

Greenhouse gas reporting

Year: 2019

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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.

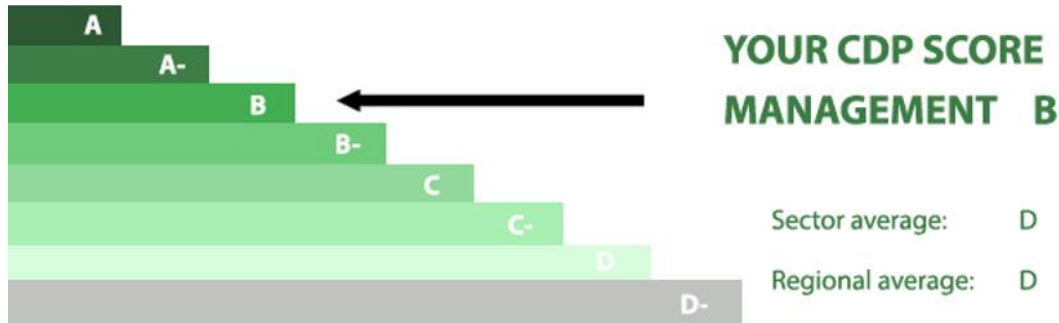
Greenhouse gas reporting

- 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 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.**
- As of 2019, Eltek submits its emission data together with its owner Delta. 2019 CDP Climate Change analysis ranks Delta a Leading Enterprise (A-). Following the 2014, 2016, and 2017 leadership-level (A / A-) scoring lists, Delta's efforts on climate change have again been accredited.

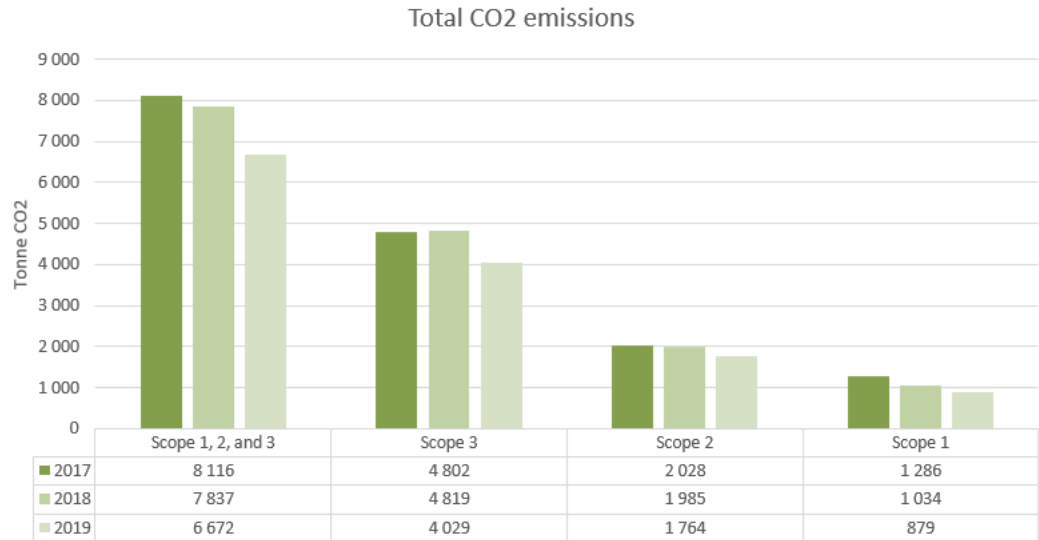


Graph 1. CDP Benchmarking, Eltek Group 2018

Trends

- There was a slight reduction in emissions from 2017 to 2018, attributed to a reduction in personnel and revenue, as well as a focus on energy saving projects within the organization.
- The significant (14.9 percent) decrease in emissions from 2018 to 2019, is due to continued focus on energy savings, a drop in freight emissions, and a reduction in goods produced and sold.

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.

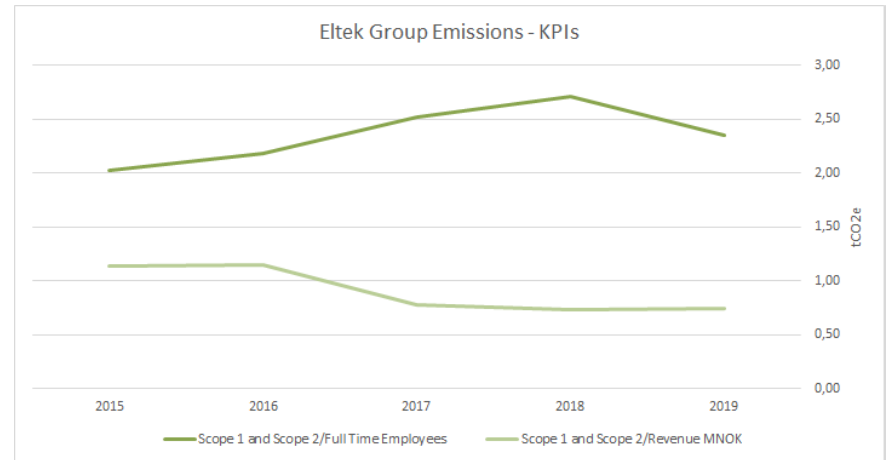


Graph 2. Eltek Group Emissions 2017-2019, Tonne CO₂

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 a decrease in emissions in relation to the number of full-time employees from 2018 to 2019. This is mainly caused by the reduction in the number of employees. Emissions in relation to revenue is stable from 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.

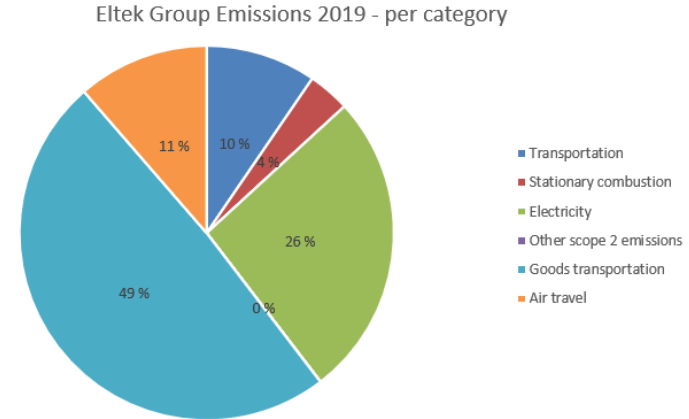


Graph 3. Emissions as a ratio to the number of full-time employees (FTE) and Revenue

Scope details

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

- Scope 1 emissions decreased by 20 percent from 2017 to 2018, and by 15 percent from 2018 to 2019. Scope 2 emissions decreased by 2 percent from 2017 to 2018, and by 11 percent from 2018 to 2019.
- The majority of the decrease in Scope 1 and 2 is due to the reduction in use of cars and electricity. Small and large energy savings projects have been a focus area for the entire organization.



Graph 4: Eltek Group Emissions 2019 - 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.

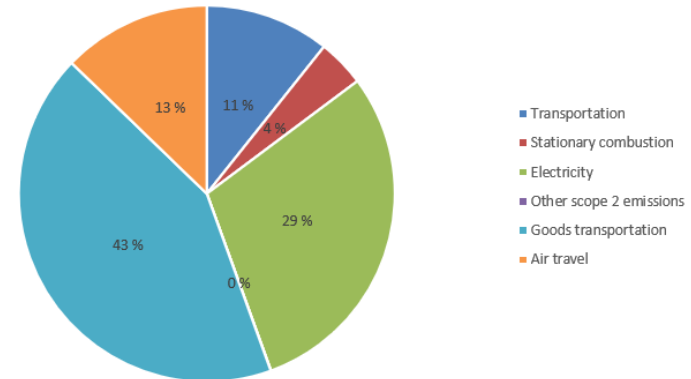
Scope details

Scope 3 (other indirect emissions):

- Eltek includes *air travel* and *goods transportation* in Scope 3.
- Air travel decreased by 14 percent from 2017 to 2018, and by 34 percent from 2018 to 2019. To minimize air travel has been a priority in this period.
- The freight emissions increase (6 percent) from 2017 to 2018 was mostly an effect of the worldwide component shortage, the subsequent delays in production and thereby use of air freight.
- Freight emissions decreased by 10.9 percent from 2018 to 2019, due to the change of freight mode from air to train from China to Slovakia, as well as a decline in units sold.
- Keeping air freight usage to a minimum is another target that impacts emissions. Improving the efficiency of product packaging solutions, and by that reducing both waste and freight volume, remains an important focus area.

Note: Change in freight emissions is partly attributed to changed method of calculation (emission factor).

Eltek Group Emissions 2019 - per category



Graph 4: Eltek Group Emissions 2019 - per category

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.