

CSR Report 2021

Communication on Progress (COP)

Mekoprint's CSR Report for 2020

2020 has been a very different year in many ways. On 11 March 2020, Denmark locked down, and the Covid pandemic presented us with completely new challenges, both locally and globally. Virtually all travel activity was stopped and replaced by working from home, and we significantly increased the use of Microsoft Teams meetings, both internally within the organisation and externally with customers and suppliers. In financial terms, the Covid pandemic caused two major fluctuations in activity, with increases and decreases of over 40%, respectively. Despite the various Covid-related challenges, we have continued work on our efforts to achieve our goal of becoming a leading sustainable development and production partner by 2030.

At Mekoprint, this means that we want to run the company based on the principle of the quadruple bottom line, which basically means that financial growth goes hand in hand with employee well-being, customer satisfaction and social responsibility – because neither one can stand alone. The four bottom lines are interdependent, and strategic work is being done towards a balanced development of these. For Mekoprint, it is not about being the best in the world, but about being the best for the world.

Since 2017, Mekoprint has been a member of the UN Global Compact and works purposefully with the 17 Global Goals, giving particular focus to three selected Global Goals – nos. 9, 12 and 17. This report provides a brief overview of our efforts in 2020, as well as our ambitions and goals for the coming years moving towards 2030.



United Nations Global Compact



THE GLOBAL GOALS

1999	2005	2007	2010	2017	2019	2020
Becomes the first Danish company to be triple ISO certified in quality, environment and health and safety.	Enters into an agreement for traineeships for people on long-term sick leave and refugees	Publishes the first green accounts	Introduces a Code of Conduct	Joins the UN Global Compact and the 10 principles and publishes the first CSR strategy.	Ranked as the 12th best workplace by Great Place to Work®	Recognised with a sustainability "Gold Rating" by independent organisation EcoVadis for the second year running

> Continued high level of well-being and job satisfaction, despite the challenges posed by Covid

There can be no doubt that the employees are Mekoprint's most important asset, which makes it extremely positive that employee well-being remains high with a "Great Place to Work Trust Index" of 91%, despite the impact of Covid this year resulting in both high job uncertainty and a declining level of activity.

The spring of 2020 meant increased activity helping customers with extraordinary needs for ventilators and

other customer requests for the need for extra inventory, with the expectation that the level of activity would drop later in the year. To avoid possible redundancies, a special flexibility scheme was already established in the spring between union representatives from Metal, 3F and management, where the need for extra hours beyond 37 hours per week was saved on a "Covid account" for later time off in lieu during periods of reduced activity. The scheme meant an overall flexibility in the weekly working hours totalling a full four weeks. The scheme stood testament to a strong sense of shared responsibility during extraordinary circumstances.

The Covid-19 situation has meant that a huge effort has been made to maintain the high level of well-being and motivation throughout the year. All employees have been continuously informed about the development of Covid-19 at Mekoprint, and there has been great focus on ongoing information and dialogue on how the Danish Health Authority's recommendations and guidelines are to be complied with and made available. All employees who have been working from home have been offered height adjustable desks, ergonomic office chairs and proper lighting, so that no physical injuries occur during time spent working from home. Flexible schemes have also been entered into in relation to the need for both working from home and physical presence at Mekoprint. Several employees have had this solution made permanent, so that in the future they will have the opportunity to work from home more, which should benefit general well-being and health. Of course, 2020 has been characterised by many cancellations. This also applies to the annual health week, which has been postponed to 2021 and extended into a health month, where focus continues to be on physical and mental health.

Since 2014, Mekoprint has participated in the Great Place To Work survey and has been certified as a "great place to work" every year. In the latest employee survey from the autumn of 2020, 96% of Mekoprint's employees stated

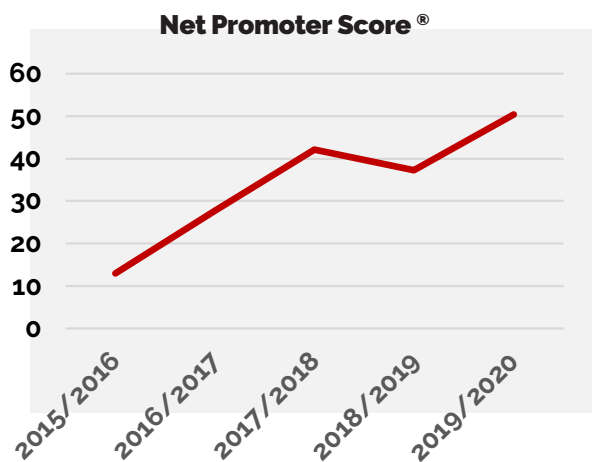
that *"all things considered, I believe that Mekoprint is a really good place to work"*. Despite a small drop of 1% from last year, due to the Covid situation, we are extremely proud of the result. There is a continued high level of trust in senior management, despite salary restraints, the Covid account and many other uncertainties, and we have maintained an already high Trust Index in 2020. So, we have come out of the Covid crisis stronger, thanks to a fantastic team effort.

Despite the unique circumstances, we have managed to move up one place and move Mekoprint into an impressive 11th place overall. Of course, that means we did not quite reach the goal of breaking into the top 10 among Denmark's best medium-sized companies by 2020. In order to be able to respond faster, in the future we will move to a more dynamic type of pulse surveys to measure employee satisfaction with quarterly and shorter pulse surveys on management, team collaboration and job satisfaction, thus replacing the annual "Great Place to Work survey". This means that in the future, we will not be able to compete in the race to be Denmark's best workplaces but, starting in 2021, we will measure the Employee Net Promoter Score (e-NPS) instead, which is a measure of the extent to which employees would be willing to recommend their workplace to friends and acquaintances. The purpose and ambition is for collaboration and job satisfaction to improve continuously for the benefit of all.

Areas of focus from the Great Place To Work® survey	2015	2016	2017	2018	2019	2020
Interdisciplinarity						
Management always informs me about important subjects and changes	51%	71%	79%	77%	87%	82%
Management has clear strategies for where the workplace should go and how it gets there	69%	78%	85%	85%	91%	86%
Management openly and clearly expresses its expectations	64%	82%	85%	85%	86%	84%
Pride and community						
My work has meaning – it is not 'just a job'	74%	79%	92%	90%	93%	93%
I am proud to tell others that I work here	80%	81%	95%	95%	96%	95%
I would like to work here for a long time	83%	87%	94%	92%	95%	95%
All in all, I think it is a really good place to work	91%	84%	98%	97%	97%	96%
Respect						
I am offered professional development opportunities	48%	56%	63%	80%	81%	76%
I get the resources and equipment that are necessary to do my job	70%	74%	89%	89%	90%	90%
Fairness						
Employees are treated fairly regardless of age	85%	83%	95%	95%	94%	95%
Employees are treated fairly regardless of ethnic origin	91%	93%	96%	99%	98%	98%
Employees are treated fairly regardless of gender	84%	88%	93%	91%	95%	92%
Employees are treated fairly regardless of sexual orientation	94%	92%	97%	99%	100%	98%
Employees are treated fairly regardless of reduced working capacity	84%	91%	93%	92%	97%	96%
Trust Index® Average						
Trust Index®	74%	77%	85%	90%	92%	91%

> Customer satisfaction is rising

Throughout 2020, hard work has been done to maintain and cultivate the good customer relationships despite Covid-related challenges, which has resulted in a new normal in terms of maintaining the good customer relationships remotely. Therefore, we are also proud to say that we fulfilled our ambition of a customer satisfaction with a Net Promoter Score of 50% overall for the company by the end of 2020. The focus on good customer collaboration will continue for many years to come.



Due to Covid-19, physical meetings have largely been replaced by a marked increase in online meetings via Microsoft Teams. Over the past year, in collaboration with a number of pilot customers, we have worked hard to develop a digital collaboration platform aimed at customers. In the autumn of 2020, we were able to launch Mekoprint Direct, which makes it easier for our customers to do business with us via a direct digital platform with access to information about components, prices, customs codes, order status, invoices, agreement documents and more. Over the next two to three years, Mekoprint Direct will be developed gradually, so that all transactions can be completed online and supplemented with personal advice and support for customers' needs and solution options. Mekoprint Direct thus contributes to an easier and more efficient digital collaboration for the benefit of both parties.

For the second year in a row, Mekoprint, at the request of Grundfos, was recognised with a "Gold Rating" by independent and global certification partner EcoVadis. The

evaluation covers environment, labour force, ethics and sustainable procurement and places high demands on the documentation of workflows and results within the areas. The result places Mekoprint among the top 5% of all companies audited by EcoVadis, and among the top 2% of companies in the metal industry. Of course, we are extremely proud of this achievement, but the work does not stop there. In the coming year, we will dive deeper into the individual scores and draw up an action plan for how we can achieve a Platinum Rating in the long term, and thus be within the top 1% of all audited companies.



> Environmental footprints are reducing

In 2020, Mekoprint's total energy consumption reduced, and we have become a CO₂-neutral company by using wind turbine energy and planting 6,000 trees annually. Due to Covid-19, the planting of the 6,000 trees has been postponed until the spring of 2021, when the trees will be planted in a new Danish forest reserve in Frederikshavn. The 6,000 trees will neutralise more than double Mekoprint's CO₂ emissions of approximately 750 tonnes related to heating and transport, while power consumption is based on CO₂-neutral wind turbine power.

At Mekoprint, we work with enhanced waste sorting, which means that we have more than 32 different waste streams. Furthermore, we continuously seek to minimise our resource consumption and impact on the environment to ensure that we recycle as much as possible. We are also in the process of replacing all packaging with recycled, sustainable alternatives and have an ambition to have converted 80% by the end of 2021. We also expect energy consumption for transport to continue to be reduced in 2021, due to the increased use of online meetings both internally and externally based on the expectation of a reduction in travel activities.

Mekoprint A/S*	12/13	13/14	14/15	15/16	16/17	17/18	2019	2020
Energy Consumption								
- Electricity (MWh)	5,974	5,238	5,387	5,186	5,443	5,839	6,502	6,148
- Water (M³)	11,539	9,281	8,552	8,588	10,228	10,569	13,920	13,096
- Natural gas (Nm³)	249,201	204,804	218,285	220,362	224,406	224,406	267,271	247,412
- Co ₂ emission (T)	2,123	2,546	2,013	1,554	1,815	1,985	2,187	2,056
- Co ₂ (others)*** (T)							193	186
- Co ₂ emission Total (T)							2,380	2,242
Index figures (Energy consumption/Revenue)**								
- Electricity	100	97	91	86	79	74	79	74
- Water	100	81	75	72	75	68	86	81
- Natural gas	100	75	82	75	68	59	68	62
- Co ₂ emission	100	109	89	62	64	61	71	66

* Excl. data from Mekoprint Hong Kong Ltd., Mekoprint Polen Sp.z.o.o, Mekoprint Cables Sp.z.o.o

** Index numbers calculated by resource consumption relative to revenue with 2012/13 as base year.

*** Accounts for district heating, industrial gas and transportation (travel by car/train/flights)

➤ Social responsibility in a difficult time

The Covid crisis has not made the work of helping vulnerable children and young people less important. 2020 has been a tough year for many, and we are therefore delighted that we have continued to contribute to the development of children and young people towards a better well-being and future. In line with last year, Mekoprint has supported various charities with almost DKK 80,000 again this year.

DKK 25,000 has been donated to Ønskeland, which gives vulnerable children and their families inspiration and a better opportunity to break out of negative patterns in everyday life. Mekoprint has also supported the Danish Red Cross collection for the Covid relief work with DKK 10,000, and donated DKK 10,000 to Danmarks Indsamling (Denmark's Collection), which will go towards the work of helping refugee children.

Again this year, in connection with the choice of Christmas gifts, all employees at Mekoprint have had the opportunity to donate the gift amount to the Christmas Seal Foundation homes, rather than receive a gift themselves. This has resulted in DKK 10,500 being donated to the homes, which have worked for vulnerable children in Denmark for more than 100 years.

Mekoprint not only has production in Denmark, but also at Wolomin in Poland and Chernyakhiv in Ukraine. Therefore, in the future we will be more involved in the local area in both Poland and Ukraine, and donate to charitable causes that increase children's well-being and development. Therefore, we will look into which charities offer the best value and the greatest meaning. From 2021, a total of DKK 100,000 will be donated in Denmark, Poland and Ukraine.

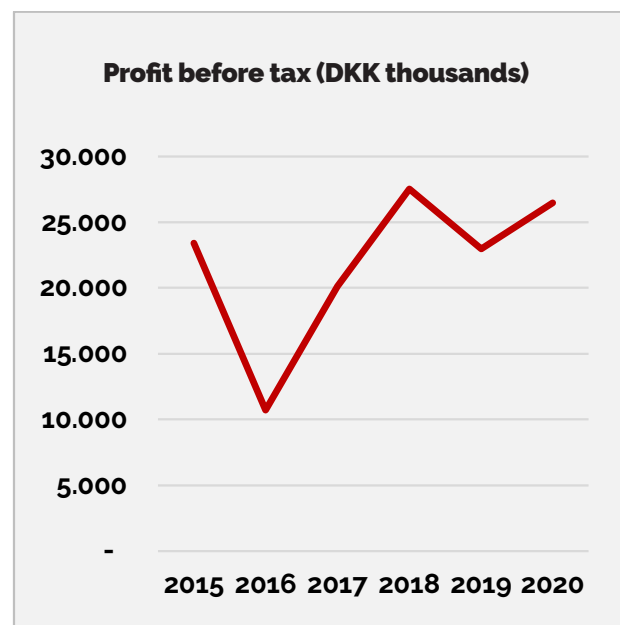
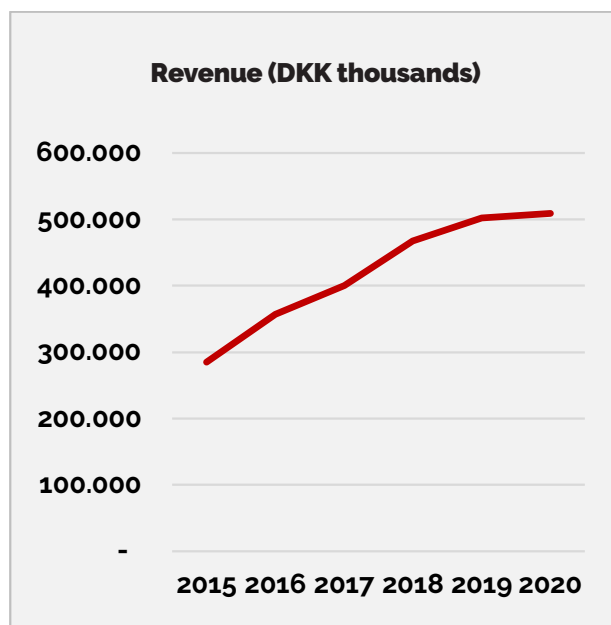
Last but not least, we continue to push for customer social responsibility by annually donating EURO 10 from Mekoprint to Unicef per customer satisfaction survey answered. In 2020, a record number of customer responses were received, over 250 of them, which resulted in a significantly higher contribution of DKK 22,500 to Unicef's work with the children of the world.

Mekoprint is well on its way to formalising the collaboration with educational institutions Aalborg University, UCN and Techcollege, and is regularly accepting interns. We also have an ambition to make a positive contribution through the employment of more apprentices and trainees than we need. In 2020, we have had a total of 15 trainees, 4 of whom have completed training while 2 have been employed. 4 adult apprentices have also been upgraded from unskilled to skilled.

> Record revenue despite significant fluctuations

On the financial side, the Covid pandemic caused two major fluctuations in activity, with increases and decreases of over 40%, respectively. Despite this, Mekoprint has succeeded in continuing overall growth in both revenue and earnings, achieving record revenue in the process. The accounts ending 30 September 2020 show an increase in net sales from DKK 501 million to DKK 509 million. Profit before tax increased by 15% from almost DKK 23 million to DKK 26.5 million, which is less

than expected. The financial year has been characterised by high uncertainty about the level of activity, but thanks to a huge commitment and flexibility on the part of all employees, we have managed to get through the crisis in a good way. The ambition to ensure profits for long-term investment in sustainability and resilience to cyclical fluctuations is still within reach. However, we have not quite reached the goal of doubling revenue in the five years from 2015 – 2020, which can probably only be expected realised within the next one to two years.



> Mekoprint's work with the UN's 17 Global Goals

In 2015, the 17 Global Goals and the 169 targets were adopted by the UN's 193 member states. The Global Goals are a shared, ambitious development plan for the world with targets for 2030. There is a great deal of

global political support for achieving the Global Goals, which must at the same time be supported by the efforts of the business community. At Mekoprint, we have selected three Global Goals where we can make a particular contribution and difference. These are Global Goals 9, 12 and 17, which are briefly described below.



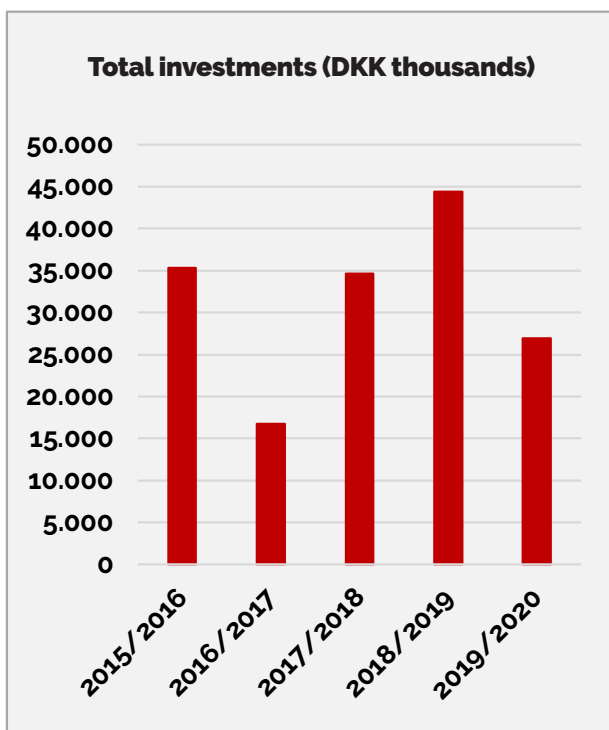
THE GLOBAL GOALS



> Global Goal 9:

"Industry, innovation and infrastructure"

Mekoprint is known for investing massively in technological development, which is the key to finding lasting solutions to both economic and environmental challenges, by being able to offer customers competitive prices with the least possible climate footprint as a result. At Mekoprint, we have invested more than 100 million Euros in leading production technology over the years, where all new investments must support sustainable development. The development in investments in production facilities and production technologies over the past five years can be seen in the table below.



At Mekoprint, production is highly automated, and since 2013, Mekoprint's production has been 100% digital with the introduction of iPads which help to optimise production and reduce time wasted. However, the production is not the only thing at Mekoprint that has gone digital. In the autumn of 2020, we launched Mekoprint Direct, an online collaboration platform that contributes to easier and more efficient digital collaboration with customers. Mekoprint Direct aims to make it easier for customers to do business with Mekoprint, offering direct, digital access to everything that can be answered immediately. Over the next two to three years, Mekoprint Direct will be gradually expanded so that, in the long term, all transactions can be completed online – although supported by even better personal advice and support.

> Global Goal 12:

"Responsible consumption and production"

The product range at Mekoprint is made up of 100% custom solutions for industrial and electronics companies, where production is primarily aimed at customers in Europe. With Mekoprint's flexible production in Denmark and Eastern Europe, supplemented with partner production in Asia, we offer global delivery with a reduction of time-to-market. Mekoprint designs with production in mind, in order to minimise resource consumption and environmental impact. Remaining production material is handled in 32 different waste streams to ensure that we recycle as much as possible. In 2020, we started to switch all packaging into recycled alternatives, and our goal is for 80% of our packaging to have made the switch by the end of 2021. We have also neutralised our CO₂ consumption by combining the use of wind turbine energy and the planting of 6,000 trees annually.

> Global Goal 17:

"Partnerships for the goals"

Mekoprint has an ambitious plan to become a leading development and production partner by 2030, and to achieve that ambition, we need a partnership for action. For Mekoprint, Global Goal 17 "Partnerships for the goals" is therefore one of the most important ones, as the greatest effect of achieving the Global Goals rests on our joint efforts to create more sustainable products and technologies. We should not shut things down – we should develop, along with our customers, suppliers and the surrounding community. Mekoprint cannot do it alone, and we therefore encourage our customers and suppliers to think more sustainably, so that we create a more sustainable future together. Together, we must rethink our design and process habits in a cradle-to-cradle process. This involves careful decision-making, from the choice of materials to packaging and packing, all the way to transport and recycling of materials.

We want to excel in sustainability, and are therefore delighted that for the second year running, we have been recognised with a CSR Gold Rating by independent and global certification partner EcoVadis, which evaluated our sustainability performance. To ensure a sustainable value chain, in 2020 we have initiated a major supplier survey among our 100 largest suppliers. The survey itself is scheduled to be conducted in the first half of 2021. It is part of Mekoprint's DNA that we want to improve all the time, and it is our philosophy that we can face a more sustainable future by creating together.

➤ Sustainable development towards 2030

At Mekoprint, we want to be a pioneering company, and therefore, we have set ambitious goals. We work with the long-term development of Mekoprint, and have an ambition to become a leading sustainable development and production partner by 2030. In order to fulfil this ambition, we have divided the way to the goal into 3 phases with the following focus areas.

➤ Towards 2022

– “We put our own house in order”

We start by “putting our own house in order” and place ourselves under scrutiny, while at the same time improving our skills in advising our customers on sustainable solutions. In general, the work on sustainability will involve the following in the coming years:

- Reduce direct environmental impact with plan for CO₂ neutralisation in 2025 and other elements in 2030.
- Stricter waste management, increased recycling and reduced waste documented in reporting.
- Annual supplier CSR/quality survey for reporting and optimisation, incl. environmental impact.
- Offer educational collaboration with trainees, apprentices & students that goes beyond our own needs.
- Seek development partnerships for sustainable collaboration with min. one customer per division.
- Develop Mekoprint's understanding of sustainability.
- Develop the divisional approach and action plan for sustainable initiatives and changed daily practice.
- Support sustainable investments.



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At Mekoprint, we want to be a pioneering company, and therefore set ambitious goals. We work with the long-term development of Mekoprint, and have an ambition to become a leading sustainable development and production partner by 2030. In order to fully achieve our ambition, we must all contribute. Because only in collaboration with colleagues, customers, suppliers and the surrounding community do we create a sustainable future together.

CEO Anders Kold

➤ Towards 2025

– “We will develop a sustainable advisory role”

Based on experience gained up to 2022, we will work with a needs-driven development of Mekoprint's advisory role within a shared framework that is adapted to each division. The goal is to be able to advise customers on opportunities for increased sustainability in everything from packaging methods, logistics solutions and material selection to product design in general, in addition to a certified and/or audited sustainable Mekoprint production, both internally and with external production partners.

➤ Towards 2030

– “We are a leading sustainable partner”

The goal is for Mekoprint to become a leader in consulting from design and product expression to material selection, production process, packaging and logistics, maximising end customer value with the lowest possible resource consumption and environmental impact in a cradle-to-cradle cycle. We achieve our goals by focusing on the three selected Global Goals.

- **Global Goal 9:** International proliferation of efficient production technologies, digitisation and inclusive industrial work.
- **Global Goal 12:** Eliminate resource waste in relation to materials, processes, waste and recycling, recognised with independent certification.
- **Global Goal 17:** Develop partnerships with customers, suppliers and educational institutions to become leaders in sustainable solutions.

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