

UN Global Compact Communication on Progress 2019



Instrument Transformers Limited

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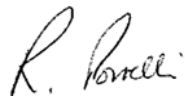
Statement of support from CEO

Having participated in the UN Global Compact for a fourth year running, I am pleased to confirm that Instrument Transformers Limited remains fully supportive of United Nations Global Compact and its ten principles in the areas of Human Rights, Labour, Environment and Anti-corruption.

Our 2019 Communication on Progress starts with a brief description of ITL and the scope of our business. Further it describes which actions we took to integrate the ten principles into our company structure, processes, and daily operations. As a leading company in our field we feel responsible for leading the way in sustainable development in our industry. Thus we are committed to share the ten principles with stakeholders across the supply chain through our primary channels of communication and social media.

In 2019 we also commit ourselves to improve our products and processes in order to further align our goals and efforts to comply with the ten principles of United Nations Global Compact.

Sincerely yours,



R. A. Porrelli

Managing Director

The Ten Principles of the UN Global Compact

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

About ITL

Instrument Transformers Ltd design and manufacture instrument transformers at our East Kilbride plant in Scotland since 1973.

ITL focus on bespoke transformers used for measuring and protection application. We supply LV and MV current & voltage transformers for use in LV, MV and HV power systems ranging from Tariff Measurement & Plan Protection to Vessel Propulsion or Substation automation. Currently our units are installed in a variety of projects all over the world and we have become one of the leading UK manufacturers.

Over the years since our establish date we have built a desirable reputation of providing durable, well designed transformers with short lead time and competitive prices. Customer satisfaction is our first and foremost objective and we have been referred to as “the go-to CT & VT guys from UK”. This is a result of our focus on Continuous Improvement in Process, Product and People, or CI3P, which encourages us to never rest on our laurels and keep improving and going forward.

Human Rights

Assessment, Policy and Goals

It is ITL's intent to follow human rights which is illustrated by our company values stated on our websites and our support for UN Global Compact. We also make sure all our stakeholders fully support the Universal Declaration of Human Rights and that our employees are knowledgeable about it. The principles of human rights are embedded in a number of our internal documents including environment policies, employee health and safety, and ethics policy (code of conduct).

We understand the importance of corporate responsibility to respect human rights and it is our intention to identify and stop any adverse activities connected to our business and industry. We also believe that every government has a responsibility to identify these adverse practices and take measures to protect the human rights.

In the upcoming 2019 we will conduct our business in such a way to further enhance our commitment and efforts to human rights and transparency. We are also going to encourage all our stakeholders to follow and support UN Global Compact, and respectively the human rights.

Implementation

We continually inform our suppliers of our commitment and efforts through social media and usual means of communication. We also make sure our employees understand our commitment to human rights and we hold an open-door policy throughout our business structure. It is of a great importance to us that should our employees witness or experience any wrongful doing, it is easy to for them to report and for us to take immediate action.

All policies are adhered to and should anyone be found to have breached these, disciplinary procedures are followed.

Listed below are some of the policies that ITL have in respect of Human Rights:

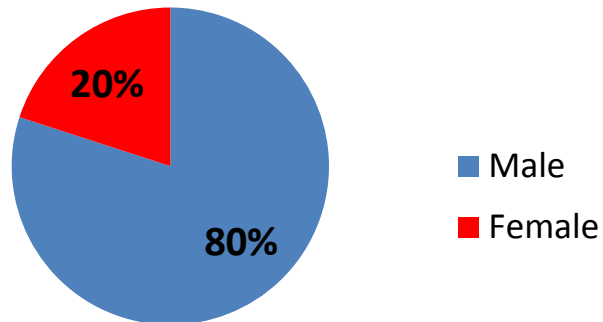
- Data protection policy – *protecting our employees and customers data*
- Equality Act 2010 – *treating our employees fairly*
- Anti-Harassment & Bullying Policy – *protecting our employees*
- Health & Safety Policy – *we are OHSAS 18001 certified*

Measurement of outcomes

The system we have in place allows us to quickly and effectively resolve any issues concerning human rights. In 2017 we did not experience a single occasion of our code of

conduct transgression. However, should such an event arise, any contravention of human rights would be documented and the responsible party would be put under probation to resolve the issue.

Office Based Staff



Labour

Assessment, Policy and Goals

ITL supports United Nations Global compact labour standards in addition to local labour laws. Every employee has access to a handbook and agreement with his/hers responsibilities. We also maintain an open-door policy throughout our business structure to ensure every employee has the authority to make a complaint, suggestion or report to any manager.

We pay a lot of attention to our employees' health and safety. Our daily operations are in full compliance with OHSAS 18001 Health and Safety standards and we provide equipment, training and knowledge to both our manufacture and administrative teams.

Implementation

We provide Personal Protective Equipment (PPE) for our employees from safety shoes to protective glasses. It is our intention that our employees are safe and effective and thus we provide the best available equipment for every task. We upgraded our office equipment so it is easily adjustable to suit the needs of our employees and provided training and information on how to use it properly. In addition we conduct regular annual questionnaires to ensure everything is in working order. All our employees have access to annual occupational health at work assessment and are also entitled to a free eye test and issued safety glasses accordingly.

Annual appraisal is given to every employee reviewing past year and wage reviews take place when required.

It is also clearly stated in our Ethical Policy that ITL employ staff on the basis of their suitability for the position, as follows:

“ITL employ staff bridging the age gap from 16 to 70 years of age, do not discriminate in any way and will not work with companies that do. We employ people not on the basis of their sex, creed, race or beliefs, but on the basis of their suitability for the position required”.

Measurement of Outcomes

We are officially certified in compliance with OHSAS 18001 Health and Safety Management standards. Employees' health is our main priority and we do everything we can to prevent any accident on our premises, especially on our manufacturing floor. We have warning signs in place, walking paths highlighted and we issue every employee with safety shoes to avoid slipping. We also stress to our employees the importance of following safety rules and encourage them to warn each other when something is amiss.

In case of accident we conduct an investigation and create a report to prevent reoccurrence in the future.

Below are accident statistics from 2015

	2018	2017	2016	2015
Fatal accidents	0	0	0	0
Over 3 days injuries	0	0	1	0
Over 7 days injuries (RIDDOR)	0	0	0	1
Prohibition Notices	0	0	0	0
Dangerous occurrences (RIDDOR)	0	0	0	0
Minor Injuries	5	8	7	3
Avg number of employees	30	30	28	25

Environment

Assessment, Policy and Goals

As a company we recognise the importance, promise and usefulness of environmentally friendly technology. We have a written environmental policy in place which is freely accessible on the company website. The environmental impact of our production is mainly connected with materials used, transport and packing of our goods. We encourage our all stakeholders to minimise their adverse impacts on environment as much as possible and we have our own policies in place to minimise our environmental footprint.

Implementation

We need to be environmentally friendly on two fronts. In our office we installed double glazed windows to save energy used for heating, we have recycling bins placed throughout the office, and lower our electricity consumption by using energy-saving light tubes.

In our manufacturing area we have installed modern heating equipment and we follow a 3R Philosophy (Reduce, Re-use, Re-cycle) which significantly lowers packaging for our products. We reuse compressed woodchip boxes for transport of our heavy shipments. We encourage the same philosophy throughout our supply chain both up and down. All our employees are also informed about our environmental effort and are required to assist with the successful implementation of our Environmental Policy.

Measurement of Outcomes

Instrument Transformers Limited is committed to minimising any adverse effects on the environment, which may result from its activities, processes or products. As a result of our efforts we are ISO 14001 (Environmental Management System) certified.

ITL has also never been involved in any legal cases or events related to environment. The processes used in our manufacturing process are designed to have as low environmental footprint as possible and we urge our suppliers to do the same.

Anti-corruption

Assessment, Policy and Goals

ITL has a zero-tolerance for any unethical behaviour, be it bribery, corruption or extortion, which is clearly stated in our Ethical Policy, as follows:

“It is our desire at Instrument Transformers Limited (ITL), like that of any business, to make a profit. We do believe however, that in fulfilling this aim, Honesty & Integrity in all our business dealings is fundamental to the reputation of the company, by incorporating appropriate ethical behaviour from all ITL employees ensuring continued business success.”

Our Ethical Policy expands on every topic related to unethical behaviour and it is communicated to all our employees through a copy of the document and induction into its use.

Implementation

We hold an open door policy to ensure that any employee has access to any of the company directors in case they suspect any breaches of our Ethical Policy or other violation. Employees who speak up will not be held responsible and we will make all proper efforts to protect the confidentiality of employees who do raise concerns. Any attempt to deter such individual from raising concerns will be treated as a serious disciplinary offense.

Measurement of Outcomes

Instrument Transformers Limited has not been involved in any legal cases, rulings or other events related to corruption and bribery.