



Period covered by the COP – Jan 2015 to December 2015

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 2015 as in the previous years, 25% of the turnover we generated with this supplier was donated to the charity “the Cancer Society”.

We also made donations to several charities in 2015, including the Clown Hospital association and the fight against poverty association.

This year our works committee received a subsidy for social works.

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 2015 we audited 8 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 and all suppliers must return the initial sample with their REACH, ROHS and 3T certificates.



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 low polluting process, we are aware that this is not necessarily the case for our suppliers; we ensure that part of the supplier qualification process is that all suppliers must return the initial sample with their REACH, ROHS and 3T certificates.

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.

We also participated in a specific Conflict Minerals training session in 2015.

We also optimize packaging and transport in order to reduce waste and the carbon impact and we maintain a policy of local sourcing as much as possible.

We installed a specific storage facility for toxic or hazardous products.

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 2015 this represented 4.08 tons of scrap raw material recycled. This is a direct result of manufacturing method improvement and improved quality on the shop floor due to training and staff awareness.

Cardboard recycling this year has decreased slightly with 23.6 tons recycled; this is above our 2015 goal of 20 tons as we have implemented returnable packaging with several suppliers.

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 2015 we recycled 1200 of paper that would otherwise have been added to general waste, this is slightly below the objective we fixed for 2015 but is coherent with our activity and procurement of office stationary. 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, this is an ongoing action that will continue in 2016.

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)	2015 (tons)
Cardboard	0	4	24	24	23.6
Insulating Film	0	1,12	3,75	2,84	2,34
Paper	0	0,7	1,23	1,05	1.50
Wood	0	4,5	15,36	24	14.5
Metals	13	10	4,2	4,8	4.1
General waste	96	85	30	49.5	32.5



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 we 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 were 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 have also implemented a bi-annual training appraisal to ensure that staff are fully trained and have the possibility to evolve within the company.



We have continued our 5S project which continually improves the working environment; we also continued our work on ergonomics in the workplace.

We also implemented in 2015 a mechanically assisted handling system for heavy and bulky parts.

We strongly believe that the working conditions of our employees are tantamount to our success as a company.

Measurement of outcomes

Description of how the company monitors and evaluates performance.

Although Auxel FTG is an industrial company which is historically male dominated, our percentage of women in the company remained mainly stable up to now and increased in 2015 with 4 positions in top management being held by women. The percentage of jobs held by women in our workforce in 2015 increased from 21% to 24% 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.

We take the safety and security of our employees very seriously, in 2013 we set up staff training in fire and safety, all of our employees have the opportunity to take part in these training sessions. In Auxel FTG China 100% of staff had safety training in 2015.

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 and continued this in 2015 with several gifts being redistributed in this manner.

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 2015.



Measuring ourselves

Targets & Results 2012 - 2015







