

Sustainability report 2013–2014

NOVEMBER 2015



EXCELLENT LIGHTING, SAVING ENERGY

SUSTAINABILITY REPORT 2013-2014

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1 FOREWORD



This is ETAP's fourth sustainability report. Just as the previous reports it describes ETAP's sustainability vision and the concrete actions we took in 2013 and 2014 in order to implement this vision.

Our sustainability vision has not changed. It helps us for that matter to keep our business on course.

The economic crisis has not yet been "worked out". The building sector has been hugely affected by the crisis in the past few years and we feel the serious aftermath in the lighting sector.

At the same time the lighting sector is a sector in full flux: the switch from fluorescent to LED lighting requires major investments in new products, training (of all staff as well as customers), infrastructure and production.

Innovation is, just like sustainability, one of ETAP's core values and ambitions. But innovation also means "change", and hence "tension".

Thanks to the combination of both values, innovation as well as sustainability, in these fascinating and exciting times of change and uncertainty we also try to provide continuity.

In this report we provide you with insight into what we did well and what we did not do as well. We consciously take a vulnerable position, but we remain convinced that a critical view of our performance, by ourselves and by our stakeholders – is the best way forward.

A handwritten signature in blue ink, consisting of a large, stylized 'C' followed by a horizontal line and a vertical line extending downwards.

Christ'l Joris
President of the Board

IN THE SPOTLIGHT | SUSTAINABILITY IN THE GENES

The trunk of an old lime tree can be found on ETAP's company premises, next to the showroom. A tree with history as it graced the garden of Baron Philippe Gillès de Pélichy, ETAP's cofounder and shareholder. It was during dozens of meetings in the shade of this tree that ETAP's foundation and future took shape in the late 1940s.

When Baron de Pélichy passed away, Norbert Joris, ETAP's founder and honorary chairman, wrote: 'He was a venture capitalist avant la lettre. He considered entrepreneurship, which to him implied 'creating jobs', to be an important social obligation. The ETAP Group's companies are the expression of this concern and conviction.'

More than 60 years later corporate social responsibility is still firmly implanted in ETAP's genes and this lime tree is its powerful symbol.

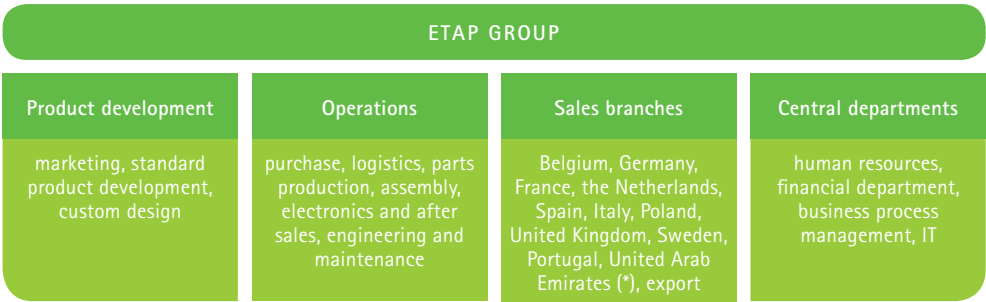
The ETAP Group was founded in Antwerp in 1949 and its registered office is located in Malle. We provide professional lighting systems for offices, factories, warehouses, schools, public buildings, rest homes, hospitals, shops and hotels. We have our own sales teams in Europe and the United Arab Emirates, and our export department supplies other markets across the world.

ETAP develops all-in-one lighting solutions: we create lighting concepts, design, industrialise and manufacture luminaires, offer advice and make lighting designs, supply the luminaires on time and provide an after-sales service. In this context, our strapline 'Excellent Lighting, Saving Energy' is always our guiding principle: we provide high-quality as well as energy-efficient lighting. We do not confine ourselves to functional lighting but also supply emergency lighting and light control systems. By following up the entire process ourselves, we are in a position to guarantee nothing but the highest quality every step of the way. As a result of continual investment of 6 to 7 % of turnover per year, ETAP maintains constant product refinement and technical innovation year in year out, maintaining ETAP's prestigious position in the world lighting market.

The ETAP Group is made up of the following legal entities: ETAP NV in Belgium, ETAP BV in the Netherlands, ETAP SA and ALTER SAS in France. Furthermore, ETAP NV has a 50% participation in ETAP.SCHRÉDER – Iluminação Interior, Lda in Portugal and a majority participation in ETAP Belysning AB in Sweden.

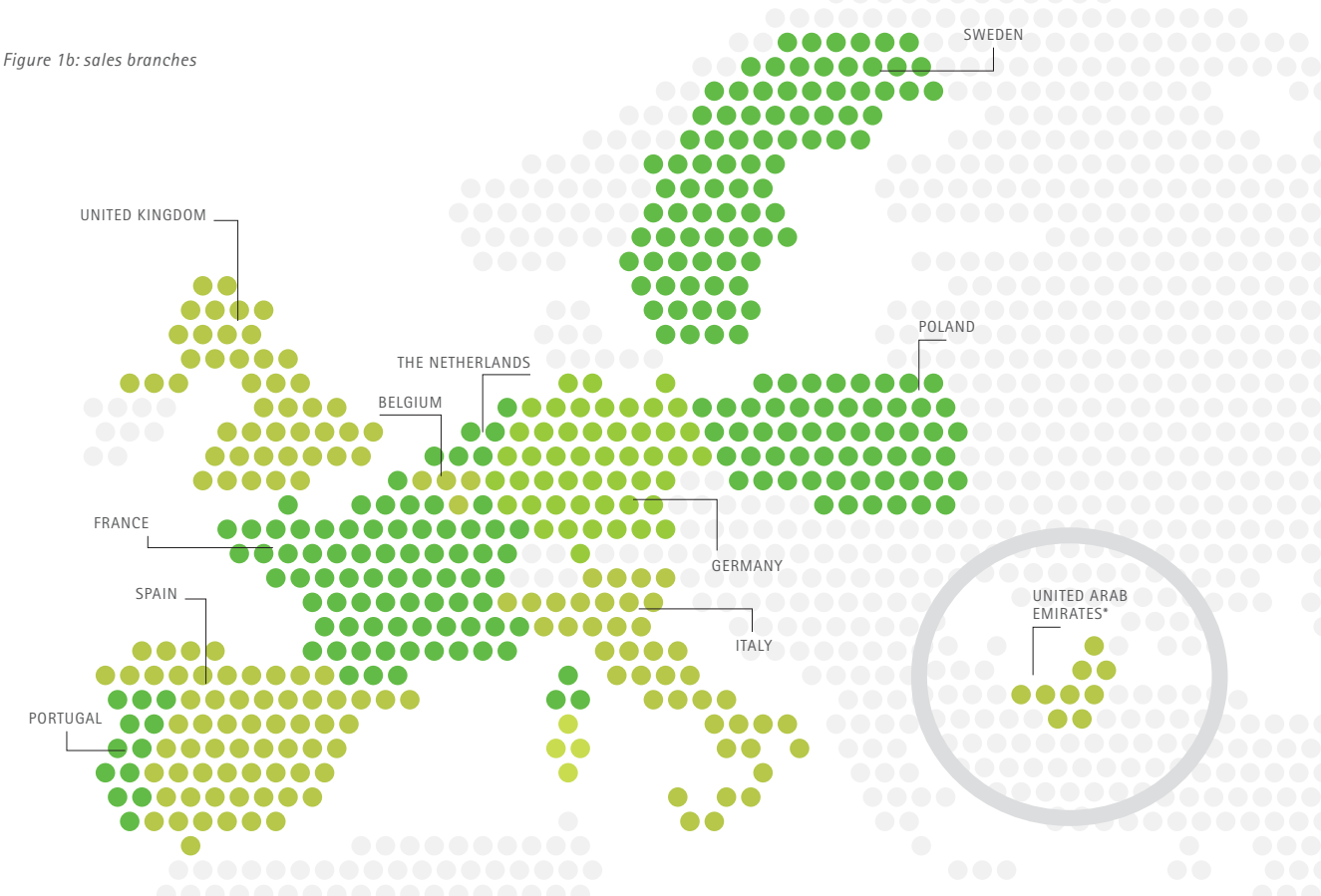
ETAP NV has branches in the following countries: Germany, the United Kingdom, Spain, Italy, Poland and the United Arab Emirates (*).

Figure 1a: organisation chart of the company

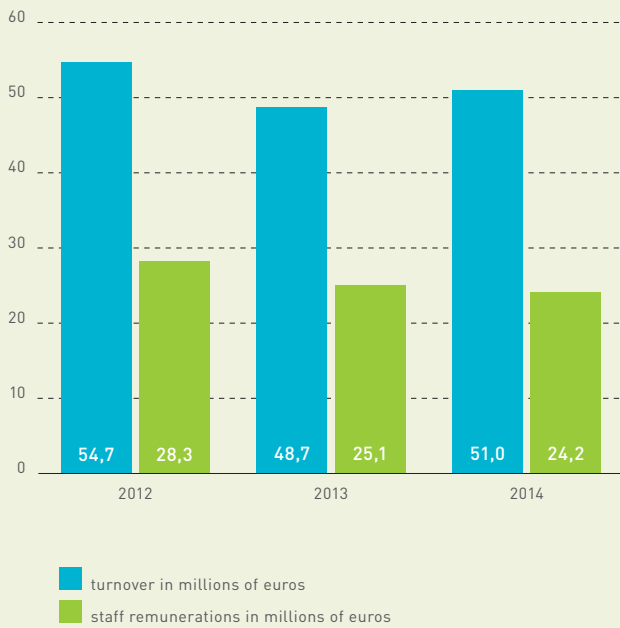


* Since early 2015 sales activities in the United Arab Emirates have been handled by the export department.

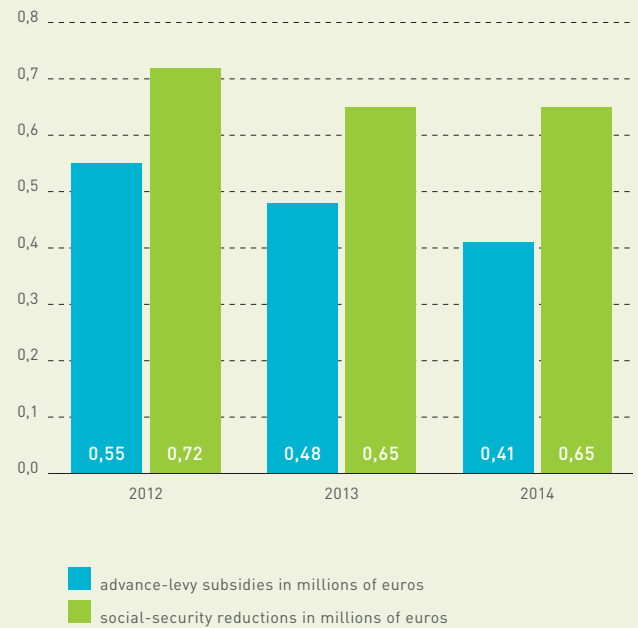
Figure 1b: sales branches



Graph 1: turnover and staff remunerations 2012–2014



Graph 2: financial support from the government



Sales

As a result of the persistent weak economic situation, turnover has further declined in 2013. In order to safeguard the company's future, management took a number of cost-saving measures, including the implementation of a hiring freeze and 35 job cuts.

Thanks to a full order book at the end of 2013 turnover increased by more than 4% in 2014. The year got off to a difficult start but in the second half year we recorded a considerable increase in activities. Market conditions nonetheless remained challenging.

Financial government support

The financial support ETAP received from the government during the reporting period included employment premiums, subsidies from the Agency for Innovation through Science and Technology (IWT) and subsidies for ecological investments (REG bonus). ETAP was granted government subsidies as part of advance levies for shift work, overtime, the employment of development researchers and an inter-professional subsidy. Aside from a structural reduction in social security contributions, reductions were also granted for more mature employees and the long-term unemployed, workers from reorganisations, young people under 18 and as part of first-job agreements. All the figures in this sustainability report are consolidated figures which apply to the entire ETAP Group.

Sound corporate governance

A sound corporate-governance system is vital for ETAP's long-term development. This implies a solid assignment of responsibilities at various levels: the general assembly, the board of directors, the Chief Executive Officer, the executive committee, and the business units and central staff services managers. A set of internal regulations ensures that all these responsibilities are clearly demarcated.

- » The board of directors seats 6 members, of whom 3 are external directors, and meets 6 times a year. The external board members are elected based on complementarity in terms of the skills, experience and knowledge ETAP needs.
- » The Chief Executive Officer reports back to the President of the board of directors at regular intervals. The President sets the agenda for the board meetings and sees to it that the directors receive timely, accurate and clear information.
- » Under the direction of its President, the board of directors regularly evaluates its size, composition, performance and interaction with the executive committee.
- » The board of directors is responsible for the company's general policy. It approves the strategic plans and budgets the executive committee presents and evaluates the performance within the framework of those strategic plans and budgets.
- » The board of directors delegates the day-to-day administration to the executive committee save for any of the tasks that are by law reserved for the board of directors or any responsibilities the board of directors has assigned to itself according internal regulations.
- » The executive committee seats 5 members and has been composed in such a way that it can inform the board of directors about all fields of activities, aspects of operational management and the evolution of the financial results. The executive committee is chaired by the Chief Executive Officer. The internal regulations provide for extensive accountability of the executive committee to the board of directors.
- » On a regular basis, the executive committee, in consultation with the board of directors, assesses the risks and determines to what extent measures and/or provisions should be taken/made.
- » The accounts of all the ETAP branches are audited by an internationally renowned firm of auditors.
- » The company pays its directors and the members of the executive committee fairly and in a well-considered manner.
- » ETAP forms part of a group of companies that is 100% family-owned. On the occasion of the annual report to the shareholders about the Group's performance, the shareholders organise a meeting and an exchange of information with the ETAP board of directors and executive committee. In addition shareholders strived – outside of formal legal obligations – to regularly meet with the board of directors and the management committee.
- » During 2004, the shareholders drew up a family charter in which they described the family group's code of conduct, standards, values and objectives. In 2012 this charter's review was initiated with a significant contribution by the future generation of young shareholders.
- » The top three values the shareholders wish to see in ETAP and its management are: continuity, innovation & creativity and a sense of responsibility. Other important topics are: the leading role of non-family members in the family company, career opportunities and the remuneration rules for shareholders, their partners and children, the transparency of the shareholding, the shareholders' financial expectations for the company, but especially an undertaking in terms of training and educating the next generation of shareholders. Also the rules regarding any conflict that may arise between the company and the shareholders have been described.



3 SUSTAINABILITY IN THE CORE PROCESSES

IN THE SPOTLIGHT | LEDS EVERYWHERE

The development and production of energy-efficient lighting solutions is at the core of ETAP's corporate processes and is included in our strapline: Excellent lighting, saving energy. It goes without saying that we aim to set a good example in our company premises. That is why we have replaced fluorescent lighting with LED luminaires, primarily industrial lines in the production halls and in the warehouses.

As a company, ETAP strives for long-term sustainable development. In that light, we maintain a healthy balance between economic returns, social values and commitment to the world we live in.

Ever since its foundation, ETAP has made sustainability and care for the environment part of its mission. On the one hand, a sustainability charter was drawn up as a general guideline on the basis of this mission, on the other hand it was translated into a practical management vision of how we deal with the various relevant topics, which provides our managers with a concrete framework for their actions.

Since the development and production centre is located in Malle, initiatives and decisions involving sustainability are mainly handled by the Belgian management.

Since 2013 we have also strived to convert this sustainability into a long-term vision focused on decreasing ETAP's impact on the environment. This long-term vision is formulated in the strategic plan, which is updated every three years.

Sustainability management approach

1. Economic sustainability

De management approach for the company's economic development is driven by the vision of the shareholders, who strive for the sustainable return on their investments whereby the continuity of business is the most important mainspring. In consultation with shareholders the following has been agreed:

- 1 % of results before taxes goes to the Gillés Foundation (see page 35);
- 80% of results after taxes will be reinvested in ETAP and its growth;
- 20% is paid to shareholders.

Our production activity in Belgium is embedded in local society. We strive to create jobs locally, thereby boosting economic growth in the region. For our international sales activities we rely on local staff in order to guarantee our ties with the local community.

THE ETAP SUSTAINABILITY CHARTER

1. In Sustainable development shall be taken into consideration throughout our decision processes.
 2. In all corporate aspects, we shall work honestly and with integrity.
 3. In our business management we strive to reduce our impact on the environment. More specifically, we endeavour to reduce our ecological footprint.
 4. We develop products geared towards maximum energy efficiency that are easy to recycle and process when they have come to the end of their lifecycle.
 5. Via internal training and programmes we encourage our staff to act in an environmentally friendly and responsible manner.
 6. We support independent initiatives on the environment and also assist our clients in this respect.
 7. We donate a portion of our profits to projects that can further the development of local communities.
 8. We report on our efforts in accordance with the guidelines of the Global Reporting Initiative (GRI).
- The values of the sustainability charter are the responsibility of each ETAP employee. However, in order to identify corporate social responsibility within the company, a member of the management committee is in charge of implementing the principles and intentions.

2. Environment

We aim to reduce the environmental impact in each of the three phases of our products' life cycle, i.e., production, energy consumption during the use and processing at the end of the life time. We promote this by certifying our procedures in compliance with EN14001 and by applying life cycle analyses to our products. We conduct a purchasing policy that must encourage our suppliers to also take new initiatives in this area.

3. Social working conditions

In terms of working conditions, ETAP endeavours to do more than just comply with legal provisions. First and foremost, and especially with respect to legislation in the countries in which ETAP is active and United Nations international labour standards. Secondly, with respect to permanent extra training, established in collective agreements within the Belgian industry. In order to have a correct picture of what goes on among our employees we pay a lot of attention to the right consultative bodies. In addition, we organise satisfaction surveys among staff at regular intervals.

4. Human rights

ETAP satisfies United Nations international labour legislation. Through its purchasing policy ETAP also requests its suppliers to meet these standards, in particular with respect to child labour and forced labour. As regards its own activities, the HR department employs mediators who can be contacted if employees feel discriminated against or are being harassed. Discrimination on the basis of gender, religion or race is not tolerated at ETAP.

5. Contribution to or impact on society

ETAP conducts a strict anti-corruption policy. The financial department screens all expenses and is duty-bound to report any suspicion of fraud to the board of directors. ETAP does not finance any political parties or politicians. ETAP applies the "four eyes" principle, which means that each expense is to be approved by a second individual. ETAP is actively involved in associations within the lighting industry and contributes to outlining policy in collaboration with other members.

6. Product responsibility

All our products come with the legally required information. ETAP strives for the improvement of the design of new products in view of their impact on health and safety. All products are certified externally in compliance with legal safety requirements.

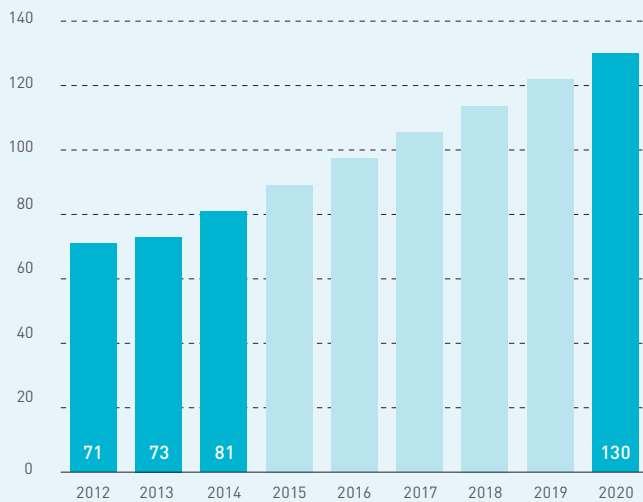
Every two years, ETAP conducts a survey among its customers of which the results are disseminated within the organisation. The management committee ensures that each department takes suitable measures within its area of activities.

7. Purchasing policy

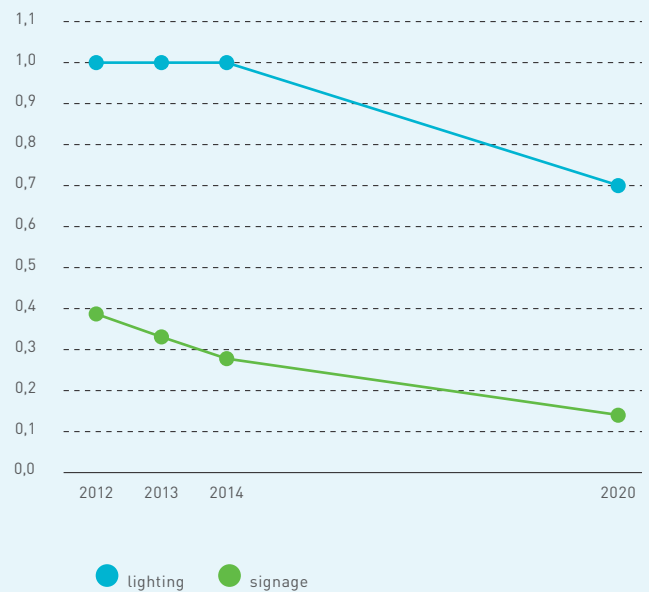
ETAP chooses its suppliers on the basis of objective criteria such as quality, price, technology and environmental impact. To the best of our ability we make suggestions and request input from our suppliers to implement improvements to their sustainability performance. We endeavour to use small-scale and local suppliers in our purchasing policy in order to support the local economy.

In the following sections you can read how ETAP has implemented this approach in 2013 and 2014.

Graph 3: luminous efficacy luminaires



Graph 4: energy consumption emergency lighting



Environmental goals 2020

In this sustainability report we aim to more than just map out our performance over the past few years. We have also defined environmental goals in the long term: where will we stand in 2020 and what are the most important driving forces to get there?

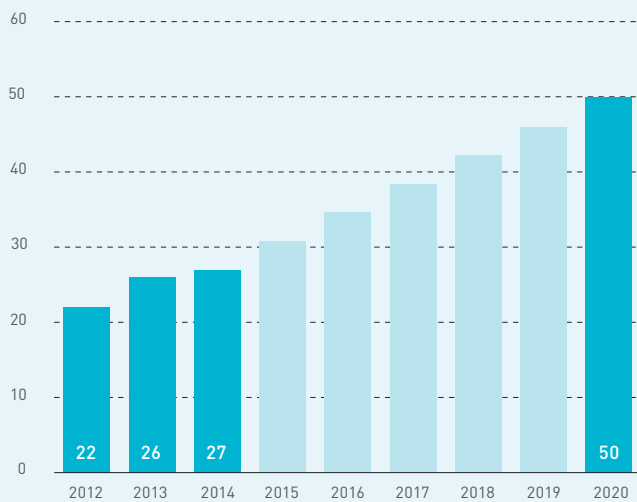
Our lighting solutions' energy use

The average efficiency of luminaires has evolved from 70.69 lm/W in 2012 to 80.61 lm/W in 2014. This improvement can be attributed to the breakthrough of LEDs as a light source and to the intensive thermal and optical design of the luminaires. In 2020 we expect an average efficiency of 130 lm/W, nearly 50% higher than in 2014 (*graphic 3*). This expectation is based on a full switch to LEDs as a light source. The efficiency of the LEDs themselves will further increase, albeit not as fast as in the past five years.

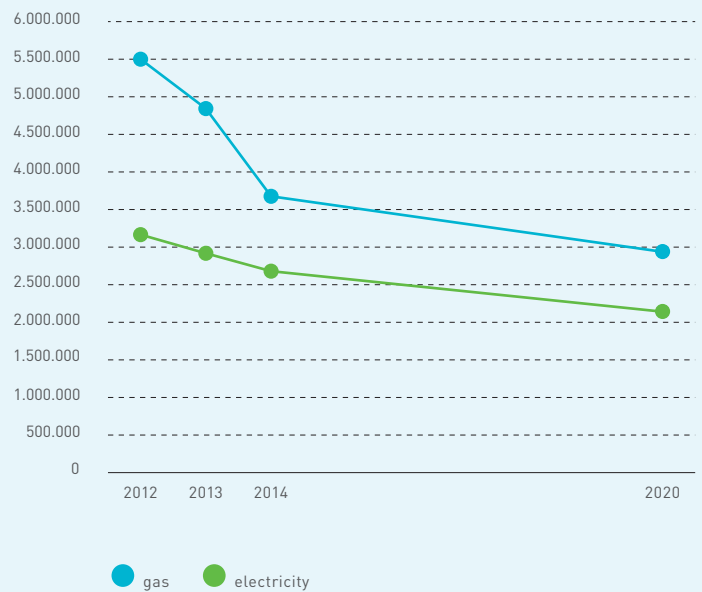
Average energy consumption of emergency lighting installations (excluding signage lighting) evolved from 0.38 to 0.28 kWh per m² per year over the period 2012-2014. For 2020 we expect an average energy consumption of 0.14 kWh per m² per year (*graphic 4*). This also means a 50% drop, as a result of a full switch to LEDs. Furthermore we expect a further increase in LED efficiency as well as an improvement in supplies and optics.

The average energy consumption of the completed installations for signage emergency lighting has evolved from 1.22 to 1 kWh per m per year over the period 2010-2014. For 2020 we expect an average energy consumption of 0.7 kWh, a further 30% drop (*graphic 4*). Here too we expect a full switch from fluorescent to LED and an increase in efficiency of LED solutions.

Graph 5: number of luminaires delivered with control system



Graph 6: energy consumption gas and electricity



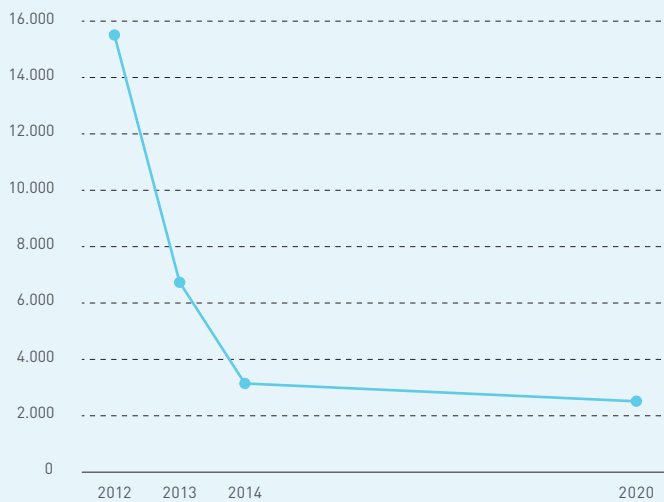
The number of luminaires delivered with a control system keeps on rising. In 2014 we already controlled 27% of delivered luminaires. In the coming years we expect a drop in the number of individual luminaire controllers (such as daylight and motion sensors) and an increase in the number of building management systems. We strive for 50% controlled luminaires by 2020 (*graphic 5*). This expectation is based, among others, on the introduction of Excellum2, an accessible light control system that has been fully developed by ETAP.

Gas and electricity usage (*)

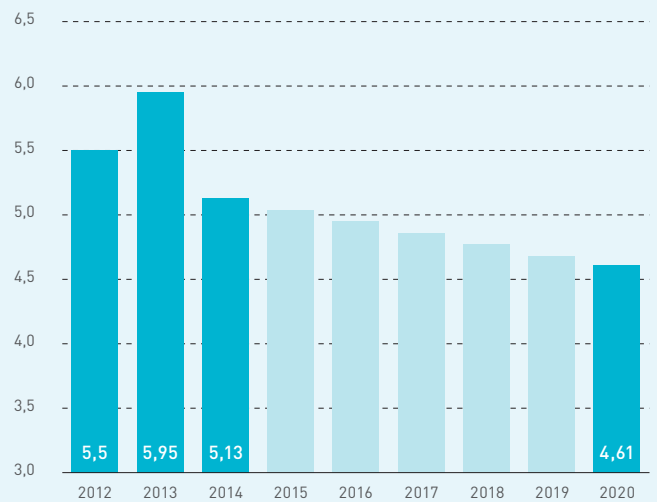
Total energy consumption has dropped by 33% and 22% in the period 2012-2014 for gas and electricity respectively. This improvement is primarily due to the switch to a new lacquering facility, which makes use of the best available technologies. By 2020 we expect a further 20% reduction, for both gas and electricity (*graphic 6*). We aim to achieve this by improving building insulation and by updating the machinery.

(*) Electricity, gas and water consumption depends on the number of manufactured luminaires. The goals shown in the graphics refer to the production in 2014. At verification, we will adjust the figures with the actual production volumes.

Graph 7: mains-water consumption



Graph 8: quantity of waste per fixture



Water consumption (*)

The use of tap water has dramatically decreased in the past few years, from 10,000 m³ in 2012 to 3,000 m³ in 2014. We aim for a further 20% drop by 2020, primarily with the use of rainwater for sanitary purposes (graphic 7).

Waste

In 2014 the Sirris research institute mapped out our material use and the resulting waste streams (see also page 43). This study shows that an integrated approach to design, purchasing and production has the greatest potential for the further reduction of material use and therefore the amount of waste. We assume a 10% drop in the amount of waste per luminaire by 2020 (graphic 8).

The background of the page features a low-angle shot of two hands reaching up to hold a bright, glowing light source, possibly the sun or a powerful lamp, against a clear blue sky. The hands are in silhouette, and the light creates a strong lens flare effect. A yellow banner at the bottom contains text.

4 VISION OF PRODUCT DEVELOPMENT

IN THE SPOTLIGHT | LIGHT CONTROL: ENERGY SAVING AND COMFORT

The demand for light control systems has considerably increased in the past few years, and for good reason. Light control systems lead to energy savings, flexibility and comfort. The rapid advance of LED technology has further enhanced this trend: LEDs experience no negative impact from frequent switching or dimming. In addition, LEDs instantly provide full luminous flux when switched on, contrary to fluorescent lamps, which increases user comfort when entering a space.

The right light quantity in the right place at the right time: this is our vision of efficient light control. Our light control systems dim or switch the lights off where and when possible and only switch on the lights where and when necessary. Ease of use and management are always the focus in this context: since if the system is too complex users give up. ETAP light control systems cover a wide area of applications: from individual light control per luminaire to light control systems for the entire building.

Custom-designing energy-efficient and high-quality lighting solutions for our customers has been our mission since ETAP's inception. The increasing social focus on energy-efficiency and, as a result, more stringent legislation, only confirms our conviction.

Lighting accounts for approximately 20% of total energy consumption worldwide. Depending on the type of building and activity, this share may be as high as 35% or more. In other words, if we strive for energy efficiency lighting has a huge energy saving potential. At that, energy-efficient lighting also cuts down on cooling costs as this form of lighting generates less heat. Greenhouse gas emissions also decrease due to lower energy consumption, which is a must, since in the Kyoto protocol EU countries have agreed that from 2008 to 2012 they would reduce CO₂ emissions 8% below the 1990 level. The Kyoto protocol was extended until 2015 and more stringent standards are in the pipeline.

ETAP aims to play a pioneering role where energy-efficiency is concerned. Our strapline 'Excellent lighting, saving energy' is no empty slogan. Our general and emergency luminaires belong to the most energy-efficient ones on the market. Light control systems contribute considerably to the saving potential.

Apart from being energy-efficient, ETAP solutions:

- provide comfortable lighting in all types of work environments;
- are reliable and made to last;
- contribute to the architecture of the building;
- are tailored to the specific requirements of every client;
- are easy to fit and maintain.

ETAP's concern for quality manifests itself for instance by the fact that we have consistently been ENEC certified. The ENEC label confirms that all prevailing legal standards have been complied with in full. Our vision is underpinned by our own diverse scientific reference material. The combination makes our vision original and lends it intrinsic value.

At ETAP we also actively work within Lighting Europe (European Lighting Federation) and through Agoria we contribute to the formulation of regulations (e.g., the energy performance directive, EPD). We also work with universities and scientific institutes. In 2013 and 2014, ETAP collaborated on the following projects, among others:

- **Secondos** (Smart electro-optical components for the direction of solid-state light), a project for the University of Ghent and the Free University of Brussels involving the application options of liquid crystals as a component for light distribution;
- **iOLED**, a project for the Odisee college of higher education (University of Leuven) involving the application of OLEDs in general lighting;
- The **Tetra-project** 'Impact of daylight control systems on the design and renovation of school buildings' for the Odisee college of higher education (University of Leuven);
- **CycLED**, a research project at Nottingham Trent University involving the sustainable use and re-use of metals in LED components.



R7



E7



LEDA

New products

U7/R7

The U7/R7 series, LED luminaires for general lighting, was expanded by a number of new versions. For application in corridors and sanitary facilities, among others, ETAP developed a compact version (180 x 180 mm) with 4 LEDs for surface and recessed mounting. The R7 comes in a square version (600 x 600 mm), for both surface-mounted and suspended luminaires.

Downlights with LEDs

The downlight range was expanded with LED versions of the D2 (round surface mounted) and D3 (square recessed). In addition, ETAP marketed a second generation D1 downlights (round recessed) with LEDs, which, thanks to the new LED module are 13% more energy-efficient than their predecessors.

E7: LED lighting for large spaces

The E7 series, just as the U7 and R7 makes use of LED+LENS™ technology (high-power LED with individual lenses). Specific applications: industrial halls, warehouses, sports halls, etc. E7 luminaires have a luminous flux of up to 10,000 lumen per metre, which makes them suitable for spaces higher than 10 metres. They are available as individual luminaires and as light lines, in both suspended and surface-mounted versions.

LEDA: light system with LED lamp

The LEDA series is structured around a basic module with diffuser, which can be mounted as a surface-mounted, recessed or suspended luminaire. The suspended modules can be interconnected at several angles in order to create light lines. LEDA uses an LED lamp or LED tube as light source.

K4: emergency lighting with OLED

In 2013 the K4 was the first emergency luminaire on the market with OLED as light source. K4 is a signage series (recessed and surface-mounted) with perfect illumination. The pictogram is not illuminated by an external light source: the organic, light-emitting materials are evenly distributed across the sign's entire surface. Therefore the pictogram itself becomes the light source. The result is a sign without equal in terms of recognition and safety.

A vertical, rectangular lighting fixture with a green illuminated panel and a black frame.

K4 compact

A square, recessed ceiling light fixture with a white, textured diffuser and a black frame.

US-softlights

A circular, recessed ceiling light fixture with a black frame and a white diffuser.

EMD

US: softlights with LEDs

ETAP's US softlights have a light source that is shielded with microprisms and/or diffuser foil, which prevents them from creating glare. This makes them an ideal luminaire for the care sector and office environments. Light is diffused into the space directly through the primary or indirectly through the secondary optics (side reflectors). The result is energy-efficient and comfortable lighting.

EMD multidetector

The ETAP Multidetector comes as an analogue or digital (DALI) sensor. It combines several sensors in a single compact housing. The motion detector dims the lighting or switches it off when it does not distinguish motion within the detection area. The light sensor dims the lighting under the influence of incident daylight. The DALI version of EMD furthermore features an infrared receiver, allowing for the remote control of the illuminance.

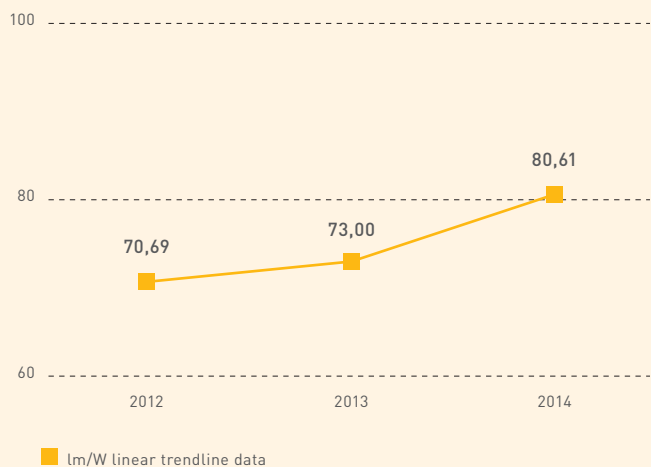
Excellum DALI

In 2013, pending the development of a brand-new light control system, we adjusted the Excellum light control system to the DALI protocol. DALI is a standard protocol for lighting in Europe and is an open protocol; which also allows Excellum to communicate with other systems. Excellum DALI was furthermore given a new, intuitive 3D interface, which makes the management of the system easier.

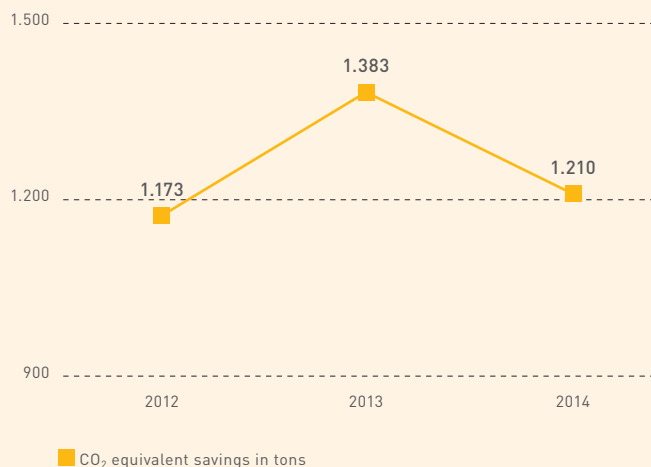
ELS for great heights

ETAP's daylight-dependent light control (ELS) is now also available in a version for high spaces. The adjusted sensor guarantees correct lighting levels for heights up to 20 metres, with an average 25% energy saving. In order to measure the correct lighting level at great heights we adjusted the sensor's range, among others. The new ELS is fitted with an infrared receiver enabling you to easily adjust the sensor's settings using the remote control.

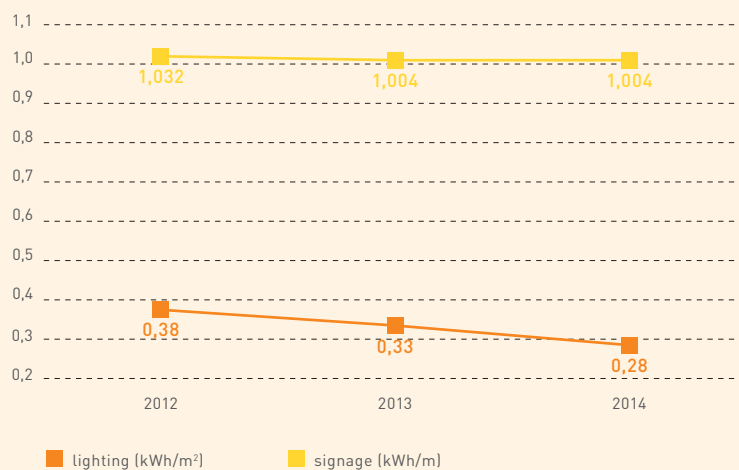
Graph 9: EPP lighting



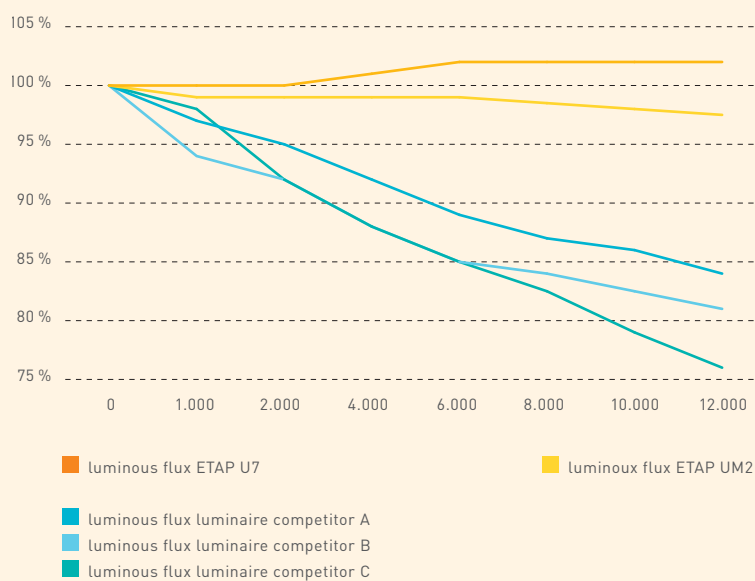
Graph 10: EPP controls



Graph 11: EPP emergency lighting



Graph 12: luminous flux compared to burning hours



Energy performance parameters (EPP)

In order to show how ETAP contributes to energy savings for its customers, three "energy performance parameters" (EPPs) have been developed (*see the adjoining graphic*).

EPP lighting provides the average specific luminous flux (lumen per watt) for the sold luminaires. The higher the specific luminous flux, the less energy is required to achieve a specific light output, and therefore the more energy-efficient a luminaire is. The constant increase in EPP lighting has everything to do with the advance of LED lighting. LEDs have ousted fluorescent lamps as the standard light source for general lighting. The share of LED luminaires in total sales keeps on growing year after year. Furthermore the performance of LEDs is still improving, resulting in the specific luminous flux also further increasing. Thanks to the application of the latest LEDs we can therefore continue to drive up our luminaires' energy-efficiency.

EPP controls represents the savings all our customers combined achieve over a period of one year by pairing our control systems with our luminaires. The parameter is expressed in the number of CO₂ tons saved per year. If we look at the details, we note a rise in savings in 2013 and 2014 due to daylight-dependent control and a drop in savings due to motion detection. As regards savings due to building management systems there was an increase in 2013, but another drop in 2014. A rather scattered image therefore, that is partially explained by market conditions.

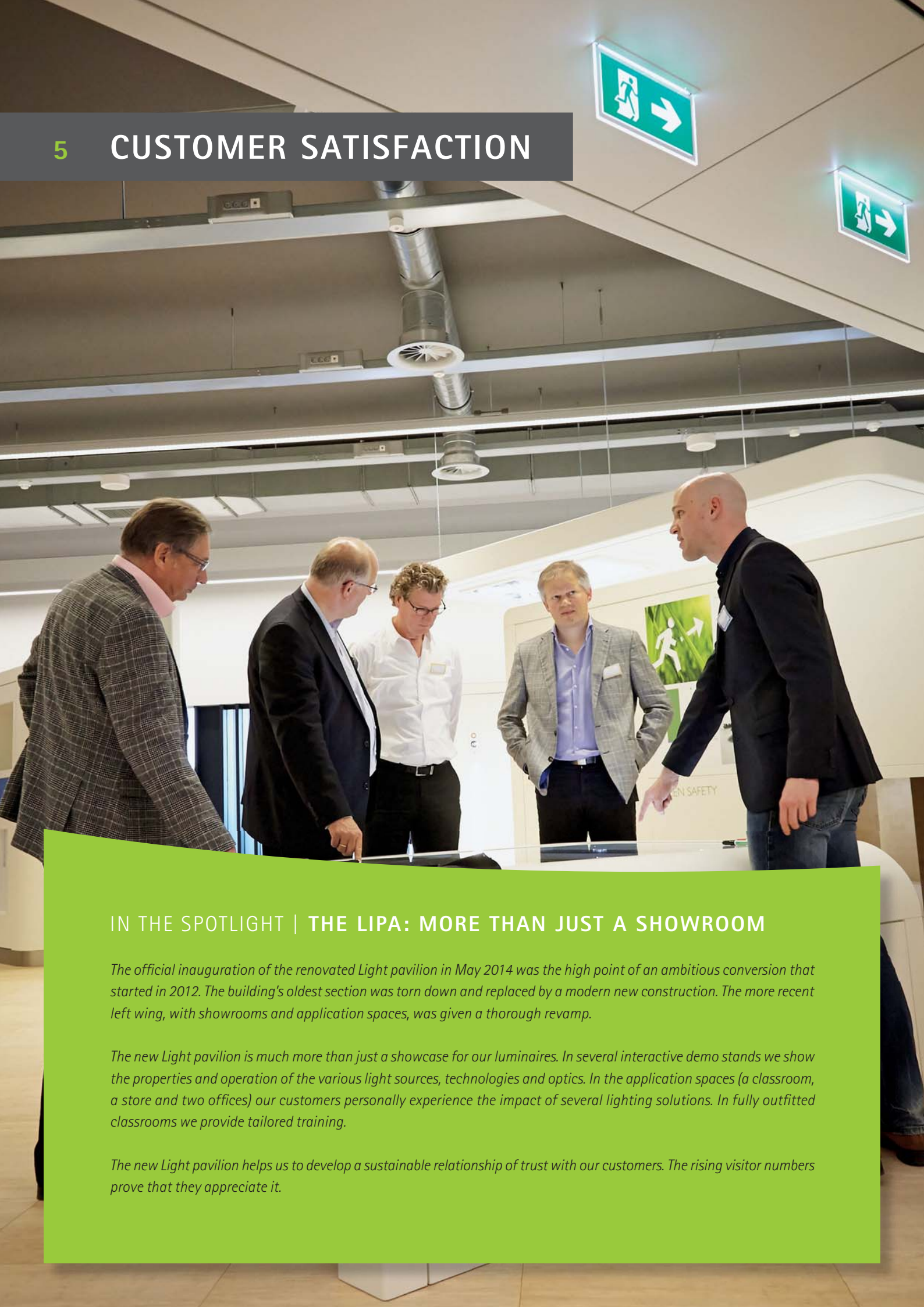
The **EPP emergency luminaire** consists of 2 parts: EPP lighting provides the number of kWh/m² (where m² expresses the number of square metres illuminated by the appliance) used by our luminaires in standby mode. The EPP signage in kWh/m (where m represents the recognition distance) provides consumption for all signage applications we sell. Both figures are compared to the 2007 figure, enabling us to monitor improvement throughout the years. The constant decrease in EPP emergency lighting has to do with the greater share of LED products in our sales. The effect is greater for lighting than for signage.

Obsolescence of luminaires and LLMF

At ETAP we make sure that the loss of luminous flux in our luminaires is also minimised after long-term use. By only using LEDs and drivers of the best quality and by ensuring optimum cooling, we are also successful at it. We express the loss of luminous flux in LLMF (Lamp Lumen Maintenance Factor) after 25,000 and 50,000 burning hours. We publish the LLMF for all our LED luminaires in the product documentation and on our website.

For the calculation of the LLMF our luminaires' luminous flux is measured at a high temperature (accelerated obsolescence) and at room temperature (actual obsolescence). These measurements are taken in our own labs as well as by external parties.

An independent study by the independent research centre Laborelec shows that ETAP LED luminaires U7 and UM2 have a very high LLMF (after accelerated obsolescence of 12,000 burning hours - *graphic 12*). This in contrast with the other luminaires in the study, where a considerable drop was observed.



IN THE SPOTLIGHT | THE LIPA: MORE THAN JUST A SHOWROOM

The official inauguration of the renovated Light pavilion in May 2014 was the high point of an ambitious conversion that started in 2012. The building's oldest section was torn down and replaced by a modern new construction. The more recent left wing, with showrooms and application spaces, was given a thorough revamp.

The new Light pavilion is much more than just a showcase for our luminaires. In several interactive demo stands we show the properties and operation of the various light sources, technologies and optics. In the application spaces (a classroom, a store and two offices) our customers personally experience the impact of several lighting solutions. In fully outfitted classrooms we provide tailored training.

The new Light pavilion helps us to develop a sustainable relationship of trust with our customers. The rising visitor numbers prove that they appreciate it.

At ETAP, client satisfaction takes centre stage. This plays an important role in our strategy. To measure client satisfaction we use both informal and formal tools. We obtain the more informal input from our extensive commercial network: our sales staff are in daily contact with our clients and answer any questions or resolve any minor problems to the best of their ability.

In addition, we also use two formal channels:

- Firstly, our complaints system. Every formal complaint from a client is forwarded to the relevant department and once the problem has been solved the client is given feedback. The manner in which complaints are dealt with has been comprehensively described in the ETAP ISO 9001 quality assurance system. Every year, the board of directors also acquires an overview of any structural complaints that have been received. This is an important tool to fine-tune the organisation where necessary.
- Secondly, we conduct a client survey. This survey is held every 3 years, in function of the strategic planning exercise ETAP conducts. We probe those parameters in which our organisation wishes to excel and where we want to outshine our competitors. This relates to quality and finish, technical performance, innovation and design. The results of this survey are disseminated within the organisation. Each division is responsible for the follow-up of the results within its area of activity. The next satisfaction survey will be held in the second half of 2015.

THE LIGHT PAVILION





IN THE SPOTLIGHT | HAVING LUNCH AT TABLES DESIGNED IN-HOUSE

The canteen is THE place where staff can enjoy their lunch break, away from the job's worries. During the renovation works in 2012-2014, a new, spacious canteen was built in addition to the Light pavilion. This space exudes ETAP's corporate philosophy. The canteen is bright and airy, and brings the outside in with a spacious and sunny terrace. It is also warm as well as modern - and obviously well and comfortably illuminated.

A staff working group helped to design the canteen's layout and to choose the furniture. The tables were designed by product development and manufactured in the factory.

ETAP promotes the active involvement of its personnel. Various aspects play a contributory role in this regard: excellent working conditions, involvement in and responsibility at work, opportunities for self-fulfilment. We measure our performance in this area in a three-yearly satisfaction survey.

Personnel satisfaction is an important mainstay within ETAP's corporate culture. After the 2011 satisfaction survey revealed a number of obstacles, staff was deployed to think of an action plan (Smile@Work), which led to concrete actions after 2012, but also got across a change in culture (*see also the previous sustainability report*). In order to allow for this change in culture a switch from a product-based to a more functional departmental structure was implemented, which has to lead to more clarity and efficiency.

We highlight a number of initiatives.

Competency management for managers

The relationship with their managers is crucial in the employee's feeling of wellbeing. In the broader sense, management's attitude plays a decisive role in corporate culture, which is why a competency matrix for managers was drawn up on the basis of a debate with management.

That matrix includes a description of observable behaviour that we deem desirable for our managers. In addition ETAP supports management by providing an extensive development programme.

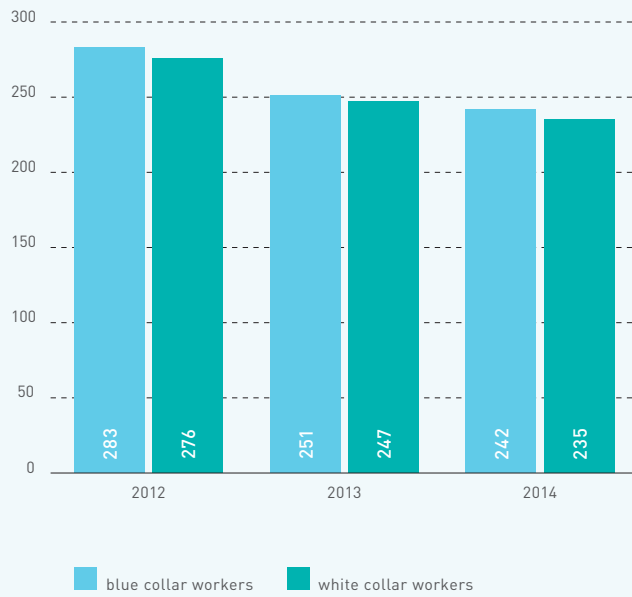
Working across the walls

Areas of tension will be created in every company that develops, produces as well as sells. This is also the case within ETAP. In order to counter 'compartmentalisation' – one of the dangers of a functional structure, a working group was set up between operations and product development. The intention is to start an open dialogue about the strong and weaker points in the collaboration between departments. In addition, the working group promotes mutual understanding. This initiative represents the initial impetus to define and implement actions, across the boundaries of one's own department.

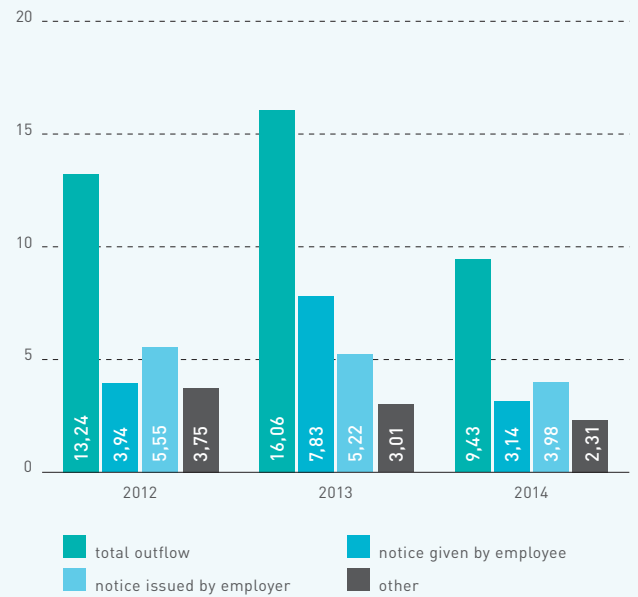
Satisfaction survey 2014

The numbers tell the tale: the results from the Smile@Work-programme were tested in 2014 in a new satisfaction survey among personnel. The results show that we are on the right track, with a significant improvement in general satisfaction. It goes without saying that this is no final destination. The new results led to new action plans, this time tailored to each department.

Graph 13: ETAP population



Graph 14: staff turnover



Facts and figures

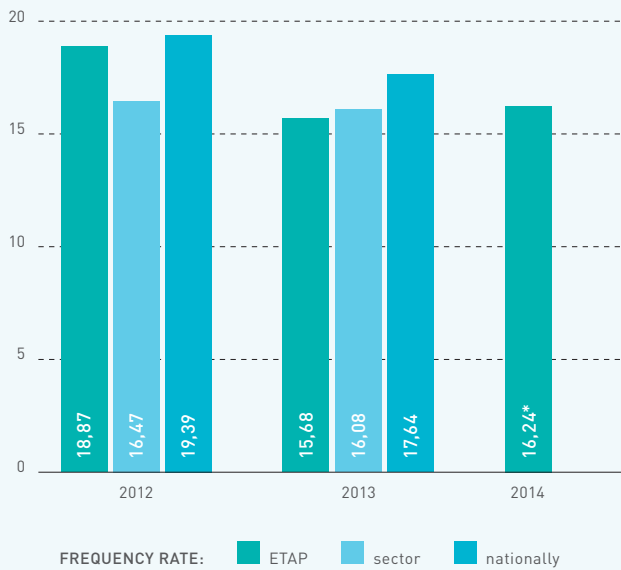
1. Workforce

In 2014, 477 people were employed by the ETAP Group, compared to 498 in 2013 and 559 in 2012. In Belgium the labourers/employees ratio stands at 3:2 ratio. Positions abroad are almost exclusively filled by employees in sales jobs.

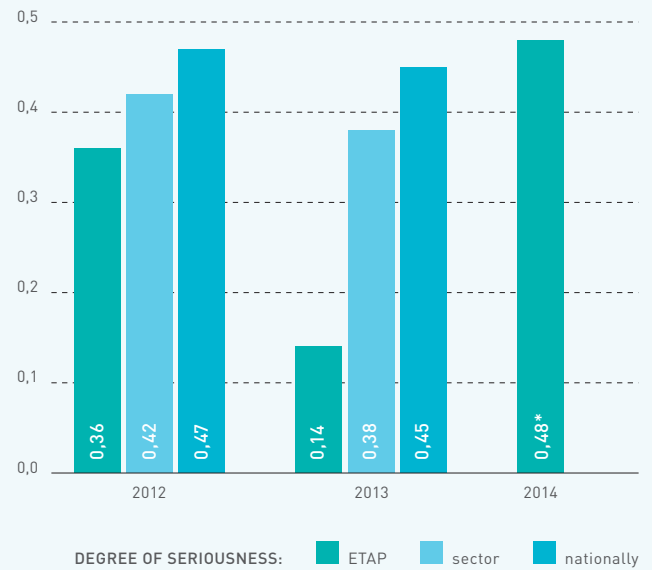
Due to continuing uncertain market conditions, the strict hiring freeze implemented in 2012 was maintained. Vacancies were filled internally (with the exception of sales positions); employees who left the company were not replaced. Unfortunately this was not enough to sufficiently keep labour costs under control. As an additional, extremely painful measure, 26 employees were dismissed in Belgium and 9 employees abroad. As a result we saw a major 10.91% drop in the number of employees in 2013. The further decline in 2014 is primarily due to natural developments.

In addition, other supporting measures also remained in force: internal flexibility when filling vacancies and redistribution of tasks, the option to work less (time credit, leave without pay) and temporary unemployment among staff.

Graph 15 en 16: ETAP work accidents (frequency rate and degree of seriousness)



* national and sector figures for 2014 were not known when this article went to press



* national and sector figures for 2014 were not known when this article went to press

2. Safety

ETAP pays a lot of attention to safety on the shop floor, which is evident from the figures. In 2013 as well as in 2014, 7 industrial accidents took place compared to 10 in 2012 and 21 in 2011. Only production-related accidents were reported.

Graph 15 depicts the frequency rate (number of work accidents x 1,000,000 divided by the number of hours of risk exposure). The seriousness of a work accident is calculated on the basis of the number of calendar days lost (as a result of an accident) multiplied by 1,000 and subsequently divided by the number of hours' risk exposure per year. The significant increase in 2014 is due to one industrial accident resulting in a long-term absence.

Through the annual action plan, CPBW members (Committee for Prevention and Protection in the Workplace) and the prevention advisor took measures to prevent accidents. Within Operations, the Safety Cross was introduced in 2014. Each department ticks a box every day: green (day without accident), yellow (day with accident without absence) or red (day with accident with absence). The aim is to make the safety theme visible within each department and obviously to achieve an accident-free green tick as often as possible.

A few of the other actions over the past two years: regular safety rounds in the departments; toolboxes with safety themes; theme boards in the production departments; updates of machinery instructions.

Graph 17:
ETAP health-related absenteeism, total percentage of hours to be worked



Graph 18:
training efforts as compared to the total number of hours worked, in %



3. Sickness absence

In 2010 we were able to reduce sick leave (absence due to illness or private accidents) to below the 5% boundary and we have subsequently further continued this trend. In 2014 we did see a slight increase compared to 2013. With 4.31% ETAP is nonetheless amply under the national average of 6.3% (Securex figures).

Short absences (< 1 month) remain under the 2% boundary (1.94%). Long absences (illness > 1 month and < 1 year) rose above 2% (2.37%). These figures are respectively a little lower and a little higher than the national average. The positive trend in the increase in zero absenteeism (percentage of employees who were not absent for an entire year due to illness) was not continued in 2014. Zero absenteeism dropped slightly from 45.6% to 44.36%.

It is ETAP's ambition to reduce health-related absenteeism. To this end, in consultation with the social partners, a transparent sickness absence policy was drawn up, back in 2008: a protocol, information to employees (oral and written), external training on absence interviews for managers, agreements with respect to medical control, extensive information on Employees Council – the Committee on Prevention and Protection at Work – trade union meeting and the use of information boards.

Arrangements in terms of health and safety are on the one hand laid down in the form of CAOs with Joint Committees 111 and 209. On the other hand, binding agreements are concluded at Company Council level and/or within the CPBW (Committee for Prevention and Safety at Work). All employees are represented here.

4. Training

In the Belgian 2013–2014 Collective Labour Agreement it was established for blue-collar workers (joint industrial committee 111) and for white-collar workers (joint industrial committee 209) that training efforts are increased from 1.6% in 2013 to 1.7% in 2014. The percentage includes the share of training

in the total working hours on a yearly basis. In 2013 training efforts amounted to 1.73% for blue-collar and 2.62% for white-collar workers. In 2014 the percentage rose to 2.01% for blue-collar and 2.97% for white-collar workers. This puts us, as in previous years, above the nationally agreed objective.

The increase can be partially attributed to the introduction, as of 2013, of departmental meetings and structural team consultations within our organisation. As a result we see a strong increase in training hours in briefings and info sessions. In addition, on-the-job training continues to have an important share in our training efforts.

The training effort compared to the total gross pay practically stayed stable over the past three years: respectively 2.61, 2.56 and 2.81%.

5. Competence management

Across all departments, competences and attitudes are being charted. Figure 2 gives a full picture of this project, including of any ensuing training.

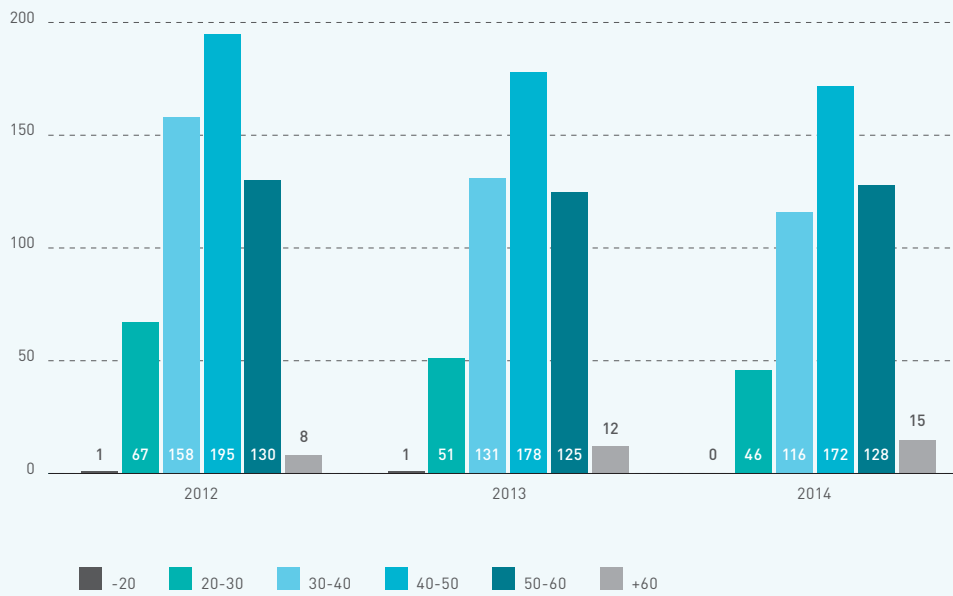
In 2013 the existing training programmes in the various production departments were updated and aligned. Proper initial training is very important to raise the knowledge and involvement of each employee to the correct level from the start of their careers. Basic training consists of initial training in their own department (two weeks) and two joint training sessions on more general ETAP-related subjects, complemented by an information brochure. We conclude each basic training with an assessment after the probation period.

In order to be able to meet specific, individual training or development needs, ETAP has been providing a personal development plan (POP) tailored to the employee since 2014. This is a structural way to help an employee to determine in which areas they wish to further develop. During the trajectory, they are assigned a manager as coach and mentor.

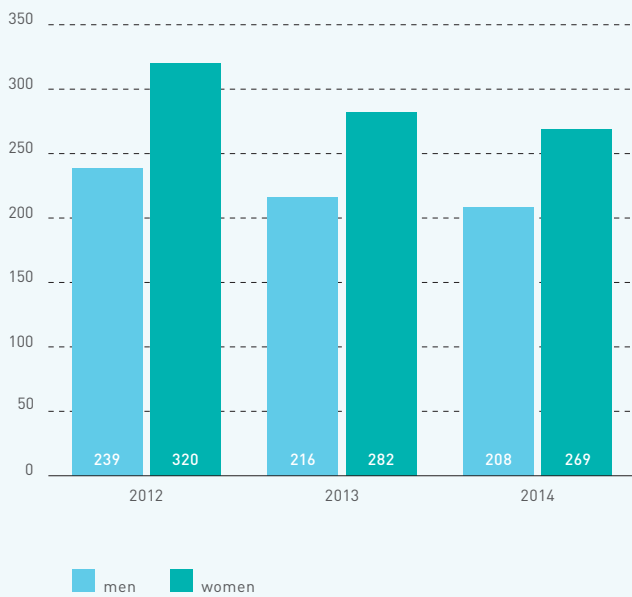
Figure 2: competence management and training

OPERATIONS	PRODUCT DEVELOPMENT	SALES BRANCHES	SHARED SERVICES
Standard training blue collar workers Transport Electricity Safety Training team supervisors Leadership division leaders Transversal cooperation Personal development plan	Basic training sales – initial training Tailor-made technical training Monthly training Product development Electronics for draughtsmen Transversal cooperation Personal development plan	Basic training sales – initial training Basic training sales – in depth training Product launches New demos Training lighting engineers Personal development plan	Tailor-made training Personal development plan

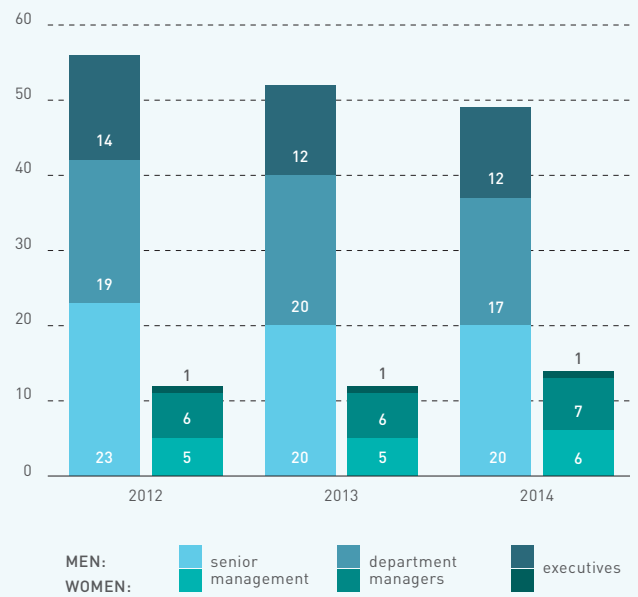
Graph 19: age distribution ETAP staff



Graph 20:
population men/woman



Graph 21:
distribution men/woman – senior management/department managers/executives



ETAP uses the system of performance or appraisal interviews throughout the organisation, whereby ETAP aims to improve the effective functioning of the organisation, to implement good social interaction between employees and promote our staff's development options.

Three elements take centre stage:

- the work process: attention for the tasks and the actual performance;
- the social process: cooperation, work atmosphere and working conditions;
- the development process: arrangements regarding training, growth and long-term development, the setting of new targets.

6. Diversity

ETAP is explicitly open to all cultures and age groups and applies a non-discrimination code. In 2007-2008 a diversity plan was drawn up in collaboration with Resoc-Antwerp. By the end of 2014, 1.7% employees from non-European countries could be found in our population, compared to 2.7% in 2010. Given the drop in the total number of employees, this means an even further decline in absolute numbers. This downward trend can be largely explained by the limited influx of candidates from this target group and a few employment terminations among the current employee group. Should we wish to better reach these groups in the future and thus increase the candidate pool, specific recruitment actions will be necessary. In the area of recruitment, ETAP sticks to the 'no positive discrimination' principle.

7. 50+ policy

In 2014 the total number of employees aged 50 and over amounted to some 30.8% of the population. We see an increase in blue-collar workers over age 50, among white-collar workers on the other hand, we notice a drop (due to natural developments).

Given the legal increase in pension age, the percentage of over-50s will undoubtedly continue to rise at ETAP in the coming years. Independently from legislation on working longer (CAO 104), which forces the employer to develop an action plan, we at ETAP also practically enter into a dialogue with our over-50s. In a conversation between HR management and the relevant staff, a number of topics were discussed that occupy centre stage in working longer: ergonomics, transfer of knowledge, collaboration between age groups, etc. From this several recommendations to management were considered, which, where possible, are included in concrete actions centred around CAO 104. For the ergonomics aspect we have brought an external consultancy IDEWE on board.

7 STAKEHOLDERS



IN THE SPOTLIGHT | EMBEDDED IN MALLE

Since ETAP set up its headquarters in Malle, we have consciously embedded ourselves in the municipality's socio-economic fabric. As a member of the non-profit Bedrijvenpark Malle, ETAP collaborates in initiatives to promote the quality and sustainability of the Bedrijvenpark, economically, socially and ecologically. As a member of the Board of Directors our head of HR is also responsible for organising network events between the various companies in Malle. Themes in 2013-2014 included, among others, eco-mobility and waste processing.

Communication with our customers, suppliers, staff and shareholders is important to ETAP.

That is why we regularly consult with our stakeholders. Also in the run-up to the publication of a new sustainability report we would like to hear the views of people who are a little further removed from the company or its management.

On 30 September 2015 we invited to our Malle offices, a major supplier, a customer, family shareholders and trade union representatives for an open discussion about ETAP's sustainability approach. All participants agreed that ETAP has to continue its efforts in the area of sustainability. The long-term goals, which we publish for the first time, are an important plus point.

Improvements are still possible especially in the area of mobility. According to stakeholders ETAP would certainly benefit from a clear, integrated mobility approach, whereby cycling to work is further promoted. A suggestion we will certainly take into account to the extent possible.

A number of participants also felt that the report is still a little too much of a list of figures and graphics. They would have liked to see a more lively picture of ETAP and its staff. We will also take these comments on board for the next sustainability report.

Suppliers. We purchase about 20% of our goods from companies that pursue their own sustainability policy. Since 2010 the purchasing department has been requesting our suppliers, as part of our purchasing policy, to complete a sustainability scorecard. The results are taken into account when evaluating and awarding purchasing contracts.

Shareholders. The family shareholders are represented in the board of directors. Frequent consultation is instrumental in an excellent relationship. Six times a year, the board of directors receives a report that deals with wide-ranging topics. And also the company's strategic plan is extensively discussed at board level.

Trade unions. ETAP has opted for proper consultation with the social partners. Our organisation has its own Company Council and a CPBW (Committee for Prevention and Safety at Work). Every two to three weeks, discussions are held with the respective blue collar worker and white collar worker delegates. The personnel managers act as the direct contact persons for day-to-day informal consultation.

Government. Aside from the aforementioned federations ETAP is affiliated to, the company has also forged a relationship with local and provincial authorities. Both the provincial and municipal councils are always invited when any special events are hosted.

Neighbours. From the very beginning, ETAP pursued a conscious siting policy on its own sites, so that most of the dwellings located in the vicinity of the production site are at a safe distance from the ETAP head office (production). In addition, our HR director is a member of the "Gemeentelijke Werkgroep bedrijven-terrein Malle" (Municipal Working Group Malle Industrial Estate). Periodically the company takes part in an "Open Business Day" and is open to anyone who expresses interest in our development, production and products.

Federations. The chairman of the board is president of Agoria (Multisector Federation for the Technology Industry), member of VOKA's (Flemish employers' federation) general meeting and member of the VBO (Association of Belgian Enterprises) management committee. Our HR director is a member of the Agoria Social Regional Committee and a member of

the FTMA and VIBAM (Agoria training funds) Advisory Board.

Members of staff are given their say via the Company Council, the CPBW (Committee for Prevention and Safety at Work) and through informal consultation. ETAP engages with this important group of stakeholders in numerous ways, for instance via our weekly newsletter, quarterly magazines, an ETAP party, open days and a stand at the entrance where our latest developments are displayed. On a regular basis, we also conduct a satisfaction survey amongst our staff. To conduct this survey, we work with an external firm, which allows us to engage in benchmarking. The ensuing results are then used to draw up action plans at both corporate and departmental level.

Customers. This group mainly comprises fitters, architects, principals, consultancies, etc. ETAP addresses the market segment with high added value (energy-efficient, easy to fit and maintain, made to last, safe...). ETAP communicates with its clients via representatives, visits to the Light Pavilion, a demonstration building, advertising in journals, brochures, mailing, courses, lectures and trade fairs.

8 SOCIAL CONTRIBUTION



IN THE SPOTLIGHT | LIGHT WITHOUT BORDERS

When it comes to sustainable lighting, ETAP dares to cross borders. In 2014 ETAP took a stake in Energy Kiosks CVBA, an organisation of the non-profit Solar zonder Grenzen, which installs solar kiosks in a number of West African countries (Togo, among others). In a solar kiosk residents can rent cheap LED lamps and also charge those lamps with solar energy. Energy Kiosks provides affordable and high-quality lighting in areas without general utilities, where the population generally has to rely on unhealthy oil lamps. The production of the lamp and the operation of the solar kiosks furthermore boost local employment. ETAP engineers actively contribute to the development and update of this LED lamp.

ETAP shareholders are convinced that major contrast in development and prosperity in the world is harmful for everyone over time, including entrepreneurs in the West. That is why ETAP supports pertinent projects, in financial as well as in other ways.

In order to give this vision structure the shareholders created the Gillès Foundation in 1990. Every year, this foundation receives 1% of pre-tax profits from the ETAP Group. In addition, the foundation can draw on the proceeds of a Fund and from donations by third parties. As a result the annual budget totals some 300,000 euro. With these funds, the Gillès Foundation finances, for the most part small-scale projects in developing countries, which will increase the long-term autonomy of the local population. In the broader sense, ETAP tests all projects it supports against the company's sustainability philosophy: a concern for sustainability, continuity and reliable structures. In 2013-2014 the following projects were involved, among others:

Sms4Light. With this action by Solar zonder Grenzen (see also page 34) companies were able to illuminate a village in Togo. For each SMS one house was lit; 2,000 text messages installed a solar kiosk. By means of an internal and external campaign personnel and customers were called on to take part in this campaign. With the proceeds from the ETAP-sponsored campaign, Solar zonder Grenzen installed a solar kiosk in Yometsin.

Fair Trade. Since 2009 ETAP has been serving Fair Trade coffee in the restaurant, the staff canteen and the offices.

NGO price policy. In the past few years ETAP has granted a discount to NGOs in a number of lighting projects. The right to decide is up to management and is considered on a per-project basis.

Technogirls. This initiative by Agoria and AP Hogeschool Antwerpen aims to promote technological education by familiarising children with technology in companies. More concretely they also want to rouse the interest of girls in technology studies, in order to help close the gender gap. Both in 2013 and in 2014, 20 girls from the fifth and sixth year could explore their technological talents at ETAP.

Running for Welzijnszorg. In both 2013 and 2014 ETAP supported the Welzijnszorg campaigns during the Antwerp 10 Miles. Under the motto 'Zet je benen in voor de armen' sports enthusiasts who ran on behalf of ETAP, were sponsored for Welzijnszorg.

MANDATES DIRECTORS AND SHAREHOLDERS

Via its shareholders, directors (Christ'l and Anne-Marie Joris, Jean de Cannière, Dirk Vyncke) and executives (Johan Segers, Pascal De Langhe and Judith Keirismaekers), ETAP makes a significant social contribution. All the mandates mentioned here cover the period up to 2014.

Honorary mandates in the non-profit sector

- Christ'l Joris is community chair for Red Cross Flanders, deputy chair of Wolkammerij nv (social business centre) and chair of the Gillès Foundation s.o.n. She is also chair of the Manickam Fund, managed by the King Baudouin Foundation.
- Anne-Marie Joris and Jean De Cannière are Directors of the Gillès Foundation s.o.n. (development cooperation).
- Anne-Marie Joris is Director of Fair Trade Belgium (formerly Max Havelaar).

ETAP is also actively involved in employers' circles to ensure that companies are properly represented and to disseminate our mission in these forums.

- Christ'l Joris is president of Agoria and member of the VBO (Association of Belgian Enterprises) management committee.
- Anne-Marie Joris is member of the Agoria social committee and member of the Agoria Antwerp-Limburg policy committee.
- Johan Segers is a member of the Executive Board of Lighting Europe, which represents the European lighting industry.

- Pascal De Langhe is a member of the board of directors of Lightrec (part of Recupel) and of the BIV (Belgian Institute for Lighting).
- Judith Keirismaekers is a member of the Board of Directors of the NVFN (Dutch Federation for Emergency Lighting), SOLG (Light and Health Research Foundation) and Lightrec in the Netherlands.
- Chris Van Bellegem is a member of the Agoria Social Regional Committee and a member of the FTMA and VIBAM (Agoria training funds) Advisory Board.
- Gustav Knoll is a member of the advisory of ANTTEC (training centre of the technological industry).

Other mandates

- Until January 2015, Christ'l Joris chaired Flanders Investment & Trade, was censor at the National Bank of Belgium and member of the Board at GIMV.
- Anne-Marie Joris is member of the Board at Flanders Synergy, which aims to help organisations to grow towards an innovative labour organisation. In addition, she is a member of the Board of Directors at Uitgeverij Averbode.



IN THE SPOTLIGHT | SAVING WATER

Striving for energy efficiency does not stop at lighting for ETAP. We also try to deal sustainably with other energy sources. In 2015 the Flemish government announced it would monitor water consumption more strictly in businesses when granting permits. ETAP did not wait for this to make drastic savings in its water consumption. Partly due to the shutdown of the electro-coating facility (painting of luminaires by means of electrophoresis) the use of both tap water and groundwater for the production process has dropped by more than 90%. In addition, the water pollution still created in our business processes is so minimal that in 2014 we received approval to shut down the water purification facility and to directly discharge into the sewers.

Attention for the environment is a constant within our organisation. In production organisation, in the development of our products as well as in the performance of our organisation and our staff we strive for the lowest possible impact on the environment. In 2012 and 2013 this was translated into the following actions, among others.

Soil decontamination

In 2014 ETAP started getting rid of past groundwater pollution. Pollution (by solvents) is tackled by several types of lactates, which have to expedite the organic breakdown of the pollution due to existing bacteria. Since the polluted ground is located under a production hall, injection filters have been installed under the floor. Measurements show that since the operation was launched the concentration of polluting substances has decreased.

New PUR machine

The new PUR machine, where sealant is applied to a number of industrial luminaires, uses a detergent that is a lot more environmentally friendly than the old one. The new machine was put into operation in 2013.

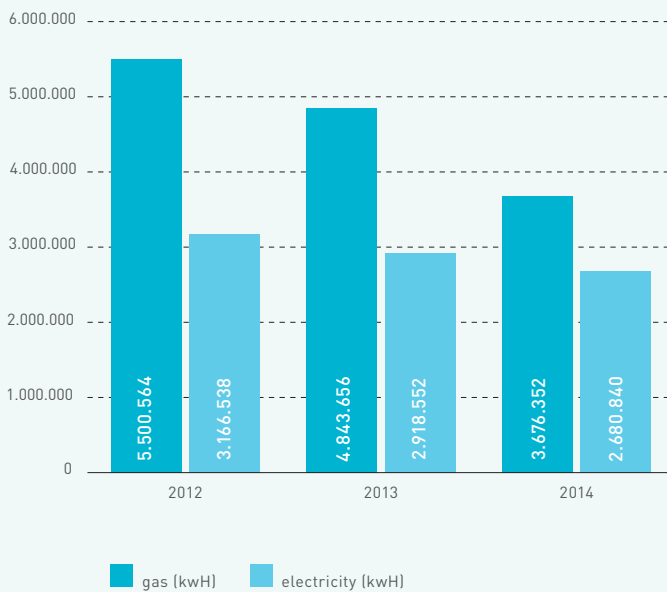
Everyone sorts waste

In 2014 we removed the individual dustbins near the desks and installed three separate waste bins in a number of fixed locations: PMD, organic waste and residual waste. Organic waste is also collected separately in the canteen. In several locations within the company, collection points have been set up for paper and cardboard and for cans. With these measures we aim to better manage the waste streams within the company and where possible. limit them.

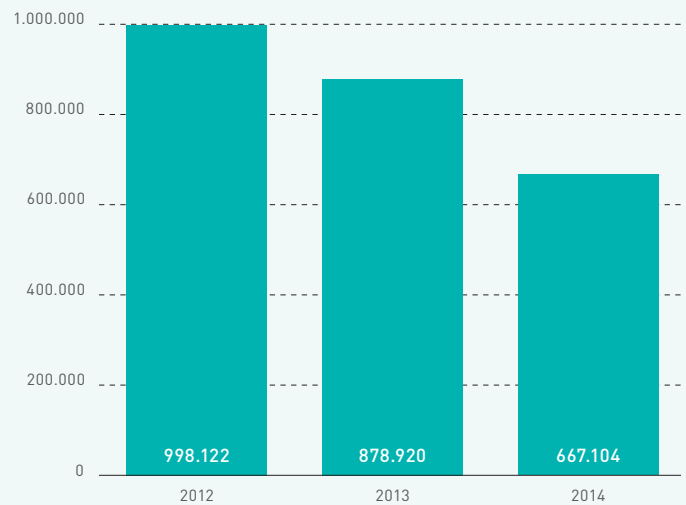
Energy Saving Pioneers

In 2014 ETAP contributed to the creation of Energy Saving Pioneers, a coalition of trendsetters in energy savings, facilitated by Bond Beter Leefmilieu. The group consists of businesses, local administrations, midfield organisations and the environmental movement. The coalition strives for an ambitious Belgian energy saving policy.

Graph 22: energy consumption for gas and electricity (KWh)



Graph 23: CO₂ emissions (kg/year)



Environmental policy statement

With the exception of the small final-assembly division in France, ETAP's production has been completely centralised in the Malle plant. The production stream is subdivided into sheet-metal working, surface treatment, assembly, emergency lighting production and packaging.

In accordance with its mission, ETAP has undertaken to make continuous improvements in terms of environmental protection. We are not only trying to reduce our impact on the environment when developing our end products but also throughout our production processes. We have articulated this commitment in an environmental policy statement.

ENVIRONMENTAL POLICY ETAP

We undertake to strictly comply with environmental legislation and to continue to make improvements in terms of environmental protection. We aim to fulfil this commitment in a three-pronged approach:

The first approach is our **production-organisation**:

- We aim to know the environmental impact of our production processes and to monitor them through suitable recording.

The second approach involves **our products**:

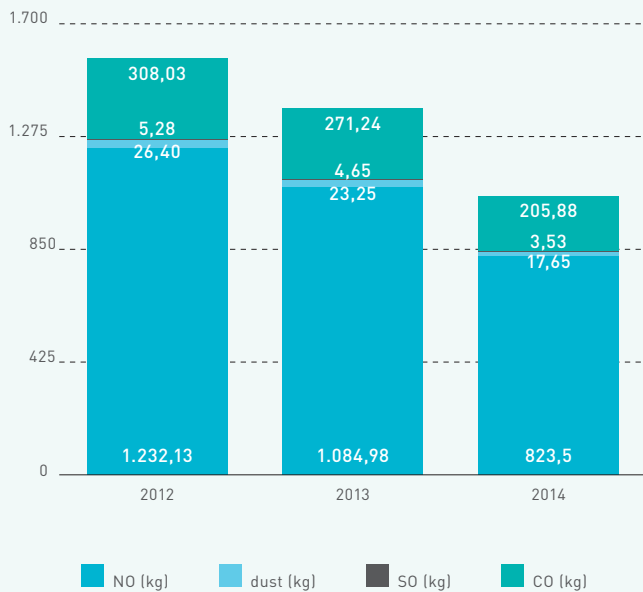
- We aim to always fulfil our customers' lighting wishes with the lowest possible energy use.
- We aim to actively collaborate in the creation of systems for the recycling of end-of-life products.
- We aim to carry out a lifecycle analysis of a new product every three years in order to know the product's environmental impact over its entire lifetime. The results of this analysis represent input for the development strategy.

The third approach is **our organisation's and staff's performance**:

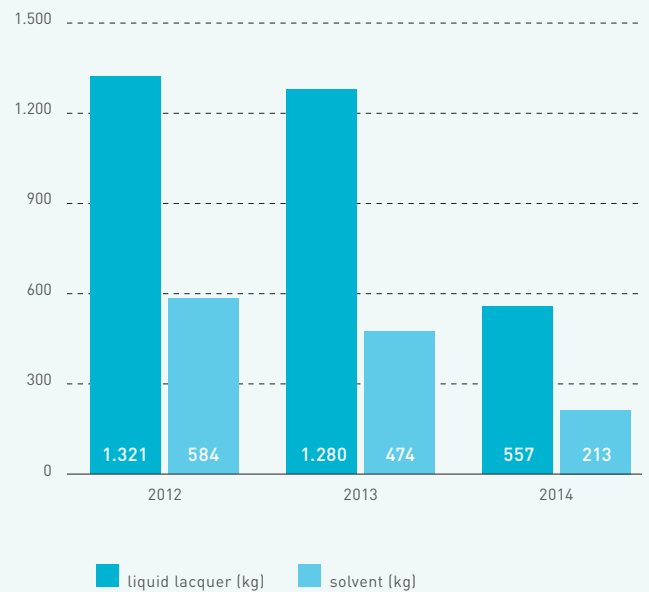
- We aim to responsibly know and decrease our CO₂ footprint.
- We aim to responsibly use materials, energy and water.
- We aim to control our own waste streams in order to maximise reuse.
- We aim to provide our staff with suitable refresher courses to be able to carry out their tasks optimally in order to meet our policy targets.

We measure our performance with respect to the implementation of this policy and we analyse the improvement options on a yearly basis. In this context we set environmental goals and take action to meet said goals.

Graph 24: other than CO₂ emissions (kg/year)



Graph 25: use of solvents



Facts and figures

Energy and emissions

ETAP uses natural gas for heating the buildings and for the various lacquer ovens. Due to the shutdown of the electro-coating-facility (see page 36) a major user of natural gas was eliminated (heating of pre-treatment baths and heating of oven). The fact that the drop is even greater than budgeted, also has to do with weather conditions, especially the mild spring of 2014.

For electricity, since 2010 ETAP has been using 100% renewable power from hydro-electric power stations. The drop in power consumption is partially due to the shutdown of the EC facility, more specifically due to the stopping of the paint bath pumps.

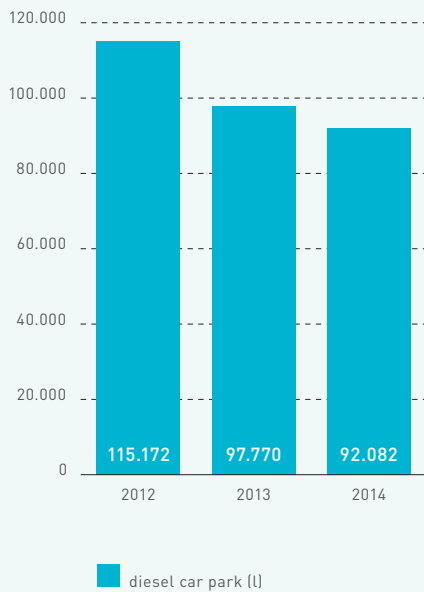
For the cooling of offices in the summer and heating in the winter, ETAP uses seasonal thermal energy storage or STES. As a result we save approximately 400 MWh gas and 120 MWh electricity every year. Due to the integration of a heat pump in the HVAC system in the spring of 2013 this STES is even better used, resulting in consumption dropping further (another 400 MWh gas per year).

The drop in emissions (carbon dioxide and others) is obviously a direct result of the decreased gas consumption.

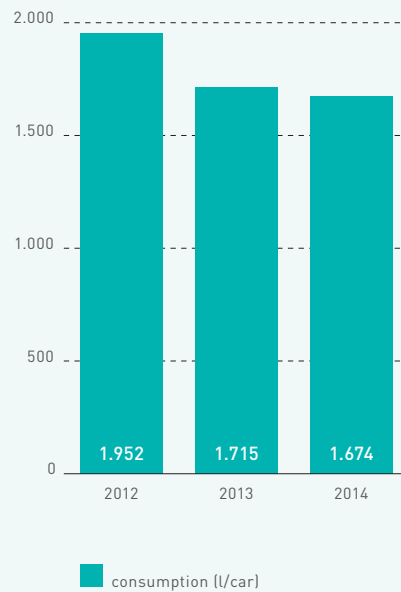
It is ETAP's ambition to further lower energy consumption in the coming years (see page 13). A careful energy audit in 2015 will be the starting point to set detailed goals and work out further actions.

As regards the use of solvents (graphic 19): all new products are in any case powder-lacquered, as a result of which wet spray consumption continues to drop. The discharge of volatile organic substances is far under the threshold value for measurement and reporting obligations to the government. Powder lacquers may generate dust but this has been minimised thanks to the recovery system and air filters we installed.

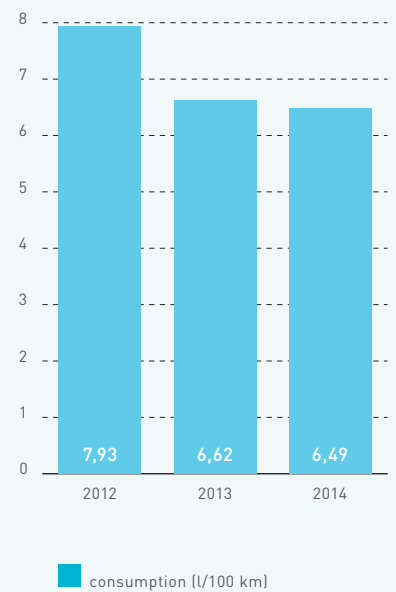
Graph 26: car-fleet consumption



Graph 27: car-fleet energy consumption



Graph 28: car-fleet relative energy consumption



We use lorries to transport our raw materials to our plant or to transport our products to our clients. For the United Arab Emirates, transport is done by airplane or boat.

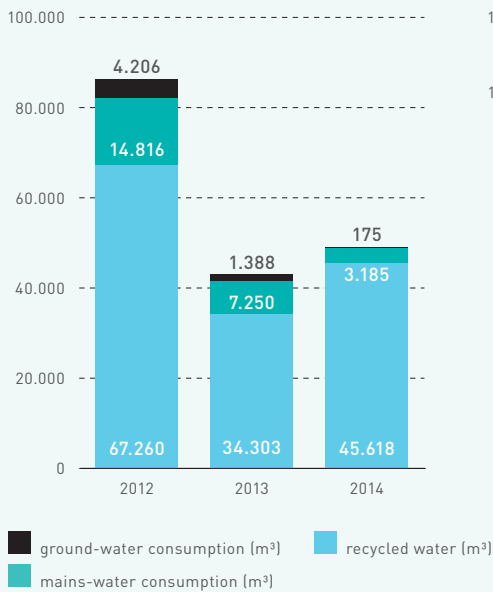
As regards the commute (Malle offices) the three-yearly survey in 2014 showed us that 275 employees (77%) took their car to go to work, of which 5% always or regularly carpooled with a colleague. 72 employees (20%) regularly cycle to work. Public transport (6 people) and mopeds or motorcycles (2 people) are used to a limited degree. Three employees walk to work every day.

In 2013 the bicycle shed on ETAP's corporate premises was secured with a gate with access control operated by access cards. A monitoring camera contributes to security. Our cycling employees can furthermore use the showers.

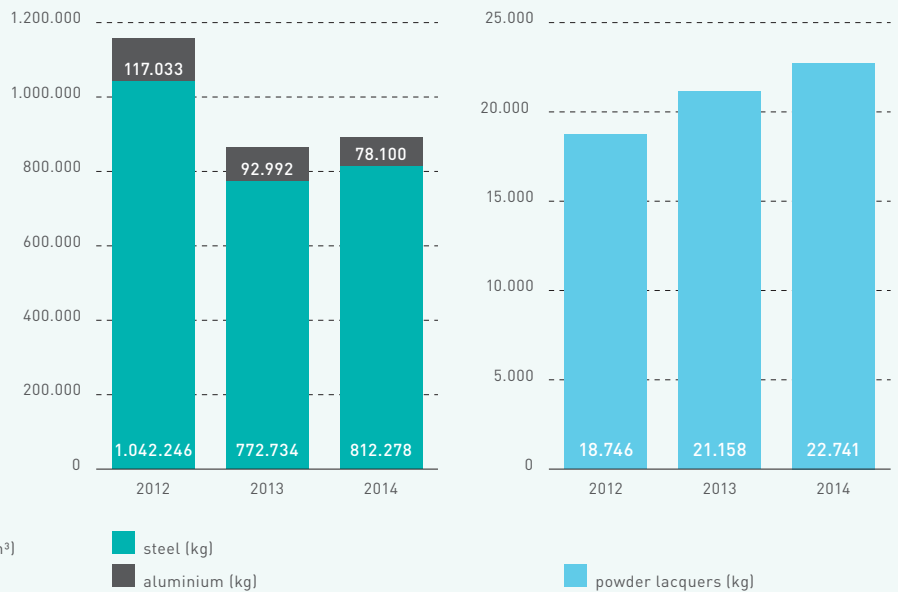
In our company cars we also pay attention to sustainability aspects. In early 2013 we further lowered the standard for CO₂ emissions for all new cars. For passenger cars the CO₂ limit is now 120 g/km (formerly 135 g/km); for people carriers it is 130 g/km (formerly 160 g/km). We have concluded a tailor-made agreement with our leasing company who provides us with feedback on driving behaviour. Via our leasing company we also sponsor road-safety courses in elementary education. We believe in carpooling and always encourage our members of staff heading for the same location travelling in groups of 4, whenever possible (e.g., when travelling to trade fairs). We encourage our staff to use public transport to travel to sites where the use of a car would be less appropriate.

That these measures pay off can be seen in graphics 26, 27 and 28. The overall drop in consumption can nonetheless be partially explained by a decrease in the car fleet. The relative drop (consumption per car and per 100 litres) is due to more stringent regulations and raised awareness of employees.

Graph 29: total water consumption



Graph 30 en 31: use of materials and raw materials



Water

Due to the shutdown of the EC facility (see also page 36) the use of tap water has decreased dramatically from nearly 15,000 m³ in 2012 to 3,000 m³ in 2014, which almost exclusively involves sanitary use. The minimal volumes of processed wastewater can be discharged into the sewer system without internal purification. Previously they were discharged into the surface water after purification.

The drop in groundwater use can also be attributed to the shutdown of the EC facility (paint cooling). The wells for groundwater extraction have in the meantime also been cleaned up. The groundwater that is still consumed is the drain of the thermal energy storage (STES).

Recycled groundwater is used for the STES. The decrease in 2013 is due to the temporary shutdown of this facility for adjustments to the heat pump; to make the installation even more energy-efficient.

The further reduction of water use remains an important aspect. As of 2013 we have installed flow meters in order to carefully record the water balance throughout the company, which must lead to new, detailed goals.

Materials and raw materials

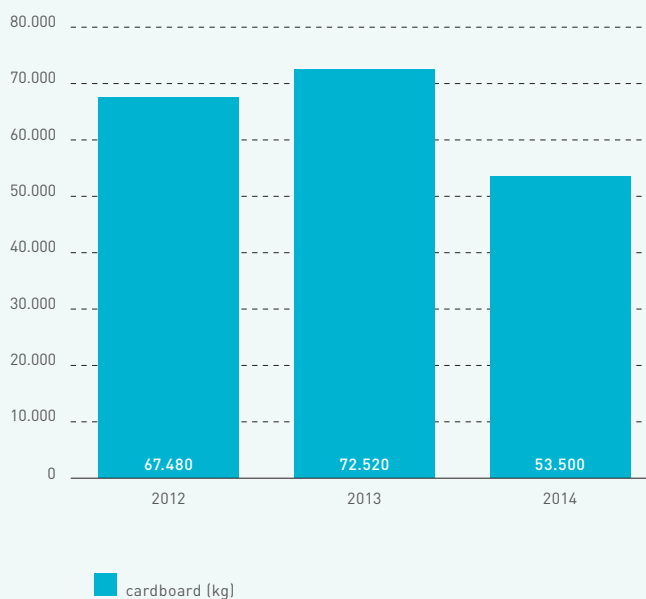
Steel plate, aluminium and paint remain the most important raw materials in our production processes. Due to the switch to LED lighting we do see a shift to more electronic components, resulting in a decrease in the aluminium share (reflectors). Decreased sales due to economic conditions obviously also have an impact on consumption.

All new products are painted with powder lacquer (EC shutdown), leading to an increase in the use of powder lacquer in 2013 as well as in 2014.

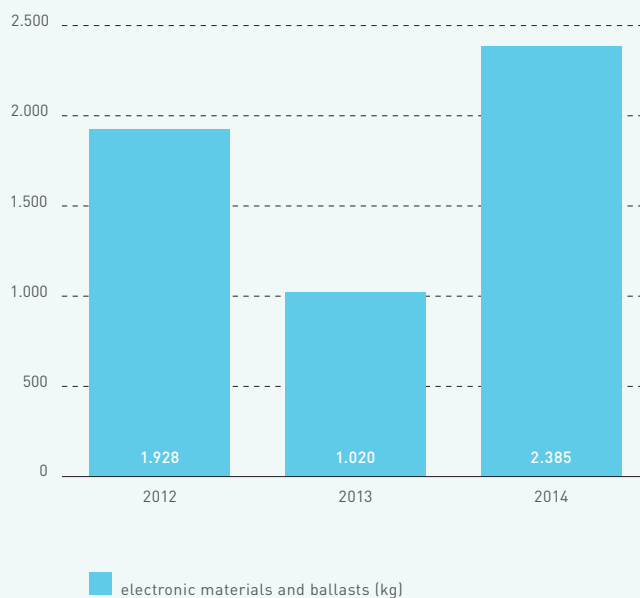
Graph 32: quantity of steel and aluminium waste



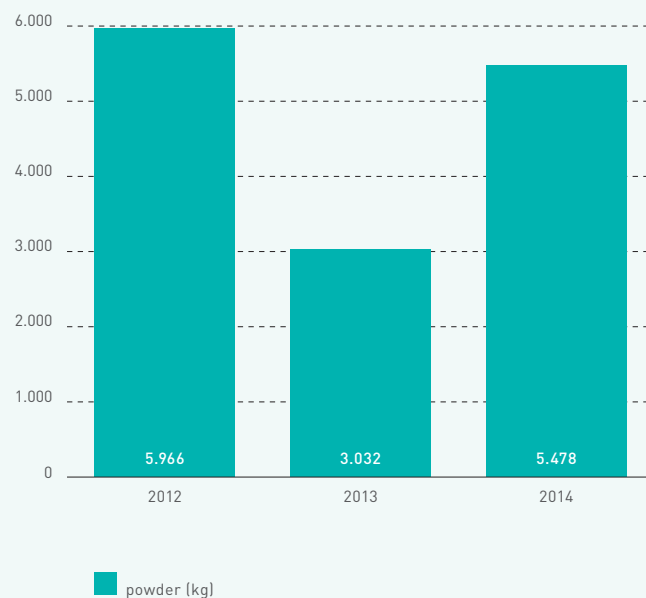
Graph 33: quantity of cardboard waste



Graph 34: quantity of electronic waste



Graph 35: quantity of powder waste



Waste

The production of luminaires mainly generates steel and aluminium waste, as well as packaging in the form of cardboard and plastic. All our waste is sorted into some 50 different containers and is collected by accredited processors.

When we develop and introduce new products we do our utmost to implement a production and logistical method that generates as little waste as possible across the various departments so as to actively engage in waste prevention. One example of this would be pallet packaging, which we use for large orders. In this system, the devices are not all fully packaged individually but in lots, which drastically reduces the amount of packaging waste. The way in which ETAP sorts its waste, for that matter results in CO₂ savings of 294 tons per year.

The increase in efficiency of metal use remains an important point of special interest. Steel and aluminium waste not only declines in absolute figures (*graphic 32*), but also percentagewise. Steel experienced a drop of nearly 4% between 2012 and 2014; aluminium fell by 5%. In order to further decrease scrap waste, a so-called scrap-team has been set up. For each production cell, waste is weighed and followed up weekly. Important points of special interest are: the prevention of overproduction; detailed quality control and feedback on quality issues to Purchasing.

The increase in the amount of electronics waste is a direct result of the increasing electronics share (PCBs, ballasts, LED components, etc.). Since only powder lacquer is used for new products, the amount of powder lacquer has also increased.

In order to more carefully map out the material flows within the production process, we were assisted by Sirris, the research centre for the technological industry. Concretely it involved an inventory of all materials we purchase and of the waste streams that leave our company. The aim was to map out how we could decrease the amount of waste and increase the recycling share in the material stream..

Noise and vibrations

Noise and vibrations are mainly generated by blowers, pumps and presses and by the internal and external transportation of goods. By carrying out regular, preventative checks to engines, pumps and blowers their lifecycle is optimised and the environmental impact created by vibrations and noise is kept under control. We operate a similar preventative maintenance plan for all our internal transport equipment.

Miscellaneous

ETAP also takes part in initiatives aimed at offsetting the environmental consequences of products and services. ETAP is for instance actively involved in the Belgian LightRec branch of Recupel. ETAP also participates in BEBAT, which looks after the collection of batteries in Belgium, and in STIBAT, which has the same task in the Netherlands.

10 THE SUSTAINABILITY REPORT PROCESS

The data featuring in this sustainability report were compiled on the basis of internal (social report, financial data...) and external (environmental report ...) reports. No figures are included in this report that do not already exist in one form or another within the company. The responsibility for the composition of this report lies with a member of the management committee resulting in a coordinated view together with the various members of management and department heads.

For the first time we have set concrete long-range goals: both as regards the energy-efficiency of our lighting solution and with respect to the environmental parameters of our processes (energy and water consumption and waste stream during the production process – see page 12-13).

The establishment and follow-up of these goals in the long term are laid down in our Strategic Plan. They are updated in the annual action plans.

11 GRI TABLE OF CONTENTS

S	Description	Reporting	Clarification
STANDARD INFORMATION SECTION I: Profile			
1. Strategy and Analysis			
1.1	A statement from the board of directors on the relevance of sustainable development to the organisation and its strategy.	complete	p. 5
1.2	Description of major consequences, risks and opportunities.	not	N/A
2. Organisational profile			
2.1	Name of the organisation.	complete	p. 7
2.2	Primary brands, products and/or services.	complete	p. 7
2.3	Operational structure of the organisation, including divisions, subsidiaries and joint ventures.	complete	p. 7
2.4	Location of the organisation's headquarters.	complete	p. 7, 52
2.5	Number of countries where the organisation is active (including the relevance in terms of the sustainability issues).	complete	p. 7
2.6	Ownership structure and legal form.	complete	p. 7, 9
2.7	Markets (geographic distribution, sectors and types of clients).	complete	p. 7
2.8	Scale of the reporting organisation.	complete	p. 7
2.9	Significant changes during the reporting period in terms of scale, structure or ownership.	complete	no changes
2.10	Awards received during the reporting period.	not	N/A
3. Report parameters			
3.1	Reporting period to which the information furnished refers.	complete	2013-2014
3.2	Date of the most recent previous report.	complete	2013
3.3	Reporting cycle (annual, biannual, etc.).	complete	biannual
3.4	Contact point for questions regarding the report or its contents.	complete	p. 52
3.5	Process for defining the report content, including: relevance, materiality and stakeholders.	partial	p. 33, 44
3.6	Boundary of the report.	complete	p. 44
3.7	Specific limitations on the scope or boundary of the report.	not	N/A
3.8	Basis for reporting on joint ventures, partly-owned subsidiaries, leased facilities, outsourced operations or other entities.	not	N/A
3.9	Data-measurement techniques and the bases of calculations, including the assumptions used in the estimations.	not	irrelevant
3.10	Explanation regarding the consequences of any restatements of information provided in earlier reports.	complete	none

3.11	Significant changes from previous reporting periods in respect of the report's scope, boundary or measurement methods.	complete	none
3.12	Table of contents	complete	p 3
3.13	Policy and current practice with regard to seeking external assurance for the report.	not	N/A

4. Governance, commitments and engagement

4.1	The governance structure of the organisation, including any committees under the highest governance body.	complete	p. 9
4.2	Indicate whether the chairman of the highest governance body also holds an executive position.	complete	p. 9
4.3	For organisations with a unitary board structure: state the number of independent and/or non-executive members of the highest governance body.	complete	p. 9
4.4	Mechanisms for shareholder and employees to provide recommendations or direction to the highest governance body.	not	irrelevant
4.5	Link between compensation for members of the board of directors and (senior) management and the (CSR) performance of the organisation.	not	N/A
4.6	Processes by means of which the highest governance body can ensure that any conflicts of interest are avoided.	not	N/A
4.7	Process to determine the qualifications and expertise of the members of the board of directors in terms of steering the CSR strategy.	not	N/A
4.8	Internally developed mission statements and codes of conduct that are relevant to the CSR performance, including their level of implementation.	complete	p. 11, 38
4.9	Procedures of the board of directors to oversee the CSR performance, including the relevant risks and opportunities and compliance with international standards and principles.	not	irrelevant
4.10	Processes to evaluate the board of directors' own performance, especially its CSR performance.	not	N/A
4.11	Explanation of how the precautionary principle is applied.	not	N/A
4.12	Externally developed economic, environmental and social charters, principles or standards the organisation subscribes to.	complete	p. 11–12
4.13	Memberships of associations (such as sectoral associations) and (inter)national interest groups.	complete	p. 35
4.14	List of stakeholder groups relevant to the organisation.	complete	p. 33
4.15	Basis for identification and selection of stakeholders.	complete	p. 33
4.16	Approaches to stakeholders and frequency of contacts.	complete	p. 33
4.17	Reaction of the organisation to the main topics and issues raised during its contacts with the stakeholders.	complete	p. 33, 44

STANDARD INFORMATION SECTION II: Management approach

G3 DMA Description

DMA EC EC (economic) management approach	complete	p. 11
DMA EN EN (environmental) management approach	complete	p. 12
DMA LA LA (working conditions) management approach	complete	p. 12

DMA HR HR (human rights) management approach	complete	p. 12
DMA SO SO (social) management approach	complete	p. 12
DMA PR PR (product responsibility) management approach	complete	p. 12

STANDARD INFORMATION SECTION III: Performance indicators

Economic

EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other social investments, retained earnings and payments to capital providers and governments.	partial	p. 7, 34-35
EC2	Financial implications and other risks and opportunities for the organisation's activities as a result of climate change.	not	not available
EC3	Coverage of the organisation's defined-benefit scheme obligations.	not	N/A
EC4	Significant financial assistance received from the government.	complete	p 8
EC5	Range of ratios of standard entry-level salaries and the local minimum wage at significant locations of operation.	not	N/A
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	not	N/A
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	not	irrelevant
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro-bono engagement.	complete	through the report
EC9	Understanding and describing significant indirect economic impacts, including the extent of said impacts.	not	irrelevant

Environment

EN1	Total quantity of materials used by weight or by volume.	complete	p. 41
EN2	Percentage of materials used that are recycled input materials.	not	irrelevant
EN3	Direct energy consumption from a primary energy source.	complete	p. 39
EN4	Indirect energy consumption from a primary energy source.	complete	p. 39
EN5	Energy saved due to conservation and efficiency improvements.	partial	p. 39-40
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	partial	p. 39-40
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	not	irrelevant
EN8	Total water withdrawal by source.	complete	p. 41
EN9	Water sources significantly affected by the withdrawal of water	complete	p. 41
EN10	Percentage and total volume of water recycled and reused.	complete	p. 41

EN11	Location and size of land owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas.	not	N/A
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	not	N/A
EN13	Protected or restored habitats	not	N/A
EN14	Strategies, current actions, and future plans for managing the impacts on biodiversity.	not	N/A
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations, by level of extinction risk.	not	N/A
EN16	Total direct and indirect greenhouse-gas emissions by weight.	complete	p. 38
EN17	Other relevant indirect greenhouse-gas emissions by weight.	not	N/A
EN18	Initiatives to reduce greenhouse-gas emissions and reductions achieved.	complete	p. 39
EN19	Emissions of ozone-depleting substances by weight.	complete	p. 38
EN20	NO, SO and other significant air emissions by type and weight.	complete	p. 38
EN21	Total water discharge by quality and destination.	not	irrelevant
EN22	Total weight of waste by type and disposal method.	partial	p. 42
EN23	Total number and volume of significant spills.	not	N/A
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and the percentage of transported waste shipped internationally.	not	N/A
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	not	N/A
EN26	Initiatives to offset the environmental impacts of products and services, and extent of this impact offsetting.	not	N/A
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	not	not available
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	not	N/A
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations and transporting members of the workforce.	partial	p. 40-41
EN30	Total environmental-protection expenditures and investments by type.	not	N/A
Social: Working Conditions and Decent Work			
LA1	Total workforce by employment type, employment contract and region.	complete	p. 7, 26
LA2	Total number and rate of employee turnover by age group, gender and region.	partial	p. 26
LA3	Benefits provided to full-time employees that are not available to temporary or part-time employees, by major operations.	not	N/A
LA4	Percentage of employees covered by collective labour agreements.	complete	100 %

LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	not	N/A
LA6	Percentage of total workforce represented in formal joint committees of employers and employees that help monitor and advise on occupational health and safety programmes.	complete	p. 33
LA7	Rates of injury, occupational diseases, lost days and absenteeism figures and the total number of work-related fatalities by region.	partial	p. 27-28
LA8	Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases.	not	N/A
LA9	Health and safety arrangements laid down in formal agreements with trade unions.	complete	p. 27
LA10	Average number of hours' training per year per employee by employee category.	complete	p. 28
LA11	Programmes for competence management and lifelong learning that support the continued employability of employees and assist them in managing the end of their career.	complete	p. 29
LA12	Percentage of employees receiving regular performance and career-development reviews.	complete	p. 28
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, social minority-group membership and other indicators of diversity.	complete	p. 30-31
LA14	Ratio of basic salary of men to women by employee category.	not	irrelevant

Social: Human Rights

HR1	Percentage and total number of significant investment agreements that include clauses on human rights or that have been screened in terms of human-rights compliance.	complete	0
HR2	Percentage of major suppliers and contractors who have been screened in terms of human-rights compliance and any actions taken.	complete	p 32
HR3	Total number of hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees who have followed training.	not	N/A
HR4	Total number of incidents of discrimination and actions taken.	not	N/A
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and any actions that were taken to support these rights.	not	N/A
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the banning of child labour.	not	N/A
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the banning of forced or compulsory labour.	not	N/A
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to the operations.	not	N/A
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	not	N/A

Social: Social indicators

S01	Nature, scope, and effectiveness of any programmes and methods that assess and manage the impacts of operations on communities, including the arrival, operations and departure.	not	not available
S02	Percentage and total number of business units analysed for risks of corruption.	not	N/A
S03	Percentage of employees trained in the organisation's anti-corruption policies and procedures.	not	N/A
S04	Actions taken in response to incidents of corruption.	not	N/A
S05	Public-policy positions and participation in public-policy development, including lobbying.	not	N/A
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	complete	0
S07	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.	complete	0
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	complete	0

Social: Product responsibility

PR1	Lifecycle stages in which health and safety impacts of products and services are assessed in view of their improvement and the percentage of significant product and service categories subject to such procedures.	not	not available
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their lifecycle, by type of result.	not	N/A
PR3	Type of product and service information required by procedures and the percentage of significant products and services subject to such information requirements.	nee	not available
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcome.	not	N/A
PR5	Client-satisfaction policy, including results of surveys measuring client satisfaction.	complete	p 21
PR6	Programmes regarding adherence to laws, standards, and voluntary codes related to marketing communications, among which advertising, promotion, and sponsorship.	not	N/A
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, among which advertising, promotion and sponsorship, by type of outcome	complete	0
PR8	Total number of substantiated complaints regarding breaches of client privacy and losses of client data.	complete	0
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	complete	0

ANY QUESTIONS ABOUT THIS
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