

Quality, environment and ethics

Sustainability issues are integrated into NOTE's business operations. Segments covered are quality issues, environmental impact, business ethics and human rights. This work is decentralised and co-ordinated using collective targets and guidelines. NOTE is a member of the UN Global Compact, which was started on a UN initiative.

Holistic perspective raises standards

Taking an integrated approach to various sustainability issues is crucial to how effective overall results are. These matters involve everything from helping customers to select components with good environmental and quality performance, to locating manufacture close to final markets, so that the environmental impact of transportation is limited. When mitigating its customers' impact on the environment and wider society, NOTE works actively to limit the group's negative impact on its surroundings.

Quality policy and working methods

NOTE creates competitiveness for its customers by delivering the right quality at the right time and at the right price. To achieve this, NOTE continuously develops and improves its services with the aim of constantly satisfying applicable standards and customer expectations. Production units work towards shared and measurable targets. For example, product quality and delivery precision are continuously measured for both customers and suppliers.

NOTE utilises a portfolio of quality assurance tools and methods whose origins lie in the quality systems of the automotive and pharmaceutical industries.

ISO 9000 is a series of international standards used to direct the focus of corporate quality management systems. All the group's production units have ISO 9001 certification. Using its quality management system, NOTE can trace faults and continuously develop the company's methods and processes. NOTE ensures its work is functioning through regular audits, which monitor standards and procedures, by internal and external

resources. An external party verifies and certifies its management system.

Quality audits are regularly conducted on NOTE's strategic suppliers.

Environmental policy and working methods

NOTE strives for long-term and sustainable development by producing with the minimum possible environmental impact. NOTE endeavours to comply with, or exceed, applicable environmental legislation, work on continuous improvement and maintain an updated environmental policy.

Environmental work follows international ISO guidelines, mainly the ISO 14000 series. All the group's production units have ISO 14001 certification and are audited by internal and external resources.

Although different countries' environmental legislation varies, NOTE's ambition is for all units to follow a common line of environmental work. Production units sort consumables and monitor energy consumption continuously. Other parts of operations also include environmental considerations, such as in discussions with customers regarding materials sourcing and production arrangements.

Electronic scrap, glass and paper are recycled. Improvement projects reduce waste and limit energy consumption and CO₂ emissions. Corrugated board and combustible waste are compacted to minimise the number of waste transportation runs affecting the environment. NOTE also co-ordinates freight agreements in the group to optimise transport, and thus limit energy consumption and CO₂ emissions.

During the year we continued our efforts to progressively integrate the Global Compact's ten principles into our working methods, our future plans and together with our collaboration partners.

Peter Laveson, CEO and President

Additionally, NOTE units collaborate to share experiences, good examples and suggested improvements.

Environmental audits are regularly conducted on NOTE's strategic suppliers.

Ethics

NOTE has been a member of the Global Compact, started on a UN initiative, since autumn 2011. The Global Compact states ten principles member companies undertake to comply with. These principles govern human rights, labour law, the environment and corruption. In 2014, NOTE will make its second Communication on Progress (CoP) to the UN. This reviews the work being conducted within the group internally and with customers, suppliers and other stakeholders.

In 2013, NOTE updated and strengthened its policy work and executed an employee satisfaction survey. In 2014, NOTE intends to continue developing its policy initiatives and to make a more active contribution to the progress of its surroundings on a number of our markets.

NOTE's Code of Conduct is based on the UN Global Compact and is available at www.note.eu.

A summary of the NOTE units' executed and prospective work on Global Compact principles is on the following page.

UN Global Compact principles	NOTE's approach
HUMAN RIGHTS	
Principle 1 Companies are requested to support and respect the protection of international human rights in their spheres of influence; and	NOTE has been using its Code of Conduct since 2006. The company endeavours to develop business with companies that have the corresponding ethical rules on accountability.
Principle 2 ensure that their own company is not party to breaches of human rights.	NOTE has been applying its Code of Conduct since 2006.
LABOUR LAW	
Principle 3 Companies are requested to maintain freedom of association and make actual recognition of the right of collective bargaining;	NOTE respects that its employees form and join labour organisations, and negotiation is collective
Principle 4 abolition of all forms of forced labour;	As part of its business principles, NOTE and its customers' and suppliers' employees should enter employment and contracts of their own free will.
Principle 5 abolition of child labour; and	NOTE does not employ children and does not collaborate with companies that use children as part of their workforce.
Principle 6 abolition of discrimination in employment and at work.	NOTE believes in a workplace where everyone has equal opportunities to work and progress.
ENVIRONMENT	
Principle 7 Companies are requested to support the principle of prudence in terms of environmental risks;	NOTE's units run improvement projects in the environmental segment, and measure a series of environmental factors such as electronic scrap, energy consumption, CO ₂ emissions and transport. All units have environmental targets, which is monitored regularly.
Principle 8 take the initiative to promote acceptance of far-reaching environmental responsibility; and	NOTE works actively on developing policies and methodologies designed to minimise the company's negative environmental impact. Employees are encouraged to participate in this process.
Principle 9 encourage the development and dissemination of environmentally friendly technology.	NOTE takes a positive view of developing environmental technology and actively supports new manufacturing methods and components that are more environmentally friendly.
ANTI-CORRUPTION	
Principle 10 Companies should counteract all forms of corruption, including blackmail and extortion.	NOTE encourages employees to resolutely counteract all forms of corruption, blackmail and extortion. Simultaneously, NOTE expects the corresponding attitudes from its customers and suppliers.



Results 2013	Targets 2014
NOTE works actively on securing compliance with NOTE's Code of Conduct. NOTE encourages customers and suppliers to join the UN Global Compact by communicating the significance of these issues. A further 18 agreements were signed with suppliers who had accepted NOTE's Code of Conduct or follow similar codes in the year. In addition, NOTE informed new customers of its membership of the UN Global Compact and its principles and benefits. NOTE also supported UNICEF in 2013, which works actively to help children and uphold their rights.	Increase the number of suppliers and customers that accept NOTE's Code of Conduct or support UNGC's ten principles. Prepare and implement a Code of Conduct to be used in the sales organisation. Continue to actively help children and uphold their rights.
NOTE works actively to ensure compliance with its Code of Conduct. In 2013, NOTE prepared and implemented a revised human rights policy in the group subsidiaries.	Strengthen the implementation of the revised policy for human rights in all group subsidiaries.
NOTE has had employee representatives on the parent company's Board of Directors since 2009. Collective bargaining agreements are in place at most NOTE units.	Maintain existing collective bargaining agreements.
NOTE works actively to ensure compliance with its Code of Conduct. NOTE encourages customers and suppliers to join the UN Global Compact by communicating the significance of these issues. A further 18 agreements were signed with suppliers who had accepted NOTE's Code of Conduct or follow similar codes in the year. In addition, NOTE informed new customers of its participation in the UN Global Compact and its principles and benefits.	Increase the number of suppliers and customers that accept NOTE's Code of Conduct or support the UNGC.
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NOTE sees and benefits from all employees' specific competence and developmental opportunities, regardless of sex, ethnicity, sexual orientation, disability, age and social background. NOTE's units work on integrating equal opportunities and diversity in all parts of their operations. In 2013, NOTE prepared and implemented a revised human rights policy in the group subsidiaries. A group-wide employee satisfaction survey was completed for the first time in many years in 2013.	Conduct another employee satisfaction survey.
Principle 7 and 8. NOTE's units worked slightly differently on environmental issues in the year, towards individual goals. Employees received training in environmental thinking and action. A "green" power contract, with electricity is sourced from hydroelectric stations and wind turbines, was signed for all the group's Nordic units. NOTE's consumption of energy, gas, paper and water reduced, as did the share of products containing lead and waste derived from components and PCBs in production. The proportion of group shipments increased, fire extinguishers were replaced with more environmentally friendly models. In addition, separate waste collection points for cardboard, plastic bottles and other waste were provided. Hazardous waste was separated, marked and correctly disposed of. NOTE has implemented a database used for identifying RoHS, Reach and conflict minerals in components. (RoHS is an EU directive that prohibits or limits use of certain heavy metals and fire retardants in electrical and electronic products on the market, Reach is an EU regulation governing chemicals and other hazardous substances.) A third party review of the environmental management system was conducted by an external party.	Principle 7 and 8. Continue to fulfill new and previously achieved targets.
NOTE conducts environmental assessments when introducing new equipment, technology and logistics solutions. The knowledge gained is shared between units in the group. An environmental perspective is considered jointly with customers when tailoring product manufacture. NOTE has implemented and uses a database for identifying RoHS, Reach and conflict minerals in components.	Continue progress towards even more environmental production.
NOTE has group-wide and local authorisation procedures expedient for its business. NOTE's purchasing policy stipulates that sourcing is conducted in accordance with ethical rules, and that bribery and corruption are forbidden. In 2013, NOTE prepared and implemented an anti-corruption policy for group subsidiaries. The number of suppliers that accept NOTE's Code of Conduct increased by 18 in the year.	Strengthen the implementation of the anti-corruption policy in all group subsidiaries. Further develop internal processes and control functions relating to authorisation rights in all group units.