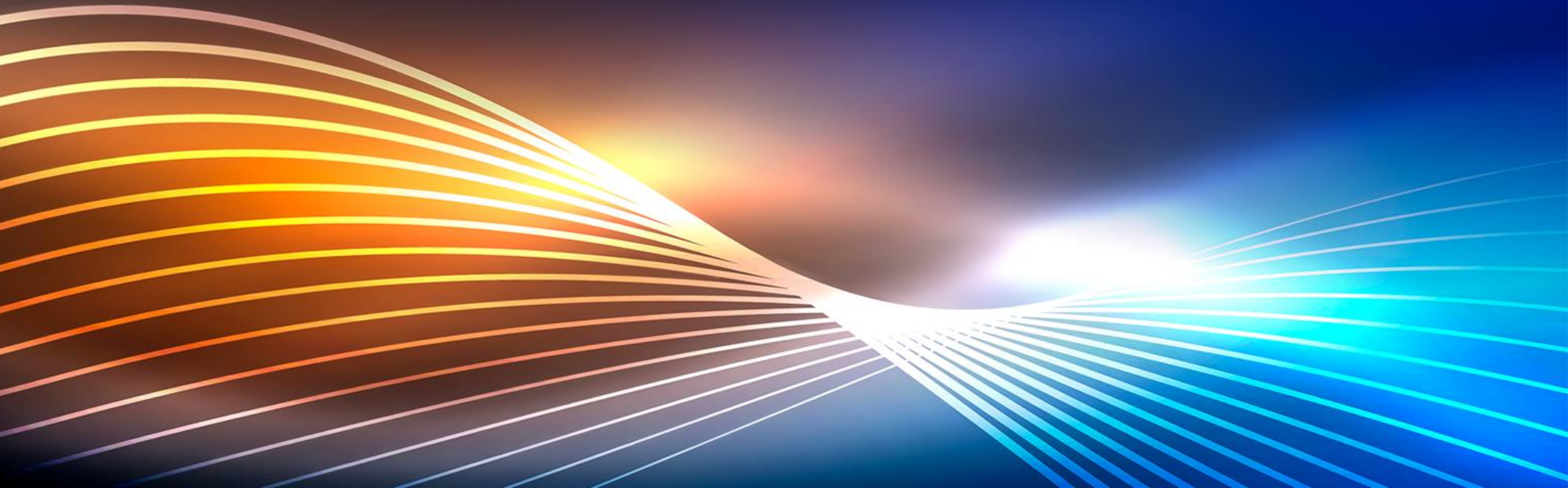




CSR Annual Report 2022



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Introduction

Meldon aims to contribute to the United Nations Sustainable Development Goals through a policy focused on Corporate Social Responsibility (CSR). This policy focuses on the three pillars of People, Planet, and Profit. By responsibly dealing with people, the environment, and finances, Meldon wants to contribute to a sustainable future for all of us.

SUSTAINABLE DEVELOPMENT GOALS



Introduction

CSR is integrated into Meldon's strategy, and the CSR performance ladder serves as the basis for CSR policy. Meldon believes that the implementation of this system contributes to improving its societal impact. The CSR performance ladder's themes have been assessed for relevance by important stakeholders. Objectives have been established for the most relevant themes, aiming to at least meet the industry average.

The CSR system focuses on continuous improvement in the field of CSR performance and compliance with legal obligations.

A frequently asked question is whether Corporate Social Responsibility (CSR) is the same as sustainability. The main difference between the two is that CSR not only focuses on ecology and the environment but also encompasses a social dimension. CSR combines social and environmental aspects.



Relevant themes

In the CSR system, stakeholders have selected 31 themes relevant to Meldon. These themes are linked to the Sustainable Development Goals (SDGs) established by the United Nations. The table below shows the relevant themes for Meldon along with the SDGs to which Meldon contributes:

Most relevant themes	Sustainable Development Goals	Toelichting
Energy	7 Affordable and Clean Energy. 13 Climate Action	The organization makes its energy use transparent and takes measures to reduce energy consumption and utilize energy from sustainable sources.
Resources	12 Responsible Production and Consumption	The organization makes its resource consumption transparent and takes measures to increase the use of resources derived from recycling processes or waste.
Emissions, wastewater, and waste	9 Industry, Innovation, and Infrastructure 13 Climate Action	The organization makes its greenhouse gas emissions, waste production, and emissions of (environmentally) hazardous substances transparent and takes measures to reduce them.



Relevant themes

Most relevant themes	Sustainable Development Goals	Toelichting
Employment	8 Decent Work and Economic Growth	The organization ensures the well-being of its employees by securing employment and fulfilling contractual obligations regarding employees.
Health and safety	3 Good Health and Well-being 8 Decent Work and Economic Growth	The organization ensures the safety and health of employees, local residents, and third parties by using safe facilities, technologies, and practices and by being prepared for emergencies.
Biodiversity	14 Life Below Water 15 Life on Land	The organization ensures that its presence and activities have minimal adverse effects on biodiversity in the surrounding environment.



In 2022, objectives and actions were defined for the relevant CSR themes within the management system for the first time. Meldon aims to be certified at level 3 of the CSR performance ladder in the summer of 2023. This CSR annual report provides insights into the defined objectives, achieved results, and ambitions of Meldon

CSR Results

Results related to Energy, Resources, Biodiversity, Emissions, Wastewater, and Waste
The achieved result is presented as a percentage in relation to the objective.

	2018	2019	2020	2021	2022
Reduction in environmental impact compared to revenue	100%	94%	72%	68%	53%
Reduction in material loss	-	81%	100%	113%	98%



CSR Results

Results related to Employment, Health, and Safety

The achieved result is presented as a percentage in relation to the objective.

	2020	2021	2022
Absenteeism	177%	93%	135%
Time to hire	135%	185%	215%
Employee satisfaction	98%	100%	Geen meting



Actions taken Energy

Meldon partially utilizes solar energy through the 3300 solar panels installed at the company. The remaining energy is purchased, and in 2022, an investigation was conducted to determine the feasibility of transitioning to 100% green energy. However, due to the anticipated costs, Meldon decided not to make use of it in 2022. This topic will be reconsidered in 2023.

Due to the energy crisis that occurred in 2022 and the subsequent rise in energy prices, Meldon established an energy-saving team. The goal of this team is to reduce energy consumption by 15% in 2023 while maintaining the same production volume. In 2022, initial actions such as reducing and monitoring standby power consumption were successfully implemented, resulting in lower energy consumption. The renovation of a portion of the warehouse space into a production area has commenced. This space is equipped with energy-efficient infrastructure. For instance, an installation has been implemented for space heating, which recovers and converts waste heat from the process and machinery into space heating.

As a result of various actions, the environmental impact decreased more significantly than the set target in the past year.



Actions taken Raw materials

Regarding raw materials, Meldon has focused on the use of green and recyclable materials. This has led to two projects involving green materials and a project for a customer with a reduced CO2 footprint. Additionally, Meldon aims to reduce waste and ensure no plastic waste is generated in 2023. Efforts are being made to recycle plastic waste internally or externally. Meldon has initiated a project with a partner to extrude a completely natural material. Furthermore, an improvement project has been completed for the process with the highest material loss, resulting in a 35% reduction in material loss.

The material loss has decreased more significantly than the set target due to the implemented improvements.



Actions taken Emissions, Wastewater, and Waste

Last year, a decision was made to replace 75% of the company's fossil fuel-powered fleet with electric vehicles. This is a significant step towards sustainability and reduced CO2 emissions. Continuing the initiative "Together we keep Meldon clean," active efforts were made in 2021, in collaboration with Rijkswaterstaat, to prevent plastic pellets from ending up in rivers. This continued in 2022, including the organization of the "Together we keep Meldon clean-up day" on December 23. As previously mentioned, an improvement action was initiated to reduce waste. The goal is to completely eliminate plastic waste production in 2023. Work is underway to recycle all plastic waste internally or externally, thereby improving Meldon's contribution to the environment.

Due to the reduction in emissions, Meldon's environmental impact was



Actions taken Employment

In 2022, Meldon completed and signed the AVR (Employment Conditions Agreement), replacing the collective labor agreement (CAO). Following this signing, a plan was developed to modernize and tailor the AVR specifically for Meldon.

Contact has been made with partners who can employ individuals with distance to the labor market for various tasks within the company. This will be implemented concretely in 2023.

Additionally, in 2022, Meldon embarked on a new approach to labor market communication. Previously, little was done to promote Meldon's brand awareness in the region. However, with the company's new branding, including a new logo and internal branding of "we are Meldon," and an attractive careers page on the new website, Meldon's values and its employees are now being communicated. Potential new colleagues are reached periodically through various social media channels. New employees are guided through an intensive onboarding program.

The objectives were not achieved in 2022, but with the measures implemented in 2022, it is expected that the objectives will be met in 2023.



Actions taken Health and Safety

In 2022, Meldon began holding periodic toolbox meetings to raise awareness among colleagues about workplace risks and the influence they can have on them. This way, employees are regularly informed about safety procedures and regulations, thereby enhancing workplace safety.

In addition to these toolbox meetings, Meldon also prioritizes employee well-being through internal coaching and guidance. Employees are supported in their personal development and encouraged to bring out their best. Furthermore, various internal and external training sessions are offered to enhance the skills and knowledge of employees, thus increasing the quality of work and enabling ongoing personal growth.

An intensive campaign took place in the labor market, resulting in increased brand awareness and the filling of various job vacancies. New company uniforms were introduced to improve comfort and create a professional image, thus promoting the sustainable employability of employees.



Actions taken Health and Safety

Moreover, all employees were invited and scheduled for the end-of-year gathering, resulting in an 85% turnout, compared to approximately 50% in previous years. In 2022, staff appreciation gestures were distributed at various times to celebrate achievements and recognize the dedication and contribution of employees.

Investments were made in the new company hall by installing better lighting, climate control, and floor coatings. All these measures aim to create a pleasant working environment for employees.

The objectives were not achieved in 2022, but with the measures implemented in 2022, it is expected that the objectives will be met in 2023.



Actions taken Biodiversity

A groundwater well has been installed to provide irrigation for the garden. Previously, regular tap water was used for irrigation.



Objectives for 2023 and beyond

Meldon aims to obtain certification for the CSR Performance Ladder in 2023.

Energy

Meldon's goal is to convert the current energy Key Performance Indicator (KPI) to one that aligns with European climate targets. The company will assess the implications and impacts of green and non-green energy. In 2023, research will be conducted on new energy-saving measures provided by the NRK (Dutch Rubber and Plastics Industry Association). The energy-saving team will remain active to achieve the targeted 15% energy savings in 2023. During renovations, the infrastructure will be transformed into energy-efficient solutions, and new constructions will incorporate more solar panels.

Raw Materials

Meldon is increasingly promoting the use of recyclable and green raw materials within Sales and Innovation and Development. The objective is to carry out a minimum of two projects per year focused on reducing the CO2 footprint and/or utilizing green raw materials. The company aims to reduce waste to ensure that all plastic waste is recycled and nothing goes to waste. Starting in 2023, 6-sigma techniques will be implemented in process improvements, leading to further reduction in material losses.



Objectives for 2023 and beyond

Emissions, Wastewater, and Waste

The current KPI for emissions does not align with European climate goals. Therefore, Meldon aims to revise the KPI to align with these targets.

Employment

In addition to the usual activities undertaken to ensure employee well-being, Meldon will initiate work programs in 2023 for individuals facing barriers to employment.

Health and Safety

In 2023, periodic medical examinations will be made available to employees. Individual coaching and support for employees will continue for those in need. To alleviate strenuous tasks, lifting aids will be implemented in the production environment. Additionally, research will be conducted to explore automation possibilities for monotonous tasks, such as packaging. Toolbox meetings will be systematically organized to enhance safety awareness.



Objectives for 2023 and beyond

Biodiversity

Meldon is actively developing initiatives to enhance biodiversity on its business premises. Research will be conducted to explore the installation of bat boxes, bird nests, or insect hotels on the site. Measures to develop biodiversity on the premises will also be explored. As part of the annual Easter egg distribution to employees, birdhouses will be provided to further stimulate biodiversity.



SUSTAINABLE DEVELOPMENT GOALS





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