Hager Group
Communication on Progress
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CEO STATEMENT OF CONTINUED COMMITMENT

Blieskastel, June 2015

Tomorrow, next year, ten years’ time... What will the future bring? Nobody knows. Yet at Hager Group we have chosen to anticipate the future by calculating risks and seizing our opportunities proactively. For example, we invest in our employees and their training, in energy efficiency and future technologies, in fair trade relations and we work actively to continuously improve our eco-balance sheet. Maybe we are giving up more profit in the short term, but we are convinced that this is the way to achieve sustainable success for the future.

Indeed, at Hager Group our ambition is to grow in the long term rather than maximising profits in the short term. Making money is, of course, something that we have to and want to do, but what counts is how we go about it. We want to do things properly for the right reasons by adopting an ethical approach when interacting with employees, partners and suppliers, and by continuously reducing our ecological footprint and developing more energy-efficient solutions for our customers. The results that we have achieved in recent years show that we are heading in the right direction.

Markets, technological standards and customers’ needs are changing faster than ever before, therefore, the highly sought-after “windows of opportunity” for establishing innovative solutions that are ethical, environmentally-friendly and lower in energy consumption, open and close at breath-taking speed. If we are good, fast and ahead of the field we can play a more active part in shaping sustainable progress than ever before. On the other hand, there is also considerable risk: anyone who misses important developments and rests on their laurels will find the march of time leaving them behind even faster and more mercilessly than in the past. Never before has innovation been so important to drive a cleaner, greener and brighter future.

We follow the guidance provided by the ISO 26000 standard to integrate social responsibility into our organisation. With E3, our approach for sustainable development, we act ethically, caring for people, and we respect the environment by taking into account our planet’s limited resources in our business activities, offering our customers energy-efficient solutions.

In April 2007, we signed up to the United Nations Global Compact, the voluntary business initiative supervised by the United Nations to foster Corporate Social Responsibility. With this document we renew our commitment and contribution as a committed signatory.

Daniel Hager
CEO Hager Group
Continued commitment to sustainability…

...because certain values are not negotiable,

...because we believe in respecting people and our environment,

...because Corporate Social Responsibility is more than just words.
E3 – HAGER GROUP’S SUSTAINABILITY APPROACH

We act ethically and responsibly, caring for people and our environment.

With increasing globalisation and diminishing natural resources, we must consider the consequences of our actions. The need for greater corporate responsibility is increasing. At Hager Group, we want to move forward in such a way that we leave a clean bill of health for future generations. We have translated this vision of sustainable development into a structured approach that we called E3.

E for Ethics: the way we behave with our employees, our partners and all stakeholders

E for Environment: we act with respect for the planet, to help preserve it

E for Energy: this concerns our multi-area approach to manage energy, safety and comfort while increasing energy efficiency, particularly thanks to the solutions we offer our customers

Responsible growth: Hager Group’s sustainability approach

E3 is not a one-off programme, at Hager Group it is a firmly established approach for many years to come. Employees, customers and suppliers alike can easily access our E3 approach by consulting our corporate video where our Head of Sustainable Development outlines the principles of our E3 approach.

French with English subtitles - French - French with German subtitles
ETHICS – we are a family-owned company promoting social responsibility

Where we are now: Hager Group is an innovation-led business that thrives on the ideas of its employees. Our employees deserve our particular attention. Diversity, opportunities for personal development and a healthy working environment are values we bring to life. A concrete example: in the past six years (2009 to 2015) the number of accidents at work has fallen by 39% on average and in 2014 by 42%. And we are continuing our efforts: 70% of our employees work at a OHSAS 18001 certified site.

What we do: to ensure that E3 continues to be firmly established in people’s minds, in 2015 we are finalising an online learning tool to train 1,500 Hager Group managers in how to integrate E3 into their everyday work. The tool will be operational by the end of 2015. This will also involve convincing our suppliers of the advantages of the United Nations Global Compact principles, which we have been following since 2007.

ENVIRONMENT – we strive to minimise our ecological footprint

Where we are now: Hager Group is a clean company: production of our products does less damage to the environment in comparison to many other industries. However, there is always potential to be even more sparing with resources. This is something we are working on continuously.

What we do: Hager Group has 23 manufacturing locations in 11 countries around the world. Our aim is to keep our ecological footprint at each site as minimal as possible. We review our business trips, transport and energy consumption in order to identify potential savings. In this way we can take an active approach to reducing our greenhouse gas emissions. At the moment, 15 of our production sites have been certified to ISO 14001, the international environmental management standard. All production sites are certified to ISO 9001, and 14 to OHSAS 18001.

Even during the planning process we take care to ensure that every one of our products is designed to last as long as possible and that the impacts of production will be traceable. We examine the entire life cycle of Hager Group products and carry out an individual life cycle analysis for each one. Everyone benefits when we protect resources in this way: our customers benefit from a durable product, our colleagues benefit from pioneering production conditions and the environment benefits from eco-friendly processes.

In addition, we focus on transparency in dealings with our customers by supplying all the environmental information they might need along with the product. This includes a Product Environmental Profile (PEP) and a guarantee that the product complies with the European RoHS Directive (Restricting the use of Hazardous Substances in electrical and electronic equipment) and with REACH (the chemicals regulation).
ENERGY – we specialise in smart, energy efficient solutions

Where we are now: 40% of global energy production is used inside buildings, a significant proportion of it in the form of electricity. As a global market leader in the field of electrical installations, Hager Group is in a position to make a big difference. That is why we are constantly working on ways to lower energy consumption, while investing in renewable energy sources.

What we do: through our products we raise awareness of the need for careful management of electricity as a valuable resource. Intelligent solutions for the home play an important part in this. An example: modern control systems from Hager Group make it possible to provide light, heating and hot water as and when required. The same goes for the increasingly important area of AAL, Ambient Assisted Living: here too the focus is on convenience, safety and well-being, with the ability to adjust energy use individually. Hager Group has for years been investing in the research and development in the important area of electro-mobility. Battery performance and battery life have improved continuously over time, and comfort levels in electric cars now match those of conventional cars. However, the success of electric cars will be measured by how easily available they are. This is why Hager Group is investing in expanding the necessary infrastructures.
01 HUMAN RIGHTS - PRINCIPLES

Principle 1: businesses should support and respect the protection of internationally proclaimed human rights and

Principle 2: make sure that they are not complicit in human rights abuses

We at Hager Group support and respect human rights through our daily activities by providing safe and healthy working conditions and by ensuring non-discrimination in personnel practices.
For example, from 2009 to end 2015, occupational safety actions have been put in place to promote safety group wide. The LTIFI indicator (lost time injury frequency index), shows our actions have resulted in the number of work accidents and travel to, per 1,000 employees, being reduced by 39% on average over 6 years.
We expect a great deal from our employees, however we also make every effort to encourage them and develop their abilities in a favourable balanced working environment.
Every Hager Group employee currently completes more than 17 hours of professional training per year on average, therefore increasing collective knowledge and skills for all to enjoy the benefits.

For facts and figures concerning our commitment to employees all over the world, please consult page 77 of our Annual Report.

> Assessment, policy and goals:

Diversity

“Diversity (n. f. - Latin: diversitas, atis): character which is varied, diverse. Applied to companies, is the variety of human profiles that may exist within (country of origin, region, neighborhood, patronymic, culture, age, gender, physical appearance, disability, sexual orientation, qualifications, etc. ...).”

This definition highlights a reality today: every company is faced with diversity and the challenges it represents. Hager Group has chosen to encourage diversity by seeing it as an advantage. Since our beginnings, we quickly established ourselves in different local regions and abroad, seeking to capitalise on this asset.
“Beyond a humanistic approach, we believe that diversity is essential for us to be successful in our various markets. Proper management of diversity at all levels of our organisation and in cooperation with our partner networks is now more than ever a genuine lever to support our business,” explains Daniel Hager, Hager Group CEO.
> Implementation:

We are operating in a global, multicultural, multigenerational & diverse world. To take leverage from diversity and achieve our ambitions to accelerate international expansion described in Project 2015, a Hager Group Diversity Steering Committee ensures that actions for the four pillars of our diversity development plan are implemented:

- Multicultural approach
- Gender Balance
- Disability
- Inter-generational approach

> Measurement of outcomes:

Multicultural approach
Traveller’s Guide

It’s all about doing more with less. A Guide for Travellers has been created for employees at Hager Group to advise them on best travel practices and useful information when travelling on business trips. The challenge in today’s world is to travel efficiently - avoiding wasting time and money – responsibly - opting for the solution that has the smallest impact on the planet while still meeting requirements – and respectfully – understanding and respecting our colleagues’ and customers’ cultural differences. This fits in perfectly with E3 (Ethics, Environment and Energy) and it is in this spirit that the Hager Group Travellers’ guide was created. It offers different solutions for virtual and physical meetings to help you choose the best compromise, taking into account the different impacts.

In an international, relatively complex company like ours with 60 different nationalities on the payroll, working effectively involves meeting regularly and this means travelling means travelling. We travel to share information, work in a team and visit clients and suppliers. The quality and effectiveness of these meetings are key factors for the success of our company. Today, distance is no longer a problem as we have very effective ways of conducting meeting that are outlined in this practical guide. Each section of “The responsible travellers’ guide” provides details of a type of meeting and outlines good practices and key figures concerning the cost and environmental impact.
Travellers’ Community

To assist employees with business travel a travellers’ community has been created by the sourcing department. This travellers’ community highlights part of our intercultural approach, one of the four pillars of diversity at Hager Group.

If you:
- travel regularly for your work or need help organising a business trip,
- need practical information about travelling and the country you are visiting,
- want to know about the dos and don’ts of doing business in China, Brazil and India,
- need information about our travel policy and documents related to travel expenses.

The site offers helps in the above domains as well as, information about intercultural issues, best travelling practices sharing and advice on customs and work habits. Tips and travel news are updated on a regular basis.

International work-sharing:
The casings manufacturing project established in Brazil is a multi-cultural success story. The objective of the project was to supply our own casings to the South American market without shipping parts and components half way around the world, therefore establishing a local manufacturing facility was the only option. The challenges of setting up a new line in Brazil were met by optimising available resources. Hager Group’s competencies and expertise around the world were pooled to set up an international project team. The team work between colleagues around the world was the key to success.
The establishment of the Brazilian casing manufacturing facility is a paradigm for the benefits that can emerge from the worldwide internationality of Hager Group. We were able to bundle the company’s global competencies into a single project. But the technical expertise is only one aspect. The human factor is just as important, if not more so: around 110 employees from 33 departments and five countries have worked together hand in hand on this project. They have shown that cultural differences add inspiration to a project of this nature and that the international teamwork functions very well within the global Hager Group “family”.

**Gender Balance**

At Hager Group, 42% of the working population is female and 58% male, 12% of managers are female. Diversity of views and genders is a driving force for innovation; therefore a better balance would benefit the company. When we appoint new colleagues, we ask our Human Resources managers to suggest female candidates as well as male candidates; however, we maintain a sensible and pragmatic approach.

Women's access to positions in the company comes through early training and education. Education systems must attract young women to these courses to provide them with the necessary skills to better prepare them for the world of work. As a company, we are conscious of having a role to play in developing the rights of women in the corporate world. Our business approach on gender equality is to allow women to grow within the company and access positions, without the gender issue. Some of the following actions illustrate this approach.

**Ingénieur'e:oser**

On 10th April 2014, Hager Group welcomed students from the ECAM, TPS and INSA engineering schools as part of its "Ingénieur'e: oser" programme for careers in engineering and promoting women in industry. For the occasion, we launched an ideas competition called "Ingénieur'e @hagergroup" on the theme of the “house of the future”. The competition was won by two students from ECAM Strasbourg. They were both welcomed in Obernai in September 2014 to present their project and receive their prize.

Céline Muller, one of the winners, started a 6-month internship with us in February 2015 in the Building Automation Business Group. She will contribute to projects at our sites in Mazzano in Italy and in Ottfingen and Schalksmuehle in Germany.
Disability
For Hager Group, disability is not considered as inability, but rather a different kind of ability. In February 2015 there were 349 disabled employees registered within Hager Group.

United Nations International Day of Persons with Disabilities
As part of the United Nations International Day of Persons with Disabilities on 3rd December 2014, various local actions took place to support the United Nation’s International Day of Persons with Disabilities, these various activities educate and mobilise employees worldwide about disability. For example, in France several sessions were held to make people aware of blindness. Colleagues were invited to eat their lunchtime meal with eye masks.

Inter-generational approach
Interview with Daniel Hager

When Hager Group asked its young employees to compose an essay for an interview with Daniel Hager, Heather Corbett from the U.K., Sneha Shah from India and Pierre Pount from France were three of those who did so. The topic: the future of electrical engineering and Hager Group in the year 2030. Just like Daniel Hager, these three young colleagues have a very optimistic view of the future. The four discussed and debated subjects close to their hearts in the working world; network technologies, digital media, the pro and cons of business travel, energy efficiency & management, taking initiatives, recognition, work-life balance as well as the actual way we work. To quote Pierre Pount, “…companies will look after their employees in a much more all-encompassing way in the future.”

For more information about the exchanges, please consult pages 2 to 8 of our Annual Report.
The TAI Community (Trainees Apprentices Interns) was created in 2013 by and for trainees and apprentices in Hager Group. Indeed, the TAI Community aims to improve the experience of trainees, apprentices and interns at Hager Group, by providing them with opportunities to meet, exchange, create links, share experiences, and encourage self-help. The benefits for Hager Group: we stand out as an Employer of Choice by encouraging experience sharing to enrich the trainee network and contribute the intercultural nature of our group.

Throughout the year various “TAI” events take place encouraging this young community to flourish.

- Two General Meetings took place.
2014’s last General Meeting took place on 26th November, where the TAI Community was presented to new members along with an ice-breaking activity to help get to know each other better. There were many discussion activities, among subjects debated were the following:

- perceptions of the company before integration and after integration,
- the 5 most important criteria when choosing a company,
- impressions, expectations and areas for improvement within the company.

And the 2015 General Meeting was held on 29th April, where nearly 60 participants were present and contributed to the various activities proposed such as ice breakers and discussion sessions about “What is the ideal working environment? What’s your ideal job?” Feedback from the day’s activities was presented to our Top Management the following day.

- **TOEIC training sessions** are a regular occurrence.
- Twice a month “afterwork” events are organised such as sporting activities, meals, laser quest, bowling…
- Every Wednesday is “Tai Lunchtime” in Obernai, France, where members of the community eat together and discuss.

**KNOW Tooling Day**

Detailed in last year’s report was the inauguration of our internal Tool Making school. Its objective is to maintain the level of skills within our workshops and overcome the difficulties in recruiting young toolmakers. Following up on this initiative was the KNOW Tooling Day on 1st and 2nd July 2014, signaling the roll-out of Hager Group knowledge-sharing project. Hager Group tooling managers gathered in Obernai for the KNOW Tooling Day – an intensive two-day event aimed at creating a system of transferring and sharing knowledge and best practices within the group.

The event, which welcomed Hager Group tooling managers from Brazil, China, France, Germany, Switzerland and the UK, also signalled the successful launch of KNOW Tooling project (*Knowledge Network Organisation Worldwide*), an exciting project which aspires to develop our technical and organisational know-how through knowledge-transferring and
sharing activities. Participants were welcomed by senior managers, who underlined the need to recognise how vital knowledge sharing is to Hager Group's competitiveness, now and in the future, and see action at local, national and international levels in order to leverage best practices and create uniform working standards throughout the group.

The first day included a visit to the injection and stamping department, our internal Tool Making School as well as a series of team-building exercises. On day two, manager-participants took part in the 'World Café' – a creative activity that encouraged exchanges on five key tooling issues, which culminated in a series of innovative presentations on ways to improve international knowledge transfer and team working.

Please click here for more details about KNOW Tooling Day.

Tool Making School

The most watched TV news programme in France broadcasted a report about our company. Daniel Hager, CEO of Hager Group, explains the challenges faced by the industry today and our colleagues from the Tool Making School speak about the advantages of having in-house training.

To see the report please click here.

Tool Making school and job promotion

In France a national project aimed at promoting jobs where recruiting is becoming harder due to a lack of available qualified people on the market was launched in spring 2014. We chose to promote tool making and Philippe, one of our toolers, was happy to help us do so by talking openly about the ins and outs of the job. The report was broadcast on a French national television channel, convincing the general public that true career opportunities exist when it comes to tool making.

To see the report please click here.
Together with Hager Group, Saarland University of Applied Sciences (HTW), skilled trade workshops, nursing services, municipalities, health insurers and social welfare organisations have launched the Ambient Assisted Living (AAL) Saarland network.

People throughout the world are getting older and older. For example, in Germany more than 22 million men and women will have reached retirement age by 2030 – around a third more than today’s figure. This presents us with a major social responsibility. With the number of old-age citizens on the up, more and more people want to continue living safely in their own homes for as long as possible. With this in mind, the engineers at Hager Group have, for some time now, been investigating how state-of-the-art technologies can be easily and individually integrated into the home to meet people’s personal requirements. One AAL solution is, for instance, a user-friendly emergency alarm system, which immediately sends an automatic alarm signal to relatives or an emergency services centre in the case of an emergency. The “my.sens” system, developed by the company “locate solution”, a member of Hager Group, is the only product on the market to already offer such a service.

The AAL Saarland network was formed in May 2014 on the initiative of Saarbrücken Professor Wolfgang Langguth, lecturer at the University of Applied Sciences (HTW). “The network has set itself the goal of developing a sustainable AAL infrastructure in Saarland and the surrounding regions in order to further expand the application of affordable, modern technology,” says Professor Langguth. “Successful Ambient Assisted Living entails making a commitment to society aided by technology and the appropriate services.”

On 2nd July 2014, Daniel Hager, CEO of Hager Group, signed the AAL Saarland network’s official instrument of accession in the presence of Professor Wolfgang Langguth during a ceremony at the company headquarters in Blieskastel. “Demographic transition is one of the greatest social challenges of our time,” says Daniel Hager. “As part of the AAL Saarland network, we are excited to contribute to a strong community, which is tackling this transition while at the same time promoting the quality of life of people of all ages. With our control systems for lighting, temperature and blinds, smoke detectors and also door communication, we already offer a broad range of solutions to alleviate the day-to-day lives of people with restricted mobility or those who are in need of care, irrelevant of age.”
“The specific challenge lies in finding solutions that fit people’s individual needs, as no two people are the same,” says Johannes Hauck, Corporate Strategy and Business Development Hager Group. “The AAL Saarland network is important to us; having contact with the other members in the network will help us expand our advisory expertise and fine-tune our products and services. Through our E3 sustainability programme – ethics, environment and energy – shows our unequivocal commitment to social responsibility. AAL is an extremely well suited platform upon which we can offer our intelligent solutions for a self-determined way of life in the transforming society we live in today.”

Please use the following links for more information about Ambient Assisted Living at Hager Group. English - French - German
Corporate Social Responsibility CSR & community activities

> Assessment, policy and goals:

Corporate Social Responsibility is an integral part of how we conduct our business at Hager Group, make decisions & set our priorities. Our corporate social responsibility approach is based on the 30 articles of the United Nations Charter of Human Rights, the standards of the International Labour Organisation and the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises. We ensure that our suppliers and partners respect a number of rules on human rights and labour law. That is how we aim for a balanced and safe competitive environment and broad international diversity. This approach not only increases the motivation of our employees, but also the loyalty of our customers and our partners, at home and abroad.

> Measurement of outcomes:

Australia
Corporate Triathlon
21 Hager Group athletes participated in Australia’s 27th Fitness First Corporate Triathlon National Series 2014. Five Hager teams competed in the Sydney event in Sydney’s Royal Botanic Gardens on 13th April with over 3,000 corporate athletes. The Gold Coast Event was on 3rd May and the last stop of the national series. The distance of this race is longer than the Sydney event. Both Hager Group teams from our Queensland office registered and competed for the full race without hesitation! The team in Brisbane also took part in the 27th Fitness First Corporate Triathlon National Series!

Fundraiser for premature baby
Hager Group’s spirit of solidarity amongst colleagues and the wish to help one another has been perfectly illustrated in Australia. One of our colleagues, George, is father to a prematurely born little girl who has also been diagnosed with Primordial Dwarfism. Due to the illness, she has been experiencing some developmental problems and has to have regular visits to a heart specialist and a neurologist. Apart from the emotional distress that this has caused to the family, there is also a huge financial cost. To help support George’s family emotionally and financially a barbeque Lucky Draw was held on Friday 20th June 2014 in Hager Electro Sydney Office. 820 Australian dollars were raised and donated to the family to help with on-going treatment.
China
Assistance in action - Relay of Compassion

“Hearts Tied to 1st June, Relay of Compassion” was a fund raising event that took place in summer 2014 in China, coinciding well with the celebration of Children’s Day. The Works Council at Hager Group in Huizhou China encouraged colleagues to participate in a fundraiser for primary school children resulting in the collection of a total of 442 books and 5,700 yuan in donations (over 800€). In summer 2014, the factory’s management team went to Longyuanba Centre Primary School in Quannan County, Ganzhou City, Jiangxi Province to donate the collection.

“In times of fast-paced development, if in the city or the countryside, whether rich or poor, education is the foundation. Children are the future and helping struggling schools in remote areas is our incumbent duty,” commented Dr. Li Yue, Country Manager, China, Hager Group.

Please click [here](#) for more details about assistance in action in China.

France

For more than 15 years, October has been the month of the pink ribbon in Strasbourg, France. Worldwide, this pink ribbon symbolises support and advice for breast cancer awareness. Today more than 1 in 8 women are at risk from breast cancer. The best protection is early detection - prevention is always better than cure. Every October a 5 kilometre run and walk are held in Strasbourg to campaign for the importance of screening. Many Hager Group colleagues from Obernai, Saverne and Bischwiller took part in the event to raise awareness. Bischwiller’s works council financed inscriptions and a bus to the event.
Germany
Hager Group Training Day in Blieskastel

On 22\textsuperscript{nd} and 23\textsuperscript{rd} July 2014 Blieskastel premiered “Training Day”, an opportunity for 285 students and 15 teachers from schools in the Saarland region to find out about the different training possibilities and job profiles in the electrical industry. More and more schoolchildren are keen for a helping hand when they have to start thinking about finding the right vocational training. Hager Group’s response to this growing demand for support was to invite students to its Training Day. Indeed, career advice is increasingly important in particular where there is a lack of skilled labour. If schoolchildren are to make meaningful decisions about their careers in good time, they need to find out early on what training opportunities and different occupations there are, and how to apply for them.

For Hager Group, helping with career advice is nothing new, as Andreas Fuchs, in charge of commercial training, is quick to point out: “So far, there has been cooperation with six of the region’s schools, involving help with job applications and career advice days. Given that more and more schools are showing an interest, we have now decided to go about it in a different way and to invite schools to come to us in Blieskastel, so that we can show interested young people how it all works in practice.”

For more information about training and applying for jobs at Hager Group, click [here](#).

Lange Nacht der Industrie
The 4\textsuperscript{th} edition of the “Lange Nacht der Industrie” gave industrial companies in Saarland the opportunity to open their doors to the public - for the 4\textsuperscript{th} time in a row with Hager Group in Blieskastel. This year, Hager Group’s team included members from Care Management and Human Resources as well as some of our trainees. We welcomed 100 mainly young guests. A report about the event was broadcasted on Saarländischer Rundfunk (Aktueller Bericht).
**Wissenswerkstatt science knowledge workshop**

The Wissenswerkstatt workshop has set itself the task of familiarising children and teenagers with science and technology in an enjoyable way. Our involvement in this organisation helps ensure at an early stage that we have a steady stream of up-and-coming specialists in these occupational areas,” explains Jörg Sick, HR Director Business Area Germany, who also acts as treasurer of the charity’s board. The organisation is sponsored by Hager Electro GmbH & Co. KG as the founding member and by other large companies in the region such as ZF, Schaeffler, Festo, Voit, Saint Gobain and the industry association Verband der Metall- und Elektro-Industrie. “As one of the major companies in the region, we regard it as our social responsibility to support projects like this and get actively involved in showing young people career perspectives,” emphasises Oswald Bubel, Managing Director of Hager Electro GmbH & Co. KG, who also represented the company when the organisation was founded.

Please click [here](#) for more details about the training award.

**Learning programmes at Eurobahnhof railway station**

The Wissenswerkstatt workshop was officially opened on 4th July 2014 in the historic bus depot at Saarbrücken’s Eurobahnhof. In the extra-curricular educational facility, children aged from eight to eighteen can experience technical phenomena and understand everyday technology by carrying out their own tests and experiments – for example building pop-pop boats or by putting their skills to the test with the buzz wire game, which is based on a simple electric circuit. While doing all this, they also learn practical skills such as soldering. The idea: if children and teenagers develop an interest in mathematics, natural sciences, technology and the environment at an early stage and recognise their talent, they can be shown long-term occupational and professional prospects in the sector. At Hager Group, like many other companies, we are in need technical specialists and engineers. Indeed, sparking curiosity their today might well gain us the engineers of tomorrow.

**Collecting stamps for Bethel**

An initiative to support Bethel, a company that employs disabled people, is carried out in some departments of our sites in Germany - Blieskastel and Heltersberg. Stamps are collected and sent to this institution where over 120 disabled people treat these used stamps, cleaning them and selling them on.
Lange Nacht der Industrie
The 4th edition of the “Lange Nacht der Industrie” gave industrial companies in Saarland the opportunity to open their doors to the public - for the 4th time in a row with Hager Group in Blieskastel. This year, Hager Group’s team included members from Care Management and Human Resources as well as some of our trainees. We welcomed 100 mainly young guests. A report about the event was broadcasted on Saarländischer Rundfunk (Aktueller Bericht).

Hager MiKids
In summer 2014, Hager Group in Blieskastel and Heltersberg welcomed around 25 Hager Group employee children between the ages of 6 and 12, to a 1 to 5-day fun leisure programme. These “Hager Mi-Kids” children went to CJD a charity organisation that helps young people with a handicap or social problems better integrate society. Each child spent some time with a “CJD partner”, the idea being to break down barriers between handicaps and how they are perceived. This year the children made 3D puzzles in wood, mini-electrically powered toys and had cooking lessons. There was even a visit to an oil mill and a hike with a donkey! Over the years, 180 children have benefited from Hager Mi-Kids.

Please click here for more details about Hager MiKids.
Hager Group sites Schalksmühle und Ottfingen (Northrhine-Westphalia) have been rewarded with the “2014 excellent training company” award. To ensure Hager Group continues to have the skills it needs, it is essential not just to attract the best trainees but also to make sure they have access to the best possible training and support, along with attractive opportunities for the future. In this respect the group is clearly on the right track, as shown by the news that the Berker sites in Schalksmühle and Ottfingen have been singled out for the 2014 “Excellent training company” award.

As Henriki Dresel, Berker personal development and training manager, is keen to point out, “We are the only company in the area around Ottfingen to be rated excellent.” Those in charge of training within the company are particularly proud of the fact that the trainees’ own assessment was so positive. In addition, the anonymous survey yielded some important information about “areas where there was still potential for improvement”, says Friedhelm Clemens, trainer in charge of commercial/technical positions at Ottfingen.

The excellent results obtained from the first application to this sought-after label illustrate the importance that is attributed at Hager Group to training the next generation of employees. Trainees’ praise is not simply confined to the good working atmosphere and helpful attitude between colleagues found within the group. To ensure classroom training is also a success, learning groups are encouraged right from the start of apprenticeships, and efforts are made to ensure trainees have sufficient freedom to prepare for exams. There is also a grant for learning materials.

Please click here for more details about the training award.

“Parents – Child – Office”

“Parents – Child – Office” is a family-oriented initiative in Germany. On site at Schalksmühle Hager Group has set up pilot project to help working parents during the school holidays. The project consists of setting up an on-site area that parents can bring their children to if for any reason they find themselves without child care. Mini-sized chairs and tables are available for play activities such as painting. 10th July saw the official opening. This experimental measure is available in case of emergency, and highly appreciated by colleagues as they can therefore respect working deadlines and know that their children are safe and close to them.
On 2nd July 2014 more than 60 sporty Hager Group employees represented the company, taking part in the BASF Firmencup run at the Hockenheim ring. The annual BASF FIRMENCUP for companies held on the Grand Prix track at the Hockenheim ring is one of the most popular sports events in the Rhine-Neckar region. The 16,824 participants could run, Nordic walk and inline skate their way around the legendary race track. The participants had fun and as a bonus it was beautifully sunny! Participating employees were able to celebrate in the paddock afterwards with refreshing drinks and fruit, the hungrier ones were able to tuck into a barbecue. All Hager Group participants received a thank you goodie … a Hager Group cap.

We don't just inline skate at the BASF Firmencup, our Care Management colleagues in Germany organise inline skating training for employees at Blieskastel. After work 2-hour sessions are organised to help colleagues stay fit. Training on how to fall without hurting yourself and how to brake correctly is important.

Please click here for more details about the BASF Firmencup.
India
Environment Day
At Hager Group we believe in reducing our carbon footprint and our E3 approach shows the importance we place in creating a clean green environment for generations to come. Hager India took inspiration from E3 and celebrated the United Nations World Environment Day together. Collages representing nature and the environment were made by different colleagues.

Hager Group runs for a reason in India

On Sunday 18th January in Mumbai, India, 25 colleagues and 5 Channel partners ran under Hager Group colours at 12th edition of Asia's largest marathon: The Standard Chartered Mumbai Marathon (SCMM). For the second consecutive year local Indian teams put on their running shoes to take part in this initiative, which is in line with Hager Group's E3 Approach (Ethics, Environment, Energy) and also diversity. They participated in the 'Dream Run', a race that allows companies to support a cause. This year, the registration fees for the marathon were donated to the foundation "Concern India" which promotes education, health and community development in India. Beyond the sporting aspect, this event is the largest solidarity platform in India to raise funds for different charities.

Please click [here](#) for more details about our participation in the Mumbai marathon.
Italy
Il Giglio social cooperative
In Summer 2014 a group from "Il Giglio" a social cooperative, accompanied by their President, visited Hager Group factory in Porcia. The cooperative which has been working with Hager Lumetal producing packaging for switchboard accessories is involved in social projects to aid the recovery and social inclusion of physically and mentally disabled people. The visit was a great opportunity to renew the spirit of cooperation between Hager Group and “Il Giglio”. Some of the visitors saw at certain workstations the components that they had assembled and packed, thus seeing how they are used in production.

Please click here for more details.

Vita dei piccolo

Hager Group in Italy is providing support for the Milan-based non-profit foundation "Aiutare i bambini". This Foundation was established in the year 2000 on the initiative of Goffredo Modena who decided with his family to set up a foundation to "help and support children who are poor, sick, uneducated or who have suffered physical or psychological violence, to give them the chance and the hope of a dignified life." "Aiutare i bambini" supports aid projects in Italy and abroad and from 2000 to 2013 it has provided support for 1,135,000 children through 1,145 projects in 72 countries around the world. More specifically, the Foundation’s work in Italy focuses on three main areas: support for early childhood, helping to reduce the school dropout rate and boost youth employment. Hager Group in Italy has contributed €10,000, to provide help and encouragement to everyday care and teaching support for children at the facility and, among other things, contributing to buying toys, clothes and basic necessities.
Nove+

Hager Group in Italy also supports a project called "Nove+

Our participation in this project involves organising collections of food, clothing and stationery that are given to families in difficulty and participating in various recreational and extracurricular activities. "Nove+" is a project that acts in a specific area of Milan, called "zona nove". This area is home to many foreign families in precarious situations. The project aims to address the problems of these families who are struggling to find solutions to meet the education needs of their children in their formative years. "Nove+" aims to create educational opportunities, intercultural integration, reduce social disadvantage and prevent children from dropping out of school.

Please click here for more details.

Mission Bambini

In conjunction with the foundation "Mission Bambini Onlus", Hager Group in Italy has supported a local adoption project. "Mission Bambini" is a charitable organisation in Milan that also operates on an international level.

Volhand Association

With the Volhand Association, Hager Group in Italy have financed renovation work for the “Casa tra le Nuvole” house. This building has been especially designed to accommodate disabled people from Crespellano in the province of Bologna.
Portugal

Hager Portugal was awarded Best Supplier of the Year by AGEFE (Associação Empresarial dos Sectores Eléctrico, Electrodoméstico, Fotográfico e Electrónico - Business Association of the Electric, Appliance, Photographic and Electronic Industries in Portugal). Wholesaler members of AGEFE formed the jury. The competition held 4 different categories; we were successful in Installation Products and Energy Distribution as well as in the Industry category. In addition to all these awards and playing off against our main competitors we were also the proud winners of the “Supplier of the Year” award.

Switzerland

With the ceremonial inauguration of its new customer centre in Emmenbrücke, Hager Switzerland has taken an important step towards the future. In doing so, we have now created the ideal setting in which to show our partners and customers all of our expertise – be it products, solutions or services – under one roof in the showroom. In our state-of-the-art training rooms, moreover, a comprehensive range of specialist knowledge on all aspects of electric energy distribution and control can be imparted to trainees. In an age of increasing competitive pressure, engaging with customers is becoming increasingly more important. That is why the customer centre is also a knowledge platform which, not least, helps us develop future and market-oriented products, solutions and services.

At the opening celebrations in spring 2014, more than 800 visitors gained an insight into the new customer centre. Swiss partners and customers, as well as representatives of trade journals, were invited to attend. The doors were also opened to Hager Group employees and their families, representatives of public authorities and the local newspapers.

Please click here for more details about our new customer centre.
Responsible purchasing at Hager Group

> Assessment, policy and goals:

As a signatory of the United Nations Global Compact we aim to promote the principles of sustainable development among our suppliers. From the selection of our suppliers, which involves ethical work and environmental protection criteria, to signing a purchase contract, involving a commitment from the supplier to comply with the terms of Hager Group's sustainable growth and ethical trade policy, we encourage our suppliers to be active in rolling out their socially responsible business approach.

> Implementation:

Hager Group stands for high standards in brand quality. This is reflected in our procurement activities. We are very careful in choosing our suppliers, and we apply a range of selection criteria. Any supplier wanting to work with us must recognise the same core values we use in our own business: professionalism, fast response times and a high level of customer focus.

Please click [here](#) for more details about our sourcing policy.

> Measurement of outcomes:

Sustainable development from the customers’ perspective

Social and environmental criteria are increasingly being integrated into companies’ purchasing policies. This involves working with suppliers who go beyond the traditional criteria of quality/price/deadline and act responsibly towards the environment, people and society in general. Hager Group’s sustainable development approach has therefore been assessed by several clients. In March 2015, it was evaluated at level 3 on a scale of 5, and awarded ‘confirmed’ status by ECOVADIS on behalf of REXEL, one of our biggest clients in the world.
02 LABOUR – PRINCIPLES

Principle 3: businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
Principle 4: the elimination of all forms of forced and compulsory labour
Principle 5: the effective abolition of child labour
Principle 6: the elimination of discrimination in respect of employment and occupation

Investors in People IiP

> Assessment, policy and goals:

In today’s changing and increasingly complex world, Hager Group must constantly adapt to and anticipate new challenges in terms of organisation, technology and financial resources. The key factor of our company’s success is the ability of our teams to initiate and manage these changes. In this context, being able to rely on skilled and fully engaged employees is a competitive advantage that drives sustainable growth. The Investors in People (IiP) framework helps us to focus our organisation on improving our performance and achieve our objectives through excellent people management and development.

> Implementation:

Investors in People, a British management standard framework, was introduced at Hager UK in 1994 and then in France in 2000. Hager Group was one of the first companies in France to adopt the framework and it is now used in a majority of our sites across the globe.

To date:

- 11 countries have recognised IiP sites.
- Currently our internal reviewer team is composed of 20 international colleagues.
- Over the years, over 45 internal reviews have been carried out by the team.
- 40 external recognitions have been given.
- In 2014, 417 employees were interviewed in 10 different countries

> Measurement of outcomes:

In 2014, 4 internal recognitions were awarded:

- Belgium and Norway were reviewed as part of an on-going plan,
- Berker in Poland was reviewed for the first time,
- a special request was made by the transverse sourcing team for their sector.
In 2014, 9 external recognitions were awarded:

- Austria,
- Italy,
- Poland,
- Spain,
- Sweden
- UK & Ireland (as one entity) regained recognition,
- India and AB-Plast in Italy who received their first external recognition,
- France was reviewed in June 2014 but recognition was not given, an action plan was defined to enable recognition in June 2015. The action plan consisted of a series of workshops for managers to further their understanding of the role of the manager in terms of competency development within their teams.

Please click [here](#) for more details about Investors in People.

**Occupational Health & Safety**

> **Assessment, policy and goals:**

"Work accidents have been decreasing over the last years [at Hager Group], we really have to work further on this [reducing work accidents] because every accident is one too many. That’s why I say the target is not 8 or 7 [accidents], it has to be zero," declared Bertrand Schmitt, Company Financial Officer, at Hager Group Symposium on 9th October 2014 in Offenburg.

At Hager Group, employee health and safety are vital issues. Beyond compliance with the applicable regulations and the financial aspects of the costs of workplace accidents or occupational illnesses, it is not ethically acceptable for an individual’s mental or physical health to be permanently or temporarily affected by their professional activity. Providing employees with a safe workplace, environment and working conditions is a core value of Hager Group, which places the company’s men and women at the heart of its concerns. This is an integral part of our commitment to sustainable development, and more specifically to the ethical aspect contained within E3.
> Implementation:

Hager Group’s European Works Council, in agreement with the company’s Top Management, has put in place a committee made up of elected members of staff whose goal is to notify management in the event of any serious issues or the appearance of major risks to the health and safety of individuals or to the environment. In the context of this mission, this committee is tasked with carrying out monitoring visits of the company’s sites.

> Measurement of outcomes:

A shared health and safety indicator for the group was put in place in 2009: this is known as the frequency index. This measures the number of workplace and travel accidents resulting in stoppages of one day or more per 1,000 people (Hager Group employees or temporary staff) per year.

For 2009, the average for all industrial sites was 20.1 accidents per 1,000 people, albeit with considerable discrepancies from one site to another. These discrepancies can be explained by the different risks arising from the specific activities at certain sites. Thanks to prevention measures already implemented and the efforts made to mobilise employees, the number of accidents per 1,000 people has fallen steadily, the average for 2014 standing at 12.3, that is to say a reduction of more than 39%! Furthermore, we have seen that the disparity between the different sites has also been greatly reduced: the ‘best’ sites have remained good and the others have improved greatly.

Employer of Choice initiatives

> Assessment, policy and goals:

A number of initiatives to reinforce our position as an employer of choice were carried out over the last twelve months.

> Implementation:

Care management at Hager Group
Country-specific circumstances and local needs are taken into account, under the themes of:
- Ergonomics & Safety
- Work Life Balance
- Sports & Relaxation
- Health & Prevention
> Measurement of outcomes:

France
Factory fun in Obernai
Lemon, sugar, chocolate…? Anyone for pancakes…? Managers at Factory 3 in Obernai made and served pancakes for their team members every day during the last week of February 2014 to thank them for all their hard work showing that actions do speak larger than words. And that’s a lot of pancakes – there were about 300 colleagues who took part. This initiative was a direct result of the Hager GO! Survey. Results of the survey showed that employees felt there were not enough activities to celebrate results in the factory such as zero accidents and reaching objectives. Therefore managers got together to provide a pancake event for employees to say thank you for their dedication and commitment to the company.

Germany
Hager Group fighting Cancer
Starting in 2009, there is continued active support for the prevention of colon cancer. Hager Group in Germany offers to all employees in cooperation with a medical laboratory the opportunity to be tested. In 2014 the possibility was extended to colleagues in Austria as well. In 2014 there were more than 700 employees who made use of this additional health service, which is only available publically in Germany for people over a certain age.

On a separate occasion there was also another event with a specialist of Homburg University who gave a talk to employees at Blieskastel about the risks of breast cancer.

Recertification from the Chamber of Commerce in Saarland
Again our efforts towards a family oriented business strategy which enables Hager Group employees to better combine of private and professional life has been awarded.

The jury focused on our activities with Hager MiKids and Hager Family students exchange as well as on our approach towards caring for the elderly, by means of information on our internal communication platform and various hand-outs and brochures.
**Italy**
Workstations have been adapted with ergonomics in mind, and in particular adapted chairs were purchased in 2014 to assist colleagues with back problems and help them to improve their posture when seated at their workplace.

**Internal mobility**

> **Implementation:**

Internal mobility on a local and global scale is an important factor in career development and Hager Group International Mobility policy is part of a wider business strategy developing businesses in new countries as well as developing international careers.

> **Measurement of outcomes:**

Human Resources departments in Hager Group follow indicators for the number of positions filled through internal mobility. For example in France, the internal mobility objective is 50%. In 2014, by the end year we were at 36% for 180 recruitments. So far this year, by end of March we reached 40%, the tendency is therefore on the up for 2015.

**Health & Safety Certifications**

> **Assessment, policy and goals:**

**OHSAS 18001**

We do our utmost to uphold the international OHSAS 18001 standards throughout Hager Group’s industrial sites.

> **Measurement of outcomes:**

14 of our 23 production sites and 3 logistic sites are certified to OHSAS 18001.
03 ENVIRONMENT - PRINCIPLES

Principle 7: businesses should support a precautionary approach to environmental challenges
Principle 8: undertake initiatives to promote greater environmental responsibility
Principle 9: encourage the development and diffusion of environment friendly technologies

> Assessment, policy and goals:

In line with E3 (Ethics, Environment and Energy) and the Global Compact’s principles to support a precautionary approach to environmental challenges, Hager Group undertakes both internally and externally to promote greater environmental responsibility and encourages the development and diffusion of environment friendly technologies that reduce our carbon footprint. As a family-owned company, social responsibility is a matter close to our hearts.

> Implementation:

Hager Group's employees have played a significant role in our company’s success with the professionalism and commitment they have shown. The future of Hager Group depends on its employees, so with this in mind, we have set priorities for ourselves in 4 different areas:

- improving safety and creating good working conditions,
- supporting internal advancement, developing competencies and increasing employability,
- promoting diversity,
- respecting and supporting ethical principles.

> Measurement of outcomes:

Ethics: For every 1,000 employees, we have seen a reduction of 42% in the number of accidents occurring in the workplace and on the way to or from work. One of the aims of our health and safety policy is for all our production sites worldwide to be certified in accordance with the international standard OHSAS 18001. So far, 70% of Hager Group's employees work at a certified site. We established our own toolmaking school in Obernai in 2014. The production and maintenance of stamping tools and moulds are important matters for our company. The expertise associated with these activities is highly specialised and hard to come by on the employment market, so Hager Group decided to set up its own school for toolmakers.

For more details please refer to page 14 of this report.
Environment: Hager Group met the sustainability requirements for its main production sites in 2013 and 2014. The amount of air freight transport at Hager Group has decreased by 30% over the past two years, and this in turn has led to direct ecological and economic benefits. 14 of our 23 sites are already certified ISO 14001. December 2014 saw our Eco-Awards ceremony where environmentally friendly projects were presented.

For more details about the Eco-Awards please refer to page 37 of this report.

Other projects in support of the environment are detailed from page 39.

Energy: The need to contain CO₂ emissions and curb the increasing scarcity of the earth's oil reserves has brought with it a demand for new transport solutions. One of these solutions is the electric car. Hager Group develops the charging stations for these electric cars. The equipment used in our sustainable buildings is intended to have as little impact on the environment as possible. The solutions Hager Group develops are subjected to a life cycle analysis from the conceptualisation stage. This analysis not only helps us to pinpoint the best compromises to be made in order to limit any negative impact on the environment, but it also enables an environmental profile to be created for the product. This serves as a sort of "green pass" for the product. The number of products with an environmental profile has tripled in the space of two years.

“We do not inherit the earth from our parents; we borrow it from our children.”

Antoine de Saint-Exupéry, a French writer, aviator and poet.

For more information about E3 please consult page 74 of our Annual Report.
Hager Group Continuous Improvement and Eco-Awards

At the eleventh Hager Group Continuous Improvement and Eco-Awards ceremony which took place on 15th December 2014 in Obernai, France, three teams were featured in the category Eco Award. Improving Hager Group’s environmental footprint continues to be part of the ceremony process, to this effect, the jury adhered to the 3 evaluation criteria of reducing consumption of resources and thus limiting CO₂ emissions, evaluating the return on investment and the possibility of duplicating the proposed actions.

The Eco Award trophy was awarded to the Efen team at Uebigau, in Germany, for their improvements to machines and the cooling and lighting system in production as well as the quality of the air. The project has led to the reduction in electricity consumption thanks to hydraulic power machines being replaced by more efficient electric injection ones and better working conditions through improved quality and temperature of the air in the production area. In addition to this, the cooling agent R22 was eliminated, thus reducing the risk of greenhouse gases escaping. In comparison to 2012, these changes have reduced energy consumption by 15% representing 35K€ and CO₂ emissions by 123 tonnes per year.

Teams at Obernai and Blieskastel were distinguished for their projects, respectively the setting up of a structured and sustainable approach to reduce on-site energy consumption of electricity, gas and water and an intelligent building (Hager Group research and application centre) offering alternative technologies for energy production. These projects help to reduce greenhouse gas emissions and save energy and thus improve the company’s environmental footprint.

Please use the following links for a press release about Hager Group Continuous Improvement Awards 2014.

[English](#) - [French](#) - [German](#)
Hager Group takes part in Expo Milano 2015

The Expo 2015 world exhibition opened its doors in Milan at the beginning of May; Hager Group was at the forefront of the action as one of the partners of the German Pavilion Consortium (ARGE). Expo 2015 in Milan centres on the theme of “Feeding the Planet, Energy for Life”, the objective being to offer answers to the major future challenges for global human nutrition. The German Pavilion will be presenting its "Fields of Ideas" concept here, showcasing a variety of fantastic ideas for the future.

Hager Group, as ARGE partner, is responsible for the equipment in the German Pavilion with solutions from Hager and Berker brand. In detail these are: energy distribution systems, switches and sockets, and building automation (KNX).

Furthermore, in cooperation with other brands, we are applying a new future technology, unique in its genre: an innovative storage system for energy from the organic photovoltaic (OPV) modules that have the form of stylised plants. The energy generated during the day will be stored in this system and used to provide lighting during the evening.

"We are proud to be providing support for the German Pavilion," says project leader Torsten Hager. "And we are also really looking forward to using the energy storage system – our research project – in a real-life setting for the first time. Some 20 million people are expected to visit Expo 2015, and this venture will give them chance to experience Hager’s innovative future technologies first hand. What more reason could we need to take part in this exciting global event?"

Please click here for more details about our participation in Expo Milano 2015.

Initiatives in line with E3

The responsible traveller’s guide
It’s all about doing more with less. A guide for responsible travellers has been created for employees at Hager Group to advise them on best travel practices and useful information when travelling on business trips.

For more details about the guide please refer to page 9 of this report.
Building & Climate Change - Energivie Summit
Hager brand was one of the sponsors at Energivie Summit in Alsace, France in November 2014. To quote Pascal Payet, President of the Energy Efficiency Committee of the French Building Federation, whilst introducing the summit, “Companies don’t wait for change, they make it!” Indeed our CEO Daniel Hager was interviewed by Imagine Alsace about our commitment to sustainable development, the energy transition and Energivie Summit as part of the run-up to the summit. Hager Group French teams were present at Energivie Summit for Hager brand, an international symposium organised by the Alsace Energivie Competitiveness Cluster in Strasbourg. From 3rd to 6th November 2014 participants were able to find out more about “Buildings at the core of the energy transition”.

Please click here for the interview with Daniel Hager.

Energy transition

On 23rd July 2014, Anke Rehlinger, Economy, Work, Energy and Transport Minister in Saarland, visited our headquarters in Blieskastel. The theme of the meeting was Hager Group’s active contribution to the energy transition. In Saarland, we have teamed up with renowned partners to initiate an ambitious experiment, which should push forward the energy transition at a local level: the “Landesinitiative Energieinnovation Saar – LIESA” (regional initiative for energy innovation in Saarland). The experiment aims to find a new model for future energy supply which is decentralised, safe, high-performing, energy efficient and uses renewable energy sources. Both our projects “Stromsparland” and the “research and development building” in Blieskastel were highlighted by the minister in a press conference in July.

Please click here for more details about the energy transition.
Eco-label Der Blaue Engel

Hager Group’s 2014 Annual Report has been awarded the eco-label Der Blaue Engel. The paper used Enviro Top is carbon neutral, made from recycled paper without the use of optical brighteners and chlorine bleaching. All other materials used to produce this report also comply with the requirements of the eco-label Blauer Engel (RAL-UZ 14). This label is known to be one of the most demanding in environmental matters.

Initiatives in Obernai to reduce electricity consumption

G.T.B.

In Obernai the G.T.B. (Gestion Technique du Bâtiment – Technical Building Management) is part of a pilot project to monitor and reduce electricity consumption in factories 2 and 3. Captors have been fitted into aeration systems, the electricity supply, heating and cooling systems, air extractors and sprinklers. These captors are linked to a software programme that monitors live and in consequence adapts the electricity supply according to, for example, the outside temperature, the factories’ needs, public holidays etc… The dashboard display makes available all necessary information to make and plan changes to help reduce electricity consumption. And thanks to this system, the quality of the air is monitored and the temperature adjusted automatically, thus saving further calories. The savings so far in terms of electricity and Euros are impressive.

General Services Department initiatives

The General Services department has carried out several initiatives to reduce energy consumption and make cost savings. For example: calories from the boilers are recuperated and used to heat the garage, with a saving of 64,000 kWh of gas. In addition to this, a thermal destractification system has been put in place in Factory 3, the loading bay for factories 2 and 3 and in part of the shop floor in Factory 1. This system, facilitating the flow of hot air to the floor has created a saving of 55,000 kWh of gas.

Logistics Department

Thanks to improved organisation there has been a reduction in air transport to China, India and Brazil. Transport is primary by ship, thus reducing the emission of CO₂ and money spent in transportation costs.

Injection Department

The system of regrinding plastic waste after injection (sprues) has been optimised, thus reducing the amount of raw material used. This equates to a saving of 100 tonnes of plastic material per year.

Relay department

The washing process for the relays has been revised to encourage regeneration/reuse rather than disposal. 1,920 m³ of water is saved.
Reduction of greenhouse gas emissions in France

The battle against climate change is a priority for France. The guidelines, set out in the POPE Law of 13th July 2005, are to cut greenhouse gas emissions by 4 by 2050. This objective has since been reaffirmed in the framework of the Grenelle 1 and 2 laws. In line with this and the United Nations Global Compact, a constant effort is made to reduce the production of waste and the overuse of resources such as water, gas and electricity at our site in Obernai. As a result of our reduction efforts, since in 2005 by end 2014, we consume 27% less electricity per 1,000K€ of turnover, 59% less gas in kilowatts per 1,000K€ of production - a huge improvement on last year - and water consumption per M3 for 1,000K€ of production is down by 60%.

The following graphs on pages 41 to 43 illustrate the results of reducing waste and lowering energy consumption initiatives in Obernai, France.

Evolution in percentage of recovered Ordinary Industrial Waste

Evolution in electricity consumption in kW per 1,000K€ of turn over
Evolution of water consumption in M$^3$ per 1,000K€ of turn over

Evolution in gas consumption in M$^3$ per 1,000K€ production of turn over

Evolution in carbon equivalent emissions linked to consumption of electricity in tonnes in production
Evolution in carbon equivalent emissions linked to consumption of natural gas in tonnes in production

Evolution in carbon equivalent emissions linked to electricity and natural gas consumption in tonnes in production

Italy
End of March 2015, structural interventions for the replacement of windows took place at AB Plast in the town of Mazzano, in order to reduce the energetic consumption and to improve the working environment.

In addition to this, the application of Italian Standards concerning differentiated waste collection and disposal was also implemented.
Regulations & Certifications

> **Measurement of outcomes:**

**REACH Regulations**
Hager Group requires its 4,000 suppliers, with over 40,000 purchased references to declare the presence or not in their supplied goods of one or more of the latest substances added to the SVHC list (substance of very high concern). At Hager Group we endeavour to not use these substances of high concern in our existing products and all new projects do not contain any of them. This list last updated on 17th December 2014 now contains a total of 167 substances.

**ISO 14001 Certifications**
By the end of 2014, 15 of our 23 production sites were certified ISO 14001.

**E-mobility**

> **Assessment, Policy and Goals:**

As electrical mobility develops, charging stations for electric vehicles are increasingly more present in our lives, be they in public places or in the home. By developing a range of recharging solutions we have put the focus on ease-of-use, ergonomics, intelligent and aesthetic charging stations, positioning ourselves as an active contributor to this new industrial and human adventure.

> **Implementation:**

What moves people? Cars of course, better still electrical cars and even better still people-friendly, environment-friendly and cost-friendly ones. To encourage minimal impact on the environment we developed witty, a recharging station for electrical cars. Our witty charging station is not just attractive and user-friendly; its functionality is enhanced by its accessible plug storage, simple cable management and an illuminated LED window. Witty enables intelligent charging by taking into account availability and consumption of electricity in the house.
E-mobility in Germany

Keynote event in Blieskastel: on 29th January 2015, Hager Group in Blieskastel hosted a keynote event for decision-makers from administration, ministries, the research community and the press. The focal point of the day’s presentations and debates was e-mobility and its potential for the environment and the economy. The event was also an opportunity to position the Saarland and the Rhineland-Palatinate as a model region for the whole of Germany.

Experts delivered ten short presentations on various subjects such as fossil resources, the market for electrically powered vehicles and e-car sharing. As the host of the event, Hager Group contributed a presentation on charging station infrastructures. The day’s presentations were moderated by Mathias Orth-Heinz from Energieagentur Rheinland-Pfalz and inspired much debate in the coffee breaks.

A clear commitment to e-mobility: Hager Group was represented by company founder Dr. Oswald Hager as well as by Johannes Hauck from Corporate Strategy and Business Development and Reiner Ulrich, product manager for e-car charging stations. “This event clearly signalled Hager Group’s commitment to e-mobility,” commented Johannes Hauck. Hager Group’s commitment to e-mobility is closely linked to the responsibility we assume for the sustainable development of our company. Electrically powered vehicles minimise noise and polluting emissions and because they use regenerative energy, charging them is carbon-neutral. “That’s why electromobility isn’t just good for the environment, it also makes economic sense,” commented Johannes Hauck. “We want to demonstrate that e-mobility makes it possible to reconcile environmental concerns with economic development in our region, without users being restricted in any way.”
BMW i3
A new BMW i3 has just been added to the fleet in Blieskastel. This means that in Blieskastel and Heltersberg there are now a total of five electric vehicles in use; the beginning of September 2014 another i3 at the site Heltersberg was added. "We are building up our electric fleet, firstly as part of E3 we are committed to active environmental protection and have thus set an example. Secondly, as we are the manufacturer of charging stations for electric, we want to support this technology." says Dominik Jürges, head of buildings and fleet management in Heltersberg.

Please click here for more details about our fleet of electric cars.

Witty in the Netherlands
A colleague in the Netherlands was contacted by an installation company (Mandersloot Installaties) to provide charging stations for show at a car fair. As a result, a witty charging station was showcased for 4 days at the fair and it attracted a lot of positive interest. Later in 2014, Mandersloot, on behalf of a Dutch cooperative for farming and horticulture requested 14 witty charging stations. Thus 14 witty.home units were ordered. Of these, 12 were placed in their parking garage and in front of the building in the visitor car park.

Please click here for more details about witty in the Netherlands.
Since 2010, Hager Group has conducted an evaluation of its carbon emissions from its main production sites in the world. It showed that commuting, business travel and freight are among the main sources of emissions of greenhouse gases. To reduce these emissions, we have implemented measures either to avoid travelling and the risks associated with it, or to optimise it. One of these actions was bicycles made available to travel between the different sites in Obernai; another was the responsible traveller’s guide. Since 2012 we have participated in funding a bus in the town of Obernai to avoid employees taking their personal vehicle at lunch time. The bus runs between the sites and from the sites to the train station and town centre. Moreover, Hager Group has conducted many road safety actions, for example by forming nearly 500 employees in eco-driving and driving in degraded conditions since 2008. “In addition, our company restaurant serves nearly 800 meals per day. This means a saving of 3,200 kms per day, the equivalent about 200 litres of fuel, as colleagues stay on-site to eat” says Pascal Christmann, in charge of Health, Safety and Environment in France.

9th March 2015 saw the launch of a conference, held at Hager Group in Obernai, for the new carpool website of the General Councils of the Bas-Rhin and Haut-Rhin, www.covoiturage67-68.fr The mobility of the future, whether electric or shared, is indeed an important topic in line with our E3 approach. The aim of this website, for students and professionals, is to reduce our environmental impact. "We encourage carpooling and hope that the new CG67 Site will arouse much interest in business," says Denis Munch, in charge of Sustainable Development at Hager Group. "We plan to promote our Alsatian sites, thus completing our actions to reduce greenhouse gas emissions as part of our E3 approach."

Hager Group has also implemented telework contracts allowing certain employees to work from home in order to reduce travel time and risks on the road, this initiative also positively impacts our carbon footprint. Many carpool cars, either in Obernai or group headquarters in Blieskastel, without forgetting the Heltersberg production site, are electric. These sites are equipped with our very own witty electric charging stations.
04 ANTI-CORRUPTION PRINCIPLES

Principle 10: businesses should work against corruption in all its forms, including extortion and bribery

Anti-corruption initiatives

> Assessment, policy and goals:

What is the right thing to do? What is not right? Where do you draw the line?

Doing business globally entails many challenges, particularly when working in diverse cultures where “appropriate” business conduct can vary widely and in countries where enforcement of national or international standards may be weak. Therefore adherence to the company’s Ethics Charter must be observed. In a business environment, making the right choices becomes increasingly more complex and more important. It is important that new and current employees be guided through our company values and understand our Ethics Charter which make it very clear what is expected behaviour of a Hager Group employee. Our Ethics Charter is a reference framework based on our values, providing an authoritative guideline for an upright, reliable yet successful way of doing business.

Please click here for more details about our Ethics Charter.

> Implementation:

At Hager Group in Telford, England, dedicated workshops took place in the second part of 2014 to discuss how to better promote and integrate our Ethics Chart into our daily business. The result: a poster campaign named “E3 & me”.
05 SELECTED EXAMPLES OF SOCIAL ACTIVITIES WITHIN HAGER GROUP

Peter-und-Luise-Hager Foundation

> Assessment, policy and goals:
As a family-run company, it is part of Hager Group’s culture to be aware of its responsibility. This means taking responsibility for employees and their families as well as the sustainable protection of the environment and natural resources, and above all, social responsibility. The founders are convinced that it is important to give something back to society in return for its commercial success. Such a commitment reflects the Hager family culture and their values.

> Implementation:
The Peter-und-Luise-Hager Foundation was established in December 2010 to support projects in the fields of science and research, protection of the environment, culture, child development and education and social care. Many of the projects are located near Hager Group sites and therefore benefit the people who live and work in close proximity to the company. The name of the foundation is also fitting; it is named after the parents of the company founders, Oswald and Hermann Hager.

Projects
Perspectiva

"Taking responsibility for the society we live in and alongside is part and parcel of entrepreneurship. The Perspectiva project is a successful example of how this can achieve, and we naturally hope it will set a precedent for others."
Evi Hager, President of the Peter-und-Luise-Hager Foundation Board.

"The Perspectiva project was the experience of a lifetime for me."
Ferran Montoya, Perspectiva participant and civil engineer at Peter Gross Bau.

As the name suggests, Perspectiva is a project which aims to open up promising perspectives to people. This intelligent concept behind this project, which was developed by the Peter-und-Luise-Hager Foundation, allows completely new and extremely attractive perspectives to be opened up to people in two European countries. The basic idea is to offer young unemployed Spanish people traineeships and allow them to gain experience abroad with the possibility of securing permanent positions as a result. At the same time, the project also introduces potential employees to many of the German companies currently struggling with skills shortages.

These issues were high on the agenda early in 2013, when the Peter-und-Luise-Hager Foundation Board initially came together to discuss new project strategies. The Spanish
The economy was still firmly in the grip of the financial and real estate crisis at this time, and youth unemployment had risen to over 50%. The idea to at least provide a small source of relief with the Perspectiva project therefore met with a very positive response from the Foundation Board. The foundation posted an advertisement on a Spanish website looking for potential participants who were currently out of work and aged between 18 and 28.

Members the Peter-und-Luise-Hager Foundation organised German language courses, accommodation, flights and health insurance for the trainees. The foundation also regularly arranged joint trips, events and discussions with the participants in order to address any problems and facilitate their integration. The costs of the flights, accommodation and language courses were covered entirely by the Peter-und-Luise-Hager Foundation.

“Hager Group has maintained a presence in Spain for a long time now, so we have also experienced the economic crisis and unemployment first hand,” says Evi Hager, President of the Foundation and one of the initiators of the project. “It was therefore very important for us to get involved there and do something specific to help the situation. The success we have achieved with the Perspectiva project has exceeded all our expectations, and in the best possible way.”

Following the resounding success the project enjoyed the first time round, the project has now entered its second run. More than 400 young Spanish people applied; 15 of the applicants were selected to take part. The participants embarked on their traineeships in German companies at the beginning of 2015; with the support of the Peter-und-Luise-Hager Foundation, which took care of the preparations.

For more information please consult pages 56 to 60 of our Annual Report.
SOS Children's Aid Uganda

SOS Children’s Aid Uganda is an aid organisation that cares for orphans and other people who face discrimination in Uganda. Some of the projects include providing electricity and photovoltaic panels for a school, purchasing beds and mattresses and purchase of cisterns for a better water supply. The Peter-and-Luise-Hager Foundation supports a project that provides a school with solar powered ovens. The children are able to learn solar cooking and the ovens are used in the school’s kitchen.

JAMALV, Stasbourg, France

JAMALV - Jusqu’à la mort accompagner la vie - accompany life until death: this private association provides care and assistance to the terminally ill. Following up from support provided in recent years, the Peter-and-Luise-Hager Foundation provided funds to train the associations’ more than 60 volunteers. These volunteers provide care and assistance to the terminally ill, as well as helping their loved ones deal with the grieving process.

Naptu-Indienhilfe e.V. Association

In November 2009 Mrs. Gerda Scheel of Deutscher Kinderschutzbund e.V. a German society for the protection of children was invited along with a delegation by the Indian government to visit Pondicherry. During this visit, the delegation met Sister Clara, a nun who helps street children leave the streets for a better life and find shelter in the home, Kirubalaya, Kiruba Seva Trust. The delegation, impressed and touched by the engagement of Sister Clara, founded the association “Naptu-Indienhilfe e.V.” to provide sustainable long-term help. The word Naptu means friendship. The Peter-and-Luise-Hager Foundation provides financial support for the association Naptu-Indienhilfe e.V. contributing to fees, nutrition, clothes, medicine and other necessities. Moreover, this association supports the Government Girls High School in Pondicherry/Kalapet that provides girls with the opportunity to receive a professional education.
Spohns Haus
Spohns Haus is an ecological education centre in Gersheim (Saarland). For the 8th time in a row, Spohns Haus organised from 28th July to 8th August 2014 a summer camp for young people between the ages of 13 and 18. This tri-national (Poland, Ukraine and Germany) holiday event is the biggest ecological youth exchange project in Germany. Of the 56 participants, 16 are from Germany, 30 from Poland and 20 from the Ukraine. 4 places for Germany were given to socially disadvantaged families. The programme consisted of German language courses for the people from Poland and the Ukraine and courses in Polish culture for the Germans. There were various workshops based around the themes of sport, art, culture and science. Trips were organised to Strasbourg, Mettlach, Schengen, Luxembourg and Heidelberg.

The highlight for the children was the daytrip by high speed train to Paris. A “Hager-day” took place on Thursday, 31st July 2014; there was a factory visit at the Blieskastel site with translation provided in Polish and Ukrainian, then in the evening there was a barbeque with “Hager-Senioren” and representatives of the Peter-and-Luise-Hager Foundation. The objectives of the programme were to get to know each other in a comfortable and relaxed atmosphere, combat prejudices, broaden horizons and learn the language and culture of the participants.

KuBa e.V.
Kulturzentrum am EuroBahnhof Saarbrücken is a non-profit association and cultural centre near Saarbrücken train station. The objective of the association is to promote young art and culture and provide a meeting point for artists to promote multi-discipline exchanges. In 2014 the Peter-and-Luise-Hager Foundation provided financial support for these workshops for young people between the ages of 12 and 18 during their holidays. The workshops focused on activities such as film shootings, visual arts and dancing.
Electricians Without Borders ESF - Electriciens sans frontières

Electricians Without Borders ESF - Electriciens sans frontières (Electricians Without Borders) is a non-governmental organisation for international solidarity whose purpose is to carry out projects in the field of electricity in terms of development aid for disadvantaged populations in the areas where access to electricity and water is limited thus allowing better health protection, improved education or reduced rural exodus.

The Haiyan typhoon struck the Philippines on Friday 8th November 2013, devastating the central Philippines and killing more than 10,000 people. Haiyan deprived the survivors of electricity, a basic commodity for survival. The Peter-and-Luise-Hager Foundation provided ESF with financial aid to support this action.

In addition to this, along with one of our wholesalers - Rexel - and funded by the Peter-and-Luise-Hager Foundation, we commissioned a guide for good practices which was written by ESF and co-produced with the help of URD (Urgence, Réhabilitation Développement - Emergency Rehabilitation Development), another non-governmental organisation.

This guide details how to lead projects to provide access to electricity and offers a series of tried-and-tested best practices.

The objectives of this guide are to:

• help the committee that selects ESF projects to choose viable ones and assist the ESF teams who go into the field to better prepare themselves, thus avoiding pitfalls and creating sustainable projects,

• assist the Rexel Foundation and Peter-and-Luise-Hager Foundation to better select submitted projects,

• be used by other NGOs (Non-Governmental Organisations) and humanitarian associations working in the field, with the intention to avoid problems that could derail their projects.
Salary ‘round-up’

In 2014 a system was set up in Germany with an idea from the Peter-und-Luise Foundation and the help of the Information Technology and Human Resources departments to allow employees to donate part of their salary to charity. The amount after the decimal point was transferred into an account to which the company also contributed. At the end of the year with employees' and employer's contribution the amount available for donation was 20,000€. The association chosen was "Tafel". This association distributes meals for those in financial difficulty. 5,000€ each was donated to "Tafel" in the following towns where Hager Group is present: Blieskastel, Heltersberg, Übigau and Schalksmühle.
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