

Magnetec GmbH.

United Nations Global Compact

The 10 principles

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Human rights

Global Compact Principle One

"Businesses should support and respect the protection of internationally proclaimed human rights."

MAGNETEC is treating and appreciating all of its employees in the same manner regardless, of gender, disability, ethnicity, nationality, race or religion. There are constant efforts to provide sustained clean, safe and tidy working environment.

MAGNETEC is willing to invest into social programs not only for its employees but involving their families too. Open corporate culture, transparent communication with shareholders and the commitment by top management in the approach of family friendly working conditions lead to constant and stable atmosphere at company level also providing clear long term vision securing the livelihood of suppliers and the partner companies.

Internal and external knowledge improvement programs are continuously initiated forming into an annual plan covering the headquarter level as well. It also aims to emphasize the intellectual work as an added value on the top of manufacturing practices.

Workers' Union is now actively participating in the company's life being a bridge between top management and the employees. It promotes the employees' interests establishing a closer relationship among all set of organization.

Global Compact Principle Two

"Businesses should make sure they are not complicit in human rights abuses."

MAGNETEC strictly acts against any means of complicity at company level as well as at business relations. Founded "Code of Ethics" has been extended and finally implemented in 2011 embedding its content into the mind of all employees.

Global Compact Principle Three

"Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining."

MAGNETEC supports all workers in cases they would like to form and/or join a trade union by their own choice within the existing, valid national laws and regulations.

Even there is a potential uncertainty in the global market MAGNETEC does not limit or interfere to any activities, projects done by the employees voluntarily apart from the possible risk of long term return on investment.

MAGNETEC conducts non-operative management forums on weekly basis in order to address potentials for sustainable growth of the company including health and safety, infrastructure protection and conservation, non-operative investments.

Global Compact Principle Four

"Businesses should uphold the elimination of all forms of forced and compulsory labour."

As a part of „Code of ethics” MAGNETEC is strictly opposed to any means of forced labour as well as working in return of paying off debt. In case of forced labour all workers has freedom and right to terminate the contract. Company shall not deposit money, personal documents to force keeping the employment status.

Global Compact Principle Five

"Businesses should uphold the effective abolition of child labour."

MAGNETEC does not allow hiring any “Child-labour” unless it may be acceptable according to ILO conventions otherwise. Detailed checking and strict control of the age of possible new employee is the part of recruitment procedure.

MAGNETEC undertakes the responsibility to ensure that any person under 18 (like student work) must not do hazardous work or suffer physical, mental or sexual abuse.

Global Compact Principle Six

"Businesses should uphold the elimination of discrimination in respect of employment and occupation."

Referring to Principle One MAGNETEC is treating all workers (People) in same manner. There is no distinction in training, occupation, position, promotion, performance assessments, and recruitment.

MAGNETEC continuously encourages all employees for new challenges, self-improvements providing the needed means on demand like external trainings, consultations, trial in new job assignment, working in project team or even working individually.

Facility has been reasonably improved and well-adjusted to ensure safety for people with disabilities,

Clear company strategy, mission, vision have been established breaking down to common working procedures, targets and tasks as well as performance evaluation.

MAGNETEC has worked out a completely new salary system with bonus assessment eliminating the unjustified gaps in all levels. This promotes and motivates the workers to achieve higher level in employment.

Environment

Global Compact Principle Seven

"Businesses should support a precautionary approach to environmental challenges."

MAGNETEC is acting by own initiatives to embed the conscious environmental protection. Referring to Principle Three the environmental issues, impacts are also on the table at the weekly non-operative management forum overviewing this aspect as a steering committee.

The importance of environment protection, minimizing the waste and emission, the needs of innovative improvements on efficiency are adopted into “Code of ethics” highlighting the mandatory compliance and conformity to national and international laws, regulations, and standards.

Environmental aspects have been integrated into Research & Development procedures as well as constant preservation of granting RoHS and REACH directives which are openly published on MAGNETEC’s website. This results unambiguous targets in development projects.

Global Compact Principle Eight

"Businesses should undertake initiatives to promote greater environmental responsibility."

MAGNETEC has newly built up a company level mission, vision and mid-term strategy involving the environment related factors in 2011. This is broken down to KPI and indicators in order to have a simplified tool in place monitoring the internal activities do not affect the environment adversely.

Policies and improvement approaches are also set and widely published within the organization at all level.

As the top management is committed undertaking the responsibility for environment protection the infrastructure has been further developed providing solution on detail energy consumption data acquisition. This provides a transparent proof to stakeholders on demand and also a statistical possibility to grasp the opportunities for improvement.

Global Compact Principle Nine

"Businesses should encourage the development and diffusion of environmentally friendly technologies."

In 2011 MAGNETEC could step forward in development of technology to be more environmental friendly as it was in 2010:

- A new filter facility has been established to prevent (eliminate) the possibility of pollution.
- Risk assessment procedures are re-worked and fine-tuned to be applicable from 2012.
- As MAGNETEC is dealing with metallurgy goods, it was an obvious task to recycle the waste which originates from the manufacturing technology. 3% reduction of technology waste could be achieved as a first step.
- It became a basic process to co-operate with Universities in R&D project to find best practices.

Transparency and Anti-corruption

Global Compact Principle Ten

"Businesses should work against corruption in all its forms, including extortion and bribery."

MAGNETEC definitely refuses corruption, extortion and bribery in all its possible form in the approach of “Zero-tolerance” toward both business relations and internally.

Prohibition imposing sanction on is intentionally embedded into “Code of Ethics” indicating inevitable firm steps against corruption.

Material and financial transactions are strictly monitored to identify doubtful cases which may lead to any personal or business advantage/disadvantage or even to slightly destroying the company’s reputation.