Sustainability

A sustainable business operation is the key to long-term success. NOTE works continuously on issues affecting the environment, social conditions and its human resources, human rights and anti corruption. This work is conducted with the aid of applicable legislation, standards and other regulations.

NOTE’s connection to UN Global Sustainable Development Goals, page references in the Annual Report

- **3 GOOD HEALTH AND WELL-BEING**
  - Social conditions and human resources, page 16.
  - UN Global Compact, Principle 1, page 17.

- **5 GENDER EQUALITY**
  - Social conditions and human resources, page 16.
  - UN Global Compact, Principle 6, page 18.
  - Human resources, page 20–21.

- **8 DECENT WORK AND ECONOMIC GROWTH**
  - Social conditions and human resources, page 16.
  - UN Global Compact, Principles 1–6 and 10, page 17–19.
  - Share data and owners, page 24–25.

- **10 REDUCED INEQUALITIES**
  - UN Global Compact, Principle 6, page 18.
  - Human resources, page 20–21.

- **12 RESPONSIBLE CONSUMPTION AND PRODUCTION**
  - Environmental policy and working methods, page 15.
  - UN Global Compact, Principles 7–9, page 18–19.

- **17 PARTNERSHIPS FOR THE GOALS**
  - UN Global Compact, Principles 1–10, page 17–19.
  - Human resources, page 20–21.
  - Customer satisfaction survey, page 12.

Timeline of NOTE’s sustainability work

- **1997**
  - The plant in Norrtälje, Sweden, ISO 14001 certification.

- **2002**
  - The plant in Torsby, Sweden, ISO 14001 certification.

- **2004**
  - The plant in Lund, Sweden, ISO 14001 certification.

- **2006**
  - Code of conduct produced.

- **2010**
  - The plants in UK and China ISO 14001 certification.

- **2011**
  - NOTE joins UN Global Compact.
Global Sustainable Development Goals
Global heads of state and governments adopted 17 Global Sustainable Development Goals at the UN summit on 25 September 2015. The links between these goals and NOTE’s activities, targets and strategies are reported on the pages stated in the contents to the left.

Sustainable production through close partnerships
Working on an integrated footing on various sustainability issues is critical to the effectiveness of overall performance, and NOTE’s sustainability work involves all group companies. These issues cover everything from appropriate conduct towards the company’s stakeholders and helping customers choose components with good environmental and quality performance, to locating manufacture close to final markets, and limiting the environmental impact of transportation as far as possible.

Sustainability questions have been included in the annual survey sent to customers to identify the segments they think are important to focus on. In tandem with reducing its impact on the environment and wider society, NOTE endeavours to achieve responsible conduct on the markets where it operates.

NOTE’s sustainability objective
The objective is to contribute to, and improve, the societies where NOTE operates, by developing sustainable initiatives in our business. The group’s shared values and policies are intended to lead, influence and direct the group’s activities. NOTE complies with international standards and directives in the sustainability segment.

Environmental policy and working methods
NOTE endeavours to achieve long-term, sustainable development by manufacturing with the minimum possible environmental impact. NOTE endeavours to comply with, or exceed, applicable environmental legislation, and pursues continuous improvement in the environmental segment.

NOTE’s environmental work complies with international ISO guidelines, under the ISO 14000 family of standards. The group’s manufacturing units hold ISO 14001 environmental certification and are audited by internal and external resources. In the fourth quarter 2018, NOTE acquired a plant in Windsor, UK, which had already been working on environmental issues pursuant to ISO 14000 for many years, and is scheduled for certification in 2019. NOTE was one of the earliest companies in the sector to receive ISO 14000 environmental certification, back in 1997.

Despite differences in environmental legislation between countries, NOTE has the constant ambition of all its plants following a consistent line of environmental work. Its manufacturing units exchange best practice, best-in-class actions and proposals for improvement.

Manufacturing units sort the waste from consumables at source, and monitor energy consumption continuously. NOTE also applies environmental consideration

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>For the fifth consecutive year, the plant in Estonia is awarded the Silver Sustainable Business Index Award by the Responsible Business Forum.</td>
</tr>
<tr>
<td>2015</td>
<td>The plant in Finland OHSAS 18001 certification.</td>
</tr>
<tr>
<td>2017</td>
<td>Equality policy produced. The plant in Norrtälje, Sweden, nominated for Samhall’s Visa vägen (‘Show the Way’) award.</td>
</tr>
<tr>
<td>2018</td>
<td>Privacy policy produced in order to handle personal data in accordance with GDPR.</td>
</tr>
</tbody>
</table>
in other parts of its business, through channels including discussions with its customers on sourcing materials and production setups.

Electronic scrap, glass and paper are recycled. NOTE conducts improvement projects to reduce waste, energy consumption and CO2 emissions. Corrugated board and combustible waste are compacted to minimise the amount of waste transports, which affect the environment.

**Gender division group**

<table>
<thead>
<tr>
<th>Year</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>25%</td>
<td>75%</td>
</tr>
<tr>
<td>2015</td>
<td>25%</td>
<td>75%</td>
</tr>
<tr>
<td>2016</td>
<td>25%</td>
<td>75%</td>
</tr>
<tr>
<td>2017</td>
<td>25%</td>
<td>75%</td>
</tr>
<tr>
<td>2018</td>
<td>25%</td>
<td>75%</td>
</tr>
</tbody>
</table>

In its transport, NOTE also coordinates its freight agreements to optimise transportation, and thus limit energy consumption and CO2 emissions.

NOTE conducts regular environmental audits of strategic suppliers.

**Social conditions and human resources**

NOTE endeavours to be an employer offering everyone equal opportunities to work and develop. The group’s collective competence is based on diversity, which helps bring dynamic and different perspectives to work.

NOTE is opposed to all forms of discrimination. One tool for working on this and other issues is its whistleblower function, which was improved in the year. NOTE implemented a Privacy policy in 2018, which regulates the management of personal data. This policy was prepared pursuant to the EU GDPR (General Data Protection Regulation).

All NOTE employees are entitled to collective bargaining agreements, and to form and join trade unions. Collective bargaining agreements are in place at most NOTE plants. Three plants also use OHSAS 18001 to guide their work. This far-reaching, global and verifiable standard in occupational health and safety involves with external auditing and certification.

NOTE conducts an annual employee satisfaction survey, and in 2018, the response frequency was 82% (75% in 2017).

**Respect for human rights and anti corruption**

NOTE respects human rights and its conduct prevents them being infringed. In addition to responsibility for its own operations, this also implies a responsibility for respecting human rights in business relations with the company’s stakeholders. NOTE’s Human Rights policy has principles and standpoints that apply in labour law and equal opportunities for example.

NOTE’s Code of Conduct formalises how the company expects its suppliers to conduct themselves within human rights, labour law, child labour, corruption and the environment. This is conveyed through the supply chain, and monitored in supplier audits.

NOTE’s Anti Corruption policy includes principles stating the group’s standpoint on corruption. The policy also reviews segregation of duties, how internal controls are conducted, and stipulates a whistleblower procedure.

Consistent with previous years, and within the auspices of its internal controls, NOTE has a documented process for evaluating risk and compliance with policies. In 2019, NOTE intends to continue policy work and encourage positive social progress in the locations where NOTE has a presence.


For more information on NOTE’s business model and risk management, see the operational review on pages 8 and 13.
In 2011, NOTE joined the Global Compact, which was started on a UN initiative.

Global Compacts ten principles
The Global Compact has formulated ten principles affecting human rights, labour law, the environment and anti-corruption. Member companies have undertaken to comply with these principles.

Each year, NOTE reports its COP (Communication on Progress) to the UN. This is a framework that defines how sustainability work is conducted within the group, and towards external stakeholders. The COP reviews its actions, approach and goals. In 2018, NOTE upgraded its involvement to Global Compact Participant.

NOTE’s Code of Conduct is based on the Global Compact’s ten principles and the full version is available on its website. A summary of NOTE plants’ executed and forward-looking work on Global Compact principles follows.

approach
NOTE has been using its Code of Conduct, which supports the ten principles of the UN Global Compact, since 2006. NOTE endeavours to develop business with companies that have the corresponding ethical rules on accountability.

result 2018
NOTE works actively and continuously to ensure compliance with its Code of Conduct.

In the year, NOTE encouraged existing and new customers and suppliers to join, or support, the UN Global Compact by communicating the importance of these issues.

NOTE signed agreements with another three strategic or contracted suppliers (four in 2017), who accepted NOTE’s Code of Conduct or have their own, equivalent code.

NOTE conducted follow-up audits on 35 suppliers (39 in 2017) that had previously accepted NOTE’s Code of Conduct and the ten principles of the UN Global Compact.

The results of audits indicate that suppliers are complying with relevant laws and regulations.

The sharing of sourcing from strategic and contracted suppliers is approximately 55% (49 to 55% in 2017).

In the year, NOTE continued its work on reducing the usage of conflict minerals.

goals 2019
Influence suppliers to accept NOTE’s Code of Conduct, and encourage customers and suppliers to join the UN Global Compact, or support its ten principles.

Continuous follow up on NOTE’s Code of Conduct and the ten principles of the UN Global Compact in supplier audits.

Increase the share of sourcing from strategic and contracted suppliers by two percentage points.

Work to help children and uphold their rights, by supporting development organisations.

The Global Compact has formulated ten principles affecting human rights.

The form used for supplier audits included questions regarding human rights.

The share of sourcing from strategic and contracted suppliers is approximately 55% (49 to 55% in 2017).

NOTE supported UNICEF, which operates in 190 countries, in activities to save the lives of children, defend their rights, and help them realise their potential, from early childhood through their teenage years.

goals 2019
Influence suppliers to accept NOTE’s Code of Conduct and encourage customers and suppliers to join the UN Global Compact, or support its ten principles.

Continuous follow up on NOTE’s Code of Conduct and the ten principles of the UN Global Compact in supplier audits.

Increase the share of sourcing from strategic and contracted suppliers by two percentage points.

Work to help children and uphold their rights, by supporting development organisations.

Human Rights policy states the group’s internal standpoints on this principle.

Three plants also use OHSAS 18001 as a guidance for their work. This is a far-reaching, global and verifiable standard in occupational health and safety, with external auditing and certification.

result 2018
NOTE works actively and continuously to ensure compliance with its Code of Conduct.

In the year, NOTE encouraged existing and new customers and suppliers to join, or support, the UN Global Compact by communicating the importance of these issues.

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Continuous follow up on NOTE’s Code of Conduct and the ten principles of the UN Global Compact in supplier audits.

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Work to help children and uphold their rights, by supporting development organisations.

Human Rights policy states the group’s internal standpoints on this principle.

Three plants also use OHSAS 18001 as a guidance for their work. This is a far-reaching, global and verifiable standard in occupational health and safety, with external auditing and certification.
NOTE has been using its Code of Conduct, which supports the ten principles of the UN Global Compact, since 2006. NOTE complies with relevant laws and ordinances on child labour. NOTE does not employ children and does not collaborate with companies that use children as part of their workforce.

Three plants also use OHSAS 18001 as a guidance for their work. This is a far-reaching, global and verifiable standard in occupational health and safety, with external auditing and certification.

NOTE has been using its Code of Conduct, which supports the ten principles of the UN Global Compact, since 2006.

### PRINCIPLE 7: BUSINESSES SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES

**APPROACH**

NOTE has been using its Code of Conduct, which supports the ten principles of the UN Global Compact, since 2006. NOTE’s manufacturing units hold ISO 14001 certification and undergo internal and external audits.

NOTE’s plants run improvement projects in the environmental segment, and measure a series of environmental factors such as electronic scrap, energy consumption and transport. All plants have environmental targets, which are monitored regularly.

NOTE is endeavouring to increase the share of sourcing from strategic and contracted suppliers. NOTE has a good understanding of these suppliers’ environmental work, and can help them to develop and improve in this segment.

### RESULT 2018

NOTE works actively and continuously to ensure compliance with its Code of Conduct.

NOTE’s plants work on the basis of individual targets and circumstances in the environmental segment. A variety of initiatives are ongoing, including work lights that have been wholly or partly replaced with LED equivalents at manufacturing units to save energy. Timers have been installed at certain plants to ensure lighting is not used unnecessarily.

Several selective soldering machines have been installed, reducing tin slag, and enabling a more environmentally friendly process than previously.

In the fourth quarter 2018, NOTE acquired a plant in Windsor, UK, which had already been working on environmental issues pursuant to ISO 14001 for many years, and is scheduled for certification in 2019.

NOTE’s complete REACH-EU Regulation policy, stipulating how NOTE works to comply with this EU regulation for handling chemicals, is available at its website.

NOTE encourages existing and new customers and suppliers to join, or support, the UN Global Compact by communicating the significance of these issues.

NOTE signed agreements with another three strategic or contracted suppliers (four in 2017), who accepted NOTE’s Code of Conduct or have their own, equivalent code.

Follow-up audits were conducted on 35 suppliers (39 in 2017) that had previously accepted NOTE’s Code of Conduct and the ten principles of the UN Global Compact. The results of these audits indicate that suppliers are complying with relevant laws and regulations.

The share of sourcing from strategic and contracted suppliers is approximately 55% (49 to 55% in 2017).

### GOALS 2019

**APPROACH**

**NOTE’s Equality policy states the company’s principles governing equal opportunities and diversity, which are encouraged in all parts of its business. The company endeavours to achieve equal opportunities in terms of employment and working conditions, as well as developmental opportunities. The company pursues diversity on recruitment. Its working climate should feature respect and tolerance. If any instances of harassment or bullying are reported, the group will take action immediately.**

Three plants also use OHSAS 18001 as a guidance for their work. This is a far-reaching, global and verifiable standard in occupational health and safety, with external auditing and certification.

NOTE has conducted a group-wide employee satisfaction survey in the year, whose results are utilised in NOTE’s forward planning and development work.

NOTE has been using its Code of Conduct, which supports the ten principles of the UN Global Compact, since 2006.

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NOTE has been using its Code of Conduct, which supports the ten principles of the UN Global Compact, since 2006.

### RESULT 2018 AND GOALS 2019

See principle 5.
NOTE has been using its Code of Conduct, which supports the ten principles of the UN Global Compact, since 2006. NOTE’s plants hold ISO 14001 certification.

NOTE takes a positive view of developing environmental technology and actively supports new manufacturing methods and components that are more environmentally friendly. NOTE conducts environmental audits when introducing new equipment, technology and logistics solutions. Experience is shared between the group’s plants. An environmental perspective is considered jointly with customers when tailoring product manufacture. A database for identifying RoHS, Reach and conflict minerals in components is being used.

NOTE is endeavouring to increase the share of sourcing from strategic and contracted suppliers. NOTE has a good understanding of these suppliers’ environmental work, and can help them to develop and improve in this segment.

RESULT 2018 AND GOALS 2019
See principle 7.

NOTE has an Anti Corruption policy, as well as a Whistleblower policy and Procedure, which has been implemented in all plants’ business systems.

NOTE encourages employees to resolutely counter all forms of corruption, extortion and bribery. Simultaneously, NOTE expects the corresponding attitudes from its customers and suppliers. NOTE does not accept any gifts, whether to customers or from suppliers, other than items of lesser value.

NOTE’s Purchasing policy prohibits of bribery and corruption, with sourcing managed according to ethical rules. NOTE has group-wide and local authorisation procedures expedient for its business.

NOTE signed agreements with another three strategic or contracted suppliers (four in 2017), who accepted NOTE’s Code of Conduct or have their own, equivalent code. Follow-up audits were conducted on 35 suppliers (39 in 2017) that had previously accepted NOTE’s Code of Conduct and the ten principles of the UN Global Compact. The results of these audits demonstrate that suppliers are complying with relevant anti corruption laws and ordinances.

The share of purchasing from strategic and contracted suppliers was approximately 55% (49 to 55% in 2017).

GOALS 2019
Influence suppliers to accept NOTE’s Code of Conduct and encourage customers and suppliers to join the UN Global Compact, or support its ten principles. Continuously follow up on NOTE’s Code of Conduct and the ten principles of the UN Global Compact in supplier audits.

Increase the share of sourcing from strategic and contracted suppliers by two percentage points.

Our customers show a big interest in the environment. We’re proud of our work with the UN Global Compact, and endeavouring to help improve the world around us.

Johannes Lind-Widestam, CEO and President
Human resources

NOTE’s business is built on solving customers’ complex problems every day. Apart from robust, industrial processes, it’s our people—with their ingenuity, commitment and drive to help customers—who create the strength of operations.

NOTE possesses a global organisation with operations in Sweden, Finland, the UK, Estonia and China. One of its key missions is to develop the interaction between plants. This work is done through channels including a number of functional forums, in segments including quality, sourcing, accounting and sales. NOTE works continuously on harmonising its working methods and monitoring tools, as well as clarifying guidelines. Its improvement and development processes involve many employees group wide. NOTE continuously monitors business-related key performance indicators such as ongoing central and local improvement projects.

The workforce was upsized and downsized in the year to cope with demand fluctuations and to implement rationalisation. Overall, the workforce was 1,077 people at year-end. Staff turnover was 17% in the group overall, of which 8% was in the European plants.

Training
To assure quality and competence in the electronics assembly process, several NOTE plants maintain long-term collaborations with external partners in soldering and electronics assembly training. Usually, these programmes involve practical work and the certification of qualified electronic assemblers.

Several NOTE plants offer opportunities for University and college students to write their masters’ dissertations. Partnerships in the year included, for example, the University of Gävle and Örebro University School of Business.

Employee of the Month
Achieving the goal of being the best collaboration partner in the sector, with leading delivery precision and quality for a competitive overall cost, demands a lot from everyone involved. To recognise the people that have contributed something

Morgan Bergkvist
Production Leader, Torsby, Sweden
Morgan thinks that NOTE offers good developmental opportunities, and his 14 years with the company have increased his thirst for knowledge.

“NOTE is a good employer, because it’s a stimulating workplace that’s always moving forward,” says Morgan.

Apart from being a Production Leader in Surface Mounting, he’s also Warehouse Manager. This means that staff responsibility is a big part of Morgan’s working day. What he likes most about his job are the challenges.

“Although I work in a process that’s basically constant, our unique products always present challenges. So I feel the drive for improvement work, which is a part of these processes,” he says.

Jon Liu
QA Engineer, China
NOTE helps its employees to grow by offering opportunities for further training and good career development. Jon thinks this is what makes NOTE a good employer. His work as a QA Engineer focuses on process and quality development, and helping customers get their needs satisfied.

In his eight years with the company, he has served in different roles, making progress in different segments, one example being when he started working at the QA function, and took IPC training. Jon emphasises the importance of improving his skills, which he achieves by studying and finding new knowledge.

“What I like most about my job is that I can learn new things from a good manager, while also improving my English skills,” he explains.

Cay Chong Sieu
Production Leader, Lund, Sweden
The Production Leader’s role is very varied. Cay works in final assembly, which includes some testing and servicing.

“Working independently, taking sole responsibility and solving challenges creatively are what I like most about my job. I like to give 100%, hope I can be a good resource for the company, and be proud of what I’ve done in future,” says Cay.

Skills from the electronics sector and experience from previous education programmes and jobs have helped Cay progress in his professional role and as a manager in his four years at NOTE.

“NOTE is a good employer, because it’s innovative, ready to invest and move forward. The company invests in its people, helping them take new training programmes in technology and electronics. This will enable the company to move forward, and become a large, growing business in the future,” concludes Cay.
really special, NOTE has an Employee of the Month award. This might be someone who has ‘gone the extra mile,’ or been a great ambassador for NOTE. Another ambition of this award is to make an extra contribution to a stronger feeling of solidarity within the group and share real examples of how our employees conduct themselves when they perform at their best, for customers or colleagues.

A winner is selected each year, and in 2018, the Employee of the Year was Niklas Lithander from Norrtälje. Meet Niklas, and some of the other monthly winners, below.

**Niklas Lithander**  
**Technical project manager, Norrtälje, Sweden**

Despite working for NOTE for 17 years, Niklas is still learning at work.

“There are so many processes, and the customers and people I encounter are so different, which means there’s a lot to learn,” he says.

His professional role involves a lot of customer contact, which he’s learned a lot from. Niklas helps take products from prototyping to batch production. His broad technology skills and ability to always match and exceed customer needs are one of the reasons he is our Employee of the Year—with his key qualities in his position as Technical Project Manager.

“I learn so much about customer needs, and these needs mean my duties really vary,” he explains.

The variation of his work is something he really appreciates, as well as the feeling of having helped customers achieve better products.

The good atmosphere at work, and the wealth of knowledge within the company thanks to the variety of its assignments are what Niklas thinks make NOTE a good employer.

As in previous years, an employee satisfaction survey was distributed to the group’s staff, who responded. It’s important that every employee feels that they can deliver value-added to customers, understand how to achieve this, and why. Plans of activities, with a schedule for execution, based on responses was created. The results are also utilised for NOTE’s future planning and development work.

For more information on human resources, refer to page 40 of the formal annual accounts.

**Siiri Habicht**  
**Sourcing Specialist, Estonia**

“What I like most about my job is that it’s challenging and never boring. My colleagues are also important to me,” Siiri says.

In 14 years with NOTE, she’s tried a lot of different positions, and is an ambassador for NOTE’s values, because being proactive is one of her strengths.

“What makes NOTE a good employer is that we’re offered so many opportunities to develop,” she continues.

Siiri’s duties include sourcing materials and optimising materials pricing for new and current business accounts. Her work involves a lot of supplier communication and satisfying customer expectations, which is something that Siiri has really improved during her time with NOTE.

“Every customer’s unique, they all have different expectations and standards, which means you need to be flexible and adapt accordingly,” she explains, “I knew nothing about electronics, or strategic sourcing, before I started at NOTE. I’ve learned to adapt.”

**Tracey Wright**  
**Key Account Manager, Stonehouse, UK**

Tracey started in sourcing, and her role has evolved in her ten years with NOTE. She’s now a Key Account Manager, a varied role covering a broad spectrum of duties.

“I don’t just deal with tenders or sourcing material for customers, I’m also involved in the day-to-day management of key accounts,” she explains.

The best thing about her job is her colleagues, because of the support they offer each other.

Although the team at Stonehouse is compact, Tracey knows they get help from other parts of the NOTE group if necessary.

In combination with flexibility, and encouragement to think for yourself and make your own decisions on projects, this is what makes NOTE a good employer.

“NOTE has been really flexible with my working-hours over the years, and I’ve been able to work from home regularly,” she concludes.