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UNITED NATIONS GLOBAL COMPACT

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CEO STATEMENT OF COMMITMENT 2011



Hager SE commits to Global Compact

In a family business such as the Hager Group, we have always attached the utmost importance to our company values, the values with which we commit ourselves to our responsibility for sustainable development.

By developing our new E3 sustainability programme, we have brought the values that have evolved over the last few decades into harmony with the pressing demands of the future.

The three “E”s stand for ethics, environment and eco-efficiency. Each of these categories features a clear-cut package of measures for implementation to which the Hager Group is explicitly committed. This includes in particular our self-commitment to the “United Nations Global Compact”.

With our Ethics Code, we have similarly developed a catalogue of measures which goes beyond adherence to the various laws and regulations governing the protection of human beings and the conservation of the environment. In so doing, we wish to document the high standards we aspire to and provide our employees with a binding framework to act by.

Hager SE is passionate about the principles as represented in the Global Compact. We set ourselves specific goals each year. The results of 2011 are illustrated in this progress report.



DANIEL HAGER, CEO

E3: the sustainability programme of the Hager Group

With the E3 programme the Hager Group committed itself to concrete measures and their implementation. The three “E”s of the sustainability programme refer to ethics, environment and eco-efficiency. Many of the topics addressed are virtually identical with the principles set out in the “United Nations Global Compact” which the Hager Group joined in 2007.

We are a family-owned company promoting social responsibility.



Within the framework of its E3 programme, the Hager Group in France contributed to the Maud Fontenoy Foundation for Environment Conservation. The Hager Group involved its customers in the campaign to preserve the environment beforehand and, all in all, a total of € 20,000 was collected and donated to the foundation in 2010. Please visit www.hager.fr/maud-fontenoy-fondation, <http://www.hager.fr/actualite/hager-soutient-maud-fontenoy/16210.htm>

“We are taking action to minimise our carbon footprint.”

Marc Helfter – sustainable development manager



We are a specialist offering smart solutions for energy efficiency.



With content being finalised in 2010, the E3 programme was already launched in France in 2010. The Hager Group as a whole was briefed in 2011 via different communication channels: internally via the Intranet and employee magazines and externally via the Hager Group website, the Annual Report 2010 – not to mention trade fairs, info events, catalogues and the press etc. For further information, please visit <http://www.hagergroup.net/sustainability/1024-8043.htm>

The Ethics Code of the Hager Group

Approved in 2010, the ten points of the Ethics Code will be communicated to all Hager Group employees and external stakeholders in 2011. The Code is binding on all employees, suppliers and partners. With the Ethics Code, the Hager Group publically acknowledges its responsibility for sustainable development. For everyone at the Hager SE, adherence to the laws and regulations governing the protection of human well-being and the environment is an elementary principle that derives from legal and ethical concerns in equal measure.

These policies are anchored in the Ethics Code. Specific rules and guidelines, also approved in 2010, are available in the form of manuals in the specialist departments.



01 INTERNATIONAL TREATIES, NATIONAL LEGAL PROVISIONS, LOCAL PRACTICES

We operate in compliance with international treaties, as well as with the Directives of the European Union and in keeping with the commitments we made as signatories of the UN Global Compact. We apply the laws and regulations of the countries where we operate and act, wherever possible, in keeping with local customs and practices.

02 OPEN COMPETITION, COMPETITIVE INTELLIGENCE

We comply with European and international competition law, as well as with the legal provisions specific to each of the countries where we operate. We refuse to engage in any form of unfair competition toward our competitors and commit to limiting the collection and use of information related to our competitors' sales and industrial activities, in full compliance with legal provisions.

03 PERSONAL SAFETY AND PROTECTION OF PROPERTY

Our reputation as an upright company hinges on our ability to provide flawless reliability and quality in all products and systems. The Crisis Management Unit is the only one empowered to decide on the course of action, should a problem arise on a series of products. It can, in particular, decide to arrange for a product recall when a flaw is suspected, in particular when the products involved are intended to protect personal safety and property.

Well-being and safety of individuals at Hager Group:

Any individual working at a Group site, whatever the capacity, must be able to conduct his or her activity safely and in healthy working conditions. For this purpose, we have developed a Policy on Health and Safety in the Workplace, compliance with and enforcement of which is mandatory for all. In the event of a situation affecting the broader population, or should an epidemic or a pandemic arise, the Crisis Management Unit must be contacted, using the alert procedure.

Protection of immaterial property at Hager Group:

We have opted for great transparency and widely-ranging internal communication on business data and information. In exchange, it is our shared responsibility to protect that data and information from theft, loss, distortion, misappropriation, disclosure, copying, misrepresentation and any form of misuse.

04 EQUAL OPPORTUNITY, DIVERSITY AND DIGNITY

We implement a human resources policy designed to:

- prevent violations of Human Rights
- offer equal career development opportunities
- deter all forms of discrimination
- respect the identity and physical and moral integrity of all individuals

Any breaches of this policy are to be reported to the Management, the local Human Resources Department or the Group Ethics Committee, which will immediately enact measures to ensure the veracity of the allegations, carry out the required surveys and audits and promptly put an end to any action violating the Group's professional ethics policy.

05 RESPONSIBLE PARTNERSHIP AND HUMANITARIAN ACTION

Responsible partnership:

As a manufacturer, our desire is to actively support the sustainable development of the electrical manufacturing industry. Our action is in full compliance with the principles set out by the UN Global Compact, which we strive to promote throughout the value chain, from the supplier up to the customer-installer.

Humanitarian action:

In the event of natural or humanitarian disaster, Hager Group or one of its subsidiaries may decide to take part in action programmes designed to help the impacted populations. Should this be the case, the Ethics Committee (see § 10) shall set out the policy and approve the action programme, using the following as its key criteria:

- The Company has an establishment in the country impacted and employs staff there.
- A humanitarian aid project is submitted and supported by an employee or group of employees from the Company.
- The project is concrete and of recognised public interest (e. g., project to rebuild a school in Gaodeng, following the earthquake in Szechuan, China, in 2008).

The company participates as a partner, not taking on any responsibility as project designer or operator. Each employee is free to take part in humanitarian aid programmes of this kind by making donations, on an individual basis. The donations collected across the Group will be put into a special account and released as the project progresses, under the supervision of the Ethics Committee.

06 ENVIRONMENTAL PROTECTION

Our Environment Policy forms an integral part of the Sustainable Development Policy to which Hager Group has committed. The Company constantly strives, wherever it operates, to mitigate and lower its environmental impact. We pledge that all action will be carried out in line with environmental protection principles and implement management systems based on international standards (such as ISO 14001). We promote a sense of environmental responsibility throughout the value chain and encourage both our suppliers and customers to abide by these principles.

07 CONFLICTS OF INTEREST

Our work methods are interwoven with the principles of transparency and sensible cooperation. We must, of our own accord, report to our managers or the local Human Resources Department any situation in which our personal interests or those of the people around us might be impacted by a decision made by a Company department or entity. This applies not only to conflicts of interest, but also undue influence or favouritism.

08 INVOICING, SETTLEMENT AND EXPENSES

No fund transfer may be made outside the Company's official financial channels. For every fund transfer, a substantiating accounting statement must be available; no invoice, settlement or reimbursement may be made to or received from a third-party, if the item in question is not specifically described in contractual and/or accounting documents referenced in the Hager Group's Financial Manual. Every amount payable or receivable must match exactly with a material item, in other words, an actual service or actual expenses; any amounts payable as reimbursement of expenditure must be substantiable by accounting documentation.

09 CORRUPTION, GIFTS, UNDUER BENEFIT

We base our development solely on the quality of the industrial, sales and administrative expertise found across the Group. As such, the relationships we maintain with our stakeholders (customers, suppliers, partners, utilities, public authorities, shareholders or employees) are based solely on objectivity, integrity and transparency.

Gifts/invitations:

Only gifts/invitations of modest value shall be tolerated, provided that they are in line with an accepted tradition of courteous business relations (whether the employee is the donor or recipient). It is our shared responsibility to show common sense and decline any gift or invitation that appears to induce a relationship of indebtedness to the donor party.

Undue benefit:

Only the material benefit set out officially by working contracts or collective company agreements shall be allowed; these official benefits shall be reported to the relevant authorities, in particular the tax authorities.

10 COMPLIANCE WITH THE ETHICS CODE – ADDRESSING BREACHES

All Hager Group employees are invited to report any practice or action they deem inappropriate or out of line with a principle stated in the Ethics Code herein. Information reported in good faith is encouraged; however, employees are not compelled to do so, such that reporting is fully voluntary.

An Ethics Committee has been established to address major breaches of the Ethics Code (including such violations as fraud, legal offences, etc.).

An alert procedure is in place with alert call numbers and e-mail address. A compliance officer reports directly to the Ethics Committee.

Every employee of the Hager Group is affected by the company's values and attitudes. The company thus expects everyone to respect the principles as set out in the Hager Ethics Code.

... AND OTHER PROJECTS

CERTIFICATIONS FOR QUALITY MANAGEMENT AND SAFETY SYSTEMS

- All the 30 production sites operated by the Hager Group are now certificated to ISO 9001. Our location in Pune, India, was ISO 9001-certificated in January 2010.
- In June 2010, Hager Polo Poland was certificated to OHSAS (Occupational Health & Safety Advisory Services), meaning in effect that eight Hager Group sites are certificated to this standard.
- IIP (see page 9)
- Hager France is a founding member of the DEEE Initiative:
<http://www.hager.fr/hager/developpement-durable/actions-environnementales/recyclage-des-dechets-electriques/16329.htm>

CONTINUOUS IMPROVEMENT AND ECO AWARD 2010

- In Obernai on 16 December 2010, the best projects in the continuous improvement process were assessed. The eleven nominated project groups from various Hager locations were called on to present their efforts. Furthermore, three teams with environment-friendly projects were in contention for the Hager Group Eco Award.
- By conferring these awards, Hager has created an incentive framework for employees to compete on an in-house basis for improvements that (i) serve to boost efficiency and quality and (ii) make a contribution to the conservation of the environment. Thus it was that the team from Saverne received the Eco Award for developing the Kallysta Energy Manager which, with less material and lower energy consumption, achieves more than its predecessor generation which consisted of two devices.
- All the projects presented clearly illustrate just what great progress was made over 2010 in the field of continuous improvement.

SOCIAL COMMITMENT

- The "Hager Friendship Primary School" in China has been rebuilt and re-opened 2011. Altogether the employees of the Hager Group donated the equivalent of 1,125.5 paid-holiday days to help the children in need. This equates to the sum of € 103,000 Euro, augmented by Hager Group up to € 150,000.
- Cooperation with the Maud Fontenoy Foundation for Environment Conservation and Child Protection
Please visit: <http://www.hager.fr/actualite/hager-soutient-maud-fontenoy/16210.htm>

AWARDS AND DISTINCTIONS FOR THE HAGER GROUP:

- Hager Group Huizhou China received an award for "Excellent Enterprise for People Caring and Harmony Working Place 2010" from the government authorities responsible.
- Under the banner of Enterprise Family 2010, the Chamber of Commerce and Chamber of Trades conferred a prize on Hager Group Germany for its exemplary family-friendly projects.





1. Human rights

PRINCIPLE 1:

Businesses should support and respect the protection of internationally proclaimed human rights within their spheres of influence.

We adhere to this principle, which is one of the stipulations of the "Hager Group Sustainable Growth and Ethical Policy":

- This Supplier Declaration is accessible on the Hager Group Intranet to all employees and a copy is sent to all our suppliers.
- Approximately 70 % of our suppliers have now signed the Policy. Also, in 2010, we developed a supplier monitoring tool to help keep a check on adherence to the Policy.
- **Target for 2011: 80 % of suppliers to have signed the Policy.**

PRINCIPLE 2:

Businesses should make sure that they are not complicit in human rights abuses.

We adhere to this principle, which is one of the stipulations of the Hager Group Sustainable Growth and Ethical Policy and the Hager Group Ethics Code.



HAGER-GO!

Preparation of a Hager Global Opinion survey – i.e. in 2011, the Hager Group conducted a first cross-group employee survey entitled Hager-GO! The aim is to provide a clear analysis of levels of satisfaction so that concrete measures can be taken to improve working conditions.

2. Labour

PRINCIPLE 3:

Freedom of association and the effective recognition of the right to collective bargaining

- Employee representation, works councils and regular company meetings are also promoted in those countries whose legalisation does not demand this.
- Local and European works councils are regularly notified as to all innovations and changes at the Hager Group.

PRINCIPLES 4 AND 5:

Commitment to the elimination of all forms of forced labour and to the effective abolition of child labour

We adhere to these principles as stipulations of the Hager Group Sustainable Growth and Ethical Policy and the Hager Group Ethics Code.

PRINCIPLE 6:

Commitment to the elimination of discrimination in respect of employment and occupation

- An agreement between HR and management in France: a catalogue of measures (sixteen measures across five departments) directed at improving the working conditions of older employees

Action days at the various locations in France have been carried out in 2010.

INVESTORS IN PEOPLE

In 2010, eleven new auditors were registered in Germany as well as two in Poland and one in the UK. In addition to the total of ten internal reviews conducted in 2010, a further five companies were re-recognised. France, Italy and Germany undertook their regular internal review schedule whilst in India a first internal review was carried out. Similarly, a dedicated IIP zone was set up on the Intranet where employees can go for the information they need about the Investors in People standard.

IN 2010, 83% OF OUR EMPLOYEES WORKED AT IIP RECOGNISED LOCATIONS. THE AIM IS TO CONTINUE EFFORTS SO THAT THE TOTAL OF EMPLOYEES WORKING AT IIP LOCATIONS IN 2011 IS 90%.

CARE MANAGEMENT

Hager Group Huizhou China received an award for “Excellent Enterprise for People Caring and Harmony Working Place 2010” from the government authorities responsible. Furthermore, the Hager Group is a member of the German corporate network known as “Success Factor Family” – a joint initiative of the Federal Ministry of Family Affairs, Senior Citizens, Women and Youth in cooperation with the German Chamber of Commerce. The Hager Group also subscribes to the Luxembourg Declaration on Workplace Health Promotion in the European Union.

IN 2010, THE HAGER GROUP AGAIN ORGANISED NUMEROUS ACTIVITIES IN THE FIELD OF CARE MANAGEMENT:

SPORTS + MOVEMENT:

Participation in public sports events and preparation for marathons, family hiking days, sports groups and relaxation courses

HEALTH + PREVENTION:

Annual breast cancer screening, health awareness day, flu inoculation and prevention courses (back training, fitness, yoga etc), possible extra healthcare insurance in those countries where legal provision is only minimal, cancer early detection tests

SAFETY + ERGONOMICS:

Ergonomic advice, workplace training, safe driving training

FAMILY + CAREER:

Cooperation with child day-care centres, child care during the holiday periods, international school student exchanges between the Hager Group locations

“Care management means always getting what you need. Even without asking.”

Benjamin Schröder – training and information centre, E-volution
Isabel Krämer – human resources manager





“When it comes to the environment, our concept is crystal clear.”

Ralf Lindhorst – plant manager



“100 % recyclable.
100 % recognisable.
That’s what makes good packaging.”

Jean-Guy Dietrich – project manager packaging, corporate communications

3. Environment

PRINCIPLE 7:

Businesses should take a precautionary approach to environmental challenges.

- Measures from the Continuous Improvement and Eco Award 2010 process have been implemented.
- The Eco Performance Working Party has drawn up proposals for the reduction of energy consumption at the Obernai location. The target for 2010 was to lower by 5 % the consumption of electricity, gas, water and compressed air. The result was: electricity down 4.1 %; gas down 9.3 %; water down 11 %; and compressed air up 6.5 %
- Initiation of a major project directed at reducing the consumption of compressed air. Result end of May 2011: compressed air down 10 %

PRINCIPLE 8:

Businesses should undertake initiatives to promote greater environmental responsibility.

- E3 programme
- Sponsoring the “Solar Decathlon Europe 2010”
<http://www.hager.de/unternehmen/presseinformationen/6823.htm>
- Guidelines for travelling responsibly (as published on the Hager Group Intranet).

PRINCIPLE 9:

Encouraging the development and diffusion of environmentally friendly technologies.

- Pilot projects in Strasbourg and Saarbrücken have been conducted
http://download.hager.com/group.net/files_download/press/HG_VHR_Strasbourg_Press_release_2010_04_22_DE.pdf
- Packaging:
Optimised packagings became standard at the Hager Group in 2010
<http://www.hagergroup.net/sustainability/environment/eco-packaging/1024-8052.htm>
- RoHS/Reach compliance, DEEE Pro in France
<http://www.hagergroup.net/sustainability/environment/eco-production/1024-8051.htm>
<http://www.hager.fr/hager/developpement-durable/actions-environnementales/recyclage-des-dechets-electriques/16329.htm>



“Eco design means reducing waste. By increasing brain power.”

Nelly Madelaine – product manager, protection devices





4. Anti-Corruption

PRINCIPLE 10:

Businesses should work against all forms of corruption, including extortion and bribery.

We adhere to this principle, which is one of the stipulations of the Hager Group Sustainable Growth and Ethical Policy and the Hager Group Ethics Code.

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