



**Hager Group  
Communication on Progress  
2014**

**UNITED NATIONS  
GLOBAL COMPACT**



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## CEO STATEMENT OF CONTINUED COMMITMENT

Blieskastel, June 2014



Tomorrow, next year, ten years' time... What will the future bring? Nobody knows. Yet at Hager Group we have chosen to anticipate the future by calculating risks and seizing our opportunities proactively. For example, we invest in our employees and their training, in energy efficiency and future technologies, in fair trade relations and we work actively to continuously improve our eco-balance sheet. Maybe we are giving up more profit in the short term, but we are convinced that this is the way to achieve sustainable success for the future.

Indeed, at Hager Group our ambition is to grow in the long term rather than maximising profits in the short term. Making money is, of course, something that we have to and want to do, but what counts is how we go about it. We want to do things properly for the right reasons by adopting an ethical approach when interacting with employees, partners and suppliers, and by continuously reducing our ecological footprint and developing more energy-efficient solutions for our customers. The results that we have achieved in recent years show that we are heading in the right direction.

Markets, technological standards and customers' needs are changing faster than ever before, therefore, the highly sought-after "windows of opportunity" for establishing innovative solutions that are ethical, environmentally-friendly and lower in energy consumption, open and close at breath-taking speed. If we are good, fast and ahead of the field we can play a more active part in shaping sustainable progress than ever before. On the other hand, there is also considerable risk: anyone who misses important developments and rests on their laurels will find the march of time leaving them behind even faster and more mercilessly than in the past. Never before has innovation been so important to drive a cleaner, greener and brighter future.

With our sustainable E3 approach we also respect the environment by taking into account our planet's limited resources in our business activities, offering our customers energy-efficient solutions.

In April 2007, we signed up to the United Nations Global Compact, the voluntary business initiative supervised by the United Nations to foster Corporate Social Responsibility. With this document we renew our commitment and contribution as a committed signatory.

A handwritten signature in blue ink, reading "Daniel Hager". The signature is fluid and cursive, with a long horizontal stroke at the end.

Daniel Hager  
CEO Hager Group

**Continued commitment to sustainability...**



**...because certain values are not negotiable,**

**...because we believe in respecting people and our environment,**

**...because Corporate Social Responsibility is more than just words.**

## E3 – HAGER GROUP'S SUSTAINABILITY APPROACH

We act ethically and responsibly, caring for people and our environment.

With increasing globalisation and diminishing natural resources, we must consider the consequences of our actions. The need for greater corporate responsibility is increasing. At Hager Group, we want to move forward in such a way that we leave a clean bill of health for future generations. We have translated this vision of sustainable development into a structured approach that we called E3.



**E for Ethics:** the way we behave with our employees, our partners and all stakeholders

**E for Environment:** we act with respect for the planet, to help preserve it

**E for Energy:** this concerns our multi-area approach to manage energy, safety and comfort while increasing energy efficiency, particularly thanks to the solutions we offer our customers

### Responsible growth: Hager Group's sustainability approach

E3 is not a one-off programme, at Hager Group it is a firmly established approach for many years to come. Employees, customers and suppliers alike can easily access our E3 approach by consulting our corporate video where our Head of Sustainable Development outlines the principles of our E3 approach.

**French with English subtitles:**

<http://www.hagergroup.com/en/sustainability/1024-164.htm>

**French:**

<http://www.hagergroup.com/fr/dev.-durable/1024-164.htm?lang=fr>

**French with German subtitles:**

<http://www.hagergroup.com/de/nachhaltigkeit/1024-164.htm?lang=de>



## **ETHICS – we are a family-owned company promoting social responsibility**

**Where we are now:** Hager Group is an innovation-led business that thrives on the ideas of its employees. Our employees deserve our particular attention. Diversity, opportunities for personal development and a healthy working environment are values we bring to life. A concrete example: in the past four years (2009 to 2013) the number of accidents at work has fallen by 42 per cent on average. And we are continuing our efforts: all our sites will be certified to OHSAS 18001 by 2015.

**What we do:** to ensure that E3 continues to be firmly established in people's minds, in 2014 we are finalising an online learning tool to train 1,500 Hager Group managers in how to integrate E3 into their everyday work. This will also involve convincing our suppliers of the advantages of the United Nations Global Compact principles, which we have been following since 2007.

## **ENVIRONMENT – we strive to minimise our ecological footprint**

**Where we are now:** Hager Group is a clean company: production of our products does less damage to the environment in comparison to many other industries. However, there is always potential to be even more sparing with resources. This is something we are working on continuously.

**What we do:** Hager Group has 22 manufacturing locations in 11 countries around the world. Our aim is to keep our ecological footprint at each site as minimal as possible. We review our business trips, transport and energy consumption in order to identify potential savings. In this way we can take an active approach to reducing our greenhouse gas emissions. At the moment, 13 of our production sites have been certified to ISO 14001, the international environmental management standard. The other nine sites will follow as soon as possible. All production sites are certified to ISO 9001, and 14 to OHSAS 18001.

Even during the planning process we take care to ensure that every one of our products is designed to last as long as possible and that the impacts of production will be traceable. We examine the entire life cycle of Hager Group products and carry out an individual life cycle analysis for each one. Everyone benefits when we protect resources in this way: our customers benefit from a durable product, our colleagues benefit from pioneering production conditions and the environment benefits from eco-friendly processes.

In addition, we focus on transparency in dealings with our customers by supplying all the environmental information they might need along with the product. This includes a Product Environmental Profile (PEP) and a guarantee that the product complies with the European RoHS Directive (Restricting the use of Hazardous Substances in electrical and electronic equipment) and with REACH (the chemicals regulation).

## **ENERGY – we specialise in smart, energy efficient solutions**

**Where we are now:** 40% of global energy production is used inside buildings, a significant proportion of it in the form of electricity. As a global market leader in the field of electrical installations, Hager Group is in a position to make a big difference. That is why we are constantly working on ways to lower energy consumption, while investing in renewable energy sources.

**What we do:** through our products we raise awareness of the need for careful management of electricity as a valuable resource. Intelligent solutions for the home play an important part in this. An example: modern control systems from Hager Group make it possible to provide light, heating and hot water as and when required. The same goes for the increasingly important area of AAL, Ambient Assisted Living: here too the focus is on convenience, safety and well-being, with the ability to adjust energy use individually. Hager Group has for years been investing in the research and development in the important area of electro-mobility. Battery performance and battery life have improved continuously over time, and comfort levels in electric cars now match those of conventional cars. However, the success of electric cars will be measured by how easily available they are. This is why Hager Group is investing in expanding the necessary infrastructures.

In a video interview, made in February 2014, for Les Echos, a French economic newspaper, Daniel Hager speaks about the differences in energy supply between France and Germany, the energy transition and the main conditions for stable growth within a company.

**For further information please use the following link.**

<http://videos.lesechos.fr/news/interviews/l-airbus-de-l-energie-existe-deja-3185433960001.html>

# 01 HUMAN RIGHTS - PRINCIPLES

Principle 1: businesses should support and respect the protection of internationally proclaimed human rights and

Principle 2: make sure that they are not complicit in human rights abuses

We at Hager Group support and respect human rights through our daily activities by providing safe and healthy working conditions and by ensuring non-discrimination in personnel practices.

For example, from 2009 to end 2013, occupational safety actions have been put in place to promote safety group wide. The LTIFI indicator (lost time injury frequency index), shows our actions have resulted in the number of work accidents and travel to, per 1,000 employees, being reduced by 42% over 4 years.

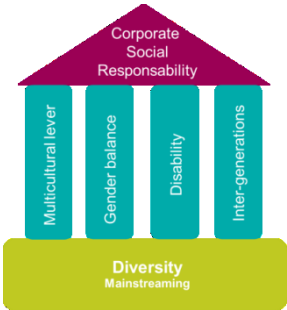
We expect a great deal from our employees, however we also make every effort to encourage them and develop their abilities in a favourable balanced working environment. Every Hager Group employee currently completes more than 17 hours of professional training per year on average, therefore increasing collective knowledge and skills for all to enjoy the benefits.

**For facts and figures concerning our commitment to employees all over the world, please consult page 85 of our Annual Report.**

## > Assessment, policy and goals:

### Diversity

*"Diversity (n. f. - Latin: diversitas, atis): character which is varied, diverse. Applied to companies, is the variety of human profiles that may exist within (country of origin, region, neighborhood, patronymic, culture, age, gender, physical appearance, disability, sexual orientation, qualifications, etc. ...). "*



This definition highlights a reality today: every company is faced with diversity and the challenges it represents. Hager Group has chosen to encourage diversity by seeing it as an advantage. Since our beginnings, we quickly established ourselves in different local regions and abroad, seeking to capitalise on this asset. “Beyond a humanistic approach, we believe that diversity is essential for us to be successful in our various markets. Proper management of diversity at all levels of our organisation and in cooperation with our partner networks is now more than ever a genuine lever to support our business” explains Daniel Hager, Hager Group CEO.

**For an interview with our Human Resources Director and Diversity Officer, please consult pages 42 to 48 of our Annual Report.**



Please use the following links to press release on our corporate website for more information about diversity at Hager Group.

French: <http://www.hagergroup.com/fr/media/1024-160.htm?lang=fr>

English: <http://www.hagergroup.com/en/media/1024-160.htm#e3003>

German: <http://www.hagergroup.com/de/media/1024-160.htm?lang=de>

For a video interview with our Diversity Officer, please click on the following link: <https://www.youtube.com/watch?v=G9CP9n4CH3M&index=3&list=PLwof6RvfizZDAhBHrg2a7D6qynUY0uKL>

### > Implementation:



We are operating in a global, multicultural, multigenerational & diverse world. To take leverage from diversity and achieve our ambitions to accelerate international expansion described

in Project 2015, a **Hager Group Diversity Steering Committee** ensures that actions for the **four pillars of our diversity development** plan are implemented:

- Multicultural approach
- Gender Balance
- Disability
- Inter-generational approach

### > Measurement of outcomes:

#### Multicultural approach

##### Intercultural Training Offer Catalogue

An **intercultural Training Offer Catalogue** is being developed to help employees adjust to new environments and make our international presence more relevant and sustainable. To date we have worked with inter-cultural consultants to construct a specific inter-cultural catalogue and in China awareness sessions for Chinese employees have taken place. The objective being to better understand each other's working methods and cultures to improve working relations. A similar initiative is underway with Japan.



#### Travellers' Community

A **Travellers' Community** has been created for employees at Hager Group to share best practices and useful information when travelling on business trips to make organising business trips easier, optimise costs and provide a professional support network. Tips and travel news are updated on a regular basis.



## Gender Balance

At Hager Group, 43% of the working population is female and 57% male, 12% of managers are female. Diversity of views and genders is a driving force for innovation; therefore a better balance would benefit the company. When we appoint new colleagues, we ask our Human Resources managers to always suggest female candidates as well as male candidates; however, we maintain a sensible and pragmatic approach. Philippe Ferragu who heads Group Resources, “I don’t believe in fixed quotas. In job interviews, I wouldn’t turn away a better male candidate simply because a female candidate would fill the quota. In five or ten years’ time I hope there will be more women in management positions at Hager Group but I can’t and won’t force the issue.”

Women's access to so-called "mixed" positions in the company comes first through training and education. Education systems must attract young women to these courses to provide them with the necessary skills to prepare them better for the world of work. As a company, we are conscious of having a role to play in developing the rights of women in the corporate world. Our business approach on gender equality is to allow women to grow within the company and access positions, without the gender issue. Some of the following actions illustrate this approach.

## Ingénieur’E:oser

To support gender equality, our Gender Balance “Ingénieur’E:oser” day took place on 10<sup>th</sup>



Ingénieur’E:oser

A la découverte des métiers de l'ingénierie

10 avril 2014

hager Group

April 2014 in France. This pilot project open day, with 80 places available, was to showcase the industrial sector to engineering students from our three local partner schools, INSA, ECAM and TELECOM in Strasbourg.

The global objective of the day was to convince first and second year students’ in particular



female engineering students of the interest of the industrial sector and demonstrate that real opportunities exist for women in the sector, especially at Hager Group. The day kicked off with a plenary session with various members of the management team who provided information about Hager Group as an employer in the industrial

sector focusing on the possibilities for women. In particular, there were presentations and questions and answer sessions with numerous female engineers working in Obernai. This was followed up by 6 workshops.

The six workshops detailed:

- Work life balance: with various presentations on real life Hager Group examples
- Mobility and career: with employee testimonials and experience sharing on functional and geographical mobility
- Woman managers: with testimonials from women in management positions
- Efficiency and diversity: with information about the benefits of a diverse working environment
- Technical issues and products: with a focus on our products
- New comers: with testimonials from new employees and trainees at Hager Group.

Members of technical, management and Human Resources teams were available during the day to discuss with the students. A 'speed recruiting' event to find 3 suitable profiles for 3 internships in production took place for first year students and for the 80 participating students an [on-line ideas competition](#) was launched, where the candidates submitted ideas and projects on the theme the [home of the future](#). The prize: an international internship at Hager Group in 2 different countries.



### Celebrating International Women's Day in France



As part of the International Women's Day celebrations on 8<sup>th</sup> March, we welcomed a representative of the local government, the Préfet de la Région Alsace, Préfet du Bas-Rhin in our Obernai factory. Having heard about our commitment to gender balance and equality for women, the Prefect and his delegation wanted to visit Hager Group in Obernai. The day was punctuated with an explanation of what Hager Group offers in terms of gender balance, a presentation of our Tooling School and exchange with its trainees and manager and a meeting with 20 women who

work at Hager Group in domains that are traditionally masculine, in particular engineering and production. Our female colleagues spoke about their work, the position of women in companies, training and work-life balance.

### Disability

#### United Nations International Day of Persons with Disabilities



As part of the United Nations International Day of Persons with Disabilities on 3<sup>rd</sup> December 2013, Hager Group launched its first campaign to educate and mobilise its employees worldwide about disability. For Hager Group, disability is not considered as inability, but rather a different kind of ability. This definition, which is true to the values of

Hager Group, underlies the various actions undertaken to raise employee awareness about disability and encourage everyone's personal and professional development. There are now 317 disabled employees within our company. In addition to them are specialised providers who have been working with us for many years offering opportunities for disabled people to work in a professional environment and become more autonomous.



On a group level to promote International Day of Persons with Disabilities, Hager Group decided to support the Snehalaya Education Society; Snehalaya meaning a home of love. This education society based near Pune, India, close to our production site, helps children with disabilities. To assist them in their learning, Hager Group had drawing books made for the children. To complement these drawing books all employees group wide were invited to collect crayons from 3<sup>rd</sup> to 10<sup>th</sup> December 2013. This action resulted in over 30,489 colour crayons being collected by our colleagues.



**Please use the following link for more information about Snehalaya Education Society.**  
<http://www.snehalayagod.com/html/snehalaya-history.html>

Many local actions also took place on 3<sup>rd</sup> December 2013 to support the United Nation's International Day of Persons with Disabilities.

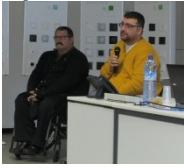
- Poland:** helped the local Remedial-Educational Day Care Centre. Colleagues in Poland collected items listed by members of this local centre; items urgently needed by disabled people in the home such as food, cleaning materials or clothes. This action was in particular to help children welcomed in this day care centre that rehabilitates youngsters with mental and physical disabilities.



- Portugal:** invited the APPACDM (Portuguese Association of Parents and Friends of Mental Disability Persons) Association to the site with 5 disabled people to participate in a special project for Christmas – constructing a Christmas tree and decorating it with damaged components and products not fit for sale; the structure was made with DIN rails. The objective of the day was to interact and create together funny and original decorations with recycled material. To further the Christmas theme, the association displayed and sold this handwork to Hager Group colleagues in Portugal. Funds raised went to APPACDM.



- **Spain:** invited a local Barcelona Foundation, Nexe Fundació, to the site. The objective was to raise awareness amongst Hager Group colleagues with regards to the effects on children with development disorders and their families. This foundation runs the only nursery school for disabled children in Catalonia.



- **United Kingdom:** invited a local company 'Unit 10' to raise awareness about learning difficulties which include conditions such as Autism and Down's Syndrome. 'Unit 10' employs people with learning difficulties who make and sell handicraft products. Leaflets were also placed in eating areas which give an overview of some other more common learning difficulties.



- **Italy:** opened its doors to disabled children and the associations that look after them, by organising factory and office visits. A fund-raising activity was launched whereby colleagues were able to fund tickets for the children to "Minitalia Leolandia", an amusement park. Also Atral Italy gave to the [FA.NE.P.](#) association in Bologna which takes care of children with neurological and neuro-psychic illnesses, the funds will go towards purchasing Christmas gifts for them.



- **France:** invited the association "Dunes d'Espoir" (Dunes of Hope) to our site in Obernai to provide information about their activities. 5 employees in Obernai are involved in this association that helps children who don't have use of their legs participate in running events. Our employee-runners collectively carry the children in special single-wheeled carrying-chairs called joëlettes, allowing them to participate in sporting events. For more information about the association please use the following link: <http://www.dunespoir.com>



In addition to "Dunes d'Espoir" another association was also invited to provide information at Obernai, a local handi-basket team. A Hager Group colleague who is a member of the team was available to present the sport and answer questions. For more information about handi-basket, please use the following link:

[http://uslons.net/handball/images/fichierUSL/USLmag/uslmag\\_nationales2012.pdf](http://uslons.net/handball/images/fichierUSL/USLmag/uslmag_nationales2012.pdf)

## Other Disability actions group wide

### APF trophy in France

At the 4<sup>th</sup> APF (Association des Paralysés de France, the Association for Paralysed people in France), held in conjunction with the Nuit de l'Entreprise Solidaire (Night of Companies who show Solidarity) on 28<sup>th</sup> October in Paris, the APF President awarded the APF Trophy to Hager Group. This award is given to companies where the employment of people with disabilities is a priority. Indeed, since 1993, Hager Group has supported an electronic assembly workshop and a grey room near Strasbourg where handicapped people work. 2 production lines for surface mounted components allow a yearly production of 2.5 million electronic cards and more than 1.5 million relays.



### Subcontracting to SIFU Group in Spain



At our site in La Roca, Spain, to reduce our carbon footprint a decision was made to insource the production of polybags for plastic enclosures thus reduce transportation and increasing flexibility in production. In line with our diversity approach, the production process is subcontracted to a company named [SIFU Group](#); although external they are based at our factory. SIFU Group is a facility services company specialising in the integration of people with physical, mental, or sensory disability  into the working world. At present, there are 3 SIFU Group employees working full time at our La Roca factory.

### Ryadh Sallem, Hager Group consultant on Diversity



Ryadh Sallem, our diversity and disability consultant, spoke at a conference in Obernai in September 2013 on the theme. He spoke in particular about team sports. For him, playing in a team is the same as being part of the world of science and industry: cohesion is what matters. For both there are shared goals and the need to be able to rely on others yet still be able to assert your own interests. In industry, competition is about customers. In sport it's about winning.



Ryadh Sallem, a handi-basket player, is on a mission to eliminate prejudices about people with disabilities, particularly in industry, to do this he applies his own singular approach, he tells his own story. When he speaks to CEOs and managers, he explains that disability and performance are not mutually exclusive. In fact, on the contrary, people with disabilities have learnt to fight for their interests and to achieve their objectives in roundabout different ways.

During the conference in Obernai, one of our managers spoke to him after the conference and thanked him for coming and speaking so candidly. Impressed by the way Ryadh looks for solutions for people with disabilities through his [CAP SAAA](#) club. The manager commented that basically, the same drive and passion also drives him to look for innovations at Hager Group. So, bearing this in mind, what does Hager Group do to improve the situation



for people with disabilities? We react in a number of different ways. The most obvious way is through our products, particularly in the area of building equipment and appliances. Intelligent solutions in this area can give people with disabilities autonomy and freedom. If you make disabled people's lives easier, you improve an entire society's attitude to life. A less obviously way is making our managers aware of the conditions under which people with disabilities live, not making a disability a limitation, as every job in a company requires certain skills. It is the role of our Human Resources recruiters to select the candidate with the best skills-set, regardless of whether or not they are disabled.

“Being disabled is a relative concept, defined as much by a state of mind and societal prejudice as by physical incapacity. As every individual faces limitations but also possesses unique talents.”

**For an interview with Ryadh Sallem, please consult pages 33 to 36 of our Annual Report.**

## Inter-generational approach

### TAI Community

The TAI Community (Trainees Apprentices Interns) was created in 2013 by and for trainees and apprentices in Hager Group. Indeed, the TAI Community aims to improve the experience



of trainees, apprentices and interns at Hager Group, by providing them with opportunities to meet, exchange, create links, share experiences and encourage self-help. The benefits for Hager Group? We stand out as an Employer of Choice by encouraging experience sharing to enrich the trainee network and contribute the intercultural nature of our group.

hager Group

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Just in Alsace, France there is a trainee and interne population of 105 people, 10% of which are foreign. The following nationalities are represented; Chinese, Spanish, Algerian, Moroccan, Brazilian, Vietnamese, Djiboutian, Colombian.

Breakfasts, laser quest games, after work sporting activities such as bowling and badminton matches as well as meals out together are some of the numerous activities shared by these young employees. These moments are an opportunity to talk about their experiences and their missions. There are also regular English training sessions to help with the TOEIC examination and I.T. skills training.



A Facebook community group is up and running, a LinkedIn community will be on line by the summer.

## Generation Y

Generation Y is making inroads into the business world at a fast pace. Having grown up in an era of digital revolution, its members are more interconnected than previous generations in the way they live and think. At Hager Group we ask ourselves **what motivates the 20 to 35 year olds of today and what does this mean for us as a company?** 14 female colleagues and 10 male colleagues aged between 17 and 33 from



Germany and France took part in a workshop held in Saverne in France in the summer of 2013 year entitled: **what moves Generation Y @ Hager?** By the end of the workshop, an image had emerged of a group of people that fit into both the new millennium and Hager Group. “Intelligent energy consumption” was stated by some as a matter of importance; “good preventative health care” or “better communication possibilities with friends” were other important subjects evoked. The major theme retained from the numerous discussions was “Making Hager products adaptable to individual customer requests”, which corresponds with the trend towards increased individuality and Hager Group’s ambition to create adapted solutions for our customers. At the end of the two-day workshops, the 24 participants had developed over 100 concrete ideas. It is now down to Hager Group engineers to decide whether or not ideas such as a device for automatic health diagnosis at home can go straight into development.

**For more information, please consult pages 18 to 21 of our Annual Report.**

## Tooling School

To maintain the level of skills within our workshops and overcome the difficulties in recruiting young toolmakers, Hager Group inaugurated on 16<sup>th</sup> December 2013 our own Tooling School tool at Obernai, France. The tooling sector is strategic for Hager Group as it is a vital link in production; tooling is responsible for the design, manufacture, development



and improvement of the stamping tools and moulds for injection of plastic material. With the retirement by 2022 of more than 20 employees in this sector and shortages on the labour market of qualified toolers, Hager Group decided to establish its own Tooling School to preserve and in particular **transmit know-how from senior to junior employees.**

The Tooling school benefits from:



- a specially designed classroom and workshop
- over 1500 pages of specifically developed training material
- a total of 271 hours of classroom training
- 1,071 hours of practical work
- 6 tutors and internal trainers.

The goal for Hager Group is to provide its student-employees excellent working and learning conditions to ensure the success of this [unique training programme](#). Two sessions of two and a half years will allow seven students, selected and recruited internally, two of which are female – an achievement in this masculine world and in line with gender balance, to become toolmakers.

The outcome of the training will be:

- an industrial milling CQPM certification (Certificate of Qualification in the Metallurgy Industry)
- a second toolmaker CQPM certification
- toolmaker or technician positions within the company

Daniel Hager explained, "the strength and reputation of our company is built on the quality of its employees and this quality depends on skills and skills are acquired through training. As a company, we have decided to focus on this Tooling School to develop our employees and our company."



# Corporate Social Responsibility CSR & community activities

## > Assessment, policy and goals:

Corporate Social Responsibility is an integral part of how we conduct our business at Hager Group, make decisions & set our priorities. Our corporate social responsibility approach is based on the 30 articles of the United Nations Universal Declaration of Human Rights, the standards of the International Labour Organisation and the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises. We ensure that our suppliers and partners respect a number of rules on human rights and labour law. That is how we aim for a balanced and safe competitive environment and broad international diversity. This approach not only increases the motivation of our employees, but also the loyalty of our customers and our partners, at home and abroad.

## > Measurement of outcomes:

### India

#### Blood Donation Camp



On 9<sup>th</sup> October in 2013, Hager India organised a Blood Donation Campaign in association with Inlaks & Budhrani Hospital in Pune. The motto of the event was “Give Blood. A Gift For Life.”

#### Environment Day – Save Earth Go Green



At Hager Group we believe in reducing our carbon footprint and our E3 approach shows the importance we place in creating a clean and green environment for generations to come. Hager India took inspiration from E3



and celebrated the United Nations World Environment Day in June 2013 by planting 100 saplings such as Silver Oak, Neem, Ashoka, Rain Tree and Gulmohar. All these varieties are identified as being helpful in keeping surroundings green, giving good shelter from the sun and providing a source of oxygen for years and generations to come.

#### Raising money by marathon running in Mumbai

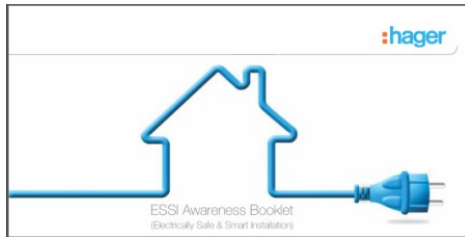


On 19<sup>th</sup> January 2014, 15 of our colleagues in Pune in India participated in a Dream Run segment of the Mumbai Marathon last Sunday in favour of NASEOH India. This non-governmental organisation aims at developing comprehensive rehabilitation opportunities for people with disabilities and facilitating their integration into the mainstream of the society. One of the Hager Group runners commented “...it was a moment to cherish forever and we all had great team... a sense of giving back to society what our Hager Group does is truly remarkable.”



## Electrically Safe & Smart Installations ESSI

ESSI - Electrically Safe & Smart Installations – is an initiative set up at Hager India. The



objective is to spread mass awareness about safe electrical practices to follow as well as energy efficiency and energy saving concepts. In 2013, 7 schools were targeted; Hager brand representatives gave presentation to the students and distributed a dedicated 20-page ESSI awareness booklet. The



booklet details what electricity is, how to avoid short circuits, how to use appliances correctly and what to do in case of electrical shock. Informative posters were also produced & circulated. The students were invited to the factory to discover production at work as well as our solutions and services.

A question& answer session rounded up the day.

## United Kingdom

Hager Group in the United Kingdom organised a coffee morning fund raiser for Macmillan



Cancer Support, funds raised totalled in at £591.98. People were invited to guess how many coffee beans were in the jar and cakes and biscuits were on sale.

## China

Role playing, public speaking, practicing leadership skills, improving spoken English are



some of the activities available at the Huizhou and Dongguan [Toastmasters Clubs](#) at Hager Group in China. Toastmasters Club is an International non-profit organisation in line with Hager Group's culture of promoting learning. In February 2012 in Huizhou a Toastmasters Club was built to help and support colleagues in communication and leadership and

public presentation. At first support was given from other cities to help set up the club and run it. Colleagues can join and participate in the management of the Toastmasters Club by being president for a year.

There are now 3 Toastmasters at Hager Group in China.

- 1 club in English which has about 20 members at Huizhou Hager
- 1 club in Mandarin Chinese to encourage shop-floor workers to participate at Huizhou Hager
- a third club in the making at Dongguan in English, Huizhou employees are helping to set the club up



In November 2013 Hager Group's Toastmasters club organised a big event where people from Toastmasters all over China were invited; especially from South West and East China. Having this Toastmasters club contributes to our employer brand and provides an opportunity for colleagues to improve their skills. Hager Group won the award for "The most Supportive Employer."



## France & Germany

For our Hager Group Symposium 2012, an annual top management team event to focus on



and highlight progress to-date, rather than giving the traditional gift to managers, we chose to donate to a special cause. In August 2013, Hager Group treated 100 youngsters from SOS Children's Villages in Merzig in Saarland and Eisenberg in Palatinate to



a trip to Europa-Park in Rust. "Europa-Park offers an impressive show. We wanted to allow other individuals, who have fewer opportunities, a similar experience." explained Daniel Hager, our CEO. "As a family-owned company, the concept of family and the social base that it's providing is central to our thinking. We are therefore particularly happy to support SOS Children's Villages, who offer a home to youngsters and a chance in their lives."

Please use the following links to press release on our corporate website for more information about Hager Group and SOS Children's Villages.

French: <http://www.hagergroup.com/fr/media/1024-160.htm#>

English: <http://www.hagergroup.com/en/media/1024-160.htm?lang=en>

German: <http://www.hagergroup.com/de/media/1024-160.htm?lang=de>

## France

### Les Paniers du Petit Lucien

Every Thursday at the site in Obernai, France a local producer sells organic fruit & vegetables next to the company restaurant. Reasonably priced, organic vegetables are available to all, plus we are supporting the local farming community.

### Service provider for meals

In the 3 sites in Alsace the service provider at the company restaurants has taken several initiatives in the domain of sustainable development.

- More organic food is offered and provided by local companies, thus boosting the local economy and reducing transportation.
- A regular stock take is taken on the amount food wasted after service, for example the amount of bread in kilos taken but not consumed is displayed, thus making diners aware of their actions.
- Portion size is adapted to the request of the employee to discourage waste and over-serving.

### 100 Chances 100 Jobs

100 Chances 100 Emplois (Jobs), is a partnership initiative, to fight against discrimination, between the state and companies to encourage and help young people aged 18 to 30 from disadvantaged neighbourhoods find work thus integrate the world of work. The initiative is carried by companies who mobilise for equal opportunities and work towards sustainable development. Hager Electro SAS, a subsidiary of Hager Group, signed a contract in October 2013, becoming an active member of the committee of economic actors for 100 Chances 100 Jobs.

### Blood donation



For more than 20 years, a twice yearly a blood donation is organised on-site in Obernai by the medical service in conjunction with EFS, a French foundation for the collection of blood donations. This year on 11<sup>th</sup> March, 72 donors gave almost 36 litres of blood. Last year 131 employees participated, providing a total of about 65 litres of blood, each donor contributes around

400 to 500 millilitres. To thank employees for their generosity, EFS provides them with a complementary meal. For Hager Group this initiative is important for public health and it can help save lives.



## Germany

### Saarländisches Gütesiegel – Familienfreundliches Unternehmen



Saarländisches Gütesiegel – Familienfreundliches Unternehmen is a label "business taking into account the family" awarded to companies that offer working conditions that ensure a balance between private life and professional life. In the Saarland region, Hager Group works in this area thanks to contacts with child-minding facilities, exchanges for employees' children through the "Hager Family" programme and specific information sessions for older people.

### Hager MiKids



As an example of not only CSR, but also E3 and diversity in everyday life, Hager MiKids, a club for Hager Group employees' children aged from 6 to 12 years old, provides 5 days of fun activities during the summer holidays while parents are at work. During these 5 days we work hand in hand with CJD Homburg Saar (a Christian organisation to facilitate the reintegration of youths through training) which works with disabled or handicapped young people. During this 5-day week for the MiKids we use CJD Homburg Saar's sports hall, swimming pool and kitchen.

### Electricians Without Borders

ESF - Electriciens sans frontières (Electricians Without Borders) is a non-governmental



organisation for international solidarity whose purpose is to carry out projects in the field of electricity in terms of development aid for disadvantaged populations in the areas where access to electricity and water is limited thus allowing better health protection, improved education or reduced rural

exodus. The Haiyan typhoon struck the Philippines on Friday 8<sup>th</sup> November 2013, devastating the central Philippines and killing more than 10,000 people. Haiyan deprived the survivors of electricity, a basic commodity for survival. For many weeks, several teams of ESF volunteers took turns on the Guian peninsula and surrounding islands to restore access to electricity, 100% of the network was destroyed. Hager Group provided ESF with financial aid to support this action.

## Responsible purchasing at Hager Group

### > Assessment, policy and goals:

As a signatory of the United Nations Global Compact we aim to promote the principles of sustainable development among our suppliers. From the selection of our suppliers, which involves ethical work and environmental protection criteria, to signing a purchase contract, involving a commitment from the supplier to comply with the terms of Hager Group's sustainable growth and ethical trade policy, we encourage our suppliers to be active in rolling out their socially responsible business approach.

### > Implementation:

Hager Group stands for high standards in brand quality. This is reflected in our procurement activities. We are very careful in choosing our suppliers, and we apply a range of selection criteria. Any supplier wanting to work with us must recognise the same core values we use in our own business: professionalism, fast response times and a high level of customer focus.

**Please use the following link for more details about our sourcing policy:**

<http://www.hagergroup.com/en/supplier/1024-156.htm?block=51338693>



## 02 LABOUR – PRINCIPLES

Principle 3: businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

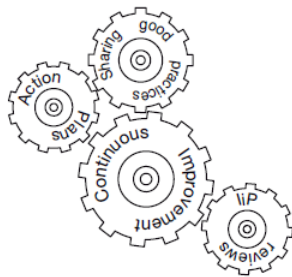
Principle 4: the elimination of all forms of forced and compulsory labour

Principle 5: the effective abolition of child labour

Principle 6: the elimination of discrimination in respect of employment and occupation

### Investors in People liP

#### > Assessment, policy and goals:



In today's changing and increasingly complex world, Hager Group must constantly adapt to and anticipate new challenges in terms of organisation, technology and financial resources. The key factor of our company's success is the ability of our teams to initiate and manage these changes. In this context, being able to rely on skilled and fully engaged employees is a competitive advantage that drives sustainable growth. The Investors in People (liP) framework helps us to focus our organisation on improving our performance and achieve our objectives through excellent people management and development.

#### > Implementation:

- The liP management standard was first implemented at Hager Group in 1994 and we were one of the first companies to have certification in Continental Europe.
- From June 2013 to June 2014, 65% of employees worked in liP-recognised units: 13 countries have liP certification & 27 entities have liP recognition. Since May 2013, we add Germany and India to the list of countries with certified entities.
- Since 2011 both the Standard level of certification and **Your Choices** are used at Hager Group. Your Choices is a choice-based approach allowing Hager Group to go beyond the liP Standard, working towards further evidence requirements relevant to our priorities and goals, offering continuous development and stretch our organisation's needs.
- There are 26 members in our truly diverse and multi-cultural Internal Review team:



- 1 from the United Kingdom
- 1 from China
- 2 from Italy
- 3 from Poland
- 5 from Germany
- 14 from France

> **Measurement of outcomes:**

From June 2013 to June 2014 no less than 8 external (Ext) and 1 internal (Int) reviews took place. All seven of the entities externally reviewed received recognition.

Year	Month	Country	Entity	Int	Ext
2013	06	France	Business Area Security & Market Area Atral France		x
	06	Germany	Market Area& support functions		x
	09	Dubai	Market Area	x	
2014	02	Sweden	Market Area		x
	03	India	Business Unit & Market area		x
	04	Italy	Business Unit Lumetal and market Area (Milan)		x
	05	Poland	Business Unit Polo & Market Area Polo		x
	06	France	Global certification for all French sites		x

**What are the benefits of Investors in People for our employees?**

*“I hear and I forget. I see and I remember. I do and I understand.”*

This quote from Confucius encompasses the philosophy of the Standard Investors in People.

Among the many benefits that Investors in People bring, our employees quote:



- development of their competencies
- evolution within the company
- recognition of their work
- taking ownership of their professional life.

Please use the following link for more details about our Investors in People:

<http://www.hagergroup.com/en/1024-83.htm#>



## HagerGO! (Global Opinion)

### > Assessment, policy and goals:

From 17<sup>th</sup> March to 13<sup>th</sup> April, 2014 Hager Group employees were encouraged to have their say and influence in their working environment in the second global opinion satisfaction. In 2011, all Hager Group employees were invited to participate in the first phase of the global HagerGO! survey. The aim was to be recognised as an employer of choice providing an environment in which current and future employees are motivated to develop their careers by supporting Project 2015 and deploying a common Hager Group worldwide frame. New questions about the group's strategic direction, covering areas such as innovation and sustainable development were added.



### > Implementation:

Employees had four weeks to openly answer, without disclosing their name, the questionnaire, available in 22 different languages in electronic or print format.

### > Measurement of outcomes:

To date, 80% of the 245 resulting initiatives and actions have been completed from the first survey in 2011.



A specific Hager GO! survey was conducted in China in 2013, the overall participation rate was 81%, and 90% of all production workers participated in this survey. Some of the resulting actions to in particular improve in-factory living conditions include the refurbishment and installation of:

- television signals with internet connection
- LED televisions and WiFi in the dormitory building
- ATMs for safe and easy money withdrawal and deposit
- charging stations for motorcycles
- special rest areas for pregnant women



The 2014 survey not only measures the success of previous initiatives, it also evaluates levels of satisfaction throughout the business today. The analysis of the results will be communicated in the second half of 2014.

## Employer of Choice initiatives

### > Assessment, policy and goals:

A number of initiatives to reinforce our position as an employer of choice were carried out over the last twelve months.

### > Implementation:

#### France

##### Tutor Day

Monday 24<sup>th</sup> March, the first edition of our “tutor day” took place in Obernai. 70 tutors from our different French sites shared experiences and ideas about the learning processes in innovative workshops. This initiative emphasises how important and challenging tutoring new talent is for Hager Group. Mentoring is an important factor to meet some of the major challenges faced by the company, which are to:



- identify and anticipate future business needs
- maintain, transmit and sustain knowledge in key business
- identify potential through internships.

With the themes of innovation and creativity in mind, tutors had the opportunity to exchange and share their ideas and experiences together on the theme of “The life of the learner”. There were nine different workshops in the morning followed by group work where the tutors presented their results in the form of small theatre plays to the other participants.

#### Germany

##### Hager Group stand at the Wirtschaftsunioren



The apprenticeship fair held by the ‘Wirtschaftsunioren’ took place at the exhibition centre in Saarbrücken on 31<sup>st</sup> August 2013. During the fair, Hager Group presented its diverse and interesting range of industrial, technical and commercial apprenticeship options and work-study programmes.



Around 100 interested pupils from all types of schools visited the stand and spoke to current apprentices and trainers face to face. The outcome: by the end of the day, five students had submitted applications.

## Care management at Hager Group



Care Management is a dedicated service with the goal of developing and implementing measures, aimed at raising employees' awareness of welfare, health and ergonomics in the workplace as well as a good work-life balance. As such, Care Management is continually developing and implementing needs-oriented and target-group measures to:

- provide employees with information that will encourage a healthy lifestyle tailored to their individual situation
- organise and strengthen the feeling of well-being in cooperation with the works councils and relevant experts from the fields of occupational health and safety and physiotherapy
- encourage a sensible work life balance.

### > Implementation:

Country-specific circumstances and local needs are taken into account, under the themes of:

- Ergonomics & Safety
- Work Life Balance
- Sports & Relaxation
- Health & Prevention

### > Measurement of outcomes:

Below are some of the special Care Management activities in 2013 and 2014.

#### Italy

##### **Workspaces reorganised**

Workspaces were reorganised with ergonomics in mind for colleagues with postural problems in production and offices. A computer desk pilot project is taking place in the technical department.

##### **Monitoring stress levels**

Stress levels at work are monitored by the Italian Safety & Security Standards for workers. A first evaluation is made of the stress to which employees of the company are exposed.

The standard analyses the following fields:

- company's indicators for on-the-job injuries, absenteeism, percentage of unused vacation days, turnover, disciplinary penalties, communication from the Company Doctor regarding the stress conditions on work, employees requests for extraordinary medical controls).
- working context: employees' role in the organisation, career evolution, autonomy for decision making, interpersonal relations at the workplace, work-life balance
- working content: environment and working equipment, task planning, workload, working rhythm, working schedule



The first evaluation carried out in 2014 showed that all areas of the company have a low stress risk.

## Germany

### Preventive fire protection



In the spirit of our support of the local fire department in Blieskastel, which has a long tradition, Hager and Tehalit donated a fire engine, equipped with a rotating head and a maximum rescue height of 19 metres. This engine serves the local community and provides increased protection, able to, if necessary, rescue of people from school buildings in Heltersberg and Geiselsberg or indeed from our own Tehalit buildings.

### Ergonomics at the office

A project is underway in Blieskastel where offices are being redesigned and refurbished with a focus on ergonomics. Employees received relevant information about ergonomics and were taught some practical and easy exercises which can be done during the working day or even at home.

### Internal mobility

#### > Implementation:

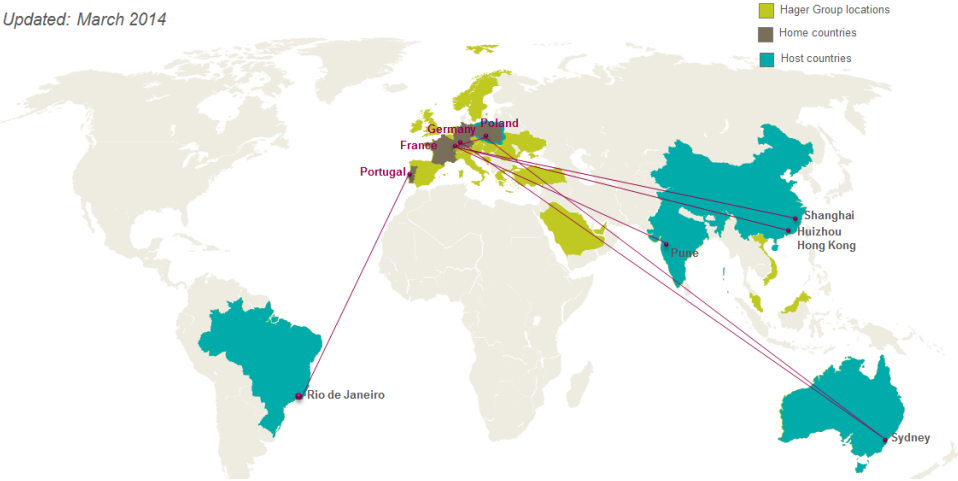
Internal mobility on a local and global scale is an important factor in career development and Hager Group International Mobility policy is part of a wider business strategy developing businesses in new countries as well as developing international careers.

#### > Measurement of outcomes:

Human Resources departments in Hager Group follow indicators for the number of positions filled through internal mobility. For example in France, the internal mobility objective is 50%. In 2013, by the end year we were at 41%. So far this year, by end of March we reached 50%, the tendency is good for 2014.

# International Mobility

## > Implementation:



The objectives of Hager Group’s new International Mobility policy, implemented in March 2014 are to:

- revisit our Long-Term Assignment policy
- define a Short-Term Assignment policy
- define clear and accurate rules applicable to the whole group in order to allow international transfers in line with business needs, company mindset and market practices
- provide consistent and suitable packages
- design our HR International Mobility processes
- create communication tools for the HR team, candidates and managers to explain our International Mobility policy

At Hager Group there are 5 types of mobility:



- Business trips
- Short-terms assignments
- Long terms assignments
- Location Pure
- V.I.E. (Volunteer for International Experience)

A specific Corporate Compensation & Benefits team ensures that the policies are adhered to. Their role is to:

- provide a group International Mobility policy with rules clearly defined in line with business needs and market practices
- ensure rules compliance
- provide expertise in international mobility issues (contract, social protection, immigration and taxation)
- coordinate internal and external stakeholders
- minimise human, legal and financial risks.

## Health & Safety Certifications

### > Assessment, policy and goals:

#### **OHSAS 18001**

We do our utmost to uphold the international OHSAS 18001 standards throughout Hager Group's industrial sites.

### > Measurement of outcomes:

14 of our 22 production sites and 2 logistic sites are certified to OHSAS 18001.



## 03 ENVIRONMENT - PRINCIPLES

Principle 7: businesses should support a precautionary approach to environmental challenges

Principle 8: undertake initiatives to promote greater environmental responsibility

Principle 9: encourage the development and diffusion of environment friendly technologies

### > Assessment, policy and goals:

In line with E3 and the Global Compact's principles to support a precautionary approach to environmental challenges, Hager Group undertakes both internally and externally to promote greater environmental responsibility and encourages the development and diffusion of environment friendly technologies that reduce our carbon footprint.

### > Measurement of outcomes:

#### Hager Group puts energy transition 2.0 to the test in Saarland

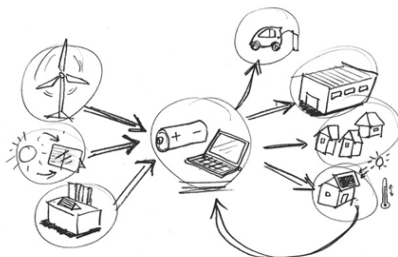
A group of competent German Saarland-based partners from industry, energy economics and research, local authorities, reputable experts from universities and research institutes, and proficient companies have come together to form a state initiative for the promotion of energy innovation "Landesinitiative Energieinnovation Saar". Hager Group is part of this team initiating an ambitious experiment, which aims to push forward the energy transition at a local level. **Working in cooperation, we aim to develop new problem-solving approaches that can be applied to the energy transition; these approaches will then be implemented in regional projects as test cases.** It is hoped that the Saarland model and its example of a future energy supply will drive forward the energy transition in Germany and farther afield.

The experiment aims to find a decentralised, safe and high-performance supply which is energy efficient and uses renewable energy sources.

This will require:

- electricity which has been traded freely and generated in a sustainable manner
- decentralised energy generation and local use
- energy management and efficient energy storage.

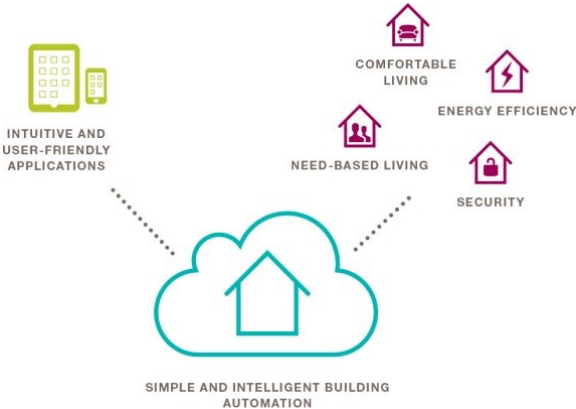
Between them, the project partners have all the expertise that may be needed for the experiment. The combination of locally generated energy, efficient storage and intelligent energy management eliminates the need for expensive, controversial overhead power cables and therefore removes a major obstacle to the energy transition. Johannes Hauck, responsible for Corporate Strategy and Business Development at Hager Group says, "here in the Saarland, we are bringing all



many players together; energy suppliers, industry representatives, researchers and consumers. This is the first time that such a joint consortium has been brought together anywhere in the world.” The project will provide what we wish to produce in the future: energy efficiency and renewable energy sources.

**Guided Autonomic Building**

Almost everyone who owns or lives in a house today is, unbeknown to them, throwing money



and energy down the drain. Only a tiny proportion of private properties currently incorporate intelligent building automation systems, which increase security and comfort while also optimising energy consumption in the building. In terms of the systems that are in place, 90% of them will not be adjusted to suit the changing needs of the occupant over time. This is because the systems are too costly to buy, install and configure. Private building

automation is therefore almost entirely restricted to the high-end construction segment. This, however, may be about to change. The “Guided Autonomic Building” project, in short “Guided AB”; a summarised term for “building and home networking with a dual-reality service and assistance platform” has eight strong partners working together to conduct a research project which aims to develop an accessible, intelligent and user-friendly platform, and thus raise the profile and market awareness of building automation.

“Our aim is to create a networked platform, similar on the one hand to an app store, where all the latest applications can be uploaded at any time, and simple and intuitive for anyone to use on the other,” commented Johannes Hauck, Manager of Corporate Strategy and Business Development at Hager Group and initiator of the project. “This is our chance to set a new industry standard in the segment and lead the way in one of the most significant fields in housing construction and building electronics.”

The project has its roots in the first Hager Group Innovation Day, where several employees put forward ideas and solutions relevant to the topic. Alongside Hager Group, Scheer Group and two research institutes from Saarbrücken and Dortmund, the project consortium now also comprises two well-known service providers from the construction industry, who will put the new technology straight to the test in their buildings. Hager Group’s expertise along with these partners provides everything needed for hardware and software development, sales and distribution and testing in the market. This unique constellation and the innovative strength of the idea are also acknowledged by the German Federal Ministry of Education and Research, which is supporting the project with funding worth several million euros as part of its high-tech initiative “Industry 4.0”.

**For more information please consult pages 25 to 28 of our Annual Report.**

## Hager Group Continuous Improvement and Eco-Awards

The 10<sup>th</sup> Hager Group “Continuous Improvement Awards” took place on 3<sup>rd</sup> December 2013 at the Gebläsehalle Neunkirchen in Germany. The annual Ceremony for Continuous Improvement has for the last couple of years had a special focus on initiatives that are environmentally friendly, the so-called Hager Group Eco-Awards. The selection committee for our Eco-Awards adheres to three evaluation criteria: **reducing consumption of resources, evaluating return on investment and duplicating where possible proposed actions to share best practices group-wide.**



The Germans jokingly talk about an “Eierlegende Wollmilchsau”, literally a woolly egg-laying pig that also produces milk, when referring to a solution that combines apparently impossible attributes. A team at the Dongguan site in China succeeded in developing such an all-embracing solution last year. By modifying the power generation and production systems, the engineers were not only able to **reduce power consumption,**

but also the **amounts of waste water, exhaust gas and dust** produced by the site. The team’s innovative efforts were rewarded with Hager Group’s 2013Eco Award. The award marks the end of a comprehensive process, which saw the nine maintenance, production and HR experts who made up the team hunting for optimisation potential throughout the site. Among other things, the waste water and exhaust gas produced by the coating line was brought down to almost zero, the amount of dust produced during the polishing process was **reduced from 2,000 to 18 milligrams per cubic metre** and the acid mist from the de-rusting plants was **cut by 90%**. A changeover in the power generation concept, from diesel oil to a system fired by wood pellets, has proved to be the most effective measure. Apart from **cutting energy consumption by 70% and reducing CO<sub>2</sub> emissions by 650 tonnes,** it also offers the site a means of saving almost 155,000 Euros in energy costs every year.

“This award, which is being given for the fourth time this year, is intended as an acknowledgement and accolade for the efforts made by the teams who have implemented the best projects devised to reduce the ecological footprint of our company,” declared Denis Munch, Head of Sustainable Development at Hager Group. “By drawing attention to tried and tested methods with the Eco Award, we give all of the sites an opportunity to emulate these improvements and use them in their own production processes.”

**Please use the following links to press release on our corporate website for more information about Hager Group Continuous Improvement Awards.**

French: <http://www.hagergroup.com/fr/media/1024-160.htm?lang=fr>  
English: <http://www.hagergroup.com/en/media/1024-160.htm?lang=en>  
German: <http://www.hagergroup.com/de/media/1024-160.htm?lang=de>

### **Streamlining production processes in Ottfingen**

C part production has successfully undergone a radical slimming down process at the Ottfingen production site thanks to systematic customer orientation, clever optimisation measures in the production process and the enthusiasm of the employees. This team effort was rewarded a Hager Group Continuous Improvement Award. And yet this is just the beginning of the factory's transformation into a flexible production organisation.

Such comprehensive optimisation measures as those implemented at the Ottfingen production site are only possible with teamwork. HPS Leader Srinivasa Pakki and his team began to turn the entire C-part production line upside down: the preliminary alignment station, granulate drying station, quality inspection station and cassette storage facility for the injection moulding system were rearranged around the injection moulding machine cell, to have the necessary resources within easy reach. With this new organisation and better performance the plastic waste resulting from the production process has been drastically decreased from **590 down to just 21 grams**.

**For more information please consult pages 57 to 60 of our Annual report.**

### **Initiatives in line with E3**

#### **Smart Grid**

On 21<sup>st</sup> March more than 100 energy specialists from France and Germany attended a conference at Hager Group's main French site in Obernai, devoted to the highly topical theme of "Smart Grid - an essential tool for the energy transition". The event was hosted by the engineering associations VDI (in Germany) and Arisal (in France) and provided an opportunity for experts from both of these neighbouring



countries to discuss what tomorrow's energy system will look like. It was only fitting that the conference should be held on Hager Group premises, given that, with our many research projects, pilot tests and pioneering energy management systems, we are one of the most important drivers of the energy revolution currently taking place in Europe.

#### **Energy-efficiency construction in Blieskastel**



An impressive example of Hager Group's commitment to change is its new 3,000m<sup>2</sup> Research and Application Centre in Blieskastel. Opened during autumn 2013, the building was designed as a kind of high-efficiency power plant, capable, all year round, of generating at least two thirds of its energy needs. Solar panels on the roof produce electricity from the sun's energy, a high-efficiency combined heat and power unit in the basement is used to convert gas into heat and electricity and the generated energy is stored in a 100 kWh buffer. The heart and brains of the building, however, are an innovative energy management system, which with



photovoltaic technology, combined heat and power unit and public electricity distribution network not only coordinate three energy sources simultaneously, but also act as a weather station and calculate the building's energy requirements. Some 5,000 data points spread throughout the building record each individual user's energy consumption in real time and feed the data into the calculation model of the management system Hager Group has developed with its partners. **This means energy generation can be increasingly balanced with consumption and in a few years from now it may be possible to disconnect the building from the public energy distribution network completely.** Already, according to predictions, it should take less than five years to amortise the €1.6 million invested in the energy concept and management system.

### Insourcing of polybags in Spain



To reduce our carbon footprint, in 2013, a decision was made at La Roca in Spain to insource the production of polybags for plastic enclosures. Previously, the production process and components were outsourced to external suppliers and then the polybags were transported by return to the factory for completion. Now, the buying of a specialised machine and internalising production, no transportation is needed; the availability of the polybags has improved and stock has been reduced. In addition to this, in line with our diversity approach, the process is subcontracted to [SIFU](#) Group, a facility services company specialising in the integration of people with physical, mental, mental or sensory disability into the working world.

### Waste disposal in Italy



The Italian Standards for separate refuse collections and waste disposal were applied in Porcia, Mazzano and Crespellano. This initiative for the office spaces and production areas promotes intelligent waste disposal in line with our E3 approach.

### Environment and energy in Huizhou China

The industrial team Hager Huizhou has made great efforts towards preserving the environment and saving energy.

- Cardboard is no longer provided by an external supplier as **350,000 pieces of cardboard will be recycled in 2014.**
- Fluorescent lamps were replaced by LED lamps in the workshop. By March 2014, a total of **3,500 lamps were replaced.** The estimated energy saving is 172,000kwh per year.
- Two air-conditioning systems were integrated into one, thus avoiding having





two operational systems in winter. A transducer was added to control pump power, the **estimated energy saving is 180,000kwh per year**.

- A heat protection device was added to an injection machine in March 2014. The **estimated energy saving is 51,000kwh per year**.
- **Hager Green Idea Project** was launched in March 2014 to collect and share ideas in the Huizhou factory regarding the environment and energy saving.

### Double level truck delivery in France

The ADC (Area Distribution Centre) logistics centre in Bischwiller has set up an initiative to use double-deep storage trucks allowing for double pallet stacking. This type of truck ensures improved filling capacity and less transportation trips.

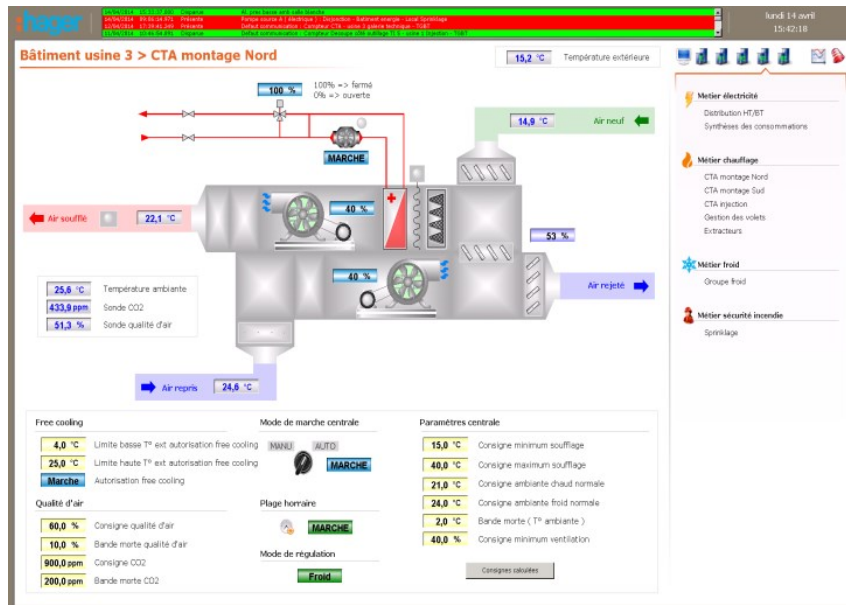
### Eco-label Der Blaue Engel

Hager Group's 2013 Annual Report has been awarded the eco-label Der Blaue Engel <http://www.blauer-engel.de/>. The paper used Enviro Top is carbon neutral, made from recycled paper without the use of optical brighteners and chlorine bleaching. All other materials used to produce this report also comply with the requirements of the eco-label Blauer Engel (RAL-UZ 14). This label is known to be one of the most demanding in environmental matters.



### Initiative in Obernai to reduce electricity consumption

In Obernai a G.T.B. (Gestion Technique du Bâtiment – Technical Building Management)



programme is part of a pilot project to monitor and reduce electricity consumption in factories 2 and 3. Captors have been fitted into aeration systems, the electricity supply, heating and cooling systems, air extractors and sprinklers. These captors are linked to a software programme that monitors live and in consequence adapts the electricity supply

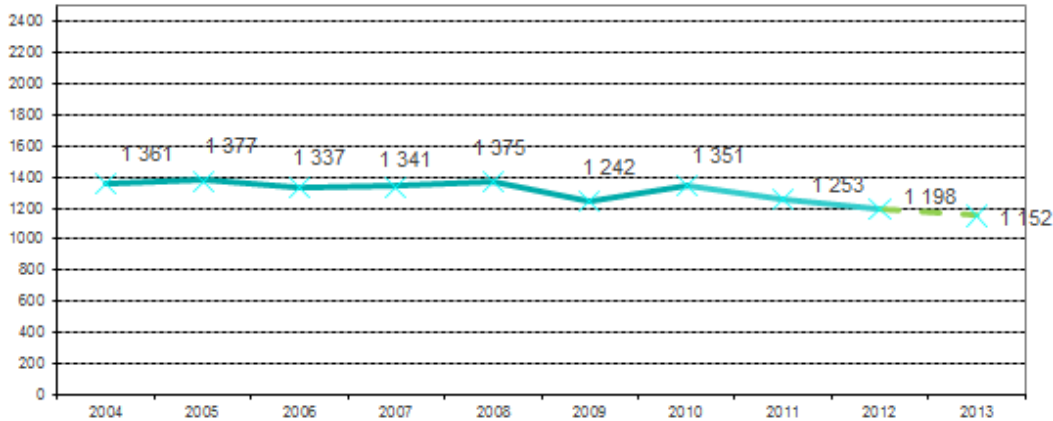
according to, for example, the outside temperature, the factories' needs, public holidays etc... The dashboard display makes available all necessary information to make and plan changes to help reduce electricity consumption. The savings thus far in terms of electricity and Euros are impressive.

### Reduction of greenhouse gas emissions in France

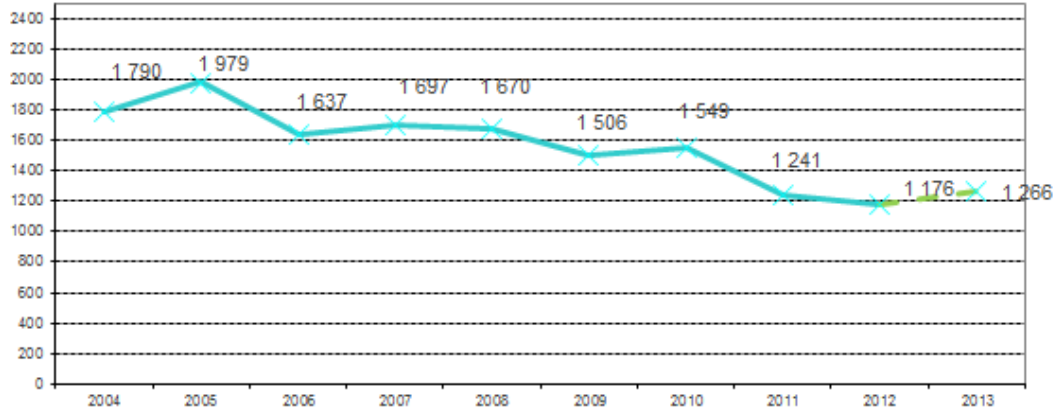
The battle against climate change is a priority for France. The guidelines, set out in the POPE Law of 13<sup>th</sup> July 2005, are to cut greenhouse gas emissions by 4 by 2050. This objective has since been reaffirmed in the framework of the Grenelle 1 and 2 laws. In line with this and the United Nations Global Compact, a constant effort is made to reduce the production of waste and the overuse of resources such as water, gas and electricity at our site in Obernai. As a result of our reduction efforts, since in 2005 by end 2013, we consume **20% less electricity per 1000K€ of turnover**, **37% less gas in kilowatts per 1000K€ of production** and **water consumption per M<sup>3</sup> for 1000K€ of production is down by 46%**. The results to end March 2014 are also in a very positive downward trend, in comparison to end 2013, electricity consumption has been reduced by a further **6%** per 1000K€ and gas by **41%**. Waste management objectives in Obernai are to be below 77%, we have reached our objective. Our production of CO<sub>2</sub> in 2005 was 3,356 tonnes. Our objective for 2020 is 2,886 tonnes, that is to say -14%. By the end of 2013 we were already at 2,492 tonnes, which is the equivalent more than -25%.

The following graphs on pages 39 and 40 illustrate results in Obernai for consumption reduction of electricity and natural gas.

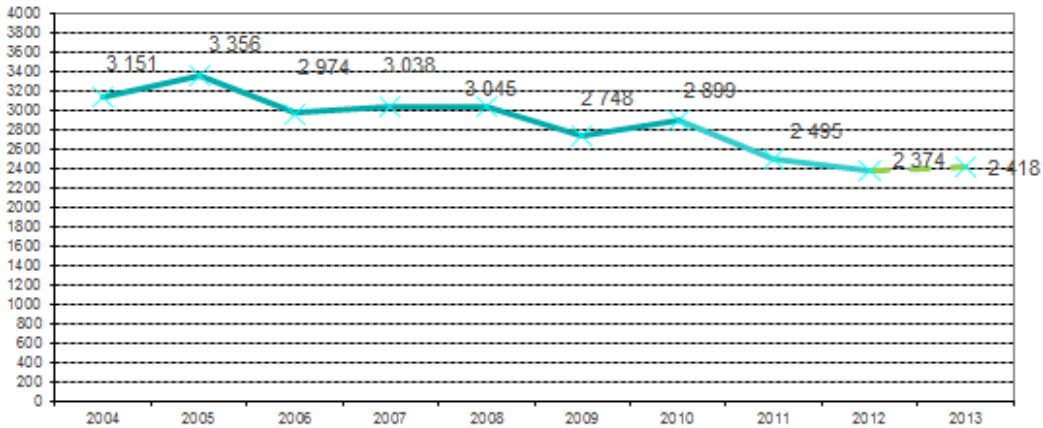
### Evolution in carbon equivalent emissions linked to consumption of electricity in tonnes in production



**Evolution in carbon equivalent emissions linked to consumption of natural gas in tonnes in production**



**Evolution in carbon equivalent emissions linked to electricity and natural gas consumption in tonnes in production**



## Regulations & Certifications

### > Measurement of outcomes:

#### REACH Regulations

Hager Group requires its 4,000 suppliers, with over 40,000 purchased references to declare the presence or not in their supplied goods of one or more of the latest substances added to the SVHC list (substance of very high concern). At Hager Group we endeavour to not use these substances of high concern in our existing products and all new projects do not contain any of them. This list last updated on 16<sup>th</sup> December 2013 now contains a total of 151 substances.

#### ISO 14001 Certifications

By the end of 2013, 13 of our 22 production sites were certified ISO 14001.

## E-mobility

### > Assessment, Policy and Goals:

As electrical mobility develops, charging stations for electric vehicles are increasingly more present in our lives, be they in public places or in the home. By developing of a range of recharging solutions we have put the focus on ease-of-use, ergonomics, intelligent and aesthetic charging stations, positioning ourselves as an active contributor to this new industrial and human adventure.



### > Implementation:

What moves people? Cars of course, better still electrical cars and even better still having a



people-friendly, environment-friendly and cost-friendly one. To encourage minimal impact on the environment we developed witty, a recharging station for electrical cars. Our witty charging station is not just attractive and user-friendly; its functionality is enhanced by its accessible plug storage, simple cable management and an illuminated LED window. witty enables

intelligent charging by taking into account availability and consumption of electricity in the house. Our charging stations as well as electric cars are present and available at many of our Hager Group sites.

- In Obernai in France there are 5 charging stations on site and 2 electrical cars. A Zoé is used to run local errands, thus reducing our carbon footprint.



- An electrical car is available for employees at Porcia in Italy to use. Porcia is where hardware for witty models is made.

- At the Heltersberg site, in Germany at the entrance there are 5 publicly accessible charging stations and 3 more within the site. A Peugeot Ion is used to test the charging station; in the near future the electrical car pool will be extended.



- There are two wittys in The Netherlands.



- In Portugal there are numerous recharging stations equipped with Hager products.



# 04 ANTI-CORRUPTION PRINCIPLES

Principle 10: businesses should work against corruption in all its forms, including extortion and bribery

## Anti-corruption initiatives

### > Assessment, policy and goals:

What is the right thing to do? What is not right? Where do you draw the line?

Doing business globally entails many challenges, particularly when working in diverse cultures where “appropriate” business conduct can vary widely and in countries where enforcement of national or international standards may be weak. Therefore adherence to the company’s Ethics Charter must be observed. In a business environment, making the right choices becomes increasingly more complex and more important. It is important that new employees are guided through our company values and understand our Ethics Charter which make it very clear what is expected behaviour of a Hager Group employee. Our Ethics Charter is a reference framework based on our values, providing an authoritative guideline for an upright, reliable yet successful way of doing business.

### > Implementation:

Making ethical decisions is part of our company culture. With our Sustainable Growth and Ethics Charter we adhere to the anti-corruption principles set out by the United Nations. Set out 2012, our Ethics Charter is now translated and since mid-2013 published and displayed in the group’s 22 local languages at all sites and in all departments.



Please use the following link for more details about our Ethics Charter.

[http://www.hagergroup.com/files/download/0/131\\_1/0/EC\\_EN.pdf](http://www.hagergroup.com/files/download/0/131_1/0/EC_EN.pdf)

## 05 SELECTED EXAMPLES OF SOCIAL ACTIVITIES WITHIN HAGER GROUP

### Peter-und-Luise-Hager Foundation



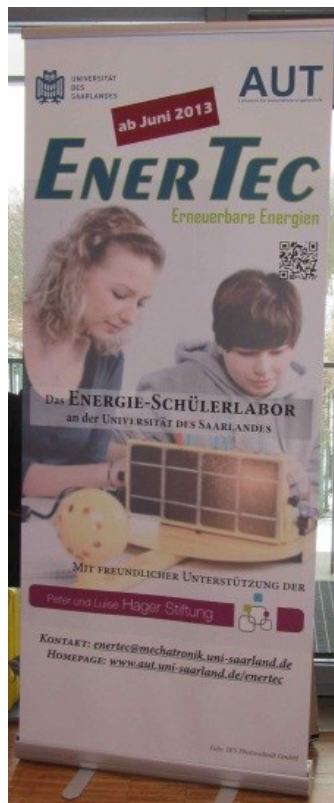
#### > Assessment, policy and goals:

As a family-run company, Hager Group has traditionally been aware of its great personal responsibility. This involves taking responsibility for employees and their families as well as the sustainable protection of the environment and natural resources, and above all, social responsibility. The founders are convinced that it is important to give something back to society in return for its commercial success. Such a commitment reflects the Hager family culture and their values.

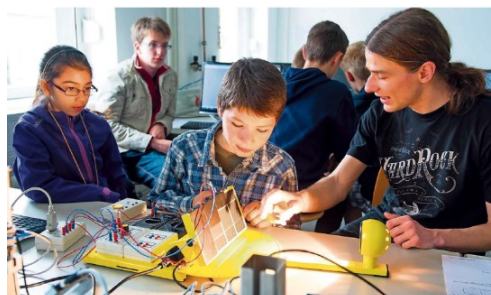
#### > Implementation:

The Peter-und-Luise-Hager Foundation was established in December 2010 to further projects in the fields of science and research, protection of the environment, culture, child development and education and social care. Many of the projects are located near Hager Group sites and therefore benefit the people who live and work in close proximity to the company. The name of the foundation is also fitting; it is named after the parents of the company founders, Oswald and Hermann Hager.

### Schülerlabor student Lab EnerTec



Peter-und-Luise-Hager Foundation supports the student laboratory at the Saarland University. Hardware and equipment for classrooms were purchased to contribute to the student laboratory in the Department of Automation technology in the Saarland University. A publicity campaign to generate school children's enthusiasm and interest in the student laboratory was carried out by means of flyers, postings on the Saarland homepage, Saarland University press releases, letters to 212 science teachers in schools across the Saarland and presentations at various events at schools. Youngsters participating in the international student exchange at Spohn's house in July 2013 visited as well.



## Perspectiva Project in Spain



With the Perspectiva project, the Peter-und-Luise-Hager Foundation wishes to make a contribution by addressing an important socio-political problem in Spain. It concerns young men and women at the start of their careers who would like to gain experience in a company located in Germany. The project contributes towards selecting candidates,

organising application days, training the Spanish people, organising languages training, searching for accommodation and working out rental agreements, planning activities to facilitate integration into life in Germany and support for permanent employment in Germany. At this stage in the project 11 candidates have

been chosen, they have received German language training in La Roca, Spain and informative video conferences about working at Hager Group Germany have been organised.

## ABCM Schule, Saarguemines, France

The ABCM School in Saarguemines, France (ABCM: Association for Bilingual Classes in nursery school – *Maternelle* in French) is a bilingual school that introduces children as early as possible to French and German with classes taught by native speakers. The children grow up in a bilingual and bicultural learning environment encouraging understanding and respect of other cultures and languages. The Peter-und-Luise-Hager Foundation is financing an additional teaching job to support this bilingual approach and ensure the continued quality of teaching.

## Flood funds for North India

In June 2013, a multi-day cloudburst centered on the North Indian state of Uttarakhand causing devastating floods and landslides in what turned out to be the country's worst natural disaster since the 2004 tsunami. The heavy rains resulted in large flash floods and massive landslides that damaged houses and structures, killing those who were trapped and making the area practically inaccessible. Entire villages and settlements were obliterated. The Peter-und-Luise-Hager Foundation granted support to help in the reconstruction of homes, schools and general electric supply.



## Community School, Gersheim, Germany

Hager Electro GmbH & Co. KG supports the Community School in Gersheim. For 25 years this Community School in Gersheim has maintained a partnership with a French School in Bazancourt, near Reims. Every year a one-week student exchange takes place for up to 50 students promoting language learning and cultural awareness.

### **JAMALV, Strasbourg, France**



JAMALV - Jusqu'à la mort accompagner la vie - accompany life until death. With its 63 volunteers, this private association provides care and assistance to the terminally ill. The volunteers accompany by providing support and guidance for the terminally ill, be they young or old and help their loved ones deal with the grieving process. Mr. Rauscher and Ms. Pedroso, an employee at Hager Controls in Saverne, France and an active volunteer received a donation of € 10,000. This

financial help will go towards finding and training more volunteers.

### **Spohn's Haus**

Peter-und-Luise-Hager Foundation introduced a new activity in 2013, an international holiday camp for German, Polish and Ukrainian youngsters in collaboration with the ecological Schullandheim Spohn's house in Gersheim, Germany. 20 participants from Germany, 30 from Poland, and 20 from the Ukraine joined the Hager Group holiday camp from 8<sup>th</sup> to 20<sup>th</sup> July 2013. Some of the activities involved excursion to Strasbourg and Paris, a Hager Group presentation along with a factory visit of the Blieskastel site, a barbecue at Spohn's house along with some Hager Group employees and representatives of the foundation. They also visited the EnerTec laboratory.

### **Light Symphony Orchestra**

In November 2013, the city of Blieskastel hosted the Light Symphony with Orlando Circle and the countertenor Andreas Scholl. An additional light show illuminated the town's renovated castle. For this cultural event, Hager Group sponsorship helped contribute towards entrance fees.

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