



Schur[®]

International Holding a/s

CVR. nr. 31 15 85 91

Corporate Social Responsibility

2014



STATUTORY REVIEW OF SOCIAL RESPONSIBILITY CF. SECTION 99 (A) OF THE DANISH FINANCIAL STATEMENTS ACT

Schur accepts its responsibility for contributing to a sustainable development and sees a natural connection between responsible conduct and increasing the Group's earnings and future growth.

Schur's CSR measures transform "the UN Global Compact" principles into processes and practice making the protection of human rights, workers' rights, climate and environment as well as anti-corruption tangible and relevant. Schur wants to send a signal to customers, employees, suppliers and the surrounding community that CSR contributes to the creation of value – for the benefit of both them and Schur.

CUSTOMER RELATIONS

The customers show a growing interest in CSR. Therefore, it is important that Schur meets the customers' expectations – also beyond the statutory requirements regarding environment and social responsibility. The end users become more and more conscious about the goods they purchase and the underlying ethics. As packaging is an integral part of the goods purchased, Schur must live up to expectations. We are met with an increasing demand from our customers to sign their "Code of Conduct" which are their guidelines for ethical and responsible practice. The customers conduct an increasing number of BSCI audits at our factories.

SUPPLIER RELATIONS

Schur acts as a guarantor to its customers that own sub-suppliers live up to the demands made by the customers. Schur asks own suppliers to provide a written receipt for having been informed about Schur's "Code of Conduct" and to meet our demands. In this way Schur reinforces its position vis-à-vis own customers. Schur has introduced control procedures consisting partly of questionnaires and partly of an audit programme.

ANTI-CORRUPTION

In Schur it is our policy that no person may encourage or accept any kind of bribery, receive or give gifts of a higher value in an attempt to influence business partners in order

to achieve unlawful advantages. Each year Group Management conducts interviews of the individual companies' management regarding knowledge of corruption. In this connection, it is hereby confirmed that Group Management for this reporting year has no knowledge of examples of corruption.

HUMAN RIGHTS

Furthermore it is Schur's policy to ensure that human rights are complied with and that no differential treatment takes place due to gender, race, skin colour, religion or faith, political opinion, sexual orientation, age, handicap or national, social or ethnic origin. Each year Group Management conducts interviews of the individual companies' management regarding knowledge of violation of human rights. It is hereby confirmed that Group Management for this reporting year has no knowledge of examples of violation of human rights.

WORKING RELATIONSHIPS AND ENVIRONMENT

Schur continuously aims at improving the employee training programmes and in line with previous years, we have focused on supplementary training programmes in the quality area. In addition, both internal and external programmes in relation to the upgrading of managerial skills were carried out throughout the year.

The staff-related elements are reflected in the personnel policy, forming the overall framework within which employees and managers act in everyday life. Among other factors, the policy comprises Schur's attitude to working environment as it is important for Schur to have a safe and healthy working environment where the employees thrive. As a minimum, Schur as employer complies with national legislation, collective agreements and rules regarding working hours.

Schur will work on increased work satisfaction, ensure and continuously improve work environment in order to prevent physical and mental damage and thus reduce the number of sick days.

Schur is continuously measuring the number of sick days and work-related accidents.

Schur works according to the following objectives:

- The number of sick days in % of the number of working days must not exceed 1.5% for salaried employees and 3% for hourly paid employee. The statistics do not comprise absence due to long-term illness.

- The number of work-related accidents is continuously reduced by 5% per year and the average number of resulting sick days per accident must not exceed 7 days.

Schur's action and activity plan for the reduction of absence due to illness has not been fully implemented in all Group companies. Therefore, the measurements solely comprise companies in which implementation has been completed.

Schur continually focuses on reducing absence due to illness - partly via preventive actions and partly via therapeutic activities. The preventive actions comprise ongoing evaluation and improvements of work processes, physical and mental working environment as well as offers for medical examinations and vaccination programmes. Furthermore, a "Schur Fitness" programme offers special health promoting activities. The therapeutic activities comprise personal follow-up interviews, treatment recommendations and assistance.

	2013/14	2012/13	2011/12
Salaried employees	1.64%	1.83%	1.64%
Hourly paid employees	3.56%	3.53%	3.60%

The salaried employees' absence due to illness is stable and close to the fixed target of 1.5%, whereas the hourly paid employees' absence exceeds the target of 3.0%.

Schur continually focuses on projects aiming to improve safety in the work processes, especially including improvements to prevent reoccurrence of work accidents. Furthermore, the employees are currently trained in safety and in first aid including the use of a heart defibrillator; all of it for the purpose of reducing the number of work-related accidents.

The number of work-related accidents and related sick days has developed as follows:

Number of accidents	24	22	19
Number of sick days	331	286	132
Sick days per accident	14	13	7

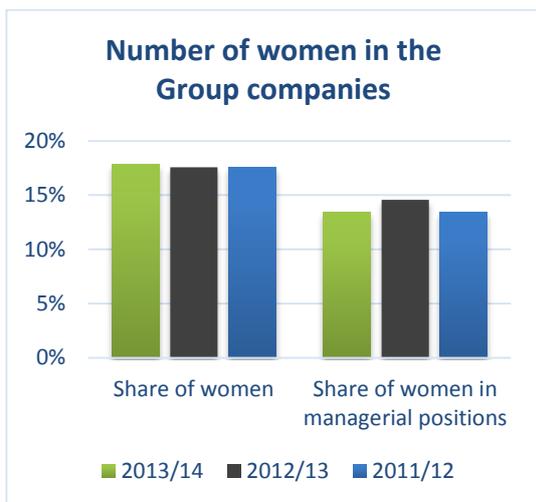
The number of work-related accidents for 2013/14 is calculated to be 24 against a target of 17 based on an annual reduction of 5% whereas the number of resulting sick days is calculated to be 331. This means that the number of sick days per working accident is calculated to be 14 against a target of 7. The increase in the number of accidents can primarily be attributed to the German carton factory where the figure has increased from 5 to 12.

OBJECTIVES AND POLICIES FOR THE UNDERREPRESENTED GENDER

In Schur it is our policy to have special focus on candidates of the underrepresented gender and to employ the best candidate and to spot talents who have the desire and abilities to pursue a wish for a specialist or managerial position. It is also our policy to balance the gender distribution of the Board of Directors with an objective of at least 30% representation of the underrepresented gender in 2018.

As a family-owned company, we wish the Board of Directors to be composed of both family members and external representatives who are independent from the family. New elections of external representatives take place under these conditions and subject to the qualifications available and the target regarding the underrepresented gender.

	2013/14	2012/13	2011/12



The share of women in the Group companies is calculated to be 18% and is reasonably stable during the three years. This also applies to the share of women in managerial positions, which has been calculated to be approx. 14%.

In relation to the top management body, in this case the Board of Directors, the share of women in the Danish companies has amounted to 13% in 2011/12, 11% in 2012/13 and finally 14% in 2013/14. None of the Danish companies have held any new elections for the Boards of Directors in 2013/14.

CLIMATE IMPACT

As part of the Schur Group's policies for environment and social responsibility, the Group focuses on the climate impact of the Group's production. The Group is thus continually working on reducing the amount of waste and discharge into air, soil and water. Furthermore Schur wants to store, handle and dispose of waste in an environmentally sustainable way and contribute to reusability to the greatest possible extent.

In relation to technology, it is the Group's policy to implement environmentally sustainable technologies.

Schur is currently measuring the CO₂ emission from company cars, travels, energy consumption for process and heating as well as the amount of waste for the purpose of reducing the environmental impacts.

Schur works according to the following objectives (relative according to activity measured by turnover or produced quantity):

- The energy consumption must be reduced by 40% from 2011-2012 until 2021
- The CO₂ emission must be reduced by 40% from 2011-2012 until 2021
- Waste in the packaging companies measured in kg must be reduced to 15% in 2021. There are no fixed measuring methods for other companies

Schur has worked to reduce the energy consumption for a long time in a climate partnership with DONG. Firstly, the initiatives have comprised special projects regarding all the buildings in the Group with the aim at reducing the energy for heating, including among others re-insulation. Secondly, the initiatives have comprised projects regarding energy savings in the production, including more energy-efficient replacements of heating and ventilation systems. Finally, more energy-efficient production facilities have been installed.

ENERGY CONSUMPTION

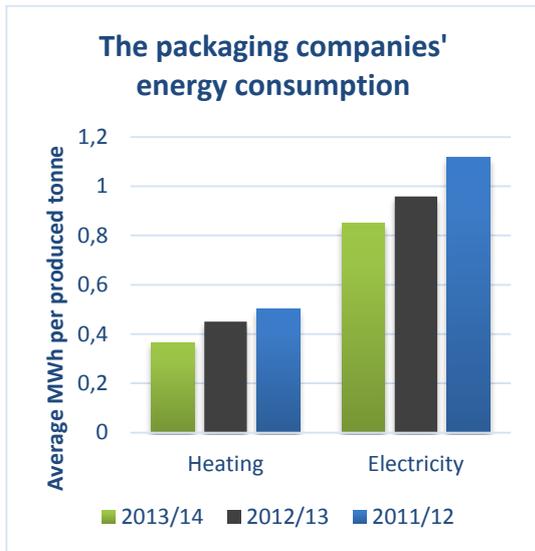
During the last 3 years, energy consumption has developed as follows:

MWh	2013/14	2012/13	2011/12
Gas	5.457	6.692	7.017
District heating	4.422	6.808	3.918
Oil	222	389	2.054
Electricity*	19.949	23.079	23.533

*Of this RECS-certified electricity in 2013/14 amounted to 2,400 MWh, in 2012/13 2,175 MWh and in 2011/12 2,150 MWh.

The development shows partly the impact of a major conversion from heating with oil-fired boiler to district heating and partly the overall savings due to energy initiatives, namely 22% savings in heating (gas and district heating) plus 15% savings in electricity (primarily process energy).

If you look at the relative consumption in relation to the quantity produced by the packaging companies, it turns out that the production has become more energy-efficient.



CO₂-EMISSION

CO₂-emission from cars and travels has increased during the period and can be attributed to a higher number of cars and more and longer business travels. However, the measurements document that during the past 3 years, the CO₂-emission per driven km has been reduced due to focus on the energy rating of the cars. In 2011/12 the CO₂-emission amounted to an average of 0.204 g/km, in 2012/13 0.202 g/km and most recently in 2013/14 0.189 g/km.

At the present moment it is not possible to measure the CO₂-emission from the production process itself. However, Schur measures the indirect CO₂-emission from the energy consumption in the Group, which in 2011/12 amounted to 11,637 tonnes, in 2012/13 13,250 and in 2013/14 11,216 tonnes.

WASTE

Schur will measure waste in the following areas: Carton, film/plastic, hazardous waste, chemicals and other combustible material as well as electronics, cables and metals. Initially Schur has chosen to focus on waste consisting of carton and film/plastic.

The waste percentages have developed as follows during the past 3 years:

The most essential waste areas are carton and film/plastic where the waste calculated in kg and measured in relation to kilos consumed is calculated to be nearly 18% for carton and nearly 28% for film/plastic, respectively. The target is a reduction of carton waste to 15% and a reduction of film/plastic waste to 25%.

MORE ABOUT CSR

For further information about Schur's CSR activities, reference is made to the homepage.

www.schur.com/da/csr-politik