

UNITED NATIONS GLOBAL COMPACT

COMMUNICATION ON PROGRESS

Iskraemeco, d.d.

Iskraemeco, d.d., Savska loka 4, 4000 Kranj, Slovenia
E: info@iskraemeco.com, T: +386 4206 4000, W: www.iskraemeco.com



General

The Communication on Progress (COP) for Iskraemeco, d.d. covers the period from June 2016 to September 2017.

Statement of continued support by the Chief Executive Officer

To our stakeholders,

I am pleased to confirm that Iskraemeco reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. Iskraemeco is proud and honoured to be part of the United Nations Global Compact initiative, a network of like-minded entities. We support Sustainable Development practices that advocate economic growth that is in harmony with the environment and aims to improve the quality of life for its current and future inhabitants.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Dieter Brunner

CEO, Iskraemeco d.d.



I. Introduction

Iskraemeco, d.d., part of Elsewedy Electric is a proud participant in the United Nations Global Compact initiative, a network of like-minded entities that act in accordance with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. We support Sustainable Development practices that advocate economic growth that is in harmony with the environment and aims to improve the quality of life for its current and future inhabitants.

Our products and services foster responsible use of natural resources and encourage end users to make sustainable choices in their everyday energy consumption.

In 2015, Iskraemeco became part of the “Fair Meter” project. Our smart electricity meters are part of the electronic industry, which has a profound impact on our daily lives. Negative influences that effect our environment and society are unfortunately among them as well. In order to mitigate them, it is crucial that we come up with effective ways of introducing responsible processes throughout the supply chain. The effects of irresponsible behaviour within the entire electronic industry can be seen on various fronts, such as bad practices of labour exploitation, toxic pollution, conflict minerals and hazardous working conditions. Furthermore, based on current manufacturing and use models, many of the raw materials that are used in the electronic industry are simply disposed after the end of their (technical or economical) life-cycle.

Challenges in the metering industry

Unfair labour practices; Child labour, unsuitable working conditions, unfair pay ... affect a person’s dignity and compromise their chances of survival. We should do all we can in our global supply chain to assure fair working conditions.

Conflict minerals; Around 80 per cent of conflict minerals - gold, tantalum, tungsten and tin (so called 3TG) are produced in the Democratic Republic of Congo or neighbouring countries raged by war. These conflicts are financed with profits from the sales of these minerals. According to NGO data, more than 5 million lives were lost, directly or indirectly connected to the extraction of these minerals. We need to establish a transparent supply chain for conflict minerals.

Material scarcity; Resources or materials are considered scarce when there is a high demand from the industry with a risk to their supply. The European Commission published a list of 20 materials that are of great importance to humanity and are becoming increasingly scarce and added 7 new this summer. Together with our suppliers, we should find substitutes for scarce materials.

E-waste; Electronics have always produced waste, but the quantity and speed of discard has increased rapidly in recent years, while most of it is not recycled. Typically, electronic products

have an extremely short life cycle. We need to find solutions with our buyers to recycle and prolong the products life-cycle.

Resource usage; Every production process involves the use of a number of different resources (energy, water, gas, materials...). Pollution and lack of resources is becoming a worldwide problem. We need to be innovative in product designs and processes to use minimum resources.

At Iskraemeco we have initiated a project based on partnership with four Dutch utilities (DSO's) where we will join our efforts towards developing and producing a completely Fair electricity smart meter. These efforts are aimed at minimizing our environmental impact from the energy and material perspective and take into account social considerations throughout the complete supply chain. Consequently our aim is to become a benchmark company for responsible development and use of (electronic) products for the future. At Iskraemeco we truly believe that the responsibility for safeguarding our environment starts in our supply chain. Therefore, it is our aim to monitor and manage the supply chain in accordance with environmental and social responsibility, taking into account higher standards that surpass the ones stated by law.

We design our business processes in ways that minimize our environmental impact regarding waste, water and air emissions. We are striving towards implementing the principles of circular economy into our processes. When comparing to 2013, Iskraemeco has managed to lower its energy consumption for 25 per cent, lower its water consumption for 28 per cent, lower its waste production for 24 per cent and improved recycling. We also managed to lower our CO₂ emissions for 34 per cent. We are planning further actions that should result in slow, but continuous decrease of consumption of resources.

Iskraemeco's strategic business model for implementing circularity and sustainable development practices is based on three parallel pillars:

1. Sustainable development at Iskraemeco includes setting goals and taking actions in the field of sustainability and circularity internally (these include environmental management, waste management, material innovations, resource management, lean production, compliancy to international and EU standards and many more).
2. Sustainable development in Iskraemeco's supply chain is set to achieve complete supply chain transparency on all materials, material origin, labour issues and sustainability factors of our suppliers. This is the biggest part of a company's responsibility in today's global world.
3. Sustainable development in our partnerships includes relationships with our partners, buyers and the entire electronics industry. It focuses on educating and spreading the awareness among customers, suppliers, the local society and other stakeholders, on changing existing and establishing new policies.

At the same time actions of sustainable development were started on the level of: products (and single component), processes & production and company.

In these processes, many individuals have been involved and proved their innovative, committed approach to finding better solutions. The actions were spread along all Iskraemeco departments, sectors and areas.

All Iskraemeco employees respect and act in accordance with the defined environmental and safety requirements; we implement regular trainings on the subject to further raise their awareness.

Iskraemeco respects its employees and highly values the contribution of each individual. We are obliged to follow strict employment and working regulations and laws, but have set our standards even higher. Iskraemeco is continuously promoting health, safety and ethical code of conduct among employees and company stakeholders.

Research, development and innovation are paramount to our business - they are the key elements for achieving sustainable economic success.

We comply with the relevant health, safety and environmental regulations and standards - ISO 90001, ISO 14001 and OHSAS 18001. By end of 2016 we have concluded the implementation of the Information Security Management (ISO 27001) standard.

At Iskraemeco, we believe, respect and live by our values in our everyday processes.

PEOPLE

We support and respect each other. We communicate openly and honestly. Teamwork is how we do business. Customers, suppliers and shareholders are a part of our team.

COMMITMENT AND ACCOUNTABILITY

We are passionate about achieving results through continuous improvement, teamwork and honouring our commitments.

CUSTOMER CARE

We are dedicated to our customers. We respect, listen, understand and fulfil their expectations.

QUALITY

Each of us is responsible for quality in everything we do. By delivering quality, we invest into our future.

SUSTAINABILITY

We respect our environment, because our actions today will affect future generations. We build our business on sustainable practices.

II. Iskraemeco efforts within the ten principles

HUMAN RIGHTS

1. Ensure workers are provided safe, suitable and sanitary work facilities

Iskraemeco has introduced an integrated management system, which includes; Quality (ISO 9001), Environmental Protection (ISO 14001) and Occupational Health and Safety (OHSAS 18001). At the end of 2016, we have also implemented the standard of Information Security Management (ISO 27001). All our management systems include requirements that are more stringent than the current legislation; consequently, we are compliant with all relevant legislation.

2. Protect workers from workplace harassment, including physical, verbal, sexual or psychological harassment, abuse or threats

We have incorporated five values into our corporate value system. One of the values that we cherish the most is People and it states the following: We support and respect each other. We communicate openly and honestly.

- We believe that “Individuals play, the team wins!” Team work increases efficiency, responsiveness and quality of our work. We encourage and help each other to become more successful.
- We respect each other regardless our positions and personal circumstances.
- We educate ourselves in order to improve our work and promote the growth of our business. We view continuous improvements as an attitude to work as well as an opportunity for our own personal growth.
- We act in accordance with ethical standards and integrity. We focus on the long-term success of the company.
- We proactively look at things from the perspective of others (members of the company, customers and suppliers).
- Customers, suppliers and shareholders are a part of our team.

In accordance with our company vision we have published the Iskraemeco Ethics Code of Conduct in July 2017. Employees from all departments were involved in the writing process of the Code.

3. Take measures to eliminate ingredients, designs, defects or side-effects that could harm or threaten human life and health during manufacturing, usage or disposal of products

The company prepared and adopted a risk assessment for each and every workplace. Each workplace or machine in the production is connected to certain risks that could result in injury. The purpose of the risk assessment is to identify and evaluate them according to the degree of risk for injury, followed by preventive measures. Risk assessment is optimized whenever a change, which has an impact on the health and safety of workers occurs at the workplace. The purpose of this risk assessment is to provide safe working conditions for employees and prevent occupational injuries. We also place high importance on continuously educating workers regarding these assessments and processes.

Assessment, policy and goals

Slovenia is a signatory of the Convention on Human Rights and has implemented the provisions of the Convention into domestic law. Therefore, the Slovenian legislation provides a high level of human rights protection, which is reflected in employment law that is mandatory for all companies in Slovenia.

A health and safety risk-assessment is carried out for every workplace in the company, and the document forms the basis for continuous improvement (assessment, policy and goals).

Implementation

All managers are obliged to report to the Chief Executive Officer if any case of discrimination or sex offending behaviour occurs in their area according to the Labour Relations Act.

Managers must be constantly on alert regarding human rights risks. If in any case such risk should be detected, the manager must act immediately to prevent similar events in the future and report the incident to the CEO within 5 days.

With a view to strengthening our social responsibility, Iskraemeco d.d. is also sponsor of local sport events, cultural events and a leading financial sponsor of the Iskraemeco folklore group. Alongside, the company regularly donates funds in order to support the local community in various fields (universities, sports or music events and several individual projects).

Measurement of outcomes

We measure our performance through KPIs which are set for every top-level objective.

LABOUR

1. Ensure that the company does not participate in any form of forced or bonded labour

Slovenia is a signatory to the Convention on Human Rights and has implemented the provisions of the Convention into domestic law. Therefore, the Slovenian legislation provides a high level of human rights protection, which is also reflected in employment law that is mandatory for all companies in Slovenia. Same goes for the European Social Charter and all documents connected to it. We comply with the International Labour Organization (ILO) Standards and with Fair Labour Association Guidelines. Iskraemeco is well aware of its responsibility in terms of labour standards and rights in its supply chain and is implementing processes in direction of preventing any violations. In the year 2016 and 2017 all contracts were added articles concerning labour standards with more strict and binding wording. At the same time labour standards evaluation was also added to the auditing processes of Iskraemeco suppliers and in the process of supplier approval.

2. Comply with minimum wage standards

Iskraemeco is obliged to comply with the Slovenian employment legislation and regulation. Minimum wage standards that are part of this legislation are modified on a monthly basis. All employees additionally receive payment for a warm meal (per day) and for their work (to/from) travel expenses.

3. Ensure that employment-related decisions are based on relevant and objective criteria

It is in the best interest of Iskraemeco that its employees are employed, managed and promoted in manners of relevant and objective criteria. This is part of our value system, our Ethical Code of Conduct and part of our mutual agreement.

4. Environment

In 2016 measurements of electromagnetic radiation were conducted in production and Measuring Laboratory. Measured results in production were fine but in Measuring Laboratory additional measurements will be performed and expert counselling will be sought (Institute for Non-Ionizing Radiation) to exclude any risks associated with electromagnetic radiation.

Due to very high summer temperatures and increased work in the production, a microclimate device for lowering the temperature was additionally installed in one part of the production process.

Iskraemeco conducted an examination of chemical harmfulness in the working environment during manual soldering and during the cleaning of the soldering lines. An

analysis of the presence of dust on manual soldering were suitable and permissible. The value of the dust particles, during the cleaning of the lines was exceeded. In order to best protect workers against the harmful effects of dust we bought the portable suction device with appropriate filters, that catch dust, which operate locally (on the line during cleaning) as well as workers in the surrounding area, located in the same area.

All devices which were required to be examined were subjected to tests and examinations (EM production, elevators and cranes, forklift trucks). Since the examinations included machinery or equipment from the so-called 1st group, they were performed by authorised external institutions. All operating permits were extended following the elimination of minor deficiencies. Other machinery and devices were examined by the company's internal commission (Iskraemeco Health and safety at work).

5. Additional benefits / actions for our employees

With a view to ensuring compliance with the legislation and, more importantly, to become more active in the field of employee health promotion, which is also dependent on voluntary actions performed by the employer and employees, the company has a Health Promotion Commission to ensure continuous promotion of health in the company. The Commission consists of the company representative for Health and safety at work, a representative from Human Resources, a representative from Marketing and two members from Production. The president of the trade union cooperates with the Commission as well. We wish to encourage all employees to take better care of their health. We plan to achieve this goal through recommendations and execution of pre-prepared actions promoting a healthy lifestyle.

The company carries out the following activities for the promotion of health:

- various lectures ("How I can manage stress in the workplace" or "First aid training"),
- workshops for smoking cessation, for a healthy movement or a healthy diet,
- measurement of patency of the arteries,
- UZ measurement of bone density on heel
- annual seasonal influenza vaccination,
- organized running workout and yoga practice with the Olympian athlete Brigita Langerholc on a weekly basis,
- course of meditative movement skills TAI JI with Slovenian society TaiJiQuan,
- encouraging and giving financial contributions for participation fees in recreational competitions,
- articles on health promotion topics included in each issue of the company's internal newspaper and bulletin boards,

- free use of sports amenities for tennis and badminton respectively (weekly time slots),
- free participation in a "Spinning" recreational workout (weekly),
- health day twice a year, where employees are educated on specific topics with leaflets and receive a little gift to promote health promotion (green apple, whole grain buns, stress-relief balls, nuts with dried fruits, yogurt) ,

Preventive periodical and preliminary medical examinations conducted at the Kranj Clinic for Occupational Health, Traffic and Sport (Dispanzer za medicino dela, prometa in športa Kranj) were attended by 190 employees in 2016 (101 women and 89 men). Workers who were required to undergo preventive periodical examinations were those who periodically work in the night shift or who were required to repeat the medical examination because the validity of the examination prescribed in the risk assessment had already expired.

All employees are continuously educated and reminded about the following:

- take active breaks (3 x 5 minutes),
- personal physical recreational programme,
- proper seating posture at work,
- proper viewing distance when working with a computer,
- proper usage of keyboard and mouse,
- proper lifting of loads,
- wrist exercise toys for workers diagnosed with the Carpal tunnel syndrome,
- back and neck exercises during work.

Our employees get a daily hot meal in the nearby cantina (available choices of four menus, including a vegetarian one). There is a half-hour break available for lunch and additional 10 minutes recreational brake, which is considered as working time. Further on, we have amenities available for relaxation, where workers can use coffee machines and water fountains, fridge, etc.

Trainings regarding health and safety at work represents an integral part of other trainings related to technological work processes, environmental protection and fire protection.

The following health and safety (HAS) seminars were implemented:

- periodic health and safety seminar and fire protection seminar for production workers
- introductory seminars for new employees, carried out by Iskraemeco Health and Safety at Work Service, which is performed on the first day of employment
- first aid refreshment course for workers' institutions,

- Seminar for all production managers how to maintain Health and Safety at Work in its working group,
- other lectures on occupational health and safety related to the needs arising in the company.

Assessment, policy and goals

At Iskraemeco, d.d. we express a high degree of respect for workers' rights. The company has an organized trade union and workers' council. The company has a corporate collective agreement in place, which guarantees workers' rights at a higher level than determined by the Slovenian labour law.

Our goal is to create a positive relationship between the company and the trade union, therefore mutual communication is present in all matters related to workers' rights.

Implementation

We have defined our company values, which are constantly promoted throughout the company. We are also following all of the requirements specified in the OHSAS 18001 standard for health and safety at work, for which we are certified. Furthermore, the company closely observes and follows the existing national legislation.

We have put in place an interview process which enables us to develop our employees to further their career within our company. During these interviews, a training program is developed for each employee individually. These trainings are later included within the yearly training program, where we monitor the execution and efficiency of performed trainings.

To demonstrate its support to a healthy lifestyle, the company encourages its employees to attend running competitions in Slovenia by covering financial costs for the participants and has several prepaid sport activities available for all employees.

Our company also participates in the employee satisfaction survey which is performed within more than 100 companies in Slovenia on a yearly basis. Based on the results of the survey, we define the activities to raise the level of satisfaction of our employees.

Measurement of outcomes

The quality of our products is based on the business management system specified in the ISO 9001:2008 standard. It includes systems ranging from quality management, approach to the environment (ISO 14001 standard), health and safety at work (OHSAS 18001 standard) and security of assets and data.

Monitoring of absenteeism and severity of injuries is implemented on a monthly basis in order to improve the health and safety of our employees.

In 2016 we recorded 2 accidents at work, the same as in the year 2015. However, absence from work due to these 2 injuries totalled 39 days (which is 25 more than the year before), or 312 hours.

In 2016 sick leave, due to work-related injuries took up a low a minor share of 0.33% in total sick leave.

Sick leave charged to the employer accounted for 57,103 hours worked, or 3.86% of total period of absence from work. Sick leave charged to the Health Insurance Institute of Slovenia totalled 36,441 hours worked, or 2.46% of absence from work.

In 2016, sickness absence amounted to 93,544 hours worked, or 6.32% of total absence from work, up 25.9% from the year before. (The average sick leave per employee totalled 128 hours or 16 working days.)

ENVIRONMENT

6. Avoid environmental damage via regular maintenance of production processes and environmental protection system (air pollution control, waste, water treatment systems, etc.)

Environmental conservation and sustainable development are among our companies priorities. As a response to the raising environmental awareness and the increasingly stringent environmental legislation, Iskraemeco incorporated environmental protection into the structure of its management system. In 1999 Iskraemeco implemented an environmental management system in accordance with the international standard ISO 14001 to achieve the objectives in the field of environmental protection. The environmental management system is an approach to business that covers all aspects of environmental management - the use of raw materials and energy, management of technological processes, as well as requirements for products aimed to eliminate or at least reduce their environmental impact. As the characteristics of the management systems are continuity and control, the company can overcome all the weaknesses, threats and risks that would otherwise give rise to nuisance. In 2016 we have added environmental issues of our supply chain in to process of review, this was also added to ISO 14001 with the year 2017.

At Iskraemeco the following types of waste waters are generated:

- municipal (sanitary),
- cooling (for cooling the machinery, equipment and working places) and
- industrial (the washing machines using detergents - 4x).

Treated waste water is mixed together with other waste waters, passed along the mixed sewer system and emitted to the central waste water treatment plant Kranj (Komunala Kranj). Most of the cooling waste waters are emitted to the nearby Sava River.

In 2015 monitoring of wastewater effluent was implemented. The waste waters sampling and analysis were carried out in accordance with the Decree on the emission of substances and heat in the discharge of wastewater into waters and public sewage system by Lotrič Certificiranje, which is authorized by MOP-ARSO. All Environmental legislation requirements in 2016 and 2017 were met.

7. Ensure emergency procedures to prevent and address accidents affecting the environment and human health

The emergency action plan (N.V.21.01) describes procedures and measures for proper handling in cases of various emergencies. The instructions are given for all kinds of actions in emergency cases as well as the conduct and communication activities in preventive actions.

Additionally, we also put in place a protocol on Communication in emergency situations that includes a list with all emergency contacts.

We are currently in the midst of preparing a Business Continuity Plan.

In 2016 there were no accidents with hazardous chemicals or other exceptional circumstances which could endanger the environment.

8. Minimize the use and ensure safe handling and storage of chemical and other dangerous substances

We are replacing materials, which are harmful to the environment with materials that are less harmful to the environment and can be reused, recycled or disposed of safely.

The amount of waste is reduced through more efficient use of raw materials. Only previously processed residues that cannot be disposed of differently are deposited.

Rules for safe and healthy work were prepared for some chemicals, some MSDS were renewed and a new chemical was registered at the Chemical office of the Republic of Slovenia.

9. Safety and compliancy of production and products

The product developed in 2015 (AM550 smart electricity meter) is REACH Directive compliant, ROHS (2) Directive Compliant and WEEE Directive compliant when it reaches the end of its life-cycle.

In 2015, Iskraemeco started with lead free soldering production for newly developed products and is developing appropriate redesigns of other products (for lead free production).

10. Logistics and packaging

We have a policy to return all wooden pallets, plastic discs and casings (container) and wooden covers (for copper enamelled wire) to suppliers where this is possible. Interchangeable containers (plastic boxes with a lid, wooden pallets and intermediate paper to separate layers) from all GB suppliers of plastic and metal parts are returned to the suppliers. All components for sub-assembly are supplied in plastic (bottom, tops ...) or metal (screws, rivets ...) boxes. The boxes are washed and returned to the local suppliers. Some of the local partners use their own boxes, but the managing process is the same. The interleaving paper that separates layers in loaded pieces is returned as well.

11. Strategy for implementing circular economy

Our strategy is to embrace circular economy. We are monitoring our electricity and water consumption, waste production and measure our CO₂ footprint. Many improvements were implemented to achieve higher goals each year. When comparing to 2013, Iskraemeco has managed to lower its energy consumption for 25 per cent, water consumption for 28 per cent, reduced waste production for 24 per cent and improved recycling in 2015. Our CO₂ emissions in 2016 were 35 per cent lower than in 2013.

12. Environmental responsibility within the companies supply chain

Iskraemeco's overall vision is to increase its social responsibility. Since we are an industrial company, our environmental responsibility starts in our supply chain. Therefore, it is our aim to monitor and coordinate our supply chain with environmental and social responsibility in mind and follow stricter standards than the ones prescribed by law. Electricity meters are part of the electronics industry, which has, due to its dynamics and the use of many materials, a high environmental and social footprint.

In our supply chain transparency and analysis, we place special attention to:

- all our components must be ROHS (2) and REACH Directive compliant,
- we trace the component to its sources (in cases when this is possible),
- we enforce OECD Due Diligence on Supply Chain of Minerals from conflict areas throughout our supply chain,
- we do not accept materials from an unknown origin,
- we adhere to the EICC code of conduct version 5.0 (CMRT report),
- we adhere to FLA (Fair Labor Association) Compliancy, ILO standards compliancy throughout our supply chain.

We are monitoring our supply chain with the following methods:

- open sources,
- electronic components databases,
- supplier questionnaires,
- internal knowledge and documentation of partnering companies,
- supplier assessment and partnership.

Assessment, policy and goals

In the field of environment protection, Iskraemeco, d.d. follows all the requirements of the ISO 14001 standard for which we have a certificate. We closely follow all national and EU legislation regarding environment. Regular audits from the relevant certification body as well as from national inspectors are performed. Within the environmental management system we monitor electricity, heating and compressed air consumption on a monthly basis and take necessary measures to reduce our consumption. This is why we devised annual environmental programs which are part of the annual management review. The company holds all legally required permits for the treatment of waste water. We work with an approved subcontractor who is authorized by the Slovenian government. We also have a manager for environmental issues whose task is to ensure that all activities are performed in accordance with the legislation and ISO 14001 requirements. This person is also one of the responsible employees who need to approve each related investment in order to assure minimal impact on the environment. Our environmental expert perform a review of each newly developed product regarding its compliance with ROHS and REACH requirements.

When it comes to CO₂ emissions, we are using methodology based on method “Carbon trust”. We started with footprint calculation for the company in Kranj in 2013 and completed it again for 2015 and 2016.

Implementation

We foster a more responsible attitude to environmental issues by performing regular trainings and raising the staff’s awareness. When designing a new product, we take into consideration the entire life-cycle of the product, from its development to appropriate management when it reaches the end of its life-cycle. The volume of waste is reduced by better utilization of raw materials. Only previously processed residues that cannot be disposed of differently are deposited.

We are educating our distributors and our suppliers about all these issues, we partner and learn from other companies and Non-governmental organizations.

Measurement of outcomes

Iskraemeco’s mission is to enable utilities and other stakeholders to improve performance while lowering environmental impact. Providing metering products and systems that enable efficient energy management is Iskraemeco’s contribution to sustainability. Adherence to the ISO 14001 is proof of our sound environmental practices.

According to ISO 14001, environmental performance is regularly checked and evaluated according to environmental plans, legislations and other demands by top level management on the basis of the environmental report.

ANTI-CORRUPTION

Assessment, policy and goals

Iskraemeco, d.d. is a signatory of the Declaration of Fair Business – Ethos, UNGC Slovenia.

The anti-corruption program Ethos aims to raise awareness on corruption, as well as develop good practices, mechanisms and standards with which the companies can proactively prevent corruption and thus raise the competitiveness of the corporate environment and the country as a whole in the long-term.

Alongside, Iskraemeco has published its Ethical Code of Conduct in July 2017.

Implementation

The Declaration of Fair Business is a document that binds the signatories to transparent and fair business practices, to integrate anti-corruption clauses in all contracts whose value exceeds 10.000 EUR and to inform one another about possible violations. The draft declaration prepared by the Anti-Corruption Working Group as part of UNGC Slovenia was first presented on January 20th, 2011 at the "Fairness: a source of long-term competitiveness of the economy" conference .

The Declaration is the first product of the Ethos project, implemented under the auspices of UNGC Slovenia and carried out in accordance with the ten principles of the UN Global Compact (Prevention of Corruption as a lever for sustainable development). The purpose of the project is to establish mechanisms, knowledge and processes through which the Slovenian economy could proactively and on its own initiative (not only under the pressure of repressive organs) fight corruption and increase compliance to ethical and legal norms. This would decrease long-term risks and increase healthy competition among individual businesses and in the economic environment as a whole.

Measurement of outcomes

In the field of procurement we carefully select our sub-suppliers in order to ensure that they respect environmental and health and safety standards. This is why each supplier needs to declare that they do not employ under-age personnel and that they work in accordance with ISO 9001, ISO 14001 and OHSAS 18001 standards during our supply approval process. Before a new supplier is approved, rigorous audits are implemented by our internal auditors. During these audits the supplier's level of sustainability is evaluated as well.

FINAL WORDS

Sustainability is part of Iskraemeco values; this was recognized by the Slovenian government, who chose us as a good practice example of Slovene economy. Sustainability has become important on the metering industry level as well. We were invited to present the challenges and our practice at the European Utility Week (2016, 2017) and many other conferences. Most importantly, our efforts are recognized by our customers. This helps us to create added value and build a competitive advantage on a very demanding metering market, while at the same time we accumulate higher impacts of sustainability actions of Iskraemeco.

Sustainability is the responsibility of every individual in “day to day” decisions. Only then we can become responsible and sustainable as a company.

In electronics industry “smart” must become sustainable.