

CONSULT

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DESIGN

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MANUFACTURE

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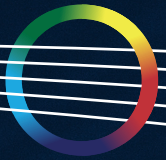
DELIVER



SELECTRONIC
IMAGINATION IS THE ONLY LIMIT

VISION:
PAST, PRESENT AND FUTURE
Shareholder Report on Year 2 of Progress





MISSION: BRINGING IDEAS TO LIFE

Our simple solutions are designed to take our clients brilliant concepts into real life. We work with our partners, suppliers and clients to ensure that their needs are met and that our processes reflect our commitment to the UN Global Charter at every stage of the process.





VISION:

Our vision speaks of the journey we take each client through, from that creative spark to meeting any need at any given time. These are the four stages by which we align our vision to our clients', to ensure that imagination truly is the only limit.

CONSULT:

Seize the opportunity

The best creations are ones that come about through teamwork. We invest time into consulting our clients to ensure that we know a project inside out before embarking on the journey.

DESIGN:

Discover the potential

We aim to provide simple solutions when pioneering. Our processes are simple and slick but effective.

MANUFACTURE:

Realise the vision

We strive to provide the best product and experience for the customer, never forgetting our commitments to a safe global economy and the UN Global Charter.

DELIVER:

Bring it to life

We have a great team in the UK and in mainland China, and the combined efforts of all our members help us bring our clients' vision into to reality quickly and efficiently.



VALUES:

Getting to know us as a company, means knowing what we are all about.
We believe that these values say it pretty well.

S

Synergy

We work closely together behind the scenes creating a reliable partnership.

E

Enterprise

We provide innovative solutions for businesses with our wealth of knowledge.

L

Legacy

We provide companies with a long-term solution that continues to produce results.

E

Efficient

We guide companies through the entire process using our thirty years of expertise.

C

Creative

We use big-picture thinking to take imagination and make it reality.

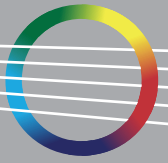
T

Together

We work in unity with our clients...







HELLO:

STAKEHOLDER REPORT ON YEAR 2 OF PROGRESS

It's not a lie to say that since 2008 things haven't always been easy. The market crash created a tough economic climate for many companies, including Selectronic. But despite this, we have been able to maintain the company's growth through the years following the market crash.

We know the challenges are not over yet – the pressure on prices remains strong. We have decided to see this challenge as an opportunity to grow instead. It has made us more adaptable and pioneering in our approach, and we place emphasis on short term call offs in our planning.

In this climate our goal to replace air freight with sea shipments has been more challenging to achieve. Nonetheless, we have continued to place sustainability at the centre of everything we do. Where possible, we have aimed to link this to improved efficiency of the business. Through cooperation among our fantastic team, we have taken a real step forward in planning the business and improving our relationships with suppliers, so that together we can keep improving.

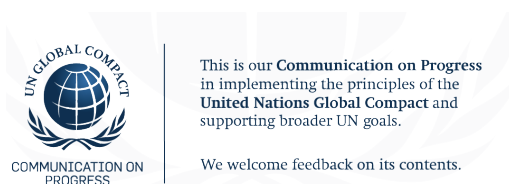
The aims of our Global Agreement remain at the forefront of all our decisions. We make continuous efforts to incorporate our China based team into this approach. To strengthen the team in China, we have now recruited a China based QA co-ordinator who will lead the integration there and look to enhance our objectives for 2016.


It has been a year of ups and downs, through which Selectronic has experienced a real growth.

Kevin Dry
Managing Director

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“Innovation distinguishes between a leader and a follower.”
Steve Jobs



THE TEN PRINCIPLE: RENEWAL OF COMMITMENT TO THE 10 PRINCIPLE

These are the ten principles which we incorporate into everything we do. They help us remain pioneering in our approach and encourage unity and cooperation in our global brand. We work hard to incorporate the paramount aspects of human rights, labour, the environment and anti-corruption into our overall strategy and day-to-day workings.



HUMAN RIGHTS:

As a company that prides itself on its technological achievements, we never forget the means by which our success is delivered. A successful business is one which ensures that its success is attained by ethical means. This means that there can be no compromise when it comes to human rights. By engaging our suppliers with the UN Global Compact, we aim to ensure that human rights are observed and promoted across our teams and stake holders.

PRINCIPLE 1

Business should support and respect the protection of international human rights.

PRINCIPLE 2

Business should ensure they are not complicit in human rights abuses.



LABOUR:

We believe that a good business is made up, first and foremost, of people. In order to keep ours at the top end of the competitive market, we make sure we take care of our team here in the UK and now also in China. To encourage unity and teamwork across all the sectors of our company, we place human rights at the forefront of all our operations, and we never forget to take care of our staff.

PRINCIPLE 3

Business should uphold the freedom of association and the effective recognition.

PRINCIPLE 4

Elimination of all forms of forced or compulsory labour.

PRINCIPLE 5

The effective abolition of child labour.

PRINCIPLE 6

The elimination of discrimination in respect of employment and occupation.



ENVIRONMENT:

With the global ecological crisis peering over our shoulder, we want to make sure we do our bit for the environment. Whether its simple things like educating individuals in our teams to recycle more, changing our offices and vehicles we use to reduce our carbon footprint, or considering sustainability when planning our future growth, we consider the environment in everything we do. We know this will be a wise investment for the generations to come, so they can enjoy a safe future.

PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges.

PRINCIPLE 8

Undertake initiatives to promote greater environmental responsibility.

PRINCIPLE 9

Encourage the development and diffusion of environmentally –friendly technologies.




ANTI-CORRUPTION:

Our name is important to us and if we take care of that we know that our reputation is secure. Coupled with our values, being open and honest about our dealings leaves us with nothing to worry about. With transparency we have nothing to hide, allowing us to sleep at night and ensuring that we leave a positive legacy in place for generations to come.

PRINCIPLE 10

Business should work against all forms of corruption including extortion and bribery.



“The ability to convert ideas to things is the secret of outward success”
Henry Ward Beecher



SELECTRONIC: IMAGINATION IS THE ONLY LIMIT

Established in 1979 in the field of LED lighting, Selectronic have now become the experts in all optoelectronic technologies. One of the toughest businesses in which to secure consistent high end performance, but thanks to our customer-oriented personal service, we have been able to exist 30 years in the electronic market sector.



OVERVIEW:

THE JOURNEY SO FAR

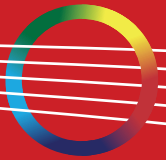
Compared to our major competitors, who are all global manufacturing players, Selectronic has concentrated on being flexible and having an accurate knowledge of our markets, linked to a core understanding of the technology behind the products, and a continuous commitment to the UN Global Charter. We have successfully expanded and established a good reputation in the automotive, industrial, retail, consumer and LED lighting sectors – areas in which we continue to grow and develop, through a continuous commitment in staff training and sustainability. Today, in 2015, our vast experience combined with our commitment to innovation, has helped us keep our clients on the cutting edge of technology.



HOW WE WORK:

GREATER THAN THE SUM OF ITS PARTS

We specialise in sales and logistics, supplying major global companies with opto electronic and switch panels for use in the key business sectors of automotive, consumer, instrumentation and retail. Combined with over 30 years of experience, our vision will take our products forward into diverse and innovative areas. When it comes to LED lights, simple but effective kitchen solutions or trustworthy medical equipment – we are the goto company.



AUTOMOTIVE:

GATHERING MOMENTUM

At Selectronic we work with some of the most pioneering companies in the Automotive industry. This has us working with the toughest of environments as found in the truck market through to areas where tactile design and performance are key in the area of high end luxury cars.

PAST

We pioneered in the automotive market in 1985, and have been building on our experience ever since. Our dedicated team know all about the complexities of the automotive business process, and continue to accomplish great ideas for top automotive brands.

PRESENT

Technology in our cars is greatly advancing, with many of the F1 gadgets and controls slowly filtering through to the consumer. At Selectronic we work with companies to produce components that enhance the 'name' of the brand and deliver those costs to keep the company competitive in the marketplace.

Here are some of the areas that are hot on our agenda right now:

- **Central Information** – always a step ahead of the game, Selectronic offer a wide range of TFT's, Touch Panels and keypads to ensure the driver and the passenger are fully equipped with technology that meets the needs of their journey.
- **Tachographs** – these devices have been in use for years, but with the new age of technology dawning, they are due for an upgrade! The smart tachographs which we are developing will have GPS built in them. This will provide advanced and essential information to enforcement officers.
- **HUD displays** – passionate about road safety, we love the way HUD's are now used in many vehicles to allow the driver to view information in the 'heads-up' position as opposed to looking away from the road.

Selectronic can offer many LCD technologies for HUD's including TFT's with high luminance, wide viewing angles and extended temperature ranges.

- **LED interiors, badge and tread plate illumination** – we supply automotive grade LED's to meet the requirements of the customer and never forget about road safety, making sure the brightness and colours meet the safety requirements.

FUTURE

Our future is continually linked to seeing companies becoming more ecologically responsible. That means using technology that is kind to the environment but also keeps our roads safer. Traditionally we have worked with car companies but want to explore opportunities with the motorcycle industry.



AUTO

CONSUMER:

BRINGING THE FUTURE HOME

Our experienced team know how to make a brand feel at home. We work with market leaders and supply the optoelectronic solutions that look good at the lowest price point, and are long-lasting and environmentally sustainable.

PAST

We recognise the positive effect that LED lighting can have on the environment, and we are passionate about utilising our experience in LED lighting, spanning more than 30 years, to encourage customers to consider LED's in their homes, offices and other environments.

PRESENT

We provide sophisticated ideas for families who lead busy lives but need simple solutions. Our vision encompasses displays for washing machines, ovens, microwaves, hobs and even coffee machines.

- **The hob** – a simple red LED light underneath the control surface of a hob can help achieve the perfect temperature and keep youngsters well away from hot and dangerous surfaces.
- **LED lights** – LED lights last longer, which means having to purchase fewer bulbs over time – a single LED bulb can have a life-span 100 times that of a halogen bulb. We encourage our customers to invest in sustainability and reap the long-term economical benefits from switching to LED.
- **Coffee machines** – speed and productivity, just like caffeine, is expected in our technologically advanced age. That is why

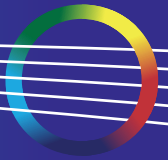
Selectronic has helped develop an efficient coffee machine display with a built in timer, to put those extra five minutes to better use in the morning!

FUTURE

We wish to pursue our commitment to sustainability, and will be offering a wider range of simple solutions for the home, with a view to getting more customers excited about the long-term benefits of LED lighting.

We make sure that we only use raw materials sourced from Conflict free areas to produce all our LED lighting in line with our ethos.





INDUSTRIAL:

MAKING LIGHT WORK

Selectronic's expertise across areas as diverse as the medical sector to testing and measuring security equipment gives the experts the tools to produce quality products to make sure that everyone remains healthy and safe.

PAST

We have built our reputation in the industrial sector by focusing on the customer's needs and invoking our commitment to precision, target deadlines and a job well done – all crucial aspects in providing top end medical equipment.

PRESENT

Selectronic's industrial optoelectronic department provides the solutions designed for purpose by people who understand the market sector needs. We specialise in medical, fire & security, audio, smart meter, home automation, test and measurement, hand held instruments and touch interfaces

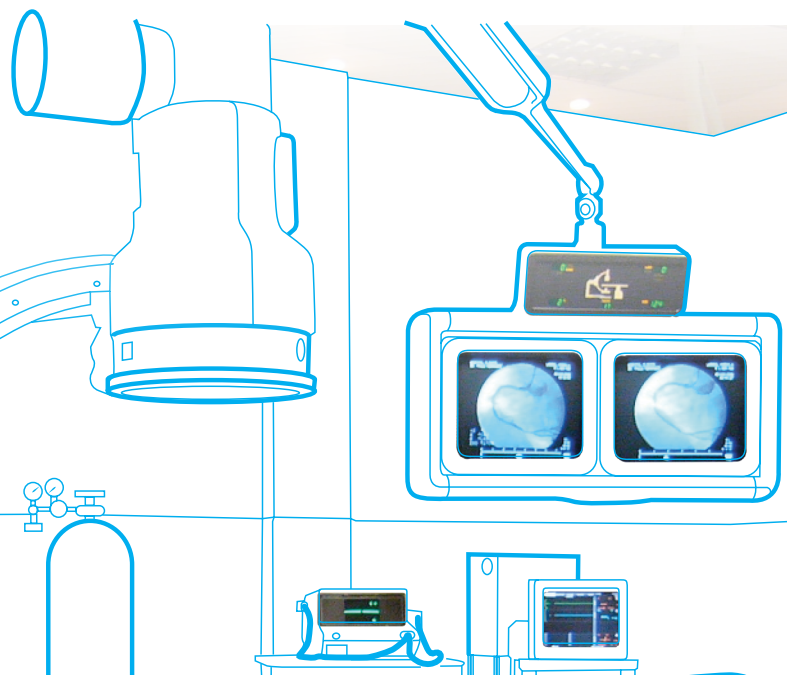
– all of which require expert knowledge and precision which we pride ourselves on.

- **Medical** – we offer reliable, long life solutions for monochrome devices, through to full colour TFT solutions with multi touch technology and cover glass or key mat inputs.
- **Fire & Security** - from standard 2 x 16 graphic display to a full control box with TFT and touch technology, we offer economical and stable supply solutions for every market

FUTURE

With the industrial sector being so vast, we aim to work closely with our partners and suppliers to ensure that the ten principles are met at every stage of the supply chain.

All of our manufacturing partners have completed questionnaires with good scores for human rights, labour welfare and anticorruption, and we will continue developing our goods to reflect this commitment at every stage of production.



WORK

RETAIL:

SHOP, LOOK AND LISTEN

From cashpoint to cashier we make sure the customer journey is an experience that they want to repeat regularly. With the modern technology advancing at a rapid rate, as much emphasis needs to be placed on upgrading LED displays as on creating new ideas to ensure our products are as sustainable as possible.

PAST

Selectronic was asked by a major POS company to assist them with the design and development of shelf edge and cabinet lighting for a global brand of cosmetics. By using the latest in LED technology and an innovated design solution we were able to meet these goals and help our client win the global contract to replace the existing shelving in both Asia and Europe, never losing sight of our commitment to sustainable practices.

PRESENT

Selectronic have expanded into the retail sector, and we now specialise in display panels for shelf edge, display lighting,

ATM's, display or touch screen tills and POS. With some of our clients being major brands, we place emphasis on ensuring that air freight shipments are reduced to a minimum, where possible.

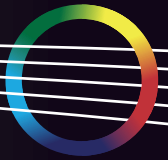
- **ATM's** – We understand that ATM's and pay points need to pass the test of time. Product longevity is also important to our commitment to sustainability. With our solutions in displays and touch panels we aim to achieve a reliable and visually pleasing product for our customers.
- **Transflective 7.0" WVGA TFT display** – Our recently launched TFT display is great for all outdoor applications, mapping displays, ticket machines and transport information terminals.

- **POS** – New POS tablet systems are making waves across retail, enhancing the customer experience and enabling receipts to be emailed or delivered via text, which contributes towards preserving our planet's fragile eco system. Our POS systems can be designed to handle Apple Pay, Bitcoin, Levelup, or prepaid cards

FUTURE

Technology is shifting how consumers pay, how retailers make sales, and how the high street is experienced. Selectronic know how important it is to keep up with the ever-changing rate at which technology is progressing, which is why we continue to invest in training for our team to keep up with the pace and provide long-term, reliable and slick solutions.





LIGHTING:

GET SWITCHED ON

We are committed to core energy saving and sustainability in our LED lighting. Our experience allows us to look at any spec and know instantly what will work best for your needs. Our respected opinion keeps up with the changes in the industry, enabling us to develop and produce new products very quickly.

PAST

LED lighting is where the Selectronic story began, and this truly is our area of expertise. For the last 35 years we have been developing LED components and products that continue to light the way for people all over the globe.

PRESENT

Our brand new OnLED range of fixtures combine premium quality materials with the very latest technical innovations for both the industrial and commercial markets. We pay close attention to our control measures, to produce

high efficiency, maximum lighting performance for everyone.

- **OnLED CCT Adjustable Panel Lighting** – This features the latest light guide control edge-lit LED technology. This panel is dimmable and the colour temperature can be adjusted using the high frequency wireless remote control unit, enabling the client to conveniently change the light levels at the touch of a button.
- **The OnLED High Bay** – this light product provides bright and clear energy efficient light for industrial, warehousing and retail


applications. Using the latest in LED technology and with a choice of beam angles and power options, the OnLED High Bay series provides major reductions in both energy consumption and maintenance requirements.

FUTURE

We will continue with our devotion to our clients' needs and a fair price policy by calculating our clients' existing operating costs for the interior of a building and inform them of how much money and carbon emissions they can save by switching to LED lights.



 OnLED



“Teamwork is the ability to work together toward a common vision.
The ability to direct individual accomplishments toward organizational objectives.
It is the fuel that allows common people to attain uncommon results.”

Andrew Carnegie



HIGHLIGHTS:

2015 ACHIEVEMENTS

Throughout 2015, we have continued with our commitment to deliver ethically and environmentally manufactured products. We want to expand the team spirit across our supply chain, which is why we have worked hard to inform and advise stake holders not yet familiar with the UN Global Charter, about the great ethical benefits of joining the scheme.





BRIGHTER HORIZONS:

PRODUCTION LINES ARE BASED IN ASIA WITH FACILITIES FULLY AUDITED BY US, TO MAKE SURE THEY COMPLY WITH OUR CUSTOMERS' NEEDS AND THE UN GLOBAL CHARTER

We have also significantly reduced our carbon emissions and we try to keep air freight shipments to a minimum where possible, as our contribution to a more healthy and happy planet for all to enjoy.



CUSTOMERS:

We have worked with our customers to plan the dispatch of products more efficiently. We strived to maximise the size of shipments in order to reduce the number of transit operations. As a result, we have increased our sea shipment number and move away from air freight where possible.

Last but not least, we have re-launched our web site with increased emphasis on our UN Global compact and the prioritisation we have on CO2 reduction. We have transformed our offices to move over to LED lighting, to keep our footprint on the planet to a minimum.



SUPPLIERS:

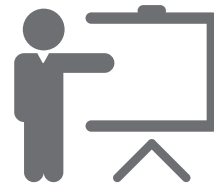
UN GLOBAL CHARTER STORY

We are committed to teamwork and cooperation across our chain of suppliers, and throughout 2015 we have aimed to ensure that each supplier plays their role in the circulation of the information of the UN Global Charter. This is why we have worked hard to promote the UN Global Charter among our supplier factories with new increased emphasis on controls, to meet our key requirements of compliance with the 10 principles. We now share common goals in fulfilling the strategy.

Since we began endorsing the principles of the scheme, our suppliers have completed questionnaires to see how much of what they do is in line with the UN Global agreement. The results have highlighted the areas where rewards are due, and also enabled us to set specific supplier targets in 2016.

We have embarked on an education process for our local suppliers who are not as aware of the background as the global players. We continue our on-going work to audit our suppliers to ensure that they comply with the Human Rights aims of the charter. Though it is a challenge, our goal is for the suppliers to extend the principles further down the scheme, to eventually include their suppliers of raw materials.





WWW





COLLEAGUES:

All of our employees are valued assets, and each one plays an important role in achieving our overall targets. This is why we have continued to invest in training – to improve our employees' skill-set and enhance teamwork.

We have brought in new talent to the business, by expanding our China based team to improve communication and understanding between the suppliers and customers. In time, this will reduce the number of visits from the UK to our suppliers in China.

We know that companies can sometimes be too externally focused and neglect the day-to-day workings of their employees. We want to ensure that our employees feel safe and happy in their work environment, so we have increased the number of employees with First Aid training to support the welfare of all. We have also invested in mechanical handling aids in the warehouse area to reduce risk of lifting injuries and to improve overall wellbeing issues. We have also promoted health benefits among our teams to improve the physical activity within the workplace and the well-being of all. We want to make sure that each and every one of our employees comes to work with a smile on their face.

With a growing team across different continents, it is sometimes difficult to establish good communication links. This can be detrimental for the workings of the company. Our main communication tool between the team has become our company's new website, and we have invested in updating it to make it more user-friendly. The website will allow for direct involvement with all the stake holders within the team, to ensure a smooth running of the business.





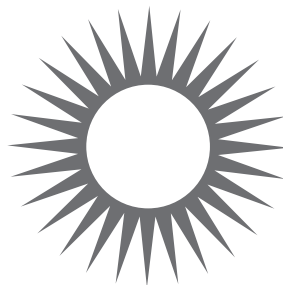
ENVIRONMENT:

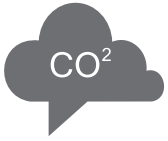


LED lights being our thing, we appreciate the benefits of switching to LED lights in reducing carbon emissions and improving the environment for all. Selectronic have invested in changing from fluorescent tubes to LED fittings across all our offices to improve the working environment, reduce energy consumption and hazardous waste.



It is sometimes easy to be too focused on achieving targets, and forget the accuracy of the data which we use to set them. We are currently working on improving our data collection. This will enable us to set more precise targets for the future to reduce specific CO² levels.





Our story of reducing CO² emissions has been a story of success – for example, we have upgraded our fleet of vehicles to reduce CO² emissions. Never forgetting our team, we have also encouraged staff to drive conscientiously minimising fuel usage, saving on emissions on a daily basis. We know that we have a long way to go yet, so we continue to strengthen our pioneering team in China, to eventually reduce the number of flight trips from the UK to China.

10

The 10 principles of the UN Global Charter have become an increasingly important aspect of our internal workings. We now have a view to prioritise hiring those global courier companies which have a UN Global Compact registration, to cover our UK supply chain, or, where this is already established, we aim to widen the use of those companies within ours.

We want all our staff to be working in a sustainable manner. We maintain emphasis on recycling all products consumed at Selectronic to minimise waste through our staff members' active cooperation. Our approach has been successful. In a recent external ISO14001 and ISO9002 audit Selectronic recorded zero non compliances and a full endorsement of all activities to drive up efficiency savings QA and customer satisfaction.



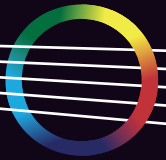


ANTI CORRUPTION:

We recognise the importance of treating everyone fairly and rewarding achievements, not personal favours. We pride ourselves on being a company that has never engaged in any corrupt practices, nor operated our supply base with any degree of non-authorised payment.

Throughout 2015 we have continued to build on that reputation. We have re-affirmed once and again that this should never be an acceptable part of our business operation. To ensure that everyone in the team shares our values, we have put efforts into reminding all employees and suppliers that this is a non-negotiable policy, and any changes on this front will not be tolerated.





PERFORMANCE TARGETS:

2015 HAS BEEN AN EXCITING YEAR FOR SELECTRONIC ACROSS THE BOARD. WE HAVE SEEN A NEW TEAM JOINING IN CHINA, AND THIS HAS EASED THE SUPPLY PROCESS, WITH REDUCED AIR TRAVEL IN MIND FOR OUR CUSTOMERS.

Integrating this team into our UK workings has been a challenge, and we have invested in staff training and the improvement of our website to aid communication between all members of the team.

With new and emerging technologies, this has been an exciting year for us. We have been able to expand into new territories of commerce, we now operate within the automotive, industrial, consumer, retail and LED lighting sectors. But while focused on expansion, we never forget our commitment to the UN Global Charter. The key areas in which we have aimed to strengthen our mark are human rights, sustainability and community building. Some targets we set have been more challenging than others.

We have achieved six out of ten targets we set out, with highlights in reducing our CO² footprint by switching to LED lights. We have extensively promoted the UN Global Charter among our suppliers and collected data to measure the areas where more work needs to be done. We have been more and more involved in strengthening the local community, and have donated towards two charities Jeans for Genes and Base 33. But don't take our word for it – see for yourselves how we have measured against the targets set for 2015.

We're delighted with the work the company has done. It further enhances our commitment to going green, and as a company to the UN Global agreement, bringing ideas to life.

Kelvin Stark
Sales Director



WE HAVE SET CHALLENGING TARGETS TO REDUCE THE CARBON EMISSIONS, BECOME MORE SUSTAINABLE AND TO COMPLY WITH THE UN GLOBAL CHARTER HUMAN RIGHTS PRINCIPLES ACROSS OUR CHAIN OF SUPPLIERS.



CO²

1

Being masters in LED lighting, we thought that doing what we know best, would be the best place to start!

Target set – to reduce the CO² emissions from the head office by 7.5%.

Achieved! After re-fitting the office and warehouse with LED lighting the CO² emissions from energy consumption has dropped from 42,000 KG in previous year to 37,500KG in this last year. This is a percentage reduction of 10%.



SHIPPING

2

We aimed to reduce the CO² emissions associated with our freight shipping by moving towards consignments by sea. This has been challenging, as customer expectations on transit time remain high. But we won't let that put us off and continue towards our target in years to come!

Target set – To reduce the CO² emissions associated with our freight shipping by moving more consignments by sea. Our aim for the next 12 months will be to triple our sea shipments compared to the previous 12 months which, based on an estimate of 300x the saving on CO² compared to air freight, will offer a substantive contribution to our total aim.

Not achieved – A decision by a major automotive customer to change the configuration of their tooling required the plans to expand shipments of their goods from air freight to sea shipments to be put on hold. The nett result of this was that the number of sea shipments actually dropped in the last year. Essentially we need customers to allow more time for transit time to support a move from air freight to shipment by sea. More consultation with customers required to move this forward and one of our biggest challenges for the next year.



MANUFACTURING

3

We want all our partners, suppliers and stakeholders to share our passion in the UN Global Charter, and one of our main goals has been to get them involved in the scheme.

Target set – To have all product manufacturing partners signing up to global aims highlighted in the UN charter for human rights, labour and anti-corruption.

Partially achieved – All manufacturing partners have completed our questionnaire with good scores for human rights, labour welfare and anticorruption. From a total of 14 suppliers, 11 suppliers achieved a score of 9 or more out of 10 in these three categories. The other lower scores (none were lower than 7) were mainly due to a lack of the use of KPIs rather than failures in their systems.

However, the level of overall awareness of the UN Global Compact agreement in the area of China, where most of our suppliers are based, is low. We have contacted UN Global team who have agreed they have a lack of coverage on the ground in the geographical areas we are mostly targeting and they have confirmed that they will make efforts to strengthen their team in the next 12 months.



4



We had other means by which to reduce our carbon emissions – we said we would do it, and we did!

Target set – To replace one company vehicle over the year that emits less CO² than the current vehicle it replaces.

Achieved! Company has replaced one model that emitted 120g/km to a hybrid that emits 92k/gm.

TRANSPORT

5



Sustainability is not only about reducing our carbon footprint. It's also about investing into our local community and charities, to support causes we care about.

Target set – To contribute more to local community and provide a donation to local causes that will represent 1% of our retained earnings.

Achieved! Two local charities supported and one local vulnerable young people's charity Base 33 www.base33.org.uk received a donation of £1500 which equates to 1% of 2014 retained earnings. Selectronic matched the contribution made by the employees on a fund raising day to double the contribution for Jeans for Genes charity.

COMMUNITY

6



We want to ensure that achieving our targets is not an overnight success which diminishes over time. This is why we want to deepen our involvement in the UN Global Compact agreement by investing in staff to take the commitment forward.

Target set – To involve more colleagues in the programme of improvements and partnerships within Selectronic to deepen involvement in the Compact agreement so that we have a team of 3 people involved in next year's programme of improvements.

Achieved! We now have 3 members of the internal team involved in developing our strategies for sustainability and greater UN Global Compact involvement.

PROGRAMME

7



Being experts in LED lighting, we recognise the sustainability benefits for everyone to switch from standard bulbs to LED. We have a long way to go yet, but this year has been an excellent start!

Target set – To both build business and reduce the CO² emissions of our customers through a move to LED lighting to target sales of £240k to business office premises both internal and external lighting.

Partially achieved – Turnover on LED lighting products up from £5k to £89k in 2015.

LED SALES



ENERGY

CHINA

MATERIALS

8



LED lighting can achieve CO² savings not just for us and our customers, but also for local companies and homeowners whom we supply.

Target set – to work with local design companies associated with lighting to encourage greater appreciation of LED lighting and energy saving aspects that, if implemented, would achieve CO² savings for local companies and homeowners.

Achieved – now working with 2 local lighting design companies and 1 installer of Solar panels who will promote our LED lighting products.

9



Integrating the China team into our overall values and commitment to the UN Global Charter has been increasingly important.

Target set – To promote all aspects of employee well-being and training among our China based suppliers with a view of getting 3 suppliers to join up to the UN Compact Agreement. To also look for ways to improve the communication with the local UN Global Compact teams in China to improve the understanding of the Agreements aims and objectives.

Not achieved – We have faced a lack of appreciation within our manufacturing suppliers on the UN global compact agreement. We are now asking the UN Global team to assist us with local contacts who can talk with our suppliers, so that the process of persuading our partners to sign up can begin.

10



With our view to integrate the core values of the UN Global Charter into our business, we also looked for ways to reduce the use of conflict raw materials within our industry sector.

Target set – To widen the understanding of conflict raw materials within our industry sector so that the knowledge is expanded more widely than the key market sectors who are driving compliance globally to make it more national as well.

Achieved! In the questionnaire we distributed among our suppliers, all of them have now signed up to Conflict raw material requirements.



RESULTS:

IN 2015 WE SET OUT TO ACHIEVE 10 TARGETS WHICH WOULD ENABLE OUR COMPANY TO GROW AND EMBED THE TEN PRINCIPLES OF THE UN GLOBAL CHARTER FOR HUMAN RIGHTS, LABOUR, THE ENVIRONMENT AND ANTI-CORRUPTION INTO THE EXTERNAL AND INTERNAL WORKINGS OF OUR COMPANY.

We set to educate ourselves, our suppliers and customers of the great benefits of following the ten principles, and we put measures in place to see how well we had done, and what areas still needed improvement.

Achieved – 6 out of 10 goals

We achieved 6 out of 10 goals. Our best achievements were in the areas of sustainability and reduction of our CO² emissions among our offices and promoting sustainable lighting to our customers. We have also done well in promoting the UN Global Charter among our stake holders, who scored highly on a recent questionnaire we supplied. We wanted to give a little something back to the community – so we made sure that 1% of our earnings would go to a local charity. All of our suppliers have now signed up to raw materials from Conflict free areas.

Partially achieved – 2 out of 10 goals.

We partially achieved the goal of having all of our product manufacturing partners sign up to global aims highlighted in the UN charter for Human Rights, labour and anti-corruption. We did well with our UK partners, but substantive work is required in China where the scheme is still much being pioneered – by becoming more creative in our approach, we will see this challenge to the end.

More work required – 2 out of 10 goals.

We are happy with our progress so far, but we recognise that three of our set targets require further work. We wanted three of our China based suppliers to sign up to the UN Global Charter scheme. We recognise that this challenge requires teamwork, but we don't want to call it a day just yet. So we have asked the UN team to assist us with local contacts in China who can talk with our suppliers. We also continue our work on reducing the number of air freight shipments.





“Creating a better future requires creativity in the present.”

Matthew Goldfinger



VISION 2016:

OBJECTIVES

2015 has been a successful year for us in terms of achieving the targets set in the areas of environment, Human Rights, labour and anti-corruption.

We have seen our carbon emissions decrease remarkably and we are happy to have acknowledged that most of our UK suppliers share our goals in complying with the UN Global Charter. However, we recognise that there are areas in which more work is required. In 2016, we want to tackle those areas.

First and foremost, we want to work with the areas in which we have already seen significant success – reducing our carbon emissions, supporting local charities, strengthening our core values across our teams and suppliers, and promoting the sustainable benefits of LED products to our customers. But now it's time to step that up a notch.



WE WANT TO BE AWARE OF OUR PART IN EVERY STAGE OF PRODUCTION, AND THAT INCLUDES SAFE RECYCLING AND DISPOSAL OF LED PRODUCTS. THIS IS SOMETHING WE WILL INVEST IN DURING 2016

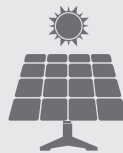
We have also developed ideas in becoming more involved in the lives of local young people, to give them more opportunities. We will also be more picky about our suppliers – to align our vision of how to bring about the UN Global Charter in what we do, we will move all courier transits to partners who are also investing in carbon reduction.

That's sure to set us on a story of success – but we won't forget the challenges either! Much work remains to be done for staff welfare to ensure a successful co-operation between our teams in the UK and China. Even more work is needed in educating our China based suppliers to join the UN Global Charter. We have zero tolerance policy in respect of Anti-corruption prevention and breaches of Human Rights, and use of Raw Materials from Conflict areas. This is what we want our partners to subscribe to by the end of 2016.

WE CONTINUE WITH OUR FOCUS ON ENVIRONMENT

By building on our successfully accomplished targets from 2015, we want to decrease further the levels of our carbon footprint, introduce more sustainable products in our day to day workings, and invest in preserving the local wildlife.

1



A 30% reduction in CO² emissions (target drop of 10,000Kg) from Selectronic UK headquarters by investment in solar panels sufficient to provide over 80% of the power requirements of the company.

SOLAR

2



10% of the UK office site to be set aside as a natural area including native wild flowers and promote the wellbeing of local insects and wildlife.

NATURE

3



To move all procurement of paper and cardboard to be used by Selectronic in 2016 to be from FCA sources and stamped in accordance with this approval.

FCA



ONE OF OUR MOST CHALLENGING TARGETS YET HAS BEEN TO SIGN UP OUR CHINA BASED PARTNERS TO JOIN THE UN GLOBAL CHARTER

We will continue to raise awareness of the scheme, to work with suppliers who share our commitment for reducing carbon emissions, and to introduce new benefits for our members of staff, and ways for them to express their feedback and increase their well-being and job satisfaction.

4



To work with local UN Co-ordinators and to actively promote the UN Global Charter awareness. We will utilise our new office in Dongguan China. We will work with our manufacturing supply partner in China with the aim of persuading one to sign up to the agreement.

CHINA

5



To double the number of shipments we bring to Europe by sea rather than air to reduce the CO² emissions associated with our shipment of goods.

SHIPPING

6



From our supplier audits it is clear there are fundamental differences in how logistic companies target CO² reduction associated with their activities. Selectronic are required to find supply partners who will work with us long term to reduce year on year CO² emissions. For next year we will move all courier transits to partners who are targeting a 5% reduction in year on year.

LOGISTICS

7



Aim to have each member of staff to tap their talents and to fulfil their career potential we will engage in getting their yearly feedback through an Employee Opinion survey. To encourage a healthy working attitude and well-being we will invest in 3 more desk fittings that will allow colleagues to work from a standing position and to further promote the long term health benefits of not remaining sitting down for long periods. To maintaining training and development of all staff to foster a focus on building a sustainable future for the business.

WORK PLACE



WE CONTINUE WITH OUR FOCUS ON ENVIRONMENT

Further to our investment into local charities, we will continue to support them, and provide opportunities for local young people to join our team and develop their career with us. We continue to audit our suppliers to ensure that our commitment to Human Rights and anti-corruption is a value shared across the board. We have done well in promoting the environmental benefits of switching to LED lighting, and in 2016 we aim to do more in the area of safe discarding of the waste materials and encourage recycling, because we know that being sustainable means remembering that our work doesn't end with the production line.

PEOPLE

8



To increase our 2014 contribution by 10% to Base 33, a charity for local young people. To take on 1 work experience school pupil to expand employment support into the local community. To recruit one full time apprentice to support local training programmes.

AUDIT

9



To extend auditing of suppliers to ensure that Selectronic's zero tolerance policy in respect of Anti-corruption prevention and breaches of Human Rights and use of Raw Materials from conflict areas is upheld. We will look to persuade three partners to build in KPI's for this important area of Management Systems in these key areas of Supplier Development.

ENERGY

10



As suppliers of energy efficient LED lighting products that are replacing older, more traditional forms of lighting it is important to promote the correct handling of the discarded products at the end of their life. Selectronic will work with our WIEE partners RecOlight to provide one WIEE bin for use by local parties as well as our own customers to further promote good recycling practices generally for all redundant lighting products.

FLEET

11



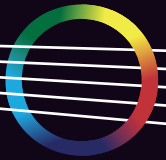
To further improve the CO₂ emissions year on year of the company motor fleet by replacing another vehicle with one with lower emissions.

TRACK

12



A yearly supplier self-assessment to encourage continuous improvements, to measure improvements and to promote targeting setting in key areas of supply chain improvement. To lead by example and ensure suppliers adhere to sustainability and ethical principles.



SELECTRONIC

IMAGINATION IS THE ONLY LIMIT

THANK YOU:

THROUGHOUT 2016, WE WILL CONTINUE TO WORK HARD TO BUILD RELATIONSHIPS BETWEEN OUR SUPPLIERS, CUSTOMERS AND OTHER STAKE HOLDERS

We want to personally thank all of those involved in achieving our 2015 targets – the suppliers who willingly completed the questionnaire and expressed a strong desire to share the UN Global Charter values with us and the customers who echoed our call for switching to more sustainable LED lighting.

In 2016 we want to do our bit and express our gratitude by investing time into promoting sustainable disposal of the LED products. When it comes to local community, we want to invest not only funds, but to get personally involved in improving the career outlook for young people in our area, as well as preserving vulnerable wildlife.

2016 remains a challenging year, particularly when it comes to promoting the UN Global Charter among our China based suppliers, and working out ways on how to level out reducing air freight shipments to reduce our CO² emissions, set against the demanding customer expectations of short delivery time.

Throughout the challenges, we will remember the commitment shown by many of our stake holders, and that trust and shared belief in the UN Global Charter will strengthen us into overcoming any obstacles in the year to come.



CONSULT

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DESIGN

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MANUFACTURE

•

DELIVER



SELECTRONIC
IMAGINATION IS THE ONLY LIMIT

Book End, Witney, Oxfordshire, OX29 0YE, UK
WWW.SELECTRONIC.CO.UK