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POWERBOX  
Mastering Power

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Communication on  
Progress 2018

2018-12-10 – Rev 1.0.0

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Martin Sjöstrand / CEO

# Communication on Progress 2018

## Powerbox International AB

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Stockholm, 2018-12-10

To our stakeholders:

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

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations.

We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Martin Sjöstrand  
C.E.O. Powerbox International AB

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POWERBOX

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Powerbox engagement

Human Rights

Labor

Environment

Anti-corruption

We care for our environment

# Communication on Progress 2018

## About POWERBOX

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[POWERBOX](#)

[COSEL](#)

- Founded in 1974, with headquarters in Sweden and operations in 15 countries across four continents, Powerbox serves customers all around the globe
- The company focuses on four major markets: industrial, medical, transportation/railway and defense, for which it designs and markets premium quality power conversion systems for demanding applications
- Powerbox's mission is to use its expertise to increase customers' competitiveness by meeting all of their power needs and sustainability strategies
- Every aspect of the company's business is focused on that goal, from the design of advanced components that go into products, through to high levels of customer service
- Powerbox is recognized for technical innovations that reduce energy consumption and its ability to manage full product lifecycles while minimizing environmental impact
- Powerbox is a COSEL Group Company

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## The future is about power

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- Electrical power is the energy efficient infrastructure through which we create solutions for generations to come
- Powerbox supports everything from sustainable transportation and automation to tomorrow's healthcare
- It accelerates the transition towards a sustainable future by solving demanding power challenges in selected segments, and in cooperation with strong partnerships we scale these solutions for the world

[Powerbox Sustainability](#)

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## Our promise and what we do

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- Our promise is that we will act as good global corporate citizens and actively contribute to shaping a better common future in all its aspects, covering environmental, social and governance sustainability
- In our way of working we change our behavior and implement, from complex to simple, activities to reduce our environmental impact and improve our social engagement
- We fully commit to adhere to Climate stewardship
- We engage in social responsibility initiatives and ethical operation
- We strive for economic stability and long term contribution.

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## Our Environment

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- Today, you cannot operate in the energy sector without taking a keen interest in the issues surrounding environmental impact
- In our efforts to reduce that impact, we focus on two objectives: creating high-efficiency power supplies; and designing streamlined and simple solutions that require fewer components
- We also use energy efficient transportation and we are determined to either meet or exceed international energy and environmental standards by sustaining ISO-14001 compliance or the equivalent and to work with the highest respect of the business ethics and human rights.



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## Our Mission

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- Our mission is to use our expertise in power conversion to increase our customers' competitiveness and to contribute to reduce their environmental impact
- We do this by providing the most efficient, reliable and suitable solutions combined with best practices in energy optimization
- Our experience and expertise enable us to shape the scarce resource of energy, and to tailor unique power solutions for our customers' specific needs and uses
- This is our mission. It's what drives us – our reason for being



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## Our Cores Values



### → **Engagement**

Means loving what we do. It means we care about the details as well as people and that we are curious and dedicated. Most of all, it means that we always try to think two steps ahead when it comes to the needs of our customers

### → **Generosity**

It is in our DNA. It defines how we act towards each other. It means cultivating a friendly atmosphere and a collaborative spirit, and encouraging a culture in which we share everything from best practices to coffee breaks.

### → **Purpose**

This is about bringing meaning to all our tasks, big and small. We don't do things in a routine way or take the easy way out. There is also a higher purpose with what we do; helping our customers become more competitive through our service and expertise and devotion in sustainability.

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## UN Global Compact – We Support

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- Powerbox has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor, the environment and anti-corruption
- Has “Participant” Powerbox incorporates the Compact’s 10 principles in its way of working, and in aligning its business activities with sustainability and social responsibility
- At Powerbox, both individually and collectively through its business associations, it embraces, supports and enacts a compendium of core values in the areas of human rights, labor standards, and environmental practices
- In its way of working it implements – from the most complex to the simple – activities to reduce its environmental impact, simultaneously improving its social engagement

# Communication on Progress 2018

## Environment, Social and Governance

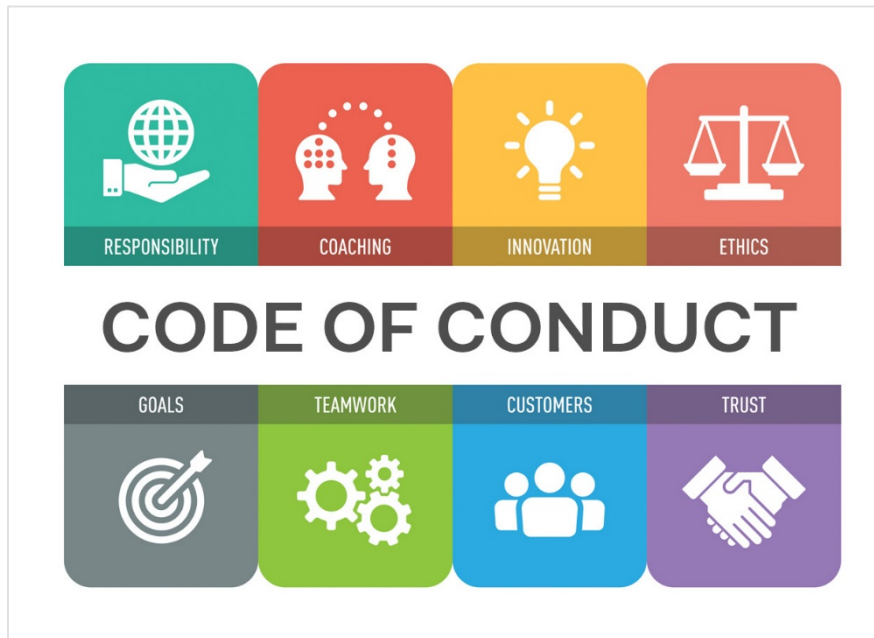
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- Powerbox's environment, social and governance (ESG) commitment begins with the company's value system and a principled approach to doing business
- This means operating in ways that at a minimum, meet fundamental responsibilities in the areas of human rights, labor, the environment and anti-corruption
- By incorporating the Global Compact principles into Powerbox strategies, policies and procedures, and establishing a culture of integrity, it not only upholds its basic responsibilities to people and the planet, but is also sowing the seeds for long-term, sustainable success

# Communication on Progress 2018

## Code of Conduct

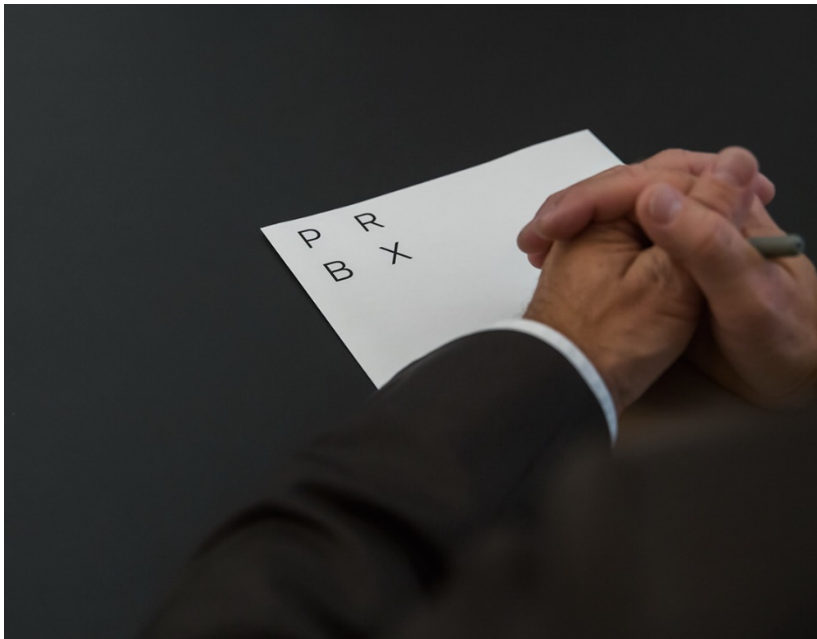


- The principles in Powerbox Code of Conduct are based on the OECD's guideline for multinational companies
- Powerbox enjoys an invaluable reputation for corporate trustworthiness around the world, based on consistently conducting business with integrity and in compliance with the laws and regulations governing its activities
- Code of Conduct has been adopted to underscore the principles by which Powerbox conducts its relations with employees, business partners and other stakeholders
- It applies to all members of the Board of Directors, and all employed by Powerbox

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## Standards and Policies

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- Powerbox Standards and Policies documentations, including e.g. Code of Conduct, RoHS, WEEE, Quality Policy, REACH, Privacy Policy are available from our website:
- <https://www.prbx.com/about-us/standards-and-policies/>

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# Human Rights



# Communication on Progress 2018

## Human Rights

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### → **Assessment**

- Within its sphere of influence, Powerbox supports and respects the protection of internationally proclaimed human rights and ensures that it is not complicit in human rights abuses
- We confirm that Powerbox has policies and procedures in place to help prevent the abuse of human rights within our facilities, supply chain and partners

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## Human Rights

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### → **Conflict Mineral Policy**

- Powerbox supports ending the violence, human rights violations and the environmental degradation in the mining and trading of certain minerals (gold, as well as tin, tantalum, and tungsten, derivatives of cassiterite, columbite-tantalite, and wolframite) from a location described as the "Conflict Region", situated in the Democratic Republic of the Congo (DRC) and surrounding countries

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## Human Rights

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### → **Implementation**

- Employee training and review during employee yearly evaluation
- Powerbox Supplier Handbook with focus on suppliers engagement and obligations toward human rights communicated to all suppliers and partners

### → **Measurement of outcome**

- Through audits, Supply Chain Manager to follow-up on our suppliers and partners the respect of Human rights, Code of Conduct and Conflict Mineral Policy
- Outcomes assessed by the management team and Board of Directors

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Labor

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## Labor

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### → Assessment

- Powerbox hires and treats its employees in a manner that does not discriminate with regard to gender, race, religion, age, disability, sexual orientation, nationality, political opinion, union affiliation, social or ethnic origin. Workplace diversity at all levels is encouraged
- No form of forced, compulsory or child labor is tolerated at Powerbox. The minimum employment age is the age of completion of compulsory school
- Freedom of association and the right to collective bargaining and agreements shall be respected in all Powerbox operations



# Communication on Progress 2018

## Labor



### → **Assessment Equality Policy**

- Powerbox employment and other working conditions shall not depend on gender or origin
- It is in the interest of Powerbox to promote diversity and make use of employees of different experiences and skills
- Powerbox will actively prevent any discrimination to ensure equal rights and value
- It is important for Powerbox to show great responsibility for equality issues
- This means that the Powerbox is seen as an attractive and secure employer giving good confidence in our business from employees, customers and the public





# Communication on Progress 2018

## Labor

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### → Implementation

- Culture and clarity is very important within Powerbox and best practices implemented within the group
- Part of our Quality Management System (QMS)
- All Employees Meetings conducted on regular basis, and in case of extraordinary event, to share company news
- Intranet with all employees having access as publisher to share news, point of interest and others
- CEO and Management Team open office philosophy and available to all employees

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## Labor

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### → **Measurement of outcome**

- Labor and Health have a high priority within Powerbox and we follow-up on regular basis
- Local managers to report to the management team on quarterly basis at Quarterly Business Review
- Employee satisfaction survey conducted through anonymous web portal and results reported to Head of Powerbox
- On yearly basis, Directors review and discuss with the employee targets and performances with final objectives and feedback agreed upon both parties

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# Environment

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## Environment

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### → **Assessment**

- Today, you cannot operate in the energy sector without taking a keen interest in the issues surrounding environmental impact
- In our efforts to reduce that impact, we focus on two objectives: creating high-efficiency power supplies; and designing streamlined and simple solutions that require fewer components
- We also use energy efficient transportation and we are determined to either meet or exceed international energy and environmental standards by sustaining ISO14001 compliance or the equivalent and to work with the highest respect of the business ethics and human rights

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## Environment

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Picture Edward Echwalu



### → Assessment

- Powerbox is forever working hard to minimize its negative footprint while simultaneously striving to optimize the positive one. An integral part of this process is the inclusion of the United Nations Global Compact 10 principles in our way of working and in our company philosophy
- One example of our commitment to the U.N. Sustainable Development Goals is our ongoing support to [VI-SKOGEN](#), which is a Swedish development organization working towards poverty reduction and environment improvement through tree planting
- Cooperation with Vi-Skogen goes hand in hand with our engagement supporting its goal 15, “Life on Land”



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## Environment

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### → **Assessment / Activities**

- Video conferencing to reduce traveling and facilitate communication
- Warehouse relocation from Sweden to Germany to reduce carbon emissions related to transportation
- All offices and facility to privilege renewable energy from energy suppliers
- Using recycled paper and replacement of copy machines by low energy and low toner technology
- IT equipment upgrade to low energy consumption and optimised capacity servers
- Company vehicle fleet to lease electric-hybrid cars
- Engagement with Vi Skogen and Vi Agroforestry to support goals 1 (No poverty), 2 (Zero Hunger), 5 (Gender equality), 13 (Climate action) and 15 (Life on land)
- We encourage local initiatives





# Communication on Progress 2018

## Environment

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### → **Measurement of outcome**

- Powerbox ESG activities are reported to the management team and shareholders
- At glance, in 2018:
  - By implementing videoconferencing, we reduced traveling by 15%
  - Warehouse relocation saved more than 5 tons of CO2
  - 85% of the energy consumed by Powerbox comes from renewable sources
  - Many Powerbox offices run local project supporting Sustainable Development Goals
  - Powerbox sustainability report will be published by end of Q1-2019



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# Anti-Corruption

# Communication on Progress 2018

## Anti-Corruption



### → **Assessment**

- All operations at Powerbox are performed with high ethical standards
- Corruption is the abuse of entrusted power for private or business gain, and is associated with giving and taking of bribes
- Powerbox does not accept any form of corruption
- Powerbox anti-corruption policy applies to all employees as well as business partners that act on behalf of the Company
- Employees who suspect that a violation of anti-bribery law has occurred at the Company are required to report this to the CFO or through the Company whistleblowing channel

# Communication on Progress 2018

## Anti-Corruption

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### → **Measurement of outcome**

- The Company provides adequate training for all employees consistent with the Company's risk profile and appropriate to employee responsibilities
- We have in place a Whistleblower system of any suspicion of corruption or bribery
- No case reported in 2018

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We care for our society

# Communication on Progress 2018

## We care for our society



### → **Powerbox regional initiatives**

- Powerbox's environment, social and governance (ESG) principles are endorsed by all employees all over the world
- We encourage local engagement supporting UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor, the environment and anti-corruption
- From small to large, a lot of projects have been initiated within Powerbox International and we are proud to share four examples from our colleagues from Denmark, Italy, Spain and Sweden



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## We care for our society (Denmark)

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### → Supporting Children's Rights National Association

- At Powerbox, we believe in children. They are the most important we have and they are our shared responsibility.
- Too many children in Denmark are alone with their problems. Children's Terms fight for the absence of any child in Denmark, neither of the child is nearest or of society
- On the Children's Phone, they have thousands of conversations with children who tell them, they cannot talk to others – they are exposed to things, as they hardly dare whisper to an adult on the Children's Phone, so they need support
- Contributing to "[Børns Vilkår](#)" is an important engagement for us at Powerbox Denmark



# Communication on Progress 2018

## We care for our society (Italy)

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### → Supporting quality education and reducing inequalities

- Since 2014, Powerbox Italy decided to substitute Christmas give-away (e.g. agenda, calendar) to customers by greeting with a message about our social engagement
- We are contributing to an educational organization “[Fondazione Francesca Rava – N.P.H. ITALIA Onlus](#)” helping children around the world
- As part of this project, this is the 4<sup>th</sup> year we support funding to Dany Noè Muz Comez in Guatemala to study
- Yearly report provided by the school and the control authorities are showing very good results from the student



# POWERBOX

## Local initiative (Spain)

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### → Reducing our environmental impact

- Priority to recycled paper for printers
- 90% of internal prints on recycled paper
- Selecting suppliers Certified Chain Of Custody - [FSC](#) Recycled Credit
- [Viking](#) reference 5224734 - 100% recycled paper
- PDF quotations, invoices and other administrative documents
- Staff training and education on best practices supporting our ESG strategy





# Communication on Progress 2018

## We care for our society (Sweden)

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### → Engagement in human rights and young protection

- We are proud to support the FTS project “[Säkra Varje Unge](#)” (Secure Every Young) which provides Swedish schools, teachers and adults that work with children with free seminars and educations to prevent sexual abuse of children
- FTS works with information and education, and by supporting adults that work or interact with children on a daily basis
- For all of us at Powerbox, this work of FTS is seen as very important to protect the younger generation and to help them to develop and blossom in a better society



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