

## UN Global Compact – Communication on progress April 2018

### 1. Schaffner – Shaping electrical power

The Schaffner Group is a global leader in solutions that ensure the efficient and reliable operation of power electronic systems by shaping electrical power. The company's portfolio includes EMC filters, power magnetic components, power quality filters and the related services. For the automotive industry, Schaffner develops and manufactures antennas used in keyless entry systems for cars, and filters for the drive systems of hybrid and electric vehicles and their charging infrastructure. Schaffner components are deployed in electronic motor controls, in wind power and photovoltaic systems, rail technology applications, machine tools and robots, electrical infrastructure, and in power supplies for electronic devices. Headquartered in Switzerland, Schaffner serves its customers globally through its engineering and manufacturing centers in Asia, Europe and North America.

### 2. Statement of continued support

To our stakeholders,

Schaffner is a global company with strong principles for protecting the rights of individuals and the environment. As a member of the UN Global Compact, the Schaffner Group does not compromise on integrity and applies high ethical standards in its global operations. This annual progress report describes the recent activities to continuously improve the integration of the Global Compact and its principles into our business strategy, our culture and our daily actions.

Marc Aeschlimann  
CEO

### 3. Actions

#### 3.1 Human rights and labor (principles 1 to 6)

The Schaffner Group strives for a corporate culture based on responsibility and respect and supported by the talents of its employees. The Schaffner Group treats all current and potential employees fairly and without prejudice. All employees should have equal career development opportunities within the Schaffner Group, regardless of gender, marital status, ethnic origin or nationality, sexual orientation, religious beliefs, political affiliation, disability and age (depending on contractual retirement age).

#### Employee health and safety

Schaffner puts great emphasis on protecting the health and safety of its employees. Since the introduction of systematic measurement in 2008, the Schaffner plants in Asia, Europe and the USA have achieved significant improvements and thus a steady increase in productivity.

To keep the workplace safety, the following measures are kept in place:

- Supervisors carry out a "safety wake-up call" every day before and after each shift break.
- If an event occurs that causes an increased risk to the health and/or safety of employees, the production is stopped immediately, and all employees are called together. They will be informed of the circumstances of the incident and the appropriate accident prevention measures.
- Safety training courses are held regularly in the departments involved. Newly hired employees must undergo safety training during the entry process.
- Regular risk assessments are carried out in accordance with the OHSAS 18001 standard.
- When machines are moved to a new location, the entire installation is inspected according to local safety standards. Safety regulations, safety devices and warning signs are adapted to the national standard.
- The safety declarations of all machines are regularly checked.

- The planned introduction of a safety award is intended to increase safety awareness. The award, which is regularly presented at the annual company celebrations, assumes that the last three years have been accident-free.

### **Conflict Minerals Policy**

The Schaffner Group is enforcing the Conflict Minerals Act to protect human rights in mining, particularly in the extraction of tin, tantalum, tungsten and gold in conflict regions. To this end, the Schaffner Group works closely with its suppliers to ensure the demanded origin of the raw materials used.

### **3.2 Environmental management (principles 7 to 9)**

The Schaffner Group is committed to protecting the environment. All plants are certified according to ISO 14001:2015.

#### **Energy consumption, CO<sub>2</sub> reduction**

Schaffner's goal is to keep carbon dioxide emissions to a minimum throughout the Group. To ensure this, the Group has launched a project to continuously identify the savings potential and plan the necessary measures. In addition, employees are sensitized to reduce energy consumption and use available resources with caution.

#### **Logistics**

With its production centers in Asia, Europe and the USA, the Schaffner Group is in a position to manufacture in the immediate vicinity of its customers and thus significantly reduce logistics costs. Wherever possible, the Schaffner Group also favors ocean freight over air freight to maintain CO<sub>2</sub> emissions (per unit weight and distance) for freight transport at a low level.

#### **Production**

The activities to reduce CO<sub>2</sub> emissions in the Schaffner Group's production centers are bearing fruit. Training events were held to show employees the negative consequences of CO<sub>2</sub> emissions and promote their understanding and commitment. CO<sub>2</sub> emissions from production facilities were stabilized. The optimization activities will continue, and energy consumption will be monitored in accordance with the GRI reporting guidelines for relevant aspects with a focus on UNGC Principles 7, 8, 9 and 10.

#### **Headquarters**

Although the headquarters make only a small contribution to the Schaffner Group's overall energy use, here too the use of energy is continuously optimized. Energy consumption for heating, lighting, operation and maintenance has been significantly reduced. In particular, the modernization of the IT infrastructure has led to considerably lower power consumption.

The Schaffner headquarters are planned to move to a new building at the end of 2019, built according to the latest energy standards, which will enable a further reduction in energy consumption.

### **3.3 Anti-Corruption Policy (principle 10)**

Anti-corruption policy has been an integral part of all employment contracts of the Schaffner Group since fiscal 2012/13. The policy is supported by training programs at the Group locations and compliance with these programs is monitored. No violations of the guidelines were detected in fiscal 2016/17.