

COMMUNICATION ON PROGRESS REPORT 2020



COMMUNICATION ON
PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Statement of continued support

I am pleased to confirm that Meneta Holding A/S reaffirms its support of the Ten Principles of the United Nations Global Compact within the areas of Human Rights, Labor, Environment and, Anti-Corruption.

In 2019, Meneta Holding joined the UN Global Compact to improve and state the initiatives for sustainable performance in the company. We are committed to taking action and we strive to improve with the UN Global Compact Principles as fair guidelines.

The integration of the principles extends to every part of the organization, resulting in all subsidiary companies under the Meneta Holding A/S umbrella, comply with the principles on equal terms as the parent company.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely Yours,

A handwritten signature in blue ink, appearing to read 'Kim Oestergaard', is centered on the page.

Kim Oestergaard
CEO



Human rights

The entire Meneta Group respects Human Rights, and with special attention towards the diversity of standards among countries and departments, local requirements are a priority of ours.

During the past years, Meneta Group has expanded and new product areas are being explored. Consequently, the Danish Meneta companies have increased the awareness of HSE during the last year. The HSE-organization has been strengthened and a dedicated HSE-manager is working on initiatives to upgrade and optimize the working condition for all employees in the entire organization.

We are not only complying with existing laws, we are going further than that - A safe and healthy work environment should be a natural part of the everyday life for all employees.

The Danish Meneta Companies comply with the Code of Conduct which is a part of the employee manual and which is acknowledged and signed by all employees. The employee manual outlines in detail all the terms and conditions of working at Meneta Group.

Compliance with the Code of Conduct throughout the organization and supply chain is important to secure a healthy and safe work environment.

Meneta Group's HR department ensures that the group of employees reflects the society we live in. This means no discrimination concerning ethnicity or gender and equal pay for equal work.

Meneta's works committee consists of employees from different departments of the organization. Regular meetings between the members of the works committee and management are being held to support open dialogue and strengthen communication.



All employees are offered free internal education, aimed at broadening the general knowledge of company activities to all employees, which will improve connectedness between departments across our global organization.

The staff association at Meneta Group organizes social gatherings outside work where everyone working at Meneta is welcome. Meneta supports this initiative.

It is essential to have a good balance between work and spare time. Therefore, Meneta takes it seriously and encourages all employees to use leisure time and annual leave.

Labor

Meneta is committed to comply with the Danish legislation regarding labor and at Meneta Group, employees have the right to be organized and the freedom to collective bargaining.

The use of Code of Conduct ensures social and ethical accountability both internal and external. Meneta's BOM-suppliers (suppliers of raw materials) must sign a document to confirm they are acting in an ethical and socially responsible way.

This process prevents a supply chain utilizing child labor, forced labor, and working under unhealthy and unsafe work environments. Additionally, Meneta complies with the principles on labor as stated in the UN Global Compact which is a requirement for our BOM-suppliers as well.

Environment

Meneta reduces the environmental impact via energy optimization of production processes and recycling of products. In a dedicated effort to comply with the UN Sustainable Development Goal number 13 (climate action), proactive initiatives have been initiated and already existing production processes have been improved.

Proactive initiatives to minimize the environmental footprint:

- Energy optimization
- Heat recovery
- Reuse of production material

A specific action, completed to improve Meneta's environmental footprint so far, is to extrude excess rubber from the production line for reuse in the production instead of scrapping the reusable rubber. Furthermore, Intelligent control of energy consumption is to be installed for the BMS-systems.

Meneta complies with the EU legislation on the environment by preventing and addressing accidents affecting the environment and human health.

Anti-corruption

Meneta is a globally operating organization and as a result of the cultural diversity within our supply chain, awareness on anti-corruption is important. To ensure that employees and business associates are aware of Meneta's approach to corruption and that it is unacceptable in all its forms, the policy on anti-corruption is integrated into both the employee manual and in the Code of Conduct for suppliers.

To secure a supply chain that is consistent with Meneta's viewpoint on anti-corruption, BOM-suppliers are obligated to fill in a questionnaire on code of conduct about ethical business behavior.

A whistleblower policy is implemented in the employee manual which allows employees to report any kind of unethical business behavior in the organization.

Measurement of outcomes

- Internal education part 1 is completed.
- The Code of Conduct, which is part of the employee manual, has been signed by all employees. Standard document to be signed in connection with the employment contract.
- A signed document from all BOM-suppliers, which indicates they comply with the principle on labor as stated in the UN Global Compact Policy, is implemented in the early stages of supplier-relationships.
- The new factory is prepared for energy optimization where heat recovery through a heat exchanger will turn Meneta into being self-sufficient and also being able to return heat to the public heating system.
- KPIs, determined by the employees and management, are monitored and maintained.
- Rules on GDPR have been implemented in all work routines in the entire organization.

All actions are evaluated quarterly during management review.