

Communication on Progress

Report to UN Global Compact Organization

Jan. 12, 2015

This is the 7th time Phoenix Contact Asia-Pacific (Nanjing) Co., Ltd. has made the Communication on Progress Report to UN Global Compact Organization since it has participated in the UNGC in December of 2006.

In the past 2014, Phoenix Contact has kept its promise of fulfilling its social responsibility while promoting business. In our company, we work hard to ensure our sense of responsibility in human rights, labor standard, environment, and anti-corruption, contributing to social sustainable development. Please kindly note the following short summary:

1. People oriented, care about employees

(1) Adhering to the idea of cultivating employees' lifelong ability of job hunting, the company pays much attention to common development of employees and company, gradually setting up the talents standard system covering knowledge, experience and capacity, containing not only the general ability for all the employees, but also core ability for ones of different levels and positions. The company has set up and kept on improving cases accordingly, having eyes on development and talents

cultivation.

(2)To express gratitude for employees' growing with the company, long-term service award was set up in 2014, employees working for three years will be awarded one monthly salary, five years two monthly salary, ten years three, fifteen years four, and twenty years five.

(3)Strengthening employees' sense of vocational health and safety, many activities have been held, such as training, internal special issue, knowledge contest and lectures on health and so on. Implement humanized management while constantly improving working and living conditions for employees.

(4)Care about employees' health, offering regular body-check for them.

Advocate the value of happy work and happy life, holding colorful activities, such as sports activities and story-telling activity by photos and essay, and so on,

making chances for employees to show themselves and do interactions,

strengthening their sense of identifying

and belonging.



(5)HR1000 service hot line was opened in July, 2014, to understand employees' demands more exactly and solve problems rapidly. Until now over 500 telephone consultations have been handled, and more than 95% problems were solved one-time. Although at the beginning, we have received many praises and good advance in following and return visit, very moving and grateful.



(6) Always care about employees in trouble with severe cases in their families, sponsoring everyone from 5000RMB to 10000RMB, and eighteen families were helped in 2014.



2. Pay attention to Public welfare

(1) Education

Sustained attention to Hope Primary School

Going on the way of growing together for four years, 27 colleagues helped 41 students from backcountry in Shandong and Yunnan provinces in 2014.



Asian Annual EduNet Conference

In late October, the fourth Asian Annual EduNet Conference was successfully held in Zhejiang University, attracting 15 EduNet member colleges and over 60 experts from universities in Singapore and Germany, talking about automatic technology development and relevant teaching experience, especially about how to promote automatic education by Industry 4.0.



Co-construction Industry4.0 – Smart factory Lab

On October 28th, the first “Industry 4.0 – Smart factory ”was completed in Tongji University co-constructed by Phoenix Contact and Tongji University, creating a new future of “Made by China Intelligence”.



xplore Phoenix Contact Global Automation Award & ILC China Automation Award

There are 38 creative projects of xplore Phoenix Contact Global Automation Award from partner colleges and company training institutions, and 27 projects went through to the final, which will be held in March, 2015, in Germany. Besides, ILC China Automation Award is going on smoothly, receiving more than 200 creative



projects and 50 projects reaching the final. The two awards are mainly to help university students know well about global advanced automatic technology, and improve their ability of project management and team work.

Scholarship project

We sponsor scholarship in colleges, such as Nanjing University, Southeast University, Tongji University, Shanghai University of Electric Power, Qingdao University of Science and Technology, Huazhong University of Science and Technology, Sichuan University, Zhejiang University and Nanjing University of Information Science and Technology, and so on, supporting students excellent in character and learning to finish their study and strengthening their sense of responsibility and undertaking for the future.



Support college activities

2014 Top Ten Singers Contest of Huazhong University of Science and Technology was supported in April by Phoenix Contact, enriching the campus culture and offering a stage for students to show themselves.



The first Industry 4.0 – International University Students 3D Printer Design Tournament of Tongji University was sponsored by Phoenix Contact in November, 2014, and many university teams took part in it from famous colleges in China, Germany and Austria.



Support volunteer activities of University of Electronic Science and Technology of China, and volunteers have gone to Yunnan and Guizhou Provinces and so on, to support education.



University students dream-true action

40 poor university students excellent in character and learning were helped to make their university dream come true in 2014. (From 2007 Phoenix Contact has helped poor students in its power to go to university, more than 200 students in total, and four from Tibet and six from Phoenix Contact Hope Primary School.)

Excellent engineer cultivation project

As the excellent engineer cultivation base cooperated with Southeast University, Phoenix Contact China has carried out the Excellent Engineers Cultivation Plan from 2012 by RBU&T and ED department, resulting in many talents know well about Phoenix Contact automatic technology.

The Youth Olympic journey for communication

When the Youth Olympic Games opened in August, we invited more than 50 students and teachers to Nanjing, from Phoenix Contact Hope Primary School, Nanjing Hongshan Primary School, Tianjingshan Primary School, Pufang Association, Cedar Plan and 27 teams of 2015 xplore Phoenix Contact Global Automation Award, sharing experience of Phoenix Contact automation journey, Nanjing historic and cultural journey, and global youth communication journey.



(2) Humanistic care

Constant care about social welfare house

In six consecutive years, we bring kindness and care of the company and colleagues to over 300 children in Gaochun Welfare House, taking cool in

summer and warmth in winter.



“One heart –thousands of companies help thousands of families”

From 2012 the company has actively thrown itself to the project of “One heart –thousands of companies help thousands of families”executed by Jiangning Development Zone Administrative Committee. We helped poor families in the way of “one helps many”.

Support Pufang Association

We went to Pufang Association in 2014 for the first time, taking part in its annual charity activities, and sponsored poor students from villages in Jiangsu and Anhui Provinces for their six years’ education in middle school.



Support Cedar Plan

Invite students of Cedar Plan to visit the company, knowing the company culture, expectation for talents and recruitment standard, helping them realize their dreams and become outstanding people, forming beautiful “cedars scene”. We welcomed students of Cedar Plan in 2014.



3. Environmental protection, our responsibility

The company pays attention to decrease environmental impacts in every step of the value chain, not only saving energy, reducing emission, and recycling during processes of research and development, purchase and manufacture, but also cutting down influence of company operation on logistics, equipment management and environment. According to standards of ISO14001 and OHSAS18001, the company protects environment from the aspect of production technology every year,

making sure that no pollution results from manufacture process. For example, about noise emission, we strictly adhere to rules of environmental protection bureau as well as introduce EHS department to monitor noise when let equipment pass, reducing noise by sealing and fixing shock absorption equipment. Solid waste would be classified on production line, and processed by qualified factory, realizing zero release.

4. Anti-corruption

We think highly of persistent improvement of supplier-management, and all the suppliers should sign “Agreement of Phoenix Contact Suppliers’Code of Conduct”, meeting the requirement of profession ethics, health and safety, labor protection, and environmental protection and so on in Phoenix Contact, promoting jointlyabiding rules of United Nations Global Compact.