



STAKEHOLDER REPORT ON FIRST 12 MONTHS

THIS COP REPORT IS THE FIRST FROM SELECTRONIC SINCE BEING ACCEPTED ON TO THE UN GLOBAL COMPACT AGREEMENT AND OUTLINES OUR ACTIVITIES THROUGH THE FIRST MONTHS TO SUPPORT THE 10 PRINCIPLES

RENEWAL OF COMMITMENT TO THE TEN PRINCIPLE

HUMAN RIGHTS

Principle 1- business should support and respect the protection of international human rights

Principle 2 –business should ensure they are not complicit in human rights abuses.

LABOUR

Principle 3 – business should uphold the freedom of association and the effective recognition

Principle 4 – Elimination of all forms of forced or compulsory labour.

Principle 5 - the effective abolition of child labour.

Principle 6 – the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Principle 7 – businesses should support a precautionary approach to environmental challenges.

Principle 8 – undertake initiatives to promote greater environmental responsibility.

Principle 9 – encourage the development and diffusion of environmentally –friendly technologies.

ANTI-CORRUPTION

Principle 10 – business should work against all forms of corruption including extortion and bribery.

FOREWORD

With our business recovering slowly from the global business recession since 2008 we are determined to not only build back our financial reserves but also to increase the engagement of the company with the UN Global Compact initiative. Working with our supplier partners, our team of employees and most importantly our customers we wish to bring together the aims of business success and customer satisfaction along with the meeting of the aspirations of being a well-managed business that respects the core values of the UN Global Compact Agreement.



Kevin Dry – Managing Director.

OVERVIEW

Selectronic is a sales and logistics company supplying major global companies with opto electronic and switch panels for use in the key business sectors of automotive, consumer, instrumentation and retail sectors. Our products are normal bespoke to our customer requirements so require forward design support through their development and tooling as well as on going management through their production period to spares support in the long term.

A core technology behind the growth of Selectronic is the use of LEDs which at the time the company started trading in 1979 was a new technology with marginal usage in the electronic industry. Now most consumers are familiar with the technology and LED products have migrated into the key functions of vehicles and more recently into the lighting products consumer are more aware of the benefits of their benefits of long life and energy saving potential. Not to mention the visual improvements that can be achieved.

The use of the product in lighting opens up a new division of business potential where we hope to bring our 30 year experience of LED technology to improve the end experience of customers using LEDs in their homes, offices and other environments for the first time.

With the pressure of this technology growth as well as well as the demands created by fluctuating global market and custom requirements which give individual technical challenges it is essential we forge long term partnerships with both customers and suppliers. Relationships that build on trust and understanding to ensure mutual success.

The aims of the UN Global charter are a key requirement for some of large customers and these are not always easy to enforce with key partners due to small volume or their relative low value due to the nature of the product in question. This represents a challenge for all the team at Selectronic to manage through careful discussion and close involvement. All business in this highly competitive sector requires exceptional customer service and with an industry where the sales prices only ever fall over the life of the product, continuous improvement as well as efficient ways of working are a prerequisite.

Key achievements of year 1.

CUSTOMERS

Commitment to deliver ethically and environmentally manufactured products.

Supplier factories visited and new increased emphasis on controls to meet our key requirements of compliance with 10 principles. Suppliers who are not fully compliant in some key areas are put on notice and assistance provided for them to bring practises in line.

Inform and advise non- involve companies about the UN initiative and to encourage involvement to increase the benefits from joining the scheme as well.

Where possible to work with customers to plan the dispatch of product more efficiently. To maximise size of shipments to reduce number of transit operations and to increase number of shipments by sea and away from air freight.

Improved use of web site for providing customer information on product specifications and T+C's to provide easy access and avoid the need for customers to print or download information.

For Selectronic there is the potential to grow our business by encouraging customers to save energy consumption through moving to LED lighting and away from older technologies that consumer much more electricity. This move requires technical support and know- how and this is how we can become both more successful as a business.

SUPPLIERS

To promote the wide understanding of the UN Global Charter within our Asia supplier base and to ensure that they play their role in the circulation of the information as well as our goals down to their supplier base.

Local suppliers have not been as aware of the background here as those that operate in the global arena so we have needed to embark on an education process of what the important elements to be aware of to support Selectronic and its responsibilities under the UN Global Compact Agreement.

Suppliers audited to ensure compliance with the Human rights aims of the charter and for them to extend this to their suppliers of raw materials. This work is on-going as information from further down the supply chain is sometimes not complete or fully authenticated.



COLLEAGUES

Involvement with a local training company to establish quarterly high quality training for all members of staff to plan their development and widen skill set.

Extension of flexible working hours programme to further improve sense of well-being.

Expansion of China based team to improve communication and understanding with suppliers and customers. This we hope over time will enable less frequent visits from the UK to the suppliers in China.

Company support of charities chosen by individuals in the company to improve out reach into local community.

Improved involvement of the team and the main communication tool of the company our website. This will allow direct involvement with all the stake holders with the team involved in running the business.



ENVIRONMENT

Investment in changing LED lighting in office from fluorescent tubes to LED fittings improving working environment, energy efficiency / consumption and hazardous waste.

Improved servicing levels for all heating and cooling equipment to ensure all working at maximum efficiency.

Emphasis on energy suppliers to provide the company with specific CO2 levels associated with the companies' energy consumption so improved data collection and target setting in the future.

Upgraded fleet of vehicles to reduce Co2 emissions and encourage staff to drive with a view of minimises fuel usage – to act to save emissions on a daily basis.

To continue to look to strengthen team on the ground in China working with suppliers so we can both improve service to customers and reduce number of flight trips from the UK to China.

To highlight to our supply partners working in the freight and shipping side of our business to begin the process of targeting not just cost and efficiency but to highlight to all involved that it is essential to prioritise energy efficiency. Our company needs to work with airlines and shippers who are investing in the latest technology that can minimise fuel consumption and maximise efficiency. This is probably our most challenging area to change approach as we are not a big player in this business.

ENVIRONMENT CONT...

Look to prioritise the global courier companies that we use on a regular basis to extend their UN Global Compact registration to cover the UK and where they are already involved to widen their use within the company.

Maintain emphasis on recycling all products consumed at Selectronic and to minimise waste through the active involvement of all staff in working in a sustainable manner.

In external ISO14001 and ISO9002 audit Selectronic recorded zero non compliances and a full endorsement of all activities to drive up efficiency savings, QA and customer satisfaction.



ANTI-CORRUPTION

Selectronic has never engaged in any corrupt practises and neither operated our supply base with any degree of non-authorized payment. We have re-affirmed that this should never be an acceptable part of our business operation and reminded all employees and suppliers that this is non-negotiable and never acceptable.

OBJECTIVES / AGREEMENT AIMS WITH KPI'S FOR THE NEXT 12 MONTHS

1. To reduce the Co2 emissions from the head office by 7.5%.
2. To reduce the Co2 emissions associated with our freight shipping by moving more consignments by sea. Our aim for the next 12 months will be to triple our sea shipments over the previous 12 months which based on an estimate of 300x the saving on Co2 compared to air freight will offer a substantive contribution to our total aim.
3. To have all product manufacturing partners signing up to global aims highlighted in the UN charter for human rights, labour and anti- corruption.
4. Replace one company vehicle over the year that emits less Co2 than the current vehicle it replaces.
5. To contribute more to local community and provide a donation to local causes that will represent a minimum of 1% of our retained earnings.
6. To involve more colleagues in the programme of improvements and partnerships within Selectronic to deepen involvement in the Compact agreement so that we have a team of 3 people involved in next year's programme of improvements.
7. To both build business and reduce the CO2 emissions of our customers through a move to LED lighting with a sales target of £240k to cover both internal and external lighting.
8. To work with local design companies associated with lighting to encourage greater appreciation of LED lighting and it's energy saving aspects that, if implemented, would achieve CO2 savings for local companies and homeowners.
9. Promotion with our China based supplier base of all aspects of employee well-being and training with a view if getting 2 suppliers to join up to the UN Compact Agreement.
10. To also look for ways to improve the communication with the local UN Global Compact teams in China to again improve the understanding of the Agreements aims and objectives.
11. To widen the understanding of conflict raw materials within our industry sector so that the knowledge is expanded wider than the key market sectors who are driving compliance globally.