

HUBER+SUHNER

Community involvement and development guidelines

First edition (December 2021)

Definition of ‘Community involvement and development’¹

Companies have a relationship with and play a role in the communities in which they operate. Ideally, community involvement and development has the power to bring positive change to both the community as well as the organisation. Community involvement programmes can provide a platform to promote products or services, employee competencies and a company’s values and purpose to the community. They are an integral part of sustainable development.

Community involvement and development requires a company to perceive and understand the community as one stakeholder and to identify and engage with them according to the company’s activities, impacts and common interests.

Ways of community involvement and development a company can consider, apart from creating employment opportunities that contribute to wealth and income creation, are to provide services and technological development via its core business activities. Another option can be social investments such as offering education and skills development programmes, promoting and preserving cultural and arts initiatives, or strengthening institutional investments such as social and environmental programmes also in collaboration with local networks and governmental as well as non-governmental organisations.

¹ Adapted from International Standard ISO 26000 first edition 2010-11-01 – Guidance on social responsibility, pp. 60–61

Message from the CEO

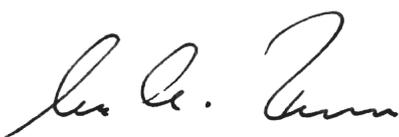
As a company, we have been anchored in and growing with the local communities of our operations. Over 150 years ago, the story started with metal components for hand looms in Gottlieb Suhner's workshop in Herisau and some 140 years ago at Hans Rudolf Huber's cotton thread mill in Pfäffikon with cotton yarn and iron wires. Back in 1969, the family companies merged to what became HUBER+SUHNER AG, focusing on outstanding products and services for the electrical and optical connectivity needs of customers. With our geographical footprint, spanning from Europe to Asia, Australia and the Americas, we depend on our people in all locations that continuously drive the business forward with products of high performance, quality, reliability, precision and longevity.

HUBER+SUHNER is part of the communities in which our sites are located, and we are committed to their social and environmental well-being and improvements because it makes good business sense. Operating as a responsible organisation provides us with the licence to operate in the long-term and enhances our reputation. The HUBER+SUHNER Foundation, based in Switzerland, has been acting as a supporter of charitable, non-profit and cultural initiatives in the catchment area of HUBER+SUHNER AG.

As published for the first time in our Sustainability Report 2020, our company is setting aside at least 0.5 % of the budgeted EBIT or CHF 500 000, whichever is higher, for community development projects starting with the 2022 financial year onwards. The funds will be provided from both the operating business as well as the HUBER+SUHNER Foundation.

Our Community Involvement and Development Guidelines (hereafter 'the Guidelines') allow for a high degree of local ownership and freedom of action while maintaining consistency and cohesiveness from a global company's perspective. They serve as a guide to support projects that contribute wisely to the well-being of the communities in our geographies and give employees the opportunity to get involved personally in meaningful projects.

On behalf of the Executive Group Management of HUBER+SUHNER



Urs Ryffel, Chief Executive Officer

Where to get involved

To get started with our community involvement and development, it is important to define the geographical catchment area of our activities. Depending on the location, this can be the municipality (city or district) or the next larger administrative unit (region, canton, county or similar). The narrower the catchment area is defined, the more visible and tangible the commitment of the company or its employees becomes. Of course the geographical footprint can also be expanded or reduced for that matter – as deemed appropriate – over time.

What we support

The selection of the projects and initiatives supported should always take into account the local cultural context and conditions. For this reason, the Guidelines are meant to provide a framework and ideas that have worked and can be perceived as good practice in a Swiss context for many years. They include engagement in:

- Educational projects
- Help for disadvantaged groups or people in need
- Popular sports events that encourage as many people as possible to participate
- Cultural events such as local music, theatre and arts with a special focus on upcoming artists or amateurs
- Environmental protection such as nature conservation projects, projects to preserve biodiversity or support climate change mitigation.

Community development projects can either be initiated and driven directly by HUBER+SUHNER or the company can support a cause through a third party. A due diligence (ex. who is the management, for how long has the organisation been around, reference projects etc.) is highly recommended when starting any cooperation with a third party. Organisations that could in any way be in conflict with our '[Code of responsible Business Conduct](#)' shall not be considered for any cooperation. Due to the company's commitment to political and religious neutrality, caution should be applied with the following types of organisations:

- Religious movements including official churches
- Political parties
- Trade unions
- Lobbying² organisations with the main purpose of influencing political decision-making.

Community development projects run by above-mentioned organisations should only be supported as an exception, and if there is evidence that the project is not in conflict with any of the above. In case of any doubts, please liaise with the Global Head of Sustainability.

² According to the definition of the OECD: <https://www.oecd.org/corruption/ethics/lobbying/> (last visited on 20 December 2021)

How can we contribute

Generally, there are two types of community development projects (see table below). Depending on the type, the HUBER+SUHNER contribution may differ.

| Project type | Contribution |
|---|---|
| Own projects initiated and managed by the company | Working time of employees engaged in the projects and/or in-kind / cash contributions |
| Projects initiated by non-governmental organisations, charities, other non-profit organisations, or a group of citizens | Contribution in-kind or cash funds (raised by employees and/or the company) Paid-leave for employees engaging in projects (individually or as a group) |

Setting up a committee for community involvement and development initiatives

The participation of employees is key in community involvement and development. A good approach is to set up a committee with representatives from various departments and all hierarchical levels of the organisation. It can also be considered to involve external experts. The committee is tasked to collect ideas for the engagement of the company and its employees, develop a local strategy and plan, and set measurable goals to monitor outcomes accordingly. If a project is not producing the expected results or contributing to the set goals, it shall be re-considered or stopped.

Communicate about what you do

Doing meaningful work is the starting point, but it does not end there. Don't forget to inspire others such as employees and external stakeholders by communicating and showing what you are doing. Use existing communication channels such as:

- Townhalls
- Newsletters
- The intranet
- The website
- Social media channels

This will increase engagement of your employees. The reputation you build will make you an attractive employer and can be a way to strengthen existing relationships with clients, suppliers, governmental and non-governmental organisations as an example.

Defining the budget

As published in the [Sustainability Report 2020](#), the HUBER+SUHNER Group (including the HUBER+SUHNER Foundation) has set itself the goal of using CHF 500 000 or 0.5 % of budgeted EBIT (whichever is higher) for community development projects each year. As the Foundation contributes around 50 % of this amount, all Group companies are required to budget 0.25 % of their budgeted CEBIT annually for the financing of community involvement and development. If a Group company wishes to initiate or support a project that exceeds its budget, please get in touch with the Global Head of Sustainability.

Contact

If you wish to get in touch, please contact:

corpresponsibility@hubersuhner.com