



Communication on Progress (COP)

September 2019 – September 2020

1. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER

October 7th 2020

To our stakeholders:

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

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,

Nigel Vincombe
President and CEO

2. DESCRIPTION OF ACTIONS

Multi-Color Corporation has established a reputation for integrity in the conduct of its business. Corporate policy mandates a continuation and enhancement of that reputation. We must conduct business in keeping with high moral, ethical and legal standards. By conducting business in this manner, the Company can progress, and we can ensure the respect of associates, customers, suppliers and government. To ensure that this occurs, several on-site audits with regards to CSR issues have been taken.

a. **Human Rights**

Following actions are currently in place at Multi-Color Corporation regarding employee health and safety:

- Health and Safety detailed risk assessments (e.g. Workplace assessments)
- Procedures in place to anticipate health and safety risks related to change of operations (procedures to ensure safe working conditions)
- Provision of protective equipment to all impacted employees as stated by our fundamental safety rules.
- Detailed procedures for handling of chemicals or hazardous substances as stated by our fundamental safety rules.
- Health and Safety procedures translated in major languages spoken by employees
- Joint labor management health and safety committees in operation
- Active preventive measures for stress and noise
- Training of all relevant employees on health and safety risks and good working practices (e.g. good manufacturing practices)
- Regular inspections or audits to ensure safety of equipment

Following actions are currently in place at Multi-Color Corporation regarding working conditions:

- Employee representatives or employee representative body (e.g. works council)
- European Works Council in place
- Collective agreement on employees' health & safety, working conditions, discrimination and/or harassment in place
- Supplier CSR code of conduct in place

Following actions are currently in place at Multi-Color Corporation regarding training and career management:

- Transparent recruitment process (communicated clearly and formally to all candidates)
- Regular assessment (at least once a year) of individual performance
- Provision of skills development training (MCC University, individual development plan)
- Official measures to anticipate or reduce layoffs and associated negative impacts (e.g. financial compensation, outplacement service)

Following actions are currently in place at Multi-Color Corporation to prevent discrimination and harassment:

- Proactive measures to prevent discrimination during recruitment phase (Harassment training is conducted bi-annually)
- Awareness training to prevent discrimination and/or harassment
- Whistleblower procedure on discrimination and harassment issues
- Measures to promote wage equality in the workplace (e.g. equal pay monitoring)
- Measures to prevent discrimination (sexual harassment policy)
- Measures to promote a gender/minority inclusive environment (diversity and inclusion statement)
- Remediation procedure in place for identified cases of discrimination and/or harassment

b. Labor

Following actions are currently in place at Multi-Color Corporation regarding working conditions:

- Interactive communication session with employees regarding working conditions (Europe Works council)
- Compensation for extra or atypical working hours (as stated by employee handbook)
- Additional leave beyond standard vacation days (as stated by employee handbook)
- Flexible organization of work available to employees (e.g. remote work, flexi-time)
- Health care coverage of employees in place (as stated by employee handbook)
- Remuneration process (e.g. salary grid, procedure for salary advancement) communicated to employees
- Employee satisfaction survey (employee opinion survey)
- Supplier CSR code of conduct in place

Following actions are currently in place at Multi-Color Corporation to address child labor, slavery and/or human trafficking:

- Auditing of internal controls to prevent child and/or forced labor
- Whistleblower procedure on child or forced labor issues
- Supplier CSR code of conduct in place
- Supplier assessment on social practices
- Training of buyers on social issues within the supply chain

c. Environment

Multi-Color Corporation is committed to complying with the nation's environmental regulations, preventing deterioration of the environment and minimizing the environmental impact of our operations. Besides supporting the UN Global Compact, Multi-Color Corporation is a proud signatory of the Ellen MacArthur Foundation Global commitment.

Following formalized environmental policies are currently adopted by Multi-Color Corporation:

- Energy Consumption and Greenhouse gases
- Water
- Local Pollution
- Materials, Chemicals and Waste
- Environmental impacts from use of products
- Environmental impacts from Products End-of-Life
- Customer Health and Safety
- Promotion of Sustainable Consumption
- Supplier CSR code of conduct

Following actions are currently in place at Multi-Color Corporation regarding the reduction of energy consumption and the emissions of GHG:

- Purchasing of renewable energy
- Production of renewable energy (solar)
- Reduction of energy consumption and GHG emissions through technology and equipment upgrades
- Process optimization to reduce emissions of GHGs
- Monitoring of direct or indirect GHG emissions

Following actions are currently in place at Multi-Color Corporation regarding water management:

- Reduction of water consumption through employees awareness program and innovative work practices

Following actions are currently in place at Multi-Color Corporation regarding hazardous materials and waste:

- Active recycling program for paper/carton
- Active recycling program for ink
- Active recycling program for solvents

Following actions are currently in place at Multi-Color Corporation to reduce environmental impacts from product end of life & promote sustainable consumption:

- Packaging designed for easy dismantling/recyclability
- Printed materials designed for easy recyclability
- Training or formal information materials for customers on recyclability
- Company products and services to facilitate recycling for customers

d. Anti-Corruption

Following formalized policies are currently adopted by Multi-Color Corporation:

- Anti-corruption and bribery
- Conflict of interest
- Fraud
- Money laundering
- Anti-competitive practices
- Supplier CSR code of conduct

Following actions are currently in place at Multi-Color Corporation to prevent corruption and bribery:

- Awareness training performed to prevent corruption and bribery
- Whistleblower procedure for stakeholders to report corruption and bribery
- Periodic corruption and bribery risk assessments performed
- Audits of control procedures (e.g. accounting, purchasing etc.) to prevent corruption and bribery
- Specific approval procedure for sensitive transactions (e.g. gifts, travel)

3. MEASUREMENT OF OUTCOMES

a. **Human Rights**

- 36 % of all operational sites for which an employee health & safety risk assessment has been conducted
- 25% of the total workforce across all locations represented in formal joint management-worker health & safety committees
- 32.6% of the total workforce across all locations are covered by formal collective agreements concerning working conditions
- 32.6% of the total workforce across all locations are covered by formally-elected employee representatives
- 100% of the total workforce across all locations received regular performance and career development reviews
- 40% of the total workforce across all locations received career- or skills-related training
- 6% of the total workforce across all locations received training on preventing discrimination and human rights violations

b. **Labor**

- 1.0 - Lost time injury (LTI) frequency rate for direct workforce - (total number of lost time injury events) x 1,000,000 / total hours worked company wide

c. **Environment**

- 25% of the total workforce across all locations received training on environmental issues
- 10% of all operational sites for which an environmental risk assessment has been conducted
- Following Key Performance Indicators (KPIs) are monitored at company and site level
 - Energy consumption & GHG
 - Water
 - Materials, chemicals and waste
 - Product end-of-life
- Multi-Color Corporation is a respondent to CDPs Climate Change and Water questionnaire.
- 21% of operational facilities are externally certified (ISO14001)

d. Anti-Corruption

- Number of reports related to whistleblower procedure (less than 1 call/month)
- Number of confirmed incidents or legal actions reported (0)
- 100% of all operational sites for which an internal audit/risk assessment concerning business ethics issues has been conducted