

GPV

GPV is a leading European EMS (Electronics Manufacturing Services) business. GPV manufactures electronics, mechanics, cable harnessing and mechatronics (combination of electronics, mechanical technology and software) for its range of international customers. GPV's solutions are used in customer end products, in the market segments of Industrials, BuildingTech, Transportation, Measurement & Control, CleanTech, MedTech and HighTech Consumer.

Electronics play an ever more prominent role in our society, whether in everyday life or in industry and manufacturing. In these sectors, the integration of electronics, increased data usage and increased automation will serve to make everyday life easier, optimise manufacturing processes, reduce resource consumption and increase quality of life. In the production of advanced electronics, increased specialisation results in a tendency for many businesses to focus on their core services and to outsource the manufacturing of electronics to dedicated EMS partners such as GPV.

GPV's market is in the high-mix segment, which is generally characterised by highly complex manufacturing processes. GPV supplies many different products to

customers in the mentioned market segments in which electronics play an increasingly important role. Many of these products provide direct or indirect support for the green transition, and that makes GPV a preferred partner to companies that choose to outsource their production.

Geography

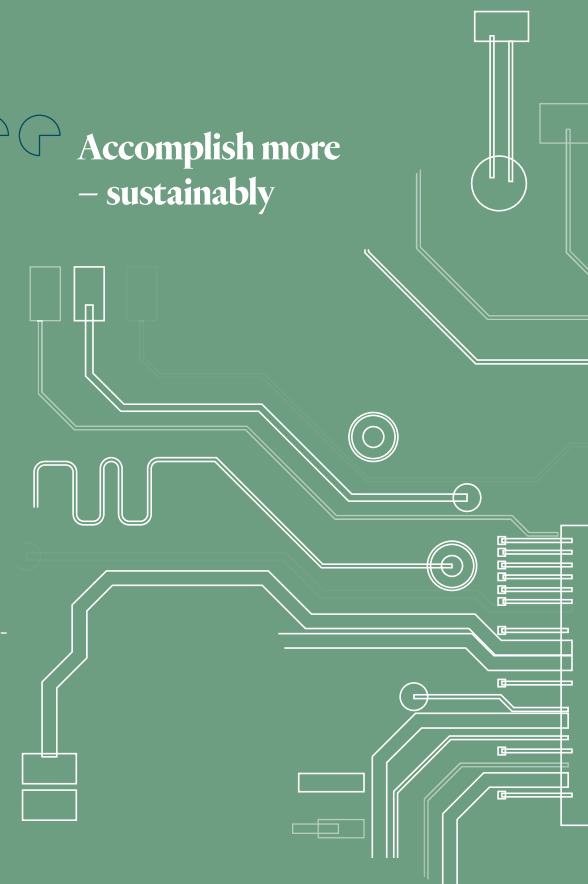
Head office in Vejle, Denmark. Manufacturing facilities at 19 locations, in Denmark, Sweden, Finland, Estonia, Switzerland, Germany, Austria, Slovakia, Sri Lanka, Thailand, Malaysia, China and Mexico.

Ownership – past and present

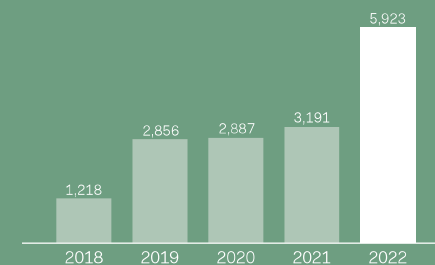
GPV was founded in 1961 and became a part of the Schouw & Co. Group in 2016. The company has subsequently expanded through mergers with a number of complementary

businesses, and today, GPV is the second-largest European-headquartered EMS company, Schouw & Co. holds an 80% ownership interest in GPV.

Accomplish more
– sustainably

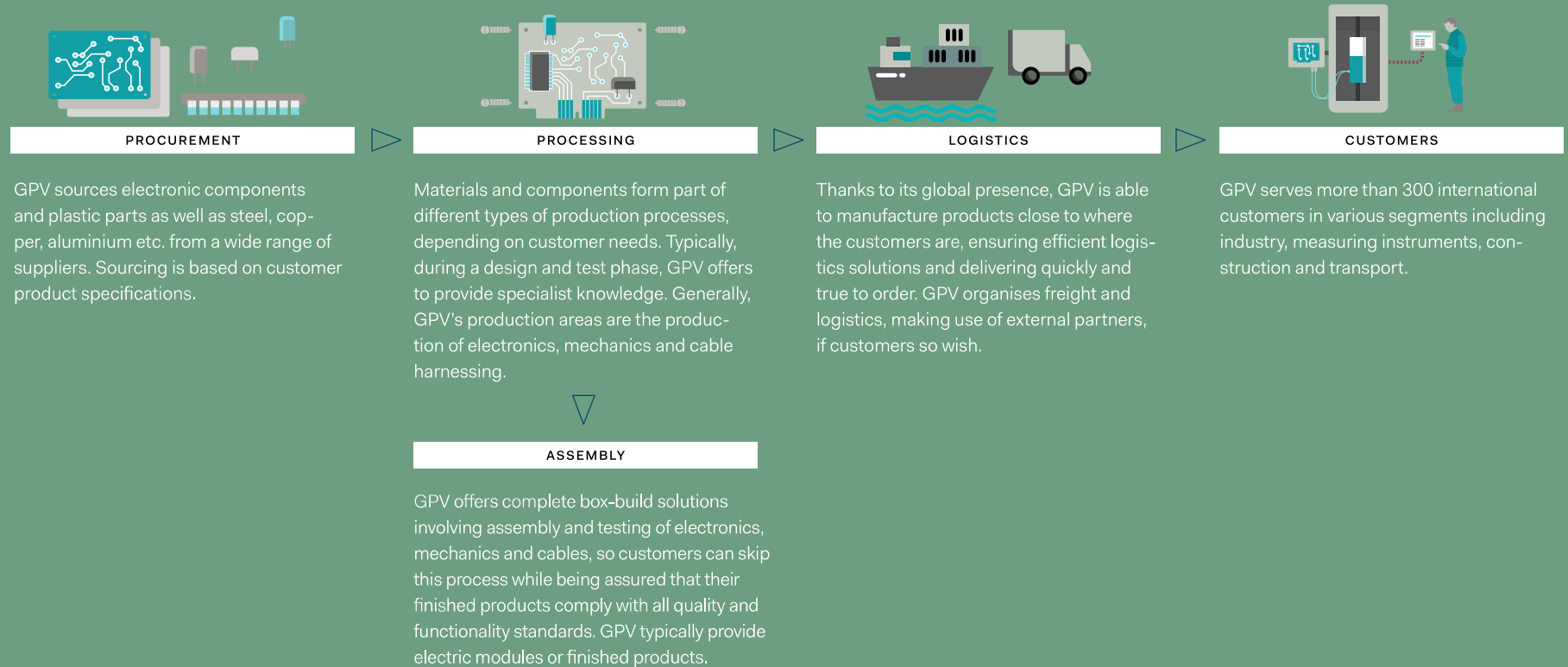


Revenue performance (DKKkm)



GPV's value chain

GPV serves its customers through a global production setup where customers typically choose to outsource part or all of their production of electronic, mechanical or cable harnessing products. GPV offers solutions based on a life-cycle perspective that may involve design and engineering, testing, production, aftersales and complete box-build solutions.



GPV's ambitions for 2030

GPV has set targets under the mantra 'Accomplish more - sustainably' and achieved very good progress in 2022, with a 29% reduction in emission intensity and the LTI frequency rate more than halved.



More renewable energy, less scrap, and less resource consumption

Reduce emission intensity by 50% (scopes 1+2) in 2025*

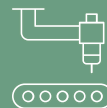
*Baseline 2020



More safety, more focus on next gen

LTIFR < 1 in 2025

Develop KPIs for welfare and next gen impact



More capacity utilisation, more recycling, and more sustainable supply

Develop KPI for capacity utilisation

Develop recycling business and sustainable supply KPIs



MILESTONES IN 2022

- LTI frequency rate reduced to 0.7 incidents per million working hours
- Emission intensity reduced by 29% from 2021 to 2022
- EcoVadis silver medal awarded to the entire organisation
- ISO 27001 certification in cyber security

Environment

ACTIONS AND RESULTS

In 2022, GPV once again doubled its size after the combination with Swiss-based EMS company Enics. The combined company now has 19 production units in 13 countries and more than 8,000 employees. While causing a significantly larger footprint, the combination also provides a better opportunity utilise capacity and to create integrated solutions for customers.

Energy savings pay off

Rising energy prices have further increased the focus on energy efficiency and energy savings. GPV introduced a series of energy-centric initiatives, including internal energy audits, an energy awareness campaign, replacement of compressors and the installation of energy-saving lighting. Combined with other projects, these initiatives have led to reduced energy consumption in Sri Lanka, Slovakia, Estonia and other countries. At the production facilities in Aars, Denmark, it is now possible to utilise surplus heat from a compressor for heating, which was previously prohibited by legislation. This alone has reduced energy consumption by some 74 MWh annually. Similar measures have been implemented in China with corresponding improvements in energy consumption.

The combination of GPV and Enics, completed on 3 October, added another seven production units to the total production setup. Naturally, this had a significant impact on both energy consumption and GHG emissions. The inclusion of mobile combustion in 2022 also implied an increase in both direct energy consumption and GHG emissions. Absolute energy consumption thus increased

considerably, but energy intensity, i.e. energy consumption relative to revenue, which in this context is a better indicator of developments from 2021 to 2022, showed a decrease from 8.6 MWh per DKK million to 7.1 MWh per DKK million.

GHG emissions

The same applies to GHG emissions, with absolute GHG emissions in 2022 increasing to 14,080 tonnes of CO₂e from 9,860 tonnes of CO₂e in 2021, mainly due to the business combination and the inclusion of mobile combustion. In line with the Group's recalculation policy, business changes of this scale prompt a recalculation of the base year for the targets, but as the combination was completed late in 2022, the base year recalculation will not be made until 2023.

As with the company's energy consumption, focusing on emission intensity will provide a more accurate view. This is also the metric used for GPV's target of a 50% reduction by 2025. In 2020, which is the base year for the target, emission intensity was 3.19 tonnes of CO₂e per DKK million in revenue, while in 2022 emission intensity had decreased to 2.38 tonnes of CO₂e per DKK million, a

reduction of 29%. This is before the recalculation, however, which will include the new production units and will be made in 2023. Some of the decrease was due to rising prices, which increased revenue without any major increase in activity, but it is nonetheless an indication that the company is headed in the right direction.

Solar power projects and renewable energy

In order to continue this trend and attain the target, GPV in 2022 concluded the tender process for solar panel systems at the production units in Thailand and Sri Lanka. The projects were adopted in 2021 and are expected to be put into operation in 2023. Also during 2022, solar panels were installed and put into operation on the roof of one of the production units in Switzerland, and the system is expected to generate around 320 MWh of renewable energy annually. However, the full effect will not be seen until 2023.

The solar panel systems will have a significant impact on GHG emissions overall, especially the ones that will be installed in countries where the public energy supply is based on a high proportion of fossil fuels. In addition to

solar panels, GPV has also installed charging points for electric cars and scooters, which are becoming increasingly common in both Europe and Asia. ☒

Social

ACTIONS AND RESULTS

In the social area, major changes typically occur when two companies with each their own approach, culture and values are combined and have to work as one. This was elaborated on in the integration programme under the slogan One.New.Leader.

One.New.Leader serves to create a common foundation for the integration of Enics and to highlight commonalities and emphasise how few differences there are between the two businesses. The programme was launched on 3 October 2022 and will continue into 2023 as part of the integration process, where there is considerable focus on creating a common framework and understanding among all employees.

Pro-active initiatives on near-misses produce results

Safety at work is a top priority for GPV. The very ambitious target is an LTI frequency rate of less than one incident per million working hours by 2025. By 2022, the frequency rate was already reduced to 0.7 incidents per million working hours.

Occupational safety requires a sustained effort and focus to ensure the right culture, so this work will continue in order to support the long-term target. A key element behind the results was the continued effort in 2022 to register near-misses and the establishment of regular reporting procedures in this area. The work is based on the so-called Bradley Curve, focusing more on safety as being linked to the

corporate culture and on engaging employees. Registration of near-misses in particular plays a large role in this respect, as it offers a more proactive approach to occupational safety, thus minimising the risk of actual accidents occurring.

Joint GPV engagement survey

In 2022, prior to the combination with Enics, GPV conducted an employee engagement survey across the organisation. With a response rate of 89% and an overall score of 76 out of 100, the result was satisfactory, illustrating that GPV is viewed as an attractive workplace across national borders.

In addition to the high level of employee engagement, the survey also provided insight into specific areas where individual production units can focus on improvements. Going forward, the survey will also include the new production units added as the integration of Enics progresses.

Human rights and working conditions

In 2021, GPV updated its general risk assessment within human rights, its primary internal focus being on the production facilities in Sri Lanka, Thailand and Mexico. With the new

production facilities, the primary focus has been expanded to include China and Malaysia. At all these production sites, extra attention is given to compliance with fundamental human rights, the ILO conventions and local legislation such as Thai Labour Law.

In Thailand, initiatives in 2022 included the establishment of a welfare committee, which is tasked with focusing on employee welfare and identifying potential areas for improvement in relation to fundamental human rights and internal working conditions. ✕

Case: Pro-active initiative for employees and local community in Sri Lanka

The political and economic situation in Sri Lanka was characterised by great uncertainty and turbulence during 2022, with soaring inflation, political instability and shortages of essentials such as food, medicine and fuel. With more than 1,000 employees in the country, GPV took responsibility for helping them through the crisis. In practice, this was done by offering employees monthly "relief packages" with food and other necessities and setting up a shuttle bus scheme so that they could save fuel. In addition to wage rises to keep up with inflation, employees were offered extraordinary interest-free loans to help them through the worst periods.

Governance

ACTIONS AND RESULTS

GPV further stepped up its focus on ESG in 2022 and established a fixed governance structure for this area. In addition, the company obtained certification in cyber security.

New ESG governance structure at GPV

With increasing focus on sustainability and ESG, ensuring the right governance structure is important for the work. An overall Sustainability Road Map will be developed in the course of 2023, including an extended double materiality assessment, which will form the basis of GPV's work in the ESG area in future.

New certification in cyber and information security

Cyber security remained a major focus area in 2022 at GPV. This risk area has generally gained increasing attention from the company as the threat of attacks and fraud has escalated and become more evident. At the end of 2022, GPV completed the process of being certified to the ISO 27001 standard for cyber and information security. The certification is documentation that GPV's risk management system meets the high standards of efficient information security management and that customers can rely on GPV as a trustworthy business partner.

Development and training of employees

GPV acquired an e-learning system in 2021, which was implemented in the course of 2022. The system is used to train employees in areas such as cyber security, anti-corruption

and general business ethics based on GPV's internal Code of Conduct. The system is used in connection with onboarding and the regular training of existing employees. Again in 2022, 100% of all relevant employees received training.

Supplier management and Code of Conduct

The electronics industry faced major supply chain challenges in 2022 as well. Supply disruptions and shortage of components were persistent problems, requiring extensive flexibility among all parties in the value chain. To GPV, this meant having to use new suppliers, often at short notice, to be able to secure supplies to its customers. In light of this, it is considered satisfactory that the number of suppliers having signed the company's Code of Conduct remained stable at 62% in 2022. However, lifting this percentage will be a priority as pressure on the value chain hopefully eases. 🌱



Cases: Reforestation and support for local communities

As part of a more comprehensive environmental agenda, GPV supports employee initiatives that involve local community engagement while having an environmental aim. In 2022, the production units in Mexico and Sri Lanka participated in initiatives to assist in reforestation. In Mexico, employees have participated in the reforestation of the natural reserve called El Centinela Forest. In the project

in Sri Lanka, mangroves were planted in the Kalpitiya lagoon. Mangroves are a type of tree that binds large amounts of CO₂, while counteracting erosion along the coasts where they are planted. More than 1700 mangrove trees were planted during the project, which was a collaboration between local authorities, employees of GPV in Sri Lanka and the local Bio Conservation Society Sri Lanka.