

UN Global Compact - Communication on Progress

1. Schaffner - Energy Efficiency and Reliability

The Schaffner Group is an international leader in the development and production of solutions which ensure the efficient and reliable operation of electronic systems. The Group's diverse range of offerings includes EMC components, harmonic filters and magnetic components as well as the development and implementation of customized solutions. Schaffner components are used in energy-efficient drive systems and electronic motor controls, in wind power and photovoltaic systems, rail technology, machine tools and robotics as well as in power supply systems for a wide range of electronic devices in sectors such as medical technology or telecommunications. For the automobile industry Schaffner develops and produces both EMC and power quality components for electric drive systems in vehicles and for the charging infrastructure, as well as components for comfort and safety electronics. Schaffner provides on-site service to customers around the world through an efficient, global organization and makes ongoing investments in research, development, production and sales to strengthen its position as international market leader.

2. Statement of Continued Support

“Schaffner is a global corporate citizen with Swiss heritage. This heritage comes with strong principles to protect the rights of the individual, to preserve the environment, and to conduct business according to high ethical standards. Our whole organization strives to treat all of our employees with equal respect. We are mindful that we share a responsibility to provide opportunities for individuals and contribute to the well-being of our communities. I personally am committed to apply such principles equally in each location where Schaffner is represented. This is why I whole-heartedly support the principles of the UN Global Compact.”

*Alexander Hagemann
Chief Executive Officer*

3. Actions

3.1 Human Rights and Labor (Principle 1 to 6)

The Schaffner Group strives towards a non-discriminatory company culture based upon responsibility and respect, which builds upon the talents of its global workforce. It is the policy of the Schaffner Group to treat all current or potential employees fairly and without prejudice. Schaffner is committed to eradicating any unfair or discriminatory practices should they occur. All employees will be given the opportunity to progress within the Schaffner Group regardless of their gender, marital or parental status, ethnic or national origin, sexual orientation, religious belief, political affiliation, age (subject to contractual retirement age), or disability.

Recently completed actions

Target	Action	Results
All units of the Schaffner Group must comply with the Group's policies for human rights and labor laws according to the UN Global Compact.	Perform global checks of all local employment contracts. Global Human Resources Management (GHRM) checks all Management Units (MU) randomly. If necessary, external experts shall approve the contracts, rules and regulations.	All Production Units (PRU) reviewed and approved in 2011. Sales Units Karlsruhe and Nürtingen reviewed and approved in 2012 Other units pending
All units shall have a yearly employee review according to defined standard Key Performance Indicators (KPI) and Global Reporting Initiative (GRI)	Define and implement standard KPIs and GRI indicators for employee review such as: <ul style="list-style-type: none"> - Fluctuation rate - Age and gender overview - Education overview - Training KPIs - Performance and succession planning overview 	Switzerland (pilot) and Production Units (PRU) implemented Other units pending

Planned actions

Target	Action	Expected Results
All units of the Schaffner Group must comply with the Group's policies for human rights and labor laws according to the UN Global Compact.	Annual internal Audits in all PRU Units. Start with the first check-up according to the Code of Conduct promoted by the Electronics Industry Citizenship Coalition (EICC) (Thailand and Hungary done)	All units completed by end of 2012
All units shall have a yearly employee review according to defined standard Key Performance Indicators (KPI) and Global Reporting Initiative (GRI)	Align the needs of the new divisional Organization and start implementation	Division EMC completed by end of 2012 Other divisions completed 2013

3.2 Environmental Management

Actions taken to reduce energy consumption and CO₂-emission

3.2.1 Energy Consumption

Recently completed actions

Target	Action	Results
Reduce electricity consumption for IT hardware operation Schaffner worldwide	Replace existing IT servers with efficient, state-of-the-art models (no air conditioning of server room required) at Schaffner locations Wittelsheim, Argenteuil, Wytheville and Edison	65% savings in electricity used for IT server operations
Reduce energy consumption for cooling/heating at Schaffner facilities	Moved European Logistics Center to new building with economical and efficient insulation system	3% savings in gas usage

Planned actions

Target	Action	Expected Results
Reduce electricity consumption for IT hardware operations Schaffner worldwide	<ul style="list-style-type: none"> Replace existing IT servers with efficient, state-of-the-art models (no air conditioning of server room required) at Schaffner locations Lojhia, Büren and Kecskemet Replace existing desk top computers with efficient, state-of-the-art models (no moving parts) at Schaffner locations Wittelsheim and Lamphun 	<p>65% savings in electricity used for IT server operations</p> <p>65% savings in electricity used for IT hardware operations</p>

3.2.2 CO₂-Reduction

Recently completed actions

Target	Action	Results
Reduce CO ₂ -emission during transportation of goods	Changed from air-freight to sea-freight (20% of total volume)	(calculation method not yet defined)

3.2 Anti-Corruption

Neither the Schaffner Group nor any of its employees shall make illegal or improper payments or bribes and will refrain from participating in any corrupt business practices. Neither Schaffner nor any of its employees may accept payments, gifts or other kinds of remuneration from a third party that could affect or appear to affect their objectivity in business decisions.

Recently completed actions

Target	Action	Results
No corruption cases within the Schaffner Group	Analyze business units for risks related to corruption	Analysis done July 2011

Planned actions

Target	Action	Expected Results
No corruption cases within the Schaffner Group	<ul style="list-style-type: none"> • Define Schaffner Anti-Corruption Policy • Define Schaffner's own Code of Conduct and include Anti-Corruption Policy • Roll out and implementation of Schaffner Code of Conduct including Anti-Corruption Policy 	<p>Done by end of 2012</p> <p>To be completed 2013</p> <p>End of 2013</p>