mekoprint

ESG

report

Where there's a will

there's a new way

Content

In collaboration with the Growing Trees Network, Mekoprint has planted a total of 30,000 trees in Denmark and Ecuador.

We want to be a pioneer in the development of a more sustainable future. This requires both short-term actions and long-term investments as an integrated part of our strategy.

CEO, Anders Kold

About us

Introduction

Mekoprint is one of Denmark's largest subcontracting companies with a unique combination of advanced production technologies and agile independent teams distributed across 10 factories which is complemented by production partners throughout the world. We co-develop and manufacture components for electronic and industrial companies in high-end areas such as medical, automation and green-tech. Our customers range from small technology start-ups to some of the world's leading industrial and electronics companies such as Bosch, Siemens, Volvo, Danfoss and Grundfos.

We offer a partnership with dedicated and highly specialized product teams within each of our product areas from User Interface solutions to Printed Electronic sensors, Metal enclosures & parts, Micro components and Cable harnesses. Our ambition is to become a leading sustainable development and production partner from product development to supply chain optimization with the lowest possible resource consumption and environmental impact.

Due to this we are working towards CO_2 neutral production in 2025, recycling more than 40 waste streams and ensuring social responsibility internally and externally at our suppliers – just to mention a few short term focus areas. Our ESG related responsibilities are directly linked to our strategy, so please do not hesitate to contact any of us at the management team if you have any questions regarding our status and focus areas described in this report.

Enjoy reading!

Best regards
The Mekoprint Management Team

Mekoprint's Management Team from left to right: Benny Albrektsen (Division Director Micromechanics), Søren Holmboe (Division Director Mechanics), Torben Jensen (CFO), Alex Laursen (Business Development Director), Morten Lundgreen (Division Director Graphic Electronics), Marianne Reenberg (HR Development Director), Lars Bo Nielsen (CIO), Anders Kold (CEO), Lars Rasmussen (Division Director Cables).

Key figures

Established in **1954**	Turnover **DKK 763 million** in 2022/23	**+10.000** commodity numbers
14% of Turnover is invested in new technologies and energy optimization in 2023.	**+1300** active customers	**90 %** Customer satisfaction in 2023
~750 employees	**78 %** employee Net Promoter Score (industry top **5%**)	**+10** locations in Denmark, Sweden, Poland, Ukraine & China
+40 product technologies	**+45** export countries	**45%** of turnover is related to green-tech industries

Mekoprint's value chain

At Mekoprint, we play a special role in the efficient and responsible conversion of raw materials into components that are used extensively throughout society from medical, industrial, and other professional devices to millions of consumer related pumps, actuators, and control systems. Due to this we are positioned in the middle of a very extensive value chain with a far-reaching assessment of how we can work in increasingly sustainable ways. This gives us a special responsibility to ensure that we continuously create value for our customers with the opportunities offered by raw material producers and the needs of our customers and the market, while ensuring that this is done in a socially and environmentally responsible manner. Our business is therefore also based on a close and strong partner-based collaboration with both our customers and suppliers to ensure that all the knowledge and insight we each have about sustainability are eutralizsed and translated into the new needs and product requirements that continuously arise.

Being a sustainably decent and innovative company is however our DNA – which is rooted in our four founding core values: Curious, Ambitious, Resolute, and Responsible. With this in mind, we have a natural dedication to the highest standards for corporate sustainability in our ways of working internally and externally.

Raw materials & supplies

Mekoprint Group's suppliers of raw materials and production partners are obliged to comply with applicable local and international laws on sourcing, sustainability and embargoes.

Every supplier and partner with whom Mekoprint signs a contract or agreement must have signed and complied with the Mekoprint Partner Code of Conduct, which is assessed annually against ISO certifications, ESG objectives and actions.

Production

With in-house production of customised components across all production sites, we are working intensively to reduce our environmental footprint and minimise energy to become carbon neutral at Scope 1 & 2 level, see page 20.

With a certified QHSE management system DS/ISO 9001, DS/ISO 14001 and DS/ISO 45001, we ensure high credibility towards Mekoprint Group's customers and business partners.
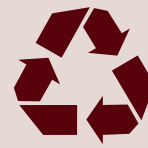
Product disposal & recycling

Mekoprint's handling, sorting and disposal of recyclable waste is organised into 46 fractions that, in line with sustainable development and technology, ensure the use of environmentally friendly and sustainable products and materials, with a view to reducing waste and waste and circular economy, see page 22..

Efforts are constantly being made to minimise waste and rejects, so that the total amount of waste is reduced over time.

Overall strategy

The overall strategy of the Mekoprint Group
serves our **Purpose**, is driven by an **Ambition**
and is guided by our **Values**:

Purpose
Leading new ways – towards better business and a brighter future
based on a unique combination of competencies, a team-based
improvement culture and dedication to lower resource usage &
increasingly positive environmental-social impact.

Ambition 2025
To become a long-term growth company with DKK 1 billion Turnover
and four bottom lines in balanced positive development.

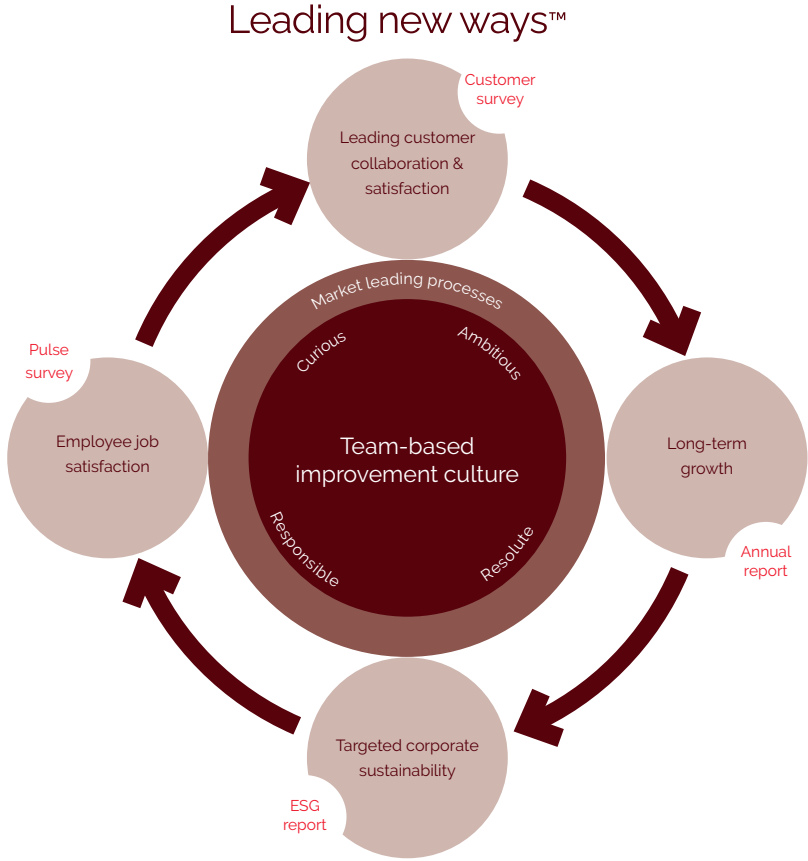**Values**
Curious, Ambitious, Resolute and Responsible

Leading new ways™ | towards better business
and a brighter future

Sustainable approach

A sustainable pioneer

At Mekoprint, we want to run the company based on the principle of the quadruple bottom line, which means that economic growth goes hand in hand with employee satisfaction, customer satisfaction and corporate responsibility – because none of these can stand alone. The quadruple bottom line is interdependent, and our strategy is to develop market leading processes with all four in mind. The driving force is our four core values, which are brought to life by our team-based improvement culture, as illustrated in the figure below.

Leading new ways™

Customer survey

Leading customer collaboration & satisfaction

Market leading processes

Curious

Ambitious

Team-based improvement culture

Pulse survey

Employee job satisfaction

Long-term growth

Annual report

Responsible

Resolute

Targeted corporate sustainability

ESG report
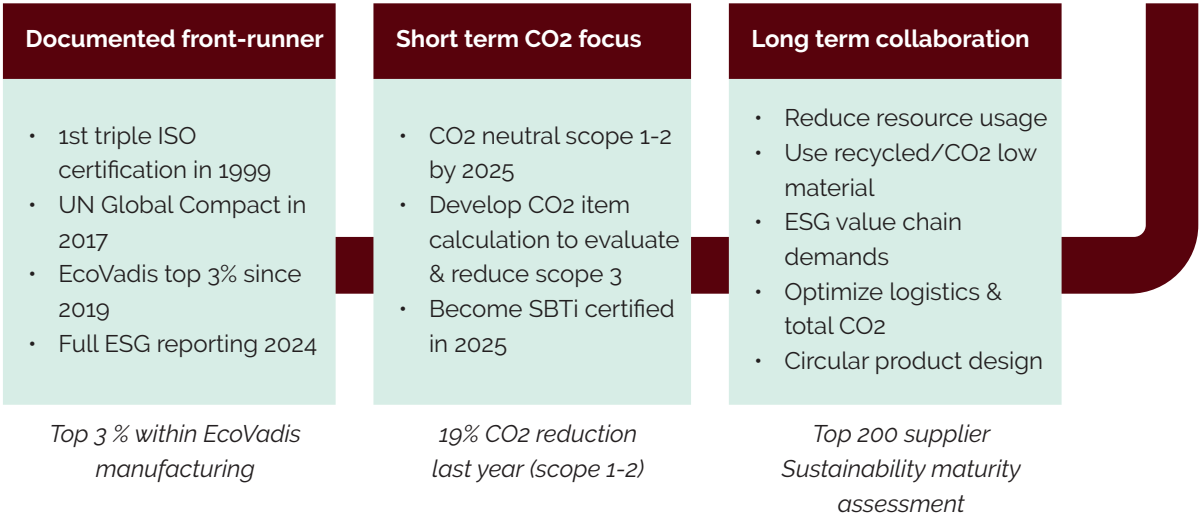
towards better business and a brighter future

To make this operational, we work with common goals and follow-up on each of the four bottom lines in the form of a employee pulse survey, customer satisfaction survey, financial reporting and ESG reporting. This way, we have the basis for jointly evaluating and celebrating our progress, corrective actions, and new goals for our development. This is our overall approach to fulfil our purpose and customer promise: "leading new ways" – towards a better business and a brighter future for all of us!

Strategic focus towards 2030

Our overall long term 2030 ambition is to become a leading sustainable development and production partner, which means our customers recognize Mekoprint as their preferred partner for sustainable business development. The current focus is to ensure ESG transparency and improvements – and to prepare a proactive customer facing advisory role with a special emphasis on CO2 reduction.

Our ESG related standards, policies, processes, and due-diligence approach is audited every year by the 3rd party company EcoVadis, which leads to a "Sustainability rating". In 2023 this resulted in a rating of 67 which places Mekoprint in the top 3 % of comparable companies. Additionally, we signed the UN Global Compact in 2017 and have since then worked with 5 selected UN Sustainable Development Goals listed on page 17. A yearly progress report is made to the UN providing status information on targets for each of the selected 5 Global goals that are now also included in the ESG reporting on the following pages.

To support this dedication and at the same time be at the forefront of the new sustainability reporting requirements that come into force on 1 January 2024, we have already in 2023 started working with the new EU Corporate Sustainability Reporting Directive (CSRD). Based on this we have completed a "Double Materiality Assessment" of our most important impacts, risks, and opportunities towards all stakeholders in society with direct or indirect relation to Mekoprint, which we elaborate on page 14.
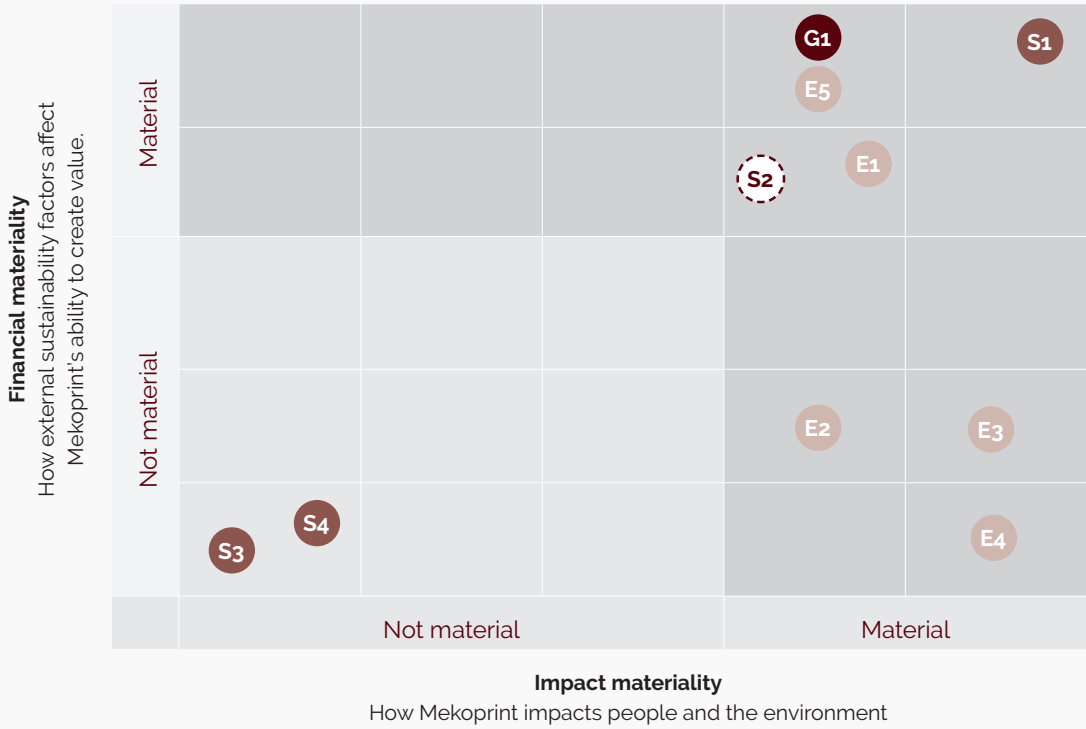
Leading sustainable growth

Documented front-runner

- 1st triple ISO certification in 1999
- UN Global Compact in 2017
- EcoVadis top 3% since 2019
- Full ESG reporting 2024

Top 3 % within EcoVadis manufacturing

Short term CO2 focus

- CO2 neutral scope 1-2 by 2025
- Develop CO2 item calculation to evaluate & reduce scope 3
- Become SBTi certified in 2025

19% CO2 reduction last year (scope 1-2)

Long term collaboration

- Reduce resource usage
- Use recycled/CO2 low material
- ESG value chain demands
- Optimize logistics & total CO2
- Circular product design

Top 200 supplier Sustainability maturity assessment

ESG highlights 2023

500 tonnes

CO2 reduction corresponding to 7.4% overall reduction due to investments in reduced energy consumption

E

81%

Recycling of total waste fractions

E

30.000

Trees planted in Denmark and Equador securing biodiversity and reducing CO2 emissions

E

78%

employee Net Promotor Score (eNPS) – increase from top 10 % to top 5 %

S

3.2%

sick leave – a 0,9 % reduction in recent year

S

32%

females in management positions – 4 % increase towards 40 % target

S

96%

leadership quality rated in employee pulse survey

G

90 %

Customer satisfaction across Mekoprint Group.

G

54%

of suppliers signed Supplier Code of Conduct

G

Double Materiality Assessment

In accordance with the new EU Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS), Mekoprint is required to perform a "Double Materiality Assessment" to define the substantial ESG related topics for reporting. This has been performed in 2023 with an analysis of potential external Impact materiality and internal Financial materiality as well as related risks and opportunities for each of the 88 ESG sub-topics.

With this comprehensive assessment we've established the following mapping of the 8 out of 10 ESG related main topics that matter the most to Mekoprint based on our role in the value chain on behalf of customers and suppliers. During 2024 a GAP analysis will be performed of the related sub-topics in order to determine a fully validated list of objectives and actions to focus and follow-up on all substantial ESG related improvement areas.

Financial materiality
How external sustainability factors affect Mekoprint's ability to create value.

Impact materiality
How Mekoprint impacts people and the environment

Environment

- E1 Climate change
- E2 Pollution
- E3 Water and marine resources
- E4 Biodiversity and ecosystems
- E5 Resource use and circular economy

People & society

- S1 Own workforce
- S2 Workers in the value chain
- S3 Affected communities
- S4 Consumers and end-users

Governance

- G1 Business conduct

Note: Topics are placed in the matrix based on the highest-scoring impacts, risks and opportunities within each topics, i.e., not based on the average score of all the identified impacts, risks and opportunities per topic.

ESG Governance

Mekoprint's strategic sustainability work is anchored in the Board of Directors and top management. All levels of management are deeply involved in the strategic work and follow-up on action plans.

In 2023, Mekoprint established a cross-organisational working group called the Sustainability forum, which focuses on "sustainable development". This work includes ongoing eutralizing of processes, waste streams, energy consumption, substitution to environmentally friendly consumables, conversion from fossil to green energy, conversion to environmentally friendly packaging and, not least, the initial mapping of CO2 in our products. Another significant benefit is the sharing of knowledge across divisions and production technologies, which significantly strengthens internal partnerships for joint development and progress.

Our sustainability governance structure

The board	Management team	Sustainability forum
Evaluates direction	**Strategic ownership**	**Knowledge sharing**
to ensure an overall sustainability strategy with a diverse perspective on the opportunities and challenges associated with sustainable growth.	of the development and execution of sustainable targets and processes incl. progress follow-up and corrective actions.	and follow-up of initiatives across Mekoprint that support the targets. The forum ensures inspiration, learning and an effective spread of actions across the company.

New ways to speed up the green transition

Global goals

5 GENDER EQUALITY

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. This Global Goal is supported by Mekoprint targets for "Women in management" and "Freedom of opinion (as an expression of diversity in general)".

8 DECENT WORK AND ECONOMIC GROWTH
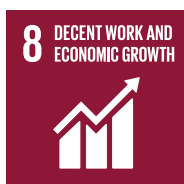
Decent work and economic growth have always gone hand in hand at Mekoprint. The management philosophy is that high job satisfaction is crucial for developing happy customers, which in turn are crucial for natural and thus sustainable economic growth. This Global Goal is supported by Mekoprint targets for "Job satisfaction", "Proportion under education" and "Economic annual growth".

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Long-term investments in smarter technologies with better resource utilisation are among the most important characteristics of Mekoprint's continued development. This Global Goal is supported by targets for "Infrastructure investment % of Turnover", "Annual new job creation" and "Organizational investment in competencies for Green Transition and Customer Advisory".

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

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. This Global Goal is supported by Mekoprint targets for "CO2 footprint", "Reduced electricity consumption", "Reduced scrap" and "Environmentally friendly packaging".

17 PARTNERSHIPS FOR THE GOALS

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 "Partnerships for the Goals" is crucial for us to succeed in developing products that are increasingly sustainable. This Global Goal is supported by Mekoprint targets for "Revenue share for customers with a focus on Green Transition", "Customer satisfaction with advice on increased sustainability", "Supplier share with a Sustainable profile" and "External maturity validation".

For more information about our targets and status please refer to our latest UN Communication of Progress at: Mekoprint A/S – Mekoprint - Communication on Progress 2022 | UN Global Compact.

Environmental

responsibility

Environment

At Mekoprint, we strive to continuously improve our environmental impact, neutralise climate change and support the reduction of CO_2 emissions in particular. Our main focus is to decrease resource consumption and make an increasingly positive environmental impact. This includes optimization in collaboration with product development and logistics to our customers and an increased focus on sustainability in our supplier base – supported by an annual supplier sustainability and quality assessment for reporting and neutralising including environmental impact.

In 2022/23 we have used over 12-Gigawatt Energy and processed more than 6,000 tons of raw materials into 198 million items across 12,000 different components. These numbers indicate a great level of complexity handled throughout the company with a broad range of opportunities for further resources, process, and product optimization. Selection of raw materials is a customer decision, but we are targeting an advisory role to help our customers select more environmentally friendly raw materials and not least reduce the associated CO_2 carbon footprint incl. emissions related to transportation of materials and final components. The basis for this is currently being established to develop that advisory role by 2025 incl. the use of a CO_2 calculator among other tools. Our current improvement focus is on our own use of Energy, CO_2 neutralization and waste levels with targets and available metrics to measure progress as shown in the table on page 21.
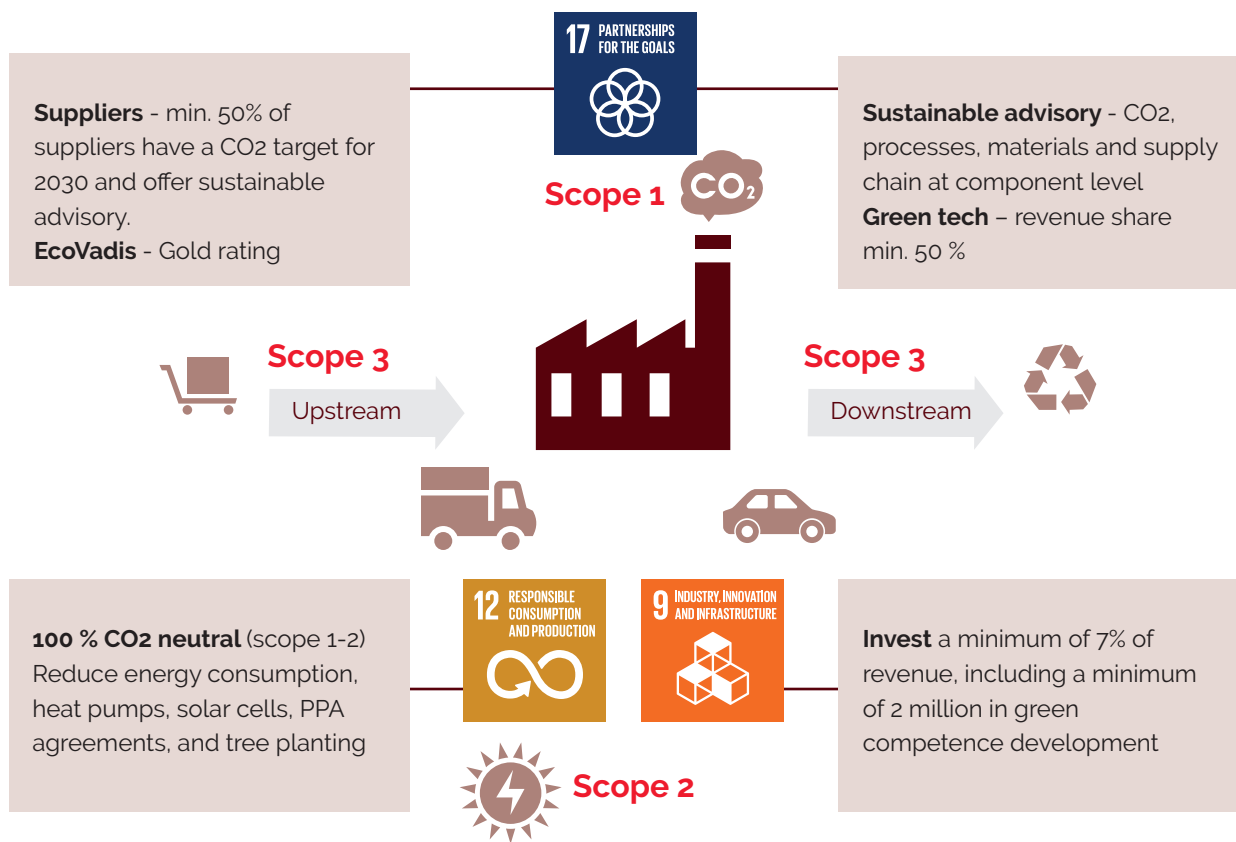
Achieved results 2023

1. Energy optimization - leading to a reduction in Electricity, District heating and Natural Gas of 13 %.
2. Neutralizing all CO_2 scope 1-2 emissions by 2025 - on track with new solar cells, heat pumps and forestation.
3. Organizational awareness of waste streams - has increased recycling and reduced remaining district waste.
4. Focus on food waste - has led to a significant drop of 29 % compared to 2021/22.
5. Production process scrap reduction – remains a focus area in 2023/24 to improve.
6. Planting 6.250 additional trees with CO_2 reduction effect of >100 tonnes/year
7. Invested in Heat Pumps to replace Natural Gas and reduce CO_2 with >400 tonnes/year
8. Invested in new ventilation systems that reduce CO_2 with >60 tonnes/year
9. Invested in 2.600 m2 solar panels that reduce CO_2 with ~80 tonnes/year
10. Reduced silver-related water pollution by more than 95 % through optimized cleaning

The most important risks associated to our Environmental responsibility is potential pollution from water-based processes to the public sewage systems in particular. These processes are being monitored thoroughly to ensure stable processes and avoid pollution with preventive maintenance, ongoing tests and introduction of improved cleaning and recycling.

CO2 focus area

In 2020 Mekoprint formulated a goal of becoming CO_2-neutral in our production by 2025 and at the same time intensified the development of new knowledge and competences to support our customers' and suppliers' development towards increasingly sustainable products. To support these efforts, more than EUR 1,5 million has been invested in Energy optimization activities and initiatives in the 2022/2023 fiscal year. The figure below outlines our 2025 objectives

Suppliers - min. 50% of suppliers have a CO_2 target for 2030 and offer sustainable advisory.
EcoVadis - Gold rating

17 PARTNERSHIPS FOR THE GOALS

Scope 1 CO₂

Sustainable advisory - CO_2, processes, materials and supply chain at component level
Green tech – revenue share min. 50 %

Scope 3
Upstream

Scope 3
Downstream

100 % CO2 neutral (scope 1-2) Reduce energy consumption, heat pumps, solar cells, PPA agreements, and tree planting

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Scope 2

Invest a minimum of 7% of revenue, including a minimum of 2 million in green competence development

To ensure our own objectives, due diligence is carried out through external auditing of ISO 14001, assessment in ECOVadis, statutory environmental audit of the municipality, statutory energy audit, "waste audit at Nordverk". In addition, we continuously monitor compliance with limit values in wastewater and drinking water.

Focus areas 2024

1. Implement energy optimization initiatives identified in 2023 Energy Assessment
2. Develop investment program for renewable energy production for own use
3. Alignment to Science Based Targets initiative (SBTi) to become a Net Zero Contributor
4. Develop model to calculate item-CO_2 emissions on scope 3 level for each customer

Target and progress reporting

Focus area	Target	2022/23	2021/22	2020/21	Comment	KPI definition
Electricity vs. Turnover	Reduce 20 % from 2020/21 to 2024/25	6,834 MWh 9.8 MWh/ million	7,944 MWh 10.9 MWh/ million	7,127 MWh 12.5 MWh/ million	Target reached two years ahead of time.	Annual electricity MWh divided by Annual Turnover
Heating vs. Turnover*	Reduce 50 % from 2020/21 vs. Turnover in 2024/25	5,839 MWh 8.4 MWh/ million	7,260 MWh 10.0 MWh/ million	7,078 MWh 12.4 MWh/ million	To be reduced further by heat pumps & ventilation optimization	Annual Heating** MWh divided by Annual Turnover
CO2 emission scope 1-2	Below SBTi requirement***	2,046 tons	2,533 tons	2,253 tons	CO2 reduction in recent three years is below SBTi requirement	All scope 1-2 CO2 emissions divided by Annual Turnover
CO2 neutralization scope 1-2	100 % CO2 neutral by the end of 2025	152 tons 7.4%	28 tons 1%	N/A	Detailed action plan in progress to reach 2025 target with heat pumps, wood, solar cells, wind power and forestation.	Neutralized tons CO2 divided by total tons CO2 emission.
CO2 emission scope 3**	Below SBTi requirement***	115 tons	106 tons	22 tons	2020/21 level was unusually low due to Covid19 epidemic	Sum of CO2 emissions from all company cars and public transportation
Water consumption	Reduce 20 % from 2020/21 to 2024/25 relative to Turnover	16,966 m³ 23.88 m³/mDKK	17,452 m³ 24 m³ /mDKK	14,8216 m³ 25.96 m³/mDKK	Ongoing focus area	Total 1.000 m3 water consumption divided by Turnover in Period.
Reduced production scrap	25 % reduction from 2 % in 2020/21 to 1.5 % of Turnover in 2024/25	2.1%	1.83%	2.05%	Follow-up in progress to evaluate efforts to reach target	Total cost of scrap from all production processes divided by Turnover in Period.
Hazardous waste	To be defined relative to process Turnover Decrease YoY	253 tons	360 tons	373 tons	Continued significant annual drop from 579 tons in 2018/19	Total weight measured at waste collection
Food waste	20% reduction from 2021/22 to 2024/25	11,480 kg	16,140 kg	Not registered	Special focus area 2022/23	Total weight measured at waste collection
Domestic waste (remaining non recyclable)	20 % reduction from 2021/22 to 2024/25 relative to Turnover	300,105 kg	307,690 kg	Not registered	Residual from other waste streams	Total weight measured at waste collection
Environmentally friendly packaging	99 % environmentally friendly by 2024/25	92%	91 %	90 %	Ongoing focus area	Total purchase cost of packaging from environmentally friendly

*   Related to Mekoprint Group Turnover of 698 million DKK excl. new subsidiary companies Microturn and Seritronic to be included
**   Heating includes Natural Gas, District Heating
***   SBTi is an abbreviation for "Science Based Targets initiative" which is being evaluated for Mekoprint participation in 2024/25.
****   CO2 scope 3 includes company transportation. Scope 3 related to purchasing and transportation of goods is being evaluated.

Ethical guidelines

Our five ethical guidelines for environmental responsibility are based on an ambition to take the best possible care of nature. We do this by continuously neutralising our resource consumption and aim to reduce our environmental impact through best practices. This includes both neutralising all administrative processes and neutralising our production flow and logistics as close to our customers as possible. In addition, we want to continuously improve our environmental impact and actively work to combat climate change by reducing and neutralising CO_2 emissions from ourselves, our suppliers and customers.

The work on environmental optimisation is carried out through a certified environmental management system according to the ISO 14001 standard, which ensures targeted efforts, follow-up and external evaluation. This also includes an expectation of the environmental responsibility of our suppliers, of which more than 200 of our largest suppliers are evaluated in an annual survey, while selected larger or particularly risk-assessed suppliers are evaluated through an audit.

We reduce energy consumption and CO2
We combat CO_2-driven climate change by supporting the transition to green energy and seeking energy optimization. Power, heating and natural gas consumption is continuously optimised in our daily lives by all of us, and we work with targeted action plans to use solar cells and heat pumps, among other things, in order to neutralise our own CO_2 emissions at scope 1 and scope 2 level by the end of 2025[*].

We minimise pollution of air, water and soil
We seek opportunities to minimise and, where possible, eliminate pollution of air, water and soil. We do this by following regulations in environmental and wastewater permits on the handling and storage of chemicals, using the best possible treatment processes and by taking anonymous wastewater samples as a basis for continuous optimisation.

We optimise water consumption and recycling
We continuously optimise our water consumption, including opportunities for reuse. We do this by closely monitoring our water consumption for processes and cooling, and continuously working to minimise our water consumption by reusing purified water and avoiding all unnecessary water consumption.

We minimise and sort waste for recycling
We minimise waste from all processes and sort waste according to opportunities for recycling in a circular cycle. Our four divisions have different types and amounts of waste that are sorted and disposed of in more than 46 different waste fractions for re-circulation and recycling. To reduce waste, we continuously strive to find more environmentally friendly materials and consumables that can be recycled and thus promote a circular economy.

We encourage environmentally friendly materials
We increasingly seek out and recommend recycled and recyclable raw materials to our customers. In this way, we can be at the forefront of alternatives for our customers and increasingly act as proactive advisors in relation to our customers' needs to develop more environmentally friendly alternatives. Our customers' needs to develop more sustainable products and processes.

Initiatives and agreements*

Mekoprint Group follows and respects the following relevant environmental initiatives and agreements:

- UN Sustainable Development Goals
- The UN Climate Initiative and the SDGs:
  - Paris Agreement on Climate Change, UN Climate Goals
  - Sustainable Development Goals

- EU Waste frame Directive 2008/98/EC

- Regulation (EU) 2019/1021 Persistent Organic Pollutants (POPs)
  - Stockholm Convention, POPs; Persistent Organic Pollutants Regulation

- EcoVadis – Rating/assessment of corporate sustainability
  - Mekoprint Group, EcoVadis rated since 2019

- DS/ISO 14001:2015 Environmental

Overall, our environmental responsibility is specifically related to the following three of the 17 UN Sustainable Development Goals:

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

*Evaluated and gradually rolled out in new subsidiaries after acquisitions.

Social

responsibility

Social

Social responsibility has always been a natural part of Mekoprint's culture, with a particular focus on being a great place to work with highly independent teams. This applies to everything from human rights to a joint effort to develop an engaged working environment with room for differences and a focus on helping each other. The internal ambitious standards for our work environment are also set for our suppliers with all expectations described in a "Mekoprint Partner Code of Conduct." Finally, we have a special long-term focus on the support of children and young people, with increasing local cooperation regarding job opportunities in an industrial company as a career path – and support for local initiatives with volunteers who make a special effort for children and young people.

Achieved results 2023

1. Established "Mekoprint kickstarter" network for young employees up to age 25
2. Improved employee satisfaction from a top 10 % to an overall top 5 % level
3. Gender diversity in management improved with 4 %-points more female managers
4. Reduced sick-leave % by more than 20 % from 4,1 % average to 3,2 % average

Focus areas 2024

Our current social improvement focus is particularly gender diversity in management positions, sustaining a prominent level of work-life satisfaction and promoting job-training and technical education opportunities for young people. A special initiative in 2022/23 was the preparation and completion of an organization wide "psychological work environment survey" (Danish APV) with follow-up action plans related to special focus areas. The most important risk associated with our social responsibility is a drop in Employee Satisfaction which will lead to a higher Employee Turnover level, sick leave % and general inefficiency.

As part of Mekoprint Group's corporate responsibility, the company also uses target figures and policies for the gender composition of its management. In Mekoprint group, the objective by 2026 is to have no underrepresented gender in the Board of Directors and Executive Board. At the end of 2022/23, the company's Board of Directors consists of four male members elected by the general meeting. The company's Executive Board consists of two members – both men. Consequently, the group's objective has not yet been met by 30 September 2023. Attempts to meet the objective will be made in connection with any future changes to the existing composition of the Board of Directors and Executive Board.

The Mekoprint Group's objective is also not to have an underrepresented gender at other management levels. At the end of 2022/23, the Group employs 73 managers at various management levels, of whom 32 % are women and 68 % are men (At the end of 2021/22 the levels were 28% women and 72% men). The Group's goal by 2026 is to ensure that one gender does not make up less than 40 % has therefore not yet been reached, but the objective is to achieve this through internal management development and new appointments within the next three years. To the extent possible the Group will seek to have a female candidate among the last 2-3 candidates for a management position. Notwithstanding the objective concerning the underrepresented gender, the Mekoprint Group appoints members of management and any other position according to qualified candidates rather than gender.

The overall gender distribution in the Mekoprint Group is 52 % female and 48 % male employees with the following geographical differences:

- Employees at Mekoprint A/S in Denmark: 38 % female and 62 % male
- Employees at international subsidiaries: 72 % female and 28 % male

Diversity in general is a natural part of the Mekoprint Group with a culture that is open to our differences as people from opinions and motivational preferences to gender, nationality, religion or sexual orientation. To underline our support to diversity, the Mekoprint Group has signed "The gender diversity pledge" from the Danish Industry Association, which includes 16 principles for diversity in general. The industry objective is to reach a 40/60 female/male distribution by 2030 with a positive development in all companies incl. the Mekoprint Group.

Target and progress reporting

Focus area	Target	2022/23	2021/22	2020/21	Comment	KPI definition
Employee #	N/A	693	665	618	Employee growth primarily related to acquisitions	Average number of employees during the year
Employee turnover	Maximum 15 %	13.4%	14.2%	8.7%	Unusually low during Covid-19 in 2020/21	Number of people leaving a job at Mekoprint divided by the average number of people in the year
Sick leave %	Maximum 4 %	3.2%	4.1%	4.1%	A special focus area incl. inspiration for healthy living.	Total number of sick days divided by total number of work days
Employee satisfaction Employee survey	Denmark eNPS 55 % 2024/25 (Top 5 % benchmark)	78%	71%	62%	Steady YoY progress based on a decade of management focus on employee engagement.	Total amount of rating 9-10 responses subtracted with all negative ratings and then divided by total number of survey participants
	International eNPS 50 %2024/25 (Top 10 % benchmark)	51%	15%	26%	Significant progress related to increased management team focus on	
Openness to speak Employee survey	95 % in 2024/25	95%	88%	-	Goal reached with dedicated management focus	Total average 1-10 score divided by 10
Incident rate* % for Denmark employees	Yearly reduction	5%	-	-	Baseline year for follow-up	Total number of incidents divided by average number of employees
Gender diversity All employees	No targets currently needed	54% female 46% male	50% female 50% male	52% female 48% male	Increase in share of female employees due to acquisitions	Each gender share of total number of employees
Gender diversity Management positions	Minimum 40 % female managers by end of 2026	32% female managers	28% female managers	28% female managers	A special focus area in all new recruitments.	Number of female managers divided by total number of managers
Employee training % of total time	To be defined	13,3 hours per employee			Baseline year	Number of hours in training divided by number of Employees
Education share % of DK employees	5 % in 2024/25	4%				Number of apprentice-ships in Denmark divided by total employees in Denmark
External youth sponsorships**	0.02 % of Turnover	150,000 DKK	250,000 DKK	150,000 DKK	UNICEF, Skyggebørn, Ønskeland, Youth Red Cross & Poland/Ukraine voluntary groups	Sum of all company sponsorships

*   Related to Denmark with public education programmes for apprenticeships.
** Includes UNICEF and local organizations in Denmark, Poland and Ukraine supporting young people with special needs.

Ethical guidelines

Social responsibility has always been a natural part of Mekoprint's culture, with a special focus on being a decent workplace with safe, stimulating and value-creating communities in independent teams. This applies to everything from rights to a joint effort to develop a good working environment with room for differences and the possibility of help as needed in special situations.

Based on a safe working environment, we also have the energy to help new colleagues get off to a good start, including those starting their very first job or who may otherwise be on the edge of the labour market due to illness, refugee situation, disability or other reasons.

Similarly, it is important to Mekoprint that there is a proper working environment at our suppliers, for which we have described expectations in a "Mekoprint partner Code of Conduct", which must be accepted or supported by similar UN-recognised guidelines for all suppliers with deliveries to Mekoprint for at more than DKK 150,000.

Finally, we have a special long-term focus on the development of children and young people with an increasing local collaboration on job opportunities in an industrial company as a career path - and also support local initiatives with volunteers who make a special effort for children and young people with special needs.
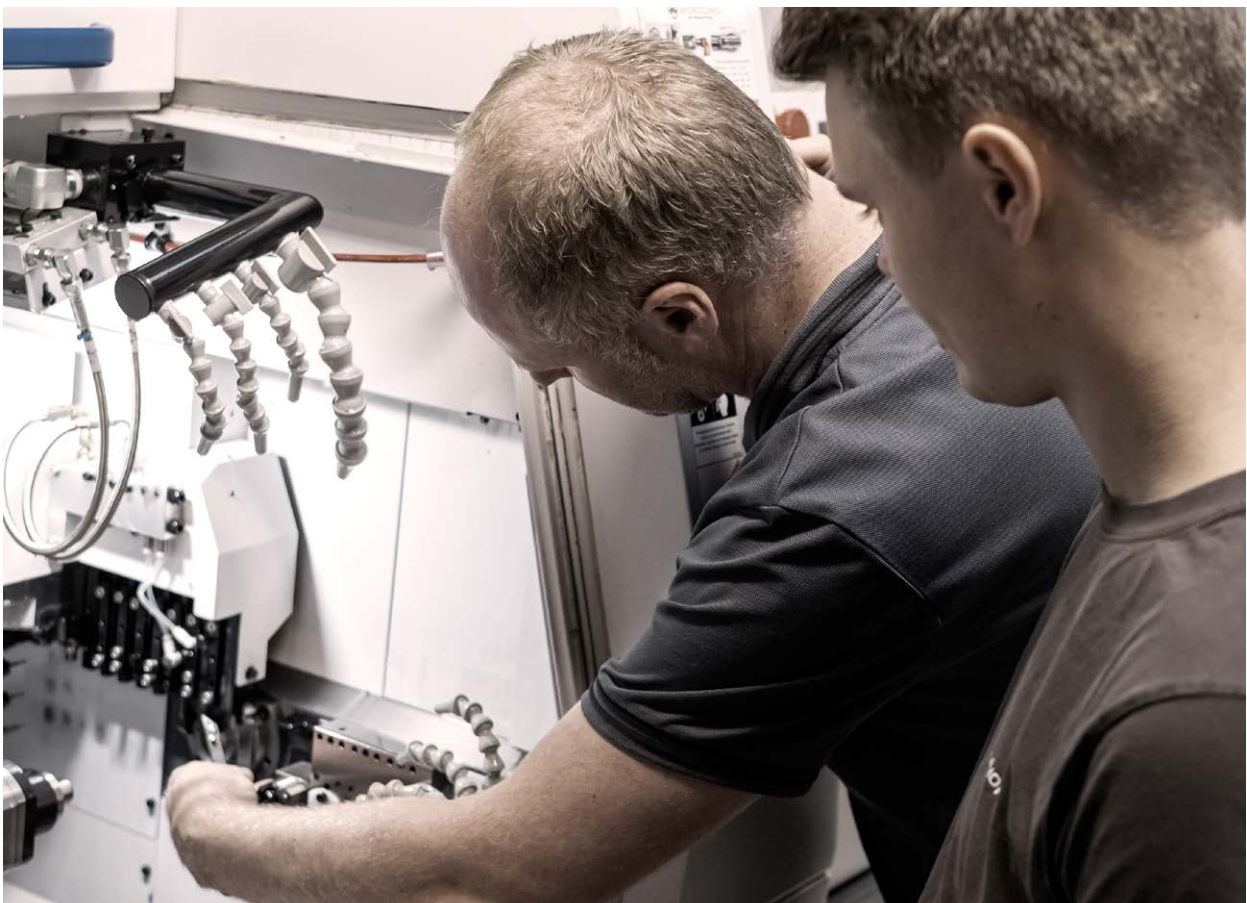
We comply with human rights and fair employment

We comply with human rights and the Guiding Principles on Fair Employment and Labour Standards. The starting point for a safe working life is a fundamental respect for rights. Therefore, we respect and support all internationally recognised human rights and the UN Guiding Principles for Business on Fair Employment Practices and Labour Standards.

We ensure an inclusive and good workplace for all

We must be an inclusive and good workplace with an equal, safe and good psychological work environment. Diversity and inclusion are key to a culture of improvement that develops strong competitiveness. Equal opportunities regardless of ethnic origin, gender, age, sexual orientation, disability, political beliefs and marital status are therefore crucial parameters for us to continue to be a good and successful company in the future.

We are committed to physical health & safety

We are committed to a physically healthy and safe working environment and follow all relevant guidelines. We ensure the best conditions for maintaining a high level of health and safety - in addition to locally established safety requirements, instructions and applicable legislation. This is achieved, among other things, by introducing and certifying occupational health and safety work in accordance with ISO 45001 (health and safety) in all Mekoprint companies.

We support in case of illness and prevent stress

We help each other in case of illness and prevent stress and other work-related problems and ensure a safe working environment - even if you fall ill. Thus, a sickness absence interview is held if a colleague has been sick for two weeks or more within six months. The purpose of the interview is to clarify what can be done together to ensure a safe and good working environment under the circumstances.

We ensure continuous competence development

We ensure continuous competence development with both peer-to-peer training and continuing education. As a development-orientated company, everyone must be motivated to continuously learn new skills and seek improvements that also require new thinking and the development of new skills. To support this development, we follow up at least once a year either in each team or individually to evaluate new competency development needs and establish action plans.

Initiatives and agreements*

- Mekoprint Group follows and respects the following relevant environmental initiatives and agreements:

- United Nations (UN) Global Compact
    - Mekoprint Group, member of the UN Global Compact since 2017

- The UN's international human rights law:
    - Universal Declaration of Human Rights.

- UN Guiding Principles on Business and Human Rights:
    - Guiding Principles on Responsible Business Conduct and Respect for Human Rights.

- International Labour Organization (ILO)
    - The United Nations Organisation for Labour and Social Security

- Working Environment Act, LBK no. 2062 of 16/11/2021
    - Danish legislation on safe and healthy working environment (AT)

- DI's Diversity Pledge
    - DI Diversity Pledge to promote diversity, inclusion and equality.
    - Mekoprint has joined this pledge by signing it.

- The UK Modern Slavery Act 2015 and the abolition of modern slavery and human trafficking.

- General Data Protection Regulation (GDPR)
    - (EU) Regulation 2016/679

- EcoVadis - Rating/assessing the sustainability of companies
    - Mekoprint Group, EcoVadis rated since 2019
    - The assessment covers Environmental, Social, Governance, Labour, Ethics and Sustainable Procurement.

- DS/ISO 45001:2018 Safety & Health

- The Dodd-Frank Wall Street Reform and Consumer Protections Act
    - RMI_CMRT - Conflict Mineral (3TG)

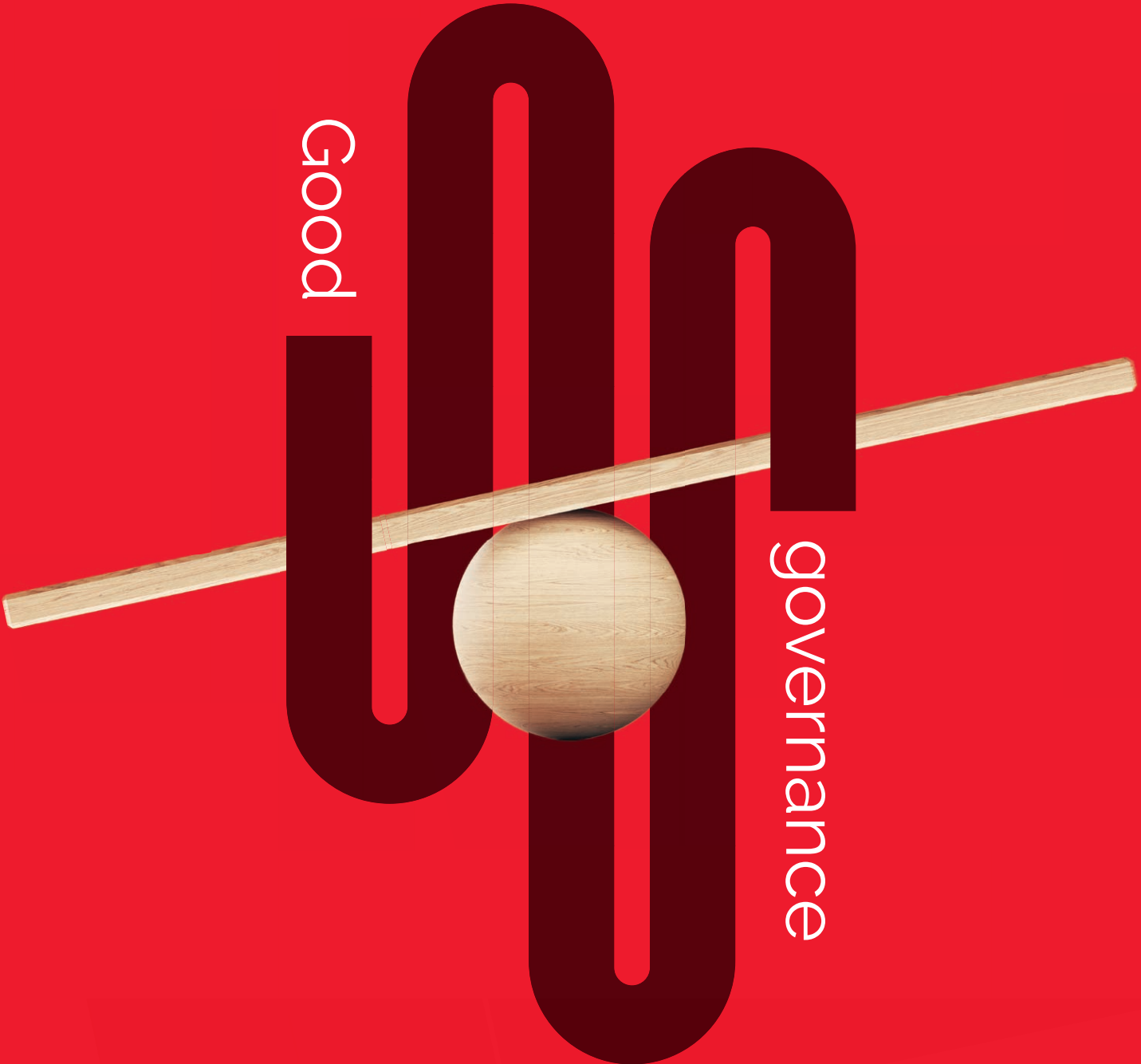- Regulation (EU) 2017/821
    - EU Conflict Minerals Regulation (3TG)

Overall, our environmental responsibility is specifically related to the following three of the 17 UN Sustainable Development Goals:

*Evaluated and gradually rolled out in new subsidiaries after acquisitions.

30
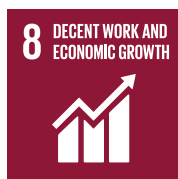
Good governance

Governance

Governance at Mekoprint is all about responsible management and leadership with clear roles, responsibilities and procedures in a complete Management System described in our ISO 9001:2015. The overall Governance is performed by the Board of Directors following an annual cycle incl. a yearly risk assessment, strategy update & action planning.

Mekoprint has worked with an internal/external Code of Conduct since 2012, which is a set of ethical rules that guide the cooperation between Mekoprint, Mekoprint's employees and Mekoprint's suppliers to ensure that the production of products and provision of services are consistent with Mekoprint's objective to act responsibly and fairly towards all groups of stakeholders.

Achieved results 2023

1. Increase in leadership quality from 90 % to 96 % in the quarterly employee pulse survey
2. Second annual "Good governance review meeting" performed with the Board of Directors incl. Board members independent evaluation of the CEO and CFO.
3. Implemented "Sustainable Supplier Assessment" of top 200 suppliers incl. follow-up procedures to ensure compliance with Mekoprint Code of Conduct requirements
4. Performed annual external audit of ISO 9.001, 18.001 and 45.001 standards

The primary risk associated with our Governance responsibility is internal or external unethical behaviour which is not discovered in time to avoid consequences for the company incl. external stakeholders and our financials. The secondary risk is insufficient focus on leadership quality related to the direct and indirect consequences of insufficient management holistic judgement, speed of decisions and performance for employees, customers and the environment as described in this report.

Focus areas 2024

1. Implement single Mekoprint Group whistleblower solution for all Group companies
2. Ensure awareness and understanding of Mekoprint Culture profile incl. Ethical guidelines as "Code of Conduct" incl. newly acquired Group companies
3. Expand Mekoprint Employee Pulse survey to all newly acquired Group companies
4. Implement Leadership Quality follow-up process for all level 1-3 manager positions
5. Perform follow-up "Sustainable Supplier Assessment" for all Suppliers with an annual purchase of more than 20.000 EUR.

Target and progress reporting*

Focus area	Target 2025	2022/23	2021/22	2020/21	Comment	KPI definition
Leadership quality Employee survey	Minimum 80 % and average of 85 %	96%	90%	-	Evaluated up to 4 times/year with Team follow-up actions	Average 1-10 rating divided by 10
Board meeting attendance %	80 % attendance at 4 annual meetings	92%	-	-		Total number of participants for all meetings divided by total full participant number
Whistleblower #	0 pr. year	0	0	0	Concerns should be safe to discuss with peers or management	Number of whistleblower cases
Top 200 Supplier signed code of conduct	90 %	31%	-	-	New Code of Conduct in 2022/23 is signed by 54 % top 200 suppliers as of Jan. 2024.	Number of suppliers with signed CoC divided by total of 200
Customer Net Promotor Score	50%	46%	37%	46%	Evaluated yearly since 2016	Number of customers highly recommending Mekoprint (score 9-10) subtracted by low scores (1-6) as % of total participants.

*Evaluated and gradually rolled out in new subsidiaries after acquisitions

Ethical guidelines

Governance is fundamentally about ensuring credible management and development of Mekoprint with sufficiently clear frameworks and controls for all our activities across and within each country, location, and customer/product area. The Board of Directors is responsible for good corporate governance based on external guidelines for consideration of investors and all other stakeholders in and around the company. This also includes evaluating and following up on Mekoprint's strategic and business risks, the quality of management decisions and financial reporting.

We follow legislation & recommended governance
We comply with applicable legislation and follow all key external recommendations for corporate governance. Everyone is obliged to seek knowledge of statutory regulations, guidelines and conventions in their area of work. All managers are responsible for ensuring compliance with applicable legislation and reporting any violations in a timely manner. Mekoprint Group's Board of Directors annually evaluates external recommendations for good corporate governance and ensures implementation of new significant recommendations with orderliness and transparency.

We use management systems and team-based culture
We cultivate governance with formal management systems and a team-based improvement culture with shared values. All Mekoprint companies work from a certified ISO 9001 management system with differences related to the needs of each product area - including risk management, compliance with local legislation and guidelines from external partners. Each management system must be supported by all of us with our team-based improvement culture, which is driven by our four core values across all Mekoprint companies and activities.

We ensure suppliers follow our guidelines
Our suppliers and business partners must follow guidelines and be treated as we would like to be treated ourselves. All suppliers with annual deliveries of more than DKK 150,000 must accept Mekoprint Group's "Partner Code of Conduct", while all suppliers and business partners must follow locally specified guidelines for efficient and safe co-operation. An annual Sustainable Supplier Assessment of all suppliers with annual deliveries of more than DKK 150,000 is conducted for follow-up in each division.

We promote freedom of speech & confidentiality
We cherish freedom of speech and at the same time pay attention to proper market communication. At Mekoprint, we recognise every person's right to freedom of expression. Everyone at Mekoprint has the right to participate as individuals in political processes and interest organisations in ways that are in accordance with national legislation. However, it is expected that it is made clear that the views expressed are personal and do not represent the views of Mekoprint.
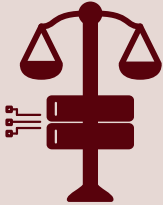
We protect information with data ethics & guidelines
We protect information with data ethics and follow guidelines for secure IT operations. Storage of information and data processing at Mekoprint must at all times comply with applicable legislation and guidelines agreed with customers and business partners. In particular, we must protect sensitive personal data in accordance with our GDPR policy and ensure an adequate level of IT security for all information by following the guidelines for secure IT operations. We also work actively with data security, including cyber security guidelines, which include self-assessment and testing of security against internal and external threats.

We accept no type of money laundering, corruption or bribery
We are aware of conflicts of interest, corruption risks and reject all forms of bribery. All forms of potential conflicts of interest in connection with personal relationships, secondary employment and/or unpaid interests must be avoided by involving independent third parties in Mekoprint. We fight corruption, money laundering, economic sanctions, tax evasion, market abuse and insider rules as well as improper payments or favours to or from Mekoprint.

We speak up about ethical guideline violations
We speak up if we experience actions in violation of our ethical guidelines or legislation and follow the "Speak-up" principles including the possibility of an anonymous whistleblower reportIf you experience significant doubts or suspicions about compliance with legislation and agreed internal and external guidelines, the "Speak-Up" principles must be followed.

Initiatives and agreements*

- UN Guiding Principles on Business and Human Rights:
    - Guiding Principles on Responsible Business Conduct and Respect for Human Rights.

- OECD Guidelines for Multinational Enterprises
    - Responsible business conduct in the areas of human and labour rights, international environmental standards, competition, taxation and corruption.

- OECD Due Diligence Guidance for Responsible Business Conduct

- The Danish Financial Statements Act (ÅRL) - The Danish Financial Statements Act
    - Rules for the preparation of the company's annual accounts according to Danish law

- Governance Mekoprint Group, signed Mekoprint Board

- Mekoprint Holding Corporate Governance Report

- Mekoprint Group Holding Annual Report

---

*Evaluated and gradually rolled out in new subsidiaries after acquisitions.

From left to right: Anders Kold, CEO and Torben Jensen, CFO

To win new markets, you need to go new ways.

Pushing for progress
Leading new ways™