



Period covered by the COP – Jan 2014 to December 2014

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 FTG 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 at Auxel FTG France deliberately choose suppliers that donate a part of their turnover to charity, in 2014 as in the previous years, 25% of the turnover we generated with this supplier was donated to the charity “médécins sans frontières”.

We also made donations to several charities in 2014, including the Clown Hospital association.

Measurement of outcomes

Description of how the company monitors and evaluates performance.

No claim concerning human rights has ever been reported, 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 2014 Auxel FTG received 66% responses from our suppliers; of which 100% from our top 50 suppliers.

In 2014 we audited 22% of a pre defined panel of 50 suppliers, and visited 18%, we therefore reached our 2014 target of maintaining 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 in 2015 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 FTG 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 2015 we communicated our quality chart to all suppliers that were visited or audited and will continue doing this in 2015.

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 2014 we increased our purchases bought from suppliers less than 1h away from our production site from 34% to 45%, 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 2014, despite an increase in production, we remained stable with surplus material recycling of 4.8 tons. This is a direct result of manufacturing method improvement and improved quality on the shop floor due to training and staff awareness. We hope to keep this figure stable in the years to come.

We have remained stable in cardboard recycling this year with 24 tons recycled, we have fixed our 2015 target at 20 tons as we hope to be able to work with more customers on reusable plastic containers rather than cardboard for product transport.

We have noticed an increase in general waste and have set up an investigation to assess why the general waste has increased, we hope to lower our general waste again in 2015.

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 2014 we recycled 1050kg of paper that



would otherwise have been added to general waste, this is better by 500 kilos than the objective we fixed for 2015 and reflects our no paper policy. Despite an increase in printed production orders of more than 7% in 2014 and a 6% increase in printed invoices, our paper consumption has remained stable; this is due to the fact that the general policy is to deal with mails and orders direct from emails.

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 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, at the end of 2014 9% 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)	2014 (tons)
Cardboard	0	4	24	24
Insulating Film	0	1,12	3,75	2,84
Paper	0	0,7	1,23	1,05
Wood	0	4,5	15,36	24
Metals	13	10	4,2	4,8
General waste	96	85	30	99



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 FTG 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.

In 2014, 7 “safety and security bulletins” were communicated in-house. This will be ongoing in 2015. We also set up 2 projects to assess risks and monitor ergonomics on the shop floor – several action plans were implemented following these projects, including; lower lifting weight levels per person, several lifting accessories installed, noise monitoring and anti noise equipment... These actions will be continued and extended in 2015.

Auxel FTG is French based Group and therefore covered by French labor laws, however we work in potentially high risk countries (China, India);

Auxel FTG China has been ISO14000 and ISO18000 certified since March 2013 and regularly monitor their in house security and environmental impact. We also monitor very closely the hazardous waste recycling and in 2014 signed a contract with a specialized company that collects and stores 100% of hazardous waste in a recordable manner, we have also arranged for a qualified third party to detect water waste and noise pollution around the plant, this has been an ongoing contract since 2012.

For our Indian plant we have started the set up with a European coordinator in order to be sure from the very start that all labor rules are applied and that working conditions are in line with our global company policy.

Implementation

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

Auxel FTG 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; in 2014 we have continued improving working conditions for our staff with;



The continuation and generalization 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

A new machine with an automatic loading station to reduce handling heavy loads and another new machine with an optimized loading process.

A diagnosis from a professional ergonomist, we implemented their recommendations with a new company rule which states that loads over and above 15kg are to be handled by two people.

We are also hoping to implement in 2015 a mechanically assisted handling system for heavy and bulky parts.

In 2014 we finalized the implementation of our new production flow, both in France and in China; this has reduced travelling distances and improved handling and security on the shop floor.

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 FTG is an industrial company which is historically male dominated, our percentage of women in the company has remained mainly stable throughout 2014 with women in top management positions representing 18% in December 2014, and our production workforce in 2014 was 21% female. (Logistics, administrative, electrical testing).

When recruiting a new member of staff, we are scrupulous in respecting the country's law to be sure that no discrimination against sex, age, religion or any other factor is made.

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 2014 was 100%, we didn't quite reach this objective, however we audited 77% of all workstations and are confident that we will reach our new objective of 90% in 2015.

We take the safety and security of our employees very seriously, in 2013 we set up staff training in fire and safety – 50% of the staff who benefited from training in 2013 had refresher training this year and the remaining 50% will have refresher training in 2015. In Auxel FTG China 100% of staff had safety training in 2014.

Auxel FTG 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. In 2014 we set up staff tombolas to redistribute these gifts in the fairest manner possible whilst generating funds for our in house works committee, 15 gifts were distributed in this way in 2014.

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 FTG 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 2014.



Measuring ourselves

Targets & Results 2012 - 2014







