

Greenhouse gas reporting

Year: 2018

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Security level: Public

Our ambition

- As a global supplier, Eltek is committed to protecting the environment, our customers and 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.
- Our ambition is to minimize the environmental impact of our activities. Greenhouse Gas accounting helps us keep track of our emissions.
- Starting in 2011, we report annually on emissions in compliance with the Greenhouse Gas Protocol and ISO 16064-1. The report includes both direct and indirect emissions from our operations worldwide, in addition to non-mandatory aspects like emissions from goods transportation and air travel.

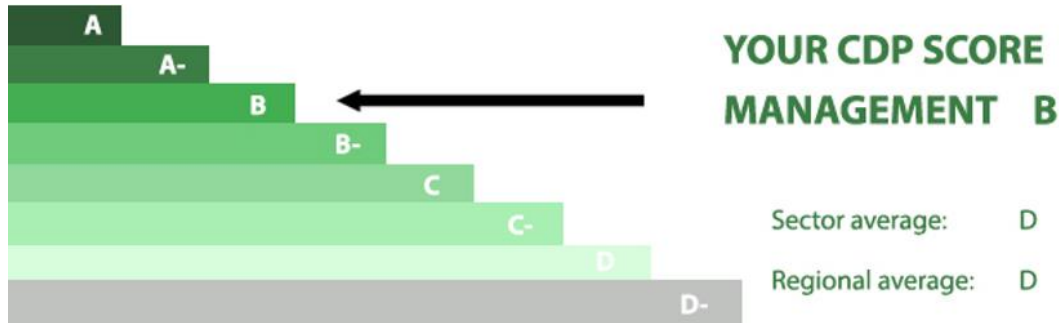
Greenhouse gas reporting

- Eltek tracks its impact on the environment in a number of ways, including measuring greenhouse gas emissions. Eltek's report includes both direct (Scope 1) and indirect emissions (Scope 2) from our operations worldwide, in addition to non-mandatory aspects (Scope 3) like emissions from goods transportation and air travel. Eltek includes all offices and manufacturing sites with more than 10 employees in its report.
- As of 2017, an accredited third party (DNV GL) has verified emissions from Eltek's manufacturing sites.

CDP

(Global disclosure system: measure and manage environmental impacts)

- Eltek has since 2011 voluntarily disclosed emission data as a participant in CDP.
- Responses are scored against the environmental stewardship criteria, which assesses the level of detail, quality and comprehensiveness of the company's awareness and management of climate change issues.
- **Eltek's score improved from a 'C' in 2017 to a 'B' in 2018.** 'B' is higher than the general average of 'D', and higher than the Europe regional average of 'D'. A 'management score' (B/B-) means you are **taking coordinated action on climate change issues.**

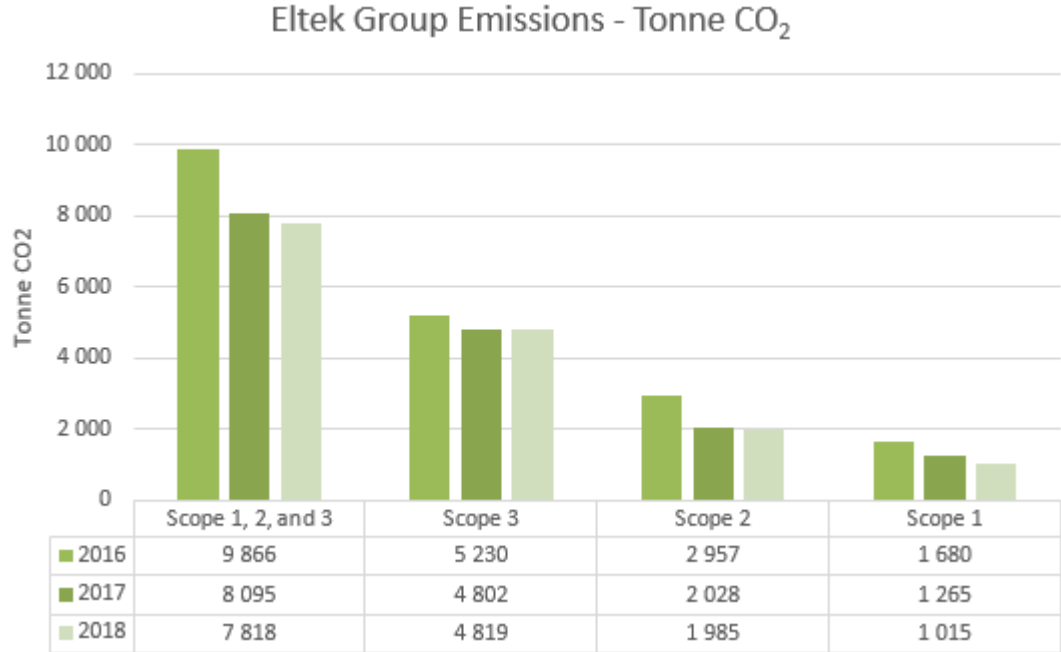


Graph 1. CDP Benchmarking, Eltek Group 2018

Trends

- The significant decrease in CO₂ emissions from 2016 to 2017 was caused by the reduction in the number of reporting facilities.
 - Due to Delta's acquisition of Eltek, and the subsequent transfer of production from Eltek facilities to Delta facilities.
- The 3.5 percent decrease in emissions from 2017 to 2018, is mostly due to reduction in transportation (not freight) and air travel.

Note: As of 2018, emissions from some of Eltek's sites are based on estimates. This has had a minor impact on figures from some of the sites.

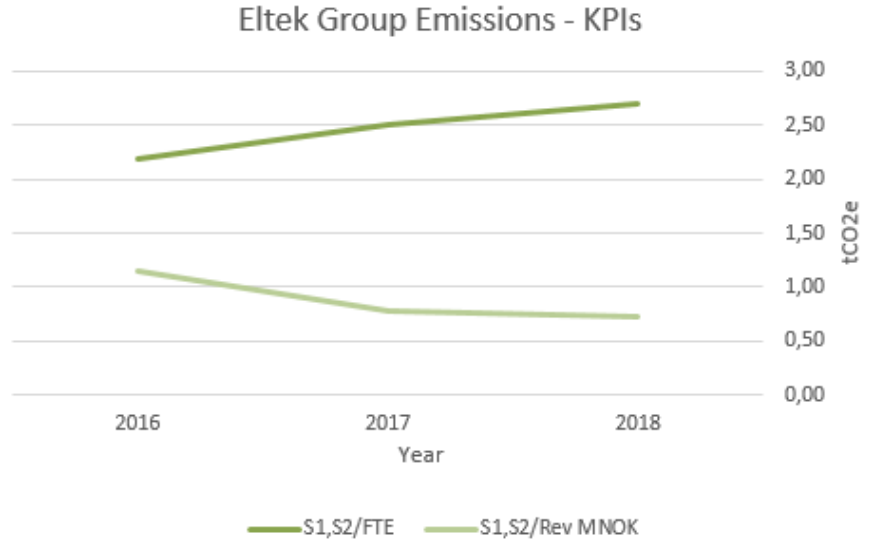


Graph 2. Eltek Group Emissions 2016-2018, Tonne CO₂

Emission KPIs

Emissions/Number of full-time employees (FTE) and Emissions/Revenue

- The graph shows tons CO₂ measured as a ratio to the number of full-time employees (FTE) and revenue. It demonstrates an increase in emissions in relation to the number of full-time employees from 2016 to 2018. This is mainly caused by the reduction in reporting sites and thereby number of employees. Emissions in relation to revenue shows a decrease, which is partly caused by an increase in revenue from 2016 to 2017.
- Eltek's long-term target, reflected in its KPIs, is to reduce emissions in Scope 1, 2, and 3 significantly, measured as a ratio to the number of full-time employees and revenue.
- Eltek will continue to look for improvement areas in all scopes within the greenhouse gas accounting.



Graph 3. Emissions as a ratio to the number of full-time employees (FTE) and Revenue

Scope details

The result of each scope is described below:

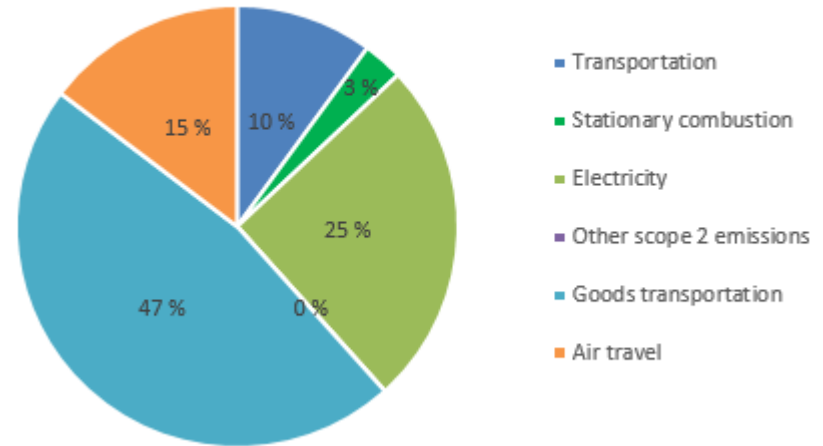
Scope 1 (direct emissions) and Scope 2 (indirect emissions from electricity):

- Scope 1 emissions decreased by 25 percent from 2016 to 2017, and by 20 percent from 2017 to 2018. Scope 2 emissions decreased by 31 percent from 2016 to 2017, and by 2 percent from 2017 to 2018. The majority of the decrease in Scope 1 and 2 is due to the decrease in the number of reporting facilities.

Scope 3 (other indirect emissions):

- Eltek includes air travel and goods transportation in Scope 3. Air travel increased by 20.8 percent from 2015 to 2016 due to Delta-Eltek integration activities. The decrease by 17 percent from 2016 to 2017 is caused by fewer integration activities, the decrease in the number of reporting facilities, and the increased use of videoconferencing.
- Freight emissions decreased by 4 percent from 2016 to 2017, mainly due to changes in freight routes and changes in freight agreements. The increase by 6 percent from 2017 to 2018 is mostly an effect of the worldwide component shortage, the subsequent delays in production and use of air freight. Improving the efficiency of product packaging solutions, and by that reducing both waste and freight volume, remains an important focus area. Keeping air freight usage to a minimum is another target that impacts emissions.

Eltek Group Emissions 2018 - per category



Graph 4: Eltek Group Emissions 2018 - per category

Note: As of 2018, emissions from some of Eltek's sites are based on estimates. This has had a minor impact on figures from some of the sites.

Powering a greener future

- Our high-efficiency power solutions help minimize our customers' energy usage. As such, we contribute every day to a greener future, minimizing energy lost in the power conversion process.
Read more on eltek.com *About / Powering a greener future*
- Eltek has been part of the Delta Group since 2015 and work together with Delta
"To provide innovative, clean and energy-efficient solutions for a better tomorrow"



Experience the power.