

TELEPLAN CSR ANNUAL REPORT 2015

UN GLOBAL COMPACT COMMUNICATION ON PROGRESS

1. INTRODUCTION

Teleplan provides integrated end-to-end after-market supply chain service solutions for the computer, communications and consumer electronics industries. Lifecycle care ranges from simple manual repairs to highly sophisticated technological and electronic hardware and software solutions from a suite of six core service segments.

Headquartered in Amsterdam/Schiphol, the Netherlands, Teleplan supports customers from more than 95 countries and operates from service center locations in Europe, North America and Asia Pacific with some 5,000 employees.

Teleplan has a vital role in mitigating the environmental impacts of electronic devices through the provision of repair services and, in the instance when a repair cannot be made, the recovery, reuse, recycling or safe disposal of components and materials. Leading brands are looking for partners who add value and provide efficient and cost-effective services whilst maintaining strong ethical and sustainable practices. Teleplan enables its customers to manage faulty, damaged and waste products thereby prolonging the life of the product and reducing waste.

Teleplan has identified the social and environmental impacts of its business. Principally these are:

1. Conducting our business with the highest ethical standards
2. The recruitment, employment, training and development of some 5,000 people across multiple sites and geographies
3. The health and safety of our people and the facilities in which they work
4. The use of energy in the heating/cooling and lighting of facilities and the operation of test and repair equipment
5. The recovery, reuse, recycling and disposal of waste
6. The disposal of hazardous spare parts and substances such as batteries and florescent bulbs.
7. Supporting the communities in which we operate

Teleplan manages these impacts through systems and procedures which are integral to the day-to-day management of the business. In line with this approach, the company is working towards certification to internationally recognised standards at each of its service centers.

In 2013 the company initiated the collection and management reporting of environmental and health and safety data.

The Teleplan Management Board agrees objectives and annual targets to ensure that the social and environmental impacts of the business are managed appropriately. A report on progress towards the achievement of these targets is made to the Management Board annually. The annual CSR report is published on the Teleplan website.

2. HIGHLIGHTS 2015

- Teleplan joins UN Global Compact
- Three sites EICC/SMETA audited
- 100% of eligible employees participated in annual performance review
- Reduced levels of energy consumption
- Increased rate of recycling
- Ethical supply chain engagement strategy developed and initial stage of evaluation completed
- Community engagement programs underway in all major sites

3. TELEPLAN JOINS THE UN GLOBAL COMPACT

In 2015 Teleplan became a signatory to the UN Global Compact. This is an important milestone in the Teleplan CSR programme which is focussed on ensuring that we meet our customers' expectations as a business with the highest ethical standards. The UN Global Compact is an initiative of the United Nations which supports companies to do business responsibly by committing to 10 fundamental principles which address human rights, labor practices, environmental issues and anti-corruption. By signing the UN Global Compact, Teleplan is making a public commitment to operating the business in accordance with the 10 principles. Many of Teleplan's customers are also signatories to the UN Global Compact and expect Teleplan to uphold the same high standards as they do themselves.

4. TELEPLAN CODE OF CONDUCT SETS THE COMPANY STANDARD

Teleplan's Code of Conduct is published on the corporate website and communicated to employees when they join the company. The Code includes information on how to raise concerns, issues or suspected violations of the Code. Employees confirm their understanding of the Code and compliance to it through a written sign-off process which is managed by the global Human Resources function.

The Code is translated into the seven principal languages used across Teleplan's operations. Awareness and understanding of the Code and its importance to the business are promoted through a program of employee training and communications and form an integral part of the induction of new employees.

Teleplan has an established whistle blowing policy and procedure which ensures that any individual can report in confidence and without fear of reprisal, actual or alleged breaches of the Teleplan Code of Conduct.

5. TELEPLAN WORKING TO INDUSTRY-WIDE STANDARDS

Many of Teleplan's customers are members of the Electronic Industry Citizenship Coalition (EICC), a coalition of the world's leading electronics companies which works with a common code of conduct to improve social, ethical and environmental responsibility in the global electronics supply chain.

Teleplan recognizes the importance of meeting customers' requirements to ensure an ethical supply chain and has set the EICC Code as the standard it works to.

To ensure that Teleplan has appropriately trained people to lead the process of assessment and audit to the EICC Code three members of the Quality Management team are trained and qualified as EICC Labor and Ethics Lead Auditors

EICC and SMETA audits were conducted at three Teleplan facilities this year.

In addition Teleplan participates in the social and environmental assessment survey operated by EcoVadis, the leading and highly respected organization in this field. As the result of a comprehensive and continual improvement program, Teleplan has a Silver rating which compares well with its industry peer group.

6. DEVELOPING TALENT DRIVES BUSINESS PERFORMANCE

Teleplan employs some 5,000 people across multiple service centers and geographies. The recruitment, employment, training and development, health, safety and well being of these employees are integral to the prosperity and success of the business.

Teleplan is committed to developing and maintaining a workplace and working environment in which employees are treated fairly and with respect and have the opportunity to develop and prosper.

The after sales service and supply chain industry in which Teleplan operates is highly competitive, fast changing and demanding. Talented leadership and high performing individuals and teams are accordingly critical. Teleplan places a strong emphasis on further development and continuous learning. Employees are encouraged to take up training opportunities which are available through a variety of channels including e-learning, on-the-job learning and coaching.

Teleplan operates a Leadership Academy to foster and develop leadership talent within the business. Regular programs engage participants from across the business and in addition to developing leadership skills facilitate and contribute to the building of effective relationships between colleagues working in different geographies, cultures and functions which are essential in a global organisation.

7. HEALTH AND SAFETY PERFORMANCE CONTINUES TO IMPROVE

Teleplan began collecting health and safety data in 2014 and can now analyse trends in the number of accidents and lost-time injuries.

In 2015 the number of Lost Time Cases per 100 employees (as defined by OSHA) significantly improved to 0.77 per 100 employees (2014: 1.67 per 100 employees). This was primarily driven by improvements in the America's Region which achieved a rate of 0.02 per 100 employees.

The Severity Rate also improved to 3.8 days in 2015 (2014: 4.2 days). This means that for every recordable incident in 2015 an average of 3.8 days were lost due to work related injuries and illnesses.

Teleplan's Roseville, US facility became the eighth service center certified to the international health and safety standard ISO 18001.

In 2016 plans are in place to further extend ISO 18001 certification to additional service centers.

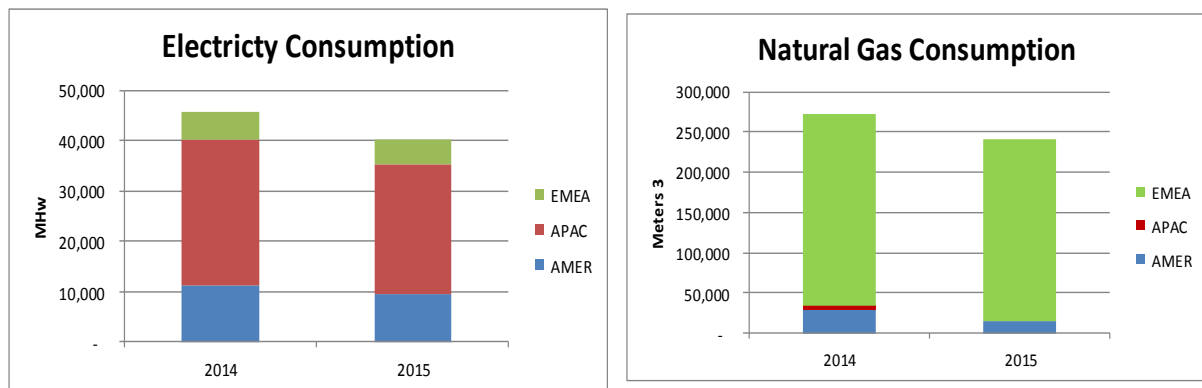
8. ONGOING REDUCTIONS IN ENERGY CONSUMPTION

Teleplan began collecting energy consumption data in 2014 and can now analyse trends. Teleplan has also participated in the Carbon Disclosure Project (CDP) Supply Chain program for the last two years.

Electricity consumption decreased by 12% in 2015 to 40,251 MW/h (2014: 45,793 MW/h). Natural gas consumption decreased by 11% to 242K/m³ (2014: 272k/m³).

These reductions in energy consumption were the result of a reduction in the volume of products processed that required the use of test equipment which uses a large amount of electricity. The figures

also reflect that the company operated two fewer facilities. In addition all major sites undertake energy management activities and engage employees in the judicious use of resources. Investment in energy efficient lighting has been made and several facilities have improved alignment of energy usage to working hours. Employee awareness programs encourage turning off of equipment when not in use.

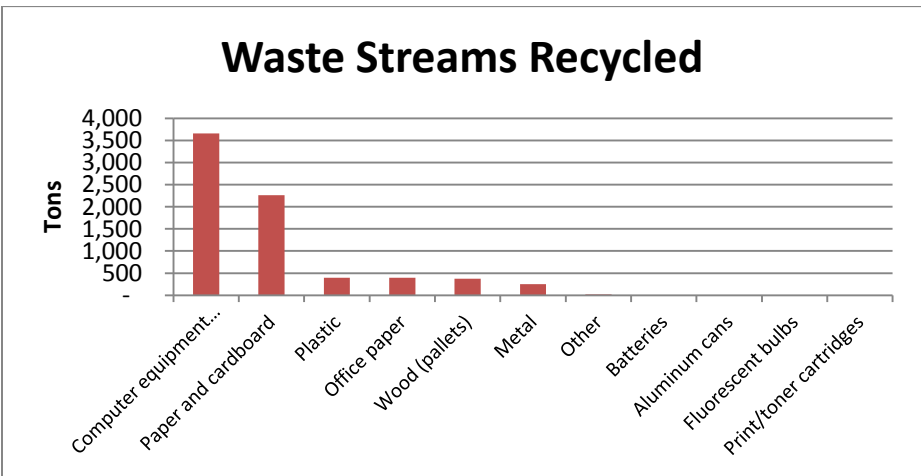


9. RECYCLING RATES CONTINUE TO IMPROVE

Teleplan has a vital role in mitigating the environmental impacts of electronic devices through the provision of repair services. When a repair cannot be made, the recovery, reuse, recycling or safe disposal of components and materials is integral to Teleplan’s customer proposition. Teleplan has well established programs to recover, reuse and recycle electronic waste at all its sites. Other types of waste handled include cardboard and paper, metals and plastics, hazardous spare parts and substances such as batteries and florescent bulbs all of which are managed through recycling programs.

In 2015, Teleplan recycled over 7.3 metric tons (2014: 6.5 metric tons) which represents an increase of 3% in the recycling rate compared to 2014 of its own and customer-owned materials, parts and equipment.

Teleplan works to regional standards such as WEEE regulations in the EMEA region.



10. INITIATING ENGAGEMENT ON ETHICAL PRACTICES IN THE SUPPLY CHAIN

Teleplan provides its customers with service solutions which range from simple repairs to highly sophisticated technological and electronic solutions. The units and components required to undertake these service solutions are purchased primarily from the Original Equipment Manufacturer (OEM) or from a supplier designated by the OEM. In these instances (the bulk of Teleplan's activity) Teleplan does not determine the supplier or source of the component. In other instances Teleplan purchases industry standard parts. Teleplan does not subcontract the manufacturing of any units or components.

Whilst a material part of the supply chain is determined by the customer, Teleplan nonetheless expects its major suppliers to be aligned with and meet the social, environmental and ethical standards of the EICC Code of Conduct which has been adopted by many of its customers.

With the objective of engaging with suppliers to ensure that its ethical standards are met, Teleplan has an ethical supply chain policy. In 2015 the ethical supply chain engagement strategy has been further developed and the initial stage of evaluation focussed on the positioning of its major suppliers on CSR has been completed. Major suppliers are those which represented 75% of total spend in 2015. Membership of the EICC, certification to international health, safety and environmental standards such as OHSAS18001 and ISO14001 and the location of operations in high-risk countries are all considerations which have been included in the evaluation.

In 2016 Teleplan will undertake further engagement with its major suppliers in the implementation of its ethical supply chain policy.

11. COMMUNITY INVOLVEMENT CELEBRATED

Teleplan employees are encouraged to get involved individually and together in fund-raising activities and volunteering initiatives in support of the good causes important to them and to the community in which they operate. Community and charitable activities are publicised and celebrated company-wide through INTOUCH, the employee newsletter.

In 2015 some of these were:

- Fund raising drives for Ronald McDonald House and Carlisle Salvation Army in the US
- Support of La Casita, an institution that cares for children with special needs, and Technical High School #32 in Mexico with computer equipment, desks and other much needed equipment.
- Providing scholarships at an electronic high school in Poland for students with hearing and speech difficulties.
- Mental Health Awareness, Local Food Bank and Cancer Nursing fundraisers in the UK

12. OBJECTIVES, ACHIEVEMENTS AND TARGETS

To ensure continual improvement in the management of the environmental and social impacts of the business the table below details Teleplan's CSR objectives, progress made in 2015 and targets set for 2016.

CSR Objectives	Achievements 2015	Targets 2016
Effective management of environmental impacts	Maintained existing ISO 14001 certifications	Maintain existing certifications and extend certifications to new sites
Manage use of energy in major sites efficiently	Energy consumption analysis has identified highest usage sites	Devise and implement an energy efficiency program at highest usage sites
To build and maintain high levels of employee engagement	Employee engagement survey action plans followed up and results reported to the Management Board	Complete performance appraisals for all employees.
Ensure a safe workplace and minimise workplace accidents	Maintained existing OHSAS 18001 certifications and added Roseville, US as a certified site	Maintain existing certifications and extend certifications to new sites
Meet customer expectations in social and environmental management of our business	Completed EICC self-assessments of: Jakarta (Indonesia) and Suzhou (China) and customer requested EICC/CSR audits of Mexicali (Mexico), Penang (Malaysia) and Prague (Czech Republic) Participant in the Carbon Disclosure Project (CDP) Became a signatory to the United Nations Global Compact	Continue site self assessments and undertake customer requested EICC/CSR audits.
Ensure the highest ethical standards in the conduct of our business	One hundred managers completed Skillsoft "Introduction to Workplace Ethics" course On boarding process for all new employees included review of the Code of Conduct with written acknowledgement of compliance	Update Teleplan's Code of Conduct to EICC 5.0 standards, translate into seven languages and communicate to employees. Create a CSR Policy Statement, translate into local languages and post in all sites
To facilitate employee charity fund-raising and volunteering	Fund-raising and volunteering initiatives undertaken in support of good causes individually and at site level celebrated throughout the organization via the company newsletter	Share best practice and celebrate achievements across the business by ensuring that employee newsletter includes a round-up of community activities
Effective and timely communication of social and environmental management performance to key stakeholders	Published Annual CSR report and posted on www.teleplan.com	Publish Annual CSR report on Teleplan website and COP (Communication on Progress) in line with membership of the UN Global Compact
Continually improve management of social and environmental impacts	CSR metrics agreed and facility level reporting of CSR metrics to CSR Director established Risk analysis of supply chain completed and target suppliers identified	Regular CSR reporting by operational management to the Management Board Engage with and assess target suppliers' social and environmental impacts.

13. UN GLOBAL COMPACT COMMUNICATION ON PROGRESS

Period covered by COP:

January to December 2015

Statement of continued support from Francois LaCombe CEO Teleplan

I am pleased to confirm that Teleplan reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

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

The table below summarises our actions and provides a reference for further information.

Francois Lacombe

CEO Teleplan

12th November 2016

INDEX OF UN GLOBAL COMPACT PRINCIPLES SUPPORTED IN FINANCIAL YEAR 2015

Principle	Action	Further information/reference
Human Rights		
Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and	The Teleplan Code of Conduct is published on the Teleplan website and is integral to the new employee induction process.	Page 2 section 4 of this report Teleplan Code of Conduct
Principle 2 make sure that they are not complicit in human rights abuses.	Teleplan has an ethical supply chain policy. The ethical supply chain engagement strategy has been further developed and the initial stage of evaluation focussed on the positioning of major suppliers on CSR has been completed.	Page 5 section 10 of this report
Labor		
Principle 3 Businesses should uphold the freedom of association and the	The Teleplan Code of Conduct sets the company labor standards. It is translated into the seven principal languages	Page 2 sections 4 and 5 Teleplan Code of Conduct

<p>effective recognition of the right to collective bargaining;</p> <p>Principle 4</p> <p>the elimination of all forms of forced and compulsory labour;</p> <p>Principle 5</p> <p>the effective abolition of child labour; and</p> <p>Principle 6</p> <p>the elimination of discrimination in respect of employment and occupation</p>	<p>used across Teleplan's operations. Awareness and understanding of the Code and its importance to the business are promoted through a program of employee training and communications and form an integral part of the induction of new employees.</p> <p>Teleplan has an established whistle blowing policy and procedure.</p> <p>Three members of the Quality Management team are trained and qualified as EICC Labor and Ethics Lead Auditors and lead a program of assessment and audit to the EICC Code.</p>	
Environment		
<p>Principle 7</p> <p>Businesses should support a precautionary approach to environmental challenges;</p>	<p>Teleplan plays a vital role in mitigating the environmental impacts of electronic devices through the provision of repair services and the recovery, reuse, recycling or safe disposal of components and materials.</p> <p>Teleplan enables its customers to manage faulty, damaged and waste products thereby prolonging the life of the product and reducing waste.</p>	<p>Page 1 section 1 of this report</p> <p>Teleplan website</p>
<p>Principle 8</p> <p>undertake initiatives to promote greater environmental responsibility; and</p> <p>Principle 9</p> <p>encourage the development and diffusion of environmentally friendly technologies.</p>	<p>Teleplan, is a member of the Circular Economy 100 (CE100) network. CE100 is a global platform bringing together leading companies, emerging innovators and regions to accelerate the transition to a circular economy.</p> <p>Teleplan has implemented a Global Circular Economy Taskforce which is working across the Teleplan operational regions on a number of circular economy projects including Product Passport.</p>	<p>Teleplan news release</p>
Anti-Corruption		

<p>Principle 10</p> <p>Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>The Teleplan Code of Conduct prescribes the legal and ethical principles that all Teleplan's employees, officers and directors must observe in conducting Teleplan's business.</p> <p>Teleplan has set the Electronics Industry Citizenship Coalition (EICC) Code as the standard it works to and has appropriately trained people to lead the process of assessment and audit to the EICC Code.</p> <p>Teleplan participates in the social and environmental assessment survey operated by EcoVadis, the leading organization in this field.</p>	<p>Page 2 sections 4 and 5</p> <p>Page 5 section 10</p> <p>Teleplan Code of Conduct</p>
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