

**ELECTRICAL
INDUSTRIES**
GROUP



**THE ELECTRICAL INDUSTRIES GROUP
THE UNITED NATIONS GLOBAL COMPACT
COMMUNICATION ON PROGRESS REPORT
2016-2017**

ABOUT THIS REPORT

This report represents the Sixth Communication on Progress Report (COP) submitted by the Electrical Industries Group Limited (EIG Ltd.). This report seeks to highlight our performance and accomplishments during the period 2016- 2017.

It captures our commitment towards maintaining the ten principles of the UN Global Compact and the CSR & Employee Engagement pillars that direct our efforts.

At the Electrical Industries Group, we create shared intrinsic and extrinsic value through:

Empowering Our People to Create Value

Creating Centres of Innovation & Excellence

Delivering Internal & External Customer Service Excellence

We firmly believe that value creation is achieved by serving one another, the environment, our communities and by extension our country, therefore generating and improving social and economic stability through every single step of our operations.

CEO Commitment

“Empowering our People to Create Value”

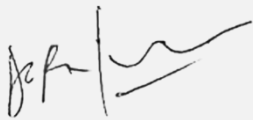
As Chairman of the Electrical Industries Group (EIG), I am humbled to make this report on our performance against the standards and principles set by the UN Global Compact. With this communication on progress report for the period 2016-2017, we express our intent to continuously implement and espouse these principles.

EIG has a vision that culminates in us becoming a Regional Business Leader, admired for its People, Quality Products and Performance. The Group is strategically focused on Creating SHARED Intrinsic and Extrinsic Value, through four strategic pillars; first and foremost, Empowering our People to Create Value, followed by, Creating Centres of Innovation and Excellence, Delivering Internal and External Customer Service Excellence which results in our fourth pillar, Profitable and Sustainable Growth for EIG. The ten principles of the Global Compact, help to guide us to this vision.

We continue to recognise our employees as our most valuable assets and appreciate that our success is profoundly determined by our employees and their ability to create and innovate. We will continue to promote sustainable management and create a culture of high performance and an empowered Workforce at EIG, supporting our people by cultivating a safe, ethical and respectful environment that enable employees to thrive.

As we move from 2017 into 2018, we are focused on the execution of our strategy and are determined to build an Empowering Workforce, epitomising our objective of creating and maintaining a culture where “We Believe in Our People and Our People Believe in Us”. The establishment of our Leadership Training Programme will support us in achieving such a high-performance culture in a sustainable manner.

EIG is proud of its accomplishments and we will continue to strive towards its vision. The following pages of this CoP report, describes the approach we have taken thus far in implementing the ten principles, as we demonstrate our devotion to extending our performance in areas which are already strong, while we diligently address aspects of our performance in which we see as our greatest opportunities for improvement. I am therefore pleased to submit the Communication on Progress Report on the developments made in supporting the principles advocated by the UNGC during the year 2016-2017.



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Dave Ramkissoo
Executive Chairman

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About the Electrical Industries Group Ltd.

The Electrical Industries Group is well-recognized as the premier producer of electrical cables, lighting fixtures, power solutions, plastics for construction and packaging material in the Caribbean with a combined history of over 80 years in manufacturing. EIG manufactures the Century Eslon, EIL and Agos Lighting brands while also distributing internationally well-known products such as GE, DAB Water Technology and Rheem.

To give a brief insight into the making of EIG, we begin with EIL which was initially formed in 1969 as a joint venture between AEI Compounds (UK) and a local firm. In 1997, it was acquired by Trinidad Electrical Manufacturing Corporation Limited and has become the largest manufacturer of electrical products in the English-speaking Caribbean. In 2009, the company acquired Agos Lighting, manufacturers of lighting fixtures, which added even greater value to the company's electrical portfolio. Seeking to break new ground, Century Elson was also acquired in 2011 a household name well-known and recognized for quality as the leading providers of plastic construction and industrial packaging products.

On October 1st, 2014 the amalgamation of these companies led to the formation of the Electrical Industries Group Limited (EIG). Currently with the Manufacturing Plants' square footage of over 234,000 feet, EIG is known for its premier manufacturing processes and quality products.

Today, while we are proud of our growth and achievement we continue to seek new and innovative ways to improve our products and processes to achieve optimal customer and employee satisfaction.

Corporate Social Responsibility at EIG Ltd.



The establishment of the EIG Charitable Foundation as a registered company was a critical stepping stone in driving the organisation's CSR efforts and can therefore be viewed as the Charitable Arm of EIG Limited. It is established with financial resources donated by the Group and from voluntary contributions through CSR Initiatives. The Foundation is committed to dedicating its resources as it pertains to the four pillars that govern our CSR activities.



PILLAR 1: HUMAN RIGHTS- Principles 1-2

Respect for Fundamental Human Rights

1.1.1. Industrial Relations Act

EIG is aware of its obligations falling under legislation such as the Equal Opportunity Act, Chapter 22:03, Industrial Relations Act, Chapter 88:01, and ratified ILO conventions such as the Discrimination (Employment and Occupation) Convention No. 111 of 1958. We actively engage our complement of human resources in a positive and compliant manner, and aim to ensure that no person's human rights are violated.

1.1.2. Minimum Wage Act

EIG observes the provisions of the Minimum Wages Act, National Minimum Wages Order and other occupational Minimum Wages Orders which govern minimum terms and conditions of employment in the unorganised, informal sector.

1.1.3. Occupational Health and Safety Act

EIG accepts and executes its legal and contractual responsibilities to provide a safe workplace and a safe system of work for its employees and other stakeholders in its environment. EIG's policy is aligned to the tenets of the Occupational Safety and Health Act, Chapter 88:08 and is filtered into rules and guidelines which are strictly enforced by the organisation. The EIG HSE Policy Statement was revised on January 1st, 2018 reflecting our commitment to achieving excellence and maintaining the highest quality standards in all aspects of our operations. We recognize and accept our mandate of creating a safe, healthy and secure environment for all our stakeholders.

1.1.4. Workmen's Compensation Act

In accordance with the Workmen's Compensation Act, Chapter 88:05, EIG, has secured insurance coverage from a reputable insurance company. The company's administrative input regarding workplace injuries which are sustained in and out of the course of employment is guided by the requirements of the Act.

Fundamental Principles and Rights at Work

1.2.1. Employee Handbook

EIG pledges to the principles which govern employees' rights at work. EIG acknowledges both expressed and implied rights which relate to issues such as the right to be paid for work performed, the right to break periods, sick leave, vacation leave and for career advancement. These and other rights are contained in the Employees Handbook which is provided to each employee in addition to their contracts of employment during the on-boarding process.

Resolving Employees Issues

1.3.1. Fairness and Equal Opportunity

To provide equal employment and advancement opportunities to all individuals, employment decisions at EIG is based on merit, qualifications and abilities. EIG has established equitable standards regarding the employment of all its employees. There is no discrimination in employment opportunities or practices based on race, colour, sex, nationality, age, gender, class, or any other characteristics protected by law. This policy governs all aspects of employment; including job selection, job assignment, compensation, discipline, termination and access to benefits and training.



PILLAR 2: LABOUR PRACTICES- Principles 3-6

Child Labour

2.1.1. Abolition of Child Labour

EIG ensures that its recruitment practices do not include the employment of children. EIG will actively seek to verify any incidence of child labour within its own supply chain and engage government and non-government agencies in eliminating such occurrences.

2.1.2. Age Verification

During EIG's recruitment process, all applicants are required to present original legal documents and identification attesting to their age. The Human Resource Department verifies the age of all applicants to ensure compliance with the legal age requirement for employment.

Civil and Political Rights

2.2.1. Collective Bargaining Unit

Some employees of EIG are members of Trade Unions which represent workers in bargaining units at our companies. EIG engages the respective Trade Unions in negotiations for Collective Agreements for workers in the respective bargaining units and for settling disputes. The Group recognises the need for workers to participate in trade union activities as an officer if the Union to interact and deal with Group or Trade Union matters, thus, employees who are Trade Union representatives are granted time-off from work with pay to engage in negotiations and grievance matters.

2.2.2. Employers Consultative Association (ECA)

The ECA is the only Employers' Organisation in Trinidad and Tobago officially recognised by the International Labour Organisation and the International Organisation of Employers that deals with Industrial Relations and Workplace issues for Employers. EIG's membership with the ECA provides the Group with the assistance to ensure our employees are trained and can address any Human Rights issues.

2.2.3. Compensation Benchmarking

This annual exercise serves as a useful tool for fair compensation and to attract and retain talent. The Group has not participated in any compensation survey over the last year. However, benchmarking is still maintained via the HRC Compensation Survey.

2.2.4. Employee Assistance Programme (EAP)

EIG recognises that personal problems can affect an employee's well-being, and as such there is a structured EAP programme which is offered to all staff in times of need. The EAP is a clearly

defined work based programme designed to improve performance by providing psychological and organizational support to the management and staff of the Group.

2.2.5. Employee Emergency Relief Fund (EERF)

The Employee Assistance Emergency Fund (EEF) is an accumulation of charitable financial donations of funds designated to be used to mitigate the effects of major emergencies and disasters experienced by employees. This facility helps employees to overcome trying situations in the shortest possible time and quickly re-join the EIG family with a settled mind as we work toward achieving our common vision. The fund originates from employee and employer contributions, donations, and various fund-raising campaigns which are organized by the Fund Committee. The fund which is made up of a contribution from the employee (50%) and employer (50%) monthly.

Conditions of Work & Social Protection

2.3.1. Soft Loans

EIG continues to offer soft loans to employees who need financial assistance to eligible employees in times of disaster or personal emergencies or hardships, all applications are to be submitted to the HR Department.

2.3.2. Employee benefits, Insurance & Pension Plan

The company provides a mandatory Group Life and Medical Plan for the benefit of permanent employees. EIG contributes 2/3 of the total premium for the Group Health, the entire premium for the Group Life and contributes 5% to the Employee's Pension Plan.

2.3.3. Post Retirement Benefit

The Group's normal retirement date is the employee's 60th birthday. On retirement, employees are entitled to a post- retirement income under the Group's mandatory pension plan.

2.3.4. Sports Club

EIG maintains a Sports Club which is accessible to all employees. The company hosted successful cricket, football and cards Tournaments during the period using the Sports Club's facility. The facility also sponsored employee prizes for company events hosted throughout the year, promoting employee camaraderie and innovativeness.

Employment & Employment Relationships

2.4.1. Employee Satisfaction Survey

In 2015, the EIG's Engagement survey results was 53%, in 2016, it dropped to 45%. EIG conducted thorough analysis on the results and stakeholder meetings were hosted in conjunction with the HR Department at all levels throughout the Group. A comprehensive engagement plan was developed for the period 2016-2017 to address the uncovered gaps.

2.4.2. Creating a High Performance and Empowered Workforce in a sustainable manner

EIG aims to create shared intrinsic and extrinsic value by firstly empowering its people to create value through the provision of a safe, welcoming and empowering work environment and through the formation of an Empowered workforce. EIG recognises that improving morale, creating loyalty and increasing overall productivity in its employees through performance management is key to a talented, skilled and empowered workforce which is the lifeblood of its organization.

The Group will be embarking on several initiatives to transform the culture to create an Empowering Work Environment through the execution of a Culture Transformation Programme. This programme includes the implementation of the Principles of Goodness programme, camaraderie & teambuilding exercises, the roll-out of a revised Reward & Recognition program and the execution of Leadership Development.

Through the growth of its employees' development, EIG will create an Empowered Workforce. EIG will recruit the right people, at the right time and for the right position; grow and retain the very best by nurturing a culture that is empowering, rewarding and supporting employee development through the following strategic initiatives; compete for top talent with effective recruitment strategies and indoctrination processes, two, implement a system of continuous performance and three,

increase efficiency of HR Services & programmes. Such a culture would deliver high performance in a sustainable manner.

2.4.3. Company Events

EIG continues to host annual events, celebrating its people and their contributions. Some of these events include a Carnival Cooler Competition and Celebration, Emancipation Day Celebrations, Diwali Celebrations and its annual end of Year Celebration at each of its location.

Fundamental Principles and Rights at Work

2.5.1. Standard Working Hours

EIG supports the principle of elimination of any form of forced and compulsory labour by establishing a 40-hour work week. While the hours of work will be determined by the employee's departmental requirements, every effort will be made to ensure that an employee's normal hours of work are maintained.

Health, Safety and the Environment

2.6.1. HSE & Our People

EIG recognising its people as its principal assets and thus continues to drive a proactive HSE culture throughout the Group. During the period 2016-2017, EIG continued its initiative to further educate its people on safe work practices thus reducing accidents. HSE reported over 100 training sessions with employees on various HSE related topics during the same period. The HSE Team also engaged our employees through increased HSE coverage at all Plants; through HSE Inspections, formalised Toolbox Sessions, posting HSE Material on Notice Boards, Strategic policing and logging of all HSE Infractions, HSE Inductions for new employees and hosting Plant Safety Committee Meetings monthly.

2.6.2. HSE Policy & Procedures

The Group has revised and re-engineered numerous work procedures to introduce more safety elements where required. The following EIG HSE policies and procedures were revised during the period; the Group HSE & Emergency Plans, Safety Pamphlets and HSE orientations for Visiting personnel and contractors, enforcement of JHAs for Contractors and employees, Incident reporting and response system. This campaign for a safer EIG has resulted in a 32% reduction in all incidents. EIG continues to provide a safe working environment for clients, suppliers and employees.

2.6.3. Annual Risk Assessments

EIG currently undertakes an annual Risk Assessment, conducted by the HSE Department at each location, the results of which are discussed, communicated and available to all stakeholders. All Risk Assessments are currently up to date and the specific recommendations were made with respect to preventive measures and controls to be implemented for the mitigation of risks for action.

Human Development & Training in the Workplace

2.7.1. Developing our Human Capital

Through the creation of a High Performance and Empowered Workforce, Individual Development Plans will be created for each employee, following this a training plan will developed, executed and updated annually to ensure growth and increased productivity of our people.

2.7.2. Internal Selection

In the recruitment process, priority is given to employees if they meet the requirements for the vacancy. If no adequate employees are found inside the Company, an external search is conducted. Job ads do not specify sex or age of the potential candidate, only qualification requirements.

2.7.3. Our People aligned to Strategy

At EIG, we understand that improving morale and increasing overall productivity in our employees through performance management is the key to our growth platform. As such, the Group maintains

its performance management process which aligns individual goals to the Group's Corporate strategy and communicates the progress company-wide. Further, progress on key performance indicators is monitored through the Balanced Scorecard Management System and the management provides coaching on performance gaps. Individual performance is appraised annually with feedback and formal documentation which is used as a guide to offer special incentives and to direct management's decisions in promoting employees and awarding salary increases.

Social Dialogue

The employees of EIG receive communication in several ways.

2.8.1. Communication via TV Screens and Team Sites

The HR Department recognizes work anniversaries, greetings for various occasions such as religious holidays etc., and employee recognitions monthly, these are posted on all screens in Plants as well as in Plant Meetings with Staff.

2.8.2. Department Governance Meeting

EIG recognizes that employees' feedback is integral to understanding the current dynamics of the Group. Thus, the Group continues to maintain monthly Governance meetings within each Department, enabling conversation between management and their employees in which good work is recognised and solutions for issues are developed.

2.8.3. Plant Meetings

EIG at the start of each month, hosts individual Plant meetings to engage and communicate to the employees their previous month's performance regarding production, efficiency, HSE and personal management. This forum also includes interactive sessions where employees can communicate to Management concerns or issues experienced.



PILLAR 3: ENVIRONMENT- Principles 7-9

SUSTAINABLE USE OF RESOURCES

Environmental sustainability is one of the main focuses in the global environment. This does not come at an attached cost, but rather with the duty and understanding of all corporate entities and persons, of the need for a cleaner and brighter tomorrow. As part of EIG's ongoing commitment to health, safety and the environment, the Group has sought to implement and continue programmes to ensure sustainability.

Computer- Based Technologies replacing Paper-based System

3.2.1. Paper reduction drive-

Numerous paper based forms and documents used throughout the Group of Companies were converted to electronic-forms with assigned workflow components to improve efficiency, productivity and communication. This contributed to the reduction in the Group's paper consumption and reduced the number of printers by 60%.

3.2.2. Web Conferencing and Online Collaboration-

Eliminating unnecessary travel helps to reduce the company's carbon footprint. Sharing documents online also saves paper and requires less physical real estate to manage it.

3.2.3. Server Consolidation-

EIG has migrated from many hardware servers to virtual servers hosted on significantly less hardware thereby consuming much less power. This has also led to reduction in heat levels.

3.2.4. Controlled Printing-

99% of the documents sent to print are now controlled. In the instance where a user requests to print, however, never goes to the printer to execute the print, the request will remain dormant for 1 day after which it will be automatically deleted. This has saved thousands of sheets of printed paper thus far.

3.2.5. Using modern hardware-

All machines currently feature LCD displays, which use less power and generate less heat than CRT displays. We have no CRT displays in our environment and are migrating our desktops to “mini’s” which consumes significantly less power.

PROMOTING SOCIAL RESPONSIBILITY IN THE SPHERE OF INFLUENCE

3.3.1. Compliance with Statutory & Regulatory Bodies-

Through the Group’s compliance actions, corporate reporting & review, EIG continues to partner with local statutory and regulatory bodies & business leaders in the field of environmental technologies such as ROSE Environmental and Kaizen Limited, to ensure preventative measures, annual testing and sustainable methodologies are utilized.

3.3.2. Quality Management System-

EIG is committed to a Policy of responsible resource usage and environmental management resulting in sustainable and efficient management of resources and waste. EIG seeks to minimize its production of waste and use of energy through our Quality Management System. ISO 9001:2015 specifies requirements for a quality management system. EIG is committed to implementing quality management systems and processes that would enable the delivery of the highest quality products and services. The EIG QMS Policy outlines the quality system, documentation structure, procedures and business practices which are used by EIG to achieve our vision and ensure that our customer’s requirements are satisfied.

The organization now maintains its Corporate ISO 9001 Group Certification with focus on the fundamental teachings and requirements of the ISO 9001 system in the use of P.D.C.A. (Plan, Do, Check, Act) the use of its Corporate Governance and Balanced Scorecard metrics for analysis and

development, and its use of continuous improvement and process re-engineering focus through its Quality Management System.

Energy Consumption

At the beginning of 2010-2011, EIG started a process of analysing our energy usage and as part of this initiative, we have Power Factor Correction Equipment at our facility which has resulted in savings of 15% on our monthly electric bill. The savings are equivalent to annual greenhouse gas emissions from 11 passenger vehicles or CO2 emissions from 140 barrels of oil consumed or carbon sequestered by 1,533 tree seedlings grown for 10 years every month. The Group has also embarked to further analyse and implement new strategies to increase this savings. Over the last year, the head office and most of the

Plastics Division has been converted to LED bulbs- replacing the fluorescent tubes. This measure has contributed positively to energy reduction and associated savings while providing a long term sustainable lighting measure. It is the intent of the group to continue this at the other two divisions to further yield energy reduction.



PILLAR 4: ANTI- CORRUPTION- Principles 10

Code of Conduct and Ethical Business Practices

EIG recognizes that corruption is a major hindrance to the sustainable development of an organization and its communities. The development of rules for corporate governance rules around the world has prompted EIG to focus on anti-corruption measures as part of our need to protect the reputation and interests of our stakeholders.

4.1.1. Conflict of Interest

At EIG the Finance Department maintains clear separation of duties within each Section to avoid opportunism and conflict of interest.

4.1.2. Internal & External Audit

EIG continues to maintain its established Internal Audit System that monitors the internal control process, the Team assesses the critical risks facing the Group, conducts investigations and re-designs standard operating procedures to manage those risks effectively to help the organisation achieve its objectives. Together, the internal and external auditors secure assurance concerning the state of the organisation's internal controls.

4.1.3. Corporate Compliance Register

EIG recognises that a fundamental method of addressing unethical and corrupt business practices and ensuring its business sustainability is through internal measures through the establishment of strong Corporate Governance Structure within the Group. As such in 2017 EIG revised its Corporate Compliance Register managed by the Quality Management Team to ensure the adherence to both internal and external business, statutory and regulatory compliances.



SOCIAL INVESTMENT

EIG continues to act as a responsible member of the community and consider how its activities impact on it. The Company aims to support the creation of educated and sustainable communities in which it operates. At EIG, we believe that it's not just about keeping our house in order, but reaching out to support, financially or otherwise, our neighbours.

Philanthropy

EIG continues to financially support Charitable Groups, Clubs and Communities that are deemed appropriate via the Group's Corporate & Social Responsibility Plans.

The Group continues to support the community through its Food Drive in the month of December each year. Through the goodwill and donations of our employees, EIG can reach members of its fence line community and share the gift of food to those in need.

