

MAGNETEC GmbH

COP 2017



Efficiency is our Passion.

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## Our Social Responsibility

**“By committing to sustainability, business can take shared responsibility for achieving a better world”**

Sustainability is one of MAGNETEC's core principles. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. For us, environmental protection and social responsibility are inextricably linked with long-term business success. Thus, we continue to support the 10 principles of Global Compact. MAGNETEC is passionately contributing newly developed high-tech products for several new technologies within the global energy turnaround in order to make those new systems like wind turbines, solar inverters or electric vehicles work more reliably and more energy efficient.

The following COP provides an overview of the commitments, standards and management systems which help us incorporate the 10 principles of the UN Global Compact into our business processes. We also report on how we measure and monitor our performance and on the progress we have made, the measures we propose to implement and the goals we have set ourselves.

Dr. Martin Ferch  
managing director  
**MAGNETEC GmbH**



Langenselbold, January 2018

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# Human rights principles

**“Businesses should support and respect the protection of internationally proclaimed human rights.”**

Health and occupational safety are top priorities at MAGNETEC. In 2017, within the scope of a new program launched on the basis of the technological changes, the applied occupational safety system, including the protective capability of protective equipment and clothing, was thoroughly screened. Our new occupational safety policy was prepared accordingly, with the aim of increasing manufacturing safety and employee satisfaction, as well as prevention. Our principle is responsibility, care and prevention, that is „Health and occupational safety without compromise“. We regularly monitor the observance of the occupational safety regulations, the availability of protective drinks, the temperature, and we pay attention to everything that can affect the relaxed working conditions of our employees. We have been providing free vaccination against influenza for years, and every employee is obliged to participate in an occupational medical examination annually.

Our company has always paid special attention to the health of our employees. In 2017 a special program was organized with the unconcealed aim of drawing the attention of our employees to the importance of a healthy lifestyle and a healthy diet.





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## Human rights principles

**“Businesses should make sure they are not complicit in human rights abuses.”**

The key elements of the MAGNETEC culture are the dialogue between the different levels of the hierarchy, the understanding of others, and the support for those in need. We pay attention to ensuring that our employees participate in various trainings. We provide an opportunity for discussing any problems under safe conditions.

We maintain an open dialogue on the situation of other businesses in the area of the workplace, comparing it to the conditions at MAGNETEC.



In 2017 several actions suggested by employees were taken with the aim of prevention:

e.g. raising the hygiene level of changing rooms, building a new bus stop, establishing a rest garden where work breaks can be spent in the open air.

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## Labour principles

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

MAGNETEC provides a free opportunity for the employees to express their views and make proposals through their representatives. There is a Works Council with regulated rights and in regular contact with the management of the company. The employees are continuously informed of any changes and their views are taken into consideration in all matters affecting the employees. A separate annual agreement has been concluded between the management of the company and the Works Council, which includes an annual plan forming the basis of the employee benefit system. MAGNETEC makes no discrimination between its employees, temporary agency workers or candidates.

The management of the company uses various communication tools to provide information. MAGNETEC is active in social media such as Facebook, the company publishes its own newspaper quarterly, operates its own website, it communicates all major changes to the employees.



In our view the involvement of family members is also important. The so called Open Day was held in 2017 as well, where family members could get acquainted with the products of MAGNETEC, and the working conditions. The feedback given by the employees on their level of satisfaction in an anonymous manner shows that about 87 % of the employees are proud of working for MAGNETEC.

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## Labour principles

**" Businesses should uphold the elimination of all forms of forced and compulsory labour. "**

The employees of the company receive clear communication both upon employment and later on about their rights, opportunities, and the external and internal rules governing their work. MAGNETEC rejects everything that is not based on well-informed free choice. It has and is committed to an open and transparent business policy and communication.

The company uses a fair and transparent employment and incentive system, where performance, overtime, work outside normal working hours is recognized in every respect.

Payments were made in all cases accurately and at the times known to the employees.

The company employs temporary agency workers as well, and fully complies with the relevant regulations, making no discrimination between its own employees and temporary agency workers.

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## Labour principles

**" Businesses should uphold the effective abolition of child labour. "**

MAGNETEC rejects child labour, it does not employ employees under the age of 18. However, it provides an opportunity for practical training. This year it received 5 high school students for practical training, and at the final meeting the students classified MAGNETEC as an excellent workplace. The employees received the students with kindness, with good example and helpfulness, thus supporting the effort to provide a clear picture of the world of work to prospective employees.



The background image of the top header shows a wind turbine with three blades against a clear blue sky. In the bottom left corner, the top edge of several solar panels is visible.

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## Labour principles

**" Businesses should uphold the elimination of discrimination in respect of employment and occupation. "**

The company clearly declared in its internal rules that with respect to all elements of employment – recruitment, wages, motivation, training, retirement - suspension from work e.g. on maternity grounds – the same principles are applied. MAGNETEC rejects everything that discriminates or would discriminate in the field of employment. The rules applied to all employees are the same and known to them. The company complies with all regulations applicable to data protection and the protection of privacy both during the recruitment process and the employment. There was no negative feedback in connection with this either in previous years or in 2017. It provides the same conditions for employees with the same qualifications and skills. It operates an internal recruitment system in order to provide the same conditions for its employees. An internal career system is in place, providing an opportunity to employees for advancement.

The performance assessment system of the company, working well for years, allows assessment on the basis of the same principles and gives an opportunity for personal dialogue, for highlighting strengths and improving any weaknesses.

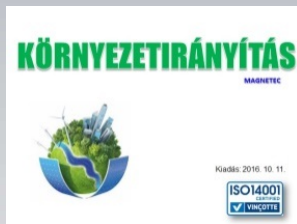
In 2017 there was significant improvement in the field of training and competence development - compared to previous years. In the field of personal development, a training program was launched to support the development of talented employees.



## Environmental principles

**"Businesses should support a precautionary approach to environmental challenges."**

The basic principles of the company include sustainability and the protection of the environment. 2017 was a prominent year for the company, because it introduced innovations and strengthened its monitoring system at several points. They include, e.g. the transformation of the waste management system, a stricter procedure for the handling of chemicals, or the repeated preparation of the chemical risk assessment.



A special environment-oriented training material was prepared for training the employees.

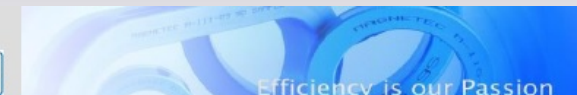


New information leaflets were prepared for our customer and supplier partners



Environmental information was provided

## MAGNETEC KÖRNYEZETTUDATOSSÁGI KAMPÁNY



An environmental awareness campaign was launched.

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## Environmental principles

**"Businesses should support a precautionary approach to environmental challenges."**



Special attention is given to the wildlife in the surroundings of the company. Our employees protect the wildlife of the environment.



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## Environmental principles

**" Businesses should undertake initiatives to promote greater environmental responsibility"**

Environmental developments were given priority among our objectives in 2017. In order to reduce the environmental load, we decided to use less, and less hazardous substances in several areas, to reduce waste and pollutant emissions. Results: We renewed the air pollution license, further developed the MgO filter, and renewed the collection point for hazardous and non-hazardous substances.

All official reports related to the environmental load were submitted in a timely manner, and all legal requirements were met.

Our domestic hot water and selective waste collection systems were modernized. A hazardous substance (flux) was eliminated, it was substituted with an environmentally harmless material.



The company successfully completed the ISO14001 audit in 2017 as well.



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## Environmental principles

**" Businesses should encourage the development and diffusion of environmentally friendly technologies. "**

Our company continuously develops its technological processes, conducts research into the use of new materials and new technological methods reducing the environmental load. Environmental sustainability is largely taken into account in the investments and asset purchases. In 2017 a new generation MAQL furnace was purchased, and the number of less environmentally-friendly old furnaces is continuously reduced. In 2017 special attention was given to ensuring that the new automatic encapsulating machine meets our environmental objectives both in terms of material consumption and material composition.

In 2017 a new program was launched for the development of the packaging technology and the use of environmentally-friendly, recyclable materials.

Both the customer and supplier partners of MAGNETEC accept and recognize the environmental sustainability objectives of MAGNETEC, and we work together to ensure a sustainable future.





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## Anti-corruption principle

**“ Businesses should work against corruption in all its forms, including extortion and bribery „**

The philosophy of MAGNETEC clearly rejects any corruption, and communicates this both to its employees and partners.

The company has a code of ethics. The risk factors have been identified and all possible risk elements have been eliminated.

The internal processes are well organized, the control system works to exclude all potential problems.

MAGNETEC completely disassociates itself from all forms of corruption, and maintains the fairness of business with all possible means.

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our company in Hungary

