

## UN Global Compact - Communication on Progress April 2015

### 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, electrical infrastructure, as well as 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, offers solutions used in electric drive systems and in the charging infrastructure for electric vehicles. 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

#### Alignment with the Global Reporting Initiative (GRI)

Schaffner is currently aligning its sustainability reporting with the Guidelines of the Global Reporting Initiative (GRI). The sustainability reporting is an integral part of Schaffner's annual report.

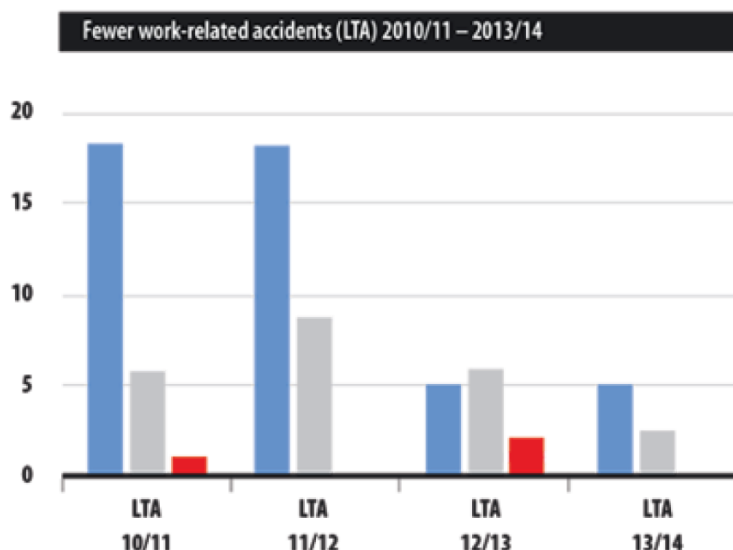
#### 3.1 Human Rights and Labor (Principles 1 to 6)

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.

## Employee health and safety

In recent years, Schaffner has consistently scaled up its investment in promoting the health and safety of its employees and is proud of its success. It has made great strides in occupational health and safety since launching a recording and measuring system in 2008/09. Despite strong growth in production, the number of work-related accidents resulting in more than one lost shift or working day (lost time accident, or LTA) was reduced significantly from 25 in 2010/11 to eight in the year under review. To attain the goal of zero lost time accidents per fiscal year and organization, Schaffner has introduced a detailed action program that includes the following elements:

- Making safety instruction an obligatory part of the induction of all new employees
- Holding regular information events and safety training courses
- Ongoing optimization of machinery and infrastructure
- Introducing a standard reporting system for analyzing accidents and developing and implementing informed safety measures on this basis



## 3.2 Environmental Management

### 3.2.1 Energy Consumption

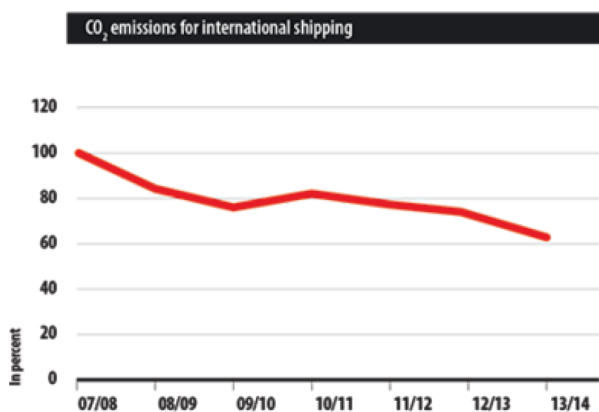
#### Recently completed actions

Target	Action	Results
Reduction of electricity consumption for Schaffner's operation of IT hardware worldwide.	Replacing of existing IT servers at all Schaffner locations worldwide with highly efficient, state-of-the-art models not requiring air conditioning in server rooms.	Savings in electricity consumption for operation of IT servers of up to 60%.

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

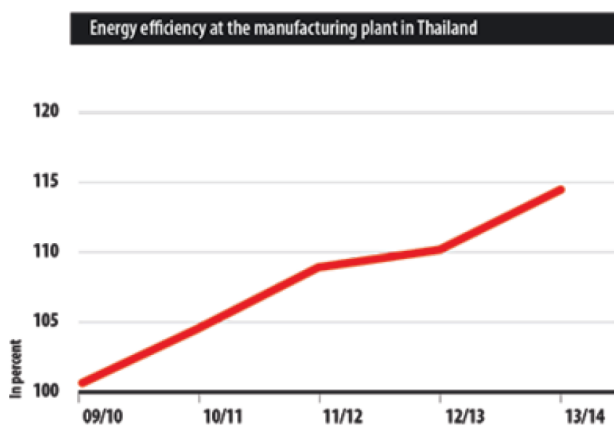
#### Continuous action to reduce shipping cost and thus CO<sub>2</sub> emission

With production centers in Asia, Europe and the USA, the Schaffner Group is able to manufacture its products in close proximity to customer delivery locations, thus substantially reducing shipping costs. Since 2007 Schaffner has reduced air freight by 37% in favor of sea freight and lowered the corresponding CO<sub>2</sub> emissions per unit (of weight and distance traveled) by an average of 38%. Schaffner is aiming for an additional 5% reduction in CO<sub>2</sub> emissions in the coming five years through continuous optimization of processes and a further increase in the share of sea freight.



#### Energy efficiency in production

At its biggest manufacturing facility, in Thailand, the Schaffner Group's investment in good building insulation, efficient production infrastructure and rigorous energy management has raised energy efficiency by 14% since 2010, saving 160 MWh of energy per year. Schaffner measures energy use at all its production sites and aims to reduce energy consumption at the plants by a further 5% over the next five years.



#### Planned actions

Target	Action	Expected Results
Reducing CO <sub>2</sub> emission caused by travelling with company cars (pilot project at Schaffner Headquarters).	Annual data recording of driven distance with company cars in relation to CO <sub>2</sub> emission based on the car manufacturer's energy efficiency class index. Planning and implementation of appropriate action to reduce CO <sub>2</sub> emission.	Lasting reduction of CO <sub>2</sub> emission caused by travelling with company cars.

### 3.2.3 Product Content Restrictions

#### Conflict minerals policy

The Schaffner Group abides by the Conflict Minerals Act for the protection of human rights in the mining industry, particularly in the mining of ore to produce tin, tantalum, tungsten and gold in conflict regions. The Schaffner Group works closely with its suppliers to verify the origin of the raw materials used.

#### Recently completed actions

Target	Action	Results
Enforcing Schaffner's conflict minerals policy.	Requesting suppliers to implement a conflict minerals policy based on Schaffner's conflict minerals policy and update internal guidelines accordingly.	>80% of selected key suppliers have implemented and maintain an accordant policy.

### 3.3 Anti-Corruption

An Anti-Corruption Policy has been part of all employment agreements in the Schaffner Group since fiscal 2012/13. The policy is supported through training programs at the Group sites, and compliance is monitored.

#### Recently completed actions

Target	Action	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.	Suspicious cases have been reported via assigned email address and taken care off by Schaffner's Business Ethic Committee.