

May 1<sup>st</sup>, 2020

### **Stakeholders**

Our stakeholders have a sizeable impact on our business practices and we aim to fulfill their expectations as much as possible. We mutually grow and improve with the expectations that are directed towards us and any input by our stakeholders is valuable for us.

Customers – We aim to provide consistent quality and safe product delivered on time produced in accordance with the law and international ethical standards.

Suppliers – We maintain a professional and fair business relationship and monitor the performance of our suppliers. All suppliers are expected to at least operate in compliance with local law.

Employees – We provide a safe and clean workplace, free of any harassment or discrimination, operate in accordance with local labour laws and provide a pleasant workplace.

Community – We support our community by obeying all environmental laws, reduce energy consumption and minimize waste as well as donating to local charity projects.

### **Waste reduction and environmental protection**

In the past year our company continued to work on reducing the environmental impact of our production. We installed solar panels on the roof of the factory which will cover 25 % of our electricity consumption. Further measures to reduce the use of electricity are the replacement of conventional lamps with LED lights, the insulation of our factory building and a regular cleaning of all air conditioners.

We operate a water treatment facility on site to ensure any water we expel into the waste water stream is free of harmful chemicals.

Through our work to minimize carbon emissions, we have maintained our carbon footprint under the Thailand Greenhouse Gas Management Organization guidelines also in the past year.

Another important project is the reduction of plastic waste. We actively searched for alternatives to plastic polybags and found a supplier for compostable bags which were offered to our customers. One disadvantage of the bags is that they are not transparent and start to decompose after one year. A step we took in 2019 was to reduce the thickness of our polybags to produce less plastic in total.

Summed up there are still not enough alternatives to common plastic as a packing material for our jewelry due to the properties of the compostable materials. We will continue searching for suitable alternatives in 2020 to reduce our output of plastic.

We actively reduced the usage of single use plastic during lunch breaks by handing out reusable bags and cutlery to the employees. Food is mostly purchased from street vendors outside of the factory who

normally use a significant amount of single use plastic. By providing reusable cutlery this could be reduced to a minimum. Besides providing alternatives to single use plastic we also held workshops to train the employees how to reduce their usage of plastic outside of the workplace.

### **Continuous improvement through various Audits**

In the past year we were audited 11 times with social compliance still being the most important concern of our customers. Testing compliance becomes more and more important and we invested more time and manpower to guarantee the safety and quality of our products by strict supervision of all incoming and outgoing goods.

### **Health and Safety**

Our Company has a Safety Committee which is monitoring the laws and regulations and checking our compliance. Updates are communicated within the committee and then forwarded to the factory employees.

We aim to keep our factory free of accidents by actively promoting a careful and safe way of working. This is done by specific safety trainings depending on the field of work, public bulletins and signage. In the past year we recorded 13 minor accidents of which the majority was caused by non-observance of the safety rules. The affected employees received additional training after recovering to prevent future incidents.

### **Human Rights**

We conduct a human rights risk assessment annually to check if there is a possibility of human rights violations within our operations. In the last year we could not detect any major findings. We have added one point to our Responsible Business Code of Conduct which requires suppliers to inform us if they are forced to potentially violate human rights due to our order deadlines. As a consequence we will extend the delivery window upon receiving this information so there is no risk of human rights breaches.

### **Charity**

We support local organizations with donations to help our community for several years. In 2019 we helped two orphanages with necessary renovations and purchases for the kids. Our staff members also organized events at the orphanages with games and handed out food. Another project was the support of a local temple school where we helped to renovate the classrooms.



Classroom before and after the renovation

In case you are missing any topics in the annual report on our business practices please contact [moritz@elf925.com](mailto:moritz@elf925.com). We value your feedback and try to consider the requested topics for the next year.