



# ENVIRONMENTAL SOCIAL GOVERNANCE

2021 REPORT

Dialight  
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# INTRODUCTION

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## LETTER FROM THE CEO

It gives me great pleasure to introduce Dialight's first ESG Report. With the industrial world accounting for 32% of global carbon emissions, and as the world leader in industrial and hazardous lighting, we regard the transition to net zero carbon as both an opportunity and obligation to help drive meaningful change in the industrial sector.

For 50 years Dialight has been solely focussed on environmentally friendly LED technology, introducing market-leading innovations to ensure the safety and well-being of people working in harsh and hazardous industrial applications. We are actively working to accelerate the industrial evolution to greener solutions through our cutting-edge technology and bringing the first fully recyclable product to the market. We as a company are committed to being net zero by 2040.

### Fariyal Khanbabi

Group Chief Executive



People are at the heart of our business. It is through our remarkable people that we created the Dialight Foundation in 2020, a non-profit arm of our company dedicated to helping the communities we operate within. The overwhelming support from our employees around the world has made a meaningful difference in the lives of so many and we look forward to continuing to build on this initiative.

Creating a safer, cleaner, healthier future for everyone is the foundation of our approach to ESG. We are focussed on ensuring that we can continue to serve our markets in a sustainable way over the long term. Our products are well positioned to play a positive role in society, addressing issues which are fundamental to human wellbeing, are long term in nature, and of global reach: ensuring safety in industrial environments while addressing key environmental challenges.

Now is the time to safeguard the future of our planet and help our industrial customers with solutions that reduce their carbon impact while also protecting human lives.

***Our unwavering focus continues to be on the increasing needs of our customers to enhance safety, reduce energy costs and support the transition to net zero carbon.***

Sincerely,



Fariyal Khanbabi, Dialight Group CEO



## PRODUCTS THAT SAVE LIVES & ENERGY

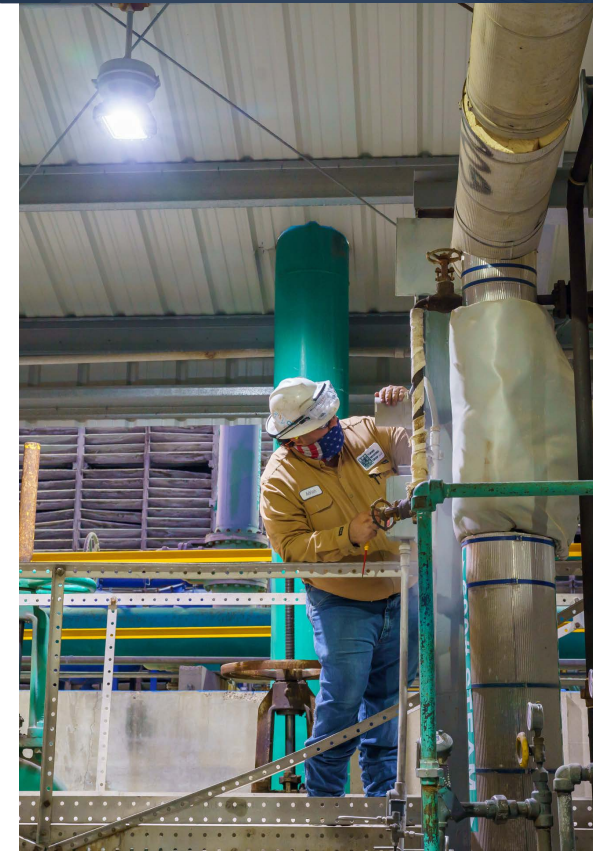
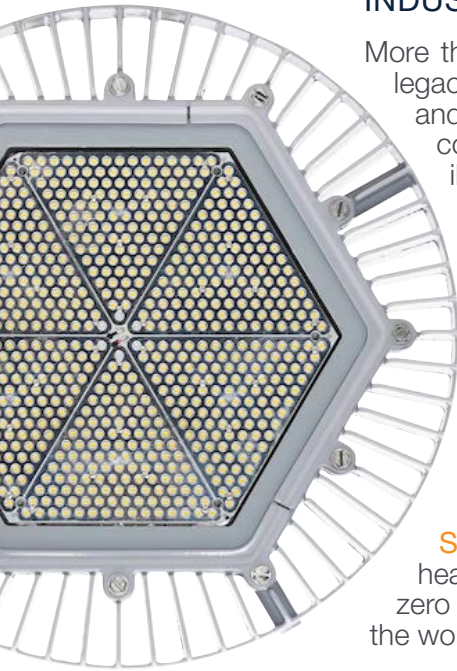
### INDUSTRIAL LIGHTING

More than 80% of the industrial world still relies on antiquated, inefficient legacy lighting technologies including High Pressure Sodium, Fluorescent and Metal Halide which require frequent maintenance or replacement, contain hazardous materials such as mercury, and offer sub-optimal illumination to safely perform tasks.

At Dialight, we see a world where heavy industry can be transformed to be safer, more productive and environmentally friendly through illumination. Dialight is the global leader in industrial and hazardous LED lighting technology with millions of fixtures installed worldwide.

Our deep understanding of the harsh environments that our customers operate within best positions us to help meet their needs. Our fixtures are engineered and tested specifically for longevity in these conditions.

**SAFETY, SUSTAINABILITY & SAVINGS** have always been at the heart of our business. We work to help our customers reach their net zero goals, while also safeguarding the people and processes that keep the world moving.



### SIGNALS & COMPONENTS

Our Signals & Components products are used in some of the most important equipment on the front lines in the fight against COVID-19. Throughout the pandemic, Dialight has reliably supplied our high-efficiency LED panel-mount indicators to ventilator manufacturers, enabling them to provide life-saving healthcare technologies at a pivotal time in world history.



### OBSTRUCTION

Our Obstruction lighting products are used on a variety of telecom and broadcast towers as well as chimneys at industrial sites to help alert nearby aircraft of these structures. As with our industrial lighting solutions, our Obstruction products are designed for longevity to reduce the need for dangerous maintenance at high elevation.

## CASE STUDY

### OQ CHEMICALS: BISHOP, TEXAS

OQ Chemicals, global producer of over 70 oxo chemical solvent products used in coatings, lubricants, sunscreens, cosmetics, printing inks and more put a strong emphasis on operational efficiency and sustainability. As part of their program, OQ investigated lighting as an opportunity to save energy and costs at their Bishop, TX facility. The existing array of various fixture types presented the challenge of overwhelming maintenance. Not only did it require procuring and storing an extremely wide range of delicate bulbs and replacement parts, but it was a never-ending chore that very often required crews to erect scaffolding, sometimes just to reach a single fixture. That process turned a simple bulb change into a day-and-a-half long affair—for each fixture.

Over the past 7 years, the Bishop facility has retrofitted over 300 fixtures with Dialight LED flood lights, area lights, linears, and high bays. Dialight's fixtures provide a safer, more resilient lighting solution compared to the delicate fluorescents. Aside from the hard costs of material procurement, OQ have also saved a substantial amount in labor expenses, estimating over \$50,000 in annual maintenance savings. With OQ's emphasis on sustainability, the energy savings of converting to LED have also been a key benefit. With per-fixture consumption at least 60% lower than conventional HPS fixtures, OQ estimate the company is saving about 500,000 kWh in electricity each year which equates to a significant CO2 reduction.

***“We haven’t had to relamp a single light in almost seven years, and haven’t had a single Dialight fixture fail. LED lighting is the future of safe, efficient industrial lighting and Dialight is at the top of the class.”***

- Marcus Rubio, Senior Instrument & Electrical Specialist,  
OQ Chemicals, Bishop, Texas



\$50,000 annual maintenance savings



500,000 kWh in annual electricity savings



CLICK HERE  
FOR THE VIDEO

## CASE STUDY

### RUBIS TERMINAL: ROTTERDAM, THE NETHERLANDS

France-based Rubis Group, the fifth largest independent operator in Europe, operate 14 downstream petroleum and chemical facilities. When it developed its new terminal facility in Rotterdam, Rubis aimed to bring online one of the world's most operationally and energy efficient facilities of its kind. At Rubis' other terminals, fluorescent linear and flood lights were inefficient making them unacceptable for the new zero emissions facility and they also make it difficult for staff to perform their work without the use of temporary, portable lights. Ongoing maintenance is a challenge. Workers must build scaffolding and work at high elevation, in teams of two, with portable lighting. Vibration from equipment takes a heavy toll on the fixtures, causing frequent failures, so maintenance is an on-going process. The goals were to reduce total energy consumption, maximize lighting efficiency, improve sustainability and safety, reduce maintenance demand and lower total operating cost. Due to the harbour location, Dark Sky-compliant lighting is a must.

Due to upgrading to Dialight's next-generation LED fixtures, Rubis expect to reduce energy lighting consumption, along with the greenhouse gases produced as a result, at the new facility by 60% compared to conventional lighting. They also expect to save €100,000 per year on maintenance, multiplying the annual savings. Dialight's fixtures provide a much higher CRI and quality of light compared to conventional fixtures to ensure clarity and visibility for workers, creating a safe and welcoming environment for everyone at the site. Energy and maintenance savings are expected to generate a payback period of less than four years, creating a substantial ROI. The outstanding efficiency and sustainability of the fixtures allow the company to meet annual governmental energy audit requirements, and achieve their goal of operating a zero-emissions facility. The project has been so successful, the company plans to expand the project to retrofit existing terminals with new, state-of-the-art Dialight LED products.

***“We’ve been extremely pleased with the Dialight products. They not only give us the high efficiency and low emissions we needed to meet our specifications, but they also give our facility a modern, safe and vibrant look, which our staff and customers both appreciate.”***

- Arthur Wrana, E/I & A Supervisor



Saved €100,000 per year on maintenance



Reduced energy lighting consumption by 60%

## OUR APPROACH TO ESG





# COMMITTED TO MAKING A DIFFERENCE

We are proud to have an active role in creating a safer, greener, more inclusive future for all in the industrial sector.



**DIALIGHT  
FOUNDATION**



## GREEN ECONOMY INDEX

The Green Economy Index recognises London-listed companies and funds that derive more than 50% of their revenues from products and services that are contributing the environmental objectives such as climate change mitigation and adaptation, waste and pollution reduction, and the circular economy.



## SCIENCE BASED TARGETS

The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) which allows companies to set science-based emissions reduction targets. Dialight has submitted our commitment to being net zero by 2040 and are developing our roadmap to achieve this goal.



## ECOVADIS

EcoVadis is the world's largest and most trusted provider of business sustainability ratings. The EcoVadis Rating covers a broad range of non-financial management systems including Environmental, Labor & Human Rights, Ethics and Sustainable Procurement impacts. Each company is rated on the material issues as they pertain to their company's size, location and industry. Dialight's updated EcoVadis rating is expected by end of 2021.



## CLEAN LIGHTING COALITION

The Clean Lighting Coalition (CLIC) is a global campaign to leverage expert knowledge and clean lighting stakeholders to transition global markets to safe, cost-effective, and energy-saving LED lighting through the removal of fluorescent lamp exemptions in the Minamata Convention on Mercury.



## EPD

An Environmental Product Declaration (EPD) is an independently verified and registered document that communicates transparent and comparable information about the environmental impact of products in a credible way.



## WOMEN'S EARTH ALLIANCE

Women's Earth Alliance (WEA) is a 15-year global initiative that trains, resources and catalyzes grassroots women-led efforts to protect our environment and build healthy, safe, and just communities now and into the future.



## CARBON DISCLOSURE PROJECT

CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Dialight's new CDP rating is expected by end of 2021.

# ENVIRONMENTAL



## WE DELIVER SUSTAINABILITY THROUGH OUR TOTAL COMMITMENT TO LONG-LASTING, RISK-REDUCING, ENVIRONMENTALLY-FRIENDLY LED TECHNOLOGY.

LED lighting provides significant energy savings and reduction in carbon emissions. We are dedicated solely to environmentally friendly LED lighting with 50 years of LED-only expertise.

### WHY LED?



*Most Efficient Light on the Market*



*Fewer Carbon Emissions*



*Lower Total Cost of Ownership*



*No Mercury*



*Advanced Controls Enabled*



*Instant On/Off*



**Clean  
Lighting  
Coalition**

We are proud to be part of the Clean Lighting Coalition. For over 50 years we have been focussed exclusively on developing LED lighting technology for industrial applications. In addition to being the most efficient white light available, LEDs also do not contain any harmful mercury which can be highly toxic in the event of bulb and ballast breakage. The Clean Lighting Coalition (CLC) aim to leverage expert knowledge and clean lighting stakeholders to transition global markets to safe, cost-effective, and energy-saving LED lighting by removing the exemption for fluorescents in the Minamata Convention on Mercury.



CLICK HERE  
FOR THE VIDEO

## SUSTAINABLE PRODUCT DESIGN

Our highly efficient products have a lifespan double that of many other LED competitor products and up to 5X longer than legacy lighting technologies, reducing landfill waste through longer product replacement cycles. Additionally, our products do not contain any mercury or other toxic materials requiring hazardous disposal. As we continue to evolve, our focus is on designing for sustainability.



*Long  
Life*



*Reduced  
Waste*



*Non-Toxic  
Materials*



*High Efficiency  
Performance*



*Increased  
Recyclability*



*Reduced  
Carbon Emissions*



We continue to invest in innovation and are pushing boundaries in pursuit of a fully recyclable fixture-- revolutionising the way industrial lighting is designed, and doing so with the planet in mind. We are rethinking every aspect of our products from material science and supply chain to product assembly to end of life. Part of this analysis includes conducting Environmental Product Declaration (EPD) evaluations for each of our major product lines to identify the carbon footprint of materials used in our products. This information has already informed our material choices for our next generation of products.

# UNDERSTANDING THE CARBON FOOTPRINT OF OUR PRODUCTS AND MATERIALS



We are currently one of the only industrial LED lighting companies certifying our products using EN 15804 with independently verified Environmental Product Declarations (EPDs). We started by preparing an EPD for our Vigilant Bulkhead, launched in 2020, and are currently in the process of externally certifying all of our major products. EPDs are externally verified and registered to transparently communicate information on the environmental impact of the production of the product. This allows customers to buy with confidence, knowing their investment will help achieve environmental mandates and corporate sustainability goals in a measurable way. In addition to providing tangible metrics for our customers, the EPD process has also directly helped inform material science strategies for our new product development program. We are also working with our supply chain to identify opportunities to reduce waste at source as well as recycling opportunities.



## MARKET LEADING INNOVATION

In 2021 we leveraged our expertise to push the boundaries of product performance while also putting a priority on reducing carbon and material waste.



### Redesigned Vigilant® High Output High Bay

- 30% reduction in weight and 60% reduction in height
- At just under 48lbs (22 kilos) fewer installers are required
- Up to 71,000 lumens of output for mounting heights of up to 100' (30m)



CLICK HERE  
FOR THE VIDEO

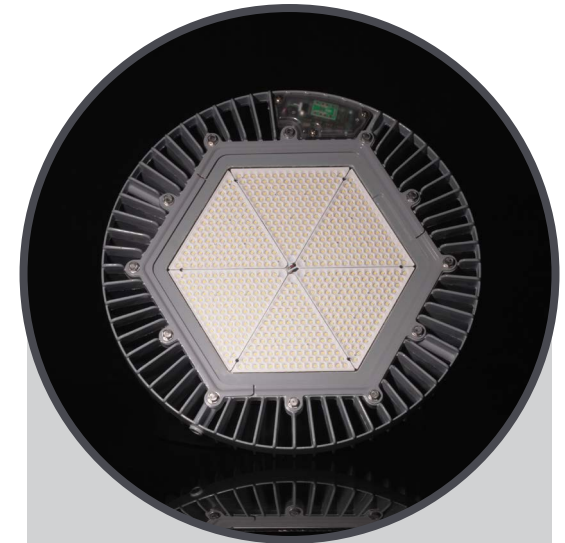


### All New ProSite Floodlight

- Chipscale LEDs and unique molded optics offer powerful output in a small package
- Modular design scales to the needs of a facility
- Wiring accessibility offers future-upgradeability



CLICK HERE  
FOR THE VIDEO



### Ultra-Efficient Vigilant® High Bay

- At up to 200 LPW, it is the most efficient heavy industrial high bay on the market and nearly 30% more efficient than the prior model
- Offers faster payback: up to 1 year sooner vs. legacy model
- New adjustable range microwave occupancy sensor offers superior sensing for industrial facilities



CLICK HERE  
FOR THE VIDEO

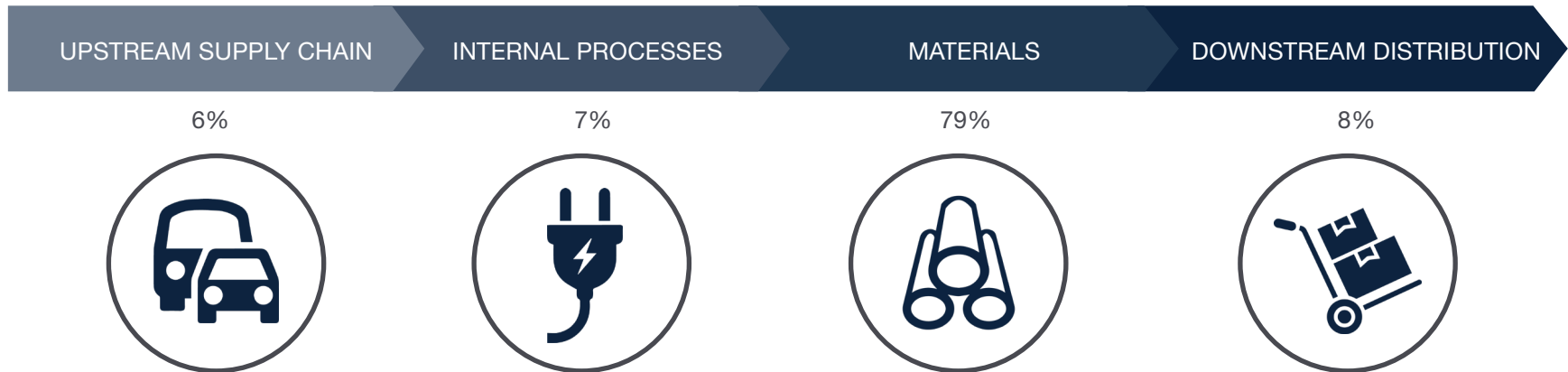
## DIALIGHT'S CARBON FOOTPRINT

To understand the full CO<sub>2</sub>e impact of the Group, we carried out a full Green House Gas (GHG) inventory of the business for 2020, calculated using ISO 14064. The comprehensive evaluation includes Scope 1, 2, and 3 emissions and has been verified by an independent 3rd party (BSI Group). The analysis encompassed: materials used, upstream supply chain, production, corporate overhead, downstream distribution and end of life. The analysis does not include either the CO<sub>2</sub>e impact of lights in use by the customer or the CO<sub>2</sub>e savings from switching to LED.

### TOTAL FOOTPRINT OF 129K TONNES OF CO<sub>2</sub>E BASED ON PRODUCTION IN 2020\*

*\*Excluding the impact of lights in use by customers*

The biggest impacts are from materials used (electronics and aluminium), supply chain, and internal processes.



### NET ZERO

We have committed to being Net Zero by 2040 and have formalised that commitment with the Science Based Targets initiative (SBTi) in 2021. We will be formulating targets in line with the requirements of the recent guidance issued in the SBTi Corporate Net-Zero Standard. It will cover all Scope 3 emissions including the impact of usage by customers.

**LEGACY LIGHTING**

2,400k tonnes

**DIALIGHT LED LIGHTING**

900k tonnes

## CARBON IMPACT OF LEGACY LIGHTING USAGE VS. LED

Lighting by its nature, consumes energy in order to perform its required task. Therefore, when looking at net zero targets, the usage of the lighting itself poses a challenge in achieving net zero until the de-carbonisation of the grid progresses. What is important to consider here is the relative impact of Dialight LED lighting systems vs. other legacy lighting technologies that are commonly used in the industrial sector. If the customers that bought Dialight LED lighting in 2020 had retained their legacy lights the total carbon emissions would have been 2,400k tonnes\*. As a comparison, highly efficient, long-lasting Dialight LED lighting that they have purchased uses 900k tonnes. That is a savings of 1,500k tonnes, which translates to a carbon payback of 10 months and a lifetime benefit of 12x. Despite this significant improvement, we continue to push boundaries by re-evaluating the materials used in our products to minimise carbon impact and continue to maximise energy efficiency and usable lifespan.

*\*Based on internal calculations of the impact of lighting products sold in 2020 and the estimated impact of the fixtures they replaced.*



## AREAS OF FOCUS TO ACHIEVE NET ZERO

As an organization, we are committed to becoming net zero by 2040. In 2021, we established 5 core focus areas to anchor our plan that address our greatest environmental impacts. In the coming year, we will announce targets for each and publicly report our progress against these.



### DESIGN FOR CIRCULARITY

We are carefully considering every aspect of our product design, including: component materials, performance, production processes, fixture lifespan and end of life impact. Not only are we making meaningful strides in these areas, we are also putting a focus on transparent reporting of materials and carbon impact.



### LOCALISE SUPPLY CHAIN

Global sourcing of components not only adds complexity to materials planning, but the carbon emitted from long-range transport related to upstream supply chain is among Dialight's largest carbon impacts. We will be aggressively targeting this area with a dedicated task force.



### MOVE TO GREENER LOGISTICS

Transport of finished goods to customers by road and air is a significant contributor to our total carbon footprint. As more providers embrace renewable energy powered fleets, we will request and prioritise these means of transport.



### RETHINK ENERGY USAGE

Energy efficiency is central to our value proposition as well as our commitment to becoming net zero. Our factories already feature Dialight's highly efficient LED lighting, and now our focus is on converting those sites to renewable energy. Starting in 2022 we will be installing solar panels at our Roxboro, NC facility. For our rented office spaces, we are moving to more energy efficient solutions including use of LED lighting and modern HVAC systems. In 2022, we will begin upgrading our Farmingdale, NJ North American headquarters offices to LED lighting.



### RESPONSIBLY MANAGE USE OF NATURAL RESOURCES

In our day to day lives both inside and outside of the office there are opportunities to prioritise conservation and either use less or switch to more sustainable materials. As a corporation we will be holistically evaluating our use of paper products for day-to-day office supplies, collateral, and product packaging and pursuing more sustainable solutions where possible.

**SOCIAL**

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## OUR EMPLOYEES & CULTURE

We view talent, culture, and communications as strategic growth enablers. We are committed to ensuring that we have an inclusive and diverse culture across the Group which reflects the communities we operate in, as well as providing an environment where all our people are able to reach their potential. Different expertise and experiences contribute positively to Dialight's development and support a broader and better basis for decision making. Dialight strives for diversity on a broad basis including gender, age, background, education, disability and nationality (within the constraints of our regulatory requirements). As a business, we are committed to meeting, at a minimum, the labour rights and legislation requirements in each country in which we operate. In practice, we often exceed these requirements. We have a number of formal and informal groups around the business which support and connect people with shared interests. The Group makes no distinction between disabled and able-bodied persons in recruitment, employment and training, career development and promotion, provided that any disability does not make the particular employment impractical or impossible under the stringent regulatory requirements under which Dialight operates. We ensure that any external bodies we work with for the provision of support have diverse candidate pools and attraction approaches that are open to all suitably qualified individuals.

# BLAZING THE TRAIL FOR GENDER EQUALITY IN THE INDUSTRIAL SECTOR

The heavy industrial world is not often associated with women, and despite progress being made over time, women in leadership positions are still few and far between. Dialight is fortunate to not only have a female CEO but also a female chair of the board, both with extensive knowledge of the industrial space and a deep desire to make the sector accessible for all. Additionally, we are incredibly proud to be among the only publicly listed companies on the London Stock Exchange with a gender balanced board.



**FARIYAL KHANBABI**

“As a female executive in the heavy industrial world, I am committed to ensuring that opportunities exist for women to thrive in this industry as it continues to evolve.”



**KAREN OLIVER**

“As chair of Dialight’s board, we pride ourselves on setting the example with gender parity starting with the board level and instilling the values of diversity and representation throughout the group.”



## MANUFACTURING INSTITUTE STEP AHEAD AWARDS

Dialight CEO, Fariyal Khanbabi was honoured at the Manufacturing Institute’s STEP Ahead Awards Gala on November 4, 2021 in Washington, D.C. as one of the esteemed honorees across the manufacturing sector for her leadership during the pandemic and her efforts with Dialight Foundation. STEP Ahead Award Honorees and Emerging Leaders have accomplished success within their companies and have proven to be leaders in the industry as a whole.

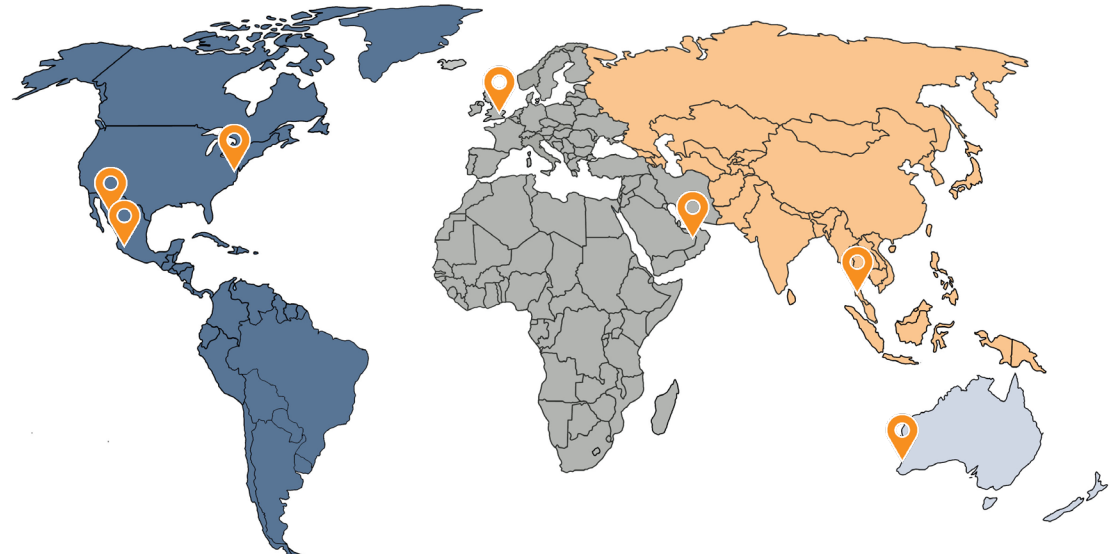


## GLOBAL FOOTPRINT, LOCAL FOCUS

Dialight supports a global customer base with offices around the world. Diverse employees representing a wide range of cultures and perspectives help make us who we are. We have had a long-term presence in many of our operating locations which creates socio-economic value and we are proud to be a longstanding employer in the communities in which we operate. As an example, our primary manufacturing location for the Americas has been in Ensenada, Mexico since 2001. Likewise, our Roxboro, NC facility is one of the largest employers in the area and has been in existence since 1985. The largest operational footprints are in Mexico – plants in Ensenada and Tijuana employing 1,100 staff on average, Malaysia – a plant in Penang employing 170 staff on average, in the US – an operational plant in North Carolina with approximately 65 employees and a large administrative and R&D center in New Jersey employing approximately 80 staff.

*In Mexico and Malaysia we have local management and the workforce is predominantly local as well. We contribute to the local economies through:*

- Wages and salaries
- Employment taxes
- Corporate taxes
- Using localized supply chain, where possible



## DIALIGHT FOUNDATION

We recognise that Dialight has an important role to play in our local community. COVID-19 has resulted in unprecedented hardship especially in some areas where we have facilities. In these challenging times, it is not just about Dialight being a good employer but about giving back to the communities in which we operate. In order to facilitate this, the Dialight Foundation was formed in June 2020. Our mission is to transform the lives of people in need in our local communities, with a focus on supporting children and women's causes. It is governed by the Dialight Foundation Board, comprised of employees from around the globe. This group was carefully selected to bring diverse perspectives based on a variety of job functions, cultural backgrounds and charitable expertise. This group serves as the representatives for each of the locations where we conduct business and their surrounding communities.



## DIALIGHT FOUNDATION

### FEATURED FOUNDATION PROJECTS



**DIALIGHT  
FOUNDATION**



#### CASA HOGAR EL REINO DE LOS NIÑOS

- Ensenada, MX
- Home to 36 children ages 3-23
- Provided new beds and sofas for facility and a meal + gifts for the Christmas holiday
- Providing new solar powered water heater



#### CASA GABRIEL

- Ensenada, MX
- Home to 19 children with special needs
- Provided new commercial refrigerator for their kitchen



#### PERSON COUNTY ELEMENTARY SCHOOLS

- Roxboro, NC
- 2 lower income elementary schools
- In preparation for return to in-person learning, Dialight Foundation provided 70 backpacks filled with schools supplies for the students.



## PARTNERSHIP WITH WOMEN'S EARTH ALLIANCE

In celebration of Dialight's 50th year of LED-only innovation, the Dialight Foundation provided a \$25,000 donation to the Women's Earth Alliance as the sole sponsor of their COVID and Climate Relief Program in Tijuana, Mexico. One of our manufacturing facilities is in Tijuana, Mexico which is close to the Mexico/US border. 2021 has been especially hard on this area considering the impacts of COVID-19 as well as an influx of vulnerable asylum seekers looking to cross the border. It was important for us to support our local community during this particularly challenging time. Working with local grassroots organization, Espacio Migrante, Dialight's donation was able to directly provide food and information to thousands of vulnerable asylum seekers. Additionally, our donation has provided comprehensive support for 67 people so far consisting of food, shelter, and legal services.

### ABOUT WEA

Women's Earth Alliance (WEA) is a 15-year global initiative that trains, resources and catalyzes grassroots women-led efforts to protect our environment and build healthy, safe, and just communities now and into the future.



# wea

WOMEN'S EARTH ALLIANCE



## CORPORATE CITIZENSHIP

Dialight's Executive Team spends the day volunteering at Fulfill, the Foodbank of Monmouth and Ocean Counties near Dialight's Farmingdale, NJ office to help support Fulfill's efforts to combat local food insecurity. This was the first time in almost a year that the majority of the executive team was able to convene face-to-face in our NJ office. In spite of an aggressive schedule of meetings and business needs to tend to, they made it a priority to demonstrate just how important it is to take the time to help others.



We recognize that as a business we have social, cultural, and environmental responsibilities in our local communities. In addition to the efforts of the Dialight Foundation, all Dialight employees are encouraged to get involved in our local communities through paid Volunteer Time Off each year. Through this program, our teams have been able to share their time and talents with numerous meaningful causes worldwide.

**1 PAID DAY OF VOLUNTEER TIME OFF EACH YEAR**

# OCCUPATIONAL HEALTH & SAFETY

*OUR GOAL IS ZERO HARM. NOT AS A STATISTICAL TARGET, BUT AS A MORAL IMPERATIVE WHICH WILL BE ACHIEVED BY ESTABLISHING A STRONG, PROACTIVE SAFETY CULTURE*

As the world leader in heavy industrial and hazardous LED lighting, safety is always on our minds. Not only for the customers that we serve, but also for our own employees. We have a strong track record of safety at all of our global sites. The local factories continue to make safety a high priority and address near misses weekly to prevent injury to our workforce.

**0** YEAR-TO-DATE  
**LOST TIME WORK  
ACCIDENTS IN  
2021**

**Dialight** **P.P.E (Personal protective equipment)**  
**OSH Act (Sec 24-1c)**



Cermin mata keselamatan dengan pelindung sisi dikehendaki di sesetengah kawasan kerja



Kasut keselamatan :Mesti di pakai di kawasan kerja yang banyak peralatan yang berat.



Penutup telinga : mesti di pakai di kawasan kerja yang tahap bunyi melebihi 80db.

**Conceptos Básicos** **Dialight**



**Seguridad en el trabajo:** Es el conjunto de acciones que permiten localizar y evaluar riesgos para establecer medidas de contención.



**Riesgo de trabajo:** Son los accidentes y enfermedades a que están expuestos los trabajadores en ejercicio o con motivo del trabajo.



**Accidente de Trabajo:** Toda lesión que sufre una persona a causa o con ocasión de su trabajo y que le produzca lesiones de incapacidad o muerte.



*Excerpts from internal safety training presentations for our factories in Malaysia and Mexico.*

## COVID-19 RESPONSE

Dialight has always sought to operate with a high level of on-site safety. During the pandemic, we enhanced this further and implemented an extensive range of measures to support and ensure our team's safety across our sites. These practical measures include extra screening, reset factory layouts, extra space in amenity areas, reconfigured shift patterns, additional personal protective equipment ('PPE') and temperature checking on entry at all our facilities. Dialight also provided meals and transportation to minimize the pandemic risk to our employees traveling to and from the plants. These actions added to our costs but were critical. We also worked hard on cultural and behavioural commitments to ensure that everybody across the business is focused on keeping people safe and maintaining strict hygiene protocols. Additional occupational health supports have been in place for our colleagues both working onsite and those who are working from home.



# GOVERNANCE

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## OVERVIEW & BOARD STRUCTURE

As a publicly traded company on the London Stock Exchange, we adhere to strict corporate governance practices. Our structure puts a priority on ethical behaviour, transparency and accountability. The Board are committed to developing and monitoring progress against Dialight's ESG strategy and performance with primary oversight in Board Meetings where ESG is a standing agenda item. Additionally, the ESG Committee, which is comprised of Dialight's CEO and functional area VPs, meet on a monthly basis to address ESG in all facets of our business including our ESG roadmap and transition to net zero.



**KAREN  
OLIVER**

BOARD CHAIR



**FARIYAL  
KHANBABI**

GROUP CHIEF  
EXECUTIVE



**GAËLLE  
HOTELLIER**

WORKFORCE  
ENGAGEMENT  
NON-EXECUTIVE  
DIRECTOR



**DAVID  
THOMAS**

SENIOR  
INDEPENDENT  
DIRECTOR



**DAVID  
BLOOD**

NON-EXECUTIVE  
DIRECTOR



**GOTTHARD  
HAUG**

NON-EXECUTIVE  
DIRECTOR

## ETHICS & BUSINESS CONDUCT

Dialight is committed to conducting its business in an ethical and responsible manner at all times, and in full compliance with all applicable laws and regulations. Our Code of Conduct, which sits alongside our Operational Framework, embraces our fundamental values of Safety, Excellence and Innovation. It provides direction to all employees on legal, ethical and risk issues that they may encounter in their day-to-day activities. All employees and all third parties who act on the Group's behalf are required to comply with our standards of behaviour and business conduct, as set out within the Code, and applicable laws and regulations in all of the countries in which we operate.

*We require all our employees and suppliers to act in accordance with our ethical Code of Business Conduct.*

### WE EXPECT OUR EMPLOYEES AND SUPPLIERS:

- To behave professionally, honestly and with integrity at all times
- To avoid situations that involve a conflict between personal interests and those of Dialight
- To avoid deceptive, dishonest or fraudulent acts or omissions
- To ensure that they do not instigate or participate in bribery or corruption
- To avoid instigation or receipt of gifts and hospitality designed to make the recipient feel obligated in a certain way
- To ensure they do not engage with suppliers in countries that are subject to sanctions and embargoes
- To ensure that they do not engage with suppliers that do not adhere to the Anti-Slavery and Human Trafficking legislation
- To ensure that all staff have a safe and secure working environment free from discrimination
- To ensure all staff are paid a fair wage and do not have to work beyond legal requirements

## WHISTLEBLOWING

Our culture embraces transparency and openness, and we encourage all employees to speak up if they have any concerns. We have a whistleblowing policy and associated procedures in place which enable all employees to raise concerns, in confidence, about possible improprieties or wrongdoing within the business, without fear of reprisal or retaliation. Employees are able to raise issues by contacting our 24-hour ethics reporting service (independent third-party service) by phone, email or an external website. All issues reported by employees are taken seriously and investigated appropriately in a confidential manner. During the year we updated our internal procedures for the handling of whistleblowing reports to ensure that all reports made, whether through the external service or through other internal channels, are dealt with in a proper and consistent manner.

**BERANI UNTUK...  
Tampil Bersuara!**

Untuk tampil bersuara dengan yakin, anda boleh...

Berbincang dengan pengurusan anda/ahli pihak pengurusan kanan  
atau panggil/e-mel seseorang daripada pasukan di Safecall.

**1800 220 054**

E-mel: [dialight@safecall.co.uk](mailto:dialight@safecall.co.uk)  
[www.safecall.co.uk/report](http://www.safecall.co.uk/report)

Semua panggilan dianggap sulit oleh Safecall dan anda boleh kekal awanama jika anda ingin.

dengan kerjasama

Posters are displayed in operational & administrative sites in local languages.

## ANTI-BRIBERY & CORRUPTION

We have a zero-tolerance policy with respect to bribery and corruption. This extends to all business dealings and transactions and includes a prohibition on offering or receiving inappropriate gifts or making undue payments to influence the outcome of business dealings. Compliance with the policy is checked as part of the half year and year-end process. Dialight does not make any political donations.

## SUPPLY CHAIN & HUMAN RIGHTS

The Group is committed to respecting human rights in the countries in which we do business. Our Code of Conduct and other applicable policies under the Operational Framework support our commitment to ensuring, as far as we are able, that there is no slavery or human trafficking in any part of our business or in our supply chain. All suppliers are provided with a copy of our Supplier Code of Conduct, which requires them to adhere to our ethical standards and expectations, including in relation to human rights. We do not knowingly support or do business with any suppliers who are involved in slavery. A statement of the Group's compliance with the Modern Slavery Act 2015 can be found on the Group's website at [www.dialight.com](http://www.dialight.com). We fully adhere to all relevant government guidelines designed to ensure that our products are not knowingly incorporated into weapons, or other equipment, used for the purposes of terrorism, international repression or the abuse of human rights.





## SUPPLY CHAIN & CUSTOMER DUE DILIGENCE

All our new customers and vendors must comply with the Dialight Code of Business Conduct.

Due diligence is currently in two parts:

1. Screening prior to on-boarding
2. On-going surveillance using external assurance platforms

We are expanding our on-going due diligence program based on supplier size and risk analysis.

Checks for any negative ESG issues in the public domain



USED FOR  
MATERIALS COMPLIANCE

1. To check whether they contain any harmful substances like heavy metals
2. Compliance with REACH/ RoHS, California Prop 65
3. Human Trafficking
4. Conflict Minerals

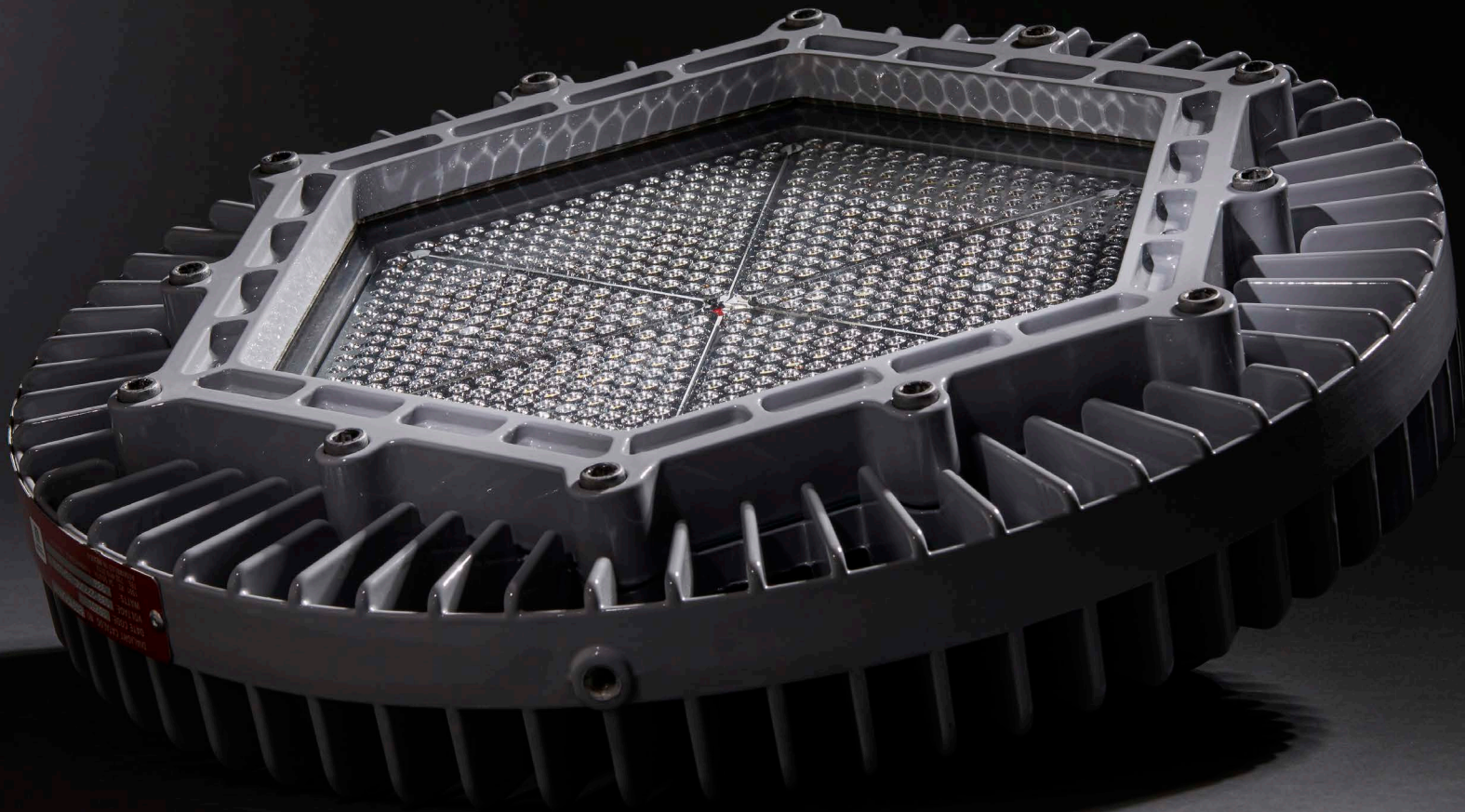
# CLIMATE RELATED RISK ASSESSMENT

In accordance with the Task Force for Climate-Related Financial Disclosures (TCFD) requirements, the Group is conducting a Climate Risk Assessment and scenario planning for a variety of potential climate outcomes over the time-frame of our net zero commitment and beyond which will be included in our 2021 Annual Financial Results report. These include the physical risks from weather and natural disaster events as well as transitional risks such as technology availability or consumer demand changes. All business risks are reviewed by the Risk Committee with specific climate related inputs from the ESG Committee.



# FRAMEWORKS

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## SASB INDEX

### Compliance with the requirements of the Sustainability Accounting Standards Board (SASB) for 2020 and 2019.

The following table sets out the disclosures we are currently able to report under the sector specific standard for Electronic Manufacturing Services. Not all of the sector disclosures are relevant to Dialight and those considered non-relevant are excluded.

*\*LED lighting does not contain substances requiring hazardous disposal. During the manufacturing process certain residues are created, for example, industrial alcohol that has been used to clean all fixtures, some remnants from the painting process and soldering waste. We have used the Resource Conservation and Recovery Act (RCRA) compliance monitoring guidelines of the Environmental Protection Agency (EPA) in the USA to classify this waste. All of this waste is collected by registered environmental waste contractors. They have not confirmed that any can be recycled.*

### SASB Compliance Table

Topic	Accounting Metric	Type	UOM	2020	2019	Code
Water Management	Volume of water withdrawn	Quantitative	m3 (000's)	14,600	12,100	TC-ES-140a.1
	Volume of water consumed	Quantitative	m3 (000's)	13,140	10,890	TC-ES-140a.1
	% of both in areas of high water stress	Quantitative	%	60%	53%	TC-ES-140a.1
Waste Management*	Quantity of hazardous waste from manufacturing	Quantitative	Tonnes	8.4	9.1	TC-ES-150a.1
	% of hazardous waste from manufacturing recycled	Quantitative	%	0%	0%	TC-ES-150a.1
Labor Practises	Number of work stoppages	Quantitative	Number	0	0	TC-ES-310a.1
	Total number of days idle	Quantitative	Days	0	0	TC-ES-310a.1
Labour Conditions	Total Recordable Incident* Rate (TRIR) - Direct Employees (per 200,000 hours worked)	Quantitative	Rate	0.1	0.1	TC-ES-320a.1
Labour Conditions	Near Miss Frequency Rate (NMFR) - Direct Employees (per 200,000 hours worked)	Quantitative	Rate	17.5	25.7	TC-ES-320a.1
Product Lifecycle Management	Weight of EOL products and e-waste recovered	The industrial LED lighting sector is in its infancy and we have ramped up our sales over the past decade. The product lifecycle for most of these is at least 10 years so we are not yet seeing any volume of EOL.				TC-ES-410a.1
Product Lifecycle Management	% of EOL products and e-waste recycled					TC-ES-410a.1
Material Sourcing	Description of the management of risks around critical materials	D&A	We have been minimising the use of sole suppliers over the past few years as well as introducing more commonality of parts in new products. In common with many industries, the impact of COVID-19 on supply chains has caused us some issues but we are working through these as they arise.			TC-ES-440a.1

Topic	Activity Metric	Type	UOM	2020	2019	Code
Facilities	Number of manufacturing facilities	Quantitative	Number	4	4	TC-ES-000.A
Facilities	Area of manufacturing facilities	Quantitative	Sq Feet	369,000	369,000	TC-ES-000.B
Employees	Number of employees	Quantitative	Number	1,614	1,801	TC-ES-000.C

# THE FUTURE IS BRIGHT

We believe that lighting has a critical role to play in helping businesses become net zero. We'll keep leading the way, creating products and systems that make a positive, visible difference in the most demanding industrial and hazardous environments.

 [CLICK HERE FOR DIALIGHT'S CORPORATE SUSTAINABILITY VIDEO](#)

# ENVIRONMENTAL SOCIAL GOVERNANCE

2021 REPORT



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