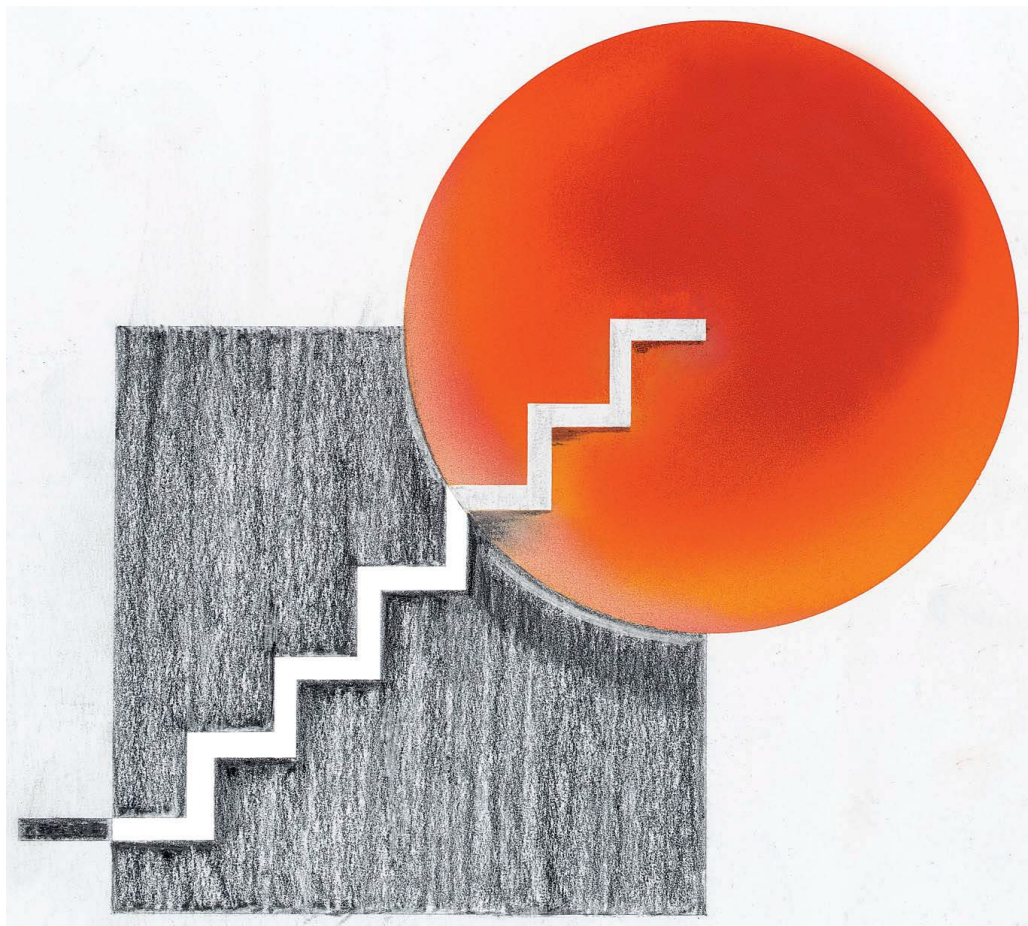


# **Communication on Progress UN Global Compact (COP)**



Editor: Peter Savoie

Version: 1.00

Date: 01/20/2012

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## **1. Statement of continued support by the Chief Executive Officer (CEO)**

To our stakeholders:

Over more than 50 years SFS intec has evolved from a family-owned Swiss company into an international group. However the strong roots are still in the St. Gall Rhine valley and the SFS intec values are transferred to all sites within the group by an appropriate management model. Sustainability in its actions has been the core driver of SFS intec since its foundation. For SFS intec sustainability means partnership with

- customer
- employees
- community
- supplier

Therefore the Ten Principles of the United Nations Global Compact have been implicitly part of the SFS intec business model since its first days and have a tradition of decades.

I am pleased to confirm that SFS intec reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions and achievements to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Dr. Helmut Binder  
CEO SFS intec

## 2. Human Rights Principles

Topic	Summary, actions, results	further information
<b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights	<p>SFS defines in its Corporate Model a clear statement towards the respect of the community regarding basic rights, protection of environment, safety of products as well as the support of free market and democracy as economical and political system.</p> <p>The International Quality Manual contains a generic Code of Conduct which states the regard of all basic rights of our employees and the adherence of international conventions as well as national laws and provisions.</p> <p>Internal processes (so called Group Guidelines GGL) are established to certify the legal compliance and monitored yearly by the management at each site of SFS intec as well as internal and external audits.</p> <p>All employees throughout the company were trained in these topics the year the documents were introduced. New employees receive their orientation during the job introduction training.</p> <p>Action planned 2012: release of a more detailed Code of Conduct for SFS employees</p>	<p>SFS Group Corporate Model</p> <p>International Quality Manual V3 01/01/2011</p> <p>51 GGL 01 56 GGL 01</p>
<b>Principle 2:</b> Make sure that they are not complicit in human rights abuses	<p>SFS intec has to a certain extent an assertiveness and authority towards its vendors. The vendor base of SFS intec is very narrow because of the high value added within SFS intec and its technologies applied. Nevertheless for all strategic vendors exist contracts which govern the partnership with SFS intec and deal amongst others with environmental and safety aspects regarding the vendors employees as well as its products.</p> <p>All strategic vendors are monitored on a regular basis through audits performed by SFS intec employees.</p> <p>Action planned 2012: release of a vendor policy.</p>	<p>74 GGL 01 74 GGL 02</p> <p>82 GGL 04</p>

### 3. Labour

Topic	Summary, actions, results	further information
<b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	SFS intec employees are entirely free to join labor unions and similar organizations in adherence to ILO core labor statements without consequences for them by the employer. In many countries of activities internal employee representative committees exist with which the local managements maintains a constructive and fruitful dialogue.  Collective agreements (e.g. overall work contracts, tariff agreements) exist in countries where this is common practice (e.g. Germany, Austria).	
<b>Principle 4:</b> Businesses should uphold the elimination of all forms of forced and compulsory labour.	The SFS intec Code of Conduct excludes forced labor.	International Quality Manual V3 01/01/2011
<b>Principle 5:</b> Businesses should uphold the effective abolition of child labour.	The SFS intec Code of Conduct explicitly excludes child labor. SFS intec strongly supports the education of young people through apprenticeship and provides adequate resources for the respective training programs at its local sites. The SFS group employs approximately one hundred apprentices which corresponds to 2.5% of the work force.	International Quality Manual V3 01/01/2011
<b>Principle 6:</b> Businesses should uphold the elimination of discrimination in respect of employment and occupation.	SFS intec has no personnel policy or employment practice to prefer or discriminate a person by his or her characteristic (i.e. gender, age, confession). The employment is purely based on professional knowledge and achievement.  For SFS intec fair and equal pay for men and women is matter of course. The proportion of female employees as of end of 2011 was 22%.  Action planned 2012: release of SFS Condition of employment internationally where applicable.	International Quality Manual V3 01/01/2011  SFS Condition of employment CH

## 4. Environment

Topic	Summary, actions, results	further information
<b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges.	<p>SFS intec has a long tradition regarding sustainable business execution towards environmental challenges. The headquarter in Switzerland is certified according to the international standard ISO 14001 since 1996, the year of the first issue of this standard. Five sites followed since.</p> <p>The company wide applied Business Management System (process descriptions regarding quality, environment and safety) fulfils the requirements of the ISO 14001 standard.</p> <p>The environmental and safety policy clearly states that all actions of SFS intec must be in harmony with economics, ecology and with the responsibilities to the community, particularly looking forward to future generations.</p>	<p>ISO 14001 Certificates</p> <p>Different Group Guidelines (GGL)</p> <p>International Quality Manual V3 01/01/2011</p>
<b>Principle 8:</b> Businesses should undertake initiatives to promote greater environmental responsibility.	<p>SFS intec measures the ecological impact by so called eco-balances. The main aspects and key figures regard the consumption of energy, water and air, the generation of waste and the emission of green house relevant gaseous substances.</p> <p>Every year goals for the relevant key figures are set and actions defined. Over the years substantial improvements in absolute values and even more in relative values (in proportion to produced parts) have been achieved.</p>	<p><a href="http://www.sfsintec.biz">http://www.sfsintec.biz</a> follow "company" and "environmental and safety report"</p>
<b>Principle 9:</b> Businesses should encourage the development and diffusion of environmentally friendly technologies.	<p>SFS intec's business consists to roughly two thirds of subcontracting to the automotive and other industries without development of products. However, SFS intec searches explicitly for business partners which develop environmentally friendly products.</p> <p>SFS intec screens the market for environmental friendly production equipment and resources in its applied technologies, i. e. all investments into new machinery for injection moulding are electrically driven machines which reduce the consumption of electricity by up to 40%. The portion of such machines has reached 30% over the last three years.</p> <p>In the area of mechanical fastening system, where SFS intec develops and distributes products, a new fixing system for photovoltaic panels has been developed and released in 2011. The product improves (cost, time to install, static, etc.) the fixation of panels on various building constructions significantly and reduces hereby the cost of ownership.</p>	

## 5. Anti-corruption

Topic	Summary, actions, results	further information
<b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery	The SFS intec Code of Conduct excludes all forms of corruption and is enforced regularly through the local management. Any applied form of corruption known to SFS intec will lead to immediate dismissal of all involved employees.  Action planned 2012: release of a more detailed Code of Conduct for SFS employees	International Quality Manual V3 01/01/2011 SFS Group Corporate Model