

Hager Group Communication on Progress 2019

**UNITED NATIONS
GLOBAL COMPACT**



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CEO STATEMENT OF CONTINUED COMMITMENT

Blieskastel, June 2019

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, our company projects have a longer-term approach, our current one is coming to its five-year end and the next one is an ever longer-term projection over ten years. 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 transform and 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.

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 in the field we can play a more active part in shaping sustainable progress than ever before. On the other hand, there are also considerable risks: 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.

We follow the guidance provided by the ISO 26000 standard to integrate social responsibility into our organisation. With E3, our approach for sustainable development, we act ethically, caring for people, and we 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, over twelve years ago now, 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, which appears to read 'Daniel Hager'. The signature is fluid and cursive, written over a light blue background.

Daniel Hager, CEO Hager Group

HAGER GROUP, CONTINUED COMMITMENT TO SUSTAINABILITY...



Our values are not negotiable, we believe in respecting people and our environment. Corporate Social Responsibility is more than just words.

E3 – HAGER GROUP'S SUSTAINABILITY APPROACH

“As a family-owned company it is in our nature to be sustainable.”

With increasing globalisation and diminishing natural resources, we must consider the consequences of our actions. The need for greater corporate responsibility and shaping a sustainable future 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. As a family-run company with strong values, we act today to ensure our long-term success for tomorrow. One way we do this is by investing in our employees and their skills development, as well as optimising our eco-balance and developing solutions that are more energy efficient. Thinking and acting for the long term helps us systematically avoid risks and take advantage of entrepreneurial opportunities earlier and with greater intensity. Although the maxim of sustainability is inherent in everything we do, we have focused on particular sustainable activities in our **approach that we called E3**.

E for Ethics: Ethical principles determine how we act towards our customers, colleagues and society. Our diversity ambition target is more than 15% of women in leading management and expert positions. A group-wide Integrity Alert System Let's Talk is in place to whistle blow on any practices deemed dubious.

E for Environment: we aim to make our environmental footprint as neutral as possible by optimising the use of energies and resources, avoiding hazardous substances, and limiting emissions and waste. Implementing life-cycle thinking revolutionises the way we consider product development, resource use and our ecological footprint. Today, we recycle internally 80% of our plastic waste and several products contain post-consumer recycled materials.

E for Energy: we offer value to people and their assets through safe, smart, eco-friendly and energy-efficient products, solutions and services for both their living & working environments. Contributing to the energy transition, we optimise the use of energy via environmentally friendly pioneering solutions. With the acquisition of E3/DC, a company specialised in energy storage, Hager Group completes its integrated energy management system offer.



E3 is a firmly established approach and easily accessible to employees, customers and suppliers alike. In a video our Head of Sustainable Development, Denis Munch, (left) outlines the principles of our E3 approach in **French** with **English** and/or **German** subtitles.

More information concerning our commitment to group wide employees and sustainability, can be found pages 70 & 71 of **Energy//Transition - Hager Group Annual Report 2018/19.**

Focus on Energy Transition

The 2018/19 Hager Group Annual Report features the energy transitions and explains how we dedicate all our energy to shaping the future, for more details please consult the full report **Energy//Transition - Hager Group Annual Report 2018/19**



“There are challenging times ahead for us all. To help protect our planet’s resources, the current energy landscape is being transformed. We are changing the way we think about traffic, buildings and infrastructure, we all want to live safer, more comfortable and, above all, more sustainable lives. By exploring together new technologies & innovative ways of working, we are developing future-focused solutions for our customers, partners and all those who believe in progress.”

Daniel Hager CEO, Hager Group.

E3/DC: For increasing numbers of consumers, the energy revolution has come to the home.



Thanks to energy storage systems from E3/DC, part of Hager Group, self-generated solar power can be used around the clock. And this is only the dawn of the great age of off-the-grid living. Since 2012, E3/DC and its installation partners have already installed around 15,000 home power stations in their

customer’s cellars and mechanical rooms. Having already become the market leader in Switzerland, E3/DC is also well on the way to taking the top spot in Germany, which is currently one of the world’s top electricity storage market. Besides sourcing the automotive-standard lithium batteries from internationally renowned suppliers, E3/DC develops and manufactures the energy management system and the inverter, the heart of the home power station, independently at its German locations.

Experts in energy storage already predict that demand will rise considerably over the next few years. This is partly as a result of the EU’s new Energy Performance of Buildings Directive (EPBD), which prescribes more efficient standards for new buildings and favours heat pump-based heating technology. And if there is a rise in the number of homes with electric cars, the heat pump combined with the electric car will represent two major new consumers, making the private generation of electricity even more attractive. The future is sustainably electric.

“Sustainability is the key to our long-term success and inherent in everything we do.”

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.

> 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, neighbourhood, 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.”

> Implementation:

We are operating in a global, multicultural, multigenerational & diverse world; to achieve success diversity is approached from four different angles in all we do and overseen by a Group Diversity Manager.

Multicultural approach

We work in an increasingly international environment with colleagues from all over the world. Transversal projects and processes throughout the group necessitate a better understanding of cultural and linguistic differences. To facilitate our work numerous training sessions are in place to help us better understand and work efficiently with our colleagues from all around the world.



Gender Balance

41% of our working population is female and 59% male. When appointing new colleagues, HR assesses female and male candidates, however, we maintain a sensible and pragmatic approach. Our business approach on gender equality is to allow women to grow and access positions.



Integration

At Hager Group, disability is not considered as inability, rather a different kind of ability to be integrated into and enhance the work place. In 2018 over 150 colleagues in France were registered within RQTH (Reconnaissance en Qualité de Travailleur Handicapé) and over 250 with a RQTH, declared invalidity or an IPP (Incapacité Permanente Partielle – permanent partial incapacity).



Inter-generational approach

We act fairly in working relationships be they between young trainees, employees with few or many years' experience and seniors. This approach aims to bring employees together in purposeful, mutually beneficial work to promote greater understanding and respect between generations and contributes to the growth of the 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 and set our priorities. Our corporate social responsibility approach is based on the 30 articles of the United Nations Charter 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:

France

Blood donations

In Obernai, as every year, the National Association of Blood donors set up on site on 11th September 2018 and 4th April 2019. This initiative is designed to encourage colleagues to give blood, over 100 donated theirs. Over 50 blood bags were collected.



BBQ @ Bischwiller



On 10th July 2018 a giant BBQ was held at the plant in Bischwiller that thank all employees for their hard work. It was in particular to highlight the increased activity level and all the hard work that this entails. Employees were thanked for their commitment and flexibility, thank to which we continue to be able to delight customers with our solutions.

Bordeaux site

The newly inaugurated site at Bordeaux has installed a charging station for electrical vehicles for both colleagues and customers and various Hager products were placed in the electrical installations to pilot and reduce electrical consumption.

when!



when!* a feminine network for inspiration, sharing experience and solidarity at Hager Group for meeting and exchanging ideas, contributing to women's personal & professional development and valorising them in the workplace.

The network, to which all Hager Group colleagues, both men and women, are welcome, has been active since October

2017. This grass-root initiative generated a lot of enthusiasm and gained strong support at all levels of the company.

Some key figures for when! in 2018/2019:

- 18 events with a total of 580 participants
- 5 companies women's networks benchmarked
- communication tools further developed
- 100% of the mentoring programme participants satisfied
- 567 replies to the questionnaire about flexible working hours.

Philosophy coffee, with when!: 28th February 2019, Eugénie Vegleris, philosopher, gathered nearly thirty participants at Hager Forum to discuss the theme of engagement. What is engagement? What does it mean to be involved in a company or network?

Welcoming schoolgirls: 8th March 2019, for International Women's Rights Day, the Talent Management team with when! highlighted women. A half-day was organised at the Obernai site for 40 female students from Henri Meck College in Molsheim, France. The theme of this visit was the discovery of industrial trades and the place that women hold in them.

Mentoring with speed-dating sessions: regular sessions are held for mentees and mentors, in 2019. (5th April and 17th May at Hager Forum in Obernai)

Think Tank recruitment: The principle of the Think Tank is to explore a subject that has an interest in diversity in depth for a year through a laboratory of ideas composed of about twenty people. The theme for 2019 was internal mobility.

Hager Forum stimulates sustainable development



Nothing is lost, everything is transformed:

Circular Economy. A Trend Session was held on 28th September 2018 on how the Circular Economy could play a role in Hager Group transformation. Key themes discussed were **preserving natural capital, optimising resources & eliminating adverse impacts.**

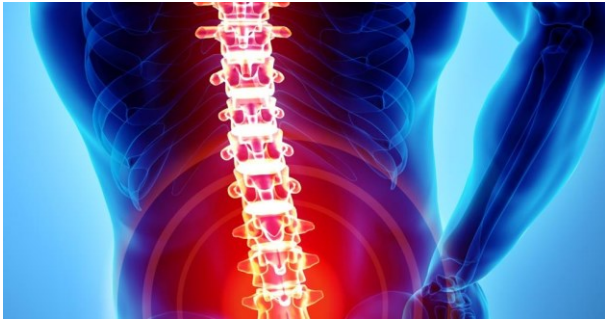
These principles are in direct opposition to a linear economic system which is based on:

extract, make, throw away. Clearly the circular economy is a more sustainable economic model for the future. Debated were the following, how can companies:

- do more and better, with less by using the circular economy?
- apply the principle of nothing is lost, everything is transformed?

An external guest speaker Leo Johnson, expert in economics and sustainable development and Skander Hassayoune, internal expert on environmental issues presented and debated.

Keeping our backs healthy



If we work in production or in an office, regardless of our age could we all be afflicted at some point in our lives with back pain. On 25th & 26th October 2018, the Occupational Health Service organised conferences, workshops and information sessions about osteopathy & good posture.

On hand at Hager Forum, Obernai, were Osteopaths, Naturopaths & posture

specialists for this two-day event, they advised colleagues about the correct posture at work stations and desks, how to care for our articulations, the basics of good back health and several Pilates classes were available. Members of the different sport associations at Hager Group Obernai were on hand to promote the health benefits of regular exercise.



The site in Saverne also hosted 2 Osteopathy days for employees in November 2018. The motto was 'prevention is better than cure' and good posture is the key to a healthy back and life. Given that many employees work in production, there is a real risk of RSI, so anything that can be done to prevent or ease discomfort is a priority for the group.

Hager Forum welcomes 80 youngsters for a mini-hackathon



Building bridges between the professional world and young people, on 23rd November 2018 80 youngsters aged 15 to 18 from local schools were invited to Hager Forum Obernai to take part in workshops and discover different fields of work at Hager Group.

Throughout the day, they participated in a mini-hackathon hosted by EPA 'Entreprendre pour Apprendre' (*Be enterprising when you learn*) Grand Est as well as creative

workshops, exchanges with the TAI Community (Trainees Apprentices & Interns) and a demonstration of maintenance trades and apprentices from the Value Chain.

The objective was how to make industrial jobs attractive to young people. "Hager Group is an important economic player in the department and we have a societal role to play. Opening our doors to the young to show them what a company is, what our business is and making the industry attractive is everyone's responsibility," emphasised Armelle Quentel, from HR Development France.

International Handicap Day



Actions took place on 3rd December 2018 in Bischwiller, Crolles and Obernai to raise money and awareness for people suffering from different handicaps.

For the third year running at **Bischwiller** a toy collection took place for *EEAP Les rives du Château à Balmont*. All the toys given were donated to this local association that provides aid for children and handicapped adolescents.

At **Crolles**, brioche bread was sold to raise money for *Afiph, Association Familiale de l'Isère pour Personnes Handicapées*, a local association for the handicapped.

In **Obernai** the organisation KLESIA presented 6 different tools to raise awareness about handicaps, among them were an app AKKA to explain sensorial and cognitive handicaps, MyEYE for visual handicaps, AVA a technical aide for auditory handicaps and an interactive video about bipolar sufferers.

#HagerGroupRCSA: RCSA sponsorship



Hager Group is one of the official sponsors of the Racing Club de Strasbourg Alsace. As such employees are regularly invited to watch matches home and away and there are even matches between Hager Group All-Stars team and the RCSA players. One such match took place on 26th May 2019 where the players and colleagues invited their family member to watch.

Germany

Vocational Training 4.0: Blieskastel hosts a Vocational Training Day



'A Future You Can Touch' was the slogan of the Vocational Training Day held on 15th September 2018 in Blieskastel. This was the third time employees' opened their doors to welcome 170 visitors. Training 4.0. was the main theme. In the training workshop, visitors learned about various training programmes offered by Hager Group in both technical and commercial areas. The job roles that fall under the former area include tooling & industrial mechanics, process mechanics (specialising in plastics and rubber technology), mechatronics engineers, industrial engineering electricians and machine & factory operators. Around 20 apprentices answered visitors' questions. Trainers and training managers also provided information about the application process.

For more details, click [here](#).

Summer camp in Spohns Haus



The annual Spohns Haus youth exchange project between Poland, Ukraine and Germany kicked off at the start of the European 2018 summer holidays. This summer camp in the ecological school camp is supported by Peter und Luise Hager Foundation for the sixth time. The theme was Come Together. Some Hager Group employees' children also participated. Included in the programme was the traditional Hager Day where children visit Hager Group headquarters in Blieskastel and meet older and senior employees. During a tour of the factory with colleagues in technical sales support, the 62 participating children could ask many questions about the company. They also went to the Dynamikum Science Centre in Pirmasens to experiment and test their scientific knowledge.

Long Night of Industry 2018



The eighth edition of The Lange Nacht der Industrie (Long Night of Industry) took place in the Saarland on 27th September 2018; once again Hager Group Blieskastel took part, welcoming a total of 100 visitors. Pupils, students and those looking for work or vocational training took the opportunity to take a look at ultra-modern production and logistics halls and learn more about Hager Group. The event, organised by IHK Saar (Saarland Chamber of Commerce and Industry) and the Business Association for Metallurgy and Electrical Industries, gave participants the opportunity to choose their guided tours of two industrial companies in the Saarland. The company tours were organised and conducted by various Hager Group Blieskastel departments. Some trainees also accompanied visitors on the tours and spoke about their training experience. There were four info stations to visit in total: an industrial training workshop, a commercial office area, a testing laboratory and production. Each station provided information about processes and the tasks performed there. All participants had the chance to chat with company employees, apprentices, trainees and interns from different areas of the company.

For more details, click [here](#).

Italy

Several actions were implemented:

- AB Plast: after the refurbishment of the offices, all old office furniture was given to local charity organisations.
- *Make a Wish* Italy: with the support of Hager Group (charity campaign linked to Hager Go! survey), made the dream of Carole, an Italian girl affected by cystic fibrosis; come true – go on a trip to Disneyland Paris.
- Hager Lumetal: a team of employees participated to the **24x1ora**, a Telethon relay race for charity. The Association chosen was for the prevention of rare diseases. It was also the opportunity for all Hager Group companies in Italy to make a contribution to charity.
- Hager Lumetal: entered into collaboration with **FVG** and continues to collaborate with **// Giglio**, both of which are associations involved in social projects to help disable people.
- All Hager Group Italian companies: made a donation of € 3,000, in favour of the **Gaslini Hospital** in Genova for the construction of a residential structure for children with cancer and their families.

Poland

Christmas gift for children from dysfunctional families



Since 2015 employees of Berker Polska sp. z o.o., prepares Christmas packages for children from dysfunctional families from the area. The number of the gifts given is rising every year. In 2018 about 40% of the employees participated in this grassroots campaign. The children write letters expressing their dreams and then colleagues try to make those dreams reality. The prize for participating in the action is a priceless smile on the children's faces. Michal Skrzypczak is in charge of organisation.

Seven Summits Challenge



Hager Group in Kórnik, Poland provided support for colleague Mariusz Jaworski, Production Area Manager, to fulfil his dream of taking part in two mountain expeditions; Elbrus (5642m) - the highest mountain of the Caucasus

(considered also as highest peak in Europe) and Kilimanjaro (5895m) located in Tanzania highest mountain in Africa. He prepared this hiking adventure over 6 years.

Volunteer Fire Department Support



Local social responsibility is also shown in support for the areas Volunteer Fire Department. 2018/19 they have been helped with the purchase of the most needed equipment needed to assist people in need. Every other year there is fire drill & alert training for colleagues at the Berker plant in Poland.

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, reflected in our procurement activities. We are very careful in choosing suppliers, and apply a range of selection criteria. Any supplier wanting to work with us must recognise our core values used in our own business: professionalism, fast response times and a high level of customer focus. Hager Group fully supports the OECD initiative of 2013, 'Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas', which is in line with our values and our sustainable development commitment. Hager Group requests that its suppliers comply with Hager Group's 'Sustainable Growth and Ethical Trading Policy' that includes the request to source materials needed for their operations solely from socially responsible vendors. In particular, the signing of our 'Conflict mineral position-Hager Group' document to determine if their components contain tin, tungsten, tantalum and/or gold, is mandatory.

For more details about our sourcing policy, click [here](#).

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

Occupational Health & Safety

> **Assessment, policy and goals:**

At Hager Group, employee health and safety are vital issues. Beyond compliance with the applicable regulations and the financial aspects of the costs of workplace accidents or occupational illnesses, it is not ethically acceptable for an individual's mental or physical health to be permanently or temporarily affected by their professional activity. Providing employees with a safe workplace, environment and working conditions is a core value at Hager Group, which places the company's men and women at the heart of its concerns. This is an integral part of our commitment to sustainable development, and more specifically to the ethical aspect contained within **E3**.

> **Implementation:**

Hager Group's European Works Council, in agreement with the company's Top Management, has put in place a committee made up of elected members of staff whose goal is to notify management in the event of any serious issues or the appearance of major risks to the health and safety of individuals or to the environment. In the context of this mission, this committee is tasked with carrying out monitoring visits of the company's sites.

> **Measurement of outcomes:**

A shared health and safety indicator for the group was put in place in 2009: this is known as the frequency index. This measures the number of workplace and travel accidents resulting in stoppages of one day or more per 1,000 people (Hager Group employees or temporary staff) per year.

Health & Safety Certifications

> Assessment, policy and goals:

OHSAS 18001 & ISO

We do our utmost to uphold the international standards such as OHSAS 18001 and ISO throughout Hager Group's industrial and other sites.

> Measurement of outcomes:

In 2018:



International
Organization for
Standardization

- 17 production sites and 4 logistics sites certified to ISO 14001.
- 20 production sites + and 4 logistics sites certified OHSAS 18001 or ISO 45001.
- 22 production sites + 4 logistics sites certified to ISO 9001.



> Measurement of outcomes:

Several actions were implemented at the various Hager Group sites; some from **Italy** and the **UK** are listed below:

Italy:

- Training on the safety system for employee representatives and Health & Safety Manager at AB Plast.
- Following up on HagerGo! survey results, AB Plast offices were renovated and a new relaxing area created making the working environment more comfortable for all.
- Free influenza vaccinations were given to all employees at AB Plast and Hager Lumetal.
- Training on safety issues for employee representatives, emergency teams and all staff at Hager Lumetal.
- Yearly audit for the Environment & Safety complying to the OHSAS 18001 (Occupational Health & Safety Management System) and ISO 14001 Standards at Hager Lumetal.
- Training on safety issues for employee representatives, emergency teams and all staff at Hager Lumetal.
- Training courses on the use of defibrillators and First Aid at Hager Lumetal.
- A new air cooling system installed in production area to improve work conditions at Hager Lumetal.
- Updated training courses on safety issues for the employee representatives at Atral Italia.
- Yearly audit for Quality Certification according to Standard ISO 9001:2015 at Atral Italia.
- Renewal of Quality System SQ 9001:2015; UNI EN 14001:2015 (environment); 18001 OHSAS (security) at Bocchiotti.
- Training for safety representatives and updated training courses for emergency team at Bocchiotti.
- After the bridge collapsed in Genova, new headquarters for Bocchiotti's offices (Administration, IT and Logistics) was set up in the centre of the town.
- An event during International Women's Day was organised by Hager Bocchiotti, female installers, buyers, company owners etc... were invited to a workshop at Casa Hager in Milano and a visit to the Armani Silos.

UK

- Funded physiotherapy sessions to support rehabilitation and return to work after illness and/or extended absence.
- Funded health-screening for: osteoporosis, prostate problems and cardiovascular assessments.

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



The following commitments form our approach for sustainability.

At Hager Group, we:

- want to be a corporate citizen and a responsible employer
- care for people
- act for the protection of the planet
- put ethical behaviour at the centre of all we do with our customers, partners, suppliers & employees
- contribute, with our solutions to a more efficient use of energy in buildings.

For further E3 (Ethics, Environment and Energy) details, consult [pages 5 & 6](#) of this report.

> Assessment, policy and goals:

In line with E3 and 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.

As a family-owned company, social responsibility is a matter close to our hearts.

> Implementation:

Hager Group's employees have played a significant role in our company's success with the professionalism and commitment they have shown. The future of Hager Group depends on its employees, so with this in mind, priorities have been set for 4 different areas:

- improving safety and creating good working conditions,
- supporting internal advancement, developing competencies and increasing employability,
- promoting diversity,
- respecting and supporting ethical principles.



“We do not inherit the earth from our parents; we borrow it from our children.”

Antoine de Saint-Exupéry, a French writer, aviator and poet.

Hager Group Eco-Awards



Two ECO projects were featured at Hager Group Operational excellence Awards ceremony on 20th March 2019:

- **Painting to Green**
- **Use of recycled plastics**

Painting to Green project was about reducing environmental pain points highlighted by implementation of ISO 14001. Reviewing and reducing our environmental impact also provided extra non-ecological benefits as productivity was improved and tool costs reduced. Importantly, there were no big investments made – changes were to the organisational process flow which was improved. Being green can be both ecological and economical profitable; indeed, using black and white paint has made our global footprint greener by **Painting to Green**.



Use of recycled plastics project was about reducing our environmental impact by reducing CO₂ emissions & waste; there were also cost reductions. The main advantages were; alignment to Hager Group E3 approach, efficient (re)use of internally recycled plastic materials - as we now produce more environmental friendly products they have an added value - and there are financial benefits thanks to material consumption reduction.



“All employees are part of our sustainably shaped future.”

E-mobility: Hager Group and AUDI AG team up on electrical charging technologies



One of our research focuses is the development of intelligent energy management systems. An essential part of such systems in the future will be electric vehicles. As such, we are now working together with AUDI AG on an automobile-home network that will connect electric vehicles, charging technology and home energy management.

“E-mobility and buildings are increasingly growing together. In the future, more and more customers will travel in electric vehicles that need to be charged affordably, conveniently and safely. This calls for intelligent charging technologies, smart building services engineering and seamless communication between the vehicle and building,” says Ulrich Reiner, Innovation Manager, E-Mobility and Energy. “With AUDI AG, we now have a strong automobile brand by our side with whom we can work on developing innovative charging systems and bringing them to market maturity as quickly as possible.”

An important component of this automobile-home network is the home energy management system (HEMS) that we are currently developing. An HEMS sees to it that the electrical energy within a building is distributed safely and that its consumption is managed flexibly. As such, a customer can use variable electricity tariffs to charge their car by charging the battery during periods when electricity costs less. The system also takes into account factors such as the desired departure time and the battery’s current charge status. If the customer’s property is fitted with a photovoltaic system, they can also optimise the charging process such that preference is given to the electricity they generate themselves, thereby making the charging process affordable and environmentally friendly. The system calculates not only the forecast periods of sunshine (and therefore the anticipated own-electricity production), but also the current flow of electricity to the building connection.

For more information, click [here](#).

E-mobility: Norway, a driving force



Nowadays, anyone who is interested in the future of e-mobility is keeping a keen eye on Norway. This country, which has 5.3 million inhabitants, keeps setting new records when it comes to electric vehicles. Thanks to state subsidies, there are now around 200,000 electric vehicles on Norway's roads; that is

more per capita than anywhere else in the world. At present, more than one in three new cars are either electric hybrid. From 2025, Norway plans to ban fossil fuel-based cars, with the exception of heavy lorries, for which there is no practical alternative. Five years after that, the plan is for all new ships to sail emission-free. Some 98% of the electricity required by Norway is produced by water power, making it climate neutral. "Car buyers are changing from diesel cars much faster than anyone could have anticipated. My guess is that we may see the same customer behaviour in other countries too, where a diesel bans are currently being evaluated," commented Viggo Gaare Paulsen, Managing Director at Hager Systemer in Oslo.

For more information, click [here](#).

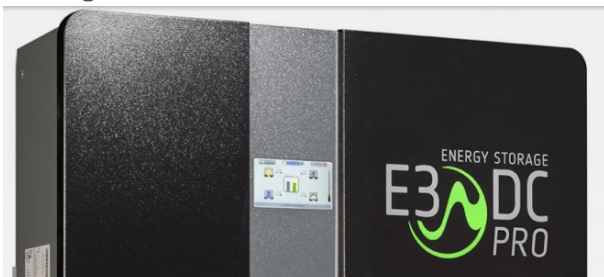
Stimulating and promoting sustainable development during ESDW



With our yearly Positive Impact Week (PIW), Hager Group participated in the European Sustainable Development Week - ESDW. A conference was held entitled 'Good business - A choice between profits and integrity.' Its focus was business ethics and sustainable development, which were indeed the key themes to the 2018 edition of PIW; it explored how we can reconcile ethics and business. In the context of our transformation and ambition to

stimulate and promote sustainable development, Professor Steare - a Corporate Philosopher and expert in leadership, culture and ethics - addressed an approach to ethics in business to help us explore the social purpose, moral values and simple rules that lead to sustainable, high performing businesses.

Setting new standards for self-sufficient energy supply



E3/DC, part of Hager Group, has been named Brand of the Century for the second time in a row. The prestigious publication German Standards has once again recognised E3/DC as an exemplary brand in its sector thanks to its home power station. The German Standards editor Florian Langenscheidt presented the award at the

book's launch party on 14th November in Berlin. The home power station uses smart technology to support integrated energy management of electricity, heating and mobility for both domestic and commercial applications. It means that customers are not only protected from rising energy costs, they also benefit from an emergency power supply from the battery and the solar power unit if there is a power cut.

For more information, click [here](#). Also refer to page 5 of this report.

> Measurement of outcomes:

Health, Safety and Environment

Germany

Funding for energy-efficient projects:

2 energy-efficient projects in Germany are being funded; this funding comes from ERDF and Rhineland-Palatinate. One of the projects is for a new generation of extruder, the other for upgrading LED inserts. For more information, click [here](#).

Italy

The following initiatives took place at Hager Group companies in Italy:

- Hager Lumetal: renewal of AUA Certification (specific environmental issues required in Italy).
- Hager Lumetal: revision of systems of smoke emissions.
- Bocchiotti in Arenzano: Environmental Certification.

The UK

- Continued encouragement of the new recycling facilities, including: shrink-wrap, reuse of cardboard, recyclable vending cups.

France

Hager Group in Obernai continues to participate in funding a local bus to avoid employees taking their personal vehicles. The bus runs between the sites and from the sites to the train station and town centre.



Pascal Christmann, in charge of Health, Safety and Environment in France comments that *“every effort we make to reduce our carbon footprint helps, for example our company promotes working from home, in 2018 employees worked a total of 3,890 days from home equating to 116,700 kms, that is three times the circumference of the world!! This has a positive impact on the environment.”*

The following initiatives are an example of what has been put into place in French Hager Group sites.

Home office

In the three Alsatian sites, the continued promotion of working from home has resulted in over the past year 3,890 days of working from home, which is almost double the 2017 figures (2,058 days), which equates to 116,700 kms non-driven kilometres and over 20 tonnes equivalent of CO₂.

Security

- Preparation of ISO 45 001 Certification for Health and Security Management at the work place (*Management de la Santé et Sécurité au Travail*).
- Set up of rotating monthly site visits (*Tours de Terrains Sécurité*) by managers to ensure health and safety regulations & recommendations are respected. There were 720 visits in 2018.
- Instalment of 10 recharging stations for electrical vehicles

Environment & Energy economy results

- Recertification of ISO 50 001 – Energy Management
- 2.54% reduction in electricity consumption in production for the same products compared to 2017 figures.
- 15.28% reduction in gas consumption to heat same surfaces and volumes compared to 2017 figures.
- Improved management of production & consumption of compressed air, thus allowing a decrease in its consumption.

Bicycles encouraged and to the ready



In the past year, 5 extra bicycles were added to the pool for use for employees to travel the few kilometres between Factory 1 and Factory 4; an extra dissuader to driving. To encourage and facilitate the use of bicycles, 20 extra parking spaces have been added to the Obernai bicycle parking area as well as a station for minor repairs and maintenance. Further encouraging bicycle use as a means of transport to and from work, from 4th to 17th June 2018, the '*J'y vais à vélo*' project was renewed. Over the two-week period employees in Obernai clocked up 2,595 kilometres. A small 'thank you breakfast' event was organised to recognise their participation in reducing theirs and Hager Group's carbon footprint. For the '*J'y vais à vélo*' project, many local companies participated and the sum of 5,000€ was donated to a local cycling club (L'Association Alsacienne Cyclo Club de Kingersheim) to help finance the purchase of a tandem for sight impaired riders.

Regulations & Certifications

> Measurement of outcomes:

REACH Regulations

Hager Group requires its suppliers 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). This declaration concerns good provided with and beyond Europe. Yearly screening tests are carried out by a third party laboratory on randomly chosen products to confirm that they don't contain hazardous substances over the regulatory thresholds. 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.

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 and current employees be 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:

Hager Group has set out its company values and philosophy in its own Code of Ethics. In addition to obeying the law and treating competitors fairly, it also covers complex problems.

For example - can I accept a supplier's invitation to a symposium with a stay in a luxury hotel? Is the gift of a pen tantamount to bribery?

Hager Group firmly believes that only those whose actions are moral and trustworthy will benefit in the long term. To apply these principles to the daily lives of employees, 80% of executives will be receiving online and face to face ethics training by 2020.

For more details about our Ethics Charter, click [here](#).

> Measurement of outcomes:

Mandatory training set up at group level



Ethics at Hager Group

Module 1: Know your basics



This training is about Business Ethics, a keystone of our company culture and one of the 8 Sustainable Development objectives of P2020.



Business Ethics is part of our 2019 Group Learning Priorities.



The objective of this first module is to understand the meaning of Business Ethics and their consequences.



This training is **mandatory**. You have **1 month** to complete this e-learning module!



The module lasts 45mins.

[Go to training >](#)

Our group is growing in a constantly changing world. In the context of globalisation, the world population and consumption levels are increasing, draining natural resources, damaging the planet and causing environmental problems and social troubles. Governments and world institutions are reacting to these issues; they are developing new guidelines and passing new legislation. All this impacts companies directly.

Besides public institutions, our other Stakeholders also have strong impacts on our activity. Our customers have new requirements: Hager Group should embody a clean image and live sustainable values such as business ethics, the respect of human rights, or health and safety at the workplace.

As an example, Rexel evaluates our CSR performance every two years. An Ethics in business module 1 was set up start 2019, its aim being to make aware all members of Hager Group of the dangers of corruption and the importance of ethics in the business world.

“Business ethics do not contradict business development, on the contrary, they go hand-in-hand; there is no sustainable business development without sound business ethics.”

Daniel Hager, CEO Hager Group.

05 SELECTED EXAMPLES OF SOCIAL ACTIVITIES WITHIN HAGER GROUP

Peter und Luise Hager Foundation



> Assessment, policy and goals:

As a family-run company, it is part of Hager Group's culture to be aware of its responsibility. This means 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, integrity and their values.

> Implementation:

The **PHLS** - Peter und Luise Hager Foundation – (from the German Peter und Luise Hager Stiftung) was established in December 2010 to support 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, Dr. Oswald and Hermann Hager.

> Measurement of outcomes:

Award for up-and-coming electricians



Under the patronage of the former Minister-President of Saarland, Annegret Kramp-Karrenbauer and Peter und Luise Hager Foundation, the 'Meister-Gründerpreis' (Master Founder Award) was presented for the second time in Berlin on 7th November 2018. Kevin

Breuer, Jannik Henken & Jan Liesche and Steven Kolbe, were delighted to each receive a €10,000 prize. Decisive factors in determining prize winners were; the successful financial development of the businesses, the commitment of the 'masters' to the development of employees, the promotion of training and state-of-the-art technical solutions & services. The six-member panel also took into consideration the entrepreneurial spirit and social commitment of the candidates. "With the 'Meister-Gründerpreis' Award, we want to reward the motivation behind the training that it takes to become a master electrician and the courage

needed to become self-employed”, explained panel member and Peter und Luise Hager Foundation representative Gregor Wille.

The four young prize winners were delighted to receive the congratulations of the six-member panel and the Foundation's representative, as well as a video message from Annegret Kramp-Karrenbauer. The award ceremony was held at the Saarland representative's chambers of the federal government's Berlin offices.

For more information, click [here](#).

Early Excellence



Contrary to what the name Early Excellence implies, these are not elite performance centres for gifted children. Rather, early excellence centres are understood to be a 'community of explorative learners' that include children and their families as well as educational professionals. The PLHS attempts to promote education and learning for children at the earliest possible stage. In cooperation with the Heinz and Heide Dürr Foundation, PLHS support children from different family and cultural backgrounds in day-care centres in Neunkirchen and Saarbrücken.

In the case of the German Kindergartens Melanchton in St. Annual, Saarbrücken and the Haus des Kindes in Neunkirchen, specific assistance is provided in developing early excellence by financing conversion measures and training staff.

One of the guidelines of the Early Excellence concept is that each child is unique. They are treated with high regard and respected the way they are. The focus is on the strengths and talents to be developed and encouraged.

Parents are the first and most important experts for their children. Their parenting abilities should be supported and integrated in their children's education processes. Child day-care facilities become meeting places for the entire family, revealing themselves as internal and external educational establishments. This is a key approach, particularly in many socially troubled areas.

Every cent counts



There are projects which have not been initiated by the Foundation or those in need but rather by employees within Hager Group. The employee 'cent donation' is a good example. All sums donated by hundreds of German and French Hager Group employees – where every cent does in fact count – are more than doubled by the Foundation. All German and French Hager Group employees have the opportunity to donate the cents after the decimal point of their monthly salary, this

amount is then doubled by the Foundation.

At the end of 2018, the money raised by Hager Group employees in Germany went to food banks in Homburg, Pirmasens and Herzberg (near Uebigau) as well as the Balthasar hospice for children and teenagers in Olpe. More than 1.5 million people now regularly use food banks in Germany, known as Tafeln. The Pirmasens Tafel currently supports 350 families every week; around 1,800 people.

In France, the money raised by employees went to two organisations at the end of 2018: the Association Solidarité Femmes Miléna in Grenoble, which supports female victims of violence, and the Association pour la Réadaptation Infantile in Strasbourg, which provides rehabilitation services for children.

Therapeutic riding in Portuga



In Cascais, Portugal, Associação Hipica Terapeutica has been offering therapeutic horseback riding for physically and/or mentally handicapped people since 1990.

About 80 participants use the offer of assisted riding - a sport that not only improves flexibility and body awareness, it also strengthens self-confidence. The Peter und Luise Hager Foundation stepped in after many parents found themselves unable to pay for their children's riding classes in the wake of the financial crisis.

Hager Hope School in China



To support China elementary education in the Mountain area, to extend Hager employees' special care to the students of the Yanting Compulsory Education School, the Peter und Luise Hager Foundation set up a sponsorship project for the Hager Hope School in China.

It is for students or their family members who suffer from a serious illness with huge medical expenses, have a disability or are in a situation which may have led to financial difficulties resulting in a lack of means to afford the students' education. The support of the Foundation enables them to finish their primary education.

Light for the world in Mozambique



The PLHS supports the organisation Light for the World (Licht für die Welt e.V.). Light for the World is a global disability & development organisation, breaking down barriers to enrich society and unlock the potential in all of us. The organisation enables crucial eye health services and empowers people with disabilities in some of the poorest regions of the world - for instance in Mozambique.

The PLHS donation supports professional training for four medical students at the Kilimanjaro Christian Medical Centre, Tanzania. They will return to Mozambique after completing specialised training to work as government employees in ophthalmological care in predominantly underserved rural areas of the country, and to assist colleagues with their acquired expertise.

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