



Period covered by the COP – Jan 2013 to December 2013

Human Rights

Principles, Assessment, Policy and Goals

*Description of the relevance of human rights for the company (i.e. human rights risk, assessment).
Description of policies, public commitments and company goals on Human Rights.*

Here at Auxel we have a company project – For the Customer, the Competent Team makes the Difference. It is essential to us, as a company, to respect, esteem and recompense our stakeholders. However, we also apply this principle to all our partners, whether it is our suppliers, our subsidiaries or our customers.

We require that our suppliers expressly adhere to our CSR policy.

Implementation

Description of concrete actions to implement Human Rights policies, address Human Rights risks and respond to Human Rights violations.

All our stakeholders have the right to report any abuse they may feel that they have been subject to without any fear of reprisal. They can either contact a representative within the company or place a claim with a relevant public authority.

When choosing a supplier for our annual greetings cards we deliberately chose a supplier in 2013 that donates a part of their turnover to charity, this year 25% of the turnover we generated with this supplier was donated to the charity “médécins sans frontières”.

Measurement of outcomes

Description of how the company monitors and evaluates performance.

No claim concerning human rights has been reported since 2009, we regularly audit our suppliers in order to verify that they respect our requirements, human rights is part of our basic requirements. Since the middle of 2012 we have also sent a request to all of our suppliers to request either that they complete a questionnaire concerning their CSR policies, or that they send us a copy of their own CSR policies. In 2013 we received 78.6% responses from our suppliers; unfortunately we have not reached the objective of 100% that we fixed for 2013, however, we are optimistic that we will reach this in 2014.

In 2013 we audited 40% of all our top ten suppliers; we have set a new target for 2014 is to increase our supplier audits and visits to an average of one per month. Our objective for 2014 is to maintain supplier audits and visits at 40% for our main suppliers. These audits enable us to check that our suppliers are also in line with our own internal corporate policy and to communicate to them what goals need to be reached if they are lacking in any area. We will also initiate that part of the supplier qualification process will be that they sign our CSR policy if they do not have their own.



Environment

Assessment, policy and goals

Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities). Description of policies, public commitments and company goals on environmental protection.

Auxel recognizes the importance of minimizing its impact on the environment and is committed to reducing this impact as much as possible. This is also essential to us as a distributor of electronic components for the renewable energy sector to be in coherence with the end products that we produce for.

Although we ourselves use a non polluting process, we are aware that this is not necessarily the case for our suppliers; we therefore request that they adhere to REACH and as far as possible ROHS, we audit our suppliers regularly and verify that they dispose of any potentially hazardous or polluting material in the correct manner. In 2014 we will be communicating our quality chart to all our suppliers.

We also optimize packaging and transport in order to reduce waste and the carbon impact we have and try to use local suppliers as much as possible, in 2013 we increased our purchases bought from suppliers less than 1h away from our production site from 32.8% to 34%, with our current sourcing policy we are confident we will be able to keep this figure above 30% in the future.

Implementation

Description of concrete actions to implement environmental policies, address environmental risks and respond to environmental incidents.

We recycle as much surplus production material as possible; in 2013 we surpassed our objective of 8.5 tons surplus production material and reduced this surplus material to 6.2 tons. We have fixed an objective of 8 tons in 2014 which is slightly higher than today but realistic as we expect to increase our production capacity which will have a direct impact on the surplus material.

We doubled our target of recycling of cardboard in 2013, our target was 12 tons and we recycled 24 tons, this however was due to a peak in production for a particular project which engendered a lot of cardboard packaging, we have therefore adjusted our 2014 target accordingly.

In July 2012 we started working with a local company to recycle our paper waste, this company not only works in an environmental way but they are also socially committed as they privilege employment of disabled people or people who are to be rehabilitated into society – this was one of the key factors for choosing this company over another. In 2013 we recycled 1238kg of paper that would otherwise have been added to general waste, this is under our objective for recycling, however it demonstrates the implementation of our no paper policy so we feel this is a positive result.



We also encourage our employees towards a “no paper” way of working and archive as much as possible in a virtual data base, which is also accessible from home office, rather than printing out and storing, many of our meetings are now held in a completely “no paper” environment.

We started a project in 2011 to investigate the possibility of using renewable energy sources for our own needs – due to various reasons this project has not yet been fully validated, however this is still an ongoing project in 2014.

We take care to use eco-friendly light bulbs wherever possible and in 2013 we decided to replace all our fire extinguishers with an eco friendly version, to date 4% have been substituted and we will systematically change with eco friendly at each extinguisher replacement.

Measurement of outcomes

Description of how the company monitors and evaluates environmental performance.

No claim regarding Environment was reported in the period covered by the COP. We have increased environment awareness within our company which is reflected by the paper recycling results among others.

We monitor our recycling:

	2011 (tons)	2012 (tons)	2013 (tons)
Cardboard	0	4	24
Insulating Film	0	1,12	3,75
Paper	0	0,7	1,28
Wood	0	4,5	15,36
Metals	13	10	6,2
General waste	96	85	30



Labor

Assessment, policy and goals

Description of the relevance of labor rights for the company (i.e. labor rights-related risks and opportunities). Description of written policies, public commitments and company goals on labor rights.

We have a written company project that has been presented to all employees in which we stipulate our company ethics and guidelines. Auxel adheres to the ILO core conventions and does not do business with any organization that may use child labor or forced labor.

All employees are issued with a contract of employment which clearly states their terms and conditions including pay rates and overtime pay arrangements. All staff newly employed are issued with a Company Handbook which includes information on standard terms and conditions of employment, company benefits, company rules, grievance and disciplinary procedures. We have also implemented a safety and security handbook in 2013 that has been presented and distributed to all staff members.

Auxel is French based company and therefore covered by French labor laws, however we work with other companies in potentially high risk countries (China, India); we make a point of regularly visiting these companies in order to ensure that labour regulations are respected and there is no abuse such as forced labour or child labour. In the last quarter of 2013 we visited our Chinese subsidiary several times in order to make them more autonomous, in 2014 they will start implementing their own CSR policy.

Implementation

Description of concrete actions taken by the company to implement labor policies, address labor risks and respond to labor violations.

Auxel believes that each and every member of its staff has an important role to play in the business; this is why we try to be as transparent as possible with our employees. Once a month we hold a meeting with the top management and managers who then have the obligation to transmit the content of the meeting to their various teams. Each staff member has an annual appraisal with feedback on current objectives and mutually fixed new objectives for the year to come.

We also believe that the working conditions of our employees are tantamount to our success as a company; therefore in 2012 we launched several projects to improve the general working conditions in our workshop and these continued into 2013 with the implementation of:

5S - this project improved working conditions in the following ways:

Distances travelled per worker per finished product divided by two on some workstations

Improved general installations - this not only improves the working environment but also helps avoid work accidents due to lack of order



In 2013 we also implemented the 5S in our office space; this has improved the flow of movement and general ergonomics in our open space offices.

A new assembly station was completed in 2013 on our logistics site, this has greatly improved working conditions as the employees on the assembly lines are no longer confronted with temperature issues (too high in summer, too low in winter) and have a fully-enclosed, low-noise working environment.

We implemented several new operational changes in our production areas – a new machine with semi automatic loading, a new trolley for assembly process, 6 new pedal-operated electric pallet trucks amongst others, all of these are to be standardized for 2014.

In 2014 we will also finalize the implementation of our new production flow, this will reduce travelling distances and improve handling and security on the shop floor; we have also started a study to improve our manipulation of heavy items on the electrical testing station.

Measurement of outcomes

Description of how the company monitors and evaluates performance.

All these measures have had a positive effect on our employees and also on the efficiency of our team, in particular 5S has not only improved working conditions generally, but has also increased efficiency by up to 50% on certain workstations

Although Auxel is an industrial company which is historically male dominated, our percentage of women in the company has remained mainly stable throughout 2013 with women in top management positions representing 18% in December 2013, and our production workforce in 2013 was 27% female. (Logistics, administrative, electrical testing).

When recruiting a new member of staff, we are scrupulous in respecting French law to be sure that no discrimination against sex, age, religion or any other factor is made. We have surpassed the French obligations for employment of disabled persons for the past three years; in 2012, due to one person leaving the firm, we did not meet requirements 100% through the entire year, in 2013 we did not replace this person, we are therefore not going to meet the legal requirement this year and will pay the corresponding tax.

Each staff member has an annual appraisal with feedback on current objectives and mutually agreed objectives are set for the year to come.

We run internal audits regularly in order to monitor any discrepancies in our working methods and highlight any issues that may be affecting our workforce, our objective for 2013 was 90%, we didn't quite reach this objective, however we audited 85% of all workstations and are confident that we will reach our new objective of 100% in 2014.

We take the safety and security of our employees very seriously, in 2013 we set up staff training in fire and safety – almost 40% of our employees took part in these training sessions in 2013.

Auxel has not been involved in any investigations, legal cases or other relevant events related to the contravention of the Global Compact Labor principles.



Anti-Corruption

Assessment, policy and goals

*Description of the relevance of anti-corruption for the company (i.e. anti-corruption risk-assessment).
Description of policies, public commitments and company goals on anti-corruption.*

Our business partners and suppliers are requested to complete, stamp and sign a CSR Policy questionnaire, clearly stipulating anti-corruption principles. All payment for service is made through the correct accounting channels and no payment in cash or other bonus means (gifts, special treatment etc) is accepted. Should a supplier send a food gift such as nougat or biscuits, we take care to share these gifts out to all employees irrespective of whether they have contact with the supplier or not. We are investigating the possibility of running a staff tombola to share out these gifts which will also generate funds for our works committee.

Implementation

Description of concrete actions to implement anti-corruption policies, address anti-corruption risks and respond to incidents.

Although our subsidiaries are located in potentially risky countries our anti bribery and corruption ideology is communicated to all on site employees and stakeholders and specific training is given to other partners who may be potentially at risk from corrupt business practices.

Measurement of outcomes

Description of how the company monitors and evaluates anti-corruption performance.

Auxel has never been involved in any legal case concerning corruption or bribery. Every year we submit our accounts to two independent external auditors who check that our accounts are correctly managed and that there are no discrepancies which could be related to bribery or corruption. We did not receive any report of discrepancies in 2013.



Measuring ourselves

Targets & Results 2012 - 2013







