



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

ELTEK BELIEVES THAT A STRONG FOCUS ON CORPORATE SOCIAL
RESPONSIBILITY CREATES LONG-TERM BENEFITS FOR OUR BUSINESS AND
FOR THE GLOBAL COMMUNITIES WE OPERATE IN

Number: GPOL_032
Policy Owner: President
Approved by: President
Date modified: 10 January 2018
Version 1.0

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1. CORPORATE SOCIAL RESPONSIBILITY PRINCIPLES

At Eltek, we believe that a strong emphasis on corporate social responsibility (CSR) and corporate governance creates long-term benefits for our business and for the global communities we operate in.

Eltek endorses the CSR principles of the United Nations Global Compact, the International Labour Organization, OECD Guidelines for Multinational Enterprises, and Transparency International.

Our social responsibility applies to the organization and to its board members, managers, employees and all others acting on Eltek's behalf, and is built around the principles stated below. By acting in accordance with these principles, we give reasons to be proud of the way Eltek demonstrates its corporate social responsibility.

- We shall act responsibly and respectfully
- We aim to contribute to social and economic development in markets where we operate
- We make the extra effort to enhance customer confidence that Eltek conducts business in an ethical and responsible manner
- We take the social, ethical and environmental impact of our products and services seriously

1.1 Corporate Governance

Eltek views good corporate governance as a tool for achieving our vision, value creation and strategic goals. Focusing on good corporate governance is a part of who we are.

As a global company, we are particularly aware of the challenges that differences in culture may represent. A set of rules and procedures is established that provides a sound platform for good corporate governance and for the further development of a positive, responsible and healthy corporate culture.

Corporate governance for the Eltek Group is built upon the following principles;

- Openness and transparency
- Compliance with rules and regulations
- Ethical and responsible decision-making
- Integrity in financial reporting
- Holistic risk management
- Fair and responsible remuneration

Reference is made to "Eltek Corporate Governance Policies and Principles".

1.2 Integrity and Ethics

1.2.1 Core Values

In support of our ambitions to become the greatest power in the industry, to lead the way in power technology and to be a driving force in the industry, Eltek is fostering a unified culture where the attitudes, behavior and performance of all Eltek employees are guided by four core values – shared across all companies in the Group:

- **Technologically ambitious:**
Our technological ambitions are a main motivator and a source of pride and self-confidence.
- **Proactively Customer Centric:**
We are driven by a strong ambition to deliver products and services that contribute profoundly to our customers' own businesses.
- **Aggressively competitive:**
We have the culture of a challenger, always eager to outperform competitors.
- **Culturally sensitive:**
We do not underestimate the cultural challenges of operating globally. We always act with respect for local traditions, and cooperate closely across company, cultural and geographic borders to make this happen.

1.2.2 Code of Conduct

Eltek's Code of Conduct is a key management tool that influences all our actions and decision-making. It applies to Eltek Board members, managers, employees, hired staff and anyone acting on behalf of Eltek.

The Code of Conduct covers areas that are important for securing business ethics in all aspects of the Group's activities. Furthermore, it gives specific and practical rules, and set the standards for how individual employees should behave and conduct our business. The Code of Conduct policy also includes procedures for reporting any concerns or complaints.

To ensure that Eltek's focus on anti-corruption is clearly stated and explained, an Anti-Corruption Guide has been provided.

In order to ensure that our rules and standards are easy to understand for people throughout Eltek's global organizations, a short version of the Code and the Anti-Corruption Guide is available in 16 languages.

All new Eltek employees and contractors are required to complete a Code of Conduct training program customized to the category of employees they belong to, in any of the 16 language versions available, immediately after taking up their position. A Declaration of Compliance is signed as part of the training program.

The roles and responsibilities that apply to specific internal stakeholders are further explained in the Compliance Governance and Procedures document. This document also includes Eltek's procedures for handling of reported concerns and complaints, and monitoring compliance.

Reference is made to "Eltek Code of Conduct" and "Eltek Anti-Corruption Guide".

1.3 Environment

As a global supplier within the global Telecom, Data Center, and Industrial markets, Eltek is committed to protecting the environment, our customers and the society.

Eltek recognizes that through integrating environmental management practices into all aspects of our business we can offer innovative products and services while conserving and enhancing resources for current and future generations. Eltek will take appropriate measures necessary to obtain this vision.

Reference is made to “Eltek Environmental Policy”.

1.4 People and Workplace

1.4.1 Health and Safety

Eltek strives to develop and sustain a safe, healthy and supportive working environment for all employees, contractors and visitors. Eltek is committed to achieving measurable, progressive improvements in our health and safety performance, with the legal requirements as a minimum level.

Reference is made to “Eltek Health and Safety Policy”.

1.4.2 Human Resources

Eltek believes that our people are a key source of our competitive advantage. We work together as a team to achieve our ambitious goals.

Eltek is committed to ensuring that equal employment opportunity principles are applied in all our procedures relating to the recruitment, compensation, benefits, leaves of absence, training, development, termination and promotion of employees.

No person shall directly or indirectly be discriminated because of race, color, marital status, parental status, ancestry, religion, sex, age, national origin, handicap/disability or sexual orientation. Eltek is committed to maintain a working environment free from harassment including sexual harassment.

Reference is made to “Eltek Human Resources (HR) Policy”.

1.5 Human Rights

Eltek supports and respects internationally proclaimed human rights including those specified in the UN declaration and conventions and in the International Labour Organization’s core conventions. You shall respect the personal dignity, privacy and rights of each individual with whom you interact during the course of work and shall not cause or contribute to the violation or circumvention of human rights.

Eltek recognizes and respects the right to freedom of association and the right to collective bargaining in accordance with national laws and regulations.

Eltek does not tolerate bullying, mental or sexual harassment, discriminatory gestures, language or physical contact that is or can be perceived as sexual, coercive, degrading, threatening, abusive or exploitative.

Eltek will not employ or contract child labor or any form of forced or compulsory labor. Eltek is opposed to all discriminatory practices. No direct or indirect negative discrimination shall take place on the basis of religion, skin color, gender, sexual orientation, age, national or social origin, race, disability, language, employee representation, or political or other opinions.

1.6 Community

We implement our core value of Culturally sensitive by honoring the culture, customs, history and laws of each country that we operate in.

Wherever we do business, we actively promote and engage, both individually and with partners, in social contribution activities that help strengthen communities and contribute to the enrichment of society.

1.7 Anti-Corruption

Eltek is firmly opposed to all forms of corruption and will work to ensure that corruption does not occur in the Group's business activities. Eltek's comprehensive anti-corruption policy is to comply with all applicable anti-corruption laws in places where Eltek and its subsidiaries operate and/or to which Eltek is otherwise subject.

Eltek prohibits anyone from demanding, receiving, or accepting any offer of undue advantage for him/herself or others in connection with a position, engagement or task, or from offering or giving any person the same. This ban also applies for improperly seeking to influence someone else in their position, engagement or task, whether in the public or private sector.

Reference is made to "Eltek Code of Conduct" and "Eltek Anti-Corruption Guide".

1.8 Ethical Trading

1.8.1 Customers

Eltek customers shall be met with insight, respect and understanding. Eltek employees shall always try to meet the needs of the customer in the best possible manner, within the guidelines laid out in the Company's core values and the principles set forth in the Code of Conduct. Each customer's information shall be protected in accordance with the relevant regulations on protection of personal data.

1.8.2 Suppliers

Eltek suppliers shall be treated impartially and justly. Suppliers in competition for contracts with Eltek shall be able to trust Eltek's selection processes. When selecting suppliers, Eltek will always follow the Company's established guidelines and routines at all times. Eltek employees shall help suppliers understand Eltek's principles for supplier conduct, and be alert to activity by suppliers that may be in breach of the Company's principles for supplier conduct. Eltek is committed to maintain policies and systems that increase the awareness of responsible mineral sourcing among our suppliers and minimize the risk of conflict minerals finding the way into our supply chain.

Reference is made to "Eltek Suppliers Code of Conduct".

1.8.3 Intermediaries

Eltek always exercises due care in the selection and use of external representatives so that the Company under no circumstances becomes involved in corrupt or fraudulent activities conducted by its middlemen. Eltek expects intermediaries to act in accordance with the Company's ethical standards as set forth in Eltek Code of Conduct and applicable legislation.

Reference is made to "Eltek Intermediaries Code of Conduct".

1.8.4 Competitors

Eltek's competitors shall always be met in an honest and professional manner. Eltek wishes to promote fair and open competition in all markets, both national and international. Under no circumstances shall Eltek cause or be part of any breach or violation of relevant competition laws or regulations.

1.8.5 Public authorities

Public authorities shall be met in an open and appropriate manner. Unless otherwise agreed, public information about the Group shall only be provided by Eltek's management or by the person responsible for public communications.

2. IMPLEMENTATION AND COMPLIANCE

2.1 Information, understanding and training

The Corporate Policies, including guidelines and supporting documents, shall be made available to all employees in Eltek via the Company's respective Intranets.

All line managers have a responsibility for ensuring understanding of the requirements by the relevant personnel, and also that roles and responsibilities related to the various Corporate Policies are evident and understood. The requirements in the Corporate Policies will thus have to be communicated to all relevant personnel in each Company. This should be done through verbal information in staff/department meetings and, if deemed necessary, by specific training programs.

It is the responsibility of the President and Managing Directors to ensure that the Corporate Policies are properly communicated in their respective organizations.

2.2 Monitoring compliance

The Corporate Policies shall be verified for compliance through annual self-assessments on Group and Company level. The President, or his/her designee, is responsible for initiation of such an annual review process through the Group structure. It is the responsibility of the Managing Director to carry out self-assessments within their organizations and report any significant deviations along with mitigation plans to the above level in the Group structure. The Managing Directors shall ensure that the self-assessment survey is timely completed and reported.

The Managing Directors shall establish local monitoring process to ensure compliance with Group Policies. The annual self-assessment survey may also be used for local monitoring.

Deviations from Corporate Policies shall be reported to and handled by the Policy Owner.

3. OWNERSHIP AND MAINTENANCE

The Policy Owner is responsible for maintenance of this Policy. The Policy shall be evaluated when necessary and no less than once a year. Modifications of the Corporate Policies shall be approved by the designated responsible in Group management.