

# Corporate Social Responsibility Report 2017 (Hållbarhetsrapport)

Eldon Holding AB



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## 1. LETTER FROM THE PRESIDENT



The market developed positively during 2017 with increased sales and an improved cash flow, although somewhat lower gross margins due to increased raw material prices.

In 2017, a new sales process for Eldon's sales companies was launched, together with a sales program for the sales force. This has already led to higher efficiency in sales efforts and higher transactions rates. Work on further developing local sales companies, both in sales and customer support, continues during 2018.

Eldon has focused on what Eldon calls Development Drivers to create a user-friendly product for panel builders and end users. Some of these driving forces are due to the need of customers to be able to quickly assemble, receive enclosures that provide maximum protection, and an attractive and functional form.

Eldon will continue to develop the effectiveness of the European sales companies through implementation of a program of target-based planning, coaching of sales managers in developing leadership and coaching of salespeople to plan and implement optimal customer visits. In addition, each sales company shall establish local plans to best penetrate different local market segments.

Our corporate sustainability policy focuses on seizing opportunities and effectively managing the risk inherent in economic, environmental and social development. Proof of this can easily be noticed in our Company's continued support of the Global Compact principles in our corporate philosophy.

Eldon strives to continually provide clarity and depth for our Corporate Social Responsibility reporting. To this end, we utilize commonly understood frameworks that provide guidance to corporations in managing, planning and reporting on their CSR performance around topics such as governance, organizational strategy, materiality and stakeholder engagement. We continue to utilize the Global Reporting Initiative (GRI) Guidelines and the United Nations Global Compact (UNGC) principles to guide us in our reporting.

Eldon became a signatory to the UNGC in 2011 and, in addition to our Sustainability Report, Eldon has produced a specific one as part of our UNGC Communication on Progress (COP). Business signatories to the UNGC are required to annually submit a COP for the UNGC website and to share the COP widely with their stakeholders.

We believe that this 2017 Eldon CSR report represents a significant step forward in our drive to communicate transparently with our shareholders and stakeholders about our commitments and progress in all the areas where we engage with society. This report underlines our fundamental belief that, for a company to be successful on long term and create value for shareholders, it must also create value for society.

**Fredrik Wikström**

President and CEO  
Eldon Holding AB

## 2. ELDON HOLDING AB

Eldon Holding AB has had a strong commitment to its social responsibilities as a corporation from its earliest. Eldon is a leading global manufacturer of enclosures for electrical components, electronics and telecommunications across a wide range of platforms.

### 2.1. Corporate Profile

From our beginnings in Sweden, Eldon has been grown into a major provider of industrial electrical enclosures, yet our core values remain unchanged. Today's management team fully endorses the same fundamental principles as their predecessors: Design, quality and customer satisfaction.

Eldon's ownership structure is split between staff members and external investors. Eldon's senior management controls the majority of the shares while a minority is held by external investors and other Eldon personnel. The shareholding structure of Eldon is shown in Figure 1.

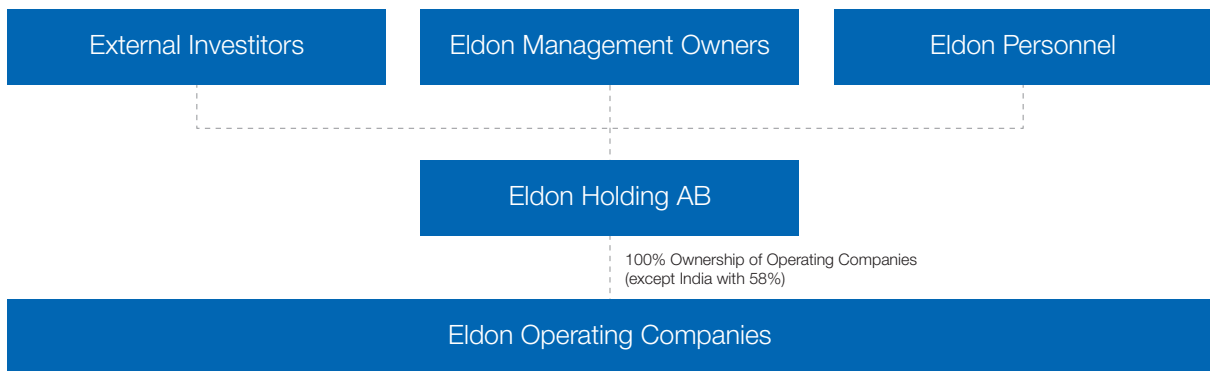


Figure 1: Shareholder Structure Eldon Holding AB

Eldon is a group of wholly owned subsidiaries, as detailed in Figure 2. Eldon's Swedish holding company owns the holding company in Spain, which in turn, holds the following companies: Romania SRL and Spain SAU. At the same time, Eldon Holding España SLU owns 58% of CS Eldon Encl. PLC, a company based in India.

Eldon CS Encl. PLC has a manufacturing plant in Umbergaon (Distt. Valsad, Gujarat State), with production, distribution and sales activities. The company is a joint venture with a local partner and as it is not a 100% owned subsidiary, it is not included in this report.

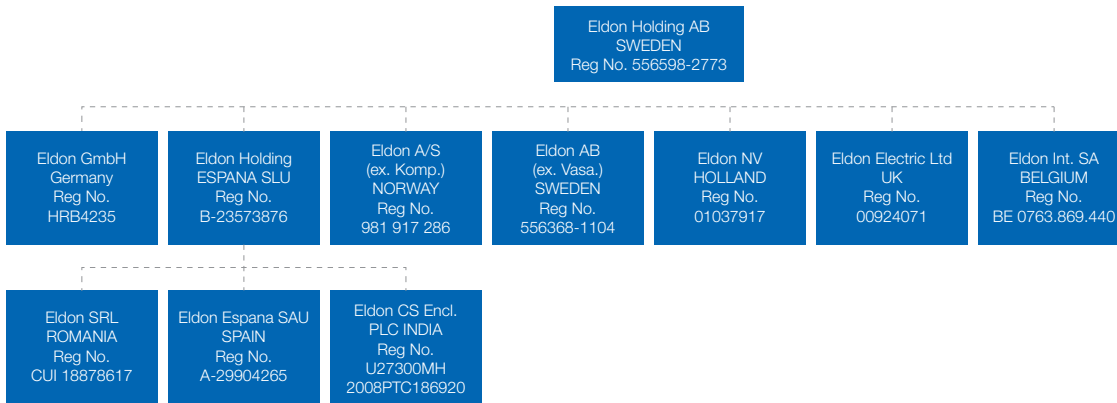


Figure 2. Eldon Holding AB ownership structure

Eldon Headquarters are based in Spain and the group has 2 manufacturing plants, 5 logistics centers and 10 sales offices in different countries as well as an extensive network of agents consolidating its presence in over 45 countries.

The distribution and nature of the different work centers is detailed in Figure 3. The sales offices operate in the country where they are based, where their markets then are considered as domestic markets. The sales from the distribution network are considered export sales. Eldon Holding AB is divided into three large operations areas: Manufacturing Plants, Logistic Centers and Sales Offices.

ELDON GROUP (ELDON HOLDING AB)		
HEADQUARTERS: Madrid (España)		
Manufacturing Plants	Logistic Centers	Sales Offices
Romania (Prejmer, Brasov)	Spain	Spain
India (Umbergaon)	Romania	Portugal <sup>1</sup>
	UK	Romania
	The Netherlands	UK
	Sweden	The Netherlands
		Denmark <sup>2</sup>
		Sweden
		Belgium
		Norway
		Germany

Figure 3. Eldon Holding AB ownership structure.

<sup>1</sup> Reports to Spain's Sales Division

<sup>2</sup> Reports to Eldon NV (Eldon Company in The Netherlands)

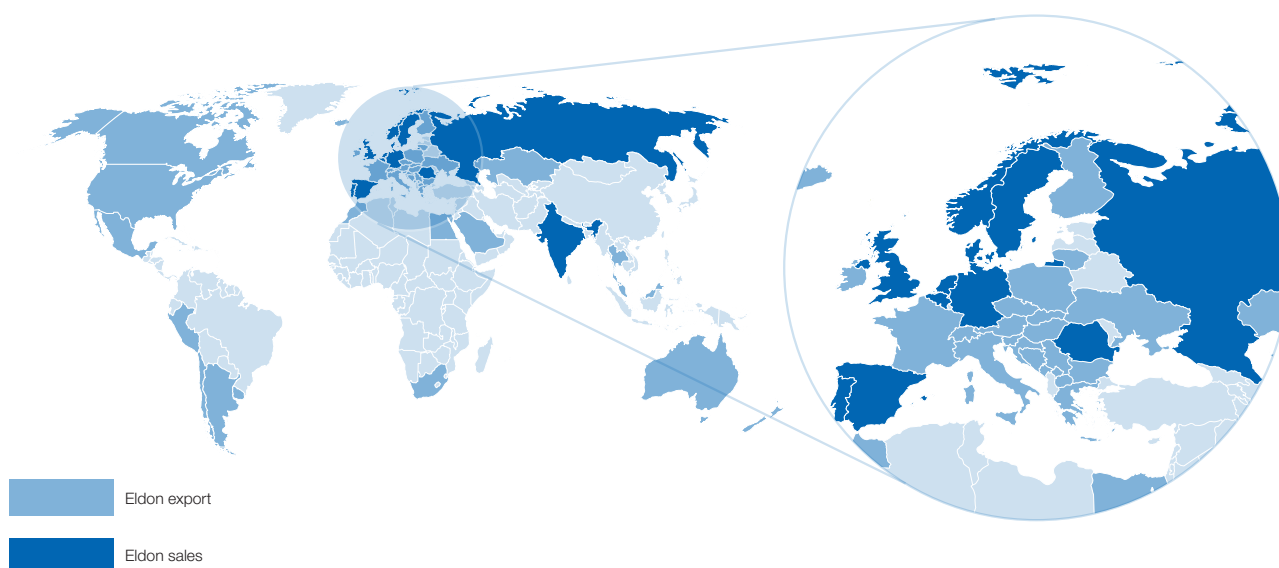


Figure 4. Countries with Eldon activities. Domestic and export markets.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED							
Component	FY2017	FY2016	FY2015	FY2014	FY2013	FY2012	FY2011
<b>Direct Economic Value Generated</b>							
<b>Net sales (in '000 EUR)</b>	83.281	79.863	79.314	75.055	67.427	67.217	68.632
<b>Economic Value Distributed</b>							
<b>Order backlog</b>	16.142	19.332	16.652	17.298	16.716	16.273	16.773
<b>Total Payroll exp. Incl. Soc</b>	19.267	19.667	16.180	15.854	15.045	16.772	16.973
<b>Workforce</b>	996	991	977	968	983	861	760

Figure 5. Generated and distributed economic value.

Eldon's performance is based on the Mission and Vision Statement, which was created by the Management Team and has been made public. The contents of it can be seen in Figure 6.

The growth of sales in 2013 compared to the previous year is a sign that the downward trend was broken and that 2014 showed an important growth in sales. The positive trend continued in 2015 and came from a recovering global economy which has seen turmoil in many financial and geographical areas around the world. A slight stagnation in 2016 led to another important growth in 2017 and 2018 looks also to have a growth of > 10% compared to the previous year. The Eldon Group has taken a proactive approach to the uncertainties such as consolidated manufacturing in order to reduce fixed costs and become a stronger global player less susceptible to negative external influences. The number of employees has grown marginally in 2017 compared to 2016 but with more than 30% since 2011.



## ↳ Mission ↳

Eldon is active in the global Enclosure Market where its products are used to enclose electrical components thus preventing harm to the components from the external environment and protecting people against electrical contact.

Eldon offers a comprehensive range of internationally certified, high quality standard and modified standard enclosures along with a wide range of accessories for **Automation, Control and Power Distribution** applications mainly targeted for the **Industrial, Building and Construction Segment**.

Eldon strives to be recognized as an **“easy to do business with”** enclosure supplier. Through trained and motivated personnel who are empowered to act and take proactive decisions, a reliable and cost-effective Supply Chain, solid IT systems and processes, Eldon aims to achieve total customers satisfaction and thus secure a long term profitable growth in the enclosure business.

## ↳ Vision ↳

Eldon will become one of the largest enclosure suppliers in the global Enclosure Market and be recognized as the most easy-to-do-business-with enclosure supplier within the industry.

### Eldon's Management Team:

CEO  
Fredrik Wikström

Vice president Sales & Marketing  
Julian de la Cuesta

CFO  
Philip Tyden

Supply Chain Director  
Antonio Blasco

CIO  
Mats Toftebrant

Figure 6. Eldon's Mission and Vision.

### **2.1.1. Products**

Eldon's core business is the manufacture and sale of different types of enclosures that accommodate electrical, electronic and telecommunication components. We offer a very wide range of both standard and tailor-made customer specific products. We can adapt all standard products to different hole patterns, colours, sizes and customer fit accessories and also design and create new products from scratch to match customer requirements.

Eldon sells its own brand products, but also commercializes third party products such as accessories (lighting devices, switches, cabling, etc.), which allow our customers to work with one single-source material provider.

Eldon's customers fall into two main categories in line with their size and product performance. In those countries where Eldon has sales offices, the group works with a network of small and medium size distributors and also wholesale sales. For countries lacking a sales office infrastructure, Eldon partners with a specialised agent, usually on an exclusivity basis, who is responsible for the distribution of the whole product range.

These relationships are based upon trust as is demonstrated by the fact that some working relationships with distributors date back 15 years. The central sales team manages the key accounts, while there is some specific clients who require branded product manufacturing.

#### **Manufacturing plants**

Eldon has one manufacturing plant in Romania. That works according to the same principles – combining technology and highly qualified technical staff.

Opened in 2007, Eldon's largest factory is the production flagship of the company. Located in Prejmer (Brasov), it manufactures Eldon's entire product range with the highest number of employees of all plants. The plant best represents Eldon's environmental, social and economic commitments. It has been certified ISO 14001 compliant. During 2012-2013 Eldon has implemented the KAIZEN quality improvement management system. The Quality Management System has also been certified ISO 9001, along with the other Eldon manufacturing plants.



## 2.2. Management Structure

Eldon Holding AB has a board composed of six members who are permanently informed about the group's performance. The board comprises two representatives of the organization, two investor's representatives and one external advisor. The latter holds the presidency so as to have an independent input. The board establishes the annual Strategic Plan and the Yearly Budget, and closely monitors its implementation.

Each company within Eldon Holding AB has its own board of directors, responsible for controlling the evolution of the objectives. The management is made up of persons with different profiles in a multidisciplinary approach to ensure and to share the management of the different divisions with the rest of the organization.

Country	Society	Management	Middle Management	% Women
<b>Spain</b>	<b>Total</b>	<b>9</b>	<b>5</b>	<b>0,0</b>
	Eldon Holding España (HES)	4	0	0,0
	Eldon España SAU (ESA)	5	5	0,0
<b>Sweden</b>	<b>Total</b>	<b>0</b>	<b>3</b>	<b>0,0</b>
	Eldon Encl. AB	0	3	0,0
	Eldon Holding AB (HAB)	0	0	0,0
<b>Norway</b>		0	0	0,0
<b>Germany</b>		0	1	0,0
<b>The Netherlands</b>		1	4	20,0
<b>Belgium</b>		0	1	0,0
<b>UK</b>		0	2	50,0
<b>Romania</b>		12	64	16,0
<b>Total</b>		<b>22</b>	<b>83</b>	<b>13</b>

Figure 7. Eldon's management structure.

### **3. CSR REPORT: PROFILE, SCOPE AND OVERAGE**

The data contained in this Report describes the evolution of Eldon Holding AB in 2012-2017 in terms of corporate sustainability.

To compile this publication, Eldon has coordinated and consolidated the information received from each country for each of the qualitative and quantitative indicators. This mechanism allows analysis of each of the Company's countries of operation in a comparable, weighted and measurable way and the use of these data as a management tool.

For the compilation of the qualitative and quantitative information, internal and external tools and programs have been used for matters related to human resources and customers, community and the environment. This process has permitted self-diagnosis and verification of the data from its department of origin, as well as ensuring its traceability, accuracy and reliability at different levels of aggregation. All the information published has in turn passed through internal processes of checking and verification, (Management Control/CFO in some countries). Additionally, the information in this report has been subject to various levels of external reviews.

The Report follows the principles of the Global Reporting Initiative (GRI). The most reliable and widely used standards in Sustainability and Corporate Social Responsibility reports. This methodology is used to facilitate comprehension, comparability and maximum transparency for our stakeholders.

### **4. CORPORATE SOCIAL RESPONSIBILITY**

#### **4.1. Performance**

From the start, Eldon business has embraced corporate responsibility in a natural way. It is an approach the current management team fully endorses and is further building upon. In 2011, the company for the first time decided to implement an audit of the organization from a Corporate Social Responsibility perspective in order to define a strategy building on the initiatives already undertaken.

This new report shows the evolution of the group in Corporate Social matters during 2012/2017 as well as some of the new initiatives taken in this respect.

#### **Corporate Social Responsibility Annual Report**

Based on the same principles that the Eldon newsletter has built on since 2009, when communicating with workers and customers, our CSR report has become an important tool in communicating the company's achievements, actions and targets to different stakeholders. It shows the activities carried out by the organization at social, economic and environmental levels in order to increase stakeholder knowledge about our efforts and the achievements.

#### **Newsletter**

Since 1999 our newsletter has been an essential communications tool. It is sent to customers and employees by e-mail. The web publishing also ensures its availability to other groups of interest.

The newsletter is published in 12 languages in order to reach out to all those markets where Eldon has a direct presence. It is also published in Danish because of the traditionally strong importance of the Nordic markets for the company. The English edition ensures it is available to an international audience.

The newsletter includes news of a commercial nature, such as launching new products, signing contracts and our attendance at trade fairs. It also includes references to sponsorship and community activities that Eldon has carried out in the different countries where it operates.

## Joining the Global Compact

Eldon, as part of its commitment to sustainable performance, joined the United Nations Global Compact through the Spanish network of the initiative, with the further objective of contributing to the spread of the philosophy and principles followed.

The Global Compact initiative was created in 1999 by the United Nations. The aim is to obtain business enterprise commitment to corporate social responsibility by supporting 10 principles.

Eldon is committed to use the Global Compact principles as a benchmark in its own policies and actions in line with domestic commitments already made in the social, environmental and economic area.

The UN Global Compact's ten principles encompass the areas of human rights, labour, the environment and anti-corruption and have won universal consensus. They are based on:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption:

Human Rights	
<b>Principle 1:</b>	Businesses should support and respect the protection of internationally proclaimed human rights; and
<b>Principle 2:</b>	make sure that they are not complicit in human rights abuses.
Labour	
<b>Principle 3:</b>	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
<b>Principle 4:</b>	the elimination of all forms of forced and compulsory labour;
<b>Principle 5:</b>	the effective abolition of child labour; and
<b>Principle 6:</b>	the elimination of discrimination in respect of employment and occupation.
Environment	
<b>Principle 7:</b>	Businesses should support a precautionary approach to environmental challenges;
<b>Principle 8:</b>	undertake initiatives to promote greater environmental responsibility; and
<b>Principle 9:</b>	encourage the development and diffusion of environmentally friendly technologies.
Anti-corruption	
<b>Principle 10:</b>	Businesses should work against corruption in all its forms, including extortion and bribery.

## 4.2. Involvement of stakeholders

Eldon is aware of the strong impact of what we do in different areas, which is why we carried out a detailed audit of our stakeholders as an initial step towards Corporate Social Responsibility.

Once we had identified all the various stakeholders involved we audited our existing communication channels in both directions.

As a result of this approach, we have endeavoured to meet the expectations of stakeholders and integrate them into our strategic planning.

### Identification of stakeholders

Stakeholders are those who are directly or indirectly affected by the development of a business and who also have the ability to directly or indirectly impact an enterprises development (Freeman, 1983). The stakeholders can be internal or external, depending on their role in the organization.

Some of the stakeholders have already been mentioned in previous chapters in this report. The family ownership background of the company has attached special importance to our workers and their families. Customers are also key stakeholders because of Eldon’s strong commitment to providing quality and customer-driven products. The following is the set of stakeholders identified by the management team of Eldon on the basis of their activities (see Figure 8).

GROUP	CATEGORIES
<b>Owners</b>	Shareholders
	Venture capital/investors
<b>Staff</b>	Employees
	External Workers
	Trade Union representatives
	Staff families
<b>Clients</b>	Direct customers (Eldon’s sales offices)
	Agents and distributors (export)
	Key Accounts (Corporate)
	Brand label customers
<b>Suppliers / subcontracting / outsourcing</b>	Plant suppliers
	Group suppliers
	Subcontractors
	Health Insurers
<b>Administration and auditing</b>	Local, regional and national auditors
	Financial auditors
<b>Competitors</b>	Same sector other providers
	Association
<b>Community</b>	Local companies
	General population
	NGOs

Figure 8. Eldon’s stakeholders.

We identified our stakeholder groups when assessing the status of the organization's CSR position. In collaboration with an external consultant team, a prolific study was made of the different actions that Eldon has already developed regarding the social, economic, and environmental issues involved. This involved diagnostic questionnaires and personal interviews with management and the heads of finance, labour, environmental, health and safety, sales and marketing, and purchasing.

Eldon's performance concerning each interest group is detailed in the specific section. Communication with stakeholders is essential and should be bi-directional, so that they access information about those aspects of the organization's performance that may affect them (directly or indirectly) or be of interest. It is also important to the company that our stakeholders are able to incorporate their views and demands in strategic and management actions. Communication should be fluid, facilitating the existence of a variety of channels that reflect the characteristics of each group. Figure 9 shows the set of existing communication channels, which are addressed in more detail in the section assigned to each one.

This CSR report is a starting point for Eldon. The result of the audit undertaken shows that there is a strong commitment to enhance communication with stakeholders. Future editions of this CSR report will incorporate in more detail the issues raised by each group during the study period.

CATEGORY	GROUP OF INTEREST	ELDON'S COUNTERPART	TOPICS	CHANNEL
<b>General</b>				- Corporate Web and local version - Telephone, email, premises
<b>Shareholders</b>	Shareholders	- Financial Director (CFO)	- Economical development - Investment	- Annual Report - Financial External Audit
	Investors			
<b>Staff</b>	Workers External workers (via temporal staff)	- Financial Director (CFO) - Financial Director (at plant)	- Business evolution - Equality policies - Training - Social Benefits	- Information panels - Meetings (production, Dept. managers) - Trade Union Meetings - Suggestions box (Romania) - KAIZEN Procedures (Romania)
		- Production Manager (at plant)	- Family life reconciliation - Turns	
	Trade Union Representatives	- Corporate Financial Director (CFO) - Financial Director (at plant)	- Labour agreements - Health and Safety - Equality Policies	- Meetings with Trade Union Representatives
	Families	- Workers	- Family life conciliation tools - Social Benefits	- Personal Communication
<b>Clients</b>	General clients	- Marketing - Product Management Team	- Product Specifications - Brand Value	- Catalogue - Flyers - Emails (communicating new products or enhancements) - Advertising
	Direct clients	- Local Sales Office - Engineering	- Quality Products - Customer fitting - Claims	- Specific meetings - Health and Safety programs - Visits and yearly audits - Information board
	Distributors	- Export Vice-president and Sales and Marketing (exceptionally)		

CATEGORY	GROUP OF INTEREST	ELDON'S COUNTERPART	TOPICS	CHANNEL
<b>Suppliers/ subcontractors/ Outsourcing</b>	Insurers	- Production Manager (at plant level) - Trade Union Representatives - Staff	- Health and Safety conditions	- Specific meetings - Health and Safety programs - Visits and yearly audits
	Suppliers/ subcontractors	- Purchasing Manager (corporate) - Local Purchasing Mgr - Plant production Manager - Financial Controllers (corporate and local)	- Order management - Suppliers contracts - Recruitment requirements - Eldon claims	- Purchasing management procedures (Quality Management Procedures Manual at plant) - Meetings
<b>Administration and auditing</b>	Administration	- Chief Executive Officer (CEO) - CFO - Financial director (plant)	- Legal requirements - Non compliance/sanctions	- Inspectiopns
	Audit	- (CFO)	- Financial aspects, balances, investments, etc	- Financial statements
<b>Competitors</b>	Industry Associations	- Variable	- Industry policies - Industry sales and situation	- Statues - Periodical meetings
<b>Community</b>	Other local industries	- Variable	- Hiring of local providers	- Visits and meetings with local providers - Association meetings - Local Chamber of Commerce meetings
	Population / NGOs	- Variable	- Environmental actions - Sponsorships/patronage/collaborations	- Press Releases

Figure 9. Communications with groups.

## 5. ECONOMIC DIMENSION

As a result of its business activities, Eldon generates value for its owners as well as the workforce and communities in which we operate.

Customer satisfaction is the core philosophy of the organization, and this embraces customers in markets where Eldon has no direct presence or infrastructure.

Below are Eldon's relationships with regards to owners, customers, agents, suppliers and industry associations.

### 5.1. Owners

Eldon ownership structure includes external investors as well as shareholders who are staff members.

All shareholders have access to the financial statements information included in the Annual Report. Annual accounts are deposited in Sweden, which is where the Eldon Holding AB is registered. Financial statements area audited by an independent third-party in order to ensure Eldon's corporate information transparency. The General Shareholders Meeting is held annually.

## 5.2. Customers

Meeting customer needs is the essence of Eldon, along with commitment to our workforce. Eldon's number of customers has been growing as has our product offering and market presence.

The sales structure of Eldon is divided into two market areas: domestic and export. Domestic markets are considered those where Eldon has a local presence through a local sales office: Sweden, Spain (includes the Portuguese market), UK (including Ireland), Romania, Belgium, The Netherlands and Norway.

Eldon has a comprehensive range of standard products, but also makes products to meet specific customer specifications, which demands maintaining very close contact with such clients in order to meet their needs. Customer specifications are managed through design specification procedures, specific product request forms, and suggestions and claims procedures.

The first issue addressed by Eldon's quality assurance policy is the achievement of customer satisfaction.

The ISO 9001 quality management system implemented at each plant includes several procedures for correct orders handling to accommodate specific customer requirements. Customer satisfaction is measured by a variety of surveys and satisfaction questionnaires.

The product catalogue is one of Eldon's most important communication tools as it contains detailed technical information, beyond legal requirements. Eldon products have more than nine different certificates and approvals in terms of quality, including those awarded by Underwriters Laboratories USA, Canadian Standards Association, KEMA The Netherlands, Lloyd's Register of Shipping England, and Det Norske Veritas, among others.

The factory in Romania has implemented the KAIZEN project in certain areas with remarkable success, which has led to its further deployment at the rest of the group's plants. The KAIZEN system of quality improvement involves customers and employees and is addressed in a specific section of this report.

The KAIZEN System which was implemented in the factory in Romania has been deployed during 2012-2013 at the rest of the group's plants. This KAIZEN system of quality improvement involves customers and employees.

## 5.3. Agents

Our agents play an essential role in the business structure of Eldon as they are responsible for the marketing of products in countries where the organization does not have our own sales offices. Eldon seeks agents with proven experience and a good market reputation as they look to establish long-term relationships.

Eldon has been working with some of our agents for over 15 years. Agents mostly work on an exclusive basis, which means they are an important partner for the organization. Eldon goes beyond what is strictly linked to the business and embraces agents in the scope of our CSR activities to demonstrate commitment to Eldon, reinforced by good communication. Suggestions or complaints evaluated and handled by the responsible sales office.

## 5.4. Sustainability in the supply chain

Managing the impact associated with the acquisition of goods and services has become a key issue in our sector, where companies share ever more links in the value chain with their suppliers and contractors.

The identification and management of risks associated with the supply chain is an inherent responsibility of each company, as is made clear by the UN's Guiding Principles on Businesses and Human Rights, and the sector guides created by the European Union, published in June 2013.

Eldon Holding AB Group undertook a public commitment in 2012 to sustainability in its supply chain, incorporating social, working and environmental aspects into its purchasing criteria, apart from the ISO 9001 quality criteria. The commitment has become a relevant aspect of our global procurement model.

This commitment by the Group has let us set out the positive impact of our activity through an international chain of value, but with a high local component.

- More than 800 professionals in 45 countries
- Over 25 suppliers from 10 countries used
- Nearly 84% of supplier contracts awarded locally
- Volume of purchasing above 26 million euros

The relationship with suppliers is included in the Quality Management System, and procedures for procurement management are in place. During 2013 we have promoted dialogue and exchange of good practices with our strategic partners, so as to reduce risks to the business and make the most of the opportunities.

We recognize that suppliers have a fundamental role to play in achieving a sustainable model, and so we manage not only the potential risks, but also the opportunities, and so we encourage our suppliers to:

- Have a sustainability plan
- Comply ahead of time with the law on the elimination of dangerous substances
- Revise their purchasing processes so as to allow greater participation by SMEs and social organizations
- Raise their purchasing levels for renewable energy, in line with market availability, and commit themselves to ongoing improvement in energy efficiency

## 5.5. Industry Associations

Eldon is aware that it is possible to establish synergies with other industry related organizations in order to achieve common goals. Eldon is an active member of some of these associations:

INDUSTRY ASSOCIATION	
<b>Spain</b> <b>(Eldon España SAU)</b>	- AFME (Asociación de Fabricantes de Material Eléctrico) - AERCE (Asociación Española de Profesionales de Compras, Contratación y Aprovisionamientos)
<b>UK</b> <b>(Eldon Electric Ltd)</b>	- EEF (Manufacturers Organization of UK)

Figure 10. Industry associations with presence of some Eldon Holding AB societies.

AFME is a national non-profit professional organization that covers the various subsectors of the electrical industry. Its three divisions, which are formed by a team of specialist professionals, enable the association to provide suitable response to the sectors needs nationally and internationally.

AERCE is formed by the purchasing departments of medium and large companies, and it offers legal advice, access to research case studies, training activities, etc. It is part of the Spanish Global Compact network.

EPS is the only organization in the UK devoted entirely to the manufacturing industry. It offers advice on different aspects of their partners. It is the entity responsible for the safety program of the factory in the UK and audits their performance.

## 5.6. Competition

Eldon supports fair competition and is against abusive corporate practices including monopolistic and anti-competition approaches. Also, in line with the above, Eldon does not accept false advertising.

In an increasingly globalised market, competition is growing, but that does not justify the adoption of harmful business practices.



## 5.7. KAIZEN system

Eldon's goal is to constantly produce high quality products, something that requires a continuous improvement policy. This is the objective of the integration of the KAIZEN Management System. It is a system of continuous improvement that involves equipment, people, processes, and products. In 2011, Eldon started KAIZEN implementation for some areas of the Romania plant.

Today after 6 years of implementing Kaizen in our organization we have made big steps ahead in improving our global performance.

- During this period we have reinforced our culture of continued improvement and developed our own approach on improvements that is today Eldon Operating System.
- The Eldon Operating System integrates all specific tools in Kaizen that has made success for Eldon and best expresses our culture and approach. We have gained maturity on looking on to our processes and leading improvement projects.
- The KAIZEN system adheres to the 5S principle and its interaction with the six systems: Total Quality Control (TQC), "Just in Time" Production System, Total Productive Maintenance (TPM), small group activities including Quality Circles, suggestions and system development and communication and policies that emphasise continuous improvement. The 5S toll has been developed into 6S, safety, and we have chosen to do so because safety comes first and we are always committed on sustaining safety for all levels of our organization.

Through the integration of 6S, Eldon wants to create improved working conditions and increased staff motivation. It aims at reducing time and energy costs, reduce accident and safety risks, and improve production quality and working safety conditions.

## 6. SOCIAL DIMENSION

This area concerns Eldon's performance regarding its workforce and the influence of the group's activity on the environment.

The background of the company as a family enterprise steers Eldon's approach to caring about the welfare of its employees, who are considered the main asset of the company and whose satisfaction ranks a top organizational objective. For this reason, the company promotes a wide variety of initiatives geared to ease the reconciliation of work and personal life, along with a variety of social benefits. Eldon pursues a non-discrimination policy (sex, age, religion, etc.) both at recruiting level and on an on-going basis.

Eldon's operating facilities have an economic impact on the environment, especially our factories and logistics centers, due to the needs of the workforce and suppliers. The organization is aware of our impact, and is committed to improving life conditions for the communities in which it operates by contributing to a variety of social organizations.

### 6.1. Employees

At Eldon Holding AB, the on-going need to innovate, whether in products, services, processes or people, is growing at the same speed as the transformation of the business. At the core of the transformation are the employees, who must be motivated, attracted and retained, by means of the correct model of recognition that incentivizes change.

The commitment of Eldon Holding AB to its employees is included within our Business Principles, guaranteeing fair remuneration in accordance with the labour market in which our operations take place.

Eldon's workforce is distributed unevenly among the different countries where the organization is present, through production, distribution or sale sites. The site with the largest number of employees is Romania, home to our most modern facility and is dedicated to the production of a wide variety of products that are labour-intensive.

The largest volumes of staff continue to be concentrated at the production sites, as it is an industrial assembly activity. The presence of women has considerably increased in recent years, from an average of 13% to over 30% at the end of 2017 (see Figure 12). The age groups have similar levels between the lower categories (<30 years) and higher (>50 years), with a substantially higher proportion of the middle category (30-50 years). Eldon activity involves the creation of employment in several countries, the largest age group being under 50 years.

EMPLOYEES SITUATION 31/12/2017										
	Number of employees	Employment contract				Professional groups				
		Open-ended employment contract / indefinite term		Temporary employment contract		Director	Middle management	Blue collar	Staff	Other
		Full time	Part time	Full time	Part time					
<b>Men</b>	628	587	0	41	0	20	68	355	159	26
<b>Women</b>	294	276	7	11	0	2	12	184	93	3
<b>&lt; 30 years old</b>	226	176	0	25	25	0	18	102	78	3
<b>30-50 years old</b>	521	471	6	22	22	18	53	282	132	14
<b>&gt; 50 years old</b>	227	216	1	5	5	4	9	155	42	12
<b>TOTAL</b>	<b>922</b>	<b>863</b>	<b>7</b>	<b>52</b>	<b>0</b>	<b>22</b>	<b>80</b>	<b>539</b>	<b>252</b>	<b>29</b>

Figure 11. Eldon's employees. 31/12/17

### 6.1.1. Internal Communication

Eldon practices a policy of transparency with its employees. The communication is bi-directional, reflects care about the suggestions and complaints from the staff, which are taken into account by the management. Workers can make claims anonymously through their union representatives, or directly through the established internal communication channels.

The communication of company performance is done through multiple channels:

- Information panels that show corporate information, labour and safety and health
- Newsletter and news magazine

The digital newsletter of the company plays an important role in both internal communication workers and external customers.

The factory in Romania has a magazine aimed primarily at employees. It includes information on the evolution of the KAIZEN system implementation, interviews, reports on cultural activities developed (such as the staff photo competition), and improvements in the facilities (rooms, equipment, etc.). The company decided to publish the magazine in Romania in addition to the newsletter in order to better reach out to the large number of staff at the Romanian factory.

- Meetings
- Communication flows easily within the company allowing employee access to senior managers
- The company holds meetings regularly: From team meetings to interdepartmental steering committees
- Internal Releases

## 6.1.2. Equality of opportunities

Eldon's staff management philosophy is based on the absence of discrimination. The company respects all its employees at recruiting, treatment and promotion phases.

The composition of the workforce corresponds to that of the corporate's natural evolution, lacking specific quotas or percentages to comply with certain group representation. The hiring and promotion criteria are available to all applicants and staff.

Employment of disabled staff is often related to national legislation requirements.

There is considerable support for integrating more women into the workforce. The company in Spain in particular has developed a "Protocol for Equality". This Protocol sets out the Principles of equality for treatment and opportunity and nondiscrimination in employment relations. The same protocol incorporates a code of conduct against sexual harassment and gender. This Code of Conduct is available to all employees on the information panels

EMPLOYEES			
	No employees	Men	Women
<30 years old	201	140	61
30-50 years old	499	329	170
> 50 years old	222	159	63
<b>Total</b>	<b>922</b>	<b>628</b>	<b>294</b>

Figure 12. Age of employees.

PROFESSIONAL GROUPS			
	Men	Women	Total
Director	20	2	22
Middle management	68	12	80
Blue collar	355	184	539
Staff	159	93	252
Other	26	3	29
<b>Total</b>	<b>628</b>	<b>294</b>	<b>922</b>

Figure 13. Employees and professional groups.

NEW HIRES (NUMBER)			
	Men	Women	Total
2012	9	2	11
2013	227	76	303
2014	7	1	8
2015	7	6	13
2016	14	8	22
2017	290	89	379
<b>Total</b>	<b>554</b>	<b>182</b>	<b>736</b>

Figure 14. Number of new hires.

DISENGAGEMENTS (NUMBER)			
	Men	Women	Total
<b>2012</b>	10	2	12
<b>2013</b>	190	20	210
<b>2014</b>	21	2	23
<b>2015</b>	16	4	20
<b>2016</b>	43	7	50
<b>2017</b>	279	76	355
<b>Total</b>	<b>559</b>	<b>111</b>	<b>670</b>

Figure 15. Number of disengagements.

### 6.1.3. Trade Unions

Eldon respects the rights of its workers to be represented. The Declaration of the ILO (International Labour Organization) in Geneva (1998) promotes the principles concerning the fundamental rights which are: the freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour and the elimination of discrimination in respect of employment and occupation.

All workers can participate in the company's decision-making through their representatives, present their demands and defend their interests. For a closer relationship and better attention to queries raised by the workers, Eldon delegates dialogue responsibility to the production and human resources department.

All the workers are covered by Eldon's collective labour agreement or similar formula depending on the labour legislation of each country.

### 6.1.4. Health and safety

The health, safety and wellbeing of our employees are one of the main areas our company is focused on. Eldon provides safe working conditions for its staff, under the law that is applicable for each location.

The factories are especially sensitive to working conditions and have health and safety programs put in place.

In the factory based in Romania there is an internal person assigned for local responsibility. Also, in Romania, the Excellence in Occupational Health and Safety is also confirmed by the Lloyd's Register Quality Assurance Body by granting the Occupational Health and Safety Management System certification in accordance with OHSAS 18001 requirements.

Regarding the warehouse logistics, Spain, United Kingdom and Romania share the same policies, while the Netherlands and Sweden have specific ones. Excellence in safety and health also extends to the network of commercial offices, such as Belgium and Norway (including the sharing center in Spain, Romania, UK, The Netherlands and Sweden).

Excellence in safety and health also extends to the network of commercial offices, such as Belgium and Norway (including those sharing center in Spain, Romania, UK, The Netherlands and Sweden).

### 6.1.5. Support tools (training, conciliation mechanisms and social benefits)

Workforce training is one of the cornerstones of Eldon's philosophy. The company has training programs that focus on different areas. Some of the training relates to functional aspects for the performance of the organization: Concerning machinery, processes, and safety and health. In the case of Romania, the KAIZEN training is one example. The company also promotes education programs geared to lift qualifications, such as English language courses.

Most workforce training takes place in-house, although some courses are provided outside the working premises.

All new employees receive specific training when they join the company, depending on their job. Training in safety and health issues is essential and is the responsibility of the preventive action experts.

NUMBER OF TRAINING HOURS IN 2017											
Professionals group	Total	Eldon AB	Eldon AS	Eldon HAB	Eldon NV	Eldon SA	Eldon GMBH	Eldon ESA	Eldon HES	Eldon Ro	Eldon UK
Direct personnel	2260	-	-	-	-	-	-	-	-	2260	-
Logistic personnel	113	-	-	-	-	-	-	-	-	113	-
Production personnel	594	-	-	-	-	-	-	-	-	594	-
Development personnel	175	-	-	-	-	-	-	16	-	175	-
S & M Personnel	3168	1384	448	-	400	160	320	390	-	50	16
Admin personnel	28	-	-	-	-	-	-	-	-	22	6
IT personnel	12	-	-	-	-	-	-	-	-	12	-
<b>TOTAL INTERNAL</b>	<b>6350</b>	<b>1384</b>	<b>448</b>	<b>-</b>	<b>400</b>	<b>160</b>	<b>320</b>	<b>390</b>	<b>-</b>	<b>3226</b>	<b>22</b>
Direct personnel	144	-	-	-	-	-	-	-	-	144	-
Logistic personnel	393	-	-	-	-	-	-	240	-	8	145
Production personnel	384	-	-	-	-	-	-	-	-	384	-
Development personnel	-	-	-	-	-	-	-	-	-	-	-
S & M Personnel	292	96	24	-	-	-	-	172	-	-	-
Admin personnel	302	-	-	-	-	-	-	88	-	208	6
IT personnel	320	-	-	-	-	-	-	-	-	320	-
<b>TOTAL EXTERNAL</b>	<b>1835</b>	<b>96</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>1064</b>	<b>151</b>
<b>TOTAL</b>	<b>8185</b>	<b>1480</b>	<b>472</b>	<b>-</b>	<b>400</b>	<b>160</b>	<b>320</b>	<b>890</b>	<b>-</b>	<b>4290</b>	<b>173</b>

Figure 16. Training of employees.

Eldon supports the reconciliation of work and family life. The company promotes a wide range of actions as detailed below:

- Flexible timetable
- Specific holiday periods and flexibility of choice
- Teleworking for some positions
- Flexible shift changes
- Reduction of working hours, above legislation requirements
- Additional timetable benefits for female workers, (possibility to join holidays with maternity leave (Spain)).

Social benefits are specific to each working site. Training programs and the availability of suitable facilities such as canteens are provided at corporate level. There are additional benefits at each site according to the needs detected (see figure 17).

SOCIAL BENEFITS	
<b>Spain</b>	Health insurance Donations Sponsorships
<b>Sweden</b>	Training and health activities Healthcare contribution to personnel for training Contribution for correct glasses to working by computer
<b>Norway</b>	Training and health activities Healthcare contribution to personnel for training Contribution for correct glasses to working by computer
<b>The Netherlands</b>	Discount arrangement for private health insurance Discount arrangement for private property and car insurance
<b>Belgium</b>	Health insurance Green consumer products (Ecocheques)
<b>Romania</b>	Accidents assurance (corporate responsibility for employees)/factory Meal tickets Sponsorships Transport

Figure 17. Social Benefits at Eldon's plants.

## 6.2. Society

### 6.2.1. Local Community

Eldon is aware that its activity should have a positive influence on the local environment, contributing to performance enhancement and incremental development. The company believes that the relationship should go beyond financial aspects (local providers and recruitment), deepening also in social and environmental aspects.

Eldon seeks to contribute to social development in the local communities, and cooperates with different organizations that carry out social support, as well as cultural and sporting activities, including patronage and sponsorship.

Eldon's activities in Romania are worth highlighting, especially the efforts aimed at children, a particularly vulnerable group. The organization works with several educational institutions in Prejmer, the town where Eldon's factory is located, and contributes to the purchase of school material. Eldon supports also the Si Tu Foundation, a Romanian non-profit organization that is part of the Bräcke Diakoni Foundation, the Swedish Agency for children support. These institutions support children, including those with disabilities, by looking after their needs. The Si Tu Foundation has a center in Constanta and develops activities as shown below:

#### Si Tu Foundation

Si Tu focuses on the care of particularly vulnerable children, suffering vision or hearing impairments, cerebral palsy conditions or other syndrome. It has a center in Constanta that develops rehabilitation programs and training, also for their families and educators. Integration programs, raising families and community, complement these actions.

Since 1997, Si Tu has been part of the Bräcke Diakoni Foundation in Sweden, which has a network of centers especially in southern Sweden.

#### Daycare Social Center for Children (Prejmer)

Social institution supported by the General Directorate of Social Assistance and Child Welfare, which conducts activities for children at risk of exclusion for their education and entertainment including education, leisure programs, guidance and service dining room, among other possibilities. Eldon contributes to the purchase of various materials.

## **Prejmer Elementary School**

The Prejmer Education Center is located at the town where the Eldon factory is located in Romania. Eldon works with the institution in the purchase of materials, like with the Social Center.

## **Prejmer Kindergarden**

Center for children of young ages for the development of educational entertainment. Eldon contributes, as with the other institutions at Prejmer, to the purchase of materials necessary for the performance of the institution.

### **6.2.2. Human rights**

Eldon performance incorporates its concern for human rights as reflected in its corporate policies and by its commitment to the United Nations Global Compact. This initiative reflects the need to support human rights and ensure compliance, and is based on the Universal Declaration of Human Rights (1948).

The regulatory framework of the European Union (EU), where Eldon's working centers are located is also a guarantee of human rights respect. The EU is committed to uphold the universality and indivisibility of human rights, which actively promotes and protects within its borders and in its sphere of influence. The approach includes, among other regulations, the Charter of Fundamental Rights (2009).

## **6.3. Administration**

Eldon is strongly committed to compliance with all legislation concerning performance and operating environment. In this area, Eldon works at each company location with different government institutions (local, regional and national).

Eldon is a multinational company but always operates within the established legislative framework. On issues such as commitment to workers, product quality and attention and customer satisfaction, the company exceeds legal requirements.

Eldon's CSR aspirations with this report and the preliminary audit of the situation are clear examples of the performance of the organization to stretch beyond regulatory requirements.

### **6.3.1. Business ethics**

Eldon's position regarding corruption and bribery is clear and non-negotiable: Total rejection, as dictated by its Anti-corruption Policy (see Appendix). This is available to all employees, in line with the company approach to transparency, and disseminated at all levels of the hierarchy.

In the case of factory in Romania, the company goes even further: Internal codes of procedure setting out how to act to avoid situations that could be considered corruption or bribery.

Eldon's adherence to the United Nations Global Compact, which includes in its tenth principle the rejection of corruption, further demonstrates Eldon's commitment. The tenth principle states that businesses should work against corruption in all of its forms, including extortion and bribery, based on the approach of the United Nations Convention against Corruption (Merida, 2003). The introduction of policies on this principle are regularly communicated throughout Eldon.

## 7. ENVIRONMENTAL DIMENSION

We include the environment into our business model and we work to adopt environmental criteria in our operations in order to reduce environmental risks and promote operational eco-efficiency.

We have an environmental policy applicable to all Eldon Holding AB subsidiaries and a global environmental management system that lets us ensure compliance with local environmental legislation and improve our management processes continually. While the environmental impacts of our operations are not intensive, we are highly dispersed geographically, making environmental management based on uniform processes highly necessary, and we group this effort around 5 principles:

- Measurement of environmental performance
- Global management of environmental risks
- Compliance with environmental regulations in each country
- Environmental management system procedures
- Eco-efficiency

### **Eldon Romania Scrap & Toxic Wastes**

Through the environmental strategy and policy, Eldon SRL Romania has established environmental objectives and targets that ensure respect for the environment, community needs and the resources for future generations.

Activities such as collection, handling, storage, elimination and/or capitalizing of hazardous and non-hazardous waste generated in the production process, is carried out in accordance with the applicable laws and regulations, instructions and procedures specific to the production activity.

Eldon assessed the environmental aspects and risks associated with significant issues, and implemented an environmental management program that sets out specific measures to limit and/or prevent environmental hazards and achieve the intended performance.

An operational control program is being implemented and monitoring of the environmental factors is also performed. This way, Eldon ensures that values of emission resulting from the process are within the limits provided by the law and the applicable regulations are meant for preventing environmental pollution.

All the products supplied to our customers meet the requirements of the RoHS2 Directive 2011/65/EU.

All necessary measures and actions have been taken in conjunction with suppliers, to ensure that constitutive materials do not include any substance forbidden by the regulations currently applicable in the market. Also, all necessary measures and actions have been taken in conjunction with suppliers to ensure that constitutive materials do not include any of 3TG conflict minerals.

Eldon has been closely following the legislative development of the REACH Regulation, and has been working with all concerned suppliers in order to check that all the substances and products delivered to Eldon meet the specifications of the REACH Directive.

### **Energy & climate change**

We work to reduce our energy consumption and carbon footprint through developing energy efficiency activities and identifying CO<sub>2</sub> emission reduction opportunities.

We work to reduce our energy consumption and carbon footprint, promoting energy efficiency activities in each of our operations, identifying CO<sub>2</sub> emissions reduction opportunities and making tangible the results of this effort.

This work allows us to reduce our energy costs, improving our competitiveness by being able to offer customer service for the best price. In addition, we help our partners generate business, as they are essential for the development and implementation of energy efficiency projects.

Every year we quantify ELDON'S energy consumption and calculate our carbon footprint using a global model based on the GHG Protocol of the ISO 14064 standard. This allows us to identify improvements in our processes and to manage energy and carbon transparently. The Corporate Office carries out this annual accounting procedure for energy and emissions at global level and for each of the operators of the Group, using a unified methodological approach.



DIRECT ENERGY CONSUMPTION BY SOURCES IN 2017										
Source	Total	Eldon AB	Eldon AS	Eldon HAB	NV	SA	gmBH	ESA	RO	UK
Natural gas (m3)	998.558	-	-	-	72.821	3.660	764	-	852.306	69.007
Propane (kg)	20.493	-	-	-	-	-	-	-	20.493	-

Figure 18. Direct energy consumption 2017.

ELECTRICITY CONSUMPTION IN 2017										
Source	Total	Eldon AB	Eldon AS	Eldon HAB	NV	SA	gmBH	ESA	RO	UK
Electricity (kWh)	5.129.198	212.615	47.250	4.653	203.496	5.600	6.234	137.591	4.355.478	156.281

Figure 19. Electricity consumption 2017.

GHG EMISSION		
<b>Scope 1</b>		<b>22.852</b>
Combustion Emissions	Diesel	22.852
<b>Scope 2</b>		<b>6.148.249</b>
Electricity		5.129.198
	Propane	20.493
	Natural gas	998.558
<b>Total (kg CO<sub>2</sub>)</b>		<b>6.171.101</b>
<b>Total (TC CO<sub>2</sub>)</b>		<b>6.148.249</b>

Figure 20. GHG emissions 2017

## 8. INDICATORS GLOBAL REPORTING INITIATIVE (GRI)

The preparation of this report was carried out following the recommendations of the Guide for the preparation of sustainability reports of the Global Reporting Initiative (GRI) in its version 3.1. Order declaring an application level C, see Figure 21.

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15		Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17		Same as requirement for Level B	
	G3 Management Approach Disclosures	Not Required	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured
	G3 Performance Indicators & Sector Supplement Performance Indicators	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental		Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society Product Responsibility		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	

\*Sector supplement in final version

Figure 21. Calibration chart GRI reporting.

Then is referenced the location in the report of the content provided by GRI.

N.A. Not Applicable | N.C. Not Covered

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ADD EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	N.C.
ADD EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	N.C.
	ASPECT: PRODUCTS AND SERVICES	
CORE EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	N.C.
CORE EN27	Percentage of products sold and their packaging materials that are reclaimed by category	N.C.
	ASPECT: COMPLIANCE	
CORE EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	N.C.
	ASPECT: TRANSPORT	
ADD EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	N.C.
	ASPECT: OVERALL	
ADD EN30	Total environmental protection expenditures and investments by type	N.C.
<b>SOCIAL DIMENSION. LABOUR PRACTICES AND DECENT WORK</b>		
	ASPECT: EMPLOYMENT	
CORE LA1	Breakdown of staff and employees by type of employment, contract, region and gender	22
CORE LA2	Total number of employees and new hires. Average rotation, by age group, gender and region	23-24
ADD LA3	Benefits provided to full-time employees that are not provided to temporary or part time employees, by significant locations of operation	N.C.

CORE LA15	Return to work and retention rates after parental leave, by gender	N.C.
	ASPECT: RELATIONSHIP COMPANY/EMPLOYEES	
CORE LA4	Percentage of employees under labour union agreements	24
CORE LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	N.C.
	ASPECT: OCCUPATIONAL HEALTH & SAFETY	
ADD LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety program	N.C.
CORE LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	N.C.
CORE LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	N.C.
ADD LA9	Health and safety topics covered in formal agreements with trade unions	N.C.
	ASPECT: TRAINING AND EDUCATION	
CORE LA10	Education hours average per year per employee, broken down by gender and by job category	25
ADD LA11	Programs for skills management and life long learning that support the continued employability of employees and assist them in managing career endings	N.C.
ADD LA12	Percentage of employees receiving regular performance and career development reviews, by gender	N.C.
	ASPECT: DIVERSITY AND EQUAL OPPORTUNITY	
CORE LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	N.C.



## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

Eldon Holding AB

Eldon Holding AB is committed to ensure the highest standard of social responsibility wherever our products are made. Our Corporate Social Responsibility policy is based on our origin as a family business and our ongoing strong commitment to both employees and customers, a core philosophy that has been reinforced as the company has evolved into its current status.

### **Economic Commitment**

- Eldon is aware that its shareholders and investors are of key importance and keeps them informed of its performance in line with the philosophy of transparency.
- The pursuit of customer satisfaction has been core to Eldon's philosophy from the start and has been fully incorporated into the policies of its production plants. The attention paid to meeting customer demands is demonstrated by the way on-demand products are developed to tailor meet customer requirements.
- Eldon takes care of its customers through its focused market segmented structure and additional agent agreements. The customer commitment is reflected by the selection of professional agents, with close and long-term relationships having been forged with many.
- Eldon is a committed player in its industry and very aware of the synergies that stem from working towards common goals. The company is a member of several industry associations and seeks to continuously play a key role in developing the industry.

### **Social Commitment**

- Eldon has always paid special attention to the wellbeing of its employees.
- Eldon is committed to internal communication utilizing a variety of channels, including publishing an annual corporate social responsibility report.
- Equal opportunities are guaranteed within Eldon, both during recruitment and internal promotion processes.
- Eldon understands the value of human resources, serving their needs through a variety of social benefits, mechanisms for reconciling work and family life and training programs.
- Labour rights are guaranteed in Eldon, with union participation permitted in line with national laws and the company adheres to the United Nations Global Compact.
- In terms of safety and health, Eldon creates working conditions appropriate to the wellbeing of the workforce in line with national legislation.
- The social environment of the workplace is vitally important for Eldon, which supports a number of initiatives to improve conditions in local communities, especially those aimed at vulnerable groups such as children.
- Human rights are embodied in Eldon's working philosophy furthering its commitment to the UN Global Compact, which sets out principles reflecting the need to support and ensure compliance.
- Eldon is committed to comply with laws and regulations that affect Eldon at the various locations where it operates as well as its activities. The company ranks open dialogue with government and local authorities as one of the highest priorities in line with the company's philosophy of transparency.
- Eldon opposes any form of bribery, with a commitment explicitly stated in its corporate Anti-corruption Policy.



## **Environmental Commitment**

- Eldon recognizes the need to respect the environment and bears in mind the needs of local communities and ensuring the availability of resources for future generations. The company strictly complies with environmental regulations over and above its own standards. The organization's vision is detailed in the Corporate Environmental Policy.

It is the responsibility of the entire organization to comply with the principles defined in this policy.

The Management is committed to its being understood and implemented and will provide the necessary resources to ensure such at all levels of the company.

A handwritten signature in blue ink, appearing to read "Fredrik Wikström".

**Fredrik Wikström**

President and CEO Eldon Holding AB



## ANTI-CORRUPTION POLICY

Eldon Holding AB

Eldon Holding AB and its subsidiaries are committed to maximum transparency in the way it pursues its operations as well as to preventing corruption as unambiguously identified in this document. The company will punish any and all acts of corruption in line with the level of seriousness.

### Eldon is committed to:

- Comply with legislation in the countries where it operates through its own infrastructure
- Extend its anti-corruption requirements through the value chain, including suppliers, subcontractors and distribution agents
- Introduce into contracts anti-fraud paragraphs that ensure compliance with legislation and regulations that apply
- Promote anti-corruptive measures in Eldon's industry through associations in which the company participates
- Provide transparent financial statements, audited by a recognized external entity who is able to substantiate its accounting

### Employees are forbidden:

- To deliver or accept of bribes in any form
- Deliver or accept gifts that go beyond mere courtesy
- Deliver confidential information in return for recompense of any kind whatsoever.

Any cases of corruption that have been detected must be made known to Eldon's management at the earliest opportunity. Failure to do so will be considered a breach of employment contract and punished accordingly.

It is the responsibility of the entire organization to comply with the principles defined in this policy.

The Management is committed to its being understood and implemented and will provide the necessary resources to ensure such at all levels of the company.

A handwritten signature in blue ink, appearing to read "Fredrik Wikström".

**Fredrik Wikström**

President and CEO Eldon Holding AB





## ENVIRONMENTAL POLICY

Eldon Holding AB

Eldon Holding AB and its subsidiaries, aware of the impact resulting from their activity on the surrounding environment, and the need to harmonize industrial activity with environmental conservation, agrees to:

- Comply with laws and regulations on environmental matters that may be applicable to the company's operations and locations
- Incorporate continuous improvement and pollution prevention as well as efficient use of natural resources and energy in managing activities and processes of the organization
- Act in a responsible and efficient way to avoid or resolve incidents that could pose a risk to the environment, and to inform and cooperate with all relevant authorities
- Establish objectives and targets for reducing environmental impact to be achieved by developing a performance improvement program
- Involve, gain commitment and train the workforce when it comes to environmental care
- Extend protection to all stakeholders, especially those in the product chain such as suppliers and customers

It is the responsibility of the entire organization to comply with the principles defined in this policy.

The Management is committed to its being understood and implemented and will provide the necessary resources to ensure such at all levels of the company.

A handwritten signature in blue ink, appearing to read "Fredrik Wikström".

**Fredrik Wikström**

President and CEO Eldon Holding AB



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