CONSULT • DESIGN • MANUFACTURE • DELIVER

SELECTRONIC

IMAGINATION IS THE ONLY LIMIT

# VISION: PAST, PRESENT AND FUTURE Shareholder Report on Year 3 of Progress











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.



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

- Synergy
  We work closely together behind the scenes creating a reliable partnership.
- Enterprise
  We provide innovative solutions for businesses with our wealth of knowledge.
- Legacy
  We provide companies with a long-term solution that continues to produce results.
- Efficient
  We guide companies through the entire process using our thirty years of expertise.
- Creative
  We use big-picture thinking to take imagination and make it reality.
- Together
  We work in unity with our clients...







## **HELLO:**

#### STAKEHOLDER REPORT ON YEAR 3 OF PROGRESS

In this year's climate of economic uncertainty we have picked a secure course, pushing forward with confidence in some areas and consolidating in others.

In China we have made real progress this year, opening a new office facility, a great, new, professional working environment for the team. Our newly appointed China based QA auditor is now auditing our supplier's facilities more directly, helping them to plan for the long term.

Our CO2 consumption has reduced below the projected level due to our investment in Solar energy. When our office is closed we even feed energy back in to the National Grid.

In 2016 we have spent more time with each of our suppliers in China, introducing them to the UN Global Compact Agreement. Whilst all have readily agreed to support the 10 principles, there is still a lack of awareness of the agreement and its accompanying benefits for our suppliers as global companies.

A lack of flexibility with forward production planning has led to challenges in reducing our CO2 emissions associated with airfreight. We are looking at alternative sea / air options and at building understanding with our key customers to build a consensus around making the business more sustainable in the long term. Whilst we continue to take short-term advantage to gain reductions in airfreight, we plan to widen our approach, particularly when agreeing new contracts

For 2017 we see many opportunities and our commitment to the 10 principles of the UN Global Agreement remains at the forefront of everything that we do. In 2016 we have trained more of the management team to follow the COP programme and we intend to further filter this down the company in the next 12 months. Thanks to a major investment in our principal in house computer system we have been able to set targets to work more efficiently which we hope will streamline and improve all areas of our business.

Our new employee survey has got the whole company thinking more strategically about working more sustainably and looking after their own wellbeing. After three years of involvement with the UN Global Compact Agreement we now need to pull more of our colleagues and suppliers on board and harness the next phase of strategic benefits.

**Kevin Dry**Managing Director

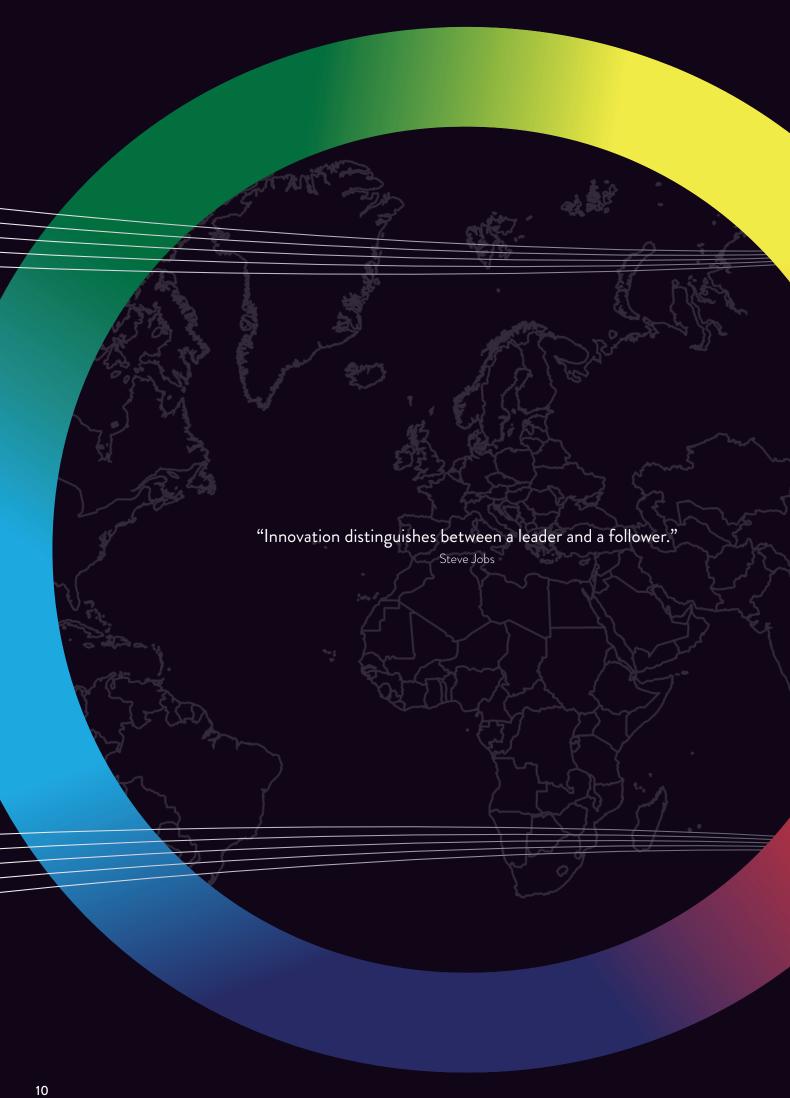


This is our Communication on Progress in implementing the principles of the United Nations Global Compact and supporting broader UN goals.

We welcome feedback on its contents.

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## 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.

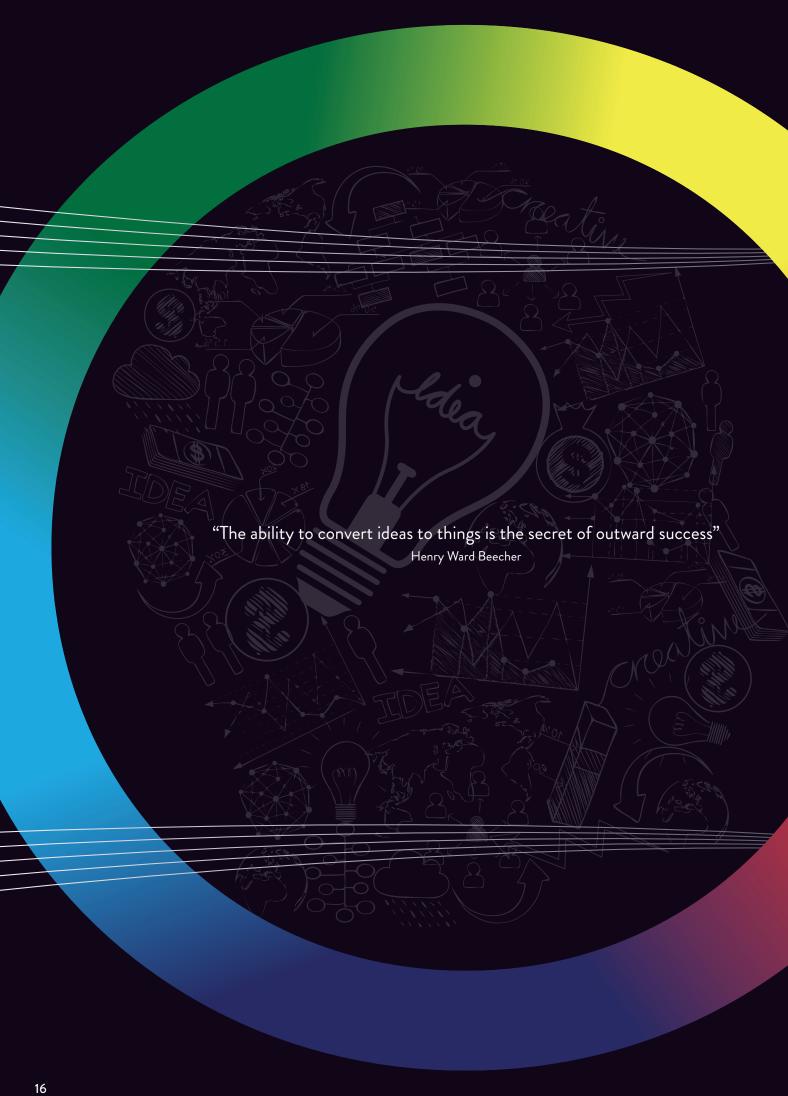


## **ANTI-CORRUPTION:**

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.



## **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.



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.



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**

Selectronic became increasingly involved in the automotive market in 1985 and have been building on our experience ever since, supplying customized LCD's and keypads into many vehicles.

Our dedicated team know all about the complexities of the automotive business process, and continue to offer great solutions to top brands.

#### **PRESENT**

Technology in our cars is greatly advancing, with most vehicles now being manufactured with increasingly larger central information touch displays, allowing the users to control navigation, music, aircon and many other applications via the central unit.

Instrument clusters are also moving towards configurable displays, allowing the driver to set their own preferences and look of the instrument cluster.

Comfort and well-being are also popular requirements and multi-colored LED's are being designed into vehicles for zonal and mood lighting.

#### **FUTURE**

Vehicle manufacturers are continually striving to become ecologically responsible and are looking to design autonomous/ semi-autonomous vehicles (Driverless cars) where technology is much more efficient than the way we, as drivers, currently drive the vehicles.

Designers are investigating how control can pass between the vehicle itself and the driver and whilst touch technology is still a good interface, other technologies such as voice and gesture are being developed further.

At Selectronic we work on solutions together with the designers to introduce the latest

technologies which not only optimize the end user experience but also enhance the 'name' of the brand.

## Automotive grade products offered by Selectronic:

- LED's single and multicolored.
- Standard and customized TFT's and LCD's.
- Standard and customized touch panels and cover glass.
- Curved TFT's/Touch panels.
- Free form customized TFT's with cut-out's/holes

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 and truck companies but are keen to explore opportunities with the motorcycle and autonomous vehicle industries.



## **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, coffee machines and even Set Top boxes.

- 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.
- Set top boxes Looking good and fully functional. The displays on Set Top boxes are honed to provide users with an informative,

easily readable, and pleasing experience. Selectronic has helped develop these displays – which have become Iconic for the products.

#### **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 experience in market sectors as diverse as medical, Audio, test and measuring equipment and security products, gives us the experience to produce a quality product to enhance both practical and visual aspects of our customer's device.

#### **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 look to customers hand held and fixed products.

#### **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 for hand held instruments and touch interfaces – providing innovative solutions for displays, touch requirements, protective cover glasses and key mat requirements.

#### **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.



## **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, 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 LED technology and an innovation design solution we are able to meet these goals and help our clients 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 specialize

in display panels for shelf edge. We are working with a software company to offer complete solution with our shelf edge displays and talking with a number of blue chip companies.

#### Screen Technologies

We are working with a number of blue chip companies to come up with bespoke screen solutions to fit in with their needs working to the budget they need to achieve to make it commercially viable.

#### 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**

Selectronic knows 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**

In Our brand we have now launched a product range called the Elite range and starting to working with design consultants to get our product designed in.

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#### The OnLED High Bay with PIR

Just in the process of launching HI bay with built in PIR it offers 2 step and 3 step dimming so the energy savings become even greater.

 LED Poultry lighting Working with a partner to promote LED solution for the poultry market, not only do you get the energy saving but after proven case studies it approves welfare and growth of the chickens.

#### **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 lighting.





## HIGHLIGHTS:

## 2016 ACHIEVEMENTS

Throughout 2016 we have become more sustainable and efficient thanks to the new solar panels and a major upgrade of our computer system. We have made a complete transformation to FCA approved sources for our paper and cardboard. We have also been liaising with our key suppliers and all have signed a commitment to anti-corruption, anti-slavery and child labour. We have increased our contributions to local charities and have started a yearly programme of employee opinion surveys to widen knowledge of the UN agreement and to enhance participation of all colleagues in the business.







## **BRIGHTER HORIZONS:**

WE HAVE SET CHALLENGING TARGETS TO REDUCE THE CARBON EMISSIONS, TO WORK TO ACTIVELY PROMOTE THE UN GLOBAL CHARTER AWARENESS AND TO EXTEND AUDITING OF SUPPLIERS.

With the help of our China based QA auditor we are now a regular visitor on site at our key suppliers, not only auditing QA performance but also updating our supplier management teams on the developments around the UN Global Compact agreement



As a company we strive for growth and improvement in all the aspects of what we do each day. Planning and communication are essential to ensure the company meets its targets and achieves recognition from all its stakeholders, employees and partners as a strong business.

#### **CUSTOMERS:**

We are still working to move consignments in 2016 over to sea as planned – the flexibility of longer lead times was not an option for our customers. Through our China operation we have been able to organize more direct shipments within China, with obvious time and environmental benefits. We are now looking at other options based on sea and air to achieve a reduced environment target.



#### **SUPPLIERS:**

Over 2016 we have been working on raising awareness amongst our partners in logistics and manufacturing sites in China to forge a new, more sustainable way of doing business. The emphasis has always been to educate and innovate, not to dictate or preach. We will continue to look for new ways to widen understanding and for all opportunities to improve sustainability and to promote anti-bribery and employee welfare.







## **COLLEAGUES:**

We continue to focus on our dedicated team, improving their skills and enhancing teamwork. The business challenges we face on a daily basis continually remind us of how important this work is in ensuring future success.

In addition to this, in the last month, to enhance the daily work routines of the whole team, we decided to invest in a major upgrade of our key computer system that oversees all our operations. This decision has proved to be very popular, with the whole team working towards its successful implementation.

This year we have also introduced an employee survey to improve the involvement of all in the UN Compact Global Agreement. In the future we will look for contribution and innovation across the whole team so we can operate the 10 principles across all aspects of our business. We continue to work via our improved web site to inform on our progress as well as give our latest news.







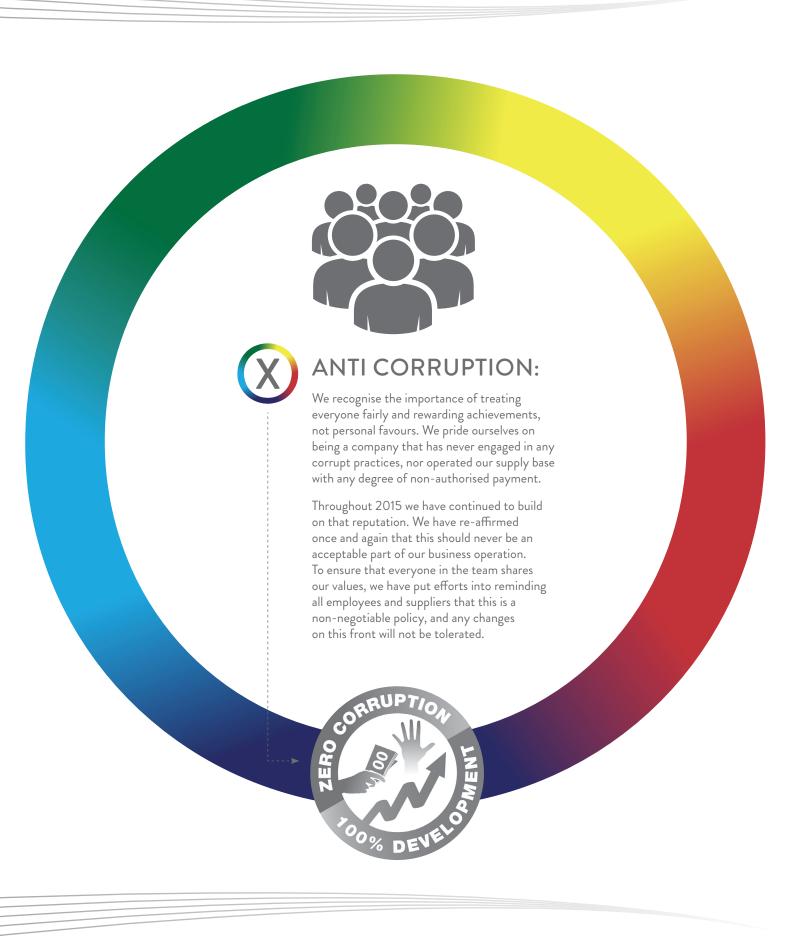
Our story of reducing CO<sup>2</sup> emissions has been a story of success – for example, we have upgraded our fleet of vehicles to reduce CO<sup>2</sup> emissions. Never forgetting our team, we have also encouraged staff to drive conscientiously minimising fuel usage, saving on emissions on a daily 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.

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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.







#### 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.

ntegrating 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 CO<sup>2</sup> footpint 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.





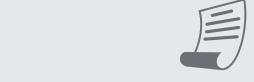
Target set: To reduce CO2 emissions by 30% (target drop of 10,000 Kg) from Selectronic UK headquarters by investment in solar panels sufficient to provide over 80% of the power requirements of the company.

Achieved! Since fitting our solar panels last year we have seen a reduction in our electricity consumption from the grid of 24500 kWh and a total saving in CO2 emissions of over 17000 . We have now fitted a display panel in our main office to highlight this improvement in sustainability to all our visitors and colleague. The total saving of electricity in the last 12 months is 37%.



Target set: 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.

Not achieved - a change in ownership of our neighbour's site meant the removal of a border fence delayed the creation of this natural site until all the building work was complete. This work is now scheduled for October 2016.



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

> Achieved! We have made a complete transformation to FCA approved sources for our paper and cardboard.







Target set: To work with local and UN coordinators and to actively promote the UN Global Charter awareness. We will utilize our new office in Dongguan, China. We will work with our manufacturing supply partners in China with the aim of persuading one to sign up with the agreement.

Not achieved. Whilst we have spent more time completing audits and informing our key strategic partners in China on the UN Global Compact agreement, as well as circulating information provided by the local UN representation in Beijing, suppliers have confirmed their agreement to support our involvement, but, as yet, no supplier has agreed to get individually involved. This remains a work in progress.







Target set: 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.

Not achieved – customers have pushed back on our plans to ship their product by sea due to market conditions. We are now reviewing options to focus on sea air routes to achieve less dramatic savings of CO2 but nevertheless reduce our emissions overall.





Target set: From our supplier audits it is clear that 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 year on year.

Achieved! We have moved our local shipments to a national courier who has responded positively to our supplier audits to reduce their CO2 emissions by more than 5% year on year. In all future decisions concerning logistics partners, we will make confirmed emission targets a prerequisite of being a partner to Selectronic.





Target set: In order to tap the talents of each member of staff and to enable them to fulfill 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 all staff and focus on building a sustainable future for the business.

Achieved! We have started our yearly programme of Employee Opinion surveys to both widen the knowledge of the agreement, expand participation internally and, most importantly, enhance the personal development of all colleagues in the business. All desk-based employees who want to have the opportunity to both sit and stand at their desks do now have the option.



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

Partially Achieved - we increased our contribution to local charities, but this time spreading across two charities. Base 33 is involved with helping local young people overcome challenges they face in building confidence and skills. Helen Douglas house is a local hospice for children and teenagers. Both local organizations are doing vital work and providing huge support where needed.





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

Achieved! All suppliers signed a commitment on anti-corruption, anti-slavery and child labour. We continue to push for suppliers to agree to measured KPIs and external audit on these issues.





Target set: As suppliers of energy efficient LED lighting products that are replacing older, more traditional forms of lighting it is important to promote the 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 for all redundant lighting products.

Not achieved. Our sales of LED lighting products have not proved sufficient to justify a RecOlight WIEE bin. Restructuring of our LED lighting product range is now complete to address the opportunities we now see in the market so the task now is to build our share of this growing demand.





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

Achieved. One company vehicle changed in the last 12 months, with new lower Co2 emission vehicle sourced.





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

Achieved. Now auditing our suppliers annually to ensure their compliance with aims to achieve greater sustainability.





#### **RESULTS:**

IN 2016 WE SET OUT TO ACHIEVE TWELVE TARGETS WHICH WOULD ENABLE OUR COMPANY TO CONTINUE TO GROW AND CONSOLIDATE THE EMBEDDING OF 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 out 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 - 7 out of 12 goals

We achieved 7 out of 12 goals. Our best achievements were in the reduction of our electricity consumption thanks to our new solar panels and a complete in house transformation to FCA approved sources for our paper and cardboard. We have also done well in that all of our suppliers have signed an agreement on anti corruption, anti-slavery and child labour and our suppliers are assessing their own improvements in sustainability. We succeeded in moving our local shipments to a national courier, who has agreed to a reduction in CO2 emissions and one of our own vehicles is now a new lower emission version. Finally, we have widened knowledge within our company of the UN agreement.

#### Partially achieved - 1 out of 10 goals.

Although we have increased our contribution to two local charities we have not as yet taken on a work experience school pupil or recruited a full time apprentice.

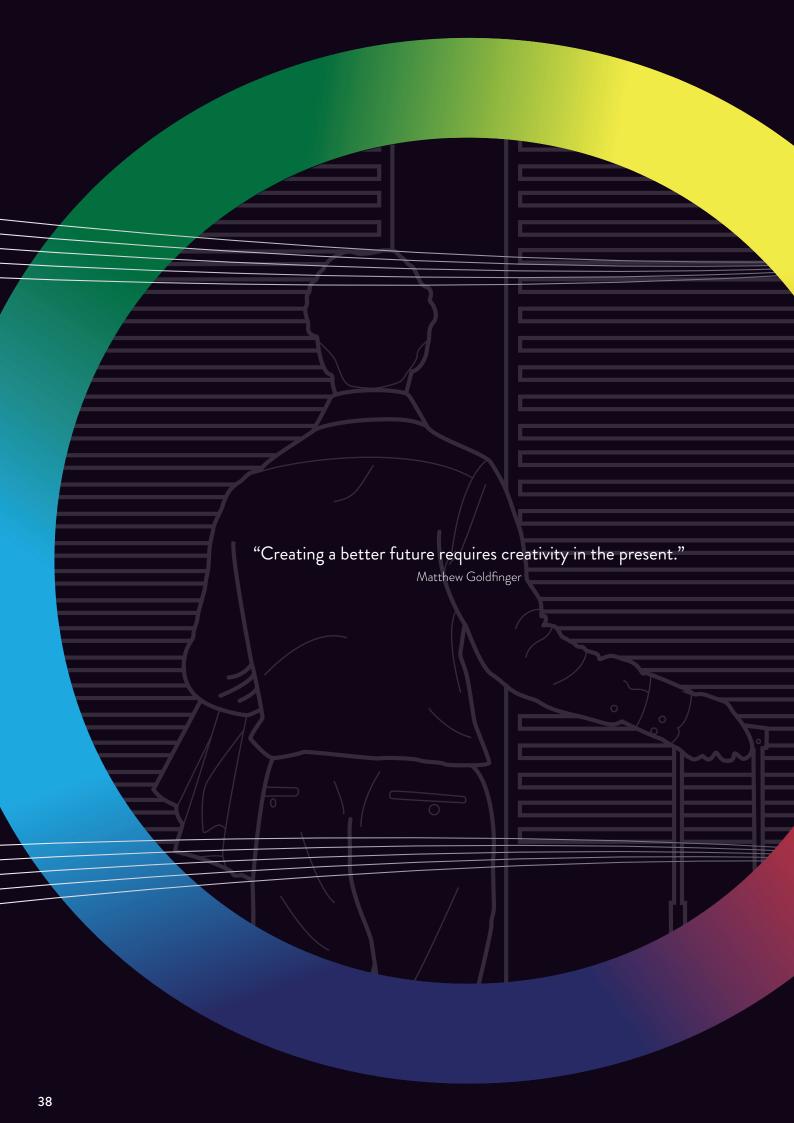
#### More work required - 4 out of 10 goals.

In 2016 we were unable to persuade any of our manufacturing supply partners to sign up to the UN Global Compact Agreement, although all agreed to support our involvement. We were also unable to convince our customers to accept longer lead times associated with shipping . The unfortunate removal of a border fence has delayed the creation of the nature site until later in 2016. Our aim to provide a WIEE bin for use by local parties to safely dispose of redundant lighting products was not realized this year as sales of LED lighting products have not proved sufficient to justify its installation.









## **VISION 2016:**

## **OBJECTIVES**

2017 has been a successful year for us in terms of achieving the targets set in the areas of solar, logistics, workplace, FCA, audit, fleet and supplier self-assessment.

We have seen some reduction in our carbon emissions and will now commence an offset scheme in 2017 to achieve our initial aim of offsetting 25% of our carbon footprint caused by airfreight whilst continuing to seek agreements with our customers on an increase of lead time associated with shipping options.

We want to work to consolidate the agreements made with all of our key suppliers regarding zero tolerance on anti-bribery and total compliance with legislation on raw materials from conflict areas. We would like to see our suppliers monitoring sub-suppliers for their similar compliance.



WITH A MAJOR INVESTMENT IN A COMPLETE NEW SOFTWARE PROGRAMME IN SELECTRONIC STARTING IST NOVEMBER 2016 WE WILL BE TARGETING GREATER EFFICIENCIES ACROSS THE WHOLE COMPANY IN 2017. WE AIM TO REDUCE OUR PAPER CONSUMPTION BY ONE THIRD.

We intend to extend our employee survey scheme to involve a greater number of members of the team, with a view to include health and wellbeing outcomes, encouraging employees to take more exercise during the working day and ensuring overall good health.

#### WE CONTINUE TO FOCUS ON PEOPLE

In 2017 we intend to take on one work experience pupil to to expand employment support into the local community and recruit on full time apprentice to support local training programmes.



We will continue to work with customers to find agreements that would allow greater forward lead times to allow sea freight as well as looking at Air /Sea methods as a second option. However, to ensure we meet our CO2 reduction targets we will in 2017 commence an offset scheme with a commitment to Woodland Trust to achieve our initial aim of offsetting 25% of our carbon footprint generated by airfreight and other product logistics emissions.

2



In 2017 we will create our natural set aside area on 10 % on our UK headquarter site.

3



Having achieved a move to sustainable paper/cardboard supply route in 2016 we will now aim to reduce our paper consumption by one third from over 300 reams a year.

# **EFFICIENCY**

#### 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 and to make new agreements with suppliers who share our commitment to reducing carbon emissions.



With a major investment in a complete new software programme in Selectronic starting 1st November we will be targeting greater efficiencies across the whole company aiming to substantively reduce the number of paper based reports printed and targeting sales people to achieve greater efficiency within business creation. We will audit all departments to achieve a 20% improvement in customer satisfaction levels and improved growth in new business opportunities.



To continue liaison with UN co-ordinators in Beijing to promote the UN Global Compact Agreement and to educate our suppliers in China of the benefits of the programme with the continued aim of persuading one to sign up to the agreement in 2017.



With a continued emphasis on reducing emissions from our main UK office we will target additional insulation, efficiency measures and heating controls to reduce the amount of gas used to heat the building by 5%.



Extend the employee survey scheme to involve more members in the team. We aim to bring one member of the China team onto the steering committee to help harmonise the work on achieving our aims within both centres of company operations.

**GOALS** 

#### 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.



8

In addition, extend the survey to include health and wellbeing aims where individuals think the company can assist them to achieve their goals. To encourage employees to take more exercise during working day as well as generally to ensure good heath is at the centre of what our team do on a daily basis. Aim for one team charity event that combines activity with raising money for local causes that can further promote health as well as teamwork. To take on 1 work experience school pupil to expand employment support into the local community and 1 full time apprentice to support local training programmes.

9



To install one vehicle charging point at Selectronic and to take other steps to promote usage of electric vehicle use for local trips.

10



Continue to highlight the importance of employee human rights within our supplier base as well as zero tolerance on anti-bribery and total compliance with legislation on raw materials from conflict areas. All suppliers to renew their declarations and to be encouraged to take proactive steps to monitors sub suppliers for their similar compliance.



# SOLOCTRONIC IMAGINATION IS THE ONLY LIMIT

## **THANK YOU:**

THROUGHOUT 2017 WE WILL CONTINUE TO WORK HARD TO BUILD RELATIONSHIP WITH OUR SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS.

We would like to take a moment to personally thank all of those who have helped us to achieve the targets we set ourselves for 2016, from those who installed the solar panels, to the national courier who has agreed to reduce their CO2 emissions by more than 5% year on year.

In 2017 we would like to continue to emphasize the importance of reducing emissions from our main UK office adding insulation, efficiency measures and heat controls and by installing one vehicle charging point to promote usage of the electric vehicle.

In 2017 we will continue to face our challenges by liaising with the UN coordinators in Beijing and working with our China based suppliers to promote the UN Global Compact Agreement, with the continued aim of having one supplier sign up. We will also continue to work with our customers to make strategic agreements that would allow for greater forward lead times to allow sea freight as well as other air/sea options. To achieve our initial aim of offsetting 25% of our carbon footprint generated by airfreight we will be working with the Woodland Trust in 2017.

Our commitment to the UN Global Charter that we share with our many stakeholders encourages us to persist in overcoming any potential challenges that 2017 might hold.



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