

## UN Global Compact - Communication on Progress

### 1. Schaffner - Energy Efficiency and Reliability

The Schaffner Group is an international leader in the development and production of solutions which ensure the efficient and reliable operation of electronic systems. The Group's diverse range of offerings includes EMC components, harmonic filters and magnetic components as well as the development and implementation of customized solutions. Schaffner components are used in energy-efficient drive systems and electronic motor controls, in wind power and photovoltaic systems, rail technology, machine tools and robotics as well as in power supply systems for a wide range of electronic devices in sectors such as medical technology or telecommunications. For the automobile industry Schaffner develops and produces both EMC and power quality components for electric drive systems in vehicles and for the charging infrastructure, as well as components for comfort and safety electronics. Schaffner provides on-site service to customers around the world through an efficient, global organization and makes ongoing investments in research, development, production and sales to strengthen its position as international market leader.

### 2. Statement of Continued Support

*“Schaffner is a global corporate citizen with 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 are mindful that we share a responsibility to provide opportunities for individuals and contribute to the well-being of our communities. I personally am committed to apply such principles equally in each location where Schaffner is represented. This is why I whole-heartedly support the principles of the UN Global Compact.”*

*Alexander Hagemann  
Chief Executive Officer*

### 3. Actions

#### 3.1 Human Rights and Labor (Principle 1 – 6)

The Schaffner Group strives towards a non-discriminatory company culture based upon responsibility and respect, which builds upon 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 eradicating any unfair or discriminatory practices should they occur. All employees will be given the opportunity to progress within the Schaffner Group regardless of their gender, marital or parental status, ethnic or national origin, sexual orientation, religious belief, political affiliation, age (subject to contractual retirement age), or disability.

## Actions

Target	Action	Results
All units of the Schaffner Group must comply with the Group's policies for human rights and labor laws according to the UN Global Compact.	Perform global check-up of all local employment contracts. Global Human Resources Management (GHRM) checks all Management Units (MU) randomly. If necessary external experts shall approve the contracts, rules and regulations. Production Units (PRU) 2011 Other units 2012	Start with the first check-up according to the Code of Conduct promoted by the Electronic Industry Citizenship Coalition (EICC): China and Thailand: Done and approved Germany and Hungary: Planned during next 3 months
All units should have a yearly employee review according to defined standards Key Performance Indicator (KPI) /Global Reporting Initiative (GRI), internal templates etc.)	Define standards and GRI indicators for employee review such as: - Fluctuation rate - Age and gender overview - Education overview - Training KPIs - Performance and succession planning overview Implement the standards in all units: PRUs 2011 Other units 2012	Test-run of first internal templates in Switzerland

## 3.2 Environmental Management

### Actions taken to reduce energy consumption and CO<sub>2</sub>-emissions

#### 3.2.1 Energy Consumption

##### Recently completed actions

Target	Action	Results
Reduce electricity consumption for IT hardware at Luterbach facility	<ul style="list-style-type: none"> <li>Implement server virtualization by eliminating server hardware with high energy consumption</li> <li>Replace old printers and copy machines with state-of-the-art, energy-saving models</li> <li>Generally reduce printers and copy machines by eliminating excessive equipment</li> </ul>	50% savings in electricity

### Planned actions

Target	Action	Expected Results
Reduce energy consumption at all Schaffner facilities	<ul style="list-style-type: none"> <li>• New building at European Logistics Centre with economical and efficient insulation system</li> <li>• New building at Schaffner Shanghai with economical and efficient insulation system</li> </ul>	<ul style="list-style-type: none"> <li>- 10% electricity</li> <li>- 25% gas</li> <li>- 10% electricity</li> </ul>

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

#### Recently completed actions

Target	Action	Results
Reduce energy consumption for heating system at Luterbach facility	Replace existing heating system (oil heating) with a CO <sub>2</sub> -neutral system with usage of energy produced in combustor system provided by a district heating network (KEBAG)	Present heating system is 100% CO <sub>2</sub> -neutral

#### Planned actions

Target	Action	Expected Results
Reduce CO <sub>2</sub> -emission	Reduce transportation in general	- 5% CO <sub>2</sub> -emission

### 3.2 Anti-Corruption

Neither the Schaffner Group nor any of its employees shall make illegal or improper payments or bribes and will refrain from participating in any corrupt business practices. Neither Schaffner nor any of its employees may accept payments, gifts or other kinds of remuneration from a third party that could affect or appear to affect their objectivity in business decisions.

#### Planned actions

Target	Action	Expected Results
No corruption cases within the Schaffner Group	Analyze business units for risks related to corruption Define and implement an anti-corruption policy The anti-corruption policy has to be an integrated part of all employment contracts All current employees have to sign the policy Local units must conduct training sessions	Analysis done by July 2011 Final policy ready by August 2011 All employment agreements to be added by the end of 2011 All current employees must have understood and signed the policy by the end of 2011