



ELEIKO
SUSTAINABILITY
2018 ANNUAL REPORT



“In 2018 we have been successful in advancing a number of sustainability actions including investing to reduce CO2 emissions from Eleiko HQ by 90% and commencing our migration to electric cars. Working proactively for reducing our environmental impact is a long-term and continuous responsibility that the entire company is strongly committed to.”

Erik Blomberg, Eleiko CEO

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ELEIKO HQ ENERGY OPTIMISATION

Eleiko undertook a significant energy optimisation project at the company's HQ offices in Halmstad, Sweden.

The project involved a complete analysis of the energy system at the corporate offices and looked at the heating and power usage, discovering ways to improve systems to lower CO2 emissions and energy consumption.

A number of energy-reduction actions have been taken as a result:

- Installation of a new more energy-efficient ventilation unit.
- Upgrade to a smart heating system with centralized monitoring to optimize energy usage.
- Change of all lighting equipment in the production and warehouse to LED lighting.
- Tuning of all radiators and air heaters to minimize waste.

Furthermore, additional energy savings have been identified in relation to the gates in the production and warehouse buildings and new hatchways will be installed during 2019.

Presence controlled switches were also installed to improve conservation and reduce energy consumption rates.

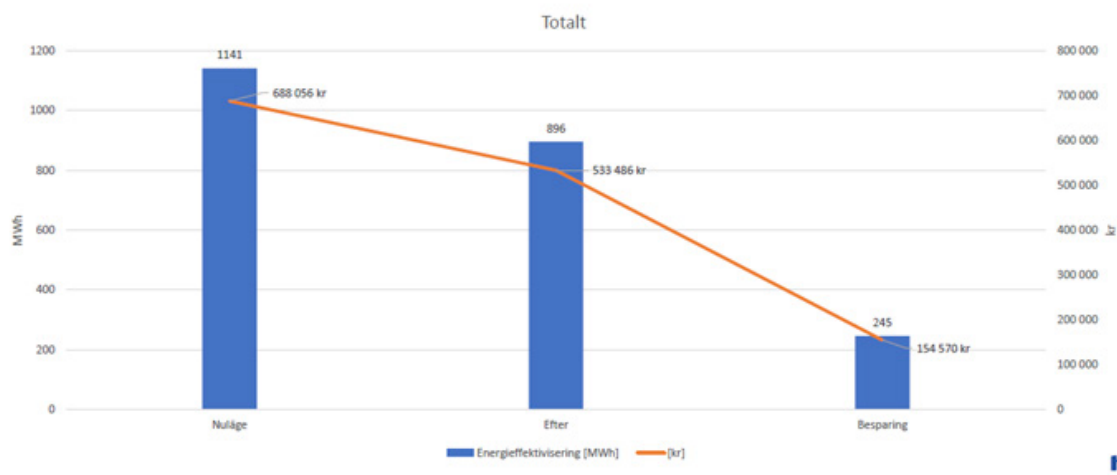
Working closely with HEM, our district heating provider, we have created a system that will reduce Eleiko HQ CO2 emission by 90%. All systems will be connected and remotely controlled from HEM to be able to work in symbiosis and remotely monitored.

Eleiko has also signed an agreement to purchase 100% "Green Electricity" or CO2 neutral electricity.

RESULT OF THE OPTIMISATION

- **Decrease CO2 emissions from building energy consumption from 63 tons/year to 6 tons/year, equal to a 90% reduction.**
- **Energy consumption will be reduced by 245 MWh (yearly), which amounts to a 21% saving of Eleiko's total energy consumption.**
- **A positive financial impact as well estimated at 154 570 SEK per year (\$17,044 USD)**

TOTAL SAVINGS





CORPORATE ACTIVITIES

CORPORATE LOCAL TRANSPORTATION

Eleiko has initiated a migration of the company's car fleet to electric cars. In 2018 two new hybrid cars were purchased that previously would have been diesel cars. Eleiko has extended its supply agreement with Swedish car manufacturer Volvo Cars which has demonstrated environmental leadership by announcing its vision to sell 50% fully electric cars by 2025.

Two electric car charging stations were installed in the HQ parking lot to better accommodate and encourage the use of electric vehicles from staff, customers and HQ visitors.

RECYCLING & COMPOSTING

The Eleiko HQ office has installed full recycling and composting initiatives. Almost everything is sorted and recycled including glass, paper, cardboard, plastic, metal and food waste.

TRANSPORTATION

We have started to track our CO2 emissions from transportations to set a baseline so we can set our targets for lowering those number per our 2020 goals.

	2016	2017	2018
Total CO2 Emissions (kg)	737,904	536,463	549,715
Volume Shipped - Ground/Sea (tons)	4,794	5,508	5,014
Volume Shipped - Air (tons)	47.8	11.6	18.3
CO2 Emissions per Shipped Ton (kg)	261	178	180

ELEIKO REACH COMPLIANCE

Almost all Eleiko suppliers have signed and committed to the Eleiko "REACH Compliance" goals. This means our suppliers have pledged to follow REACH guidelines* and will ensure Eleiko products and raw materials are produced without prohibited chemicals.

*REACH (EC 1907/2006) aims to improve the protection of human health and the environment through better and earlier identification of the intrinsic properties of chemical substances. This is done by the four processes of REACH, namely the registration, evaluation, authorisation and restriction of chemicals. REACH also aims to enhance innovation and competitiveness of the EU chemicals industry.

Some chemicals in Eleiko's production have been changed to more environmentally friendly ones, e.g. coolant in lathes.

ISO 14001

ISO 14000 is a family of standards related to environmental management that exist to help organizations (a) minimize how their operations (processes, etc.) negatively affect the environment (i.e. cause adverse changes to air, water, or land); (b) comply with applicable laws, regulations, and other environmentally oriented requirements; and (c) continually improve in the above.

Eleiko's work towards ISO 14001 certification has begun, and we aim to complete the process and be certified by April 2019.



GREEN AFTER WORK

The Eleiko Green Team held several after work events to promote, discuss and educate employees about various sustainability topics. Events included a screening of “An Inconvenient Truth”, as well as presentations and discussions on sustainability topics including green food.

MINDFULNESS

Yoga and meditation classes were offered regularly at the corporate office to help employees discover the benefits of mindfulness while promoting wellness and stress management. Employees were invited to participate in a meditation or yoga practice in the afternoons once a week.

LEADERSHIP TRAINING

Eleiko owners are strongly committed to the company’s sustainability activities. In 2016, CEO Erik Blomberg completed a 3-day training workshop led by Al Gore as part of his involvement with the Polaris initiative – a global movement of family businesses focussed on maximising economic, social and environmental impact. In 2018 Erik and the rest of the owner family have continued to integrate the sustainability agenda as part of the corporate strategy and owner’s directive.

MONTHLY CHALLENGES

Small lifestyle changes to make a positive impact for the environment

ABOUT THE CHALLENGES

In an effort to make Eleiko employees more aware about the company's sustainability goals and initiatives, and to encourage positive environmentally conscious changes on an individual level the Eleiko Green Team launched a Green Challenge.

Launched in May, the challenge involved a monthly theme with a suggestion for changes individuals could make in their daily habits that would have a positive impact on the environment. Each week a person participated and completed the challenge it was tracked on the challenge board located in the lunch room. Each successfully completed month gave participants an entry into the lottery for the grand prize. To determine the winner, two lottery tickets were picked and from those two participants the person with the highest number of completed weeks was announced as the winner.

SUMMARY OF THE CHALLENGES

MAY	Low consumption
JUNE	Ride a bike
JULY	No plastic bags
AUGUST	Green food
SEPTEMBER	No plastic bottles
OCTOBER	Recycle everything
NOVEMBER	Change the way you behave
DECEMBER	Scroll free day

PARTICIPATION

Members from across the global team participated and we ended up with more than 519 tabulated weeks accomplished over the course of the challenge.



AND THE WINNER IS...

Felicia Luthman



CONGRATULATIONS!

A big congratulations to Felicia Luthman. Of the names drawn, she is the one who completed the most challenge weeks and is the winner of the bike.

HONOURABLE MENTION

While our challenge winner was based on a lottery, we'd like to take a moment to recognize Nermin Ajan who successfully completed the most number of challenges. Nermin completed an impressive 29 of the total 37 weeks. Well done Nermin!





SUSTAINABILTY VISION

A STRONGER WORLD

We believe in building A Stronger World. We will identify opportunities in our processes, product development and our supply chain where we can do more to protect and contribute to a healthy environment and promote sustainable practices. In doing this we feel we can build value and positively influence our stakeholders. From suppliers to employees, customers and end-users, our focus on building a stronger world should have a real positive impact.

Eleiko should take responsibility for the environment and actively contribute to reaching THE GENERATIONAL GOAL set by the Swedish government which aims to “leave the environment in a better state for the next generation”.

Eleiko should be a role model for other companies in sustainability and drive positive change among all our stakeholders.

“For a Stronger World” theme should expand beyond simply making people stronger to also strengthening our communities and environment. When we say A Stronger World, we mean it in an all-encompassing way – personal strength, strong communities and clean environment for a healthy strong world.

STAKEHOLDERS

The various groups involved with Eleiko that have a vested interest in our business, our goals and initiatives



Eleiko strives to conduct its business guided by three core values:

PURSUE OUTSTANDING PERFORMANCE

Bring your strongest and best to every moment.

KEEP LEARNING

Stay hungry for improvement and for life itself.

ACT WITH KINDNESS

Treat the environment, other people, yourself and your body with the greatest respect.

With these core values in mind, it is important that we act responsibly and continuously improve profitability, efficiency, innovation, environment, work environment and product quality.

OWNERS

Our owners expect Eleiko employees to establish and maintain work methodologies and adopt practices that are aligned with these values.

When it comes to the environment it should be treated with a "special kindness," and we are prepared to implement changes to our business to reflect this strong belief.

CO-WORKERS

Our employees should know that they work for a responsible and sustainable company. We care about the environment, safe working conditions, personal development opportunities and gender equality. Eleiko should be directly engaged in activities that positively impact our world and leave it a better, STRONGER WORLD for future generations. With clarity and transparency in these areas, we hope to attract talent and people that can contribute further to achieving our sustainability objectives.

SOCIETY

Our society is filled with differing views and opinions related to environmental programs and their importance. We believe we can best serve our communities and society by holding strong to our beliefs that sustainability programs are vital to building stronger communities and bettering society. We will clearly communicate our beliefs, our work, our initiatives and our results to positively influence society with our actions, demonstrate our commitment to building A Stronger World and ideally serve to inspire others along the way.

The company owners are active within an international network for family-owned companies and have pledged to work towards a more sustainable future together with other family-owned companies. Please see Exhibit 1. for details on this commitment.

CUSTOMERS

As the global leader in barbell manufacturing – and with an objective of becoming the world's number one strength company - we have earned a reputation for producing products with superior quality, performance and durability. Our customers expect no less from our business model and sustainability program. Globally there is an increased focus on environmentally friendly products. Our customers should feel confident we are supplying them with safe and superior products that support their initiatives and business goals while also minimizing their global footprint. Therefore, it is important that we show transparency in what we do.

SUPPLIERS

As a supplier with a global supply chain, Eleiko has an opportunity and responsibility to raise the bar on what we demand from our suppliers. We will provide suppliers with clear specifications and product requirements in support of our sustainability goals and promote suppliers that can meet such requirements.

END-USERS

We work to develop and produce products that are of high quality, safe to use and optimized for performance to help our end-users achieve their goals. In addition, our end-users should know that we act in a responsible way towards the environment and that we want to have a positive social impact. Our sustainability initiatives should support this and make it easier for our end-users to make sustainable choices when it comes to strength training.

FEDERATIONS: IWF, IPF AND WPPF

Federations set the guidelines and specifications for many of our products. They impact how we produce in many respects, but also look to us for leadership in product development and to help shape future standards. Sustainability work is something we can build into future expectations and product specifications. As an industry leader with strong federation relationships, our company and our programs play a vital role in promoting and fostering goodwill towards the sports of weightlifting and powerlifting. Raising our standards for our products and processes through our sustainability program can be of mutual benefit to all parties and inspire additional actions towards cleaner, greener sports.

SUSTAINABILITY POLICY

Goals and Objectives for Eleiko

Eleiko endorses the Swedish government's THE GENERATIONAL GOAL which aims to solve environmental concerns for the next generation, and uses this as guidance for our own sustainability policy and goals.

Within the framework for THE GENERATIONAL GOAL, we have identified three specific areas where we believe that we can have the greatest impact through our activities. These three areas are:

- Helping to **REDUCE CLIMATE IMPACT**
- Creating **A NON-TOXIC ENVIRONMENT**
- Working towards **CLEAN AIR**

- Make sustainability a core component of our corporate strategy and an important factor in our overall decision-making processes.
- Establish an Eleiko Sustainability Team that will develop and enact policies and initiatives that inform, inspire and lead Eleiko's sustainability work forward throughout the organization.
- Clearly communicate our sustainability programs and policies to our stakeholders.
- Act as ambassadors for our cause and putting pressure on suppliers and ourselves via policies and agreements;
- Implement ISO 14001 certification standards to ensure we are demonstrating our commitment to quality and sustainability to our stakeholders.
- Set goals, develop programs and launch initiatives in support of THE GENERATIONAL GOAL and measuring our performance via specific sustainability KPIs.
- Support projects and community causes locally and globally that we believe will help to build a STRONGER WORLD.
- Continuously educate ourselves to gain new knowledge and best-practices.





A Sustainable Future

Without a sustainable approach our future is at risk. Not just the future of our businesses but, we also risk the lives and livelihoods of generations yet to come. This is why we, The International Board of the Family Business Network, are reaffirming our promise to promote a business model that will sustain not only our own generation, but all those that follow us.

The benefits of a sustainable approach are apparent to us all: the responsible use of capital is a powerful force for good and with corporate stewardship comes corporate advantage. Businesses that achieve great things deliver greater financial results, but these issues we face are more pressing than immediate financial return.

To provide future generations with more than we have received ourselves is a deep-seated human ambition. It is found in all walks of life, but it is in family owned businesses that inter-generational thinking is intrinsic. We believe that our inherent understanding and appreciation of legacy brings an obligation to support and promote a sustainable future in all that we do. As custodians of tomorrow, we believe that it is our duty to act now by making these pledges:

For our people:

We pledge to do all that we can to create and nurture workplaces and working cultures where our people flourish.

For our communities:

We pledge to be responsible global citizens making positive contributions to the communities that we work and live in.

For the environment:

We pledge to constantly search for ways to reduce the ecological impact that we create and safeguard the environment that we all share.

For future generations:

We pledge to share our values and long-term aspirations with future generations.

We know that these are bold promises and we do not make them lightly. But in order to protect all that we have done and create a sustainable future, where our work lives on, they are vital. We call on all family owned businesses, worldwide, to take responsibility for the future of our children and our children's children.

Please join us in our pledge.

Thierry Lombard

Arun Bharat Ram

Karl-Erivan Haub

Thilo Wersborg

Frederiek Chavalit Tsao

Maurizio Sella

Alfonso Libano Daurella

Peter Therman

Sophie Lammerant Velge

Samuel Maldonado Degwitz

Serife Inci Eren

Priscilla de Moustier



2020 GOALS

Goals and Objectives for Eleiko

TRANSPORTATION

By the year 2020 we will reduce our CO2 emission of our goods transported (in relation to tons of goods delivered) by 10% compared to 2018 numbers.

ENERGY

By the year 2020 we will reduce our energy consumption at Eleiko headquarters by 10% when compared to 2018 numbers.

WASTE

By the year 2020 we will reduce our amount of waste (in relation to tons of delivered goods) by 15% compared to 2017 numbers.

CHEMICALS

By the year 2020 we will be able to inform customers and waste contractors if the products/waste we produce contains any hazardous substances (defined by the SVHC, PRIO-database and SIN-list).

STUDY

We will study how our activities affect the natural capital and/or ecosystem and by 2020 determine if we should participate in compensatory programs to offset impacts we generate e.g. Ecological compensation.

MATERIALS

By the year 2020 Eleiko will have increased the percentage of recycled and renewable raw material used in the goods Eleiko manufactures and sells by 10%.







**SET YOUR BAR HIGH,
BE KIND AND DO MORE
OF WHAT MAKES YOU
STRONGER**

ELEIKO
RAISE THE BAR