

2013

MAGNETEC®
MAGNET-TECHNOLOGIE



Efficiency is our Passion

[MAGNETEC GMBH]

Langenselbold, 02. december 2013

FOREWORD

Since 1984, the name of **MAGNETEC** stands at the same time for developing and efficiently manufactures innovative, superior quality products and technology on the top of excellent services which meet or even exceed the customer's special expectations as well. This is also the base of satisfaction and market success of our customers.

Forming an alliance with the best possible partners **MAGNETEC** is constantly working on to achieve this aim entirely in compliance with laws and regulations extending this approach to the affiliated company at China too.

This effort would not be fruitful without committed and satisfied employees, without environment-friendly technology and infrastructure and without acting professionally, fairly and with integrity in all our business dealings and relationships wherever **MAGNETEC** operates.

In every respect **MAGNETEC** is proud to support the UN Global Compact and will definitely keep this activity as a mandatory embedded part of the daily life, of the mission and provision ensuring an open and transparent communication toward all employees, partners, customers, subcontractors, suppliers, stakeholders and authorities.

MBA Rolf Röder, Grad. Phys. Dr. Martin Ferch
managing directors
MAGNETEC GmbH





Human rights principles

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

MAGNETEC admits and respects the internationally proclaimed human rights implying the declarations and agreements of The United Nations.

MAGNETEC is committed to secure the right to dignity, private life and to ensure safe, healthy, clean and tidy working environment to all employees at all sites regardless of gender, disability, ethnicity, nationality, race or religion.

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

MAGNETEC strictly acts against any means of complicity within the whole Group therefore a „Code of Ethics” has been created in order to unambiguously communicate the statements toward all employees without exception. MAGNETEC declines partnership or any business dealings in the whole supply chain with all those parties where there is a potential risk or well known violation in human rights abuses.

The idea of „Suggestion box” is established in 2013 in order to collect and evaluate any reaction or proposal coming from the employees. No human rights related abuse is escalated.



Labour principles

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

There is a regular communication between the Top Management and the Workers' Union which has its overall freedom to act on behalf of the employees.

A training center has been set up in order to provide a safe, well-equipped, friendly infrastructure within the manufacturing plant for meeting, training, free discussions, teamworks, forming a group, confidential conversation and so on, unless it does not meet with national regulations or criteria described by the company.

No hinder in association or bargaining was reported in 2013.

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

Also as a part of „Code of Ethics” MAGNETEC clearly states that all forms of forced or compulsory labour is kept completely outside of the company's culture therefore it is also included in the contract template.

Preventing such kind of labour and the right to refuse it appear in the working safety training and in the Working health and safety regulation document as well.

No such a labour or its doubt was escalated in 2013.

#5: "Businesses should uphold the effective abolition of child labour."

Beside the fact that MAGNETEC respects the internationally proclaimed declarations like ILO conventions, the company does not allow to hire any „Child-labour” at all therefore maintains the existing strict recruitment procedure checking all details and the background of the most likely employees .

There was no violation reported or observed in 2013.

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

The company culture and the Code of Ethics are the clear proof that there is no distinction in training, occupation, position, promotion, performance assessments, recruitment, practicing, evaluation, secrecy.

MAGNETEC has recognised the utmost of importance to set a feasible global approach in strategy, mission, and vision then to continuously support the growth of all employees in their career, competency, know-how creating added value in their job role and in their private life. As a result number of working accident (mostly insignificant injury) dropped by more than 90% within 2 years, the company is able to react to extraordinary customer's demand because of flexibility, customer satisfaction is better.

No discrimination was reported or observed in 2013.



Environment principles

#7: "Businesses should support a precautionary approach to environmental challenges."

Possible emissions are checked/measured periodically where the records show far less values under the limits even close to zero. Apart from this studies are in progress how to eliminate an emission source which is obviously a long term project.

The daily practised risk assessment combined with the always up-to-date emergency plan contributes to the prevention of any means of pollution. Preventive thinking is a part of training topics provided to the employees.

#8: "Businesses should undertake initiatives to promote greater environmental responsibility."

Within the improved environmental management system several activity has been launched (and will be continued in the next fiscal year) to focus on the reduction of emission, to increase the internal waste recycle, to change the obsolete paper based processes by advanced information technology.

The effectiveness of the system including the environmental performance has been audited by external accredited body and by a national higher authority finding it acceptable with an appreciation of its unique setup and enviable operation.

Such an environment-conscious manner is also implemented to the affiliated company at China obtaining the relevant local license.

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

As a result of an internal proactive teamwork the consumption of technology gases used during the sophisticated manufacturing flow has been reduced more than 10% nevertheless getting to the same high quality level of outcome.

The way of usage of resources (ex.: electrical energy) is strictly monitored leading to a fact-based feedback into the technology and infrastructure development as well as the overall maintenance work. Internal project saving energy is added to the task list of next fiscal year.

Anti-corruption principle



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

MAGNETEC is emphatically opposed to any means of corruption, extortion, bribery or illicit payment having a "Zero-tolerance" policy and acting accordingly within the whole Group.

The company's „Code of Ethics" and the annually reviewed policy contain this approach which statement is published over the entire operation and at all level of organisation.

Financial and material transactions are subject to statutory external audits in order to identify doubtful cases and the possible source of them. Result of every audit ultimately reaches the Top Management.

Reforming and developing the existing financial system a new process will also be established in the coming short term period to have an impartial internal monitoring and escalation solution in place.

No suspicion, evidence was reported or revealed in 2013.