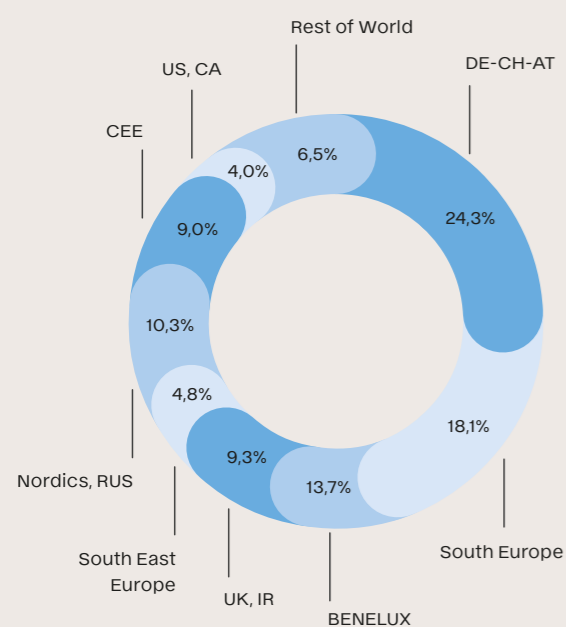
of Excellence in this market. It also boasts cutting-edge competence for transdermal patches in the pharma industry.

Within the context of an integrated supply chain, the development and production of a variety of films is also crucial to future sustainable development. For instance, films derived from a single polymer such as PE or PP comprise the basis for large-scale sustainable and recyclable barrier solutions and comply with complex technical requirements.

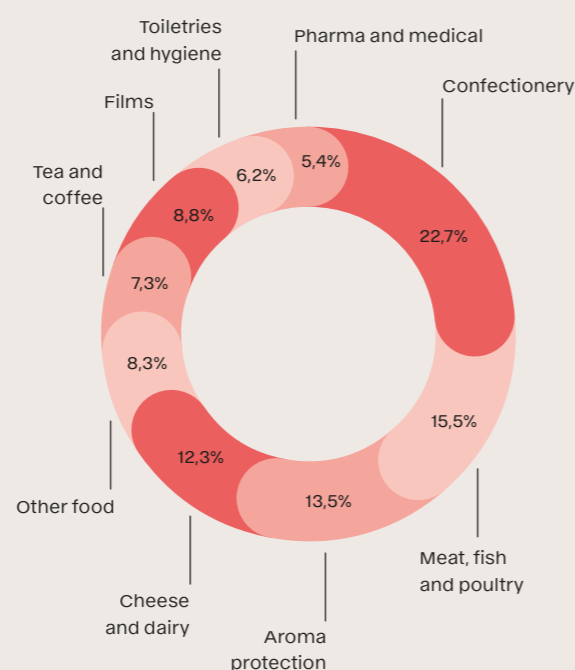
Financial figures (in EUR m)	2020	2019
Net sales	490.5	496.8
EBITDA (from continued operations)*	78.8	83.2
Net CAPEX (tangibles) / Sales	5.0%	7.0%
Net debt** / EBITDA***	3.90	3.46
EBITDA Margin	16.1%	16.7%
Total assets	596.8	582.1
Trade working capital	28.2	14.2
Cash flow from operating activities before interest and tax payments	111.7	84.5

*The 2019 figure reported for EBITDA is an updated number.
 **Covenants not comparable between 2020 and 2019 as senior facility agreement was refinanced in December 2020 with change in the capital structure.
 ***Net leverage calculation is based on the Senior Facility Agreement definition.

Sales by regions 2020



Sales by market segments 2020



65
Number of product brands

15
Number of product categories

Raw material suppliers

498
Number of raw material suppliers

277.9 m
Purchasing volume in EUR

Number of employees

2.034
Total

398
Female

1.636
Male

The HR data is based on headcounts.

1 reduction

Innovative research and development are the key to thinner, lighter packaging solutions that still offer high quality and guarantee excellent protective functionality. Additionally, we concentrate on down-gauged packaging solutions which are simultaneously recyclable. The notion of reduction is also a core element enabling us to optimise the resources needed during production. Our starting point is efficiency in our production processes as well as efficient energy and waste treatment. This holistic approach throughout every single step in our daily work is the most sustainable way to reduce our carbon footprint.

Reducing the use of plastic materials requires a high level of technical expertise because the protection of goods and consumers must be ensured and the finished packaging material has to be processed easily on existing customer packaging lines. Nonetheless, the reduction potential, particularly by flexible packaging, is enormous if compared to other alternatives available on the market. Up to 58 kilogramme of products can be packed and protected with only one kilogramme of flexible film. This comprises a real benchmark amongst packaging solutions.

2 renewal

The resources of our planet are finite and must be preserved. To keep our planet's ecosystem in balance, we must guarantee the regeneration and renewal of materials removed from the system. Therefore, we focus on raw materials that do not overexploit our planet, for instance using certified paper made from sustainably managed forests or substituting fossil-based polymer raw materials with renewable ones. Our R&D team is constantly expanding our portfolio made of renewable material.

3 replacement

We want to replace conventional materials with new and innovative ones, including the use of alternative input materials to reduce the amount of virgin plastic per packaging unit while also considering its recyclability. We also work towards replacing rigid packaging with flexible packaging, and continue to introduce new, innovative packaging concepts instead of the conventional ones. This allows us to reduce material per unit, yet maintain the highest level of protection.

4 recycling

We aim to make raw materials in packaging films recyclable to fully use their benefits and keep them in the closed loop cycle. As part of the "Design for Recycling" concept, we offer packaging solutions which are recyclable in line with valid regulations and standards. We invest heavily in the research and development of flexible packaging materials to make the recycling process easier and thus support a circular economy. We already offer a recyclable alternative for our consumer goods markets except pharma. By 2025, all our products for the food industry will be either recyclable, reusable or compostable and/or be produced from renewable feedstocks.

5 responsibility

Responsibility is more than a single pillar – it is THE foundation of our business. We take responsibility for our products, our Company and for the people we work with. We are committed to sustainability in all of our Group's activities, in our production as well as our collaboration process. Keeping a balanced ecosystem in mind, we continuously work on clever approaches to reduce the environmental impact of our products. We do so in close cooperation with our stakeholders – every single day, in every step of our work.

Reduction
Renewal
Replacement
Recycling

Responsibility

THE SCHUR FLEXIBLES RETHINK INITIATIVE

At Schur Flexibles, we rethink existing packaging solutions in collaboration with our customers to develop more sustainable alternatives. We offer our clients a full-service, holistic concept within the context of this initiative, including consultation, conception, material development as well as process implementation. This is designed to enhance the sustainability of our clients' packaging range and still fulfil the highest product protection standards.

rethink



5R product examples

1 reduction



BarrierTop X 35 ...
 offers one of the thinnest printed and laminated top webs with barrier available in the market. With a thickness of 35 µm, it is perfect for high-barrier applications. Also it reduces reel changes, transport and storage space needed, ensuring less packaging waste and higher packing rates – all without trade-offs in product safety!

2 replacement



VACUFlex[®] EX-T & FlexTop[®] ...
 In collaboration with our client NEUBURGER FLEISCHLOS GMBH, we have cut plastics consumption in the current product packaging by 80% by replacing rigid with flexible packaging, while still ensuring the highest standards in food safety and shelf life. The product is protected by recyclable packaging made of our high-performance VACUFlex[®] EX-T thermoforming film, combined with our FlexTop[®] top film.

3 renewal



DanaCoverseal 20-75 ...
 is a new sustainable paper based lid with a coextruded PE sealing layer, featuring a 90% paper content. Thanks to its high fibre content, it is classified as paper in most European countries and can be disposed of in the paper stream.

4 recycling

MonoFlow[®] PXC – The award-winning sustainable flowpack solution

MonoFlow[®]PXC is the testimony to our state-of-the-art engineering. This trailblazing sustainable packaging solution protects fresh, sensitive goods such as minced meat or cheese with its high barrier and excellent puncture resistance.

As it is composed of special high-barrier and internally developed PP films, PP accounts for 95% of the MonoFlow[®]PXC and meets the highest criteria for recyclability guidelines. It can save up to 70% of plastic when used instead of rigid tray solutions.

Boasting a fast sealing-time and a wide processing window, MonoFlow[®]PXC runs smoothly on production lines, even in start-stop mode. The entire MonoFlow[®]PXC product family is printable in up to ten colours and is available with high and medium barrier options and in a variety of thickness ranges either as a PP or PE based version. There are wide-ranging applications for this material.

We are incredibly proud of this state-of-the-art product and the international awards recognising our forward-thinking approach. The WorldStar Award granted by the World Packaging Organisation as well as the German Packaging Award for Sustainability showcase the importance of our latest contribution to a circular economy.



WORLDSTAR WINNER 2021



SUSTAINABILITY WINNER 2020

We are inter alia Member of the following initiatives



We are inter alia Member of the following associations



The "50 Sustainability & Climate Leaders" initiative is a response from the international business community aiming to take effective action in the fight against climate change. The documentary highlights best practices on sustainable business operations and also features Schur Flexibles and our sustainability efforts striving to ensure a circular economy. It includes examples such as the expansion of our solvent recovery plant in Greece, our contribution to Operation Clean Sweep, the Save Food initiative and our cooperation with the start-up Recyda.

Code of Conduct

Compliance on top of the agenda

To ensure compliance with applicable laws, regulations and best practices, the Group has implemented a comprehensive Code of Conduct which is binding for all Group managers and employees. The Code of Conduct has been published on the Group's intranet. An online training module mandatory for all Group employees is under development and planned for implementation in 2021.

Compliance with the Code of Conduct is assessed by surveys conducted by independent, external experts. The last survey took place in 2020. The results were reported to the Management Board and the recommended actions were implemented.

Audits by external auditors are performed according to an annual audit plan. The findings and recommendations are reported to the Management Board, which also oversees the implementation of any action. No audits were carried out in 2020 due to the pandemic.

A digital alert system ("whistleblowing") hosted by an external party was implemented in the Group in 2020 and communicated to all employees together with an updated Code of Conduct. The alert system is available in several languages and provides full anonymity to any person wishing to raise an alert. The investigation of alerts has been delegated to our Legal and HR departments, that are assigned the task of investigating the suspected behaviour (with the support of independent external experts, if deemed necessary) and reporting conclusions and recommendations to the Management Board.

In 2020, one alert alleging an unfair dismissal of an employee was reported. The alert was investigated and the main conclusions were presented to the Management Board, which subsequently terminated the alert.

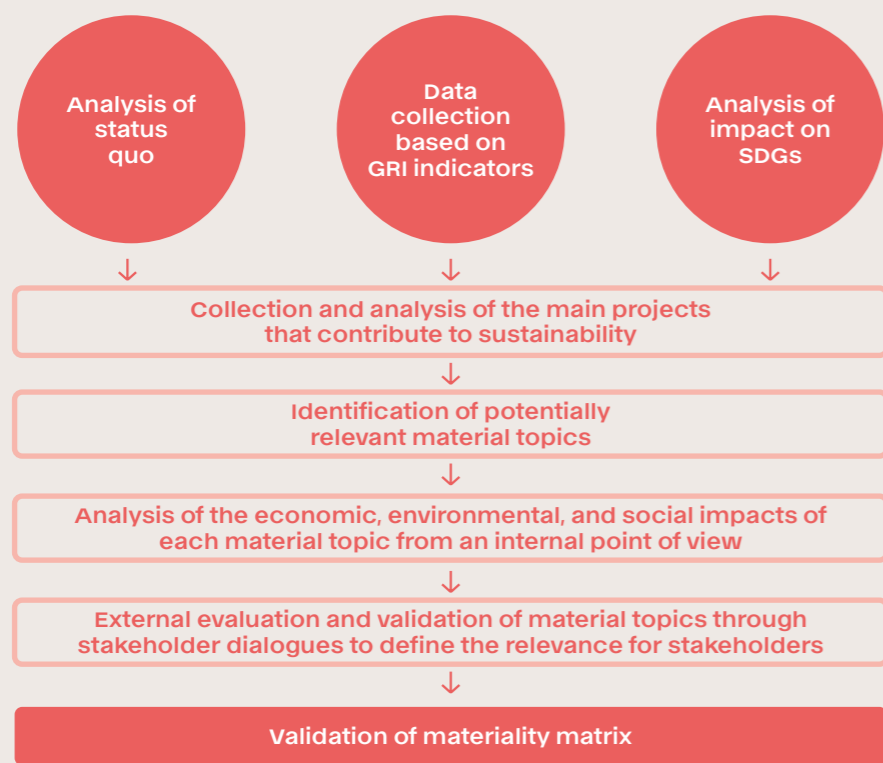
The main chapters of the Code of Conduct are:

- Fundamental ethical principles
- Safety and health at work
- Protection of the environment
- Anti-bribery and corruption
- Gifts and invitations
- Donations and sponsoring
- Compliance with antitrust and competition laws
- Conflicts of interest
- Compliance with trade control regulations
- Privacy and information security
- Software licences and information protected by copyright
- Protection of company assets
- Compliance with provisions regarding money laundering
- Product regulations and advertising
- Communication with the media



Materiality analysis

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



1 First of all, we conducted an analysis of the status quo, which gave us a rough overview on the actual sustainability performance in all our sites. After, we started the first group-wide data collection process based on the indicators of the Global Reporting Initiative (GRI). Further, we analysed our potential positive and negative – current and future – impacts on the Sustainable Development Goals (SDGs)

2 The first step gave us insights into existing projects within the company that contribute to the corporate sustainability development path.

3 By consolidating all information gathered in the first two steps, we identified a list of 27 possible material topics.

4 These topics were then evaluated from an economic, environmental, and social perspective. This evaluation was conducted within the sustainability team, verified by the board, and signed off by our CEO, Michael Schernthaner.

5 The internal evaluation was completed with an external stakeholder dialogue. Each material topic was validated by our most relevant stakeholder groups, who were asked to assess the extent to which a given topic could potentially influence their actions and decisions.

6 All this resulted in our first materiality matrix.

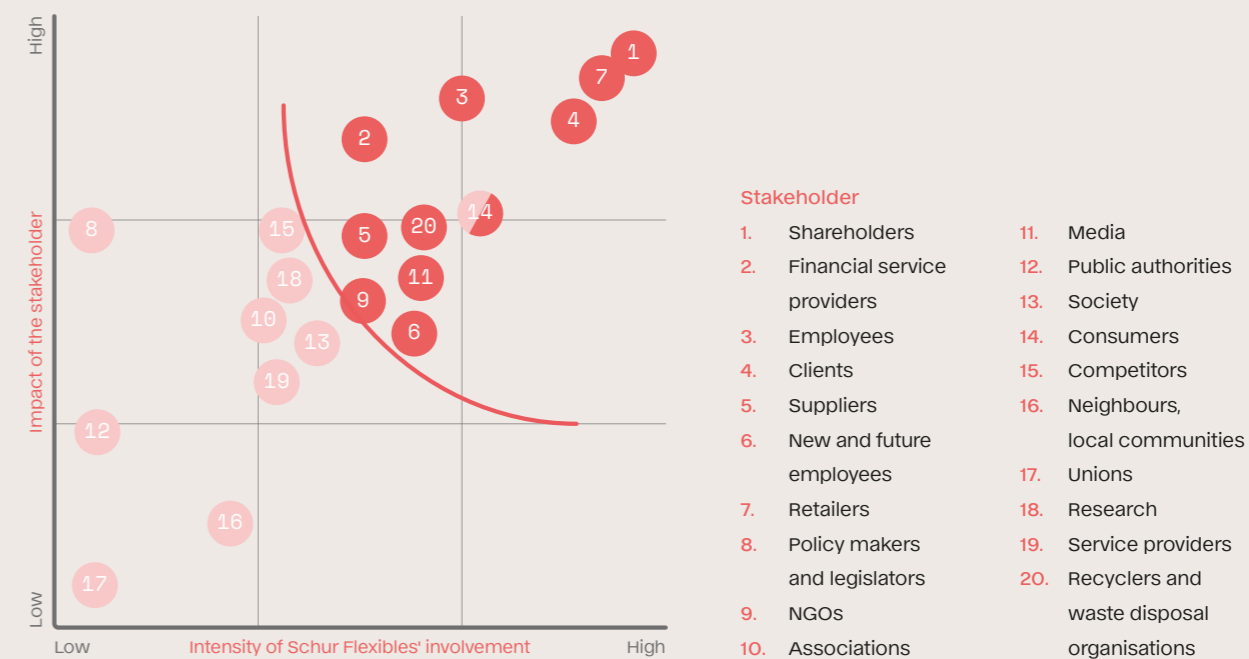
Materiality analysis Stakeholder dialogue

Pursuing a complete and credible sustainable development path requires continuous dialogue and discussion with our major stakeholders to identify and include their needs in our strategic development. Listening to and giving a voice to interest groups that influence or are influenced by the activities of a company is a very important principle, not only for the strategic benefit, but also in terms of risk management and added value generated through a stronger relationship. Being aware of the importance of this process, we initiated a comprehensive stakeholder dialogue in 2020.

Initially, we mapped the company's main stakeholders and identified twenty interest groups. As we wanted to pursue a deep rather than a broad interaction, we decided to narrow down the list and engage with ten categories in this first round of dialogues.

To do this, we assessed them according to their impact on Schur Flexibles Group and the intensity of our involvement towards them. Furthermore, we made sure that all the involved groups were able to analyse both an internal and external perspective.

Thus, the stakeholder groups involved in the dialogue carried out in spring 2020 are: shareholders, financial service providers, employees, clients, suppliers, new and future employees, retailers, NGOs, media, recyclers and waste disposal organisations. Although consumers were assessed as a relevant group, due to organisational reasons we were not able to initiate a dialogue with them in this first round.



Materiality analysis SDGs impact analysis

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

The objectives of the stakeholder dialogue were, on the one hand, to validate the potential material topics that emerged from the status quo analysis, the data collection process and the impact analysis on the Sustainable Development Goals (SDGs) and, on the other hand, to understand the stakeholders' perception of Schur Flexibles Group, their expectations, their interpretation of sustainability, and their assessment of opportunities and risks. This first experience of conducting stakeholder dialogues in this format has proved to be very positive.

The gathered information is very meaningful, and the willingness and gratitude shown by all participants went far beyond expectations. The constructive, open, and transparent dialogue has motivated us to expand the process in the future. We plan to carry it out on a biennial basis with the next stakeholder dialogue taking place autumn 2021. This event will be conducted by external consultants and include interviews and focus groups.

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

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

We also want to contribute. Therefore, while preparing our Sustainability Report 2019 last year, we took the chance to analyse our impact on the SDGs and how we relate to them as a company. As a first step, we studied each goal in depth by studying its relevance, its single targets, its current global situation, and its meaning on a corporate level.

As a second step, we assessed the potential positive and negative impact – current and potential – we have on each of the goals. Even though we are aware the goals are deeply interconnected, they do not have equal relevance for our Company. As a result of the analysis, we identified that Schur Flexibles Group currently has most impact on the following SDGs: 5, 8, 12, 13, 14, 15.

The resulting image is helping us better understand how we can contribute to the realisation of the goals and how we can integrate the SDGs into our future strategic planning. The SDGs played an important role in the drafting of the material topics list that we validated through the stakeholder dialogue process. In order to maximise our contribution to the SDGs, we analyse their relevance for our Company on a yearly basis.



Materiality analysis

The result: our Materiality Matrix

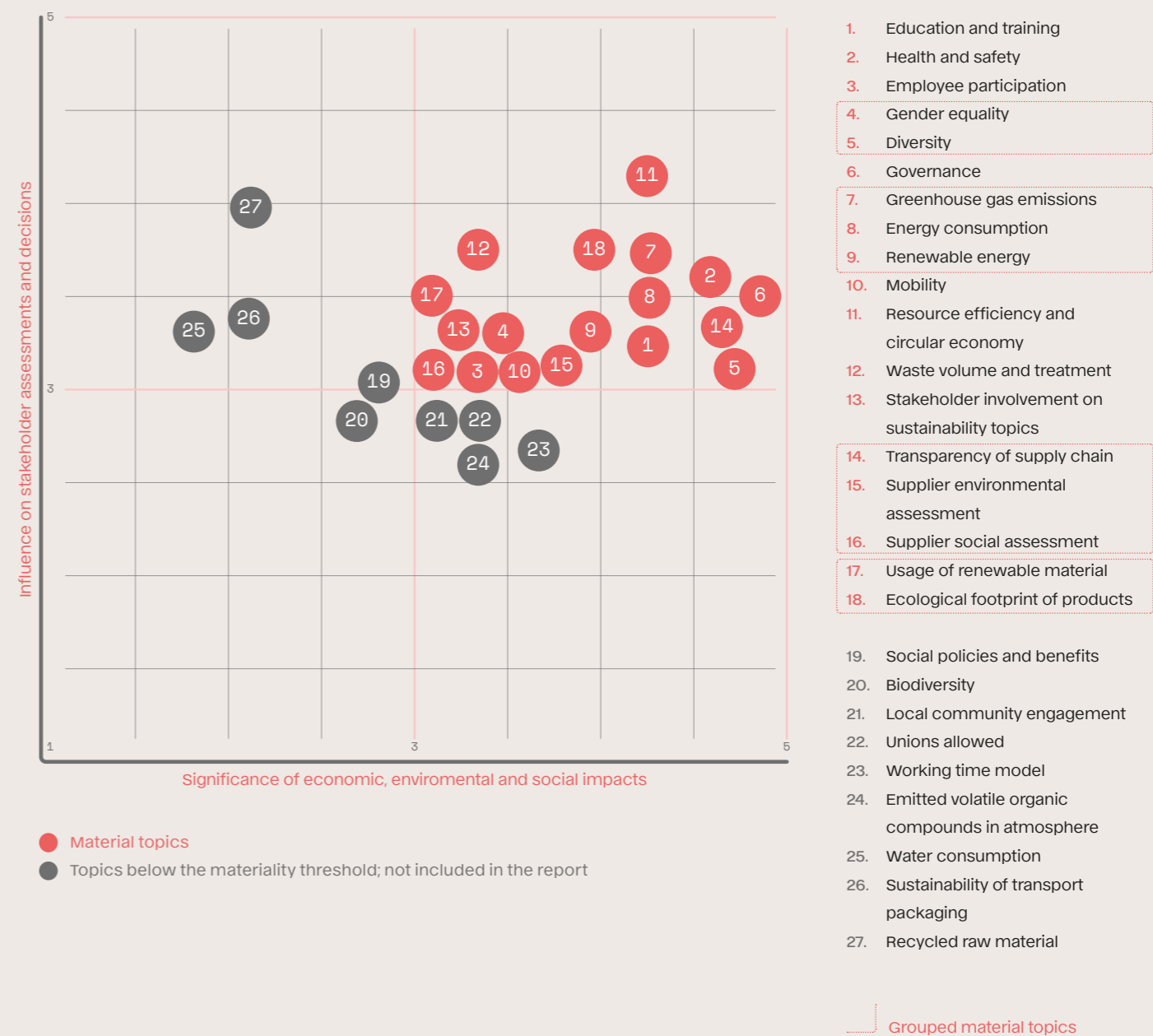
Topics that overcome the threshold (set at 3) both from an internal and external perspective are considered as relevant for the company's sustainable development, entering the list of Schur Flexibles Group's material topics.

Each topic is reported on within this document with a description of the overall objective, its boundaries, the management approach and the KPIs. This allows us to assess what has already been implemented at a strategic and operational level and how we aim to reach each topic's objective in the future.

Additionally, we present projects and business processes that reflect the operative side of this strategic thinking. During the elaboration process, it became clear that some material topics are strongly interconnected with one another and we therefore decided to group them and not report on them singularly.

Topics below the threshold are not included in this report. However, there are topics that could potentially play a relevant role in the future. Therefore, we update and evaluate the materiality analysis on a yearly basis. The review of our material topics in terms of significance of economic, environmental and social impact in 2020 resulted in no changes. As the stakeholder dialog for our first Sustainability Report took place in spring 2020, we decided not to organise a new dialog within such a short period of time. This is why we adopt the 2019 materiality matrix as it stands.

The improvement of our data collection process in 2020 allows us to report separately on the former grouped material topics "Education and training" and "Health and safety" as well as "Resource efficiency and circular economy" and "Waste volume and treatment" in this report.



Methodology

This Sustainability Report has been prepared following the guidelines set out by the Global Reporting Initiative (GRI) Standards, application level "Core". The information and data refer to all production sites manufacturing flexible packaging solutions and the company headquarters for the period ranging from the 1st of January 2020 to the 31st of December 2020, unless otherwise indicated.

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

Group companies included in the reporting boundaries:

Administrative sites

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

Production sites

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

Thanks to our enhanced data collection process, this year's report also includes data of our Group company Prisma SA, Greece. The Italian company Sidac S.p.A. joined the Group in 04/2021. This report does not include its data.

Structure of the report

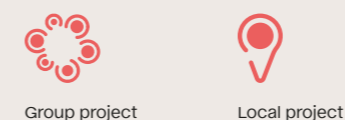
The material topics presented and described within this report are structured according to our 4Ps logic: Purpose, People, Planet and Prosperity. This logic is a result of our Group-wide project "ReThinking Schur Flexibles", which has the goal of redefining the Group identity and developing a stronger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

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

- Each material topic is represented by:
- an overall objective towards which it tends,
 - the boundaries for which it is relevant,
 - the management approach and the internal responsibilities,
 - KPIs to give insights about the status quo,
 - a summary of significant changes within the reporting period
 - the relevant SDGs, indicated by icons,
 - the relevant UNGC topics, indicated by icons ,
 - current and future projects to further, develop the topic and achieve the overall objective (🌀 = Group project, 📍 = local project)

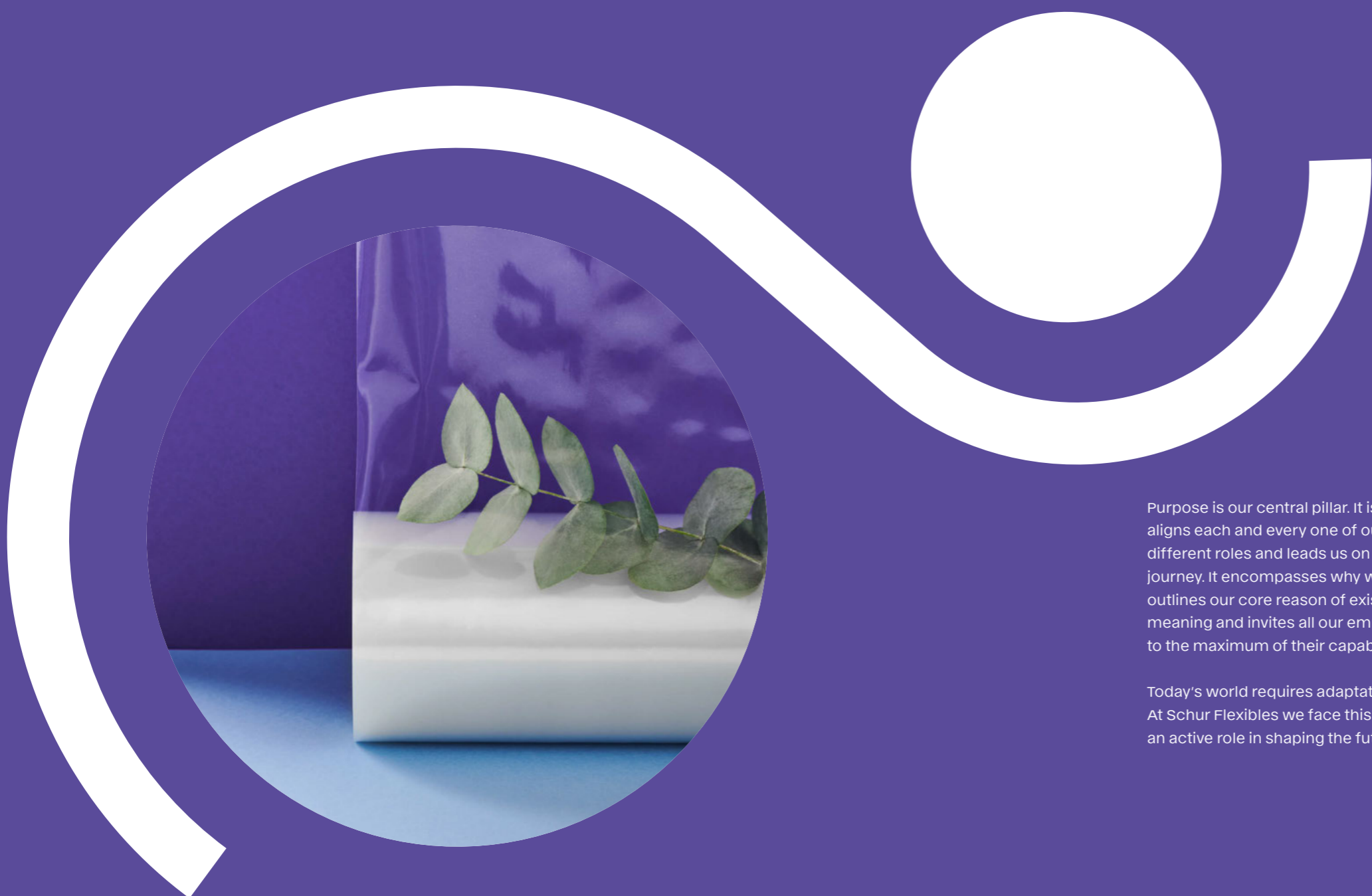
This work serves as a basis for our objectives to be increasingly precise and specific and for improving our monitoring system.

Legend Symbols & icons



purpose

“We are the accelerator of change for a better world through protective packaging solutions.”



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

Today's world requires adaptation to rapid change. At Schur Flexibles we face this challenge and play an active role in shaping the future of the flexible

packaging industry. This is why we dare to move out of our "business as usual" comfort zone and work to achieve the outstanding results that we all strive for.

Purpose – along with its accompanying field of values – will allow Schur Flexibles Group to grow together into one organism. Within our purpose driven organisation, we aim to fulfil the objectives and targets defined by our three strategic fields of action: People, Planet and Prosperity.

Material topics

- Governance
- Stakeholder involvement on sustainability topics

Governance

Overall objective

Our ambition is to become a leader in sustainability within our industry. This entails connecting our R&D, technical, manufacturing, sales, sustainability and administrative teams to effectively work together in the group. Sustainability is one of our key leadership tasks and it lives on in every employee. We encourage group thinking as well as promote organisational development that drives personal and professional growth. By collectively working towards eco-effectiveness and eco-efficiency, we are not only promoting connectivity throughout Schur Flexibles Group, but also with all our clients. Together, we are both improving products and contributing to the objectives set by the United Nations SDGs. To share our knowledge and accelerate the transition towards a circular economy, we also engage in partnerships with multi-national organisations.

Boundaries

Group level, including all corporate overarching activities.

Management approach

The essential tools to shape and accelerate our corporate sustainability are our principles-based approach to doing business and our strong group-wide values. Incorporating the Ten Principles of the UN Global Compact (UNGC) into our business, we ensure to act responsibly as a global manufacturer, as a reliable business partner and as an ambitious team. Being a quite young Group of companies across Europe, we embarked on a journey to define and implement our core purpose and value set by the end of 2020. Our so-called ReThinking Schur Flexibles project invited employees from all sites to actively participate in this process and continue to shape our corporate culture.

On a broader scale, we actively engage in organisations to make the vision of a green economy a reality. In 2020, we joined the World Economic Forum's CEO Action Group for the European Green Deal. Furthermore, we initiated the first discussions for our participation in the Ellen Mac Arthur Foundation's "New Plastics Economy".

Producing flexible packaging for food, our industry classifies as system-relevant and thus continued in 2020. The impacts of the pandemic challenged our supply chain security and additional preventative measures made working conditions more complex, especially for our employees in production and sales. Wherever possible, we enabled home office solutions and switched to online formats instead of meeting in person. Using video calls, we could still implement important ventures, such as our ReThinking Schur Flexibles project, as planned.



KPIs Ecovadis ranking in 2020

→ Schur Flexibles Dixie GmbH → Danapak Flexibles A/S	→ Schur Flexibles Finland Oy → Schur Flexibles Moneta s.r.o. → Cats Flexible Packaging B.V. → Schur Flexibles Uni UK → Schur Flexibles Uni UK → Converting Limited	→ Schur Flexibles Uni

Number of awards in 2020: 2

Both prizes were awarded to our MonoFlow^{re}PXC packaging solution. Its success story is described in the Prosperity Chapter, page 91.



Projects

1. Our sustainability team
2. ReThinking Schur Flexibles
3. UN Global Compact
4. World Economic Forum: CEO Action Group

Governance

Our sustainability team



Context

Acting as a support function for the Group, our corporate Sustainability Team is the first point of contact for all sustainability activities. Its establishment at the end of 2018 marked our first step towards the fulfilment of our vision to become a sustainability leader in our industry. The team's objective is to grow even further and cover all areas of sustainability.

Description

As sustainability is of very high priority for Schur Flexibles, this topic is under the supervision of our CSO, Friedrich Humer. The members of the Sustainability Team are experienced industry experts with profound knowledge of Schur Flexibles' technologies and with strong relationships with important stakeholders such as associations, suppliers, and clients. Within the team, Max Wolfmaier and Martin Berlekamp are responsible for products and regulations, while Fiene Berger, being a GRI certified Sustainability Professional, focuses on processes.

Together, they support Schur Flexibles' and our stakeholders' goals towards a sustainable future. On an operational level, the team supports our path to sustainable alternatives along the entire value chain and is a competence centre for the Group. The department is responsible for non-financial reporting and has the goal of publishing an annual Sustainability Report based on the GRI Standards. The first edition was issued at the end of 2020 with great results: the successful consolidation of key figures regarding the Group's sustainability performance. This very document represents its second edition. With the ambition to continuously improve data accuracy and scope, the Sustainability Team expanded the data collection system further. This report will show key figures in more detail. To multiply our teams' efforts for sustainability, a designated Sustainability Committee will be appointed in 2021. Its members will have an advisory role towards the Management Board and will be responsible for verifying that our corporate strategy aligns with our sustainability agenda.



Manager Corporate Responsibility
Fiene Berger



Manager Sustainability
Max Wolfmaier



Head of Sustainability
Martin Berlekamp

Governance

ReThinking Schur Flexibles

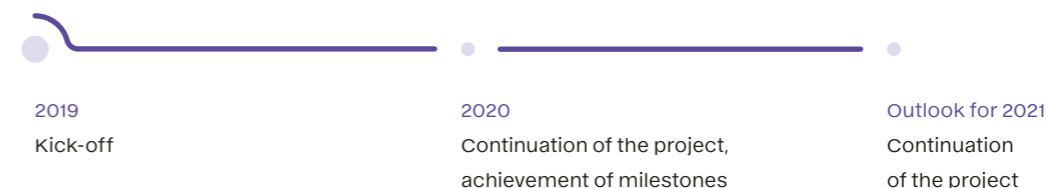


Context

A strong and united core combined with an agile and future-oriented approach are necessary to thrive in a rapidly evolving world. ReThinking Schur Flexibles is our journey to define the Group identity and values, co-created by the people of Schur Flexibles. Cross-site and inter-departmental cooperation brings our specialised Centres of Excellence together and helps us grow to become one unified Group. Based on the initial co-creation of our Group's purpose and value set, the established collaborative structures will be kept and further expanded, to enable continuous improvement and adaptability to future needs.

Description

Developing our core purpose and a value framework as a team allows us to increase awareness both on sustainable behaviour as well as the strategic role of diversity throughout the Group. The process is designed to make the defined values evident, to be able to integrate them into our daily work on all levels and transfer them into all areas of the company. This development was promoted by implementing an open participation process between site managers and sales units. Furthermore, a broader group of Schur Flexibles' employees from all departments and locations was involved in the project through qualitative interviews and anonymous on-line surveys, which served as the basis for our work. A detailed description can be found on page 58.



Governance

UN Global Compact



Context

Manifesting our efforts for responsible business, Schur Flexibles signed the United Nations Global Compact in 2020. With our signature, we made a strong commitment to align our business strategy with the initiatives' Ten Principles and the Sustainable Development Goals. This approach serves as an accelerator to meet our sustainability objectives and contribute to the 2030 Agenda for Sustainable Development.

Description

The UN Global Compact encourages and guides businesses to commit to, assess, define, implement, measure and communicate a corporate sustainability strategy. By the end of 2020, about 10.000 companies based in over 160 countries representing nearly every sector were involved. As a signatory, Schur Flexibles commits to apply the compact's principles-based approach to doing business.

Their so called Ten Principles represent the minimum standards for human rights, labour, environment and anti-corruption. We firmly anchor these into our strategies, procedures and policies. Furthermore, we pledge to pursue activities that enhance our contribution to sustainable development. Following this approach as a Group, will help us to continuously improve our sustainability performance and embrace our responsibility for the protection of the planet's resources. Underlining our efforts for the UNGC, we disclose our activities on an annual basis. Our Sustainability Report serves as our Communication on Progress (COP).

In 2021, our Sustainability Team will participate in UNGC's SDG Ambition Accelerator comprehensive training. It is a 6-month program intended to guide companies to define measurable targets and take ambitious actions towards achieving the SDGs.



2020

Signature of UNGC + Publication of COP for reporting year 2019 in 12/20

Outlook for 2021

Publication of COP for reporting year 2020 in Q2/21 + Participation in SDG Ambition Accelerator program



Governance

World Economic Forum: CEO Action Group for the European Green Deal

Context

Our ambition is to shape and accelerate sustainable development. To maximise our efforts, we aim to collaborate with various key players on a broad scale. In 2020, our CEO, Michael Scherthner, joined World Economic Forum's CEO Action Group – a high-level platform of business and industry leaders that spur action to catalyse the European Green Deal. With our expertise in sustainable flexible packaging solutions for food, Schur Flexibles plays an active role in its lighthouse initiative on the Decarbonisation of Food Systems in Europe.

Description

The need for a business coalition to spur action for Europe's green transformation came to life at the Annual Meeting of the World Economic Forum in Davos in January 2020. The CEO Action Group was founded – a platform of expert managers who work

collectively on finding solutions to catalyse the European Green Deal. One of its initiatives focuses on the decarbonisation of food systems. This lighthouse project supports the implementation of the European Commission's "Farm to Fork" strategy, moving towards regenerative agriculture, low-carbon food consumption and production at scale. With a collaborative approach, our CEO and various business leaders, look at how sustainable and recyclable food packaging solutions can support the European Green Deal. Together, they identify scalable solutions to reduce the carbon footprint of packaging through circular approaches. Furthermore, they discuss ways to reduce waste in food supply chains. Being a member of the Action Group, gives us the unique opportunity to develop innovative solutions with other business leaders and collectively contribute to the green transformation of the European Union.

European Green Deal

The European Green Deal is a set of policies that foster a climate neutral Europe by 2050. It was presented by the European Commission at the end of 2019.

Goals:

- Reduction of EU's net greenhouse gas emissions to zero by 2050
- Establishment of a circular economy
- Restoration of biodiversity
- Decoupling resource use from economic growth

Stakeholder involvement on sustainability topics

Overall objective

Our business environment is characterised by a dense global network, making interactions with multiple stakeholders complex. Nevertheless, remaining true to Schur Flexibles' founding principles, we can only find the best solutions by involving as many stakeholders as possible in our decision-making process and the consequent implementation of our plans. For us, a collaborative approach is key to develop products that promote a sustainable development that is beneficial to both humanity and the planet.

Boundaries

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

Management approach

From their initial idea to their first day of sales, Schur Flexibles' products are subject to an elaborate development process. Our unique solutions not only reflect the many years of our sites' experience, but the valuable input we get from our stakeholders. Rethinking existing solutions with them enables us to collectively develop more sustainable, holistic packaging concepts.

This strong interaction guarantees, that we align our sustainability strategy with customer and market needs.

Our ambition for stakeholder involvement goes beyond product development and resonates in our daily business and corporate culture. We build cooperative partnerships on a broad scale to develop and run joint activities and projects and are continuously engaging with recyclers, retailers, NGOs, universities and other relevant players. An open and transparent communication with our stakeholders is part of our daily work.

Last year, the work on our first Sustainability Report created the right occasion to embark on a wide exchange with our stakeholders and we initiated a targeted dialogue on our material topics. We intend to continue this engagement in 2021 with the establishment of an online stakeholder platform. We want to use these dialogues as opportunities to develop and initiate projects and activities together in the field of sustainable development. The main responsibility for stakeholder engagement lies with our CSO, Friedrich Humer, and our Head of Sustainability, Martin Berlekamp.

Due to the cancellation of numerous events and trade fairs, there were less opportunities for personal exchange with stakeholders. This made it difficult to develop new ideas and projects with them. The situation encourages us to approach cooperation more systematically. To continue our stakeholder dialogues, we will establish a platform in 2021. This tool allows us to recognise and understand our stakeholder's needs at an early stage.



KPIs

	2020	2019
Number of implemented projects on sustainability with stakeholders	26	28
Number of cooperations for sustainability topics*	18	8

*In 2020 we cooperated with the following companies and initiatives: AINIA, AMS Europe e.V. (FPE), APK AG, CEFLEX, ClimatePartner Deutschland GmbH, 50 Climate Leaders (TBD Media Group Ltd.), Deutsches Verpackungsinstitut e. V. (DVI), European Green Deal, IK Industrievereinigung Kunststoffverpackungen e.V. (IK), Institut cyclos-HTP GmbH, INTERSEROH Dienstleistungs GmbH, Operation Clean Sweep, Plastship GmbH, Recyda GmbH, REDILO GmbH, Terra Institute GmbH, The Waste and Resources Action Programme Ltd. (WRAP), UN Global Compact.

Projects

1. Cooperation with Feneberg and Ulma
2. CEFLEX – Design for a Circular Economy
3. Cooperation with Recyda

Stakeholder involvement on sustainability topics

Cooperation with Feneberg and Ulma



Context

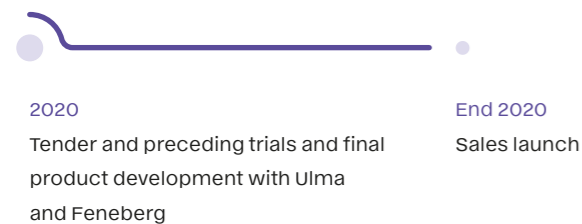
In our collaboration with the German retail chain Feneberg Lebensmittel GmbH and machine manufacturer Ulma Packaging GmbH, we developed an innovative packaging material and launched a pioneering concept for minced meat. The product's design combines high levels of product protection, great machinability and increased sustainability. By uniting our skills and expertise, we will successfully bring this challenging project to fruition.

Description

Feneberg's requirements for its new packaging included increased environmentally friendly properties. The previous rigid tray packaging for minced meat should be replaced with a fully recyclable and more resource-saving solution. The retail chain decided on our sustainable flow-wrap film MonoFlow[®]PXC, a very good recyclable mono polypropylene film with high barrier.

By switching from rigid trays to flexible flow wrap packaging, the amount of plastic was reduced by 70%. This has consequently led to a 93% reduction in transport by reducing the delivery volume from several pallets of premade trays to only a few rolls of thin film instead.

The project represents how we rethink existing solutions with our stakeholders. Its success emphasises the importance for cross-sectoral collaboration to develop products that promote sustainable development. Only by closely cooperating, all parties involved could successfully replace an existing solution with a more sustainable, holistic concept.



The success story of our packaging solution MonoFlow[®]PXC is described in Chapter Prosperity, page 91.

Stakeholder involvement on sustainability topics

CEFLEX – design for a circular economy



Context

For a circular economy to work, recyclable product design is needed. To accelerate the journey towards an economy that keeps all its flexible packaging in the loop, CEFLEX launched specific guidelines for mechanical recyclable flexible packaging design. Schur Flexibles participated through consultation in its creation.

Description

With our ambition to lead the way towards a circular economy, we actively engage in the "Circular Economy for Flexible Packaging" (CEFLEX) initiative. Together with other companies and organisations from the entire value chain, we strive to achieve circularity of all flexible packaging in Europe by 2025. The "Designing for a Circular Economy" guidelines were created in close collaboration with all CEFLEX members. The guidelines offer detailed advice on flexible packaging design for mechanical recyclability.

Following the instructions ensures that products meet the necessary sortable properties and high-quality recyclability at the end of their use, to become raw material for new applications. We support the implementation of the guidelines by aligning the design of our products to its principles and adapt them if necessary. For new product developments, the guidelines are a prerequisite. Moreover, we train our employees in product development and sales department. This way, we make sure that all our products meet the requirements that are crucial for the entire value chain to make flexible packaging circular.



Designing for a Circular Economy' guidelines

The 'Designing for a Circular Economy' guidelines were published by CEFLEX in June 2020. They contain information and practical advice on how flexible packaging solutions need to be designed to be mechanically recyclable. Here, they focus on polyolefin based flexible packaging (polyethylene (PE), polypropylene (PP) and PE/PP mixes (MPO)). The guidelines act as a manual indicating limits on input materials to achieve good sortable properties and high-quality recyclability of flexible packaging. Furthermore, they cover information on current sorting and recycling processes.

Stakeholder involvement on sustainability topics

Cooperation with Recyda



Context

Futury is an innovation and venturing platform that connects entrepreneurial talents with leading companies. It was created in 2015 by "Werte Stiftung" in Frankfurt am Main and is an independent foundation that strives for equal opportunities and social cohesion in Germany. By participating in their initiative in 2019, a collaboration with today's start-up Recyda evolved.

Description

Recycling and establishing a circular economy are the corner-stones of a sustainable future. That is why we at Schur Flexibles actively supported the FUTURY project and, upon successful completion, entered into a partnership with the start-up Recyda GmbH. Recyda has developed a software that helps companies worldwide to find their way through the maze of country-specific material regulations. It provides them with individual recommendations for the composition of their packaging. Starting with European

countries, the company is continuously expanding the contents of this effective tool. Companies in the consumer goods industry face public, financial and legal pressure to meet recycling targets for their packaging. However, country-specific information on legislation and infrastructure (including collection, sorting and recycling systems) is not always centrally available and frequently lacks clarity. Recyda centralises this information and makes it available in a tool that facilitates recyclability assessments of packaging on an international level.

In view of our collaboration, we support the team in its business development. In regular meetings, we test the database's assessment quality and support the software enhancement. Since recyclability is a prerequisite to keep plastic packaging within a circular system, we believe that the database of Recyda has the potential to facilitate the transition to a circular economy.



July 2019

Participation in Futury project

December 2019

Final pitch of Futury talents

2020

Initiation and implementation of cooperation with Recyda and foundation of Recyda GmbH

Outlook for 2021

Continuation of cooperation



people



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

The wide-ranging backgrounds of the group companies have allowed us to make diversity our greatest strength.

It is our responsibility that every person who works at Schur Flexibles feels comfortable, part of the group and can evolve both on a personal and on a professional level.

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

Material topics

- Gender equality and diversity
- Employee participation
- Education and training
- Health and safety

Gender equality and diversity

Overall objective

Diversity is in our roots. Our corporate group may seem young, but the history of some of our companies goes back more than a century. Thereby, we see our multinationalism as our biggest strength. We combine our backgrounds and complement each other's knowledge. We are open minded and promote a collaborative management style in all our branches. In this manner, our biggest goal is for everyone at Schur Flexibles to be treated equally and have the same opportunities. By celebrating our diversity and embracing respect, acceptance and trust, we have created highly efficient pan-European teams.

Boundaries

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

Management approach

Equality for everyone is part of our Code of Conduct, which all employees must follow. As our Group has grown rapidly, there is not yet a group-wide management system for diversity, but there are many site-specific ones. In 2021, we will intensify our data collection effort, to get deeper insights into Human Resource data which serve as a basis for future development.

The overall responsibility for the material topics "Gender equality" and "Diversity" lies on the C-level management and the Human Resource department.

Producing flexible packaging for food, our industry classifies as system-relevant and thus continued in 2020. The pandemic posed challenges for our Group and our employees. For example, parents, in particular single parents, had to balance working and home-schooling at once. To support our employees, we enabled and encouraged home office and offered flexible working models wherever possible.

Initiative "Ladies Chat"

In 2020, we implemented a group-wide "Ladies-Chat". This initiative aims to connect female employees from different group companies and hierarchy levels. Our efforts for this women's network aim to promote inclusion and to make sure that the female perspective receives proper attention. Moreover, the network might offer career opportunities for its participants in the long term. The initiative started in October 2020 and continued on a bi-weekly basis.



KPIs

			2020		2019	
Employees	Total	#	2.034		1.972	
			Female	Male	Female	Male
		#	398	1.636	405	1.567
		%	19,6	80,4	20,5	79,5
Employees categories	Senior executives (incl. Management Board)	Up to 30 years	#	0	0	0
		From 30 to 50 years	#	5	16	41
		Over 50 years	#	1	15	48
	Total	#	6	31	89	
			%	0,3	1,5	4,5
		thereof temporary workers	#	1	-	-
	Administrative employees	Up to 30 years	#	40	37	63
		From 30 to 50 years	#	156	128	229
		Over 50 years	#	52	99	113
		Total	#	248	265	405
			%	12,2	13,0	20,5
		thereof temporary workers	#	1	1	-
	Technical employees	Up to 30 years	#	10	20	28
		From 30 to 50 years	#	28	83	107
		Over 50 years	#	8	63	59
Total		#	46	166	194	
		%	2,3	8,1	9,8	
	thereof temporary workers	#	0	0	-	
Production employees	Up to 30 years	#	21	251	258	
	From 30 to 50 years	#	45	604	638	
	Over 50 years	#	33	319	388	
	Total	#	99	1.174	1.284	
		%	4,9	57,7	65,1	
	thereof temporary workers	#	2	17	-	
Parental leave	Total	#	9	14	-	
Employees with specific work places	Total	#	14	20	24	
Employment contracts	Temporary	%	2,7	9,0	11,7	
	Permanent	%	17,6	70,7	88,3	
	Part-time	%	3,5	1,1	4,6	
	Full-time	%	17,1	78,3	95,4	

Due to the group's continuous growth, we reorganised and improved our organisational structure in 2020. We introduced the "Head of" -Concept, to cluster f.e. the management of sites according to the business area (Converting, Extrusion) and region. In accordance with the adapted definitions and calculations, the number reported for the group's Senior Executives including the Management Board is 37 in total. We achieved this leaner management structure below the group C-Level by creating new but less reporting lines. In the field of Converting, we split between North East and South West, implementing a Head of Converting for each region, with a direct line to the C-Level. A Head of Group Sales Coordination was also implemented to act as a direct report to the C-Level. The HR data is based on headcounts. In 2020, we increased our data collection effort to gain insight on the percentage of temporary workers in every employee category. As this indicator was introduced in 2020, we do not have a comparative value for 2019. The percentage distribution of employment contracts in 2020 is based on our respective estimation for our 2019 data.

Employee participation

Overall objective

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

Boundaries

All employees working at Schur Flexibles are considered in this material topic.

KPIs

Being a young group of companies, we currently do not have cumulative data available that measures our Group's path towards the achievement of the overall objective of this material topic. We are setting up a process for this and will report in more detail in our Sustainability Report 2021.

Management approach

Our employees' ideas and knowledge are of fundamental importance in our efforts to shape and develop our Group. Involving them in our business activities and encouraging dialogue amongst them are key factors for our long-term success. Regular team meetings, workshops and group-wide surveys represent our strongest tools to increase employee participation.

Our companies have initiatives and programs for employee involvement in place. Every site is encouraged to identify and develop ad hoc measures in this regard. We work on this material topic together as a group. By involving our employees in cross-site processes and workshops, we greatly benefit from their valuable contribution. This allows us to collectively shape Schur Flexibles' future.

Projects

1. ReThinking Schur Flexibles
2. 360° Pilot project
3. Cross-site networking
4. Employee involvement
5. Workshops

The pandemic transformed business life, challenging the ways we work together. For Schur Flexibles, personal appreciative interaction has always been essential in our corporate culture. Involving our employees, even when working remotely, has only been possible thanks to our high degree of digitalisation in all our sites.



Employee participation ReThinking Schur Flexibles



Context

Our joint approach on collaboration and co-creation starts at the core of the company – our Purpose and our Values, the core reason why and how we work together in our team. In ReThinking Schur Flexibles, we jointly developed this fundamental framework with inclusion and active participation of employees across all our sites. It aims to grow our organisation and foster a joint understanding of why we belong to each other and what drives us as a group. The journey itself is the reward. In order to give real meaning to our cultural change initiative, we ensure that our people are involved in all stages of this process.

Description

ReThinking Schur Flexibles is based on the concept of co-creation and was kicked off in late 2019 with group-wide surveys on corporate values, culture and collaboration. The survey was conducted by group HR and translated in seven languages to ensure a comprehensive feedback from our employees. It combined efforts on collaboration across all departments, hierarchical levels and nationalities. Dedicated strategy workshops amongst the members of the Group Leadership Team continued work on these issues in the initial phase. In early 2020, the Group Leadership Team conducted some 130 in depth one-on-one personal interviews at all sites,

actively engaging and discussing the possible visions of our employees across Europe on the future of the group and the industry at large. All feedbacks were evaluated and discussed within the team, and contributed to the further process.

Based on these results and reflection, the members of the Group Leadership Team defined the criteria for enlarging the team to form a group of Culture Navigators – people across all our sites who would actively co-create the future of our Group. Based on these criteria, 70 employees from all sites were nominated to take on this crucial role. This Culture Navigators team consists of employees who convey our values throughout the group and thus shape our corporate culture.

Numerous working groups as well as team workshops of Culture Navigators shaped our Group's future value framework. Due to the travel ban imposed by the pandemic, the entire process was driven by digital tools. By autumn 2020, we reached our first milestone by defining our corporate values and our joint purpose, which can be found on page 10 and 11 in the chapter "Introduction".

The project ReThinking Schur Flexibles is still underway – as the journey itself is the reward.



2019

- Group-wide employee surveys
- Kick-off for ReThinking Schur Flexibles

2020

- 130 interviews at all sites
- Establishment of a team of 70 Culture Navigators
- Definition of corporate values and joint purpose
- Workshops and initiatives, such as the "Ladies Chat" (see page 54)

Outlook for 2021

We want to create cross-site and inter-departmental teams and forums to further activate and implement the purpose and value framework of the group in all locations. Detailed project plans will be rolled out and implemented by the local Culture Navigator teams.

Employee participation 360° pilot project



Context

Our success is the result of the commitment and performance of our talented employees. Therefore, we strongly aim to attract and retain experienced and ambitious individuals. Developing their skills and encouraging them to enhance both their own performance and that of others, is key to our human resources development. As part of our Talent Management strategy, we started a group-wide 360 degree pilot project in 2020.

Description

Our aim is to include and consider different perspectives and give our talents varied feedback from different employees. In the first step, we focused on the management positions in the group's C-1 level. Based on our newly defined company values, a set of competencies were defined, that describe the leadership skills needed for these roles. After successfully conducting this pilot project, it will be evaluated in 2021. In case of approval, this 360 degree-tool will be one of several planned initiatives of our Talent Management strategy to fill the senior executive pipeline in the future. Furthermore, it will be the basis for assessing strengths and development areas and defining personal and career development measures, such as promotions.



Employee participation

Cross-site networking

Context

Our young pan-European group of specialised companies is diverse, but we are united by our purpose. In order to continue to grow together as a group and join forces for sustainable development, we regularly conduct cross-site networking. In 2020, various meetings took place to foster group-wide participation.

Raw material workshop

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

In 2020, we conducted a cross-site and cross-departmental raw material workshop in Vienna. With the aim to share know-how, create synergies and promote new developments, the participants presented their innovations, products and projects. As a result of this meeting, we kicked off a joint development for new paper based flexible packaging materials. With the workshops, we have created a new depth and quality of interdisciplinary work and understanding between departments. We have successfully achieved the participation and involvement of the various divisions and will continue adopting this workshop concept and extend it to new fields.



January 2020	Outlook
Raw Material workshop	More workshops to be organised

Group Leadership Team

Throughout 2020, numerous workshops and meetings of our Group Leadership Team took place. It is composed of our Senior Line Managers and our Management Board. The regular dialogue allows the continuous exchange of experiences, best practices and information, with the aim to accelerate our Group's business development. The pandemic required a high degree of co-ordination, so initially the online meetings took place weekly. Later, they were reduced to bi-weekly and then to monthly meetings from Q4/2020 onwards.

Business Continuity Committee meeting

Triggered by the pandemic outbreak, a team of four up to eight group functions met online daily, to develop an action plan, monitor, and report accordingly to the daily evolving situation the suggestion of initiatives for crisis management to the Management Board. The aim was to increase our Group's resilience by providing coordinated support to our site's local management and coordinate the interaction with all relevant stakeholders involved. Furthermore, the team developed solutions for high responsiveness, alternative ad-hoc solutions and shared best practices among the group.

Employee participation

Employee involvement

Context

Committed to the highest standards of employee involvement, we make our employees the co-authors of our Company's growth and our journey towards a sustainable future. Including each one of our employees is fundamental for us. Many site-based initiatives are organised to create an environment where team spirit and inclusion are central.

Team breakfast

To promote regular dialogue between our CEO and our employees, our headquarter launched a special format called "Team breakfast" in 2019. The monthly event is open for all employees to join in person or online. By offering company updates integrated in a possibility for personal dialogue in a casual atmosphere, we facilitate and promote open exchange among all hierarchy levels.

Team unity and inclusion

In 2019, our Group company Schur Flexibles Poland implemented a project to foster team unity, promote integration and enhance knowledge sharing. An employee survey marked the first step of the process, followed by collective meetings, specific trainings and coaching. The site continued the project in 2020 and organised cross-functional online-meetings that focused on encouraging employee participation and fostering team unity. Moreover, to evaluate the company culture and teamwork, Schur Flexibles Poland developed an internal mapping tool to identify improvement potential. This system is now an established part of the site's feedback mechanism. Overall, the project has nurtured an everlasting improvement in teamwork and cooperation between departments.

Sustainability Award

We believe that our employees' skills and knowledge are a highly valuable asset for our Company's development, especially for the enhancement of our sustainability performance.

To encourage brainstorming and help spark ideas for improvement in this regard, we created a group-wide Sustainability Award. Our employees' numerous proposals participated in a live raffle in the event of our Annual Sales Conference end of 2020.

Whistle blowing procedure

As an integral part of our Code of Conduct, we modified our whistleblowing procedure and added a digital alarm tool. Employees can now decide to report an observed misconduct in person, or anonymously, by using an online whistleblowing system. All employees acting as whistle-blowers will be protected and shall not be in fear of retaliation.

Charity run

Every year, Schur Flexibles' employees participate in charity runs in their local communities to raise money for a good cause. In October 2020, we hosted our own event at Schur Flexibles – together at a distance. Over 350 employees from all over Europe were walking, running, biking or horse riding, and covered a distance of 9.510 km. Schur Flexibles decided to double the initially planned 1 EUR for every kilometre completed and donated nearly 20K EUR to the European Food Banks Federation (FEBA).

This initiative's aim is to end hunger and reduce food waste by building Food Banks.

Employee participation

Workshops

Context

Another method for us to increase employee participation rates, is conducting workshops. They are an opportunity for us to foster dialogue and involve our employees in decision-making processes.

Apples and oranges

Apples and oranges is a business game for finance, that involves non-finance colleagues in order to give them better insight in and understanding of finance topics. The aim is to strengthen interdisciplinary cooperation, increasing mutual understanding, and building up knowledge in our organisation. In 2019, we organised games with production planners as well as sales personnel and the feedback was very positive. Due to the pandemic, no workshops could take place in 2020. We are evaluating the continuation of this business game as part of the Schur Flexibles Academy program in 2021.

Finance workshops

In 2017, group-wide workshops were launched by our finance division, to define a common vision and path for its department while linking central and local functions. As a result, a shared perspective and values were defined while building trust within the team. Due to the pandemic, we could not conduct finance workshops in 2020. We intend to hold them in 2021.

IT workshops

With the goal to develop a basis for effective group-wide collaboration and joint future projects, our Group IT department launched annual workshops for our sites' IT teams in 2019. In their first meeting, a common strategy was defined. Due to the pandemic, the 2020 meeting had to be postponed. The next meeting is scheduled for end of 2021.



Education and training

Overall objective

At Schur Flexibles, we give trust and boost confidence in our employees. By supporting a culture where individuals are empowered to excel in their professions and take ownership in what they do, we create mutually enriching working relationships. Staying true to our values, we offer individually tailored education and training, actively supporting knowledge building for professional and personal development. We encourage our employees to take on learning opportunities, giving them the flexibility they need, and if possible, supporting them financially. Furthermore, we have a cross-functional, high-performance organisational structure that benefits from knowledge sharing across departments and locations.

Boundaries

All employees working at Schur Flexibles are considered in this material topic. In our Sustainability Report 2019, we grouped the material topics "Education and training" and "Health and safety". As we will cover them in this report in more detail, we report on each topic individually.

Management approach

As education and training needs vary greatly between our Group companies, a personalised approach is needed. Thus, the management approach of this material topic is primarily defined on a decentralised level. Supervisors and the sites' local management guarantee access to educational programs and training according to individual and legal requirements.

For safety reasons, our internal face-to-face trainings were reduced to a minimum in 2020. Necessary sessions were conducted under hygiene restrictions with a reduced number of participants. Planned external trainings were cancelled or switched to online formats. Coping with the new circumstances, we increased our online training capabilities. This way, we saved travel costs and reduced our environmental footprint. In the future, we will choose between face-to-face training and online training depending on the format.

KPIs

2020		Female	Male	
Senior executives	Health and Safety training	h	6	5
	Vocational training	h	12	11
	Regular performance and career development review	%	54	46
Administrative employees	Health and Safety training	h	3	3
	Vocational training	h	11	14
	Regular performance and career development review	%	32	37
Technical employees	Health and Safety training	h	3	4
	Vocational training	h	12	12
	Regular performance and career development review	%	30	47
Production employees	Health and Safety training	h	3	7
	Vocational training	h	4	12
	Regular performance and career development review	%	26	38

In 2020, we increased our data collection effort to gain specific insight on training in every employee category. As this process was introduced in 2020, we do not have comparative values for 2019. Training hours differ for men and women within employee categories because the scope of training varies according to the task area.

Projects

1. Internal group-wide training
2. Development opportunities



Education and training

Internal group-wide training

Context

Due to the fast growth of Schur Flexibles Group, the need for additional group-wide training increases. In 2021, a Learning and Development Manager will join our Human Resources Team. With this reinforcement, we aim to cover and bundle group-wide development needs by targeted initiatives.

Schur Flexibles Academy

In 2020, our online academy for group-wide internal training was launched with mainly IT-trainings, to support the adaption to a digital work style. As a next step, we will carry out a structured needs assessment to further develop the academy and our onboarding program. The focus will be on blended learning initiatives.

By expanding the academy, we aim to provide a variety of education offers to our Group. Our long-term goal is to meet our sites' training needs while promoting knowledge sharing and increasing employee retention and satisfaction.

Training on Plastic Tax and sustainability

Legislative requirements for packaging in a circular economy vary from country to country. To facilitate access to this topic and to update our employees on new legislations and EU directives, our Group sustainability department provided multiple online trainings in mid-2020. In total, they held 12 sessions covering the European Plastic Tax as well as our product's sustainability and regulatory framework. 170 employees attended the successful training, which will continue in 2021.

Sales training

In Summer 2020, we initiated the preparations for our group-wide sales training which starts in 2021. Our aim is to improve the skills of our sales force by developing and sharing specific tools and techniques. With this group-wide sales training program, we encourage team spirit, build knowledge and promote exchanges of experience and divisional collaboration. We already conducted a skill/will analysis. Based on the results, we determined the needs for the sales training program. With three modules and blended learning elements, the program is tailored for our sales force.

Furthermore, we successfully held a two-day online Sales Conference in October 2020, which offered a mix of information, networking and training.

Education and training

Development opportunities

Context

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

Min Lu's Master of Engineering Program

In May 2019, our colleague Min Lu started a part-time master's degree course in "Applied Plastics Engineering" at the Schmalkalden University of Applied Sciences' Centre for Continuing Education. In 2021, she will finalise her master thesis with the title: "Recycling conform development and construction in the plastics packaging industry using the example of PP rigid film E-Base". Besides the professor from the university, the thesis is supervised by our Head of Sustainability, Dr. Martin Berlekamp.

The thesis results can ultimately drive our Company in developing innovative ideas, especially within the area of sustainability. Initiatives like this contribute to our employees' further education and create strong employee loyalty.

Promoting MBA Programs

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

Health and safety

Overall objective

Protecting our employees and providing them with a safe and healthy workplace is our most important responsibility. Here, we like to go the extra mile to ensure that safety comes first. With established Occupational Health and Safety (OH&S) teams in all our sites, and employees, that genuinely care about each other, Schur Flexibles ensures that everybody goes home safe and healthy every day. As a group of companies, we are in the position to benefit and learn from each other and drive our individual OH&S performance together. Therefore, we further implemented a group-wide management system to join forces on OH&S. Its launch in 2020 represents the system's first milestone.

Boundaries

All employees working at Schur Flexibles are considered in this material topic. In our Sustainability Report 2019, we grouped the material topics "Education and training" and "Health and safety". As we will cover them in this report in more detail, we report on each topic individually.

Management approach

This material topic is managed both on a central and local level. Its responsibility lies with each and every employee. Production and administration workers are trained on OH&S on a regular basis, covering work-related risks and hazardous situations. The implementation of our group-wide OH&S management system is fully supported by Schur Flexibles' C-level and our sites' management.

Though we already had high hygiene and safety measures in place, additional security measures were implemented in 2020 to ensure employee's safety. Furthermore, we organised more trainings, but with a reduced number of participants.



KPIs

OH&S Training in 2020*		Female	Male
Senior executives	h	6	5
Administrative employees	h	3	3
Technical employees	h	3	4
Production employees	h	3	7

*In 2020, we increased our data collection effort to gain specific insight on OH&S training in every employee category. As this process was introduced in 2020, we do not have comparative values for 2019. Training hours differ for men and women within employee categories because the scope of training varies according to the task area.

		2020	2019
Lost time injuries**	#	37	50
Injury related absence time***	#	297	N/A

**The presented number of accidents equals the Lost Time Injury index. A lost time injury is an injury sustained during an activity within the given reporting boundaries by a member of the Schur Flexibles workforce that will result in a loss of productive work time for more than one working day. A more in-depth definition can be found in the glossary.

***The injury related absence time is counted as days absent from work caused by a people accident.

Projects

1. Implementation of a group-wide OH&S management
2. In-house safety training

Health and safety Implementation of a group-wide OH&S management



Context

Embodying and promoting responsibility for health and safety – this is the guiding principle behind Schur Flexibles' strategy to unite our Group's OH&S efforts. With the launch of the OH&S management system in 2020, a three-year project started, with specific actions to fulfil and comply with the ISO 45001 (OH&S management system) certification criteria by end of 2022.

Description

The systematic and standardised OH&S management system is intended to complement site-based activities for the prevention of work-related injury, ill-health and accidents. It requires the commitment and involvement of all employees. To successfully address the group's health and safety challenges, all sites are asked to go above and beyond their previous efforts for compliance with local laws and regulations. The implementation of the management system is accompanied by a joint OH&S charter, policy, standards and principles that all sites need to comply with. The project realisation will be supported by a group of nominated OH&S experts. A joint OH&S system will enforce organisational learning and increase our Group's resilience to internal and external OH&S challenges. Moreover, it will consolidate our common efforts and create new ideas for preventive measures.

2020

Launch of the Group OH&S management system

Outlook for 2021

Further implementation in our sites

End of 2022

ISO 45001 certification

Health and safety In-house safety training

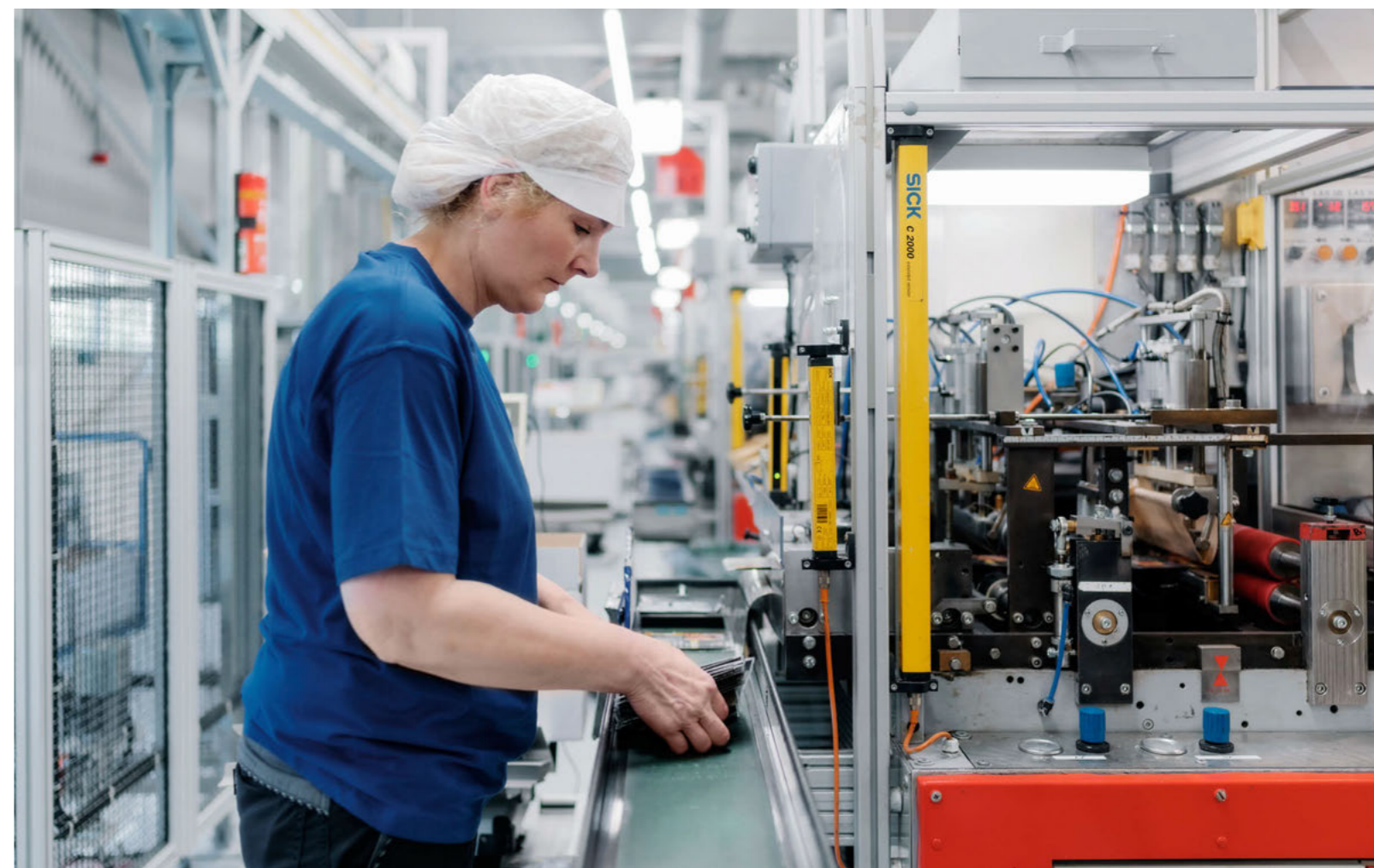


Context

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

Description

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



planet



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

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

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

Material topics

- Usage of renewable material, ecological footprint of products
- Greenhouse gas emissions, energy consumption, renewable energy
- Mobility

Usage of renewable material, ecological footprint of products

Overall objective

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

Boundaries

Environmental supplier assessment is not part of this group of material topics but is specifically covered by the material topic "Transparency of supply chain, social and environmental supplier assessment".

Management approach

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

After we evaluated the market and availability of raw materials from renewable resources in 2019, we started with the first customer initiated development projects. Furthermore, we discussed and secured certain volumes of these materials and decided for an ISCC+ certification. The carbon footprint effect provided by the suppliers is substantial. In 2020, an LCA software has been installed and first projects have been prepared.



KPIs

		2020	2019
Products sold by weight (in kg)		99.254.902	95.641.041
Total weight (in kg) of materials used to produce our products	Non-renewable materials used	98.882.153	95.788.375
	Renewable materials used	18.085.389	16.495.911
Total weight (in kg) of materials used to package our products	Non-renewable materials used	790.291	870.494
	Renewable materials used	5.167.028	3.666.274

The main materials used in Schur Flexibles are polymer resins and films. Besides these, we utilise aluminium and paper. The lion's share of the renewable materials in 2019 and 2020 belongs to paper and fibre based products. The overall material efficiency could be kept on a comparable level in 2020 and is in line with values of the industry. In addition, we realised a move towards renewable resources by approx. 5%. This step by step approach shows the dedication to sustainability – from our end as well as from our customer and the consumer base. Even customer's requirements in the food and pharma related markets, as well as in hygiene markets, are moving to smaller reels (which do need a higher percentage of packaging material overall), we had been able to reduce the amount of non-renewable packaging materials by more than 10%. We do see in our customer base the request for sustainability. And – even with the former hygiene requirements the industry moves to more sustainability – which we are committed to and support.

Projects

1. Life-Cycle Assessment
2. Assessment for conversion to renewable resources

Usage of renewable material, ecological footprint of products

Life-Cycle Assessment



Context

To gradually improve our products' sustainability, we aim to fully assess their environmental impacts. Therefore, we introduced a Life-Cycle Assessment (LCA) tool. This will enable us to minimise our products' environmental footprint in the future.

Description

As a starting point, we initiated a project with a Master Student of the University Bayreuth aimed at understanding which LCA software could successfully map our processes and products. The resulting thesis presents inter alia a comparison of different software solutions and a guideline for selecting the most appropriate one. Based on this analysis, we opted for the GaBi product sustainability software by sphaera (former thinkstep). It combines highly precise

modelling and reporting as well as state-of-the-art content databases with intuitive data collection and reporting tools.

With the support of the software, we accurately evaluate input and output data for each specific product manufactured on a dedicated production line. This tool allows a holistic view on our products' value chain, from raw material production to recycling. Results enable us to make a targeted contribution to reduce our products' environmental impacts by optimising processes or replacing input materials. The working group responsible for this task is asked to carry out LCAs for internal use that are applicable across all our sites. So far, we have completed software training. In 2021, we will begin with LCA analyses for products produced in Southern Germany.



2020

Completion of master thesis in May, acquisition of GaBi software and training

Outlook for 2021

Data collection and LCA modelling for our South German sites

Usage of renewable material, ecological footprint of products

Assessment for conversion to renewable resources

Context

The resources of our planet are finite. Sustainability implies that we keep a balance in our planet's ecosystem – we allow it to regenerate at the same, or higher, rate than the rate at which we remove materials from its system. Therefore, we need to focus on raw materials that do not exploit our planet. Looking at its value chain, the lion's share of our products' carbon footprint is attributable to raw materials while only 20 percent is caused by production and logistics. Thus, we aim to increase the feedstock derived from renewable input materials in our products while reducing the use of finite fossil based raw materials. To reach our overall objective, we are committed to continuous research and development for replacing non-sustainable input materials in our products with more sustainable ones. This targeted shift in the sourcing of raw materials strongly contributes to Schur Flexibles' vision to become a leader in sustainability. Our ambition follows the pillars "Replacement" and "Renewal" of our 5R approach, that our strategy is based on.

Description

Replacing fossil based input materials such as PE and PP, with renewable resources requires an extensive assessment of its technical and economic feasibility. The raw materials need to be processable and meet high quality product properties. Furthermore, commercial effects need to be considered. As the corresponding market development is dynamic, we continuously monitor changes, innovations and demands in this regard. For the replacement of polymer based materials derived from fossil feedstocks with renewable resources, we are solely considering respective second-generation resources, that do not compete with the food chain. In 2019, experts from our Group examined the technical and commercial feasibility of this conversion in our extrusion locations. Technically, it is possible without implications on quality, but overall product costs would rise substantially. We are currently focusing on targeted pilot projects:

Renewable materials

Fibre based materials

Our renewable resources portfolio includes a large number of solutions such as packaging with paper or fibre components. Furthermore, we have extensive experience in converting paper based flexible packaging. However, there is still a variety of possibilities for applications in product categories where a change from polymer based flexible packaging to fibre based packaging can be considered. Therefore, our R&D has initiated a project with experts from our Group in 2020. We defined applications and initiated the first steps for a new paper based product development to replace common flexible plastic film applications.

Second-generation raw materials

In a pilot project with an innovative German key customer, we utilised polymers derived from tall oil as raw material. This second-generation material replacing fossil-based raw materials is a waste product from the wood and paper industry and produced from non-food biomass. The tall oil is delivered to a chemical company that produces pure virgin polyolefins. Since it is co-fed with conventional raw materials, the calculation of the renewable input is given via mass balance. To guarantee the agreed amount of renewable resources, the supplier, the converter as well as the customer need a certification like the "International Sustainability & Carbon Certification" (ISCC +). Schur Flexibles is aiming to achieve the certificate for its plant in Kempten, Germany in 2021. This certification is also needed for the following project.

Recycled input materials

In this pilot project with Plastic Energy, our internal production waste shall be processed by high-quality recycling so that it enters production again. Multilayer films based on PA/PE or OPET/PE cannot be recycled mechanically and usually end up in incineration. Plastic Energy's innovative chemical recycling process generates the base for polymers that behave like virgin material and these can enter the production process for food, pharma and hygiene packaging again. For us to be allowed to use this alternative raw material source, a certification is needed along the value chain. The project is presented on page 98.

Greenhouse gas emissions, energy consumption, renewable energy

Overall objective

The world is facing a climate emergency and it is everyone's responsibility to reduce greenhouse gas emissions. At Schur Flexibles, we take this at heart and aim to assess our environmental impact by evaluating our entire supply chain in detail.

We are striving to reduce our greenhouse gas emissions to a minimum, both on a corporate and product level. Following the European "Green Deal", we support the 2050 target of net zero carbon-dioxide emissions. Our ambition is to constantly improve our processes by reducing input materials, emissions and the energy consumed.

Furthermore, renewable energy is fundamental for combating climate change, thus we are investigating possibilities to increase the renewable energy share in our overall energy consumption.

Boundaries

Currently, we concentrate on scope 1 and 2 emissions.

Management approach

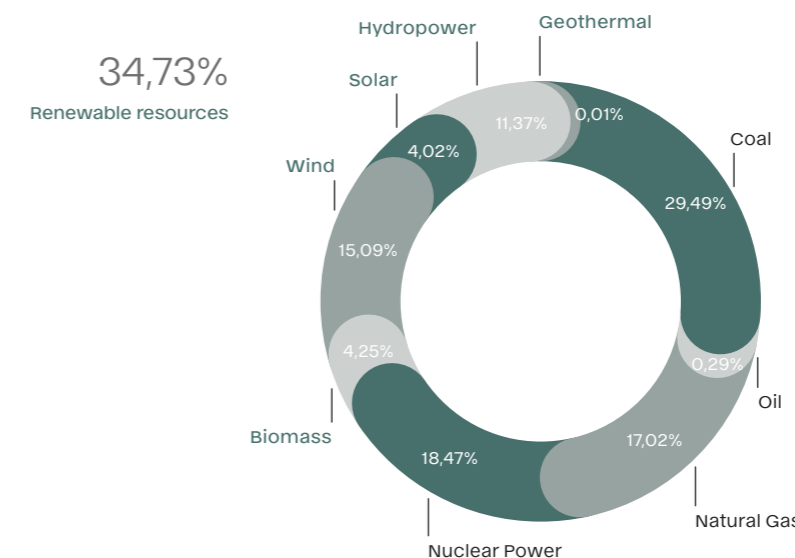
To achieve the overall objectives of the three grouped material topics, we are improving our database thanks to the implementation of an annual data collection system in our production sites. This gives us an overview of the energy consumption and the resulting carbon footprint. Some of our production facilities already have an energy management system in place. Using this as best practice, we are assessing how we could implement a group-wide system. Furthermore, we are screening possibilities in order to make a group-wide transition towards renewable energies. As a starting point, in 2021, we will switch to electricity from renewable energies in Germany. At our printing sites, we actively invest in plant optimisation to reduce the emission of Volatile Organic Compounds (VOCs) to a minimum. In 2020, our Group company Schur Flexibles ABR S.A. in Greece invested 3.6m EUR in a new solvent recovery plant. Additional overall investments in the amount of 500k EUR were allocated to other sites to optimise Regenerative Thermal Oxidiser units.

This material topic has also a direct connection to the material topic "Mobility". For this topic, please see page 82.

As a member of the World Economic Forum's CEO Action Group for the European Green Deal, we strongly support climate neutrality by 2050. Market developments like the introduction of a carbon pricing system in Germany show the importance of emission reductions also on the political agenda. Further reduction of GHG emissions will benefit our emissions trading revenue. Travel restrictions in 2020 implied a beneficial reduction in emissions all over the planet. With our digitalisation moving forward, we will reduce business travel in general, further improving our environmental footprint.



KPIs Distribution of energy mix



	2020	2019	
Total electricity purchased	87.811.286 kWh	91.066.212 kWh	
Type	CO₂ footprint in tons	2020	2019
Burning fossil and biogenic fuels for heat, steam and electricity	10.748	9.718	
Vehicle fleet	770	828	
Refrigerants	337*	20	
Scope 1	11.855	10.566	
Type	CO₂ footprint in tons	2020	2019
Electricity	16.529**	14.889	
District heating	206	-	
Scope 2	16.735	14.889	
Type	CO₂ footprint in tons	2020	2019
Total Emissions	28.590	25.455	

The calculation is based on the Greenhouse Gas Protocol and on the consumption multiplied by the corresponding emission factors. The selected emission factors comprise the total emissions consisting of the direct and indirect components, i.e. including the entire upstream chain. The consumption data has been reported individually by each production site. The emission factors used for burning fossil and biogenic fuels for heat, steam and electricity as well as for the vehicle fleet fuels are from the ecoinvent database. For refrigerants, the emission factors are taken from the IPCC Assessment Report AR5 (2014). For Scope 2, regional values have been calculated and the emission factors used are from the European Open Data Portal.

*Unfortunately, we had a major leakage of a non-halogenated refrigerant in one of our sites which led to the indicated carbon dioxide equivalents in 2020.

** Scope 2 includes amounts of district heating from our Holding and Schur Flexibles Dixie Films GmbH. Though our energy consumption decreased in 2020, total emissions of Scope 2 increased. This effect is due to an energy mix switch that resulted automatically when two German sites were granted EEG levy exemption after successful certification of their energy management systems. This direct negative impact on our Scope 2 let to the decision to switch to green energy in these sites by 2021.

Projects

- Solvent recovery

Life-Cycle Assessment (see page 76)

The project "Life-Cycle Assessment" also strongly supports this group of material topics as it gives us insights on possibilities to reduce the emission of greenhouse gases as well as energy consumption.

Greenhouse gas emissions, energy consumption, renewable energy

Solvent recovery



Context

Our Group company Schur Flexibles ABR S.A. in Greece is a gravure printing site. To minimise VOC emissions from its production process, the site invested 3.6m EUR in a new solvent recovery plant.

By using electricity and a small amount of gas, the organic solvents contained in the exhaust air are filtered out with a high degree of purity and are then recovered. They go back to their original form and are reused in the process.

Description

VOCs are released by evaporation when solvent-based inks are used for printing. To reduce the quantity emitted into the atmosphere, they can either be absorbed, incinerated or recovered. Recovery is the most sustainable choice as it ensures that solvents are kept in the loop and potential GHG emissions are reduced to a minimum.

With the aim to maximise its contribution to a circular economy and the reduction of GHG emissions, our Group company Schur Flexibles ABR extended and optimised its solvent-recovery plant, which has been in operation since 2007. This optimisation will double the plant's capacity until 2021, reducing GHG emissions further.



Mid 2020
Signing of contract

Outlook for 2021
Start of production
Tests end of July



Mobility

Overall objective

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

Boundaries

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

Management approach

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

During 2020, companies learned how to handle business without personal meetings or at least with a very reduced frequency of meetings in person. As the entire value chain was affected, the acceptance of videoconferencing grew tremendously. With various lockdown phases in different countries, home office was also widely introduced and used by Schur Flexibles' administrative employees. In the future, we will offer more home office opportunities to our employees. Business trips will be reduced to a minimum.



KPIs

		2020	2019
Quantity of fuel used for company fleet (in litres)	Ad Blue	2.962	3.934
	LPG	21.656	23.227
	Gasoline	49.296	37.268
	Diesel	180.053	207.721

Due to the pandemic and its travel restrictions, we saw a general decline in business travels. Still, diesel consumption did not decrease substantially as journeying by car instead of taking a plane led to an increase in diesel consumption, especially at the beginning of 2020. However, the overall usage of diesel had been reduced by 13,32 %.

Projects

1. Digital workplaces
2. Electromobility

Mobility

Digital workplaces



Context

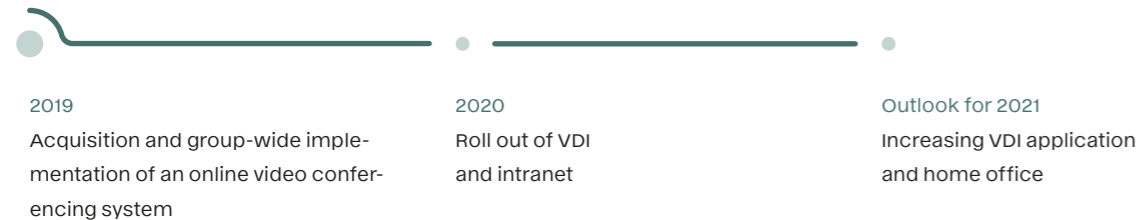
The project "Digital Workplaces" strongly supports our overall objective to reduce business travels to a minimum. By facilitating online communication and offering home office opportunities, many business meetings are held virtually. Our ongoing digitalisation also simplifies group-wide communication.

Furthermore, we guarantee complete, transparent and accurate information flow towards our personnel. Equipping every employee with a digital workplace reduces the need for business trips while positively influencing our carbon footprint.

Description

In 2019, we switched our entire communication platform to Microsoft Teams. We use this tool as our major information system, both internally and externally. Eventually, every employee, including non-administrative workers, will receive personal access to it. This way, we strengthen our internal network and ensure that all employees stay connected.

With the need to reduce personal contacts in 2020, we rolled out our additional Virtual Desktop Infrastructure (VDI) enabling an easy switch to remote work – even without a designated company device. Additionally, we set up our group-wide intranet that provides information on corporate activities, and is a platform for tools, department services and digital trainings.



Mobility

Electromobility



Context

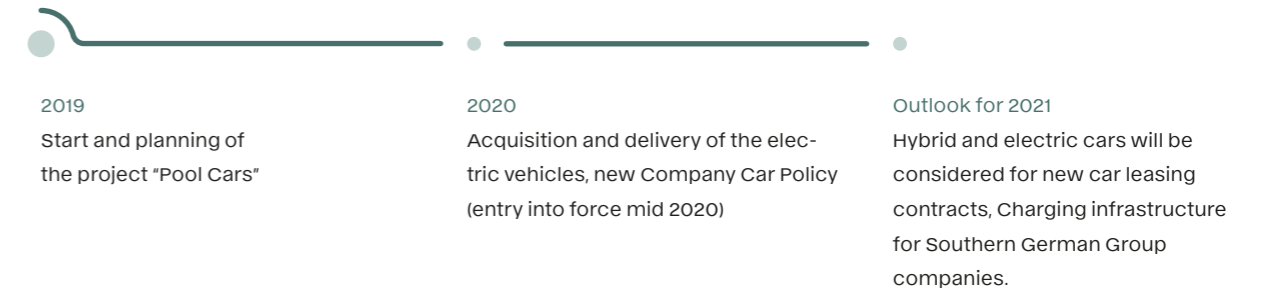
Electromobility is a pilot project in our headquarters and two German Group companies. The idea is to replace the existing vehicles with more sustainable options. As car travel distances are rather short and leasing charges and operating costs are comparable to our previous diesel vehicles, we decided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

Furthermore, pool cars will also be used as advertising space to communicate our vision. We also plan to opt for hybrid and electric vehicles for future employee car leasing following our new company car policy and we're investing in building a charging infrastructure for electromobility in our southern German Group companies by 2021.

Description

This project assists us in our overall objective to reduce greenhouse gases, while also increasing employee satisfaction through quieter vehicles.

In 2020, we tested the economic viability and range of our electric cars. Our test showed that electromobility is a good alternative for employees who regularly travel less than 150 km at a time.



prosperity



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

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

Material topics

- Resource efficiency & circular economy
- Waste volume and treatment
- Transparency of supply chain, social and environmental supplier assessment

Resource efficiency & circular economy

Overall objective

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

Boundaries

This material topic focuses on the development of alternative packaging solutions. Continuous process improvement is not part of this chapter.

In our Sustainability Report 2019, we grouped the material topics “Resource efficiency and circular economy” and “Waste volume and treatment”. As we will cover both topics in more detail, we separated these material topics in this report.

Management approach

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

Packaging legislation tightened further, increasing pressure on packaging waste, single-use plastic packaging in particular. Furthermore, the climate change is an ubiquitous reminder that the world needs a green transformation. With our innovative solutions, we are in the unique position to fulfil future needs and shape a sustainable future.



KPIs

	2020	2019
Percentage of claimed products	0,71%	0,38%
Percentage of recycled input materials	8,30%	4,72%
Number of new recyclable products*	0	13

Within our business, we do not buy external post-industrial materials in order to safeguard the hygiene and quality of our packaging films and the customers goods. Therefore, the only source for post-industrial materials is our own production scrap from the extrusion factories. With continuous effort, we increase the material input of internal recycle substantially. The 2019 values for the percentages of claimed and recycled input materials are updated with this report.

*In 2020 we customised the products we developed in 2019 to achieve maximum performance for our customers packaging demands.

Projects

1. Standardisation
2. Development of recyclable products
3. Monitoring the legal environment

Operation Clean Sweep

The project “Operation Clean Sweep” also strongly supports this material topic as it ensures the efficient use of resources (see page 100).

Resource efficiency & circular economy

Standardisation



Context

Once a product finds its way to the supermarket shelves, its packaging's essential function to protect and preserve, is joined by the necessity to appeal to the potential customer. In order to attract and sell, flexible packaging is customised and tailored. From the packaging manufacturer's point of view, the diverse refinement requirements lead to large amounts of left-over material that has to be disposed of. Schur Flexibles' standardisation project aims to minimise potential waste while reducing greenhouse gas emissions in the supply chain.

Description

Flexible packaging is customised and tailored: e.g., by printing, laminating and using different raw materials. Our project aims to standardise the variety of lamination films and later, the variety of raw materials for extrusion as well.

In the first step of our project, we standardised our film's width at our converting sites that focus on printing and laminating. Here, we adjusted our production processes, so that film with a standard width can be used for different products. This way, we avoid wasting film that would otherwise remain as left-over length on reels whose width does not match subsequent orders. Furthermore, it implies less effort involved in the handling and changing of reels. After standardising the width, we applied this principle to the film's thickness. Both efforts will reduce raw material input, logistics efforts and respective emissions by avoiding additional transport of special combinations for small orders. The second step of the project is the standardisation of raw materials for extrusion as well as the products.

2020

Launching the project, data collection, get the buy in from sales and the production.

Outlook for 2021

- Standardisation of film's width, subsequent standardisation of raw materials
- Alignment of development and purchasing processes in order to ensure sustainability of projects

Resource efficiency & circular economy

Development of recyclable products



Context

For us, developing recyclable products means continuous development to offer more sustainable alternatives for each market segment served by Schur Flexibles and further extending the product portfolio with more recyclable packaging solutions. Recyclability is the first step towards the circularity of our products. To close the loop, we particularly strive to also increase the amount of recycled material in our products.

Description

Amongst other principles, high product recyclability is essential for a circular economy to work. For flexible packaging, this requires that the film used is derived from the same polymers or at least from the same group of polymers. To keep our product's input materials in the loop, we invest greatly in the development of recyclable

packaging solutions. Together with our Sustainability Team, our Head of R&D, Michael Martin, set up a network of internal experts to specifically focus on recyclability in product development. In 2019, they successfully implemented at least one recyclable product for each consumer market segment except pharma. In 2020, we continued to further enlarge and optimise our sustainable product portfolio according to our customer's needs. One highlight of our ongoing R&D process is a new recyclable flexible polyethylene (PE) thermoforming and lid film with high barrier as alternative to PA/PE films.

We had the honour to be awarded the German Packaging Award 2020 for sustainability for our fully recyclable PP flowpack solution MonoFlow[®]PXC for fresh food. Furthermore, we received the World Star Award presented by the World Packaging Organisation for this product.

2020

- Further development of recyclable products
- Awards: German Packaging Award, World Star Award

Outlook for 2021

Further development of recyclable products

Success Story

MonoFlow[®]PXC is a highly transparent, fully recyclable high-barrier film made from Polypropylene (PP). In accordance with the German minimum standard for determining the recyclability of packaging, its recyclability is classified at 95% and certified as „excellent“ by an external institute. By switching from conventional tray packaging to pillow pack, the plastic content is reduced by around 60-70%, and the rollstock also requires significantly less storage and transport volume. This way, the number of deliveries to the customer can be also reduced substantially, saving CO₂ emissions and improving our product carbon footprint significantly. The high oxygen and water vapour barrier makes MonoFlow[®]PXC ideal for fresh-sensitive food products such as minced meat. Due to the significant reduction in packaging weight, significant savings are achieved in the licence fees of the dual systems. In EU member states with plastic levies or eco-modulation, the saving potential is even greater due to weight reduction and recyclability.

Resource efficiency & circular economy

Monitoring the legal environment



Context

By continuously monitoring the legal environment, we ensure compliance with legal requirements in the area of material use and circular economy. This ongoing process gives us a framework for our work and decision making.

Description

In order to be a leader in the field of sustainability, we demonstrate trustworthiness to our clients regarding our expertise and our products. We sell our products worldwide and legal requirements vary widely from country to country. To ensure compliance with all regulations, we must study each country's legislations individually in order to be able to develop suitable recyclable products that can then be used with all their functions in the respective country.

For multinational customers, a packaging system fulfilling recycling requirements in the countries they sell the products in, is key. On an operational level, this entails conducting desk research and participating in panel discussions and forums. As active members in various associations, Schur Flexibles also participates in groups and discussions with national legislative authorities. Our Sustainability team is responsible for this ongoing process.

With the announcement of the EU Plastic Tax and further national regulations in 2020, customers are increasingly worried about the legal situation in- and outside of the EU. We train our sales employees in "total cost of ownerships" as we include extended producer responsibility fees and national taxes into a cost model for customers.



2019

Building a leading position through trade fair presentations, publications, and customer visits

2020

- Preparation for the entry into force of the EU Directive on Packaging and Packaging Waste (EU) 2018/852 on 5th of July 2020
- Training of sales employees on the European Plastic Tax as well as the Plastics Packaging Waste Directive and its impact on our product portfolio

Outlook for 2021

Monitoring implementation and further training

European Plastic Tax

On September 14th 2020, the European Union decided to turn its proposal to implement a European Plastic Tax – announced in July 2020 – into reality. The tax comes into force as of January 1st 2021. It is composed of a share of revenues from national contributions. Member States have to pay a tax of 0.80 EUR per kilogram on non-recycled plastic packaging waste.



Waste volume & treatment

Overall objective

To protect the environment and safeguard our planet's resources and climate, Schur Flexibles strives to improve resource efficiency in its production and products. Rethinking how we produce and which materials we use, is our approach to spawn new ideas for innovative product design. To keep resources circular, packaging must guarantee high recyclability at the end of its useful life. As about 80% of the carbon footprint of flexible packaging is related to the upstream production of raw materials, we strongly focus on their reduction and efficient use. Our Group companies unite in their efforts for environmental protection and take joint responsibility for the reduction of our waste footprint along the entire value chain.

Boundaries

This material topic counts for all production sites. It covers waste volumes as well as (internal) waste treatment. In 2019, we grouped the material topics "Resource efficiency and circular economy" and "Waste volume and treatment" together. As we started to evaluate further projects on the internal and external «waste stream» and focused on both topics in more detail in this report, we separated this group of material topics.

Management approach

Being part of our sustainability strategy, our 5R approach reflects our concepts to achieve our overall objectives. By developing thinner, light-weight packaging, we ultimately reduce the waste volume at the product's end of life. By designing products for recycling, we prepare the ground for high-quality waste treatment avoiding incineration and landfill. Replacing conventional materials with renewable or recycled ones is a further step to more sustainable packaging solutions. Furthermore, opting for materials from streams of the circular economy enables us to close the loop and return recycled materials into our production. Ideally, we recycle our internal waste directly at our production site. To continuously reduce our waste, we monitor our internal and external waste streams – as well as their end-of life paths and take good care that our granulates don't enter the environment. Initiating projects with cross-industrial partners is a defining element of our management approach. To reach the overall objective of this material topic, we engage in pilot projects with recyclers to find ways to recycle our internal production waste for flexible food packaging. In the future, alternative recycling technologies will be evaluated by the Sustainability Team and strategic pilot projects will be signed by the management board.

The French Law No. 2020-105 Regarding a circular economy and the Fight Against Waste went into force February 2020. Though we aim to reduce the proportion of landfill and incineration as forms of external waste treatment, pandemic specific hygiene requirements reduced the recycling capacity of our contractors. This is why landfill and incineration increased in 2020.



KPIs

			2020	2019	
Total waste (in kg)			22.066.697	21.195.686	
Hazardous waste (in kg)	Internally treated	Reuse	45.000	0	
		Recycling	611.838	674.957	
		Recovery	1.982.500	1.704.663	
		Incineration	460.794	314.259	
		On-site storage	0	33.000	
		Total	3.100.132	2.855.979	
	Externally treated	Reuse	34.038	151.758	
		Recycling	24.791	55.635	
		Recovery	292.060	747.192	
		Incineration	945.303	464.558	
Other		63.130	194.701		
	Total	1.387.462	1.843.323		
Non-hazardous waste (in kg)	Internally treated	Reuse	3.335	1.049.159	
		Recycling	2.302.282	1.203.897	
		On-site storage	0	6.500	
			Total	2.305.617	2.259.556
		Externally treated	Reuse	790.813	1.075.250
	Recycling		7.674.329	7.046.809	
	Recovery		1.511.158	1.746.066	
	Incineration		3.847.702	2.930.703	
	Landfill		1.449.485	301.295	
		Total	15.273.487	14.236.828	

In our site in Sweden unusable warehouse stocks from our Company takeover in 2019 were handed into waste treatment. This contributed to the increase in waste volume. Due to specific hygiene requirements that our recyclers had to fulfil during the pandemic, capacity for manual sorting declined in 2020. This is why the amount of material that was incinerated, increased. Further, amounts for energy recovery and incineration are different from 2019 as we sharpened definitions for both treatment methods.

Projects

1. Screening our production waste
2. Finding ways to recycle our production waste
3. Operation Clean Sweep

Waste volume & treatment

Screening our production waste



Context

To reach our overall objective of this material topic, we constantly monitor our internal production waste. Moreover, we are setting up a process to screen our externally treated waste. A group-wide waste database is essential for us to define actions to improve the environmentally friendly treatment of our externally treated waste.

Description

Internally, our Enterprise-Resource-Planning (ERP) systems continuously measure waste volumes and treatment for every production line. The COO, managing directors, production manager and employees have access to these data. If the waste volume was to increase, they could immediately take appropriate action. Furthermore, the ERP systems' data helps us calculate our products' average waste rates. This enables us to evaluate the effectiveness of our ongoing efforts for internal waste reduction.

In this process of continuous improvement, we follow the DMAIC (Define, Measure, Analyse, Improve, Control) approach.

To reduce overall waste, we re-use our internal production waste. Additionally, we recycle as much waste as possible internally. Therefore, we invest in advanced in-house recycling technologies. For waste that cannot be treated in our production sites, we carefully select an external recycler.

Our external waste treatment is subject to local waste legislation. The recycler is obliged to report the volume of our waste obtained, but not its exact type of treatment. Therefore, we started an ongoing process to screen our Group's external waste streams. Based on this data, we will spur action in favor of environmentally friendly treatments while reducing volumes for incineration and landfill. Furthermore, we will improve data quality on our products' environmental footprint.



2018 & 2019

Initial waste screen for half of our production sites

2020

Continuation of group-wide waste screen

Outlook for 2021

Further monitor external waste streams for all production sites



Waste volume & treatment

Finding ways to recycle our production waste

Context

The lion's share of our products are multilayer films made from different materials. These films are mechanically not recyclable and typically incinerated. With the aim to close the loop we opt for new recycling solutions. Here we present our pilot projects with APK and Plastic Energy:

Solvent-based recycling with APK AG

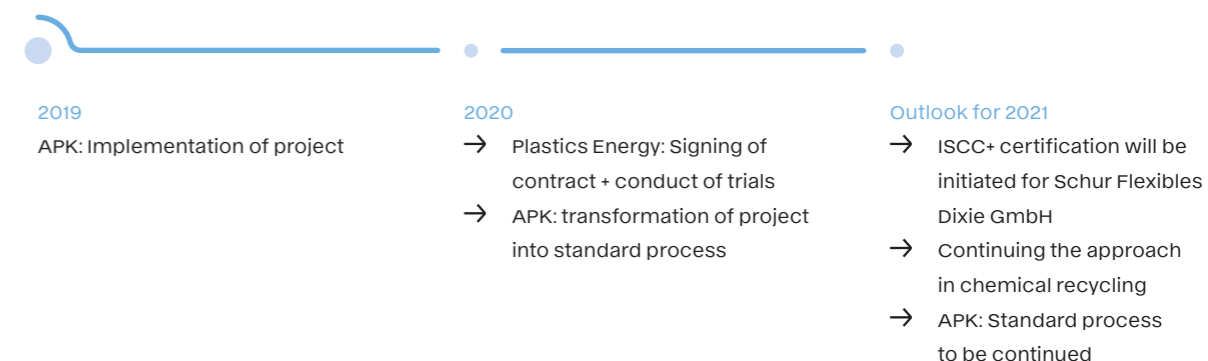
Our collaboration with recycling technologies specialist APK AG, started in 2019. In this project, our German site in Bad Grönenbach sends PA/PE (polyamide/polyethylene) multilayer film from its internal production waste to APK. The proprietary solvent technology used separates the PA/PE composite materials and produces pure, clean regrulates with properties close to virgin plastics. The regrulates are then re-used in the production of e.g. inner liners of detergent packaging. We cannot re-use these materials in the production of food packaging films yet, since the solvents added in the recycling process are currently not fully removed from the produced regrulates.

The successful transformation of the project into a standardised process helps us close the loop and contribute to our vision of achieving a circular economy. Only by including APK into our previous waste disposal concept and by closely exchanging information, we were able to improve our raw material recycling. As a matter of fact, our PA/PE production waste has been collected by APK for recycling for over two years now. In 2020, a total of 36.000 kg was treated.

Chemical recycling with Plastic Energy

Plastic Energy's innovative technology converts plastic waste into a new feedstock. The Thermal Anaerobic Conversion (TAC) process creates, via the TACOil, clean recycled polymers that behave like virgin material and can be re-used even in the production of food, pharma and hygiene packaging. The crucial benefit of the TAC process is that even multi-material films can be recycled with it. We started our collaboration with Plastic Energy in 2020. As a first step, a trial with our multilayer films based on PA/PE and OPET/PE was conducted. Here, the suitability of our Group's internal production waste for their recycling solution was tested. As the materials processed can only be traced via mass balance, a certification like ISCC+ ("International Sustainability & Carbon Certification) is mandatory for us to provide full transparency on the input materials and carbon footprint effects to our suppliers and customers. It assures the origin of raw materials from renewable resources or recycling.

Our projects with APK and Plastic Energy enable us to keep our multi-material waste in the loop while minimising our product's environmental footprint. Furthermore, we contribute to broaden circularity in plastics packaging. Our pilot projects' positive results are the very evidence that new technologies and close cooperation with recycling companies can lead to closing the loop of waste recycling. The success of both projects reinforces our commitment and encourages us to test new ideas.



European Framework Regulation (Ec) 1935/2004

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

Waste volume & treatment Operation Clean Sweep



Context

Plastics entering the environment is a topic that gained more and more attention during the last decade. Although the impact of European manufacturers serving mainly the European market is quite negligible, Schur Flexibles Group is aware of this issue and takes on responsibility for the careful handling of plastics in daily operations. With environmental protection being a top priority, our Group voluntarily pledged to take part in the "Operation Clean Sweep" initiative to strengthen our commitment to the responsible handling of plastic waste of any form. We further aim to expand our knowledge on prevention of operational plastic loss group-wide.

Description

The voluntary initiative "Operation Clean Sweep" is intended to prevent the loss of plastic granulates like pellets, powders and flakes, into the environment. This program has various benefits, from its positive contribution to preserving water quality and wildlife, to employee safety and operational efficiency. Surely, the initiative is intended to prevent the loss of plastic granulates, but for us as a Group, the responsible handling of plastic does not end with our film manufacturing. We have a joint responsibility to avoid the loss of our materials into the environment, this includes our sites, also the ones that focus on slitting and printing. To create a common mindset for environmental protection and to manifest our extended awareness of plastics entering the environment, we pledged to the "Operation Clean Sweep" initiative in all our sites. For the future, we strive to further improve our Group's commitment to prevent the loss of plastics.

2018 & 2019

Pledge to Operation Clean Sweep in all sites and training

Outlook for 2021

Development of internal Group training material

Example: French law regarding a circular economy and the fight against waste

The Law No. 2020-105 Regarding the circular economy and the Fight Against Waste (« Loi n° 2020-105 relative à la lutte contre le gaspillage et à l'économie circulaire ») effective from February 2020, aims to push French economy from linear to circular. Starting 2022, a variety of regulations that aim to reduce overall waste volume while increasing re-use will be enforced. Among other measures, sites producing, handling and transporting plastic granulates need to ensure effective prevention of plastic losses into the environment. These sites are subject to regular inspection by independent certified bodies.



Transparency of supply chain, social and environmental supplier assessment

Context

Schur Flexibles aims to achieve full transparency of its supply chain. In this respect, ensuring traceability throughout the entire supply chain is one of our key objectives. Furthermore, we define the quality of our products by also considering environmental and social factors that arise throughout the supply chain. At the moment, we have several site-based initiatives in place. In addition, we are working on a group-wide process to guarantee meeting environmental, social and governance criteria and the highest quality with each of our suppliers.

Boundaries

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

Management approach

Compliance with the present legal framework forms the basis to ensure traceability and proper risk assessment. Today, compliance is mainly organised independently by each site. The most common approach is asking suppliers to complete a questionnaire covering their effort towards ecological and legal requirements. In 2020, we introduced a harmonised corporate policy, a Supplier Code of Conduct (SCoC). It lays out our strict environmental, social, and ethical standards throughout our supply chain. As we see the greatest lever to reduce our carbon footprint in our raw materials, we started the roll-out of the code of conduct with our raw material suppliers.

KPIs

40%

Raw material supplier that agreed to or signed our SCoC

With the announcement of a German supply chain law, responsible supply chain management is on the political agenda, but the industry is calling for a uniform European approach.

Projects

- Supplier Code of Conduct

SDGs



UNGC



Transparency of supply chain, social and environmental supplier assessment Supplier Code of Conduct



Context

It is in our core values to make responsible use of the planet's resources, meet the highest social standards and embody ethical integrity not only in our business – but throughout the entire supply chain. Therefore, we expect our suppliers to conduct business responsibly as well and this is why we created a Supplier Code of Conduct.

Description

The Supplier Code of Conduct enables us to implement a group-wide harmonised process to guarantee responsible production along the entirety of our supply chain. With the implementation of the SCoC, we ensure the baseline of social, ethical and environmental standards throughout our supply chain. The document encompasses fundamental principles of our Group Code of Conduct and is based on the ten principles of the United National Global Compact and core labour standards of the International Labour Organisation. Suppliers are asked to comply or agree to standards in four areas: Business Integrity, Labour Standards, Health & Safety and Environment. As a first step, we asked our Raw Material Suppliers for their consent.



Appendix

Full list of consolidated Schur Flexibles subsidiaries

- Schur Flexibles Holding GesmbH, Wiener Neudorf, Austria
- Schur Flexibles GmbH, Berlin, Germany
- Schur Flexibles Uni Austria GmbH, Pottendorf, Austria
- RPD Liegenschafts GmbH, Pottendorf, Austria
- Schur Flexibles Denmark A/S, Bjert, Denmark
- Danapak Flexibles A/S, Slagelse, Denmark
- Schur Flexibles Finland Oy, Jakobstad, Finland
- Schur Flexibles Germany GmbH, Kempten, Germany
- Schur Flexibles Dixie GmbH, Kempten, Germany
- Schur Flexibles Dixie Verwaltungs GmbH, Kempten, Germany
- Schur Flexibles Dixie Films GmbH & Co. KG, Kempten, Germany
- Schur Flexibles Flexofol GmbH, Kempten, Germany
- Hänsel Flexible Packaging GmbH, Freital, Germany
- Schur Flexibles Vacufof GmbH, Bad Grönenbach, Germany
- PS Polymer Sourcing GmbH, Warburg, Germany
- Uni Verpackungen GmbH, Aachen, Germany
- Schur Flexibles Uni UK Limited, Midlothian, Great Britain
- Schur Flexibles Uni UK Converting Limited, St Helens, Great Britain
- Oui3 Ltd, Liverpool, Great Britain
- Unicelt Packaging Ltd., Midleton, Ireland
- Unipac AB, Tranas, Sweden
- Schur Flexibles ABR SA, Komotini, Greece
- Prisma SA, Komotini, Greece
- SIDAC S.p.A., Forlì FC, Italy (since 04/2021)
- Schur Flexibles Uni SAS, Averdoingt, France
- Schur Flexibles Uni Roto SAS, Averdoingt, France
- Schur Flexibles Uni Flexo SAS, Fontenay-le-Comte, France
- Schur Flexibles Uni Coextrusion SA, Vendôme, France
- Schur Flexibles Uni Pouches SAS, La Ferté-Bernard, France
- Schur Flexibles Uni Logistics SASU, La Ferté-Bernard, France
- Cats Flexible Packaging B.V., Rotterdam, Netherlands
- Schur Flexibles Benelux B.V., Leek, Netherlands
- Drukkerij Zwart B.V., Amersfoort, Netherlands
- TSO Packaging Printers B.V, Goirle, Netherlands
- Schur Flexibles Poland Sp.z.o.o., Bogucin, Poland
- Schur Flexibles Moneta s.r.o., Trebisov, Slovakia
- Dixie Iberia SLU, Cerdanyola Del Valles, Spain
- Scandiflex Pac AB, Landskrona, Sweden
- Fastighets AB, Bilrutan, Sweden
- OOO Schur Flexibles Rus, Saint Petersburg, Russia
- Russia Zwart LLC, Saint Petersburg, Russia

Schur Flexibles participates in the above listed companies with different degrees of ownership.

List of countries in which Schur Flexibles has clients

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

Material Topics

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

Results of Stakeholder dialogues

Stakeholder	1 – Shareholders
Objectives	<ul style="list-style-type: none"> → Identify and validate the potential material topics → Collect their expectations and understanding of sustainability
Method	Interview conducted via telephone
Results	<ul style="list-style-type: none"> → The most relevant topics for shareholders: diversity, gender equality, health and safety, resource efficiency and circular economy, greenhouse gas emissions, ecological footprint of products, recycled raw materials, energy consumption, local community engagement → The shareholders gave a positive feedback regarding Schur Flexibles' work on sustainability → We were able to get a deeper insight and understanding on their sustainability considerations and investment decision mechanisms, as well as planned future path to increase value

Stakeholder	2 – Financial service providers
Objectives	<ul style="list-style-type: none"> → Identify and validate the potential material topics → Understand stakeholders' perception of Schur Flexibles in general and of its sustainability engagement in particular → Measure stakeholder's commitment regarding the sustainability path pursued at Schur Flexibles
Method	Online video conference
Results	<ul style="list-style-type: none"> → The most relevant topics for the financial service providers: recycled raw materials, usage of renewable material, greenhouse gas emissions, resource efficiency and circular economy, health and safety → The financial service providers are satisfied with the sustainability engagement, nevertheless, they found it difficult to specifically evaluate the performances on the 3 different sustainability pillars since there is a perceived lack of information. They have positively welcomed the stakeholder engagement initiative as well as the first group-wide Sustainability Report

Stakeholder	3 – Employees and 6 – New and future employees
Objectives	<ul style="list-style-type: none"> → Identify and validate the potential material topics → Gain insight into employees' perception regarding the importance of sustainability → Understand their perception of Schur Flexibles' sustainability engagement
Method	Online focus groups
Results	<ul style="list-style-type: none"> → The most relevant topics for employees: health and safety, waste volume and treatment, recycled raw material, ecological footprint of products, energy consumption → Sustainability represents a high priority for the employees. Among others, topics like responsibility for the future of our children, health, circular economy, human rights, climate and safety were addressed → Generally, employees gave positive feedback on Schur Flexibles' work on sustainability, with a specific focus on the improvements attained in the last years

Stakeholder	4 – Clients
Objectives	<ul style="list-style-type: none"> → Identify and validate the potential material topics → Gain insight into clients' expectations and understanding of sustainability → Understand clients' perception of Schur Flexibles in general and of its sustainability engagement in particular
Method	Online focus groups
Results	<ul style="list-style-type: none"> → The most relevant topics for clients: health and safety, resource efficiency and circular economy, waste volume and treatment, greenhouse gas emissions, ecological footprint of products, usage of renewable material, recycled raw material → Generally, clients have a positive image of Schur Flexibles. Most of them pointed out that the cooperation is good, proactive and reliable. → Clients underlined the increased importance of sustainability in the industry and the need for cooperation of all stakeholders within the supply chain

Stakeholder	5 – Suppliers
Objectives	<ul style="list-style-type: none"> → Identify and validate the potential material topics → Gain insight into suppliers' expectations and understanding of sustainability → Understand suppliers' perception of Schur Flexibles in general and of its sustainability engagement in particular
Method	Online questionnaire
Results	<ul style="list-style-type: none"> → The most relevant topics for suppliers: employee participation, health and safety, education and training, resource efficiency and circular economy, waste volume and treatment, greenhouse gas emissions, energy consumption, governance → Suppliers see sustainability as one of their top priorities and they fully recognise the need for the packaging industry to move from a linear to a circular economy and the consequent need for strong cooperation amongst stakeholders along the entire value chain → Suppliers generally perceive Schur Flexibles as an innovative company with ongoing optimisation efforts

Stakeholder	7 – Retailers
Objectives	<ul style="list-style-type: none"> → Identify and validate the potential material topics → Gain insight into retail chains' expectations and understanding of sustainability → Understand retailers' perception of Schur Flexibles in general and of its sustainability engagement in particular
Method	Online questionnaire
Results	<ul style="list-style-type: none"> → The most relevant topics for retailer: resource efficiency and circular economy, waste volume and treatment, usage of renewable material, recycled raw material, sustainability of transport packaging → Retailers see the greatest challenge in the implementation of a circular economy → Schur Flexibles is perceived as an innovative and future-oriented company that is open to cooperation

Stakeholder	9 – NGOs
Objectives	<ul style="list-style-type: none"> → Identify and validate the potential material topics → Understand NGOs perception of Schur Flexibles in general and of its sustainability engagement in particular → Explore possibilities to improve sustainability engagement
Method	Online video conference
Results	<ul style="list-style-type: none"> → The most relevant topics for the NGOs: health and safety, resource efficiency and circular economy, greenhouse gas emissions, supplier environmental assessment, water consumption, transparency of supply chain, ecological footprint of products, renewable energy, biodiversity → NGOs see the main challenge in building strong and true cooperation among stakeholders (especially manufacturers, politics, and consumer) to overcome the plastic waste problem. They see the most important topics in varietal purity, separability, and recyclability → They see uniform packaging guidelines as the most crucial possibility to improve sustainability engagement. Furthermore, the analysis of packaging reduction, social change, recyclability, and transparency are considered as essential

Stakeholder	11 – Media
Objectives	<ul style="list-style-type: none"> → Identify and validate the potential material topics → Understand media's perception of Schur Flexibles in general and of its sustainability engagement and communication strategy in particular → Understand media's standing point regarding the sustainability discourse
Method	Online questionnaire
Results	<ul style="list-style-type: none"> → The most relevant topic for media: resource efficiency and circular economy, greenhouse gas emissions, ecological footprint of products, usage of renewable material, recycled raw material, sustainability of transport packaging, energy consumption, governance → Media overall have a positive perception of Schur Flexibles, mentioning key words like, full-service provider, research focus, innovative, international → Sustainability in the packaging industry is essential. Legislation is seen as a key enabler to anchor it in the sector → Cooperation with media is perceived as very good and further opportunities for cooperation were pinpointed

Abbreviation

Stakeholder	20 – Recyclers and waste disposal organisations
Objectives	<ul style="list-style-type: none"> → Identify and validate the potential material topics → Understand interest group's perception of Schur Flexibles' sustainability engagement → Explore cooperation opportunities
Method	Online video conference
Results	<ul style="list-style-type: none"> → The most relevant topics for recyclers and waste disposal organisations: resource efficiency and circular economy, waste volume and treatment, recycled raw material, governance, ecological footprint of products, greenhouse gas emissions → This stakeholder group values Schur Flexibles' knowledge on sustainability, but found it difficult to evaluate social responsibility efforts, as they don't have insights on that → Cooperation in different fields is not only perceived as possible but already existing and with potential to grow, although currently there are certain conflicts of objectives

Abbreviation	Meaning
CEFLEX	Circular economy for Flexible Packaging
CoC	Code of Conduct
CO ₂ e	Carbon dioxide equivalents
COP	Communication on Progress
ERP	Enterprise-Resource-Planning
FEBA	European Food Banks Federation
FTE	Full-time equivalent
GRI	Global Reporting Initiative
IFRS	International Financial Reporting Standards
ISCC+	International Sustainability & Carbon Certification
KPI	Key Performance Indicator
LCA	Life-Cycle Assessment
NGO	Non-Governmental Organisation
OH&S	Operational Health & Safety
PA	Polyamide
PE	Polyethylene
PP	Polypropylene
R&D	Research and Development
SCoC	Supplier Code of Conduct
SDGs	Sustainable Development Goals
SU	Sales Unit
TAC	Thermal Anaerobic Conversion
UNCAC	United Nations Convention Against Corruption
UNGC	United Nations Global Compact
VOC	Volatile Organic Compound

Glossary

Term	Definition
4Ps	The 4Ps represent Purpose, People, Planet and Prosperity and are a result of our group-wide project "ReThinking Schur Flexibles", which has the goal of redefining the Group identity and developing a stronger Group thinking towards sustainable development and behaviour. These four dimensions shape the strategic future of Schur Flexibles.
5R	Our sustainability strategy is called the 5R, which represent: Responsibility, Reduction, Renewal, Replacement and Recycling.
Administrative employees	Employees without technical tasks at Schur Flexibles (e.g. employees that work in HR, Marketing, PR, Accounting).
Claimed materials	Claimed materials refer to products send to the customer which do not meet full customer requirements.
C-level management	C-level management includes the top-level management positions at Schur Flexibles ("Board members")
Employees with specific workplaces	Employees with disabilities that need specific workplaces adapted to their personal physical or psychical abilities.
Employment contracts	Employment contracts are recognised under national law or practice that can be written, verbal, or implicit.
Global Reporting Initiative	The Global Reporting Initiative is an international guideline for sustainability reporting that aims at reporting on sustainability impacts in a consistent and credible way.
Greenhouse gas emissions	Greenhouse gas emissions are the sum of emissions of various gases: carbon dioxide, methane, nitrogen oxide, and smaller trace gases that are by-products of the industrial processes of business operations. The increased production of greenhouse gas emissions is the main driver of global climate change.
Greenhouse Gas Protocol	The Greenhouse Gas Protocol is the world's most widely used standard to account greenhouse gas emissions for companies.
Injury related absence time	The injury related absence time is counted as days absent from work caused by a people accident.
IPCC	The Intergovernmental Panel on Climate Change assesses the science related to climate change and is a United Nations body.
LCA (Life-Cycle Assessment)	A tool used to analyse the environmental impact of a product, activity, or process along all phases of its life cycle, by quantifying the use of resources and emissions into the environment associated with the system under assessment.
LTI (Lost time injury)	A lost time injury is an injury of a member of Schur Flexibles' workforce sustained during an activity within the given reporting boundaries that will result in a loss of productive work time for more than one working day. An injury is considered a lost time injury when the injured worker is unable to perform regular job duties, takes time off for recovery for more than one day, or is assigned modified work duties while recovering. Lost time injuries encompass both temporary injuries that keep the employee away from work for a day to permanent disabilities and conditions that prevent them from ever returning to the job or performing the same work tasks.

Term	Definition
Non-renewable material	Non-renewable materials are resources that don't renew in short time periods ("fossil", e.g. coal, minerals).
Part/full time employee	A part-time employee is an employee whose working hours per week, month, or year are less than full-time. Full-time means the employee's working hours per week, month, or year are defined according to national legislation.
Permanent employment contract	A permanent employment contract is a contract with an employee, for fulltime or part-time work, for an indeterminate period.
Production employee	Employees that work in the production.
Reclaimed product	Refers to collecting, reusing, or recycling products and their packaging materials at the end of their useful lives.
Recycled input materials	Material that replaces virgin materials, which are purchased or obtained from internal or external sources suitable for the desired application.
Renewable energy source	Energy source that is capable of being replenished in a short time through ecological cycles or agricultural processes, like geothermal, wind, solar, hydro, and biomass.
Renewable material	Material that is derived from plentiful resources that are quickly replenished by ecological cycles or agricultural processes, so that the services provided by these and other linked resources are not endangered and remain available for next generations (e.g. wood, bamboo and cork). Within the polymer and plastics industry, there are new resources available now which are under consideration to be utilised in Schur Flexibles products.
Scope of Greenhouse Gas emissions	Classification by the Greenhouse Gas Protocol of the operational boundaries where greenhouse gas emissions occur.
Scope 1	Greenhouse gas emissions from sources that are owned or controlled by an organisation.
Scope 2	Greenhouse gas emissions that result from the generation of purchased or acquired electricity.
Senior executives	CEO, CSO, COO and individuals reporting directly to the CEO, CSO, COO.
Stakeholder	A stakeholder can be any individual, group or party that has an interest in a company and can either affect or be affected by the business.
Technical employees	Employees that are working in the technical field and that have a technical function (e.g. employees working in product development, head of production).
Temporary employment contract	A temporary employment contract is of limited duration, and is terminated by a specific event, including the end of a project or work phase or return of replaced employees.
United Nations Global Compact	The UNGC is a voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN goals.
Volatile Organic Compound	VOCs are released into the atmosphere by evaporation when solvent-based products are used. It is a diverse group of substances that include petrol, alcohol, thinners, etc.

GRI Index

Introduction

GRI Disclosure Number	Disclosure Title	Page ref.	Comments
102-1	Name of the organisation	13; 42	Legal name of the company until 2019: Schur Flexibles GmbH, Berlin, Germany Legal name of the company from 2020: Schur Flexibles Holding GesmbH, Wiener Neudorf, Austria
102-2	Activities, brands, products, and services	16-17; 20-21; 22-23	Our product categories are films, form fill seal, shrink, aluminium foil, coldseal, linear films, twist, top films, flow wrap, bottom films, skin, bags and pouches, die-cut lids, wrap, individually wrapped slices films and pharma.
102-3	Location of headquarters	14-15; 36; 104	
102-4	Location of operations	14-15; 36; 104	
102-5	Ownership and legal form	12; 121	The parent company of Schur Flexibles Holding GesmbH is Schur Flexibles GmbH. The Ultimate Controlling Party is Goldberg Lindsay LLC, USA.
102-6	Markets served	14-15; 20-21; 22-23; 104	
102-7	Scale of the organisation	22-23; 75	
102-9	Supply chain	16-17; 102-103	
102-10	Significant changes to the organisation and its supply chain	13; 14-15; 55	The group's organisational structure was optimised. Further, preparations to acquire SIDAC S.p.A., Forlì FC, Italy in early 2021 were taken.
102-11	Precautionary Principle or approach	not applicable	
102-12	External initiatives	28	
102-13	Membership of associations	28	
102-14	Statement from senior decision-maker	6-7	
102-15	Key impacts, risks, and opportunities	30-35	
102-16	Values, principles, standards, and norms of behavior	10-11	
102-18	Governance structure	13	
102-19	Delegating authority	13	
102-20	Executive-level responsibility for economic, environmental, and social topics	13; 42	

102-21	Consulting stakeholders on economic, environmental, and social topics	31-32; 46-50	
102-22	Composition of the highest governance body and its committees	13; 42	
102-40	List of stakeholder groups	31-32	
102-41	Collective bargaining agreements	not relevant	No employees are covered by collective bargaining agreements.
102-42	Identifying and selecting stakeholders	31-32	
102-43	Approach to stakeholder engagement	30-32; 106-110	
102-44	Key topics and concerns raised	30-35	
102-45	Entities included in the consolidated financial statements	36; 104	
102-46	Defining report content and topic boundaries	36-37; 40; 46; 54; 56; 64; 68; 74; 78; 82; 88; 94; 102	
102-47	List of material topics	34-35; 105	
102-48	Restatements of information	13; 55	Due to the group's continuous growth, we reorganised and improved our organisational structure in 2020. We introduced the "Head of"-Concept, to cluster f.e. the management of sites according to the business area (Converting, Extrusion) and region. In accordance with the adapted definitions and calculations, the number reported for the group's Senior Executives including the Management Board is 37 in total. Thanks to our enhanced data collection process, this year's report also includes data of our Group company Prisma SA, Greece. Since the Italian company Sidac S.p.A. joined the Group in early 2021, this report does not include its data.

102-49	Changes in reporting	13; 55	Due to the group's continuous growth, we reorganised and improved our organisational structure in 2020. We introduced the "Head of"-Concept, to cluster f.e. the management of sites according to the business area (Converting, Extrusion) and region. In accordance with the adapted definitions and calculations, the number reported for the Group's Senior Executives including the Management Board is 37 in total. Thanks to our enhanced data collection process, this year's report also includes data of our Group company Prisma SA, Greece. Since the Italian company Sidac S.p.A. joined the group in 04/2021, this report does not include its data.
102-50	Reporting period	36	01.01.2020-31.12.2020
102-51	Date of most recent report	36	Our Sustainability Report 2019 was published December 2020.
102-52	Reporting cycle	36	annual
102-53	Contact point for questions regarding the report	121	sustainability@schurflexibles.com
102-54	Claims of reporting in accordance with the GRI Standards	6-7; 36	
102-55	GRI content index	114-120	
102-56	External assurance	not relevant	
103-1	Explanation of the material topic and its Boundary	40; 46; 54; 56; 64; 68; 74; 78; 82; 88; 94; 102	
103-2	The management approach and its components	40; 46; 54; 56; 64; 68; 74; 78; 82; 88; 94; 102	
103-3	Evaluation of the management approach	40; 46; 54; 56; 64; 68; 74; 78; 82; 88; 94; 102	
205-2	Communication and training about anti-corruption policies and procedures	29; 44	

Purpose

GRI Disclosure Number	Disclosure Title	Page ref.	Comments
102-43	Approach to stakeholder engagement: Number of client visits by the sustainability team	47	The majority of customers decided to opt for online trainings and consultations in 2020.
102-43	Approach to stakeholder engagement: Number of implemented projects on sustainability with stakeholders	47	
102-43	Approach to stakeholder engagement: Number of cooperations for sustainability topics	47	
OWN DISCLOSURE	Ecovadis ranking	41	
OWN DISCLOSURE	Number of Awards	41	

People

GRI Disclosure Number	Disclosure Title	Page ref.	Comments
102-8	Information on employees and other workers	55	Due to the group's continuous growth, we reorganised and improved our organisational structure in 2020. We introduced the "Head of"-Concept, to cluster f.e. the management of sites according to the business area (Converting, Extrusion) and region. In accordance with the adapted definitions and calculations, the number reported for the Group's Senior Executives including the Management Board is 37 in total.
401-3	Parental leave	55	
403-1	Occupational health and safety management system	68-71	
403-2	Hazard identification, risk assessment, and incident investigation	68, 70-71	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	68, 70-71	
403-8	Workers covered by an occupational health and safety management	68, 70-71	All employees working at Schur Flexibles group are covered by an OH&S system.
403-9	Work-related injuries	69	
403-10	Work-related ill health	69	
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	69	The presented number of accidents equals the Lost Time Injury index. A lost time injury is an injury sustained during an activity within the given reporting boundaries by a member of the Schur Flexibles workforce that will result in a loss of productive work time. A more in-depth definition can be found in the glossary.
404-1	Average hours of training per year per employee	65; 69	The calculation of the average hours of training per year per employee are site-based. While for employees working in production the average hours on training represent primarily training on health and safety, for administrative employees other topics are also included like language or IT training. No differences are made between gender on training hours per employee. Training hours are task-specific.
404-2	Programs for upgrading employee skills and transition assistance programs	58-62; 66-67; 71	
405-1	Diversity of governance bodies and employees	55	Headcount

Planet

GRI Disclosure Number	Disclosure Title	Page ref.	Comments
301-1	Materials used by weight or volume	75	Numbers reported for this disclosure are not adjusted for intercompany business transaction. The data includes an estimate from our Group company Schur Flexibles Finland Oy.
302-1	Energy consumption within the organisation	79	The presented numbers were collected through our internal data collection system and have been reported individually by each Group company. For our Group companies Drukkerij Zwart BV, Benelux and Schur Flexibles Moneta country data from the International Energy Agency has been applied
305-1	Direct (Scope 1) GHG emissions	79	The presented numbers were collected through our internal data collection system and have been reported individually by each Group company. Data of the company headquarters is not included.
305-1	Direct (Scope 1) GHG emissions: Quantity of fuel used for company fleet	79	The presented numbers were collected through our internal data collection system and have been reported individually by each Group company. Amounts of ad blue have been estimated.
305-2	Energy indirect (Scope 2) GHG emissions	79	The presented number were collected through our internal data collection system and has been reported individually by each group company. For Scope 2 regional values have been calculated and the emission factors used are from the European Open Data Portal.
OWN DISCLOSURE	Products sold by weight	75	Numbers reported for this disclosure are not adjusted for intercompany business transaction. The data includes an estimate from our Group company Schur Flexibles Moneta.

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

Dag Hammarskjöld

Prosperity

GRI Disclosure Number	Disclosure Title	Page ref.	Comments
301-2	Recycled input materials used	89	The presented number was collected through our internal data collection system and has been reported individually by each production site. The data includes an estimate from our Group company Schur Flexibles Uni Coextrusion SA.
301-3	Claimed products and their packaging materials	89	The presented numbers was collected through our internal data collection system and has been reported individually by each production site. The data includes an estimate from our Group companies Danapak Flexibles A/S and Schur Flexibles Uni UK Converting Ltd.
306-3	Waste generated	95	The presented number was collected through our internal data collection system and has been reported individually by each production site. The data includes an estimate from our Group companies Schur Flexibles Vacufof GmbH, Drukkerij Zwart BV, Prisma SA and Scandiflex Pac AB.
306-4	Waste diverted from disposal	95	
307-1	Non-compliance with environmental laws and regulations		There has not been any non-compliance with environmental laws and/or regulations in the reporting period.
308-1	New suppliers that were screened using environmental criteria	102-103	We don't have group-wide data on that yet. Currently, we are implementing a Supplier Code of Conduct that we ask our raw material suppliers to agree to or sign.
308-2	Negative environmental impacts in the supply chain and actions taken	102-103	We don't have group-wide data on that yet, but we are currently implementing a process for generating this data for the future.
414-1	New suppliers that were screened using social criteria	102-103	We don't have group-wide data on that yet. Currently, we are implementing a Supplier Code of Conduct that we ask our raw material suppliers to agree to or sign.
414-2	Negative social impacts in the supply chain and actions taken	102-103	We don't have group-wide data on that yet, but we are currently implementing a process for generating this data for the future.
416-1	Assessment of the health and safety impacts of product and service categories	88-103	EU Directive on Packaging and Packaging Waste (EU) 2018/852; European Framework Regulation (EC) 1935/2004
417-1	Requirements for product and service information and labeling	88-103	EU Directive on Packaging and Packaging Waste (EU) 2018/852; European Framework Regulation (EC) 1935/2004
OWN DISCLOSURE	Number of new recyclable products	89	
OWN DISCLOSURE	Raw material suppliers that signed or agreed to Supplier Code of Conduct	102	

Impressum

We gratefully acknowledge the co-operation within the Schur Flexibles Team. With your help and contribution, we are glad to present the second CSR report reflecting the good work done during 2020 in respect of our common sustainability targets. A personal thanks to all people being involved in preparing the report – from the Terra Institute as well as from Schur Flexibles.

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With the consultancy of:

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