

UN Global Compact

Since 2011, NOTE has been a member of the Global Compact, formed on the request of the UN's then General Secretary Kofi Annan at the World Economic Forum in Davos in 1999. Its aim is to frame international principles on human rights, labour law issues, the environment and corruption against businesses.

The Global Compact's ten principles

The Global Compact has compiled ten principles affecting human rights, labour law, the environment and anti corruption. Member companies have undertaken to comply with these principles.

Each year, NOTE reports its COP (Communication on Progress) to the UN. This is a framework that defines how sustainability work is conducted within the group, and towards external stakeholders. The COP reviews its actions, approach and goals. NOTE has been at the Participant level since 2019. Each year, NOTE makes a sales-based donation to the UN Global Compact.

NOTE's Code of Conduct is based on the Global Compact's ten principles and the full version is available on its website. A summary of our plants' executed and forward-looking work on Global Compact principles follows.

Communication of Progress



PRINCIPLE 1: BUSINESSES SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS

APPROACH

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.

RESULT 2020

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.

NOTE signed agreements with another six strategic or contracted suppliers (three in 2019), who accepted NOTE's Code of Conduct or have their own, equivalent code.

NOTE conducted follow-up audits on 14 suppliers (24 in 2019) that had previously accepted NOTE's Code of Conduct and the ten principles of the UN Global Compact. The form used for supplier audits included questions on human rights. NOTE published a newsletter in the year to provide information on sustainability. This included material on NOTE's Code of Conduct and Human Rights policy. Targeted information was published internally, along with presentation material updated with information on the Global Compact's ten principles.

The share of sourcing from strategic and contracted suppliers is approximately 54% (56% in 2019).

Instead of Christmas gifts for customers and suppliers, as in previous years, NOTE decided to make a corresponding donation to organisations that help promote a better world. This year, NOTE made a donation to the UNHCR.

GOALS 2021

Keep influencing suppliers to accept NOTE's Code of Conduct and encourage customers and suppliers to join the UN Global Compact or support its ten principles. 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.

Increase the share of sourcing from strategic and contracted suppliers by two percentage points.

PRINCIPLE 2: BUSINESSES SHOULD ENSURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES

APPROACH

NOTE has been applying its Code of Conduct, which supports the ten principles of the UN Global Compact, since 2006. NOTE's Human Rights policy has been implemented in all plants' business systems. NOTE's whistleblower function has been implemented at all NOTE companies.

RESULT 2020

Work on ensuring compliance with the Code of Conduct internally. Internal audits were conducted to ensure compliance with relevant policies, laws and ordinances.

In the year, NOTE's customers demanded for materials analysis, and continued its work on reducing the usage of conflict minerals by helping customers select materials, to avoid this type of material. NOTE published a newsletter in the year to provide information on sustainability. This included material on NOTE's Code of Conduct and Human Rights policy. Targeted information was published internally, along with presentation material updated with information on the Global Compact's ten principles.

One whistleblower case caused an internal investigation and follow-up actions.

GOALS 2021

Continue to promote human rights internally and towards the company's stakeholders by informing and developing monitoring methods.



PRINCIPLE 3: BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHTS TO COLLECTIVE BARGAINING

APPROACH

NOTE has been using its Code of Conduct, which supports the ten principles of the UN Global Compact, since 2006.

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. NOTE's Human Rights policy states the group's internal standpoints on this principle.

Four plants also use OHSAS 18001/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.

RESULT 2020

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 importance of these issues.

A fourth plant affiliated to the ISO 45001 health & safety standard (previously OHSAS 18001) and was certified in 2020.

NOTE signed agreements with another six strategic or contracted suppliers (three in 2019), who accepted NOTE's Code of Conduct or have their own, equivalent code.

NOTE conducted follow-up audits on 14 suppliers (24 in 2019) that had previously accepted NOTE's Code of Conduct and the ten principles of the UN Global Compact. The results of these audits indicate that suppliers are complying with applicable laws and regulations.

The share of sourcing from strategic and contracted suppliers is approximately 54% (56% in 2019).

In the year, NOTE continued its work on reducing the usage of conflict minerals by assisting its customers in material selection so that components containing minerals from regions in conflict can be eliminated in product design and start-up projects.

GOALS 2021

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. At least one further plant to be certified according to the

ISO 45001 health & safety standard. The goal for the group is for all manufacturing plants to be ISO 45001 certified by 2022 at the latest.

Continue to conduct monitoring of NOTE's Code of Conduct and the UN Global Compact's ten principles in supplier audits.

Increase the share of sourcing from strategic and contracted suppliers by two percentage points.

PRINCIPLE 4: BUSINESSES SHOULD UPHOLD THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR

APPROACH

NOTE has been using its Code of Conduct, which supports the ten principles of the UN Global Compact, since 2006. As part of its business principles, NOTE and its customers' and suppliers' employees should enter employment and contracts of their own free will.

Four plants also use OHSAS 18001/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.

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.

RESULT 2020 AND GOALS 2021

See principle 3.

PRINCIPLE 5: BUSINESSES SHOULD UPHOLD THE EFFECTIVE PROHIBITION OF CHILD LABOUR

APPROACH

NOTE has been using its Code of Conduct, which supports the ten principles of the UN Global Compact, since 2006. 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.

Four plants also use OHSAS 18001/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.

The group's standpoints on this principle are stated in NOTE's Human Rights policy.

RESULT 2020 AND GOALS 2021

See principle 3.

PRINCIPLE 6: BUSINESSES SHOULD UPHOLD THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION

APPROACH

NOTE has been using its Code of Conduct, which supports the ten principles of the UN Global Compact, since 2006.

NOTE believes in a workplace where all employees have equal opportunities to work and progress. NOTE sees and benefits from all employees' specific competence and developmental opportunities, regardless of sex, ethnicity, sexual orientation, disability, age and social background.

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. The company pursues diversity on recruitment. 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.

Four plants also use OHSAS 18001/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.

RESULT 2020

NOTE conducted a group-wide employee satisfaction survey in the year, whose results are fed back into NOTE's forward planning and development work.

In 2020, one whistleblower case caused an internal investigation and follow-up actions.

Work on ensuring compliance with NOTE's 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 in meetings and audits.

NOTE signed agreements with another six strategic or contracted suppliers (three in 2019), who accepted NOTE's Code of Conduct or have their own, equivalent code.

Follow-up audits were conducted on 14 suppliers (24 in 2019) that had previously accepted NOTE's Code of Conduct and the ten principles of the UN Global Compact. The results of these audits indicate that suppliers are complying with applicable laws and regulations.

The share of sourcing from strategic and contracted suppliers is approximately 54% (56% in 2019).

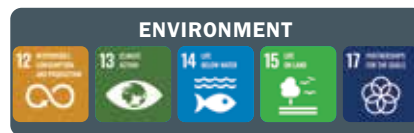
GOALS 2021

Conduct a group-wide employee satisfaction survey and use its results in business processes.

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.

Continue the work of following up on NOTE's Code of Conduct and the ten principles of the UN Global Compact in supplier audits.

Increase the share of sourcing from strategic and contracted suppliers by two percentage points.



PRINCIPLE 7: BUSINESSES SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES

APPROACH

NOTE has been using its Code of Conduct, which supports the ten principles of the UN Global Compact, since 2006.

NOTE's manufacturing units hold ISO 14001 environmental certification and undergo internal and external audits.

NOTE's plants run improvement projects in the environmental segment and measure a series of environmental factors such as electronic scrap, energy consumption and transport. All plants have environmental targets, which are monitored regularly.

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.

RESULT 2020

Work on ensuring compliance with NOTE's Code of Conduct is continuous.

More selective soldering machines have been installed, reducing tin slag, and enabling a more environmentally friendly process than previously. Recycling of slag from the wave soldering process has improved, and is conducted locally at some plants through oxide pressing before being sent away for further recycling.

NOTE's plants work on the basis of individual targets and circumstances in the environmental segment. Many initiatives are ongoing, which include plant lighting being wholly or partly replaced with LED equivalents to save energy. Timers have been installed at some plants to ensure lighting is not used unnecessarily, and that machinery is shut down. Electric hybrids are used as company vehicles, and vehicle charging points have been installed at some plants to facilitate charging. Ridesharing and commuting by cycle or public transport are also encouraged. Employees are encouraged to minimise paper consumption, and to switch off lighting and equipment after use.

The NOTE group's newest plant, in Windsor, UK gained ISO 14001 certification in the year. The group's sourcing company has also been certified according to ISO 14001.

NOTE's complete REACH-EU Regulation policy, stipulating how NOTE works to comply with this EU regulation for handling chemicals, is available at its website.

NOTE encouraged existing and new customers and suppliers to join, or support, the UN Global Compact by communicating the significance of these issues.

NOTE signed agreements with another six strategic or contracted suppliers (three in 2019), who accepted NOTE's Code of Conduct or have their own, equivalent code. Follow-up audits were conducted on 14 suppliers (24 in 2019) that had previously accepted NOTE's Code of Conduct and the ten principles of the UN Global Compact. The results of these audits demonstrate that suppliers are complying with relevant laws and ordinances.

The share of purchasing from strategic and contracted suppliers is approximately 54% (56% in 2019).

GOALS 2021

Continue progress towards still more environmentally friendly production and set requirements for more environmental transportation. Continue to reduce waste volumes.

Invest in environmentally friendly technology such as solar cells for vehicle charging points, work to promote biological diversity and reduce water consumption.

Implement environmentally friendly electricity sourced from solar, wind power, hydropower and biogas at more plants where possible.

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.

Continuously follow up on NOTE's Code of Conduct and the ten principles of the UN Global Compact in supplier audits.

Increase the share of sourcing from strategic and contracted suppliers by two percentage points.

PRINCIPLE 8: UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY

APPROACH

NOTE has been using its Code of Conduct, which supports the ten principles of the UN Global Compact, since 2006. NOTE's plants hold ISO 14001 environmental certification and undergo internal and external audits.

NOTE works actively on developing guidelines and methodologies designed to minimise the group's negative environmental impact. Employees are encouraged to participate in this process.

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.

RESULT 2020 AND GOALS 2021
See principle 7.

PRINCIPLE 9: ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGY

APPROACH

NOTE has been using its Code of Conduct, which supports the ten principles of the UN Global Compact, since 2006. NOTE's plants hold ISO 14001 environmental certification and undergo internal and external audits.

NOTE takes a positive view of developing environmental technology and actively supports new manufacturing 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.

An environmental perspective is considered jointly with customers when tailoring product manufacture. A database for identifying RoHS, Reach and conflict minerals in components is being used.

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.

RESULT 2020 AND GOALS 2021
See principle 7.

ANTI CORRUPTION



PRINCIPLE 10: BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY

APPROACH

NOTE has been using its Code of Conduct, which supports the ten principles of the UN Global Compact, since 2006.

NOTE has an Anti Corruption policy and Whistleblower policy and procedure implemented in all plants' ERP systems.

NOTE encourages employees to resolutely counter all

forms of corruption, extortion and bribery.

Simultaneously, NOTE expects the corresponding attitudes from its customers and suppliers. NOTE does not accept any gifts, whether to customers or from suppliers, other than items of low value.

NOTE's Purchasing policy prohibits bribery and corruption, with sourcing managed according to ethical rules.

NOTE has group-wide and local authorisation procedures expedient for its business.

RESULT 2020

Work on ensuring compliance with NOTE's Code of Conduct is active and continuous.

One case of suspected corruption was reported via the whistleblower procedure and preventive measures were taken.

In the year, NOTE encouraged existing and new customers and suppliers to affiliate to or support the UN Global Compact by communicating the importance of these issues.

NOTE signed agreements with another six strategic or contracted suppliers (three in 2019), who accepted NOTE's Code of Conduct or have their own, equivalent code.

NOTE conducted follow-up audits on 14 suppliers (24 in 2019) that had previously accepted NOTE's Code of Conduct and the ten principles of the UN Global Compact. The results of these audits demonstrate that suppliers are complying with relevant anti corruption laws and ordinances.

The share of purchasing from strategic and contracted suppliers was approximately 54% (56% in 2019).

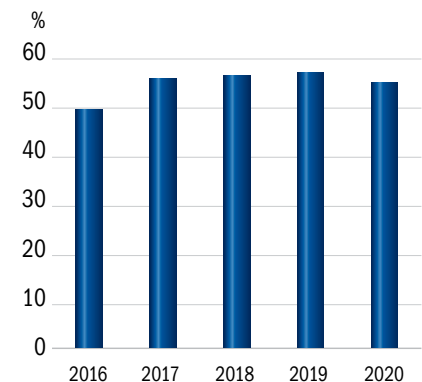
GOALS 2021

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.

Continuously follow up on NOTE's Code of Conduct and the ten principles of the UN Global Compact in supplier audits.

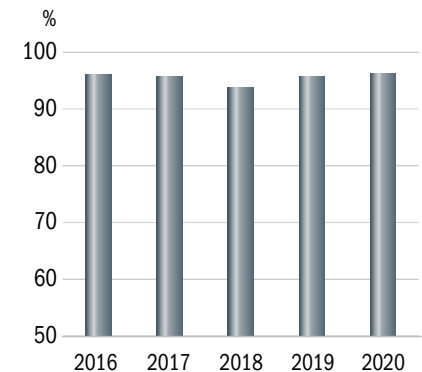
Increase the share of sourcing from strategic and contracted suppliers by two percentage points.

SHARE OF SOURCING FROM STRATEGIC SUPPLIERS*



* THE OPERATIONS OF SEVERAL PLANTS ALTERED IN THE WAKE OF THE PANDEMIC 2020. THIS IMPACTED OUR STRATEGIC SOURCING IN 2020.

WORK ATTENDANCE GROUP



The world around us is changing, and so are we. The UN Global Compact and its ten principles are a good foundation for our sustainability work and guide us in our evolution as a sustainable company. Our Communication on Progress reviews what NOTE is doing to help create a better world.

Johannes Lind-Widestam, CEO and President