

# UN Global Compact

Communication on Progress  
2018



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# Statement of Continued Support

February 20, 2018

Mita-Teknik develops, produces and distributes advanced electronic control automation technology primarily for use in the wind industry. Mita-Teknik has a proven track record in the wind industry with more than 35 years of experience, and more than 50,000 Control Systems in operation worldwide. Our global customer base is divided on +47 active markets, which we serve from our 7 locations.

I am pleased to confirm that Mita-Teknik reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-corruption.

Our collected CSR Policy, which includes our Code of Conduct and Business Ethics, has been approved by the Mita-Teknik Executive Management Team and the Board of Directors. Our CSR Policy is based on the Ten Principles of the United Nations Global Compact.

We have identified our prioritized sustainability issues, and have initiated a process of optimizing these. We will follow up on our progress on a yearly basis.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the UN Global Compact and its principles into our business strategy, culture and daily operations.

We also commit to share this information with our customers, employees, suppliers and other stakeholders using our primary channels of communication.

This year, we have worked intensively on making our reporting of progress more quantitative, resulting in an even more clear overview of progress and results.

Sincerely yours,

Jesper Andersen  
CEO, Mita-Teknik



This is our Communication on Progress in implementing the principles of the United Nations Global Compact.

We welcome feedback on its contents.





# Human Rights Principles

## Commitment

Mita-Teknik respects cultural differences and does not do business with a supplier if the supplier practices discrimination at work based on race, religion, gender, age, nationality or sexual orientation.

Currently, Mita-Teknik employs 225 people from 10 different nationalities, working in 7 global divisions. 29% of our employees are women and 71% are men.

No employee should ever be exposed to any physical punishment, threats of violence or physical, sexual, psychological or verbal harassment or maltreatment in the work place or in work-related situations.

Mita-Teknik actively supports the Universal Declaration of Human Rights. We respect human rights within our sphere of influence and operate our business in a transparent and trustworthy way.

Mita-Teknik sees no significant risks that the company or its suppliers violate the UN Global Compact Principles 1-2.

## Implementation

We take several actions to implement our CSR Policy and Code of Conduct in our global divisions.

We have completed self-assessment surveys with all global divisions in order to ensure compliance.

## Performance Evaluation

In the past year, Mita-Teknik has not been subject to any investigations, legal cases or incidents involving human rights violations. No incidents or violations of the human rights principles have been reported to the Executive Management Team.

In 2017, we have updated the Danish and Chinese Employee Handbooks. Herein, we clearly state that we do not tolerate any discrimination at our workplace due to gender, race, religion, sexuality, nationality or age.

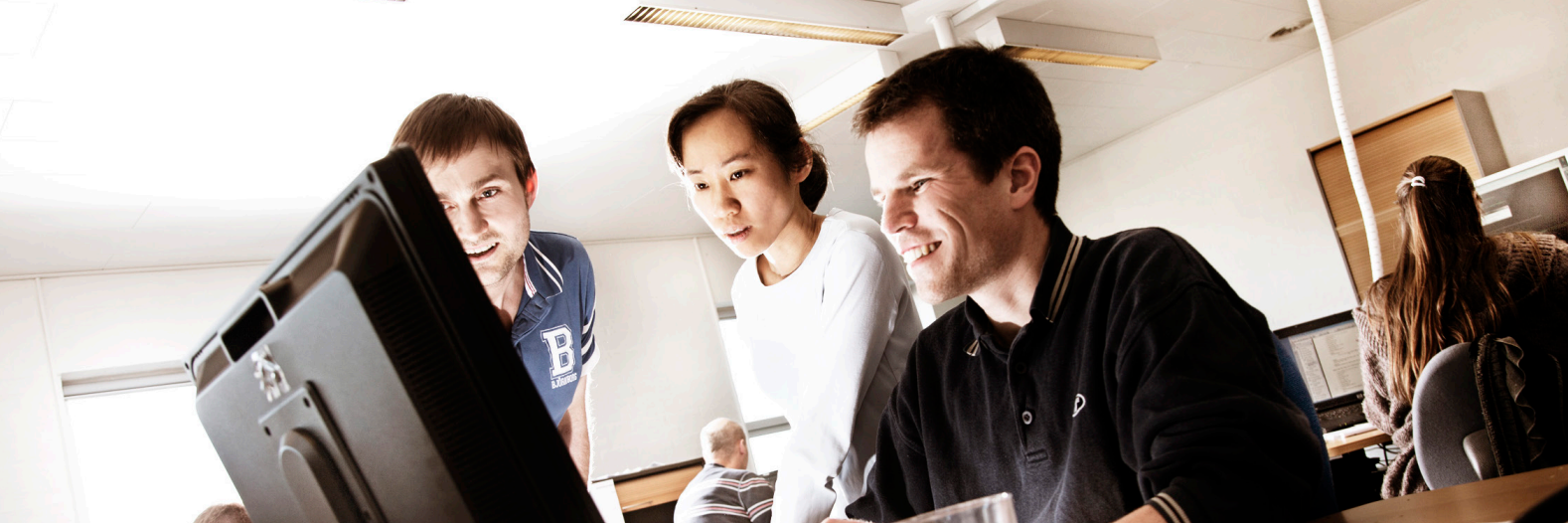
Along with the new Employee Handbooks in Denmark and China, we have also introduced a global whistleblower scheme.

We are working intensively on implementing the new EU General Data Protection Regulation (GDPR). The GDPR replaces the Data Protection Directive 95/46/EC and is designed to harmonize data privacy laws across Europe, to protect and empower all EU citizens' data privacy and to reshape the way organizations across the region approach data privacy.

We want to ensure that our suppliers are familiar with our CSR policies. Therefore, we have added an appendix to our existing partnership contracts with our suppliers that includes article 24 'Code of Conduct'.

Action	KPI	Status *	Target
Include article 24 'Code of Conduct' in new purchase contracts	New purchase contracts must include article 24 'Code of Conduct'	Strategic suppliers: 100%	100% for strategic and preferred suppliers
		Preferred suppliers: 66%	
		Other suppliers: 11%	50% for other suppliers

\* Based on purchase in 2017



# Labor Rights Principles

## Commitment

Mita-Teknik commits to provide a competitive compensation package, a safe and comfortable working environment, openly communicated career paths and well-established performance and development evaluation tools.

Mita-Teknik respects the rights of workers and operate our business with safe and attractive working conditions. We respect the employees' right to organize and enter collective labor agreements and have zero tolerance for forced labor, child labor and discrimination.

Mita-Teknik has a dedicated Health and Safety Committee in place to regularly assess and evaluate the working environment in Mita-Teknik.

Mita-Teknik sees no significant risks that the company or its suppliers violate the UN Global Compact Principles 3-6.

## Implementation

We take several actions to implement our CSR Policy and Code of Conduct in our global divisions.

We have completed self-assessment surveys with all global divisions in order to ensure compliance.

Mita-Teknik's Management System is audited annually to ensure continued compliance with the ISO9001 standard. During 2018, we will update our ISO system, and going forward, we will be audited against ISO9001:2015.

Further, Mita-Teknik (Ningbo) is audited annually to ensure compliance with the OHSAS18001 standard. In 2017, Mita-Teknik Ningbo was recertified OHSAS18001 after moving to a new factory.

In 2017, we started to implement the APQP4Wind standard. The main goal for Mita-Teknik to implement the APQP4Wind is our continuously focus on improving product quality. The implementation will continue in 2018 and involves several employee training sessions globally.

We continuously collect information from our global divisions in order to ensure complete compliance to international minimum standards in regards to working hours, compensation and absences.

All Mita-Teknik employees undergo annual performance reviews to set individual plans and targets for promotions. Annual performance reviews has been carried out with all employees globally.

Action	KPI	Status	Target
Conduct annual employee performance reviews globally	All employees with more than 5* months seniority must undergo the annual performance review	Management: 100%	100% for management, white colour professionals and blue colour
		White colour professionals: 100%	
		Blue colour: 100%	

*\* 12 months seniority in the Ningbo division.*

We monitor the overall sickness absence in Mita-Teknik on a monthly basis in order to detect employee health issues, and assess if follow-up actions are required.

Action	KPI	Status	Target
Monitor the sickness absence	The overall sickness absence must be below 2%	1.64%	2%

In accordance with the Danish Working Environment Act, Mita-Teknik conducts APV (Workplace Assessment Surveys) every three years, and continually carries out follow-up actions. In order to ensure safe working conditions, we also follow-up on all accidents and near-miss accidents.

Action	KPI	Status	Target
Ensure safe working conditions	Working accidents	2 accidents	0 accidents
	Near-miss accidents	3 near-miss accidents	0 near-miss accidents

## Performance Evaluation

In the past year, Mita-Teknik has not been subject to any investigations, legal cases or incidents involving labor rights violations. No incidents or violations of the labor rights principles have been reported to the Executive Management Team.





# Environmental Protection Principles

## Commitment

At Mita-Teknik, we encourage the development and diffusion of environmentally friendly technologies. We actively support a sustainable environmental progress through the development and distribution of intelligent Control Solutions for the wind industry, which improves the performance of wind turbines, and the overall competitiveness of 'clean' wind generated energy.

Mita-Teknik supports a precautionary approach to environmental challenges, and undertakes initiatives to promote greater environmental responsibility.

Overall, we consider our production process to have a relatively low impact on the environment, however we do recognize that parts of our production and transports have a negative impact on the environment, and we constantly work to minimize these effects.

## Implementation

At Mita-Teknik, we actively support a sustainable and environmentally friendly progress.

We have completed self-assessment surveys with all global divisions in order to ensure compliance.

Our waste management is in compliance with all applicable national laws and regulations, and we educate our employees in this area.

Measures to reduce travel activity are continuously implemented and optimized. Global travel policies have been implemented to ensure that we reduce our travel activities as much as possible with respect for running our business. By optimizing our organizational structure and moving Sales, Project Management and Customer Projects closer to our customers, we have improved our cooperation and communication both internally and towards our customers, which has resulted in reduced travel activity.

With the move to our new facility in Ningbo, we are able to focus even more on the LEAN production philosophy, continue to prioritize local production and reduce the need for long distance transport and shipping - hereby reducing our impact to the environment significantly. In 2017, Mita-Teknik (Ningbo) has been recertified ISO14001 after moving to the new factory. Going forward, Mita-Teknik (Ningbo) will be our main production hub.

## Performance Evaluation

In the past year, Mita-Teknik has not been subject to any investigations, legal cases or incidents involving violations to the environmental protection principles. No incidents or violations of the environmental protection principles have been reported to the Executive Management Team.





# Anti-corruption Principles

## Commitment

Corruption and bribery are recognized as barriers to sustainable development and free trade, and Mita-Teknik supports the work against corruption in all its forms, including extortion and bribery.

Mita-Teknik acknowledges that minor business gifts and moderate entertainment, including meals, are accepted ways to build relationships. This practice must however always be conducted in a transparent way, and only to an extent appropriate to our integrity guidelines and business ethics.

## Implementation

Guidelines for handling issues of corruption, hospitality (gifts and entertainment) and donations are provided to employees through our Business Ethics document, CSR Policy and Code of Conduct.

All presents that are sent from customers and suppliers to employees at Mita-Teknik are collected and distributed via an annual lottery once a year. It is not allowed to have presents from customers or suppliers sent to a private address. Presents to employees must be sent to Mita-Teknik. The same applies for prizes and gifts that are won in a competition, in which they participate via their job. This policy is stated in our Employee Handbook.

We have completed self-assessment surveys with all global divisions in order to ensure compliance.

We have updated the Danish and Chinese versions of the Employee Handbooks. Herein, we stress that our employees are obliged to follow the guidelines of the UN Global Compact and Mita-Teknik's own Business Ethics Policy.

Along with the new Employee Handbooks in Denmark and China, we have also introduced a global whistleblower scheme.

Action	KPI	Status	Target
Global whistle-blower programme	Cases that call for legal action	0 cases	0 cases

## Performance Evaluation

In the past year, Mita-Teknik has not been subject to any investigations, legal cases or incidents involving anti-corruption violations. No incidents or violations of the anti-corruption principles have been reported to the Management Team.

**We Make Wind Competitive**

