

Communication on Progress (COP)

September 2020 – September 2021

1. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER

October 7th 2021

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.

This annual Communication on Progress describes the actions we employ to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations.

We are also committed to share 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 assessment
- Procedure in place to anticipate health and safety risks related to change of operations
- Provision of protective equipment to all impacted employees
- Detailed procedures for handling of chemicals or hazardous substances
- Health and Safety procedures translated in major languages spoken by employees
- Joint labor management health and safety committee in operation
- Active preventive measures for stress and noise
- Training of all relevant employees on health and safety risks and good working practices
- Mandatory health checkup for all employees
- ***Training on health and safety issues for subcontractors working on premises (added this year)***
- Regular inspection or audit to ensure safety of equipment

Following actions are currently in place at Multi-Color Corporation regarding social dialogue:

- 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

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
- ***Setting of Individual development and career plan for all employees (added this year)***
- Provision of skills development training

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 prevent discrimination

b. Labor

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

- Interactive communication session with employees regarding working conditions
- Compensation for extra or atypical working hours
- Additional leave beyond standard vacation days
- Flexible organization of work available to employees (e.g. remote work, flexi-time)
- Health care coverage of employees in place
- Remuneration process (e.g. salary grid, procedure for salary advancement) communicated to employees
- Employee satisfaction survey
- Supplier CSR code of conduct in place
- ***Bonus scheme related to company performance (added this year)***

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

- Awareness training on 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:

- ***Training of employees on energy conservation/climate actions (added this year)***
- Purchasing of renewable energy
- Production of renewable energy (solar)
- ***Purchase(s) of verified carbon offset credits (added this year)***
- Reduction of energy consumption and GHG emissions through technology and equipment upgrades
- ***Energy and carbon audit (added this year)***
- Process optimization to reduce emissions of GHGs
- ***Use of waste heat recovery system(s) or combined heat and power unit(s) (added this year)***
- 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
- ***Reduction of water consumption through innovative cleaning equipment (added this year)***
- ***Measures to reduce pollutants rejected into water (added this year)***

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
- ***Systematic use of smaller size/lighter items to save paper/carton (added this year)***
- ***Systematic promotion of digital proofing and file delivery (added this year)***
- ***Eco-design measures implemented to reduce heavy metals colors (added this year)***

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
- ***Provision of eco-design services (e.g. services to reduce paper consumption) (added this year)***
- 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
- ***Information security (added this year)***
- 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
- Third party anti-corruption due diligence program in place
- 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 (*updated figures for FY2020*)

- 28 % of all operational sites for which an employee health & safety risk assessment has been conducted
- 28% 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
- 34.4% of the total workforce across all locations received training on preventing discrimination and human rights violations

b. Labor (*updated figures for FY2020*)

- 1.3 - 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 (updated figures for FY2020)

- 28% of the total workforce across all locations received training on environmental issues
- 34% 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
 - **Renewable energy usage (added this year)**
 - **Renewable energy production (added this year)**
 - Water
 - Materials, chemicals and waste (**including hazardous waste**)
 - Product end-of-life
- Multi-Color Corporation is a respondent to CDPs Climate Change, Water & Forests questionnaire.
- **When looking to the acquired certificates from all MCC sites, the following environmental certifications are achieved - ISO14001, ISO50001, FSC, Clean Industry (local Mexican certificate), Green Business Network & Imprim' Vert. Currently we have 25 locations (34%) worldwide that have an active environmental certification.**

d. Anti-Corruption (updated figures for FY2020)

- Number of reports related to whistleblower procedure (30 calls to our Ethics hotline in 2020)
- 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