

NOTE's sustainability work involves segments impacting the climate and environment, labour law issues, human rights and anticorruption. This work is conducted in consultation with the company's stakeholders, and with the aid of applicable legislation and other regulations.

NOTE's sustainability objective and focus

NOTE's objective is to contribute to, and improve, the communities where it operates, by conducting sustainable initiatives in its business.

NOTE has been working actively on sustainability for a long time, and is participating in climate transition. To contribute to the sustainable development goals of Agenda 2030, NOTE's objective is to be 100% CO₂ neutral within Scope 1-2 of the Greenhouse Gas Protocol from 2022 onwards. Accordingly, NOTE is intensifying its sustainability work further by offering its customers still more environmentally friendly production. NOTE has the additional objective of all the Group's manufacturing units being ISO 45000 occupational health & safety certified by 2022. By doing so, the employees are offered a secure and safe working environment verified by an external independent body.

Sustainability issues are important to NOTE. The work is progressing in consultation with owners, customers, staff and suppliers, and the demands of NOTE's stakeholders encourage new initiatives. Policies and methodologies were enhanced in the year, and sustainability work involved all group companies.

Climate and environment

NOTE endeavours to achieve long-term, sustainable development by manufacturing with the minimum possible environmental impact. NOTE endeavours to comply with, or exceed, applicable environmental legislation, and works methodically on continuous improvement in the environmental segment.

As an EMS partner, NOTE has the greatest potential to impact its CO₂ footprint in the actual production process. NOTE takes responsibility for minimising its direct and indirect CO₂ emissions from manufacture. The ambitions also cover the transportation of purchased materials, and goods sold that remain under NOTE's control.

As part of NOTE's climate strategy, it has mapped direct and indirect sources of emissions. A large proportion of emissions are indirect from its plants' energy consumption, and accordingly, NOTE has put more emphasis on purchasing renewable energy, when available on the market. In 2021, 72% of electricity consumed was from renewable energy sources like solar, wind power, hydropower and biofuel. The potential to purchase renewable electricity varies between countries. Apart from using as much renewable energy as possible, NOTE is taking localised

initiatives to minimise the CO₂ footprint of each plant. The portion of CO₂ emissions that cannot be eliminated through in-house activities is offset by investing in certified and third-party verified climate offset projects. Performance in the KPIs set in this segment are in the table on page 19.

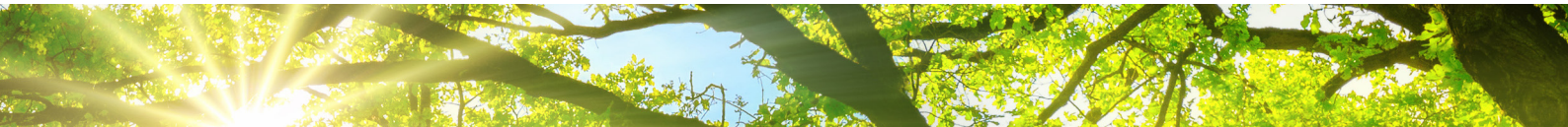
International ISO guidelines, under the ISO 14000 family of standards, are a stable foundation for NOTE's environmental work.

Despite differences in legislation between countries, NOTE has the ambition of all its plants following a consistent line of environmental work. The group's manufacturing units are ISO 14001 environmentally certified, and audited by internal and external parties. Back in 1997, NOTE became one of the earliest companies in its sector to secure its first environmental certification.

Group companies exchange best practice, best-in-class actions and proposals for improvement on a variety of forums. Plants sort the waste from consumables at source, and improvement projects are conducted to reduce waste, water and energy consumption. Corrugated board and combustible waste are compacted to minimise the number of waste transports, which affect the environment. Chemicals are handled in accordance with predetermined procedures and legislation.

Timeline of NOTE's sustainability work





NOTE also applies environmental consideration in other parts of its business, through channels including discussions with its customers on sourcing materials and production setups.

NOTE holds many of its meetings virtually, which reduces travel, and processing functions within ERP systems minimises the usage of paper. Electric or hybrid vehicles are prioritised as company vehicles, and electric vehicle charging stations are installed at several NOTE plants.

NOTE environmentally audits its strategic suppliers, and maintains continuous dialogue with suppliers on other environmental issues such as consolidating transports, manufacturing methodologies and quality performance.

Social conditions of human resources

NOTE strives to be an attractive employer that offers its staff a secure and safe working environment. Four NOTE plants use ISO 45001 to guide their efforts. This far-reaching, global and verifiable occupational health and safety standard involves external auditing and certification. NOTE’s goal is that all plants will be ISO 45001 certified by 2022.

NOTE always endeavours to be an employer where everyone has the same opportunity to work and develop. The group’s collective skills are built on diversity, which brings dynamism and differing perspectives to work. NOTE is opposed to all forms of discrimination. One tool for working on this and other

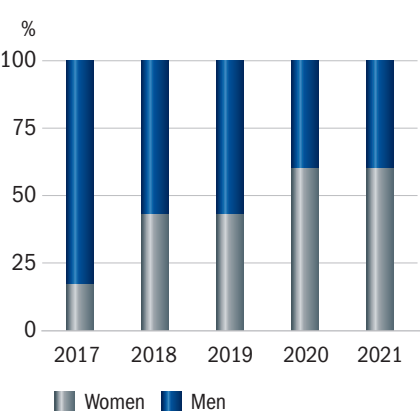
issues is its whistleblower function, which had two reported cases in the year, one requiring follow-up action. NOTE’s Privacy policy regulates the use of personal data in accordance with GDPR. Regular internal training programmes on IT security were conducted, an important action for minimising IT risks and creating awareness among staff.

All NOTE employees are entitled to collective bargaining and to form, and join, trade unions. Collective bargaining agreements are in place at most NOTE plants. 32 work-related incidents were reported in 2021, as well as 12 injuries at work, causing a total of 89 days’ sickness absence.

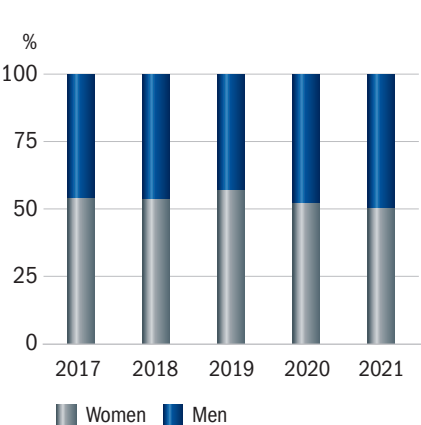
NOTE conducts an anonymous employee satisfaction survey each year, and in 2021, the response frequency was 75% (75% in 2020). NOTE’s performance improved in all index segments in 2021. The employee index is a measure of commitment, and illustrates the balance between leadership and teamwork, commitment to business development, and whether NOTE’s working environment promotes a profitable, healthy and successful organisation. More on the outcome of the employee satisfaction survey in the table on page 19.

As the pandemic has become part of everyday life, so have new working methods. Remote working and virtual meetings have been used to the extent necessary to limit the spread of the virus.

Gender division Board of Directors in NOTE AB



Gender division group



2013

Estonian plant ISO 14001 certified.
Estonian and Chinese plants implement OHSAS 18001.
Human Rights and Anti Corruption policies produced.

2014

Estonian plant receives Silver Sustainable Business Index Award from the Responsible Business Forum for the fifth consecutive year.

2017

Equality policy produced.
Norrtälje, Sweden plant nominated for Samhall’s Visa vägen award.

2015

Finnish plant OHSAS 18001 certified.

2018

GDPR Privacy policy produced.

2020

NOTE Components and Windsor ISO 14001 certified.
Norrtälje, Sweden ISO 45001 certified.

2021

New sustainability goals formulated in climate and occupational health & safety.

Respect for human rights and anti corruption

NOTE respects human rights and its conduct prevents them from being infringed. In addition to responsibility for its own operations, this also implies a responsibility for respecting human rights in business relations with the company's stakeholders. NOTE's Human Rights policy states principles and attitudes applying to labour law and equality, for example.

NOTE's Code of Conduct, revised by the Board of Directors each year, formalises how the company expects suppliers to conduct themselves on issues concerning human rights, labour law, child labour, corruption and the environment. The Code of Conduct is disseminated through the supply chain and monitored in supplier audits.

NOTE's Anti Corruption policy includes principles stating the group's standpoint on corruption. The policy also reviews segregation of duties, how internal controls are conducted, and stipulates a whistleblower procedure.

Within the auspices of its internal controls, NOTE has a documented process for evaluating risk and compliance with policies. In 2022, NOTE intends to keep encouraging positive social progress in the locations where it has a presence.

Full versions of NOTE's Code of Conduct, and its Human Rights, Equality and Anti Corruption policies are available at www.note-ems.com. For information on NOTE's business model and risk management, see pages 10 and 15.

NOTE and the Taxonomy

The EU Taxonomy is the first stage of the EU Commission's action-plan for sustainable growth. The aim is to reach the Paris Agreement on climate neutrality by 2050.

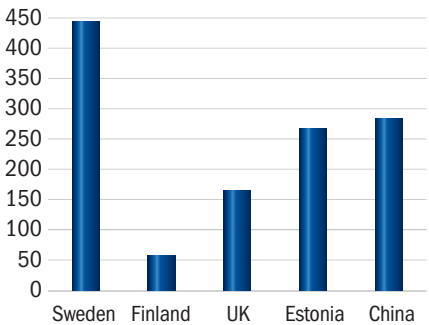
NOTE is subject to the taxonomy's reporting requirement, which applies for the financial year 2021. At present, the taxonomy is oriented towards those financial sectors intended to contribute most to climate transition, and sectors perceived to represent a risk of negative

environmental impact on the six environmental goals that the taxonomy is intended to contribute to. A solid investigation of the company's financial activities has been conducted in consultation with experts in this segment.

The assessments produced are based on information available as of 31 January 2022.

The contract manufacture of electronics as conducted by NOTE is not a segment currently covered by the directive, which primarily addresses product owners. Additionally, the investigation showed that the manufacture of the products that NOTE supplies is not listed in the taxonomy. Despite many of the products that NOTE manufactures being viewed as important to climate transition, such as electric vehicle charging stations and battery chargers for electric cycles, NOTE's taxonomy-related revenue is SEK 0. Accordingly, the taxonomy-related CAPEX and OPEX are also SEK 0 for the financial year 2021.

Average number of employees by country



Key performance indicators Sustainability

Financial		2021 4)	2020	2019
Net revenue (SEK m)		2,643	1,874	1,760
Profit for the year (SEK m)		194	116	92
Total current tax (SEK m)		-38	-25	-21
Salaries and benefits (SEK m)		-344	-283	-267
Pension expenses, defined-contribution plans (SEK m)		-23	-19	-17
Social security contributions (SEK m)		-83	-67	-63
Environment				
Share of Renewable Electricity Consumption (%)	1)	72	56	
Energy, renewable electricity (kWh)		6,681,141	4,885,839	
Energy, Total Electricity usage (kWh)		9,264,029	8,690,165	
Tonnes of CO ₂ , Scope 1 and 2 (tCO ₂ e)		1,425	2,052	
Tonnes of CO ₂ , Scope 3 freight, (tCO ₂ e)		1,346	530	
Total CO ₂ (tCO ₂ e)		2,771	2,582	
Energy efficiency factor (tCO ₂ e scope 1-2/revenue SEK m)		0,54	1,09	
Water consumption (m ³)		71,435		
Tonnes of waste (recycled and none recycled)		476		
Share of waste recycled (%)		72		
ISO14001 environmental certified NOTE plants (%)		100	100	88
Quality performance (ppm)		1,052	656	827
Social responsibility				
Attendance rate (%)		96.2	96.2	95.8
Number of incidents		32	16	14
Number of injuries	2)	12	2	2
Number of fatal injuries		0	0	0
Average number of employees		1,218	1,101	1,070
Average number of Blue Collars		860	782	758
Average number of White Collars		358	319	312
Employee survey, response rate (%)		75	75	80
Employee index, communication and cooperation (%)		77	75	74
Employee index, immediate manager (%)		77	75	76
Employee index, work satisfaction (%)		75	74	74
Employee index, improvements & target orientation (%)		75	72	71
Employee index, business ethics (%)		73	72	69
Employee index, total (%)	3)	76	74	73
Turnover personnell (%)		17.2	14.7	20.7
Share of female employees (%)		50	52	57
Share of female managers (%)		29	37	34
Share of female boardmembers (%)		60	60	43
Share of strategic spend (%)	5)	47	54	56
ISO45001 health and safety certified NOTE plants (%)		44	50	38
Whistleblower cases		2	1	1

EXPLANATIONS FOR THE TABLE ABOVE

1) SHARE OF ELECTRICITY CONSUMPTION FROM RENEWABLE SOURCES SUCH AS WIND, HYDROPOWER, SOLAR OR BIOMASS

2) INCIDENT LEADING TO ONE DAY OF SICK LEAVE OR MORE

3) AN INDEX BETWEEN 70-100% IS CONSIDERED "ON THE RIGHT TRACK". INDUSTRY BENCHMARK 73% FOR TOTAL INDEX

4) ACQUISITION OF IPRO IN JUNE 2021

5) SHARE OF STRATEGIC PURCHASES IN 2021 AFFECTED BY ACQUISITIONS, MARKET SITUATION AND SHARE OF CUSTOMER-SUPPLIED COMPONENTS

On 25 September 2015, the UN General Council adopted Agenda 2030 for Sustainable Development. The Agenda means all UN member states undertaking to work to achieve a socially, environmentally and economically sustainable world by 2030. The Agenda contains 17 goals and 169 associated targets. The goals that NOTE has the greatest potential to contribute to are reviewed below.



THE GLOBAL GOALS



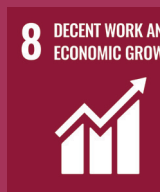
NOTE partners with schools, universities and colleges. This means that NOTE offers apprenticeship training. This is done by offering student internships, participation in trainee programs, and the opportunity to write bachelors' theses relating to electronics production. For more information, see Human resources on page 26-27.



Gender equality is a prerequisite of sustainable development. NOTE believes in a workplace where everyone has an equal opportunity to work and develop, regardless of gender. NOTE is in favour of diversity in the workplace, and opposed to all forms of discrimination. For more information, see UN Global Compact and Human resources on page 22, 24 and 26-27.



NOTE uses renewable electricity when available on the market. In 2021, 72% of electricity consumed was from renewable energy sources. For more information, see Sustainability on page 16.



NOTE promotes lasting, inclusive and sustainable economic growth with decent working conditions for everyone. It is achieving this through means including certifying its remaining plants for occupational health & safety in 2022. For more information see Sustainability and the UN Global Compact on pages 16 and 22-23.



The goal is to conduct CO₂-neutral manufacture from 2022 onwards. NOTE divides its CO₂ emissions between direct and indirect emission sources. As an EMS partner, NOTE enables the production of innovations, including products that contribute to the transition from fossil fuels to renewable energy. For more information, see Sustainability and the UN Global Compact on pages 16 and 24.



With focused work on quality end to end in its production process, NOTE optimises the consumption of materials and energy. Good quality performance is another contributor to extending a product's lifecycle.



All NOTE plants are environmentally certified, and chemicals are handled safely, as regularly verified by external and internal audits.



NOTE has zero tolerance of corruption and bribery, and has a clear policy on this issue. Any cases can be reported anonymously via NOTE's whistleblower function.

UN Global Compact

The UN Global Compact initiative is founded on ten principles affecting human rights, labour law, the environment and anti corruption. Member companies have undertaken to comply with these principles.

NOTE has been a member of the UN Global Compact since 2011 and reports its COP (Communication on Progress) to the UN each year. This framework defines the group's approach, performance and goals.

NOTE has decided to be a member at the Participant level. Each year, NOTE makes a sales-based donation to the UN Global Compact.

A summary of NOTE's work on the Global Compact's ten principles is on the following pages.



Communication of Progress

HUMAN RIGHTS



	UN GLOBAL COMPACT	NOTE'S APPROACH	RESULTS 2021	GOALS 2022
PRINCIPLE 1	Businesses should support and respect the protection of internationally proclaimed human rights in their sphere of influence; and	NOTE has been using its Code of Conduct, which supports the ten principles of the UN Global Compact, since 2006. NOTE endeavours to develop business with companies that have the corresponding ethical rules on accountability. NOTE should provide information, and adopt a clear standpoint, on human rights. NOTE should always respect human rights and ensure it avoids being involved in any abuses.	<p>Work on ensuring compliance with the Code of Conduct is continuous. In the year, NOTE encouraged existing and new customers and suppliers to join, or support, the UN Global Compact by communicating the significance of these issues at meetings and in audits. One new agreement was signed with a supplier that had accepted NOTE's Code of Conduct.</p> <p>Audits were conducted on strategic suppliers that accepted NOTE's Code of Conduct and the ten principles of the UN Global Compact. These audits follow up on supplier standpoints, and their work on human rights in respect of harassment, discrimination, child labour and more. The pandemic impacted how audits were conducted. When possible, audit teams were on site with suppliers, although audits were also conducted digitally. Quality and audit standards were reviewed, as well as how suppliers are communicating environmental and sustainability standards through their supply chains. For some suppliers, sustainability work is recent, and here, clear opportunities for improvement and advancement were identified. Others have made more progress, with assurances on human rights secured from subcontractors, for example. No human rights abuses were uncovered in audits. The few instances of non-compliance identified related to environmental or other sustainability goals, and the absence of action-plans or activities to deal with identified risks and opportunities.</p> <p>To a great extent, procurement in 2021 was affected by the current semiconductor shortage on the component market. To mitigate the effect of the component shortage, some materials were sourced from new distributors. Strategic procurement reduced to 47.2% (54% in 2020), and was significantly impacted by the acquisition of IPRO, which meant NOTE taking on a number of new suppliers.</p> <p>The group's work on sharing sustainability information continued in the year through its internal digital newsletter distributed regularly within the group. As in previous years, instead of a Christmas gift for customers and suppliers, NOTE made a donation to the UNHCR.</p>	<p>Continue to influence suppliers to accept NOTE's Code of Conduct and encourage customers and suppliers to join the UN Global Compact or support its ten principles.</p> <p>Continuously follow up on NOTE's Code of Conduct and the ten principles of the UN Global Compact in supplier audits. All strategic suppliers to be compliant with NOTE's sustainability standards and accept NOTE's Code of Conduct or have their own, equivalent code.</p> <p>Increase the share of sourcing from strategic and contracted suppliers by two percentage points, and continue to support recognised and established organisations working for human rights.</p>
	make sure that they are not complicit in human rights abuses.	NOTE's Human Rights and Whistleblower policies have been implemented in all plants' ERP systems. The whistleblower function ensures that any cases can be reported anonymously and dealt with confidentially.	<p>Work on ensuring compliance with the Code of Conduct internally is continuing. Internal audits were conducted within the company to ensure compliance with relevant policies, laws and ordinances.</p> <p>In the year, NOTE's customers demanded materials analysis, and NOTE continued its work on reducing the usage of conflict minerals by helping customers select materials to avoid them. Internal and external communication continued through a range of meetings, internal newsletters and development of the website. In the year, the whistleblower procedure and policy were updated to comply with new legislation. Two whistleblower cases were recorded in the year, one of which resulted in an internal investigation and subsequent action.</p> <p>In supplier audits, the audit team did not uncover any human rights abuses.</p>	<p>Continue to promote human rights internally and towards the company's external stakeholders by informing and continuing to develop monitoring methods.</p> <p>Ensure that new employee introduction training includes information on the UN Global Compact and its ten principles. Implement the ISO 45001 occupational health & safety standard at NOTE's remaining plants (four out of nine currently have it).</p>

LABOUR LAW



	UN GLOBAL COMPACT	NOTE'S APPROACH	RESULTS 2021	GOALS 2022
PRINCIPLE 3	Businesses should uphold the freedom of association and the effective recognition of the rights to collective bargaining;	<p>NOTE has been using its Code of Conduct, which supports the ten principles of the UN Global Compact, since 2006.</p> <p>All NOTE employees are entitled to collective bargaining and to form, and join, trade unions. Collective bargaining agreements are in place at most NOTE plants.</p> <p>NOTE's Human Rights policy states the group's internal standpoints on this principle.</p> <p>Four plants also use ISO 45001 as guidance for their work. This is a far-reaching, global and verifiable standard in occupational health and safety, with external auditing and certification.</p>	<p>Work on ensuring compliance with NOTE's Code of Conduct is continuous.</p> <p>In the year, NOTE held meetings with customers and suppliers where sustainability aspects and the ten principles of the UN Global Compact were discussed. Supplier agreements were signed that included NOTE's Code of Conduct.</p> <p>Follow-up audits were conducted on suppliers that accepted NOTE's Code of Conduct and the ten principles of the UN Global Compact. The outcome of the audits was that these suppliers are complying with relevant laws and ordinances. More on this under the results of principle 1.</p> <p>The share of purchasing from strategic and contracted suppliers is approximately 47.5% (54% in 2020).</p> <p>NOTE continued to work on reducing the usage of conflict minerals by assisting customers in selecting materials so that components containing minerals from conflict zones can be eliminated from product designs and start-up projects.</p>	<p>Influence suppliers to accept NOTE's Code of Conduct and encourage customers and suppliers to join the UN Global Compact or support its ten principles.</p> <p>The goal for the group is for all manufacturing units to be ISO 45001 certified in 2022.</p> <p>Continue following up on NOTE's Code of Conduct and the ten principles of the UN Global Compact in supplier audits.</p> <p>Increase the share of sourcing from strategic and contracted suppliers by two percentage points.</p>
PRINCIPLE 4	the elimination of all forms of forced and compulsory labour;	<p>As part of its business principles, NOTE and its customers' and suppliers' employees should enter employment and contracts of their own free will.</p> <p>Four plants also use ISO 45001 as guidance for their work. This is a far-reaching, global and verifiable standard in occupational health and safety, with external auditing and certification.</p> <p>NOTE's Human Rights policy stipulates that employment with the company should always be voluntary. Additionally, work should always be conducted without compulsion or harassment, either physical or psychological.</p>		
PRINCIPLE 5	the effective abolition of child labour; and	<p>NOTE complies with relevant laws and ordinances on child labour. NOTE does not employ children and does not collaborate with companies that use children as part of their workforce.</p> <p>The group's standpoints on this principle are stated in NOTE's Human Rights policy and Code of Conduct.</p>		
PRINCIPLE 6	the elimination of discrimination in respect of employment and occupation.	<p>NOTE believes in a workplace where all employees have equal opportunities to work and progress. Employees' specific competences, regardless of sex, ethnicity, sexual orientation, disability, age and social background are an asset and help move the company forward.</p> <p>NOTE's Equality policy states the company's principles governing equal opportunities and diversity, which are encouraged in all parts of its business. The company endeavours to achieve equal opportunities in terms of employment and working conditions, as well as developmental opportunities.</p> <p>Its working climate should feature respect and tolerance. If any instances of harassment or bullying are reported, the group will take action immediately. The company's Diversity policy states how new Board members are to be appointed from a diversity perspective.</p>	<p>A group-wide employee satisfaction survey was conducted in the year. Its outcome is used for NOTE's future planning and development work. The response frequency was 75% in the year (75% in 2020). Total points were 76, against 74 for 2021. The results improved in every index segment in 2021. More on this on page 17. The number of female managers reduced to 29% in 2021 (37% in 2020). Two whistleblower cases were recorded in the year, one of which resulted in an internal investigation and subsequent action.</p>	<p>Conduct a group-wide employee satisfaction survey and feed its outcomes back into business processes for continuous improvement.</p> <p>Continue certification of all the group's plants according to the ISO 45001 occupational health & safety standard.</p>

ENVIRONMENT



	UN GLOBAL COMPACT	NOTE'S APPROACH	RESULTS 2021	GOALS 2022
PRINCIPLE 7	Businesses should support a precautionary approach to environmental challenges;	<p>NOTE's plants and the group's sourcing company are ISO 14001 certified and undergo internal and external audits. Annual analyses are conducted to identify environmental risks and produce action-plans to address risks identified. NOTE's plants run improvement projects and follow up on environmental factors such as energy consumption and waste. All plants have environmental targets, which are monitored regularly.</p> <p>NOTE is endeavouring to increase the share of sourcing from strategic and other contracted suppliers. NOTE has a good understanding of these suppliers' environmental work and can help them to develop and improve in the environmental segment.</p>	<p>In 2021, NOTE started work on collating the previous year's CO₂ data. To varying degrees, the prevailing pandemic impacted the operations of certain plants in terms of local legislation, and linked to Covid restrictions. Mapping emission sources (direct and indirect) indicated that the plants have few direct sources of emission. For example, direct emissions are from a number of fossil-fuelled or hybrid vehicles the company owns, and kitchen equipment at the plant in China, which uses diesel. NOTE's machinery and production equipment runs exclusively on electricity and does not generate any direct emissions. Indirect sources are electricity and district heating consumed. A transition is ongoing from fossil fuels to renewable energy in the group. The supply of renewable energy varies by country. In the year, 72% of purchased electricity was renewable (56% in 2020). More CO₂ data has been collated on the transportation of sold products and sourced materials.</p> <p>More selective soldering machines have been installed, which has enabled a continued reduction in tin slag. Recycling slag from the wave soldering process continued, and at some plants, this is conducted locally through oxide pressing before being sent for further re-processing. 72% of waste generated was recycled in 2021.</p> <p>Each plant works on the basis of its individual goals and circumstances in the environmental segment. A range of local initiatives are ongoing to reduce energy consumption and transfer to still more climate-friendly production. This includes lightbulbs and fluorescent tubes being exchanged for LED lighting to save energy.</p> <p>A growing fleet of the vehicles the company owns, such as cars and forklift trucks, are being exchanged for electric or electric hybrid vehicles. Several plants have installed charging stations to facilitate electric vehicle charging for staff and visitors. One plant has installed solar panels, whose power is used for purposes including the plant's charging stations.</p> <p>Staff are encouraged to minimise paper consumption, switch off lighting and close down equipment after use. Installed timers help close down machinery and equipment when not in use.</p> <p>A REACH policy states how NOTE works on compliance with the EU directive on chemicals handling. The complete policy is on NOTE's website. When necessary, NOTE offers assistance to customers on selecting more environmentally friendly chemicals, or verifying components' chemical status.</p> <p>Follow-up audits were conducted on suppliers, with outcomes indicating that they are complying with relevant laws and ordinances. The non-compliance identified related to their environmental and sustainability goals. Some suppliers lacked action-plans or activities to address risks or opportunities identified. When verifying strategic suppliers and their ISO 9001 and ISO 14001 efforts, one breach was noted. One strategic supplier lost its ISO 14001 certification, and accordingly, NOTE downgraded its ranking.</p>	<p>Continue work on managing CO₂-neutral production. Set standards for more environmentally friendly transportation and clearer reporting of CO₂ footprint by freight carriers. Continue to measure and reduce the volume of waste, and increase the share of recycled waste. Continue to invest in more energy-efficient technology.</p> <p>Use environmentally friendly electricity sourced from solar, wind power, hydropower and biogas where available on the market.</p> <p>Continue to conduct follow-ups on NOTE's Code of Conduct and the ten principles of the UN Global Compact in supplier audits, and keep sharing information and new lessons from customers on these principles.</p> <p>Increase the share of procurement from strategic suppliers and contracted suppliers by two percentage points.</p>
PRINCIPLE 8	Undertake initiatives to promote greater environmental responsibility; and	<p>NOTE's production should be CO₂ neutral. This is achieved by minimising direct and indirect emissions, and by making contributions to recognised climate offset projects. These projects are verified by an independent standard and inspected by a third party.</p> <p>The group's sourcing company and plants are ISO 14001 certified and undergo internal and external audits. NOTE works continuously on developing guidelines and methodologies designed to minimise the group's negative environmental impact. Staff are encouraged to participate in this process progress by making proposals for improvement.</p>		
PRINCIPLE 9	Encourage the development and diffusion of environmentally friendly technology	<p>NOTE's plants are ISO 14001 certified and undergo internal and external audits.</p> <p>NOTE takes a positive view of developing environmental technology, and actively seeks new production methods and components that are more environmentally friendly. NOTE conducts environmental risk assessments when introducing new equipment, technology and logistics solutions. Experience is shared between the group's plants.</p> <p>Environmental risks are considered jointly with customers when tailoring products.</p> <p>A database is used to identify RoHS, REACH and conflict minerals in components.</p> <p>NOTE is endeavouring to increase the share of sourcing from strategic and contracted suppliers by two percentage points. NOTE has a good insight into these suppliers' environmental work, and can help them develop and improve in the environmental segment.</p>		

ANTI CORRUPTION



PRINCIPLE 10	UN GLOBAL COMPACT	NOTE'S APPROACH	RESULTS 2021	GOALS 2022
	Businesses should work against corruption in all its forms, including extortion and bribery.	<p>NOTE has been using its Code of Conduct, which supports the ten principles of the UN Global Compact, since 2006.</p> <p>NOTE has an Anti Corruption policy and a Whistleblower policy and procedure, implemented in all plants' ERP systems.</p> <p>Staff are encouraged to distance themselves from all forms of corruption, extortion and bribery.</p> <p>NOTE expect the same attitude from customers and suppliers and does not accept any gifts other than items of low value.</p> <p>NOTE's purchasing policy prohibits bribery and corruption, and stipulates that purchasing must be managed according to ethical guidelines.</p> <p>NOTE has group-wide and local authorisation procedures expedient to its business.</p>	<p>Work on ensuring compliance with NOTE's Code of Conduct is continuous. The company's Anti Corruption policy states the segregation of duties, how internal controls are conducted, and a whistleblower procedure being in place. In the year, the whistleblower policy and procedure were updated to comply with new legislation. Two cases were recorded in the year, one of which resulted in action.</p> <p>Customers and suppliers are encouraged to join or support the UN Global Compact and its ten principles. Supplier agreements were signed including undertakings to comply with NOTE's Code of Conduct. Follow-up audits of contracted suppliers were conducted in accordance with plan. These suppliers had previously accepted NOTE's Code of Conduct and the ten principles of the UN Global Compact. The outcomes of these audits indicate that suppliers are complying with the relevant laws and ordinances on anti corruption.</p>	<p>Encourage suppliers to accept NOTE's Code of Conduct and encourage customers and suppliers to join the UN Global Compact or support its ten principles.</p> <p>Conduct regular follow-ups on NOTE's Code of Conduct and the ten principles of the UN Global Compact in supplier audits. Continue to follow up and deal with whistleblower cases recorded.</p>

In 2021, we took a momentous decision to conduct CO₂-neutral production. With a sharper focus on good occupational health & safety, this feels really positive, and consistent with the ten principles of the UN Global Compact.

Johannes Lind-Widestam, CEO and President



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.

Human resources

NOTE's employees are the key to our success. Their commitment, inventiveness and desire to help customers create the strength of NOTE's global business.

NOTE has plants in Sweden, Finland, the UK, Estonia and China, and developing collaboration between them is critical. This is achieved through channels including a number of functional forums, in segments including quality, sourcing, accounting and sales. NOTE also works continuously on harmonising its working methods and monitoring tools, as well as clarifying guidelines. NOTE's improvement and development processes involve many of its employees group wide. NOTE continuously monitors business-related key performance indicators such as ongoing central and local improvement projects.

The workforce was upsized and downsized in the year to cope with demand fluctuations and to implement rationalisation. The average number of employees was 1,218 in 2021. Staff turnover was 17.2% in the group overall, of which 11.3% was in the European plants.

Realising the goal of being the best collaborative partner in the sector, with leading delivery precision and quality for a competitive total cost, demands a lot from everyone involved. Accordingly, NOTE values nurturing staff and the skills they possess, and endeavours to offer a safe and stimulating working environment.

Training

Several NOTE plants have maintained long-term partnerships with external parties in soldering and electronics assembly training to assure quality and skills in electronics assembly. Usually, these programmes involve practical work and the certification of qualified electronic assemblers.

NOTE enables university and college students to write their dissertations and serve internships.

Quality education for everyone is the fourth of the UN's SDGs for 2030. One of its targets is to increase the number of people with relevant skills for financial success. NOTE contributes in this segment through channels including partnering with universities in locations where the company is active.

Read more about some of NOTE's staff and its partnerships with different educational institutions on the next page.

Employee satisfaction survey

As in previous years, an employee satisfaction survey was sent to the group's staff, who responded.

It is important that every employee feels that they can deliver value-added to customers, and that everyone understands how to get there, and why.

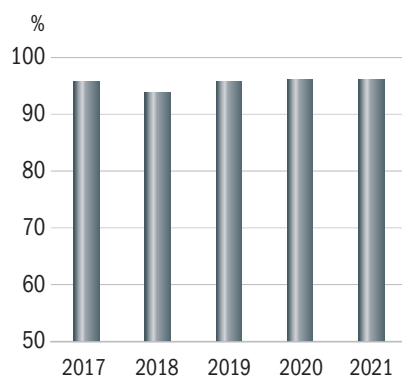
Their responses have helped plan defined activities and timelines for execution. The outcomes are also used for NOTE's future planning and development work.

For more information on our staff, please refer to page 47 of our formal annual accounts.

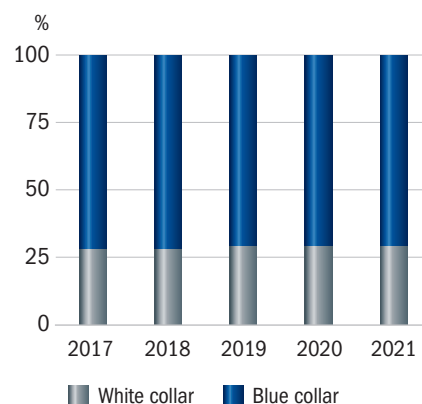
"We want to be on the journey when motivated students take their first step into working life."

Ellinor Molin, NOTE AB

Work Attendance Group



Division between blue collar and white collar workers



Ellinor Molin

Corporate Lean Project Manager, Stockholm, Sweden

Ellinor participated in the collaboration between NOTE Torsby and Örebro University during the manufacturing process for one of NOTE's customers. Its purpose, and the students' bachelor thesis, was to calculate the potential output of a production flow and identify areas for improvement to increase efficiency.

According to Ellinor, there are many benefits to university collaborations: *"When students get familiar with our business, we can help them put their theoretical knowledge into practice by understanding our short and long-term challenges. In return, new opportunities can be identified when students see our business through new eyes."*

Letting students write their bachelor's master thesis at NOTE is a good way for us to get to know young, well-educated people. We want to be part of the journey when motivated students take their first steps into working life."



Vesa Koski

Development Manager, Hyvinkää, Finland

NOTE Hyvinkää has participated in a project on tracking the flow of products through the manufacturing process. This was part of a sustainable value creation course at Aalto University.

Through testing and analysis, the aim was to find out whether tracking the flow of products can add value for manufacturers like NOTE. The team concluded that the system can follow production flows accurately in real time and provide better understanding of throughput times. This makes detecting bottlenecks easier, and can generate predefined alerts on long wait-times or delays.

Collaborations with universities are valuable in many ways. Vesa adds: *"We were happy to participate on this project, and welcome more collaborations in the future. It's a pleasure to help students, as well as learn about new technologies"*.



Toivo Ratas

Quality Manager, Pärnu, Estonia

Toivo is reading energy application at the Estonian University of Life Sciences, which prioritises research and academic activities that promotes the sustainable development of natural resources.

By studying while at work, Toivo believes he can gain valuable knowledge that benefits him at work. *"Being responsible for our environmental management system means I participate on our customer Schneider Electric's Zero Carbon project. Some of this involves developing ideas to reduce our CO₂ footprint as a manufacturer. A lot of my work is about making sustainable choices for the energy we use,"* he explains.

Nele Zaitsev, the HR Manager at Pärnu, talks about the benefits of partnering with the University: *"A solid base of skilled and motivated people is important to our ongoing growth and development. We can often offer qualified students jobs that fit their profiles and ambitions, while educational institutions offers a raft of different training packages for our employees. We support skills development for adults and encourage our employees to continue their education."*

