

NCAB GROUP

Sustainability Report 2020



Sustainability Highlights 2020

Our vision is to be “The number 1 PCB producer wherever we are”. Here we share some of the highlights from our sustainability journey in 2020:

99.3%
Quality Performance



Continued competence development for all employees
6 new courses
at NCAB Academy

Welcomed 76
new colleagues

Sustainability audited main factories
100%
- improving work and safety conditions and environmental performance

Continued growth with profit



82 webinars and **2370** participants

- Design for Manufacturing, Cost drivers, PCB technologies, Quality assurance



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ABOUT THIS REPORT
 We have since 2014 annually published a sustainability report. Our last report was published in April 2020. This is our report for 2020 and covers our entire global business (see page 4-5). It has been prepared in accordance with the GRI Standards: Core option and meets the requirements for sustainability reporting in the Swedish Annual Accounts Act. The board of directors are responsible for the statutory sustainability report for the year 2020.

WE INVITE YOU TO GIVE FEEDBACK
 We warmly welcome any feedback you may have on the report and our sustainability work to help us to develop our work even further. Please contact NCAB Group's Sustainability Manager, Anna Lothsson: anna.lothsson@ncabgroup.com.



Our business

Reliable printed circuit boards

NCAB Group is a leading global producer of printed circuit boards, PCBs. Our mission is to produce PCBs for demanding customers, on time, with zero defects, produced sustainably at the lowest total cost.

PCBS - SMALL BUT CRITICAL

Printed circuit boards, or PCBs, can be found at the heart of just about every piece of electronic equipment. The function of the PCB is to connect electronic components in devices. Most people use PCBs every day without even thinking about it. They can be found in industrial and consumer electronics, medical devices, automotive components, telecommunications, security equipment etc.

IMPORTANT TECHNOLOGY TRENDS

We seek to be at the front line of PCB technology development. We believe that the best PCB solutions can only be developed through dialogue with our customers and their customers, and we actively seek cooperation already at the design phase.

A number of technical trends are today driving the applications in which PCBs are used. Internet of Things (IoT) and artificial intelligence (AI), in combination with the development of 5G systems, open up connectivity and communication between devices and things on a whole new level. With the component industry following similar trends, PCBs have to be adapted to changing requirements. Increased complexity of PCBs will continue to grow while devices are getting smaller. Technology looked upon as cutting edge today, will become standard technology tomorrow. In this transition, NCAB is keeping a close eye on the customers' demands and the factories' development plans.

INTEGRATED PCB PRODUCTION

We call our production method integrated PCB production, which in practice means that we work closely with both our customers and our factories. We do not own our factories, but we "own" what is most important: the relationship and process with both customer and factory. We create optimum and flexible production conditions through our strong purchasing power and expertise in PCB production.

GLOBAL AND GROWING COMPANY

The NCAB Group is a truly global organization, with offices all over the world. Our headquarters are in Bromma, Stockholm, Sweden. Growth is a priority for us; sustainable growth, together with our customers as we enter new markets. Growing sustainably with profit is an integral part of securing and developing our long-term business. In 2020, we acquired Flatfield in the Netherlands, as well as the Bare Board Group in the US with offices in Canada and Taiwan. The acquisitions will strengthen our market position in Europe and US even further and add new manufacturing capacity in Taiwan.

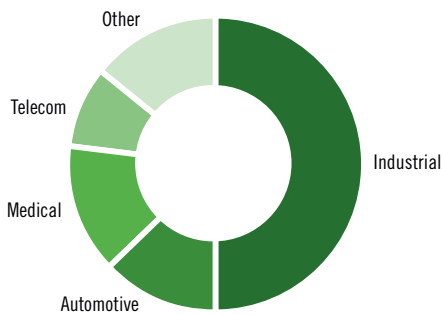
OUR VALUES

We work in accordance with our company values:

- > Quality First
- > Strong Relationships
- > Full Responsibility

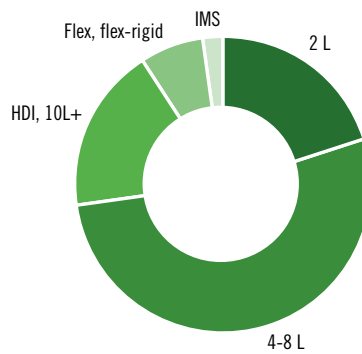


SALES SHARE PER INDUSTRY SECTOR



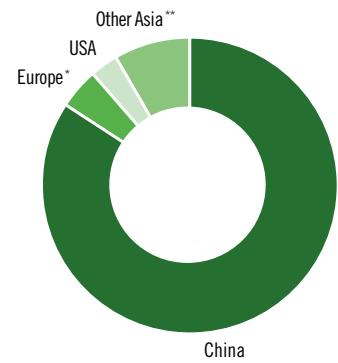
474
TOTAL NUMBER OF EMPLOYEES

SALES SHARE PER PCB TECHNOLOGY



178
MILLION PCBs DELIVERED

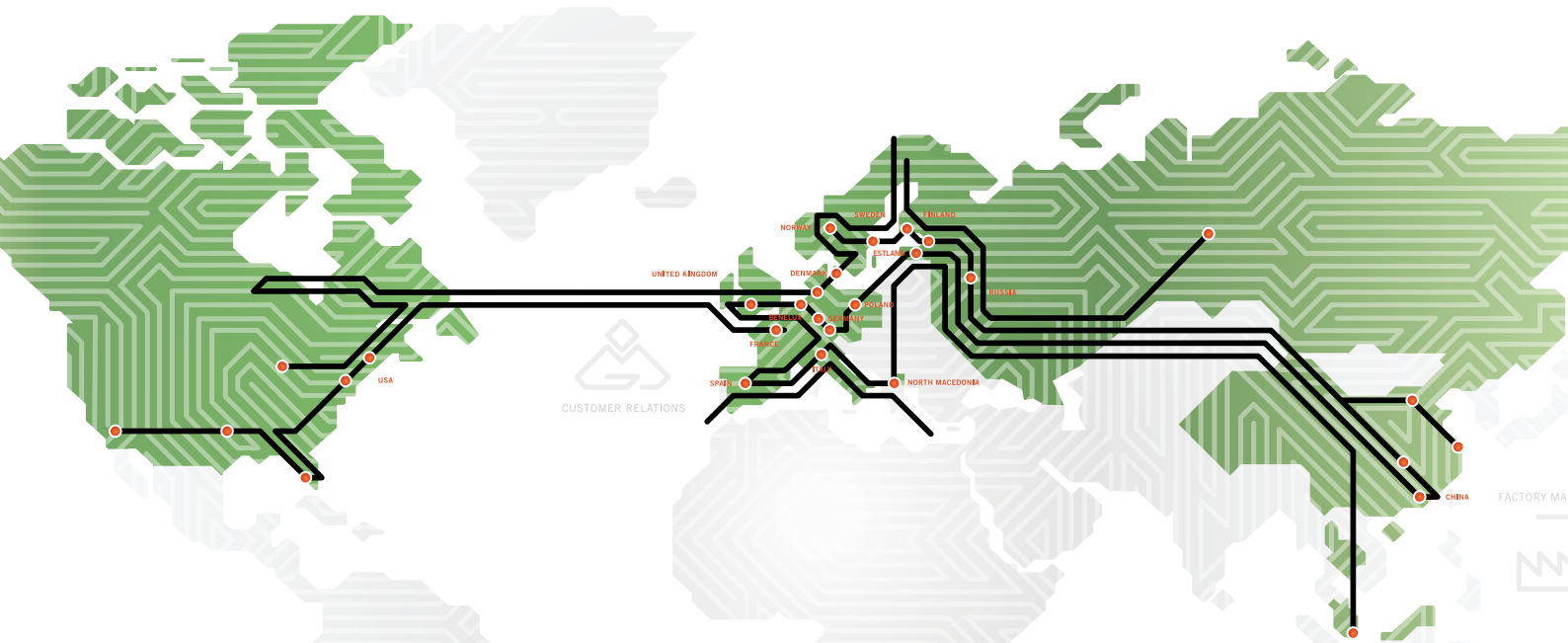
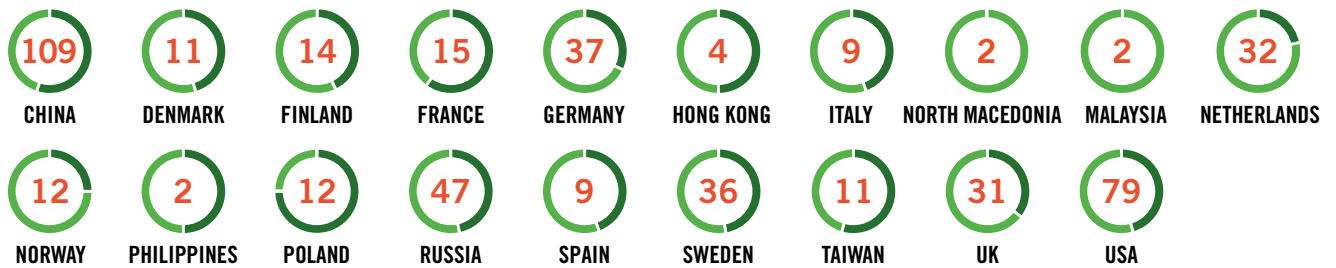
SHARE OF PRODUCTION



27
FACTORIES

EMPLOYEES / COUNTRY

Women Men NCAB Group office



NET SALES

2 115 200 000

SEK

KEY PERFORMANCE INDICATORS

92.4%

DELIVERY PRECISION ***
(Measured per order line)

99.3%

QUALITY PERFORMANCE ***
(Measured per order line)

100%

SUSTAINABILITY AUDITED
MAIN FACTORIES ***

All data per December 31, 2020.

* Europe - UK, North Macedonia, Belgium, Sweden, Slovenia.

** Other Asia - Israel, Taiwan.

*** DP: 96.5% (2019), main reason for decrease is challenges in supply chain due to the pandemic, QP: 99.2% (2019), Audits: 100% (2019)



In October, we welcomed our new CEO, Peter Kruk, to the NCAB Group.

CEO's statement

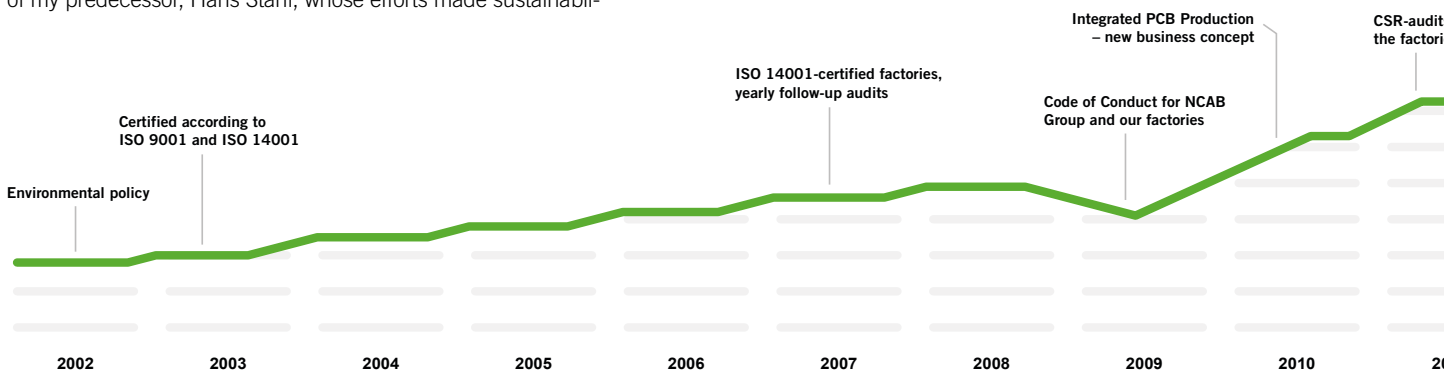
Collaboration, the key for a sustainable value chain

Sustainability is truly integrated in our organization and processes. We believe we are steering the industry in the right direction, through driving positive change in our supply chain and seeking collaboration with customers.

I am proud to be leading a company with a true commitment to sustainable development and high ambitions to make a positive impact throughout the value chain. Sustainability is deeply embedded in our corporate culture and a cornerstone of how we run NCAB. This could not have been achieved without the work of my predecessor, Hans Ståhl, whose efforts made sustainabil-

ity a core part of NCABs strategy already in 2014. We strongly believe that our approach to sustainability is a great part of our business success.

When looking back to 2020 we can't avoid to mention Covid-19, and how the corona pandemic impacted businesses,



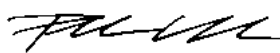
people's health and societies across the world. NCAB is of course no exception. As a global company, the spreading of the virus from China to Europe, and then the US, affected every corner of our organization. I am grateful that we managed to handle the effects of the pandemic so well in terms of sales and deliveries to our customers, but most importantly in terms of keeping our employees safe. I am really impressed by the determination of our employees who adapted quickly to "the new normal", whilst creating value for our customers and taking care of each other. Our strong and long-standing relationships with our suppliers and our local presence has been key to being able to maintain strong delivery performance also during these difficult times.

In 2020, we have seen an increased interest from customers to use our design-guidelines and involve us already in their design phase. This is a very important step to enable further discussions about resource efficiency and circularity. I am also happy to see the continuous progress we are making in our supply chain, where our employees not only follow-up factory performances, but also support our production partners in their learning and development.

Although, we have achieved much when driving change in our value chain, we still have lot more to accomplish. Investor and customer interest in how products are made, how long they last, and how they are disposed of, is growing. We need to work with suppliers as well as customers to understand and measure our impact within the entire product life cycle and measure our progress in more detail, using key data and KPIs. We also need to focus more on climate efficient freight alternatives in the future.

This year I am pleased to welcome two new companies to our group, Flatfield in the Netherlands and Bare Board Group based in the USA. With these two acquisitions we are strengthening our local presence and are looking forward to furthering our concept of sustainability in these markets. Together with my colleagues around the world, our production partners and customers, I look forward to striving for an even more successful and value creating sustainable business.

Be safe and take care!



Peter Kruk

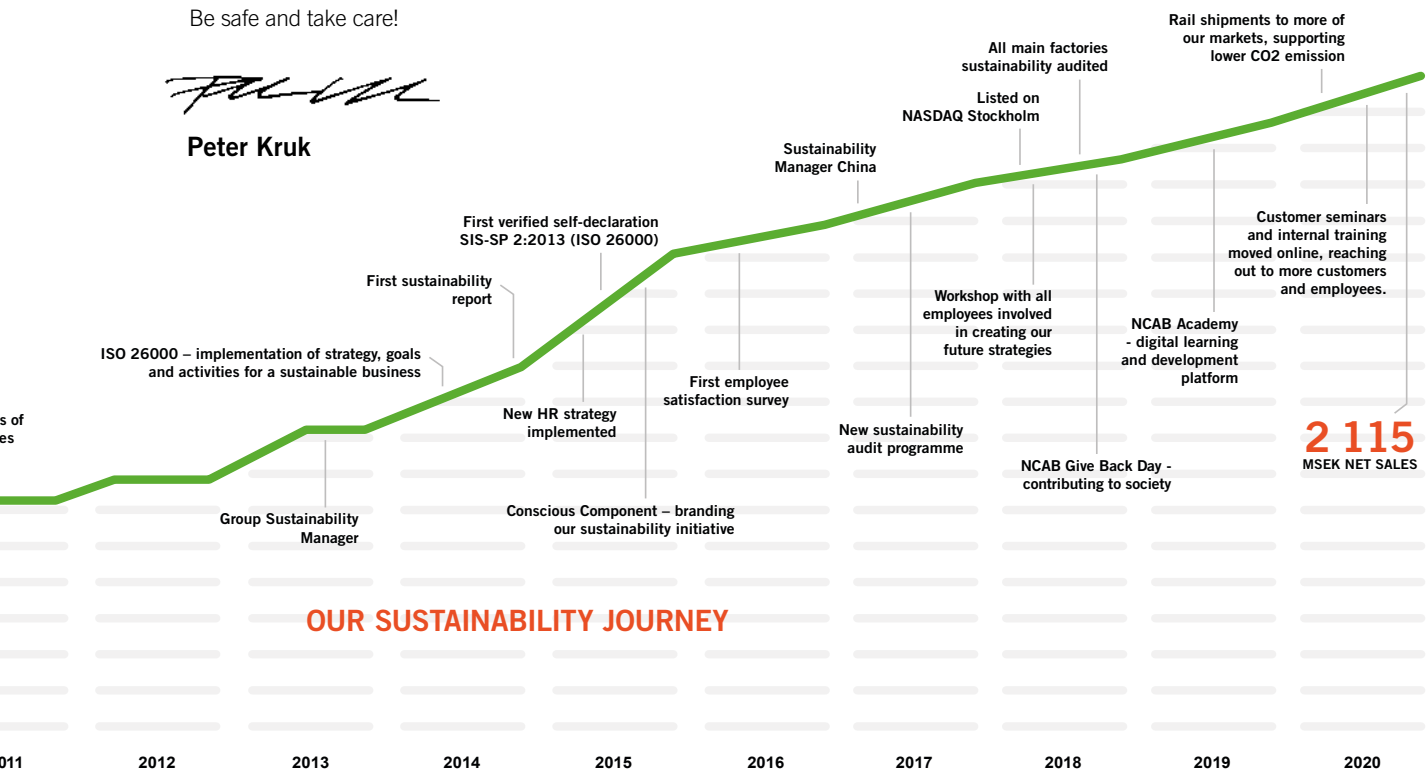
Sustainability matters more than ever



Christian Salamon, Chairman of the board since 2007

2020 has been a tough year for the world and for businesses. But this year has also shown us how adaptive, innovative and solution oriented we are. We have kept our promises to our customers, continued collaborating with our production partners and strived to make a positive impact despite all challenges. We have contributed to the delivery of critical equipment in the health care and other important sectors; we have delivered our critical parts to companies around the world that allowed them to continue to be in business and sustain jobs. What we have gone through this year has reminded us why a strong commitment to sustainability by the business community is important.

In a global perspective, NCAB's impact is, of course, limited. However, we play an important role in addressing sustainability issues in our value chain and in our own social contexts. As a leader in our industry, we also set an example for others. And, it makes sense from a business perspective, focusing on sustainability helps us to build stronger relationships with customers, increase our revenues, cut our costs, attract new talent, satisfy investors' demands, and keep abreast of regulations. This is why I am convinced that our business success is strongly dependent on our sustainability performance. In this very special year, I want to express my sincere gratitude to everyone who in different ways has contributed to our vision to build a sustainable NCAB. Thank you!



Value Chain

Sustainable business – a value chain approach

Our focus is on creating value for our stakeholders and taking responsibility throughout our value chain. This approach helps us to identify opportunities to drive positive change and minimize negative impact.



SALES AND DESIGN SUPPORT

In the design phase we support our customers in optimizing the design of the PCBs for product reliability and for manufacturing. Optimized design means less scrap, material, water and chemicals used, as well as improved product quality. Providing a high service level and building strong relationships with our customers are key factors for our long-term business. (Read more on p. 24-26)



PRODUCTION

In collaboration with our production partners, we focus on quality, social accountability and environmental responsibility in the supply chain; working conditions, human rights, health & safety, resource efficiency, production and product quality, materials used (chemical content and conflict minerals), chemical handling, handling of waste and recycling. (Read more on p. 14-19)



OUR OFFICES AND EMPLOYEES

As a knowledge-based company, our employees form the mainstay for the success of our operations. To create a stimulating culture, we focus on ethics, competence-development, diversity, equal treatment, a happy and healthy work environment, and high engagement. (Read more on p. 20-23)





TRANSPORT AND DISTRIBUTION

Demands for short lead times in the industry pose a challenge. Air freight from Asia to Europe and USA has a high climate impact. To reduce emissions, we need to up our efforts to find more efficient logistics solutions and offering our customer different freight alternatives. (Read more on p. 26)



WASTE/RECYCLING

Waste handling and recycling of the end product is normally beyond our sphere of influence. Any printed circuit boards returned to us and if found faulty, are disposed of according to local regulations on waste handling. (Read more on p. 26)



PRODUCT USE

PCBs are used in many kinds of technical devices and it is crucial that they never stop functioning. Product quality and reliability are key factors and of the utmost importance. Delivery precision, service, claims-handling, handling of waste and recycling are other important sustainability areas. (Read more on p. 23-26)



Sustainability strategy and goals

NCAB Group’s sustainability strategy defines our long-term goals and focus areas. With clear priorities the strategy guides us in the right direction, helping us to achieve the positive changes we seek in the industry.

STRATEGY AND STAKEHOLDER DIALOGUE

Our sustainability work is divided into three focus areas in relation to our prioritized stakeholder groups; customers, employees and factories (supply chain). It illustrates how our sustainability work strengthens and adds value to these relationships.

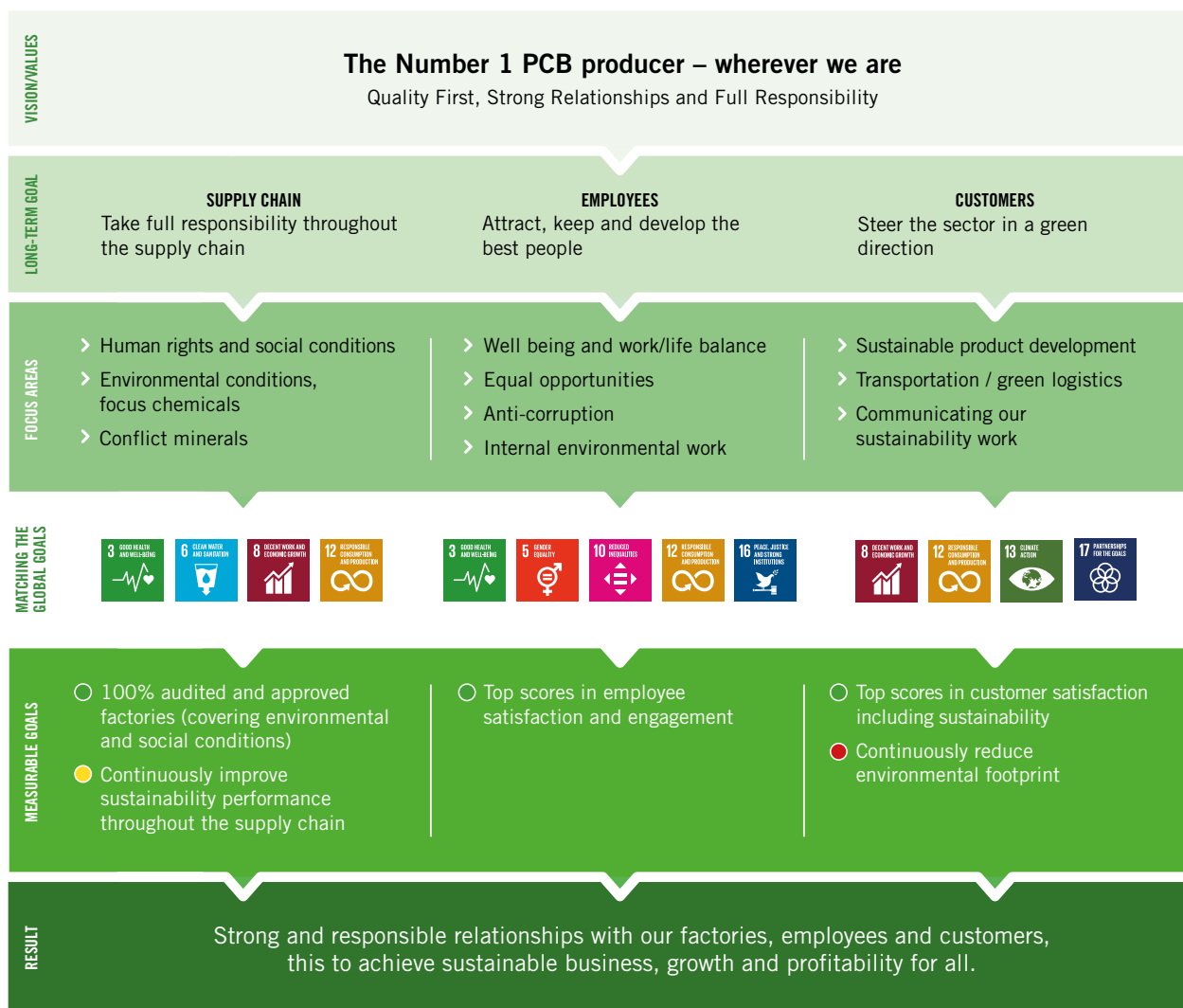
Listening to our stakeholders was crucial when identifying the focus areas in our sustainability strategy defined in 2014,

and their views are still important in helping us to develop our sustainable business.

In 2018 we were listed at Nasdaq Stockholm and we see our investors as an important stakeholder group with whom we will maintain a closer dialogue going forward.

We continuously hold main stakeholder dialogues through our regular channels (see illustration on page 11).

NCAB GROUP SUSTAINABILITY STRATEGY



Status December 2020 ● = not started/far from achieved ● = on track ● = completed/achieved

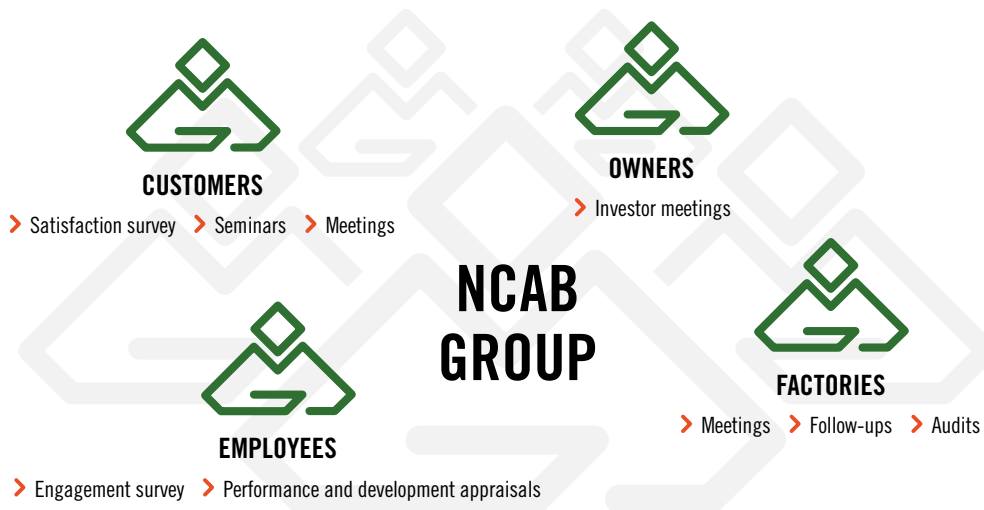


Illustration of our regular channels for main stakeholder dialogue.

NCAB AND THE SUSTAINABLE DEVELOPMENT GOALS

In 2015, world leaders agreed to 17 goals for a better world by 2030. Achieving these goals would go a long way towards ending poverty, fight inequality, promote peace and justice and address the urgency of climate change. In order to meet the goals, everyone needs to contribute. Through our sustainability work, and with our stakeholders, we are working towards achieving the Sustainable Development Goals (SDGs), with our main contribution being to 9 out of the 17 goals (see page 10, 12-13). For a full picture of the SDGs, please visit <https://sdgs.un.org/>.

The Global Goals document, and its targets, will serve as an important guide in our work to further build our sustainability strategy and thus develop our business in line with the direction the world needs to go: to build a better future for everyone.



The Global Goals for Sustainable Development. www.globalgoals.org

ISO 26000 FOR INCREASED CREDIBILITY

Our sustainability strategy is based on ISO 26000 - Guidance on Social Responsibility, an international standard that provides guidance on how businesses may operate in a sustainable way. Read more at: www.iso.org. To demonstrate that we respect and comply with the ISO 26000 standard, NCAB Group has been issuing a social responsibility SIS-SP 2:2015 self-declaration, including a verification audit, on a yearly basis. The excellent

results the audits have consistently returned confirm that our sustainability approach is working well and is solidly integrated in the company. NCAB has thus opted to switch from issuing yearly self-declarations and verification audits to every third year, as from 2020. This will free up resources for further improving other aspects of our business model and processes.

RISK IDENTIFICATION IMPORTANT IN STRATEGIC PLANNING

Our approach to risk management has provided NCAB with a system that allows us to identify and understand emerging and existing risks, and to prioritize on the basis of existing actions and the impact of the risk. This approach enables us to focus on the highest risks. The risk management process also forms part of our preparations for the annual business plan. This includes an analysis of trends, business opportunities, and risks at local company and Group level (SWOT). The aim here is to enable us to anticipate and rapidly respond to any changes in societal, environmental and legislative demands.

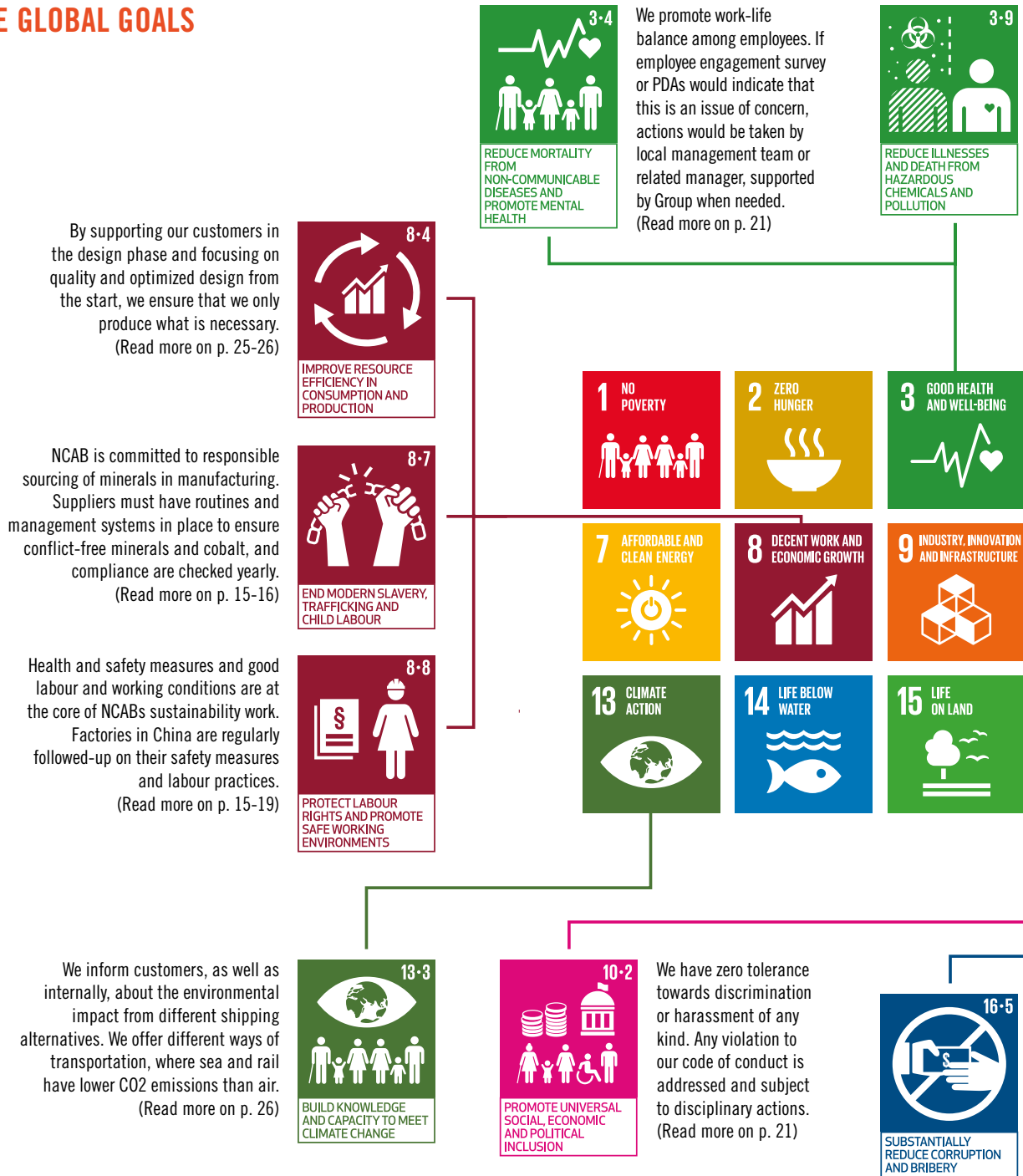
Each process owner is responsible for the ongoing evaluation, development and implementation of risk control methods and processes. The highest risks identified within each of NCAB's focus areas can be found on page 14, 20 and 24.

SUSTAINABLE DEVELOPMENT AND GOVERNANCE

Working in a responsible and sustainable way is a responsibility that all our employees take on. The sustainability strategy is governed by the NCAB Group management team, with a clear division of responsibility between the different focus areas. The Group Sustainability Manager is responsible for driving the overall sustainability work, such as sustainability strategy, policies and goals. Sustainability is integrated into our business model and processes, with each process owner responsible for activities and for reporting on the progress made towards achieving their set goals.

We monitor our sustainability performance monthly at our management team meetings. The COO is responsible for the quality management system, while NCAB Group, as well as factories contracted, are ISO 9001 certified to ensure all our processes are unified and of the highest quality. At Board level, the Chairman is responsible for ensuring that sustainability is part of the agenda. Since sustainability is an integral part of NCAB's business, sustainability matters are discussed continuously on board meetings.

NCAB AND THE GLOBAL GOALS



IDENTIFIED SDG TARGETS

- 3.4** By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.
- 3.9** By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.
- 5.5** Ensure women's full and effective participation and equal opportunities for leadership at all levels.

- 6.3** By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, increasing recycling and safe reuse globally.
- 8.4** Improve progressively, through 2030, global resource efficiency in consumption and production.
- 8.7** Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination

- of the worst forms of child labour, by 2025 end child labour in all its forms
- 8.8** Protect labour rights and promote safe and secure working environments for all workers
- 10.2** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

We control that factories handle and store chemicals and hazardous waste in a responsible way. ISO 14001, pollutant discharge permits, ROHS and REACH, are required if to be qualified as NCAB's main production partner. (Read more on p. 15-19)



We believe it is crucial to have a diverse team on all levels. The number of women in managerial positions has increased at NCAB. (Read more on p. 21-22)



Factories have to comply with local laws and regulations on water quality, emissions to water and waste water discharge. Waste water discharge permits and compliance control are checked during our audits, and in the factory approval process. (Read more on p. 15, 19)



By focusing on quality assurance in production, and optimize the PCB design for manufacturing, we use material and resources such as energy, water and chemicals in the production process as efficiently as possible. This is done in close cooperation with our factories and customers. (Read more on p. 25-26)



How suppliers handle and store chemicals and waste is carefully controlled during factory audits. (Read more on p. 25)

We have zero tolerance for corruption. Any irregularities can be reported anonymously via a whistleblower function provided by an external party. (Read more on p. 16-19, 21-22)



To create awareness and achieve change towards more sustainable products and production, we share our expertise with customers and factories and spread knowledge through our cooperations, and through many different communications channels. (Read more on p. 25-26)



To increase awareness and engagement for sustainable development, we spread the word internally and to customers and suppliers through training, seminars, newsletters, our website and social media channels. Together with our production partners, we set goals, allocate resources and follow up sustainability performance in a systematic way. (Read more on p. 15-16, 21, 26)

12.2 By 2030, achieve the sustainable management and efficient use of natural resources

12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment

12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

16.5 Substantially reduce corruption and bribery in all their forms.

17.6 Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism.



Alen Liang, Sustainability Manager, NCAB Group China, controls fire-fighting equipment and maintenance plans, during our factory sustainability audit.



Supply chain

Our sustainability journey continues

We work closely with our long-term production partners to improve work and safety conditions and environmental responsibility in the factories.

LONG TERM GOAL

- Take full responsibility throughout the supply chain.

MEASURABLE GOAL

- 100 % sustainability-audited and approved factories.
- Continuously improve sustainability performance throughout the supply chain.

OUR STRENGTHS

- Clear demands, strong relationships, close dialogue and cooperation, detailed sustainability audits.

GREATEST RISKS

- Toxic chemicals, health and safety risks and overtime work.

GOING FORWARD

- Continue our sustainability audit programme, focus on the environment, and health and safety working conditions.

Status December 2020 ● = not started/far from achieved ● = on track ● = completed/achieved

OUR SUPPLY CHAIN IN BRIEF

The factories we cooperate with are listed in our Preferred Supplier List (PSL). We divide them into Main, Spot and Special Project factories. 76 %* of our total spend is on the 19 main factories located in China (14), in Europe (4), and in the USA (1). Since the highest risks, but also the strongest impact are to be found at the main factories in China, these are the ones we mostly focus on in our sustainability work. The 14 main factories in China include 20 NCAB approved manufacturing sites.

SUSTAINABILITY IMPORTANT IN THE QUALIFICATION PROCESS

As part of NCAB Group's qualification process, potential factories in China are audited on site for quality and sustainability performance. In total, two new main factories (in Europe and China), were approved during 2020. One new potential factory was put on hold in the qualification process, due to audit findings related to incorrect overtime calculations, missing emergency exit signs and lights, incomplete health checks, and incorrect handling of food samples in the canteen. Corrective action measures has been taken and will be validated before continuing the qualification process.

Once the cooperation agreement (including Code of Conduct) is signed, NCAB's sustainability team onboard the factory by providing training in sustainability matters to factory relevant management. To qualify as a main factory on NCAB's Preferred Supplier List, the factory has to meet the requirements in the grey box below.

HIGH DEMANDS ON OUR PRODUCTION PARTNERS

We work with our production partners in long-term partnerships and put high demands on them. The actual and potential impact of our production partners are assessed within the parameters of human rights, working conditions, health and safety, environment, and business ethics. All factories must have management systems in place to avoid any adverse impact on areas falling within these parameters and to ensure continuous improvements. In 2020, we decided to extend our set of requirements and audits, to which we added requirements from the Responsible Business Alliance (RBA) Code of Conduct. The RBA Code of Conduct is widely used in the electronics industry.

OUR MAIN FACTORIES MUST:

- Pass our quality and sustainability audits
- Be ISO 9001 certified (quality management system)
- Be ISO 14001 certified (environmental management system)
- Report on conflict minerals and cobalt according to the frameworks provided by the Responsible Minerals Initiative (RMI) and follow the Responsible Minerals Assurance Process (RMAP)
- Follow EU legislation covering raw material content (RoHS and REACH)
- Comply with local regulations covering water and air emissions
- Sign and comply with our Code of Conduct, which is aligned with Responsible Business Alliance (RBA) requirements

RISK ASSESSMENT AND FOLLOW-UPS

To continuously improve sustainability performance, NCAB audit the Chinese main factories on a regular basis. According to a set plan, full sustainability audits of all main factories are conducted

every other year. In between those periods, follow-up audits on specific improvement areas are carried out. Conducting regular audits enables us to get a clear picture of their sustainability performance and tells us what we need to focus on in each factory.

In the early phase of the outbreak of Covid-19, audits were limited to remote documentation reviews, but since end of May 2020 the number of audits carried out have gradually returned to their normal level. NCAB's local team has thereby been able to fulfil the audit plan for this year.

In 2020 we conducted 14 full audits, (whereof 2 in potential factories, i.e. those undergoing the NCAB approval process), and 2 follow-up audits. Read more about how we conduct our audits on page 16-17.

IMPROVEMENTS MADE DESPITE PANDEMIC

China was the first country in the world that was affected by the pandemic. Chinese companies, including many of NCAB's production partners, faced shortage of material, transportation, and workers due to the crisis, affecting the production volumes. But the pandemic, has also led to increased attention on sustainability matters, such as health and safety measures, with businesses having to do more to attract employees and combat the virus.

The increased pressure from employees and not least customers, as well as stricter regulations from the government on emergency handling systems, have resulted in rapid improvements in factories' health and safety work.

In 2020, we also put more emphasize on developing the skills and competencies of those employees in the factories responsible for social compliance, health and safety and environment. The main factories have also improved within the area of human rights; eg, ninety percent of the fines levied for being late for work have been abolished (with work in progress on the remaining ten percent). Another milestone achieved following this year's audits is an agreement with our factories that they grant signed contracts to all employees. Read more about the improvements factories have made on page 18-19.

ENVIRONMENT, HEALTH AND SAFETY

In our sustainability audits, we thoroughly review how chemicals are stored in factories and used in production. Common areas that we address include personal protection equipment (PPE), training on how emergency leakages are to be prevented and handled, installation of illuminated evacuation signs and emergency lights.

Waste prevention and waste handling are core topics during factory audits and while the boards are being processed, we assess trends and the performance of our factories by measuring, reporting and comparing the factories' monthly yields against their targets. Deviations are followed-up through factory meetings, where among other things, measures for improvements are discussed. We also engage with our customers at an early stage to optimize the PCB design in order to reduce the amount of scrap, materials, water, and chemicals used in the manufacturing process.

CONFLICT-FREE MINERALS SUPPLY CHAIN

NCAB is committed to using only conflict-free minerals in the supply chain. Specifically, the 3TG minerals (tin, tantalum, tungsten and gold) and cobalt that cannot be linked to violence and human rights abuses in conflict areas. Tin and gold are metals frequently used in the production of PCBs, and cobalt may be included when plated gold is specified. We require our factories to work exclusively with smelters that are compliant with the Responsible Minerals Initiative (RMI). In this respect, we work

* Our share of total production in the Main factories fell in 2020 compared to the previous year (91%), mainly due to 5 Main factories moving to Spot, and part of the total spend going to new factories used by our newly acquired companies, Bare Board Group and Flatfield. New factories linked to our acquisitions of Bare Board Group and Flatfield are categorised as Special Project factories. So far, these factories been assessed on RoHS and REACH, and conflict minerals.

together with our factories, training them in how to apply the RMI audit scheme to control their supply chain. The supply chain is reviewed at least once a year, and when NCAB check routines and documentation on site in the audits. NCAB is keeping a close eye on EU legislation covering conflict minerals, to ensure that our approach is in line with both US and EU regulations.

CHALLENGES STILL REMAIN

Despite the many improvements that have been made within Environment, Health and Safety, this is an area where key findings are still being identified. For example during this year, our audit team found missing emergency exit signs, bad lighting, missing

evacuation signs and lack of personal equipment (PPE).

Overtime work is also still an area where most factories are still lacking solutions. Gaining an overview of local regulations in China is a challenging task, since the regulations differ in different parts of the country. We still often see room for improvements in factory processes and systems, even among those that have secured minimum wages, provided overtime payments, annual vacation and insurance payments.

Whenever NCABs audit team finds gaps, these are reported to the factory's management and solutions are suggested and improvement actions required. Read more about the result and improvements of the sustainability audits on page 18-19.

HERE IS OUR AUDIT PROCESS, IN BRIEF:

Normally it takes two-three days to conduct the full sustainability audit, and one day to do the follow-up audit. Every audit is done on factory site and follows a detailed template consisting of six parts:

- > Management System
- > Human Rights
- > Labour and Working Conditions
- > Health and Safety
- > Environment
- > Business Ethics

In 2020, in total 14 full sustainability audits were conducted and 2 follow-ups. You can read more about key findings and improvements on page 18-19.



1 OPENING MEETING

to explain the aim of the audit, why it is important, processes and how reporting is done. The meeting is attended by factory management and sustainability representatives.



4 EMPLOYEE INTERVIEWS

focusing on obtaining a more in-depth picture of working conditions at the factory.



5 CLOSING MEETING

summing up the findings to give factory management a clear picture of what they are expected to improve and why, and the steps they need to take after the audit.

Our way of conducting audits

We make a point of having the audits conducted by our local employees. It helps us to get the true picture, put relevant demands on sustainability performance and collaborate effectively with our production partners.



2 REVIEWING DOCUMENTS

and records covering policies, management systems, training plans and attendee lists, time sheets, payrolls, insurances, accidents/incidents reports, list of regulations etc.



3 FACTORY TOUR

where we check fire protection systems and equipment, emergency exits, personal protection equipment, hazardous chemical handling, hazardous waste handling, wastewater/air handling, the canteen, dormitory etc.



6 AUDIT REPORT

includes results and findings for each of the six areas. Factory management is given time to review the report and respond with corrective actions plan.



7 FOLLOW-UP AUDITS

on-site to review implementation and the result of the corrective measures within six months.

Key findings and improvements 2020

Since 2017, NCAB has conducted sustainability audits in a systematic way, and auditing is a well-established work method for both NCAB and the factories. Below are some examples of what improvements our audits have contributed to during that period, and what challenges remain.

MANAGEMENT SYSTEMS

Areas of assessment:

Management systems and implementation implementation (ISO45001, ISO14001, QC080000, SA8000, RBA standards), policies, goals, governance, implementation, action plans. Roles and responsibilities. Training. Communication and awareness. Audit and non-conformity handling. Compliance with legal and customer requirements. Supplier and sub-supplier assessment.

Improvements 2017-2020:

- › Policies for sustainability including social accountability, health and safety, and the environment have been set up.
- › Goals and targets for sustainability established, as well as actions to achieve these goals.
- › Improved risk-management systems.
- › Training programmes introduced for all employees.
- › Improved law compliance process.
- › Greater awareness among factories of SA8000 and RBA (Responsible Business Alliance) standards by external training.
- › Factories have at least one person trained in SA8000 or RBA.
- › Potential factories are evaluated starting from the sourcing project.

Key findings to be resolved:

- › Management system review and internal audits.
- › Systems/routines for overall sustainability work need to be fully developed to avoid risks of non-compliance to local regulations and NCAB's requirements. (14/20 sites)
- › Employees not fully trained and further training required. (8/20 sites)

HUMAN RIGHTS

Areas of assessment:

Human rights impact/risk assessment. Human rights policies. Humane treatment. Discrimination. Responsible sourcing of minerals.

Improvements 2017-2020:

- › Lessened risk of discrimination and abuse.
- › Improved process and knowledge for better follow-up of conflict-free minerals in supply chain.
- › Cobalt is included in conflict mineral investigations.

Key findings to be resolved:

- › A few factories still levy unreasonable fines (affecting salary) on their workers if they fail to comply with the factories' work rules (eg, arrive late for work). (2/20 sites)

LABOUR AND WORKING CONDITIONS

Areas of assessment:

Labour & Working Conditions impact/risk assessment. Forced labour and freedom of movement. Child labour/Young employees. Working Hours. Wages and benefits. Freedom of association.

Improvements 2017-2020:

- › Procedures in place to make sure no child labour or forced labour occur in the supply chain.
- › Factories now implement comprehensive procedures for young employees including regulated work time, no night shifts, no work with harmful processes to prevent negative effects on the health of young personnel and improve safety.
- › Procedures in place to calculate correct times and salary for overtime work.
- › Procedures now clearly stipulate that employment contracts must be signed within one month from the first day of employment and salaries accordingly paid to comply with the local law.
- › Amended employment contracts to secure that overtime work, medical insurance and pensions are correctly calculated and paid as required by law and from the start date of employment.
- › One of our sourcing approval projects was put on hold due to unpaid factory worker insurances. No contract was signed until the factory paid the insurances.
- › Procedure in place to make sure permanent employment contract be signed by employees as stipulated by law, with personal file statistics kept for all employees in line with applicable regulations.
- › Temporary workers' benefits and salaries are applied in accordance with applicable regulations.
- › Employees can resign their job as stipulated by law: 3 days during probation period, 1 month after probation period.

Key findings to be resolved:

- › Insufficient management of young workers' working hours, night shift restrictions, dangerous working positions, occupational sickness checks.
- › Overtime hours exceed the local regulations (common issue in all industries in China).

- More overtime during peak seasons and before/after Chinese New Year due to shortage of workers. (19/20 sites)
- Incorrect overtime calculations. (4/20 sites)
- One of the sourcing approval projects is on hold until the employees' overtime compensation have been correctly worked out.

HEALTH AND SAFETY

Areas of assessment:

Health and safety impact/risk assessment. Occupational safety training and competence. Accidents, incidents and injury. Medical treatment and first aid. Machine safety aids. Personal protective equipment. Chemical exposure. Physically demanding work. Workplace noise, temperature and light. Emergency preparedness and control. Fire alarms, emergency exits, fire-fighting equipment. Inspections by fire authorities. Workplace hygiene and cleanliness. Dormitories and canteen. Rainstorm/ sewage monitoring. Occupational health checks.

Improvements 2017-2020:

- Improved risk assessments and related actions included in the audit process in order to minimize risks in the storage and production process.
- Procedures in place and better management regarding handling hazardous chemical and hazardous waste.
- Ability to manage all necessary calibrations for special equipment with qualified training implemented to avoid health and safety accidents/incidents.
- Correct classification for hazardous waste, collecting and storage, based on applicable regulations.
- Improved accident/incident handling processes and follow up actions to avoid similar injuries happening again.
- Improved routines covering Personal Protective Equipment (PPE) including PPE configuration, control of expiry dates.
- Improved chemical management, including storage in warehouse and production areas.
- Increased training in the high-performance factories.
- More dialogue with factory top management, drawing attention to the importance of sustainability issues.
- Broadened knowledge about health and safety risks and labour rights among factory workers.
- Improved root cause analyses and follow-ups of incidents.
- Improved routines for canteen monitoring with canteens needing authorization to handle, cook and serve food, and food samples required to be retained 48 hours after being served.
- Improved first aid procedure, at least one first aider on site available both on day and night shifts, direct access to ample amount of first aid equipment, based on the production line or nearby, same conditions apply to the dormitory and canteen.
- Improved firefighting system, fire extinguishers not to be placed directly on the floor, emergency exit door to be free of any obstructions.
- Fire drills to be conducted both day and night times, with particular consideration taken of persons with special needs.

- Factory geography to be taken as another key factor when planning emergency preparedness, this includes preparedness for confined spaces.
- Occupational health checks to be undertaken on certain designated workers before/during/after the post, job transfer is arranged when necessary.

Key findings to be resolved:

- Personal Protective Equipment (PPE) not used by all employees.
- Insufficient chemical management on site.
- Fire systems - insufficient emergency exit/lighting, or evacuation signs.

ENVIRONMENT

Areas of assessment:

Environmental impact/risk assessment. Environmental policy. Environmental permits and reporting. Resource use. Production content restrictions. Chemical handling. Waste handling. Emissions into water, air. Noise pollution. Ground contamination. Rainwater drainage.

Improvements 2017-2020:

- Better control to ensure the factory has a pollutant discharge permit and compliance control in place.
- Factories have identified and are following environmental requirements, including ROHS, REACH and customer requests.
- Noise level within the factory perimeters are tested yearly and comply with regulations.
- Improved hazardous waste management, including collecting and storage.

Key findings to be resolved:

- Procedure on rainwater/sewage discharge monitoring.
- Non-hazardous waste collecting, storage and handling.
- Better monitoring of the external parties who handle the hazardous wastes, eg., driver license/routines.
- One of the sourcing projects was put on hold pending an update of the pollutant discharge permit.

BUSINESS ETHICS

Areas of assessment:

Business ethics impact/risk assessment. Business ethics policy. Anti-corruption. Whistle blower procedures. Disclosure of financial information. Intellectual property. Fair advertising and competition.

Improvements 2017-2020:

- Procedures and training to avoid bribery and corruption.
- Systems for confidential reporting.

Remaining challenges:

Despite our current policies, anti-corruption and whistle blowing processes and training programmes, the nature of bribery and corruption makes control an ongoing and difficult challenge.



New colleagues from all around the world come together in the Global Introduction sessions, this year hosted online.

Employees



Successful adaptation in challenging times

A total change of working environment didn't prevent us from staying true to our values and targets. Supported by our culture and the high level of engagement among our employees, we successfully adapted to the new situation.

LONG TERM GOAL

- Attract, engage and develop the best people.

MEASURABLE GOAL

- Employee engagement, leadership, and team efficiency.

OUR STRENGTHS

- Our culture
- High level of engagement among our employees
- Global working environment

GREATEST RISKS

- Failure to attract and recruit the right people and with technical competence in a competitive market.
- Maintaining corporate culture during growth

GOING FORWARD

- Empowering every individual to make decisions in line with our values.
- Maintain a continuous learning culture

Status December 2020 ● = not started/far from achieved ● = on track ● = completed/achieved

QUICK ADAPTATION TO NEW WAYS OF WORKING

Maintaining a strong corporate culture is vital for a growing, global company like NCAB. It is important to NCAB that everyone is able to continue to collaborate, share ideas and engage with each other even if it isn't possible to meet face to face. The NCAB Global Conference, onboarding of new employees, training sessions and leadership programmes – all were carried out remotely, making it possible for employees regardless of geographic location to participate. The organization had been strongly focusing on training and adaptation to digital communication before the pandemic but the process was speeded up in 2020. The increased use of digital learning and communication platforms enabled our new colleagues from around the world, to receive an appropriate welcome and introduction to our company.

GLOBAL INTRODUCTION ONLINE

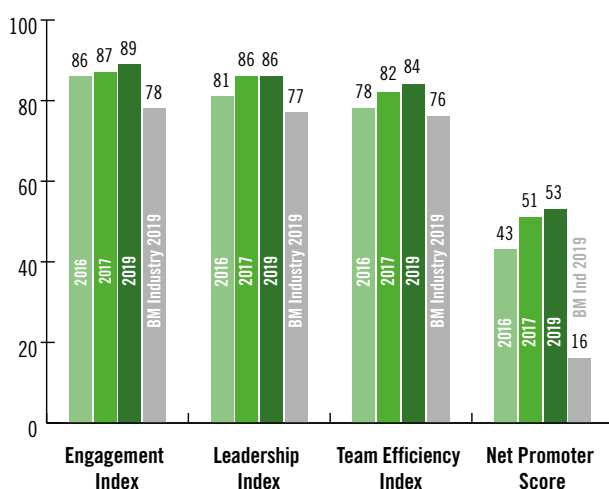
Every year NCAB Group arrange global introductions to NCAB for all new employees. It is an occasion where we discuss our values, way of working together, share experiences and build relationships with our new colleagues from across the globe. This year, we made it an online event. 65 colleagues from all over the world participated. They got to meet our new CEO, Peter Kruk and representatives for our group functions: Sales, Factory Management, Sustainability, Marketing, Finance and People & Culture.

EMPLOYEE ENGAGEMENT

NCAB has received high scores in the employee engagement surveys. In 2019 the indexes from the survey returned total scores of 89 (87) for Engagement, 84 (82) for Team efficiency and 86 (86) for Leadership. All three indexes and the Net Promoter Score (NPS) stood out well above the benchmark. The response rate was also very high, 98%. The next survey is scheduled for 2021.

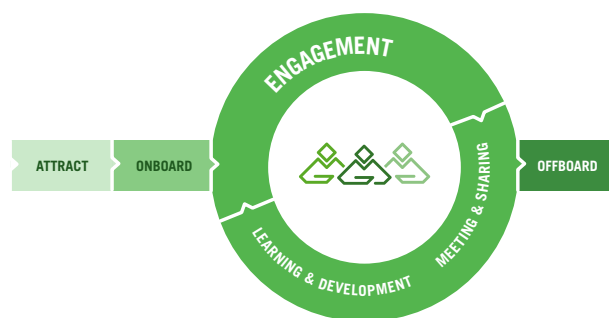
LEARNING AND DEVELOPMENT ONLINE PLATFORM

NCAB is operating in a fast-developing industry. Therefore, learning and development is a constantly evolving process in the company. Through NCAB Academy – a digital learning and development platform – all employees can access a range of digital courses online and complete them in their



The results of our employee engagement surveys. The next survey will take place in 2021.

own pace. It makes it easy for employees to continuously develop competencies and share knowledge with colleagues. Training programmes are provided on a global level, by and with NCAB's own skilled people, tailored to the company's wants and needs. In 2020, more than 460 employees used the Academy. The main topics of training were sales, and onboarding for new employees. There are also local initiatives on training, such as English courses and presentation skills.



Our employee life cycle, which is part of our People and Culture strategy.

PERSONAL DEVELOPMENT APPRAISALS

The Personal Development Appraisal (PDA) contain an Individual Development Plan, which is a critical strategic tool that contributes to increased commitment and motivated employees. Managers hold PDA meetings and follow-ups yearly with their employees to discuss goals, motivation, work-life balance, leadership, cooperation and development.

OUR CODE OF CONDUCT

Provides guidance on how we should act in our relationships with colleagues and business partners.
Link: www.ncabgroup.com/downloads/

OUR CORPORATE VALUES

Quality First, Strong Relationships and Full Responsibility are guiding us in our daily work.

DIVERSITY AND INCLUSIVENESS

Diversity is important to NCAB Group. We have zero tolerance towards harassment or discrimination of any kind, whether we are talking about unequal opportunities, sexual harassment or bullying on the basis of ethnicity, religion, gender, sexual orientation, political opinion, age, disability, or anything else. To create awareness of our zero-tolerance policy towards discrimination, the topic is highlighted and discussed in global introductions and onboarding programs. Incidents can be reported to VP People & Culture. No incidents were reported in 2020.

ANTI-CORRUPTION AND WHISTLE-BLOWING

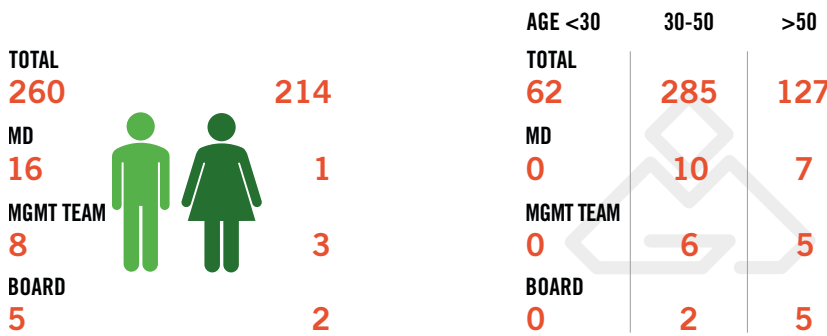
Being a global company, we are aware of the risk of corruption within our value chain. Corruption aggravates poverty in the world, undermines democracy and protection of human rights, damages trade and reduces trust in societal institutions and the market economy. Consequently, it is vital to

counteract any form of corruption.

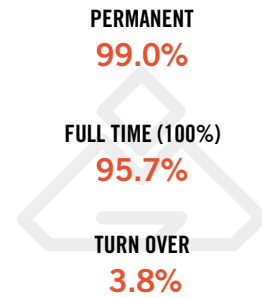
NCAB Group's Code of Conduct includes zero tolerance for corruption. Business ethics and anti-corruption are important topics that are always discussed with new employees at the Global Introduction, led by our CEO. Moreover, there is a whistle-blowing function available for customers and other

stakeholders to use to report any irregularities that may violate our Code of Conduct or laws. The service is provided by an external party, which means that reports can be sent in anonymously. Concerns are handled by the VP People & Culture and reported to the Group Management Team. This year, no incidents were reported.

DIVERSITY



EMPLOYMENT



CHINA
ANGELA WANG

Finance/People & Culture Manager, NCAB Group Factory Management China

What measures have you taken to continue business whilst protecting employees and suppliers from Covid-19?

At the beginning, the primary challenge was how to protect our employees and how to strengthen the quality of work at home. To solve the problem that we couldn't communicate with factories face to face, we collected all main factories production information and analysed if there were any potential risks that might affect NCAB's business. We carried out weekly and even daily updated epidemic situations to keep all NCAB companies updated on the new trends at the factories. At the same time, we strengthened the QA and Logistics teams in order to further improve our lines of communication with the factories as part of our efforts to make sure meet with the NCAB requirements. This also enables us and factories to better communicate and interact remotely.



USA
STEVEN DAVIS

Director of People & Culture, NCAB Group USA

What are the main challenges for your organization due to the pandemic? Any new opportunities?

From my perspective the greatest challenge was how to keep employees engaged while remote working. It was important to make personal connections with each employee, and throughout, picking up the phone instead of email and asking "how are you doing, no really how are you doing" and continue to be concerned about each employees individual physical and mental health. The new opportunities were for our team to engage more in virtual meetings, I think it was most productive and for the end customers, I think they actually had time for these types of "visits".



UK
ANN HARWOOD

People & Culture/Business Support Director, NCAB Group UK

How do you manage to maintain motivation, engagement and collaboration despite being unable to meet face to face?

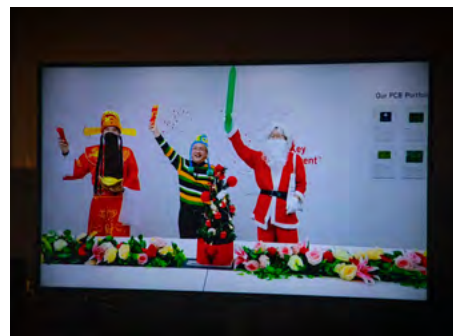
Based on our core values we still maintain the same motivation as we did going into the pandemic. We will always continue with our strong communication tools with employees. Keeping connected has been crucial. Daily briefs were sent out, and are still a must today, and notes advising all the team of our successes and achievements. Other activities we arranged were quiz evenings for staff and families, coffee chats on a weekly basis, monthly virtual communications meetings, meeting to exercise outdoors where possible and care packages and goodwill parcels to show we care and feel strongly about our team.

Together in Isolation and Sharing is Caring

This year we moved online. Instead of our NCAB Global Conference, where colleagues from all around the world physically come together in workshops and team-building activities, we hosted two NCAB Group Live events. We know that our Global Conference provides a massive motivational boost, and unites us as a global company, and in these time it's even more important to keep us all together.

We broadcasted live from Stockholm, Sweden. Two events

under the themes of "Together in Isolation" and "Sharing is Caring". A mix of interviews with new members of the NCAB Group around the world, greeting videos from each company, live chat, music, quizzes, and more. We know that when we share – thoughts, opinions, ideas, feedback, challenges and successes - real magic happens. We also want to come together, and show that we care about each other.



Give Back Day

Since 2018, all employees are given one working day per year to spend on any non-profit activity of their choice – a Give Back Day. We know that giving makes people happier, and we are convinced that this day is not only an opportunity for joy and wellbeing, but also inspires us and others to give back to society. In 2020, colleagues around the world gave back in many different ways; by delivering food to people with limited resources,

preparing Christmas boxes to families in need, cleaning up nearby natural reserve and local forest, volunteering at a school for children with autism and Down's Syndrome, supporting and cheering the kids on School Run Day – a charity run raising money for critically ill children, supporting local drives in donating blankets, Christmas baskets, helping out at "crisis houses", donating products and inspiring other people to volunteer.





Surgical light



Electrical car charging



Security Access Device



Mirror Eye - Camera



Customers

Keeping focus on quality

The pandemic made us to change our way of working, but we never lost sight of our Quality First value. Thanks to robust organizational structures and tireless effort from our employees and factories we did our utmost to meet customer demands, also in these challenging times.

LONG TERM GOAL

- Steer the sector in a green direction.

MEASURABLE GOAL

- Top scores in customer satisfaction including sustainability.
- Continuously reduce our environmental footprint.

OUR STRENGTHS

- Systematic work with sustainability and quality issues, close relationships and dialogue with customers and factories, PCB technology and manufacturing knowledge and experience.

GREATEST RISKS

- Environmental impact through transportation.

GOING FORWARD

- Continued quality work in the factories, and cooperation with customers for optimized design of the PCB to reduce environmental impact through reduced waste and resource use in production.
- Examine and assess transport flows and more actively offer different transportation alternative for reduced environmental impact.

Status December 2020 ● = not started/far from achieved ● = on track ● = completed/achieved

ROBUST DESIGN FROM THE START

Together with our customers and production partners we reduce the environmental impact of the supply chain both during PCB production and their actual usage. We strive to optimize design for manufacturing, improve product quality, reduce scrap as well as make efficient use of materials, chemicals and energy.

Each PCB produced by NCAB is a unique design which has been generated for a unique function specific to the product that it is built into. NCAB customers are responsible for the design of their PCBs. NCAB offers the following support in the design phase: design guidelines, which can be downloaded for free on our website, review of data from a design for manufacture perspective, webinars as well as providing customers with access to frequently asked questions on our website. During the year we offered a large number of well attended webinars in different languages, looking at ways of improving quality, reliability and optimizing cost through optimizing the designs.

By focusing on reliability, quality and an optimized design from the start, we ensure that we minimize waste during the production process and reduce the need for remakes.

SELECTING THE BEST FACTORIES

We have a well-defined process for identifying, evaluating and selecting new factories. We see them as long-term partners. Thanks to the experience of our sourcing and factory management teams, enables us to make expert evaluations of each factory's capability. Once the factory has passed our [qualification process](#), it is added to our Preferred Supplier List (PSL). As a result of the travel restrictions experienced during 2020, the qualification process for our new factories has taken longer than usual. Many meetings, discussions and reviews had to be carried out remotely. Even with long periods where our quality engineers were unable to carry out their audits on site for some time, we made no compromises in our approach and try to cut corners or rush the approvals. We have remained true to our quality first values and kept to the correct process.

HIGH PERFORMANCE IN TIMES OF CRISIS

Quality management has been important to the NCAB Group for many years. Being present on site where we monitor and consult our factories is vital for quality in production. We share our knowledge, not only PCB related, but experience regarding management and company culture etc.

In the first months of the pandemic, we were forced to collaborate remotely with our factories. Production capacity significantly decreased during certain months as a consequence of closed factories, large numbers of absent employees, or local restrictions. Our Factory Management team had daily contact with factories to stay updated on their situation. We are proud that we are able to maintain a high level of quality during the pandemic despite our teams being unable to be on-site at the factories as regularly as in previous years and many factories had to onboard new staff during the pandemic. Together with our factories, logistic partners and customers we are able to minimize the possible negative effects to the customers, such as poor quality and long-term delivery delays.

We continuously work to improve our processes and enhance on-site factory management including related production control. Our main factories are continuously evaluated through:

- Daily analysis of KPI data, analysis of physical product and laboratory analysis, follow-ups relating to any issues

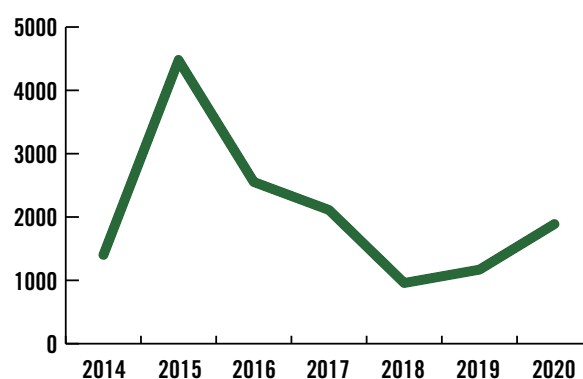
identified, constant engineering activity evaluation and continuous monitoring of the NCAB order book at the factory.

- Monthly performance review meetings and reporting figures for quality performance, delivery performance and service level attributes and process audits.
- Annual full factory audits for both quality and engineering.
- Capability evaluations along with a review of how they fit within the NCAB PSL.
- Biennial sustainability audit.

We analyse the number of claims and defective parts per million (ppm) per factory. The total ratio of defective parts per million produced PCBs rose from a final figure of 1169 in 2019 to 1891 in 2020 (target 2021: 1000). Quality performance (measured per order line) slightly improved from 99.2% to 99.3%, which is in line with our target. Because of disruptions in the production and supply chain as a consequence of the pandemic, we were unable to meet our delivery precision target of 97%. Delivery precision dropped from 96.5% in 2019 to 92.4% in 2020.

We hope to be able to perform more on-site control and follow-ups again during the whole of 2021 and thereby be able to react faster and work more pro-actively again.

QUALITY STATISTICS - DEFECTIVE PARTS PER MILLION (PPM) PRODUCED



WASTE PREVENTION AND WASTE HANDLING

Even though we at NCAB Group may not be the design authority and don't control the end-products – the electronic equipment which includes our PCBs – we do what we can to minimize waste. We want to ensure that our circuit boards are as reliable as they can be and that they last in the field. We engage with customers in an early stage, helping them to design products that are built upon optimised capabilities and at the same time are not unnecessarily complex – the aim being to maximise factory output whilst minimising the risks of errors. This, in turn, helps to ensure that waste is minimized within the factories during production as well as during the expected working lifetime of the end product.

ZERO EMISSION TARGET IN TRANSPORT SECTOR

A major part of our CO₂ emissions arises from transportation when shipping products by air from Hong Kong to Europe and the USA. The partners we work with on the transportation side have ambitious targets to reduce their CO₂ emissions. This year, one of our main transport providers set a global target of

zero emissions by 2050.

In 2020, 58% shipment from Hong Kong was by air, 36% by sea and 6% by rail. We saw a slight increase of goods transported by rail, + 12% units. Sea and rail transports are both cheaper and result in lower emissions, but due to customers' demands for short lead times, customers still mainly choose the air alternative. As transportation capacity worldwide was highly impacted by the pandemic, lead times increased in 2020. Going forward, we are looking to use the Greenhouse Gas Protocol to map our emissions, set baseline and targets, and to take measures to reduce our impact.

OUR CO₂e EMISSIONS

EMISSION	2018		2019		2020	
	t* CO ₂ e	kg CO ₂ e/kg GOODS	t* CO ₂ e	kg CO ₂ e/kg GOODS	t* CO ₂ e	kg CO ₂ e/kg GOODS
Air	11 666	5.49	10 484	6.41	10 363	5.60
Sea	38	0.07	43	0.07	126	0.11
Rail	88	0.56	44	0.25	50	0.25
Total	11 792	4.16	10 570	4.42	10 539	3.27

Emissions from our transportation activities from Hong Kong to our warehouses in Europe and the USA. *t - tonne.

CLOSE DIALOGUE WITH CUSTOMERS

In 2020, the importance of information sharing and a close dialogue with our customers became even more critical as the pandemic developed and conditions changed over time. Our sales and customer service teams focused on maintaining the high level of service for our customers, and informing about production and delivery situations.

We manage and follow-up customer satisfaction in close dialogue with our customers. We are keen to share feedback from our customers internally, as well as with our factories and use it as input for continuous improvement. Our customer survey for 2019, with over 1000 responses, showed that our

greatest strength lies in our high level of service (high quality of quotes, easy to do business with NCAB, handling of delivery issues, technical expertise). Areas that received lower scores in the survey were related to our prototype offer, price and lead time requirements. In order to address these areas for improvement we have carried out activities in each local company close to the customer. Our next customer satisfaction survey is scheduled for 2021.

KNOWLEDGE SHARING FOR A GREENER SECTOR

By sharing our expertise in public webinars, we aim to not only influence our customers but steer the sector in a green direction. In 2020, we hosted 82 technical webinars with 2370 people attending. They covered a range of PCB topics, from highly technical to design tips, to business-related solutions. During 2021 we will continue to offer free webinars – this will enable us to consolidate our contact with existing customers and other stakeholders and gain new ones as well.

We also continued communicating through newsletters, social media channels and keeping our website updated with more information on sustainable business and design guidelines. Our design guidelines for different types of PCBs are available to [download](#) from our website and NCAB has through the reliability campaign and series of marketing activities promoted the guidelines. In 2020, 1308 design guidelines were downloaded and many people attended NCAB's webinars to learn more. In the autumn, NCAB also launched a tool that identifies 13 of the most common mistakes, and how to avoid them. This design mistake-tool is available on the [website](#).

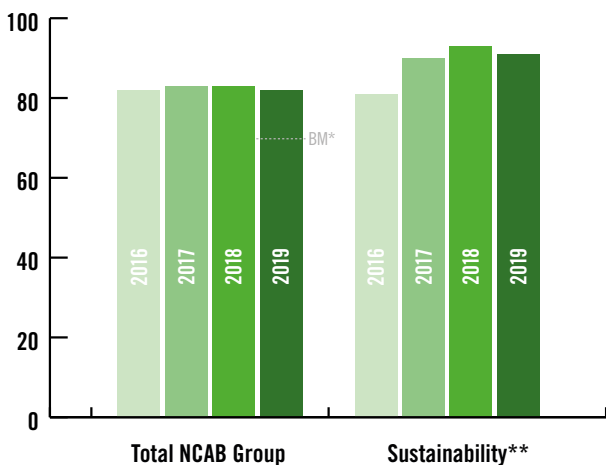
GETTING READY FOR THE FUTURE

Internet of Things (IoT) and artificial intelligence (AI) in combination with the increased data transfer rates available through 5G, will open up a whole new level of connectivity and communication between devices and things. As more and more products are developed in pace with these technical trends, the need for more complex PCBs will increase too. This means that technology looked upon as cutting edge today, will become standard technology tomorrow.

That is why our more technologically advanced production partners are gearing up to ensure that they will be positioned to support higher complexity, greater structures, such as any layer builds, finer pitch and occasionally different materials. This will lead to demands for new equipment, new raw materials and production lines taken to the next level. Another important challenge for the factories is to build up their knowledge of design and manufacturing experience at the same rate as equipment, raw materials and new solutions become available. Research and development teams will need to work faster. That is why NCAB's evaluation process includes keeping a close eye on the factories' development plans in a two to five years' perspective.

NCAB's approach is clear, we are not aiming to be at the cutting edge of technology. We will only approve such technology when we know the processes are stable and proven in terms of producing a good end-product that meets our customer demands.

CUSTOMER SATISFACTION INDEX



*Benchmark - average result among other companies using the survey.
 **No benchmark for Sustainability, as this is a specific NCAB question in the survey. Next survey is scheduled for 2021.



NCAB GROUP

Because failure is not an option.

In your daily life you are dependent on a lot of products. The car you drive, the airplane you fly in or the ECG equipment measuring your heart. You expect them to work – because they have to.

All electronic products have a PCB inside. At first sight they may all look the same. But it could be a world of difference between a normal and a High Reliability PCB.

High Reliability PCBs.
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www.ncabgroup.com



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RELIABLE PCBs – BECAUSE FAILURE IS NOT AN OPTION

In 2019 we created a campaign for demanding customers. It communicates the importance of high reliability PCBs for applications and that failure is not an option. It shows in what type of applications and industries our PCBs can be found and at the same time, our quality focus. The campaign have been

running during 2020 in many of our markets as banners and ads in electronic magazines, websites and social media. To take the reliability message even further we have during 2020 promoted and developed design tools to guide our customers in the design process.

GRI content index

The following GRI content index will help you navigate through the report. You will find more information about GRI on www.globalreporting.org.

DISCLOSURE	DESCRIPTION	PAGE/COMMENT
GRI 102 (2016) GENERAL DISCLOSURES		
ORGANIZATIONAL PROFILE		
102-1	Name of the organization	Front page. Registered company name NCAB Group AB (publ).
102-2	Activities, brands, products, and services	4-5
102-3	Location of headquarters	4, Back page
102-4	Location of operations	4-5
102-5	Ownership and legal form	See bottom of page *
102-6	Markets served	4-5
102-7	Scale of the organization	4-5
102-8	Information on employees and other workers	22
102-9	Supply chain	14-15
102-10	Significant changes to the organization and its supply chain	4-5
102-11	Precautionary Principle or approach	15-16
102-12	External initiatives	3, 11, 15
102-13	Memberships of associations	IPC, local trade organizations
STRATEGY		
102-14	Statement from senior decision-maker	6-7
ETHICS AND INTEGRITY		
102-16	Values, principles, standards and norms of behaviour	4, 21
GOVERNANCE		
102-18	Governance structure	4-5, 11
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	11
102-41	Collective bargaining agreements	0 % among employees
102-42	Identifying and selecting stakeholders	10-11
102-43	Approach to stakeholder engagement	10-11
102-44	Key topics and concerns raised	10-11, 21, 26
DISCLOSURE	DESCRIPTION	PAGE/COMMENT
REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	NCAB Group AB (publ) and subsidiaries included both in financial statements and Sustainability report
102-46	Defining report content and topic boundaries	10-11
102-47	List of material topics	10-11
102-48	Restatements of information	No restatements

* NCAB Group AB (publ), org.no: 556733-0161, was listed on Nasdaq Stockholm on 5 June 2018. The number of shareholders in NCAB as of December 31, 2020 was 1708 according to Euroclear Sweden AB. NCAB's ten largest owners held shares corresponding to 65.1% of both votes and capital in the company. Foreign ownership amounted to approximately 22.3% as of December 31, 2020.

102-49	Changes in reporting	No changes
102-50	Reporting period	3
102-51	Date of most recent report	3
102-52	Reporting cycle	3
102-53	Contact point for questions regarding the report	3
102-54	Claims of reporting in accordance with the GRI standards	3
102-55	GRI content index	28-29
102-56	External assurance	Not externally assured.
TOPIC-SPECIFIC DISCLOSURES		
205 103-1, 2, 3	ANTI-CORRUPTION (2016)	15-19, 21-22
205-2	Communication and training on anti-corruption policies and procedures	21-22
205-3	Confirmed incidents of corruption and actions taken	22
305 103-1, 2, 3	EMISSIONS TO AIR (2016)	26
305-3	Other indirect greenhouse gas (GHG) emissions (Scope 3)	26
305-4	Greenhouse gas (GHG) emissions intensity	26
308 103-1, 2, 3	SUPPLIER ENVIRONMENTAL ASSESSMENT (2016)	14-19
308-1	Percentage of new suppliers that were screened using environmental criteria	15
308-2	Negative environmental impacts in the supply chain and actions taken	15-19
404 103-1, 2, 3	TRAINING AND EDUCATION (2016)	20-21
404-3	Percentage of employees receiving regular performance and career development reviews	21
405 103-1, 2, 3	DIVERSITY AND EQUAL OPPORTUNITY (2016)	21
405-1	Diversity of governance bodies and employees	5, 22
414 103-1, 2, 3	SUPPLIER SOCIAL ASSESSMENT (2016)	14-19
414-1	Percentage of new suppliers that were screened using social criteria	15
414-2	Negative social impacts in the supply chain and actions taken	15-19
103-1, 2, 3	QUALITY	24-25
NCAB Group disclosure	Sustainable product development and quality assurance	24-25
103-1, 2, 3	CONFLICT MINERALS	15-16
NCAB Group disclosure	Work for conflict mineral-free supply chain	15-16

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in NCAB Group AB (publ), corporate identity number 556733-0161.

ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the statutory sustainability report for the year 2020 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally

accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

OPINION

A statutory sustainability report has been prepared.

Stockholm, 30 March 2021

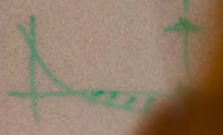
ÖHRLINGS PRICEWATERHOUSECOOPERS AB
Johan Engstam
Authorised Public Accountant



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NORWAY POLAND RUSSIA SPAIN SWEDEN UNITED KINGDOM USA