

UN Global Compact - Communication on Progress April 2013

1. Schaffner - Energy Efficiency and Reliability

The Schaffner Group is a global leader in the development and production of solutions that ensure the efficient and reliable operation of power electronic systems. The company's portfolio ranges from EMC filters, power quality filters and power magnetic components to the development and implementation of customized solutions. Schaffner components are deployed in energy-efficient drive systems and electronic motor controls, in wind power and photovoltaic systems, in rail technology applications, machine tools and robotics as well as in electrical infrastructure and in power supplies for a wide range of electronic devices used in sectors such as medical technology. For the automobile industry, Schaffner develops and manufactures components for convenience and safety features in cars and, in the promising electro mobility market, solutions both for electric drive systems in vehicles and for their charging infrastructure. Schaffner provides on-site service to customers around the world through its global application centers and distribution organization, and invests heavily in research and development in order to expand 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 eradicate and prevent any unfair or discriminatory practices. 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.	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).	All units completed by the 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 divisional Organization and start implementation. Start with EMC. division	EMC division completed by the end of 2012

Planned actions

Target	Action	Expected Results
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: <ul style="list-style-type: none"> • Automotive division • Power Magnetics division 	Completed until December 2013

3.2 Environmental Management

3.2.1 Energy Consumption

Recently completed actions

Target	Action	Results
Reduce energy consumption at HQ facility	Replacement of existing windows with highly insulated models at HQ office building in Luterbach, Switzerland.	Approx. 15% energy savings in office building
Reduce energy consumption for cooling/heating at all Schaffner facilities	Ongoing energy reduction program in Thailand facility: <ul style="list-style-type: none"> • Insulated drop roof • Installed energy optimizing system for lighting • Installed efficient cooling system for injection molding machines and air conditioners • Improved air conditioner maintenance 	Total >7% sustainable electricity saving
Reduce electricity consumption for IT hardware operations Schaffner worldwide	Replacement of existing IT servers with efficient, state-of-the-art models (no air conditioning of server room required) at Schaffner locations Wittelsheim, Argenteuil, Edison, Lohja, Wytheville and Büren.	65% savings in electricity used for IT server operations

Planned actions

Target	Action	Expected Results
Reduce electricity consumption for IT hardware operations Schaffner worldwide	Replacement of existing IT servers with efficient, state-of-the-art models (no air conditioning of server room required) at Schaffner locations Kecskemet and Karlsruhe.	65% savings in electricity used for IT server operations
Further energy savings in additional facilities	Continual energy saving efforts <ul style="list-style-type: none"> • Insulating • Investments in efficient systems only • Reduction of electricity consumption of HVAC units by installing variable speed motor drives 	Measurement method not yet defined
Reduce petrol consumption	Replace company cars with fuel efficient or hybrid/electric cars only	20% fuel reduction over 5 years

3.2.2 CO₂-Reduction

Recently completed actions

Target	Action	Results
Continually reduce CO ₂ -emissions caused by transportation of goods	Changed 20% of total freight volume from air freight to sea freight. Supply of automotive products from Thailand to Korea was switched from air to sea freight by 80%.	Measurement method not yet defined

Planned actions

Target	Action	Expected Results
Continually reduce CO ₂ -emissions caused by transportation of goods	Continue to change transportation of goods from air freight to sea freight.	Measurement method not yet defined
Consolidated transportation BKK-CNX	As most suppliers are based in BKK area, transport consolidation is planned for material supply to Chiang Mai.	Measurement method not yet defined

3.2.3 Product Content Restrictions

Recently completed actions

Target	Action	Results
Support the Conflict Minerals Act	Set up and introduce a Schaffner conflict minerals policy.	Policy introduced and posted on Schaffner webpage

Planned actions

Target	Action	Expected Results
Enforce Conflict Minerals Policy	Request suppliers to implement a conflict minerals policy. Update internal guidelines accordingly.	>50% of key suppliers have implemented and maintain the policy

3.3 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 completed July 2012
Roll out and training of EICC Code of Conduct version 4 with emphasis on Anti-Corruption	Roll out in the whole Group either as a part of the Schaffner Manual for employees or as an integrated part of the employment contract. Awareness training to all employees. Minimum 50% of employees have to be trained by April 2013, 100% by the end of 2013.	96% completed by the end of March 2013 55% completed by the end of March 2013

Planned actions

Target	Action	Expected Results
Complete training of EICC Code of Conduct with emphasis on Anti-Corruption	Awareness training completed Annual e-based awareness training of all employees	completed by the end of 2013 completed by the end of 2014
Define Schaffner anti-corruption policy according to the EICC Code of Conduct	Define an anti-corruption policy and have it approved by the Management Board. Roll out the policy to all employees.	completed by the end of July 2013 completed by the end of August 2013