

Hager Group – **Communication on Progress (COP) 2012**



UNITED NATIONS GLOBAL COMPACT

Hubert Reeves at the Hager Group Symposium 2011 in Paris. As an astrophysicist and nuclear physicist as well as the writer of bestsellers on popular science, Hubert Reeves has made science history.

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Cover page: during his talk at the Hager Group Symposium 2011, Hubert Reeves described the history of the universe as a sequence of ongoing innovations. Each year, between 400 and 2,000 Hager Group managers gather at the Symposium to discuss topics that drive our company. “Innovation – from Products to Solutions” was the motto of the Symposium in 2011 – a topic that is so important to Hager Group that the Annual Report 2011 has been given over to it: www.hagergroup.net/annualreport

CEO Statement of Commitment 2012

Hager SE intensifies its approach for a sustainable world

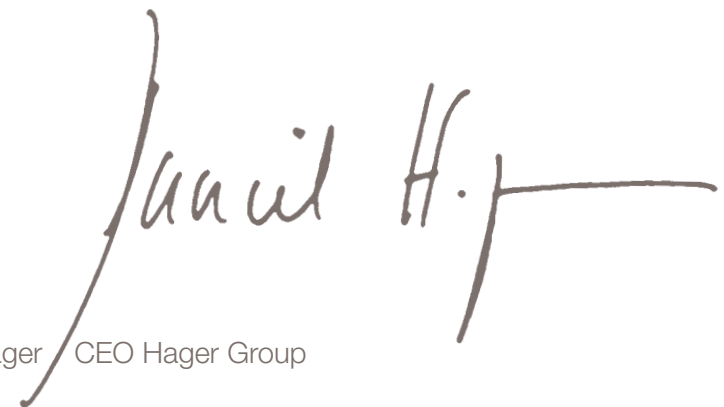
The way forward usually begins with a first few steps – and for Hager Group the year 2011 saw the first major steps on the way towards a systematically sustainable enterprise.

In that process, the principles behind the Global Compact Initiative, to which we subscribed five years ago, are serving us as a navigation system. The driving force comes from our E3 Sustainability approach which, over the year, began to unfold its potential. E3 stands for Ethics, Environment and Energy at Hager Group. We recognise that people are the most important resource and therefore treat them with care. This is why under ethics, for example, we define the ongoing support we provide for our employees according to the ambitious goals set out in the Investors in People management standard. This internationally recognised seal of approval is aimed at distinguishing those companies that offer their employees exceptional training opportunities and that translate the IIP principles into practice on an exemplary basis. With the result that in 2011 we received the IIP Bronze Award.

To ensure a more economical way of dealing with energy, we take care to provide energy-efficient solutions. For instance, in Australia we have launched a carbon calculator to give our customers a general idea of how much carbon they release into the atmosphere every year. The use of this tool in conjunction with our miniwebsite will help households to reduce their energy consumption. And we are continuously improving our balance in terms of the environment by means of our eco-design approach. This means that, during the development process, we register and minimise all the possible environmental impacts of a given product for its complete life cycle. Thanks to our new Blue Power modular circuit breakers, for instance, we were able last year to cut down 27,000,000 kilowatt hours of energy and over 500 tonnes in raw materials – the overall equivalent of around 16,000 tonnes in CO₂ emissions.

We will thus continue to reduce our ecological footprint and improve our sustainability balance over the coming years. As we single-mindedly pursue the strategy to which we as Global Compact signatories originally committed, this report will take a closer look at the progress we have made in various fields over the past year.

Daniel Hager CEO Hager Group

A handwritten signature in black ink, appearing to read 'Daniel Hager', with a long horizontal stroke extending to the right.

Human. Eco-friendly. Economic.

E3 – Hager Group’s sustainability approach

“Quidquid agis respice finem” – Whatever you do, consider the consequences!

This motto which goes back to the Greek fable writer Aesop (around 600 BC) holds true more than ever today. Induced by technological progress, increasing globalisation and diminishing natural resources, the consequences of our actions are becoming ever more grave. At the same time the calls for greater corporate responsibility are getting louder and louder. Even though Hager Group is only a small cog in a large wheel, we want to move forward in such a way that we leave a clean bill of health for future generations.

We have road-mapped our sustainability plan in a concise and clear concept – it is called E3.

And this all-encompassing E3 Hager Group concept deals with how we can use our planet’s limited resources in a caring and sparing way. It comprises three pillars – Ethics, Environment and Energy – each of which is supported by a catalogue of clear-cut measures which Hager Group has explicitly committed itself to implementing. Everyone today talks about sustainability. As a family business, we actively practice it – using E3!

“We act ethically and responsibly, caring for people and our environment” Daniel Hager



ETHICS

Our most important natural resource is each individual person. That is why we are prepared to do everything to support our worldwide staff of more than 11,000 'positive energisers' and mobilise new supporters for Hager Group. We have been certified 'Investors in People' (IIP) and prioritise structured processes ensuring mutually fair behaviour. What is more, we have committed ourselves to comply with the United Nations Global Compact principles. This undertaking between a company and UNO is concluded on a voluntary basis with the purpose of making globalisation more caring and ecological. And last but not least, we ensure that by using meaningful local Care Management, each Hager Group employee feels at ease.



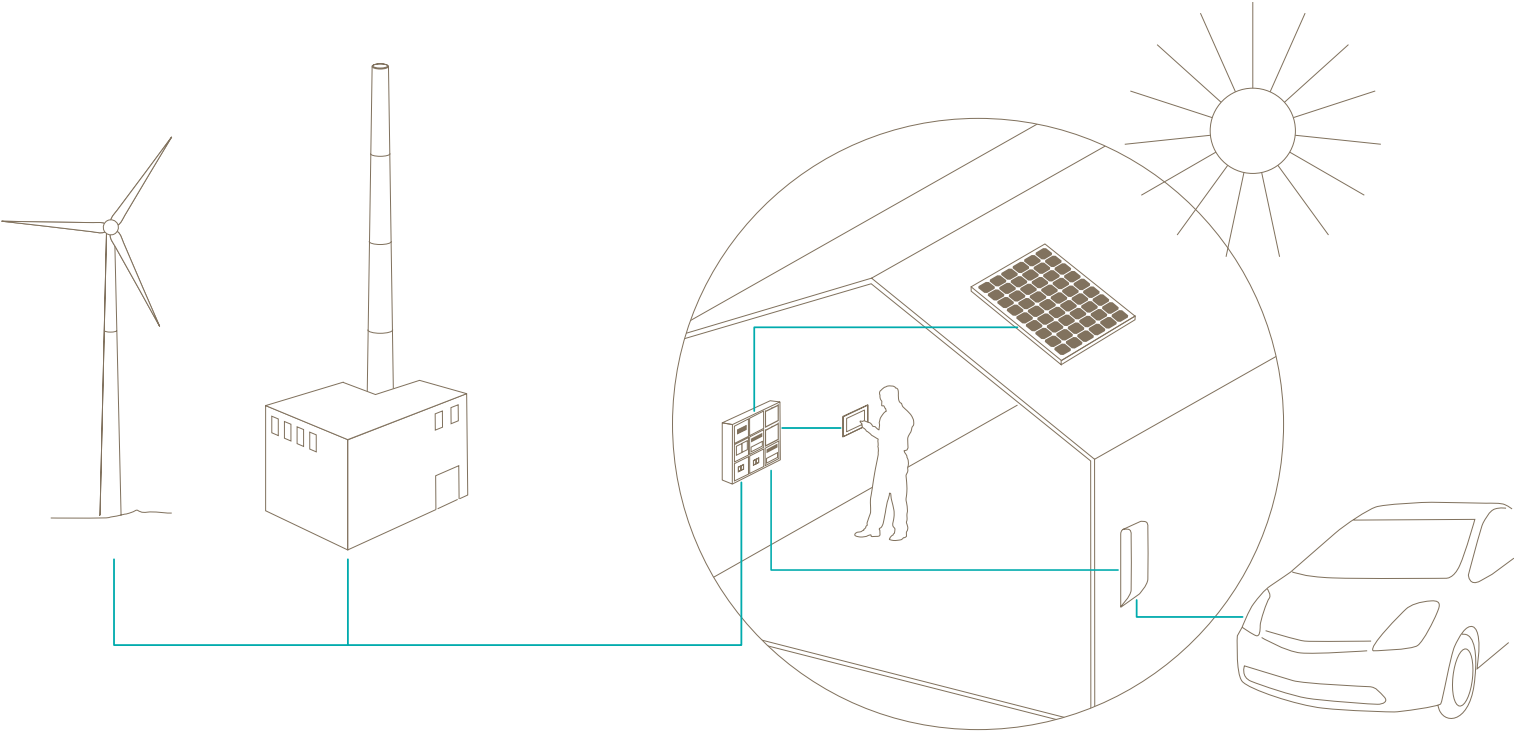
ENVIRONMENT

This Care Management approach has been extended to the environment, in that we keep it as clean as possible. And this is why we adhere to the motto 'less is more'. In real terms this means that eleven of Hager's production plants are already certified under the ISO 14000 environmental management standard. And determined to keep a good thing going, we apply for further certifications year after year. So when developing new products and during manufacturing processes, we focus on eco-design and eco-production. This includes making an exhaustive product life cycle assessment and optimising it where possible from ecological aspects. When the product is finished, it is packed in such a way that no extra tree is felled – in 100% recycled carton. By doing this we are continually reducing our ecological footprint at the same time as advancing technology in the right direction. This move secured Hager the iF Packaging Design Award 2011.



ENERGY

Taking a step in the right ecological direction is an advantage our customers also benefit from – by using intelligent meters and innovative display software so that energy consumption is clearly visible. This in turn creates better energy awareness. Many of our appliances from dimmers to ultra-sensitive motion detectors all the way to intelligent Tebis KNX building automation actively help reduce energy consumption. And last but not least, the use of Hager systems enables renewable resources to be integrated into each and every building, assuring a good future. In other words, we devote all our energy to saving yours!



For detailed information about E3 – see www.hagergroup.net/sustainability

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.

Hager Group Ethics Charter

> Assessment, Policy and Goals: Hager Group Ethics Charter is part of E3 – our sustainable development programme.

By means of the Ethics Charter, Hager Group acknowledges its responsibility for sustainable development. For everyone at Hager SE, adherence to the laws and regulations governing the protection of human rights and the environment is an elementary principle that derives from legal and ethical concerns in equal measure.

> Implementation:

- Awareness training of the Top 100 managers within the framework of a summer school held in June 2012
- Active communication throughout the whole Group in 2012 via different media channels



Sustainable Growth and Ethical Trading Policy

> Assessment, Policy and Goals: By working with partners who strictly respect the standards of social responsibility, Hager Group Sourcing Policy strives for the excellence that our customers around the world expect. In all regions of the world, Hager Group commits to respecting ethical principles with regard to environmental protection, human rights and labour standards. The Sustainable Growth and Ethical Trading Policy is the basis of our collaboration with suppliers. Its principles aim to ...

- protect the environment;
- take a proactive approach to environmental challenges;
- encourage and implement environmental responsibility initiatives by using only recyclable materials and non-polluting manufacturing processes;
- support human rights;
- respect the protection of the freedom of internationally proclaimed human rights;
- ensure no complicity in the abuse of human rights;
- ensure no discrimination in respect of employment and occupation;
- maintain labour standards;
- respect the freedom of association and collective bargaining; and
- work towards the abolition of child labour.

Suppliers are encouraged to sign up to the UN (United Nations) Global Compact. The Global Compact is a voluntary international corporate citizenship network initiated to support the participation of both the private sector and other social actors in the advancement of responsible corporate citizenship and universal social and environmental principles as they relate to the challenges of globalisation. Hager Group aims to deal only with suppliers whose values respect these principles. It is not only the responsibility of Hager Group suppliers to comply with these fundamentals, but also Hager Group Sourcing's responsibility to avoid or cancel business with any supplier who will not respect – or who no longer respects – these fundamental values, as soon as Hager Group becomes aware of such non-compliance.

Hager Group's suppliers are thus expected to approve and sign our Sustainable Growth and Ethical Trading Policy.

> Implementation: This Sustainable Growth and Ethical Trading Policy is accessible on Hager Group Intranet to all employees. A copy is sent to all our suppliers. As an integral part of Hager Group Sourcing requirements, it is binding on all suppliers. Any requests for a price quotation must include the charter. Business is given only to suppliers who have signed the charter. A supplier monitoring tool was implemented in 2010 to check on adherence to the policy. Responsibility for the Sustainable Growth and Ethical Policies was centralised at Hager Group Sourcing head office in Saverne.

> Measurement of outcomes:

- Around 80% of our suppliers have signed this Policy.
- Audits are performed by the Sourcing Development Organisational Unit.

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; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Investors in People (IIP)

> Assessment, Policy and Goals: IIP is a framework that focuses on continuous improvement of business performance through people.

> Implementation:

- IIP has been in place as a standard at Hager Group since 2009.
- In 2011, 76% of employees worked in IIP-recognised units (including the German Hager Group companies Berker and Elcom who joined Hager Group in 2010 and 2012).
- In 2011 eleven IIP reviews (internal and external) took place and in 2012, it will be nineteen.
- The Internal Review team consists of 34 internal reviewers of different nationalities (French, Italian, German, Polish, British and Chinese).

> Measurement of outcomes:

- In 2011, the company decided to use the new IIP approach known as “Your Choice” in order to support Hager Group Project 2015. Linked to this Hager Group strategy, the focus on the external IIP assessments was placed on the theme of “Leadership & Management”.
- In 2011, France and UK/Ireland were IIP recognised with Bronze, followed by Belgium in 2012.
- In 2011, Spain, Sweden and China (with the Dongguan location for the first time) were recognised as well as Poland for the first time
- In 2012, Belgium received the Bronze Award of the IIP standard in April; Austria had its first external review in January; Atral Italy was recognised in February; a first IIP diagnostic for the Business Area in Blieskastel (Germany) was held in January; an internal review was carried out in April for the Market Area in Milano (Italy) and the Business Area in Porcia (Italy); and an IIP diagnostic for Pune (India) took place in June 2012.

We adhere to the labour principles, which are also stipulations set out in the Hager Group’s Sustainable Growth and Ethical Policy and in its Ethics Charter. In addition, Hager Group took further action to enhance the labour conditions of its employees.

Hager GO! (Global Opinion)

> **Assessment, Policy and Goals:** In 2011, all Hager Group employees were invited to participate in the first phase of a global survey Hager GO! (Global Opinion). They were asked questions about their expectations of Hager Group, their work and their working area and about their job satisfaction.

The aim of this project is that Hager Group be recognised as an employer of choice, one who provides an environment in which current and future employees are motivated to develop their careers.

> **Implementation:** More than 6,000 Hager Group employees responded to the questionnaire, which was distributed in 21 languages. The results were assessed by an international project team in conjunction with those responsible for the individual countries.

> Measurement of outcomes:

- 57% of employees took part in the survey. Results showed that more than 72% of staff are satisfied with their work at Hager Group. However, there is still a lot to do! For example, future action will be required in the important fields of staff development, recognition and reward and leadership and management.
- 248 improvement actions are planned group-wide for 2012. Their implementation is monitored on a quarterly basis.
- The next global survey will be carried out in 2013.

Hager GO!
Global Opinion for the future
14th – 31st March

Company culture,
Working conditions,
Recognition,
Communication,
Management...

What do you think?

Seize the opportunity with the Hager GO! survey to let us know your expectations. The survey will either be sent to you directly by e-mail or given to you by your manager. Please answer by 31st March. Answers will, of course, be anonymous.

hager Group

PROJECT 2015

Care Management at Hager Group

> Assessment, Policy and Goals: Care management at Hager Group is considered an important in-house service provision for members of the Hager community. As such, Care Management continually develops and implements needs-oriented and target-group measures around the following topics.

In that process, we take into account country-specific circumstances and local needs:

- Ergonomics + Safety
- Work Life Balance
- Sports + Relaxation
- Health + Prevention

Objectives:

- to create health-promoting work and environment conditions with the help of specific target-group and needs-oriented measures;
- to convey to the employees information that will facilitate a healthy lifestyle tailored to their individual situation;
- to organise and strengthen the feeling of well-being in our group of companies via cooperation with the works councils and relevant experts from the fields of occupational safety and physiotherapy; and
- to facilitate a sensible work life balance.

> Implementation: Services and programmes vary from country to country and can include different aspects such as:

- Ergonomics + Safety:

Ergonomic advice, workplace training, safe driving training

- Work Life Balance:

Cooperation with child day-care centres, child care during the holiday periods, international school student exchanges between Hager Group locations

- Sports + Relaxation:

Participation in public sports events and preparation for marathons, family hiking days, sports groups and relaxation courses

- Health + Prevention:

Annual breast cancer screening, health awareness day, flu vaccination, prevention courses (back training, fitness, yoga etc) and cancer early detection tests.

> Measurement of outcomes: In 2011 and 2012, special events revolving round health care and relaxation were held:

- bowel cancer examinations in Austria and Germany
- child care during holidays in Germany
- student exchange programs for European locations and subsidiaries
- recreation programme for people living on Hager sites (China)
- sport facilities on site (e.g. volleyball courts in India)
- at Hager Group's French sites of Obernai, Bischwiller and Saverne, there was an increase in the number of occupational health physicians providing physical examinations and advice aimed at improving work conditions (e.g. massage in Obernai and ergonomics mapping for people working in shifts) – this in collaboration with ergonomists and health centres. In France, Hager Group has been praised for its initiatives by the social security administration.

Health & Safety Certification to OHSAS 18001

> **Assessment, Policy and Goals:** Besides our own in-house safety measures, we do our utmost to uphold the international OHSAS 18001 standard (Occupational Health and Safety Assessment Series) throughout the group. Meanwhile, 40 per cent of all Hager Group employees work in OHSAS 18001-certified manufacturing facilities. Compliance to these standards is regularly monitored by independently certified organisations such as Bureau Veritas worldwide or the German TÜV and Dekra. In addition to physical protection of the employees, as a matter of course Hager Group also provides extensive data protection.

> **Measurement of outcomes:** From 2011 to mid 2012 the following sites were certified to OHSAS 18001: Uebigau (Germany), Blieskastel (Germany), Telford (UK), Porcia (Italy), Kornik (Berker, Poland), Bischwiller (ADC, France).

Altogether 12 production sites and 2 logistic sites are certified to OHSAS.

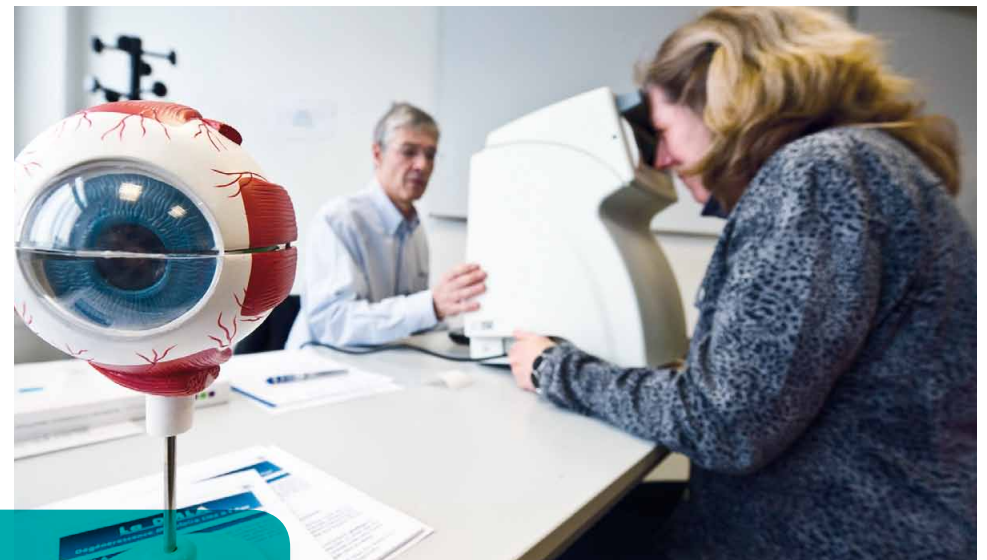
Hager Group Health & Safety Policy

> **Assessment, Policy and Goals:** As part of Hager Group Project 2015, senior management is committed to the continuous improvement of the health and safety of all employees. For this reason, a Health & Safety group policy has been created with the aim of initiating a consistent and preventive approach across the group. The policy also sets out to certify the safety management system of all Hager industrial and logistic sites according to the OHSAS 18001 standard.

> **Implementation:** One of the tools implemented is a Health & Safety Road Map allowing each site to auto-evaluate its own performance and thus develop a progress strategy more effectively. In addition to the cross-coherence obtained by utilising this tool, it also helps establish best practice in safety and promote knowledge sharing with other companies.

Moreover, an agreement signed by the directors of the Group and the Hager SE Corporate Committee provides for the implementation of an independent commission made up of CE members. Their main role will be to monitor the implementation of the Health & Safety principles at work – as well as the principles of environmental protection at all the European sites.

> **Measurement of outcomes:** Result: a decrease by 7% of the number of work accidents over the two last years.



Environment, Health & Safety Agreement with the European Works Council (EWC)

> **Assessment, Policy and Goals:** The EWC can visit European locations and subsidiaries under their own steam to review the status of occupational safety.

The committee conducts independent audits and has access to information and annual reports regarding environmental and occupational safety at all Hager locations.

The committee monitors compliance with legal regulations. The establishment of this committees was not legally required; it was initiated voluntarily by Hager Group.

> **Implementation:** The agreement, signed by both Hager Group management and the EWC, was implemented by the end of 2011.

Agreement on physical serious work

> **Assessment, Policy and Goals:** Commitment to reduce occupational hazards resulting from physical pressure or an aggressive physical environment or working schemes that may wear employees down.

> **Implementation:** Six initiatives/actions covering all the professional categories (not only the shopfloor workers) aimed at improving work conditions (noise reduction, workplace ergonomics, working hours for older employees, awareness programmes and prevention).

> **Measurement of outcomes:** Agreement implemented in all French subsidiaries since January 2012. The agreement is available on the Intranet of Hager Group.



Agreement on the equality of the sexes

> **Assessment, Policy and Goals:** Commitment to ensure the equal treatment of men and women. A person's gender may not be a criterion that leads to either an advantage or a disadvantage in working situations.

> **Implementation:** Seven initiatives/actions covering professional promotion, work conditions, professional activity and family responsibility balance, hiring and professional training.

> **Measurement of outcomes:** Agreement was implemented in all French subsidiaries January 2012. The agreement is available on the Intranet of Hager Group.

Seniors Days – new career impulses for the “45+” target group

> **Assessment, Policy and Goals:** Experienced people play an important role at Hager Group since they can pass on their experience and values as well as their operational and organisational skills. Hager Group wishes to accompany them, help them assess their capabilities, prepare for the future and, not least, give a new impetus to their development.

> **Implementation:** Employees over 45 years of age were invited to attend forums in Saverne and Crolles (France) with a focus on “preparing for a new stage in careers”. The company agreement – which was drawn up with the help of staff, managers, HR and the medical department – outlines 16 concrete measures, to be implemented within the next three years, all designed to address the following issues:

- maintaining employment,
- preparing for changes on the career path,

- improving working conditions and avoiding arduous conditions,
- developing skills, qualifications and access to information,
- managing the end of careers and the transition between activity and retirement,
- preparing for changes on the career path

> Measurement of outcomes:

Forums were held in France:

- in Saverne on 4 February 2011 / 100 employees were invited, 60 attended;
- in Crolles: 8 July 2011 / 180 employees were invited, 86 attended.

Further forums are planned at French Hager Group locations:

- in Obernai for July 2012 / 800 employees invited;
- in Bischwiller for October 2012 / 100 employees invited.



ENVIRONMENT – PRINCIPLES

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environment friendly technologies.

Eco Design

> Assessment, Policy and Goals: When developing new products, Hager Group systematically focuses on ecological design. This includes carefully examining the complete life cycle of the future product in terms of procuring raw materials, the manufacturing process, transport and the use of the product itself – right through to recycling or disposal.

Hager Group provides its customers with Product Environmental Profiles (PEP) for the products. A PEP provides information on:

- Constituent materials
- End of life recyclability rate

Environmental impact on the four life cycle phases via 11 indicators (covering air & water pollution, raw material depletion, carbon footprint, energy conception and waste production etc.)

The objective is to cover 80% of products sold with an environmental declaration (PEP) for the major markets.

> Implementation: Hager Group is co-founder of the PEP eco-passport. Its aim is to provide compatible and relevant data for the environmental “Life Cycle Assessment” (LCA) of electric installations in buildings.

When making a “Life Cycle Assessment”, the environmental effects of each product phase are taken into account and recorded. If they are too high, we go one better by changing the product or by improving service life.

> Measurement of outcomes: 25 new product environmental profiles (PEP) were drawn up in 2011 and developed for major product ranges. A total of 97 PEPs are currently available.

Read more about Eco Design at Hager Group’s website at:

<http://www.hagergroup.net/sustainability/environment/eco-design/8049.htm>

and visit the French Hager website for more information about PEP:

<http://www.hager.fr/hager/developpement-durable/actions-environnementales/pep-profils-environnementaux-produits/14529.htm>

Carbon footprint & initiatives

> **Assessment, Policy and Goals:** The production of compressed air for use in manufacturing also generates “lost heat”. A new system recovers this energy and transfers it to the heating system of the buildings. This means less energy consumption and environment-friendly production processes.

> **Implementation:** The systems are implemented in the plants in Obernai (France) as well as in Heltersberg (Germany)

> **Measurement of outcomes:** The energy savings are equivalent to a reduction of around 1,100 tonnes in CO₂ emissions in the Obernai plant in France.

Certifications

ISO 9001 certification

ISO 9001 is the international standard which addresses quality management systems, operations improvement and methodical instructions for the development and application of a quality management system oriented towards higher efficiency.

ISO 14001 certification

ISO 14001 is applicable to issues relating to the manufacturing process and the services of the Environmental Management System. This EMS is a part of the Administrative Management System, the organisational structure and the system of planning and liability distribution, which are necessary for the realisation of the environmental policy.

> **Implementation:** By mid-2012 ...

- 20 Hager Group production sites were certified to ISO 9001
- 11 Hager Group production sites were certified to ISO 14001



RoHS: Restriction of Hazardous Substances

> **Assessment, Policy and Goals:** The restriction of dangerous materials in products is a worldwide trend. It was for this purpose that the RoHS directive was implemented in Europe. From 1 July 2006, this directive restricts the use of six materials in the manufacture of various types of electronic and electrical equipment: lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls (PBB) and polybrominated diphenyl ether (PBDE).

> **Implementation:** The majority of products and equipment sold by Hager are not affected by the categories mentioned above and therefore do not have to be compliant with the RoHS directive. But as a certified company and in line with our environmental protection philosophy, it is a matter of course that Hager Group voluntarily adapt its products to the RoHS standard within a worldwide programme – and so go beyond legal requirements.

Please read more about RoHS on

<http://www.hagergroup.net/sustainability/environment/eco-production/rohs/2886.htm>.

REACH: Registration, Evaluation, Authorisation and Restriction of Chemicals

> **Assessment, Policy and Goals:** The targets of the European REACH regulation (CE 1907/2006) are: to minimise the effects of chemicals on human health; to further a high level of environment protection; and to promote the development of safer substances.

REACH defines a new framework in which the manufacturers have to prove that substances so produced are safe. In future, imported and manufactured substances in the EU can only be used when they have been registered by the European Chemicals Agency (ECHA) in Helsinki. The most dangerous substances, categorised as substances of “very high concern”, are to be submitted to authorisation procedures.

> **Implementation:** Hager Group has already initiated the necessary actions leading to compliance with the requirements of the regulation.

The declaration can be downloaded from Hager Group’s website:

http://download.hager.com/group.net/files_download/environment/REACH_declaration_E.pdf

Hager Group hazardous substances assessment programme

> **Assessment, Policy and Goals:** Suppliers survey and assessment to ensure that products are free of harmful substances (in compliance with RoHS, Reach).

> **Implementation:** In 2011, laboratory tests on a randomised selection of products were made and supplier surveys implemented. 800 suppliers have been involved in the investigative process.

WEEE:**Waste Electrical and Electronic Equipment**

> **Assessment, Policy and Goals:** Human activity is generating more and more waste. To protect natural resources and our environment, the prevention and/or recycling of waste has become a major issue.

To protect human lives and the environment, the European Commission published the WEEE directive 2002 / 96 / CE, the object of which is to define the conditions of collection, storage, treatment and recycling of electric and electronic products.

> **Implementation:** Due to the business to business nature of its activities, Hager Group products mostly fall outside the field of the WEEE directive. However, Hager Group actively undertakes a responsible approach and can be contacted in any case of questions regarding the directive.

Please read more about WEEE on

<http://www.hagergroup.net/sustainability/environment/eco-production/weee/4943.htm>

CE declaration of conformity

> **Assessment, Policy and Goals:** The CE marking is a mandatory conformity mark for all products submitted to one or more European directives concerning security, consumer safety, health or environmental requirements.

> **Implementation:** The CE declaration is a document by which Hager Group certifies that the product is in compliance with the “essential requirements of health and safety” of the regulations which govern it.

For more information, please visit:

<http://www.hagergroup.net/brands/service/ce-declaration/4923.htm>

E-mobility thanks to Hager

> **Assessment, Policy and Goals:** Hager Group promotes e-mobility. As one of the most committed pioneers in the field of e-mobility, Hager provides the charging stations for pilot projects in different cities.

> **Implementation:** In April 2010, the Toyota hybrid vehicles on the road in Strasbourg were all powered by Hager charging stations. A series of charging stations was set up at participating companies as well as at the homes of drivers taking part in the pilot project. Meanwhile, Hager provides charging stations in other pilot projects such as in Paris, Saarbrücken and Nice.

Hager Group employees are also invited to test and experience e-mobility: A Peugeot iOn can be used for shuttling between the Blieskastel and Heltersberg sites in Germany.

> **Measurement of outcomes:** Further e-mobility pilot projects with Hager as selected major partner are planned for 2012.

Read more about e-mobility in the Hager Group's Annual Report 2011 at:

<http://www.hagergroup.net/annualreport/>



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:**

- Compliance Management: board meetings at each Hager Group company includes a compliance review on the basis of internal rules, including anticorruption
- Investment authorisation defined in Hager Group's Financial Manual
- Publication of Prudency Rules

> **Implementation:**

- Compliance reviews organised since 2011
- Process of investment authorisation is communicated and implemented, the financial manual is available on Hager Group's intranet.
- Prudency rules to prevent external extortion attempts have been communicated to the management of Hager Group.

We adhere to the anti-corruption principles, which are also stipulations set out in the Hager Group's Sustainable Growth and Ethical Policy and in its Ethics Charter. In addition, Hager Group took further action to fight corruption.

THE PETER-UND-LUISE-HAGER-STIFTUNG (PETER AND LUISE HAGER FOUNDATION): one year after the start-up - first projects launched.

As an innovative and fast growing family company, Hager Group adopts a sustainable approach in all areas of activity. We are recognised for our commitment towards the employees as well as for taking actions to protect the environment and its resources. By establishing a charitable body such as the Peter-und-Luise-Hager-Stiftung Foundation at the end of 2010, Hager Group accepted further social responsibility and gave a concrete meaning to the concept of corporate citizenship. The Hager family is convinced that it is important to give something back to society from their economic success.

The aim of the Foundation is to encourage sustainable projects that encompass the activities of Hager Group. Its funds make it possible for selected projects to be implemented in the fields of science and research, education and training, culture, as well as the environment and non-profit activities. Initiatives close to company locations worldwide tend to be preferred.

Only a year after start-up, it already supports more than a dozen projects in its chosen areas, and until now has funded a total of 100,000 EUR.

Summary of the main projects thus far ...

- a supporting programme for children of pre-school and primary school age organised by the “Deutscher Kinderschutzbund” (German Society for the Protection of Children) in order to help them read better and develop their language skills. This project initially to be funded over a period of three years.

- Financial support for talented students in cooperation with the “Studien Stiftung Saar” (Study Foundation of the Saar), by awarding two one-year scholarships to students in the fields of electrical engineering and mechanical engineering.
- “Laos”, a programme run by the “Lycée Louis Marchal”, a school in Molsheim, France. The pupils installed solar-operated street lighting in Ban Na Teui, a village in Laos.
- A German Industrial initiative named MINT, under the patronage of Chancellor Angela Merkel. The aim behind MINT, an acronym based on Mathematics, Information Technology, Natural Science and Technology, is to advance the study of these subjects within the German educational system.
- The “Peter-und-Luise-Hager-Preis” Award for Interdisciplinary Aesthetics providing funds, for a period of three years, to highly talented students at the Saar University of Fine Arts based in Saarbrücken, Germany. Each year, a theme will be set and entrants will make an artistic representation of their theme. The best will then receive awards from the Foundation.

Peter und Luise Hager Stiftung



05

SOLIDARITY CAMPAIGN FOR THE VICTIMS OF THE CATASTROPHE IN RIO DE JANEIRO

On 11 January 2011, the state of Rio de Janeiro faced one of the worst natural catastrophes in the history of Brazil. Burdened by a storm that in twenty-four hours rained more than usually expected in an entire month, the mountain regions in particular suffered from landslips and mudslides. Nearly 900 people lost their lives. Thousands were injured, made homeless or went missing. Sensitised to the situation, Eletromar started a campaign of solidarity for the victims, appealing for donations such as food, personal hygiene supplies and water. Eletromar's employees, along with relatives and neighbours, were mobilised to collect the donations.

For every one kilo donated, Eletromar donated another kilo. In the end, the colleagues collected 1,880 kilos of food, 1,130 kilos of personal hygiene material and 307 litres of water. Eletromar completed the campaign by buying 3,330 litres of water.

All donations were delivered to the Red Cross in Teresopolis by a truck provided by Tegon VALENTI.

We would like to thank all our colleagues for supporting the solidarity campaign.



Published by: Hager Group, Corporate Communications
Hager SE, Zum Gunterstal, 66440 Blieskastel, Germany, www.hagergroup.net

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