

## UN Global Compact - Communication on Progress April 2014

### 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 electromobility 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 a 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 see it as our responsibility to provide career opportunities for individuals and contribute to the well-being of our communities. I am personally committed to the consistent application of these principles at every Schaffner location. For these reasons, I wholeheartedly support the principles of the UN Global Compact.”

Alexander Hagemann  
Chief Executive Officer

### 3. Actions

#### Introduction of Global Reporting Initiative (GRI)

Schaffner is currently preparing sustainability reporting according to Global Reporting Initiative (GRI) with introduction planned for fiscal year 2014/15. The GRI reporting will be an integral part of the Schaffner annual report and will replace the currently used stand-alone document “Schaffner COP”.

#### 3.1 Human Rights and Labor (Principles 1 to 6)

The Schaffner Group strives for a non-discriminatory company culture based upon responsibility and respect, founded on 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 eliminating any unfair or discriminatory practices. All employees must be given the opportunity for development within the Schaffner Group regardless of gender, marital or parental status, ethnicity or nationality, sexual orientation, religious belief, political affiliation, age (subject to the contractual retirement age), or disability.

### Recently completed actions

Target	Action	Results
Reduction of absenteeism	Global reporting of absenteeism due to accidents and illness and definition of measures and case handling.	Local improvement in units with high absenteeism
Reduction of accidents	Global reporting of accidents and resulting activities such as awareness training and installation of sophisticated safety equipment.	Ongoing measurements

## 3.2 Environmental Management

### 3.2.1 Energy Consumption

#### Recently completed actions

Target	Action	Results
Reduce energy consumption at Group headquarters	Replacement of 11 multifunction printers with only 8 new energy saving models. Standby power reduced from 216W to 64W (-70%) per device.	Total power saving of 78% during standby mode.
Reduce energy consumption at HQ facility	Old ERP server switched off. Data moved to archive virtual server.	13 MWh saved per year.

#### Planned actions

Target	Action	Expected Results
Reduce electricity consumption for Schaffner's operation of IT hardware worldwide	Replacement of existing IT servers with efficient, state-of-the-art models (less air conditioning of server room required) at Schaffner locations Wokingham, Warstein, Lamphun and Cleveland.	60% savings in electricity used for operation of IT servers

### 3.2.2 CO<sub>2</sub> Reduction

#### Recently completed actions

Target	Action	Results
Reduce CO <sub>2</sub> emission at Group headquarters	Old diesel and gasoline powered vehicles replaced with new energy efficient diesel and electric vehicles.	CO <sub>2</sub> emission reduced
Consolidated transportation BKK-CNX	As most suppliers are based in the BKK area, transport consolidation is planned for material supply to Chiang Mai.	Reduction of transportation

### Planned actions

Target	Action	Expected Results
Continually reduce CO <sub>2</sub> emission caused by transportation of goods	Continued to change transportation of goods from air freight to sea freight.	Measurement method not yet defined

### 3.2.3 Product Content Restrictions

#### Planned actions

Target	Action	Expected Results
Enforce Schaffner's conflict minerals policy	Request suppliers to implement a conflict minerals policy based on Schaffner's conflict minerals policy and update internal guidelines accordingly.	>50% of key suppliers have implemented and maintain an accordant 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
Roll out Schaffner anti-corruption policy to all employees	Posted Schaffner anti-corruption policy to Schaffner's intranet and QM system. Introduced and implemented Schaffner anti-corruption policy to all Schaffner employees. Introduced new e-mail address for employees to contact the Schaffner business ethic committee.	Completed by the end of November 2013

#### Planned actions

Target	Action	Expected Results
No corruption cases within the Schaffner Group	Continuous training and auditing related to complying with the rules and regulations of Schaffner's anti-corruption policy.	No corruption cases within the Schaffner Group