

UN Global Compact – Communication on progress April 2019

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 Group's portfolio includes EMC filters, power magnetic components, power quality filters and the related services. Schaffner components are deployed in electronic motor controls, rail technology applications, machine tools and robots, in wind power and photovoltaic systems, in power supplies for electronic devices, and electrical infrastructure. For the automobile industry, Schaffner develops and manufactures components for antennas for keyless entry systems, and filter solutions for hybrid and electric vehicles and their charging infrastructure. 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 UN Global Compact and its principles into our business strategy, our culture and our daily actions. In addition, we are committed to sharing this information with our stakeholders.

Kind regards,
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 within the Schaffner Group should have equal development opportunities 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 attaches great importance to protecting the health and safety of its employees. Since the introduction of systematic monitoring in 2008, Schaffner plants in Asia, Europe and the USA have achieved significant improvements and thus a steady increase in productivity. Major plants will be certified 2019 according OHSAS18001:2017 or ISO45001:2018.

Conflict Minerals Policy

The Schaffner Group supports 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. To this end, the Schaffner Group works closely with its suppliers to ensure the required origin of the raw materials used.

3.2 Environmental management (principles 7 to 9)

Schaffner's manufacturing centers apply an environmental management system in accordance with the international ISO 14001:2015 standard; acquired companies are also integrated into this system.

Energy consumption, CO₂ reduction

Schaffner's goal is to keep carbon dioxide emissions to a minimum throughout the Group. To ensure this, the Group continues to work on constant CO₂ reduction programs. In addition, employees are sensitized to reduce energy consumption and use available resources with care.

Logistics

With its production centers in Asia, Europe and the USA, the Schaffner Group is in a position to manufacture in close proximity to its customers and thus significantly reduce logistics costs. Wherever possible, the Schaffner Group also favors ocean freight and train freight over air freight to maintain CO₂ emissions (per unit weight and distance). As part of the Chinese Silk Route Program a train freight connection from China to Europe was built up. A substantial part of the air freight from China to Europe was shifted to this train freight line.

Production

Activities to reduce CO₂ emissions in the Schaffner Group's manufacturing centers are bearing fruit. In specific training programs, employees are informed about the negative consequences of CO₂ emissions and their understanding and commitment are strengthened. CO₂ emissions from production facilities were stabilized. The optimization activities continues and energy consumption is 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 total energy consumption of the Schaffner Group, the degree of energy utilization is also continuously improved here. Energy consumption for heating, lighting, operation and maintenance has been significantly reduced. In particular, the modernization of the IT infrastructure has resulted in significantly lower power consumption. In autumn 2019, the Schaffner Group's headquarters in Luterbach, Switzerland, will be relocated to a new energy-efficient building. The building was built according to the latest energy standards, which will enable a further reduction in energy consumption.

3.3 Anti-Corruption Policy (principle 10)

The 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 2017/18.

Additional Information

Further information on the sustainability of the Schaffner Group is available at the following link <https://www.schaffner.com/sustainability/sustainabilityreport/>, and in the sustainability section of the Annual Report 2017/18 of Schaffner Holding AG (p. 12 to 16) https://www.schaffner-ir.com/fileadmin/media/downloads/annual-reports_ARCHIVE/2017-2018/Schaffner_AR_2018_EN.pdf.