



Sustainability in **mekoprint**

2022

Communication on Progress (COP)

Mekoprint Holding A/S
Hermesvej 2
DK-9530 Støvring
Denmark

WE SUPPORT



Dear reader,

At Mekoprint, sustainability is about a continuous positive development for all stakeholders in and around the company. We have specified this in a quadruple bottom line and objectives related to 5 selected UN Sustainable Development Goals (SDGs), which are described in more detail in the report here.

Work on the SDGs began in 2017, when we acceded to the UN Global Compact initiatives for corporate responsibility and its principles in the areas of human rights, the labour market, the environment and anti-corruption, which we continue to support. Despite the many challenges since then, with a generally increasing work pressure in society, the coronavirus pandemic and a wide range of supply problems, increased sustainability remains the most important overall development goal at Mekoprint.

For example, we have prepared an action plan to become completely CO₂ neutral from 2025 at scope 1-2 level.

In addition, we want to develop sustainable customer advice in collaboration with our suppliers, and at the same time ensure work-life balance. In the report, you can read more about where we particularly make a difference with the status of specific goals and efforts in relation to the 5 selected UN SDGs.

We hope you also see sustainable development as our most important common development goal, and therefore encourage everyone to continue to act. The many necessary changes require us to work even closer together – and we are very happy to receive all ideas and input for our joint development from everyone in and around Mekoprint on an ongoing basis.

Let's all continue to enjoy our common sustainable development!

Handwritten signature of Anders Kold in blue ink.

Anders Kold
CEO

Handwritten signature of Torben Jensen in blue ink.

Torben Jensen
CFO



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We want to be a pioneer in the development of a more sustainable future. This requires both short-term action and long-term investment to be an integral part of our strategy and the quadruple bottom line.

CEO, Anders Kold

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ABOUT MEKOPRINT

Mekoprint is an international development and production partner that has specialised in customer-specific solutions for electronics and industrial companies for over six decades. We design, develop and manufacture components that are part of a wide range of different products and industries around the world. Our success is based on many years of experience and unique specialist knowledge from independent teams with a burning desire to create together.

As a customer and partner at Mekoprint, you will find that we are committed to entering into an equal and jointly binding collaboration. In our experience, this results in a trusting and flexible partnership – and gives the best results. We never work according to our own agenda, but allow ourselves to challenge you with new and alternative solutions that contribute positively to your development, operation and bottom line.

Our close and long-term partnerships are successful because we are good at putting together the right team, able to understand your needs, align expectations and plan from common goals. We know that thorough preparation in the project process provides peace of mind, insight and overview in a busy world where it is crucial to deliver on time and at the right price while ensuring high quality. Although we have several different locations – both in Denmark and abroad – we have managed to create a unique sense of unity and a strong culture of improvement, where we respect each other's differences and competences. That is why we do our very best in everything we do, and it is natural for us to take ownership. We are recognised for being an attractive and committed workplace, and we want to maintain that position – both now and in the future.

From our solid starting point, we will continue our ambitious and long-term investments, expand our global presence and contribute alongside other frontrunners in the **sustainable transition**. We will strengthen our position with increased digitalisation and targeted certifications – and become even better at **creating together** – for the benefit of all.

EMPLOYEES

>625

employees as of 31 December 2021 in Denmark, Poland, Ukraine and China.

>45% employees outside Denmark.
~25% customer-facing and administrative staff.

PARTNERSHIPS

>50%

of revenue is related to long-term customer partnerships spanning more than 20 years. Only 12% of revenue is related to customer relationships less than 5 years old.

>1,000 active customers in 2021.
10,000+ unique customer-specific manufactured components.

LOCATIONS

8 factories and 2 sales and purchasing offices.
>45,000 m2 production area.



MARKETS

40% Denmark, 60% exports.



TECHNOLOGIES

>35

different production technologies from low to high volume.

>DKK 800 million investments in machines and buildings over Mekoprint's lifetime.

INDUSTRIES

>30%

related to green technology from energy & supply to automation and electric vehicles.

Other main industries are medical technology and professional equipment, appliances and machinery.

THE SUSTAINABLE **TIMELINE**

1992

Environmental- and wastewater approval

1996

DS/ISO 9001 certification in quality management

1999

Becomes the first Danish company to be triple ISO certified in quality, environment and working environment

2001

Introduces the Danish Working Environment Authority's workplace assessments

2005

Enters into an agreement for traineeships for people on long-term sick leave and refugees

2007

Publishes the first green accounts

2010

Introduces a Code of Conduct

2014

Prepares first job satisfaction analysis under Great Place to Work®

2016

Appointed as one of Denmark's best workplaces by Great Place to Work®

2017

Joins the UN Global Compact and the 10 principles and publishes the first CSR strategy

2018

Named 14th Best Workplace by Great Place to Work®

2019

Named 12th Best Workplace by Great Place to Work®

Recognised with a sustainable "Gold Rating" by independent organisation EcoVadis

2020

Recognised with a sustainability "Gold Rating" by independent organisation EcoVadis for the second year running

Enters into agreement with Growing Trees on annual planting of 6,000 trees

2021

Recognised with a sustainable "Silver Rating" by the independent EcoVadis organisation

Introduces sustainable customer research

Named 11th Best Workplace by Great Place to Work®

Signs DI Diversity Pledge

Initiates supplier research on sustainability

90% of packaging consumption converted to sustainable alternatives



APPROACH TO SUSTAINABLE DEVELOPMENT

At Mekoprint, sustainability is about a continuous positive development for all stakeholders in and around the company.

Mekoprint is therefore developing based on a quadruple bottom line that must be kept in balance at all times to ensure long-term sustainable development:

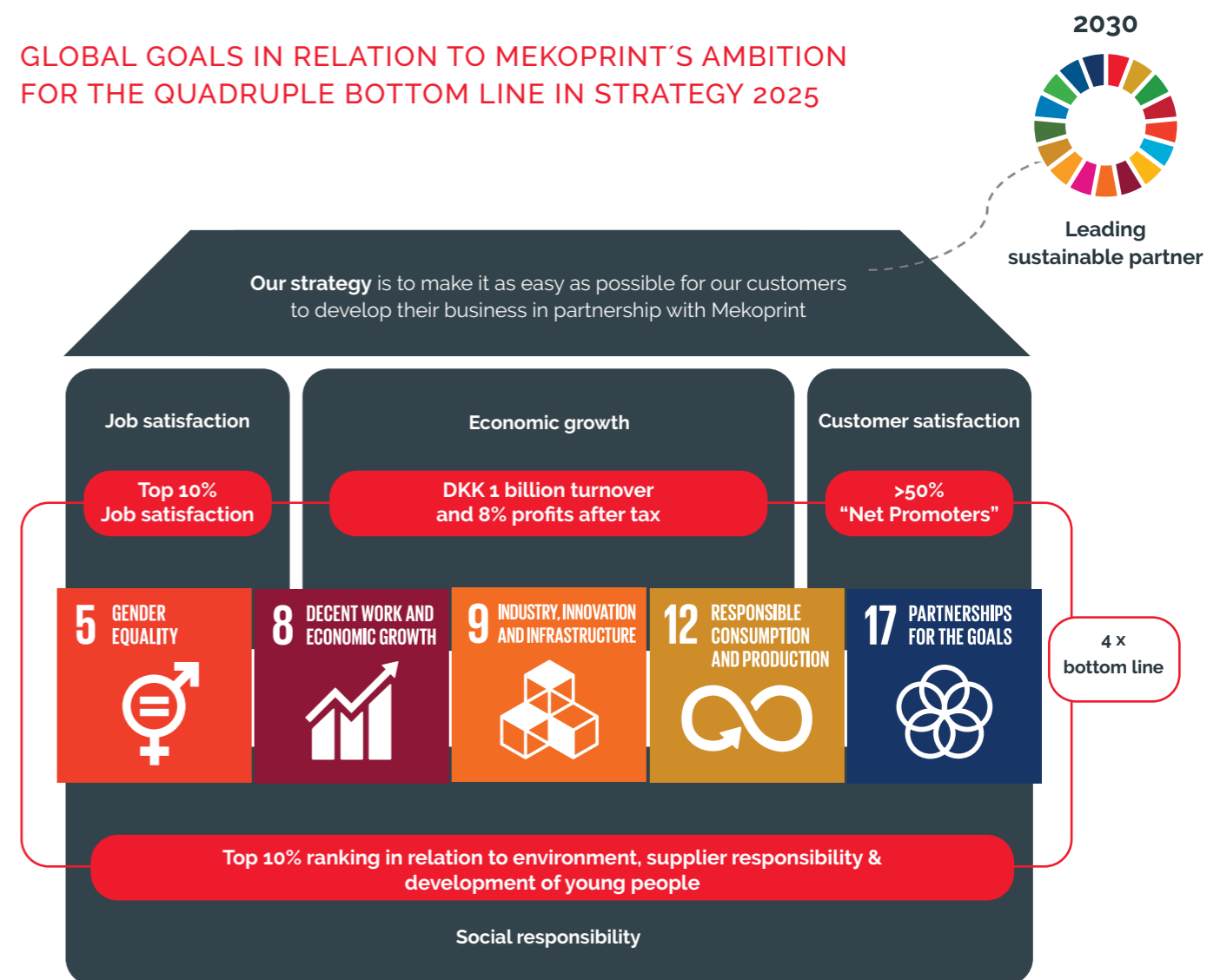
- ➔ **Job satisfaction**
not least because of the difference we make to customers and society at large
- ➔ **Economic growth**
due to, and not in spite of, sustainable development
- ➔ **Customer satisfaction**
also for our contribution to increased shared sustainability
- ➔ **Social responsibility**
as a basic precondition and purpose for our development



The 17 UN Sustainable Development Goals towards 2030 have been evaluated and prioritised in relation to the areas where Mekoprint can make the biggest difference in relation to the company's ambition to become a leading sustainable development and production partner by the end of 2030.

Based on that evaluation, 5 UN SDGs of particular relevance for Mekoprint and all four bottom lines have been selected, simultaneously representing all the company's stakeholders.

GLOBAL GOALS IN RELATION TO MEKOPRINT'S AMBITION FOR THE QUADRUPLE BOTTOM LINE IN STRATEGY 2025



On the following pages, the link from the selected 5 UN SDGs to Mekoprint's objectives is further elaborated upon, as is the background for the selection of the SDGs.



GENDER EQUALITY



BACKGROUND OF SDGS AT MEKOPRINT

Gender equality has always been natural at Mekoprint, as has equality in general across age, geographical origin and religious as well as sexual orientations. This applies to e.g. equal pay for equal qualifications and equal respect for all.

Despite this, however, there is still a predominance of men among senior executives, and even more can be done to motivate everyone to develop in the career direction which their interests and potentials allow. Therefore, "gender equality" has been selected as one of the special priority SDGs at Mekoprint.

IMPLEMENTED INITIATIVES IN 2021

- ➔ Acceded to DI Gender Diversity Pledge with 16 principles for gender diversity
- ➔ Participated in "Girls' Day in Science" with 15 girls to motivate more girls to apply for STEM subjects (Science, Technical, Engineering and Mathematics)
- ➔ Employed 2 female managers out of 3 new managers in total
- ➔ Introduced HR policy on min. one woman among the last 2-3 candidates for a job posting

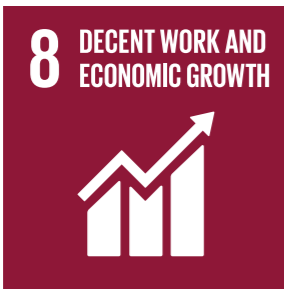
GOALS AND ACCESS TO "GENDER EQUALITY"

Key figures	Approach	Status 2021	Ambition 2025
Women in management	Internal management development and HR nomination of female candidates for all job postings	28 % *	37.5 %
Freedom of opinion as an expression of diversity in general	Management focus on involving dialogue-seeking culture of collaboration, which is evaluated quarterly in Pulse Measurement *	8.2 **	8.5

* Based on 17 female managers out of 61 managers at Mekoprint in total in 2021. The ambition is 40% by 2026.

** Pulse Measurement questions: My opinions seem to be appreciated at work (score of 1-10)





DECENT WORK AND ECONOMIC GROWTH



BACKGROUND OF SDGS AT MEKOPRINT

Decent work and economic growth have always gone hand in hand at Mekoprint. The management philosophy is that high job satisfaction is crucial for developing happy customers, which in turn are crucial for natural and thus sustainable economic growth.

That's why the global goal of decent work and economic growth is one of the most fundamental goals in all the countries Mekoprint operates in – and with all partners.

IMPLEMENTED INITIATIVES IN 2021

- ➔ Introduced quarterly pulse measurement of job satisfaction, team and management collaboration for all employees
- ➔ Employed HR Manager for approx. 300 employees in Poland and Ukraine to implement common Mekoprint HR standards for the good workplace
- ➔ 11 in trainee, apprenticeship and internship courses (corresponding to 3% of all full-time employees)*
- ➔ 35 jobs for students and young workers (equivalent to 9% of all full-time employees)*
- ➔ Started collaboration with 3F and Dansk Metal on tours and internships for people outside the labour market
- ➔ Part of the Aalborg Alliance, which works together to reduce unemployment in Aalborg Municipality.
- ➔ Realised economic revenue growth from 2020 to 2021 of 20%

*At Mekoprint Denmark – young people in traineeships/internships and trade union cooperation are not used systematically in Poland/Ukraine/China

OBJECTIVES AND APPROACH TO "DECENT WORK AND ECONOMIC GROWTH"

Key figures	Approach	Status 2021	Ambition 2025
Job satisfaction and commitment (eNPS)*	Focus on good collaboration management and employee development	45 % (top 25% in industry)	55 % (top 10% in industry)
Proportion under education (% of employees)	Collaboration with educational institutions and HR support on processes	3% of employees	4% of employees (double the requirements for industrial companies in Denmark)
Economic annual growth over the past 5 years	Long-term investments in organic growth as 1st priority, supplemented with acquisitions as 2nd priority	12 %	15 %

*eNPS: employee Net Promotor Score = % of employees who highly recommend Mekoprint as a workplace (9-10) minus % of employees who recommend Mekoprint to a low degree (1-6)



INDUSTRY, INNOVATION AND INFRASTRUCTURE



BACKGROUND OF SDGS AT MEKOPRINT

Long-term investments in smarter technologies with better resource utilisation are among the most important characteristics of Mekoprint's continued development.

This includes both digitisation of all administrative processes as well as development and optimisation of highly automated production flows, as close to the customers as possible.

In this way, we support the SDGs' focus on increasing societal value in the manufacturing industry with increased local job creation and more sustainable local-regional supply chains.

IMPLEMENTED INITIATIVES IN 2021

- ➔ Invested over DKK 24 million (4.2% of revenue) in new production technologies
- ➔ Completed analysis of opportunities for energy savings (Energy check)
- ➔ Increased number of Mekoprint Direct extranet users by over 100 contacts for increased 24/7 self-service for all Mekoprint customers

OBJECTIVES AND APPROACH TO "INDUSTRY, INNOVATION & INFRASTRUCTURE"

Key figures	Approach	Status 2021	Ambition 2025
Infrastructure investment as % of turnover (average of last 3 years)	Secure long-term targeted investments with a rolling 3-year bearing in relation to strategy and customer needs	6%	7%
Annual new job creation	Create economic growth that ensures an increase in the number of jobs despite automations	5% (29 additional employees)	7.5% (210 additional employees over 4 years)
Organisational investment in competences for "green transition" and customer advisory*	Develop methods for CO2 reduction and collaboration with suppliers on alternative, more environmentally friendly materials	Established 2025 ambition and started up pilot projects to cover CO2 footprint for both own and partner production	Over DKK 2 million in prioritised competences and training for sustainable customer advisory

*Includes training costs and investment of staff time for the development and implementation of methods for sustainable customer advisory

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

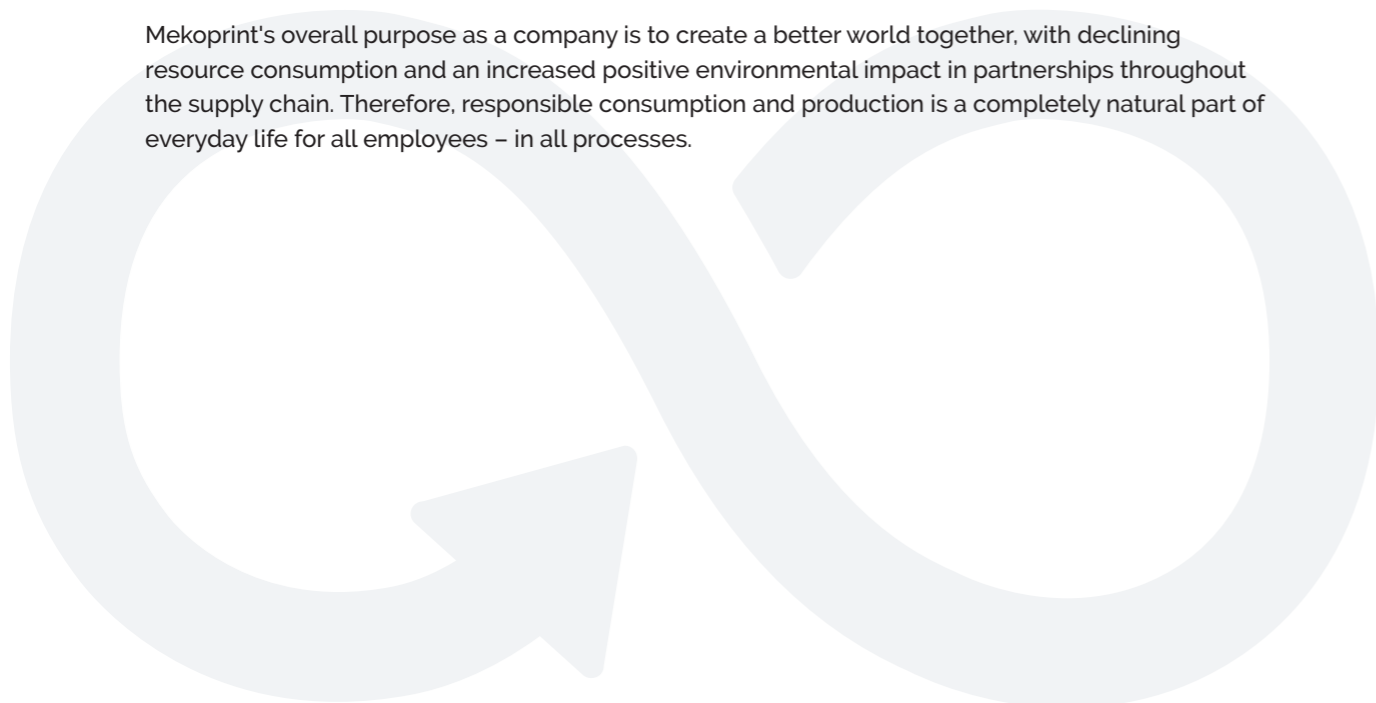


RESPONSIBLE CONSUMPTION AND PRODUCTION



BACKGROUND OF SDGS AT MEKOPRINT

Mekoprint's overall purpose as a company is to create a better world together, with declining resource consumption and an increased positive environmental impact in partnerships throughout the supply chain. Therefore, responsible consumption and production is a completely natural part of everyday life for all employees – in all processes.



IMPLEMENTED INITIATIVES IN 2021

- ➔ Agreement reached on 3 hectares of climate forest for CO2 capture of 55 tonnes of CO2 per year, which covers district heating consumption, industrial gas and all company cars
- ➔ Reduced scrap from 2.3% to 2.0% of turnover
- ➔ Reorganised a total of 90% of annual packaging purchases, in excess of DKK 6 million, to more sustainable alternatives
- ➔ Agreement entered into with Stena Recycling on recycling of the waste product ferric chloride from etching processes through biological water treatment

GOALS AND APPROACH TO "RESPONSIBLE CONSUMPTION AND PRODUCTION"

Key figures	Approach	Status 2021	Ambition 2025
CO2 footprint	Electricity from solar cells and, secondarily, wind turbines (scope 2), conversion from natural gas to heat pumps and planting of forest for CO2 capture of residual heating and company cars (scope 1)	Scope 1: 567 tonnes of CO2 (heating and company cars) Scope 2: 0 tonnes of CO2 (electricity from wind turbines)	100% CO2 neutral on scope 1-2 level
Reduced electricity consumption	Energy optimisation and increased turnover on more automated processes	13.7 MWh/million in turnover*	20% reduction (11 MWh/million)
Reduced scrap	Improved production base and increased quality assurance	2% scrap based on turnover	+25% reduced scrap (1.5% scrap based on turnover)
Environmentally friendly packaging	Recycled cardboard, FSC-certified wood and recycled pallets and bioplastic	90% environmentally friendly packaging	99% environmentally friendly packaging

*Electricity consumption of 7.8 GWh distributed across DKK 570 million turnover



PARTNERSHIPS FOR THE GOALS



BACKGROUND OF SDGS AT MEKOPRINT

In order to create the best possible solutions with a sustainable use of resources, there is a need to activate knowledge and encourage action among all parties involved. That is why Mekoprint's motto "Creating together" is both internal and external – and that is why "Partnerships for the Goals" is crucial for us to succeed in developing products that are increasingly sustainable and can be recycled from cradle to cradle.

IMPLEMENTED INITIATIVES IN 2021

- ➔ Identified need for more sustainable solutions in annual customer satisfaction analysis. 24% already want advice on more sustainable material alternatives and 18% emphasise CO2-neutral production
- ➔ Prepared analysis of Mekoprint's top 200 suppliers' work with sustainability. At the beginning of 2022, the analysis showed that less than 10% of suppliers are ready to help Mekoprint with more sustainable solutions and only 60% have goals for CO2 reduction
- ➔ Donated more than DKK 100,000 to partners with many volunteers who want to create better living conditions for vulnerable children and young people in Denmark, Poland and Ukraine

OBJECTIVES AND APPROACH TO "PARTNERSHIPS FOR THE GOALS"

Key figures	Approach	Status 2021	Ambition 2025
Revenue share for customers and products with a focus on "green transition"	Targeted sales focus and long-term partnerships from product idea to high-volume	30%	50%
Customer satisfaction with advice on increased sustainability	Development of competences and knowledge sharing with customers about opportunities in relation to needs	Need for sustainable advice identified in customer survey	80% satisfaction with Mekoprint advice on increased sustainability
Supplier share with "Sustainable profile"	Clarify needs and benefits of being able to deliver more sustainable products and services to Mekoprint	Prepared the first sustainable supplier survey (conducted February 2022)	+Prioritise collaboration with "Sustainable supplier profiles" as far as possible*
External maturity validation	Use of EcoVadis for collaboration with large customers and possibly other independent 3rd party for supplier cooperation	Top 5% (Silver rating)	Top 5% (Gold rating)

* Defined in 2022 with Mekoprint criteria for 1) goals for CO2 neutralisation, 2) concrete, more sustainable product/service alternatives and 3) measurable improvement effort with recognised standards, incl. code of conduct.

HOW WE WORK WITH **THE PRINCIPLES**

HUMAN RIGHTS		CERTIFICERING DS/ISO 45001:2018
Principle 1	Companies should support and respect the protection of internationally proclaimed human rights.	With Mekoprint's code of conduct and audits, we ensure that our suppliers live up to internationally proclaimed human rights.
Principle 2	Companies must make sure that they are not complicit in human rights abuses.	Mekoprint regularly audits partners and suppliers to ensure that they comply with Mekoprint's code of conduct.

LABOUR		CERTIFICERING DS/ISO 45001:2018
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Mekoprint and all associated suppliers allow all employees to freely organise in unions and participate in collective bargaining.
Principle 4	Businesses should support the elimination of all forms of forced and compulsory labour.	Mekoprint has an official policy against modern slavery and human trafficking and under no circumstances allows any forms of forced labour.
Principle 5	Businesses must uphold the elimination of all forms of forced and compulsory labour.	Mekoprint respects children's rights to development and education. In Mekoprint's code of conduct, we require suppliers to comply with the same and with local rules on the minimum age for work.
Principle 6	Businesses should support the elimination of discrimination in respect of employment and occupation.	Mekoprint has a whistleblower scheme and refrains from discrimination based on personal characteristics regarding employment, compensation, promotion, educational opportunities, dismissal or resignation.

ENVIRONMENT		CERTIFICERING DS/ISO 45001:2018
Principle 7	Businesses should support a precautionary approach to environmental challenges.	Mekoprint and our partners work continuously to reduce waste and pollution of soil, air and water. Chemicals are handled in an environmentally friendly way, and hazardous waste is handled and disposed of in an environmentally friendly way.
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	Mekoprint publishes resource consumption and CO2 consumption and develops targets to reduce these.
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	Mekoprint works continuously with optimisation of resource consumption through digitisation, automation and LEAN together with customers.

ANTI-CORRUPTION		APPROACH AND CERTIFICATIONS
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Mekoprint has an official anti-corruption policy and expects the highest degree of integrity and honesty in all business activities. Mekoprint and our partners must avoid corruption in any form.

WE SUPPORT

