

## **Communication on Progress (COP)**

September 2021 – December 2022

### 1. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER

September 30<sup>th</sup> 2022

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,



Kevin Kwilinski  
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
- Provision of protective equipment to all impacted employees
- Specific 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
- Regular inspection / 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 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
- Official measures promoting career mobility
- Provision of skills development training
- 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 promote diversity, equity & inclusion:

- Actions to prevent discrimination during recruitment phase
- Actions to prevent discrimination in professional development and promotion processes
- Awareness training on diversity, discrimination and/or harassment issues
- Actions to prevent workplace harassment
- Whistleblower procedure on discrimination and harassment issues

**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
- Family Friendly programs (FFPs) implemented (e.g. parental or care leaves, childcare services or allowances)
- 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
- Granting of special remuneration / time off for overtime worked (companywide)
- Granting of paid annual vacation (companywide)
- Employees are paid statutory minimum wages
- Collective agreement on working conditions

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

- Risk assessments performed to identify operations exposed to potential child and/or forced labor
- 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
- Air 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
- Purchasing of renewable energy
- Production of renewable energy (solar)
- Purchase(s) of verified carbon offset credits
- Reduction of energy consumption and GHG emissions through technology and equipment upgrades
- Energy and carbon audit
- Process optimization to reduce emissions of GHGs
- Use of waste heat recovery systems
- 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
- Water-stress assessment or mapping performed to identify exposure to water-related risks
- On-site & off-site wastewater treatment facilities
- Wastewater quality assessment
- Implementation of a rainwater harvesting system
- Measures to reduce pollutants rejected into water

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

- Reduction of material consumption through process optimization
- Use of recovered input materials
- Use of eco-friendly / bio-based input materials
- Environmental emergency measures in place
- Actions for labeling, storing, handling and transporting hazardous substances
- Training employees to safely handle and manage hazardous substances
- Specialized treatment and safe disposal of hazardous substances
- Reduction of internal wastes through material reuse, recovery or repurpose
- Actions or training to raise employee awareness on waste reduction & sorting
- Internal sorting & disposal of waste according to waste streams
- Mapping of waste streams

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
- Training / formal information materials for customers on recyclability
- Provision of eco-design services (e.g. services to reduce paper consumption)
- 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
- 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 FY2021*)**

- 41 % of all operational sites for which an employee health & safety risk assessment has been conducted
- 41% of the total workforce across all locations represented in formal joint management-worker health & safety committees
- 21.1% of the total workforce across all locations are covered by formal collective agreements concerning working conditions
- 21.1% 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
- 19.1% of the total workforce across all locations received training on preventing discrimination and human rights violations

#### **b. Labor (*updated figures for FY2021*)**

- 6.3 - 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 FY2021)**

- 44% of the total workforce across all locations received training on environmental issues
- 28% 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
  - Renewable energy production
  - 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 31 locations (28%) worldwide that have an active environmental certification.***

**d. Anti-Corruption (updated figures for FY2021)**

- Number of reports related to whistleblower procedure (31 calls to our Ethics hotline in 2021)
- 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