Cost Structure Management & Risk Mitigation

Electro-Mechanical Solutions

GSN

HOW TO DEAL WITH RISKS & OPPORTUNITIES IN 2023

Frank Martin Pueschel
CEO GSN group

In 2023, we are confronted with many global risks and opportunities.

This is our perspective at GSN.

INFLATION

China is rather independent from price changes at international markets for raw materials. As China is our major production location, GSN's risk towards inflation is lower than in the Western part of the world. To further mitigate the risk of rising costs, we will move our level of automation even closer to 100% in 2023.

ENERGY COSTS

GSN's costs for energy in China have remained stable during 2021 and 2022. We expect the same for 2023 and rate this risk as low.

POLITICAL RISKS

Sadly, the world is not a fully peaceful place. We strongly hope that all conflicts between countries will be handled in a peaceful manner only.
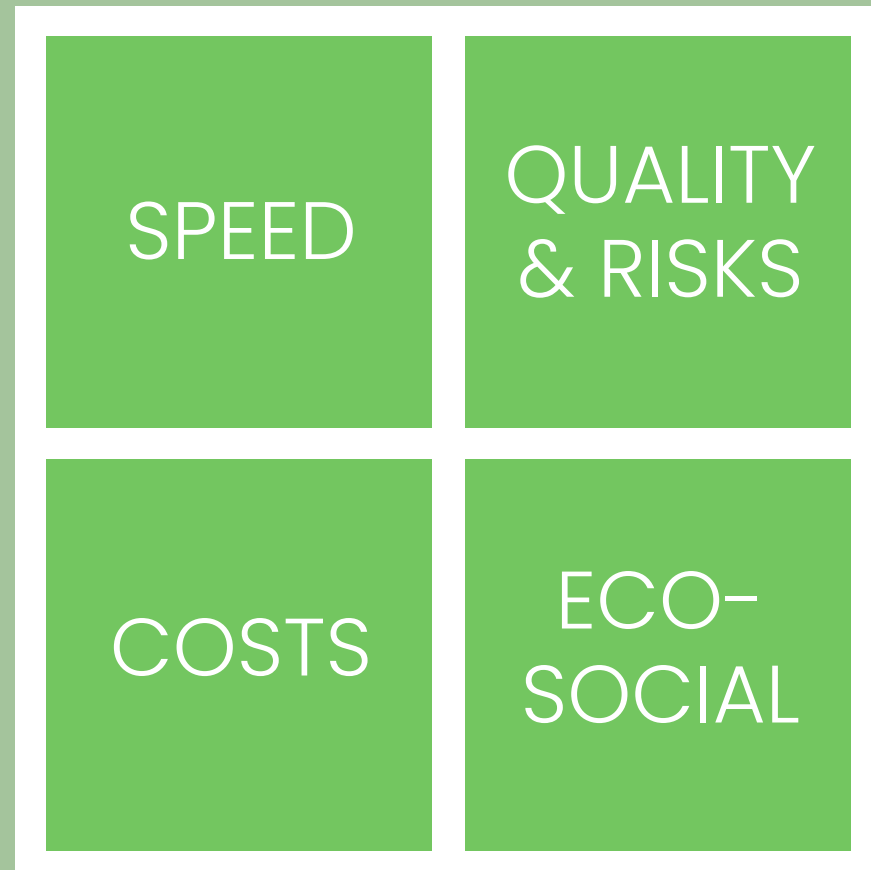
Our value chain is ready to adapt to changes to the current status quo within a few months time.

ECO-SOCIAL IMPACT

The human species causes a large eco-social damage foot-print that goes far beyond climate relevant damages. At GSN, we strive for innovation to mitigate GSN's overall eco-social footprint. We regard this as a positive challenge and we will enhance our status as eco-social best-in-class role model in the electronics industry.
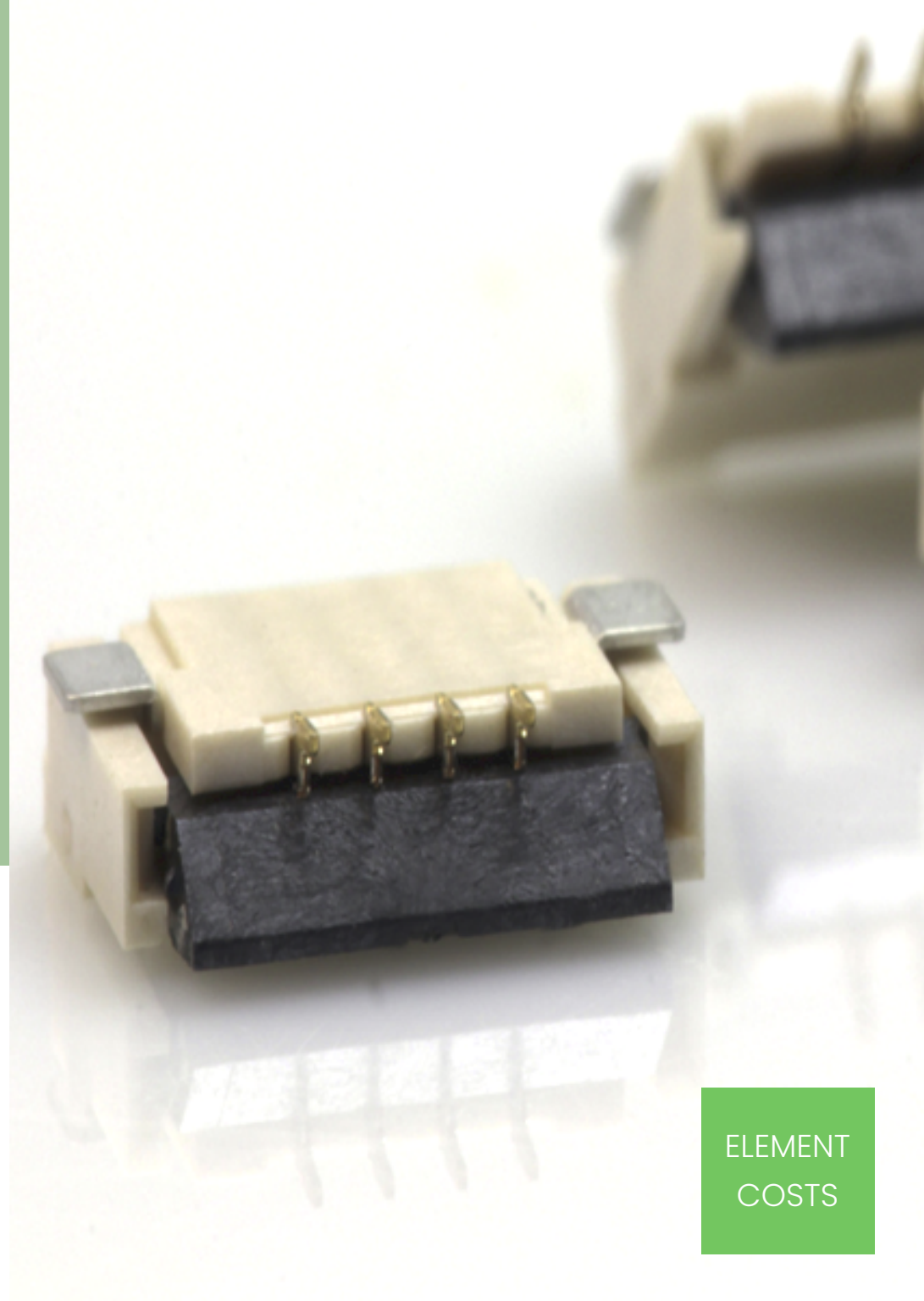
GLOBAL ELECTRONIFICATION

More and more electronics is being used in almost all products globally. GSN will continue to develop new technological solutions to make the world a better place.

GSN

Cost Structure Management & Risk Mitigation

2023 FOCUS ELEMENTS

SPEED

QUALITY & RISKS

COSTS

ECO-SOCIAL

GSN

AT GSN, EACH SECOND PRODUCT IS A MODIFICATION OF A CONNECTOR, DELIVERING CUSTOMERS AN AVERAGE

32% COST REDUCTION

It is our target to keep this indicator above 25%.

HIGHEST COST EFFICIENCY

Over 90% of the total output at GSN is produced by fully automated machines with integrated video surveillance. Every new product will use the most modern, hence most efficient machines, leading to highest cost efficiency and product precision.

TOWARDS 95% AUTOMATION

ELEMENT

COSTS

WITHIN 3 MONTHS

WE HAVE REALIZED TOOLING, PROTOTYPING AND START OF MASS PRODUCTION AT AN AVERAGE OF 0PPM FAILURE RATE IN 2022.

It is our target to keep this indicator below 4 months.

ELEMENT SPEED

NEW LOCATION OUTSIDE OF CHINA

Founded: 1999

Ownership: Germany

Workforce: 300 PAX

Locations: Shenzhen, China
                    Hong Kong, China
                  Palatinate, Germany

Starting 2024: India

ELEMENT

RISKS

FROM „IT" TO „AI"

Quality management is more and more integrated into IT, including first AI features. From product feasibilty testing over initial sample inspection reporting to consistent product control, all data are collected, assessed, consolidated and undergo self-learning processes by specialized IT.

IATF 16949 | ISO 9001 | ISO 14001 | UL | VDA | READY FOR EU SUPPLY CHAIN LAW

ELEMENT QUALITY

BE A SOCIAL ROLE MODEL

Employee engagement is the core of our Radical CSR agenda and a key driver for continuous learning and improvement. Thanks to our innovative approach to employee relations our average employee return rate after the Chinese New Year festive season remains as high as 95%.

LIVING WAGE

As a first mover in electronics, GSN has realigned its HR & business strategy to the concept of living wage in 2018 and by doing so allowed its workers to truly benefit from the value they help create for our customers.

AWARDED 2x BY:

MORE THAN A MARKET
同心 同力 同行

Water   Food   Housing   Healthcare

The remuneration received for a standard worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family.

Education   Clothing   Transportation   Savings

ELEMENT ECO-SOCIAL

RESPECT HUMAN DIGNITY

CORPORATE RESPONSIBILITY
ROLE MODEL FACTORY

FOCUS

- Exceeding legal requirements
- Use 1/3 of company profit for eco-social improvements within company

RESULT

- High employee satisfaction
- Sustainable business growth
- Social empowerment for female workers

ELEMENT ECO-SOCIAL

CARE FOR THOSE IN NEED

The GSN SEE YOUR CHILD PROGRAM rewards parents with additional 2x 1-week paid leave, providing them with enough time to visit their families as they may have to travel up to 1,000 km just to get to their hometown.

The days of absence will neither be deducted from their general annual paid leave entitlement nor from the monthly pay. Moreover, we reimburse 50% of their individual travel expenses upon their timely return.

Through the 'See Your Child Program' I finally got the time and money to visit my son more often. He lives with his grand-parents in our village and it takes 13 hours by train to get there.

ELEMENT ECO-SOCIAL

TOWARDS ZERO DAMAGE IMPACT

In 2023, GSN products will optionally be available as an eco-social net-positive version.

GSN products will then optionally offset not only all of its carbon footprint, but in addition the damage footprint of all other kinds of damage categories.

In a world where our customers' damage footprint will more and more be asked to be offset, GSN products require no additional offset. Hence, by GSN, customers reduce their specific eco-social damage footprint.

ELEMENT ECO-SOCIAL

BEST-IN-CLASS PRICE LEVEL
GSN achieved an average 23% cost-down for customers by designing-in GSN products compared to competitor prices.

AWARDED QUALITY MANAGEMENT
GSN has been 100% rated as A-grade supplier at IATF audits. GSN delivered 0 PPM customer product failure.

EFFICIENT RISK MANAGEMENT
GSN kicked-off a new process to enhance its group structure to India to mitigate inflation and political risks.
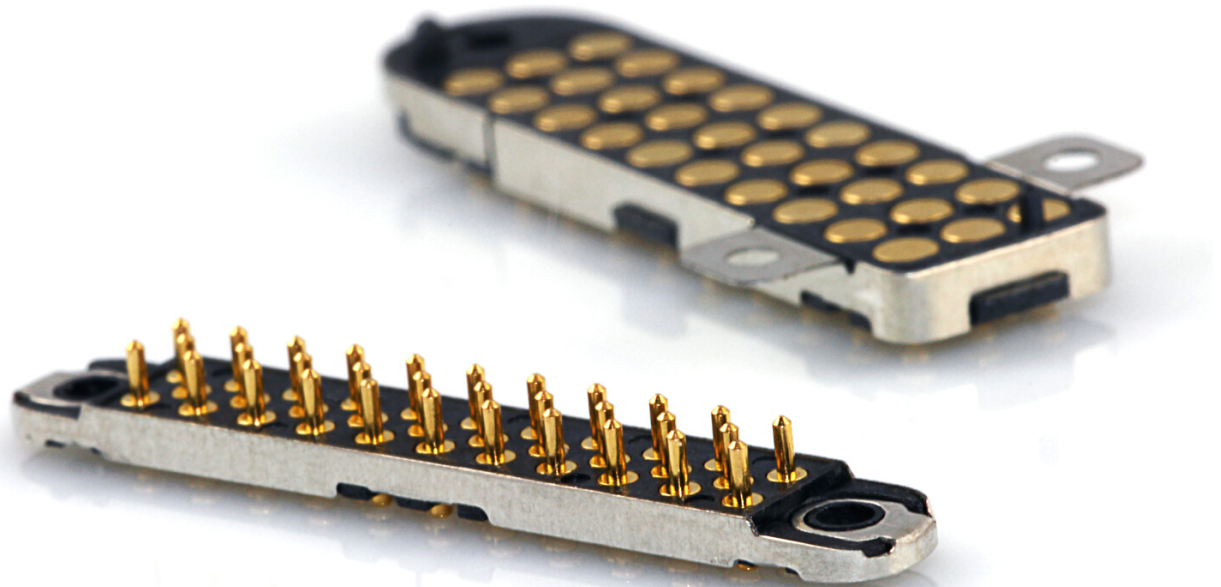
ECO-SOCIAL IMPACT
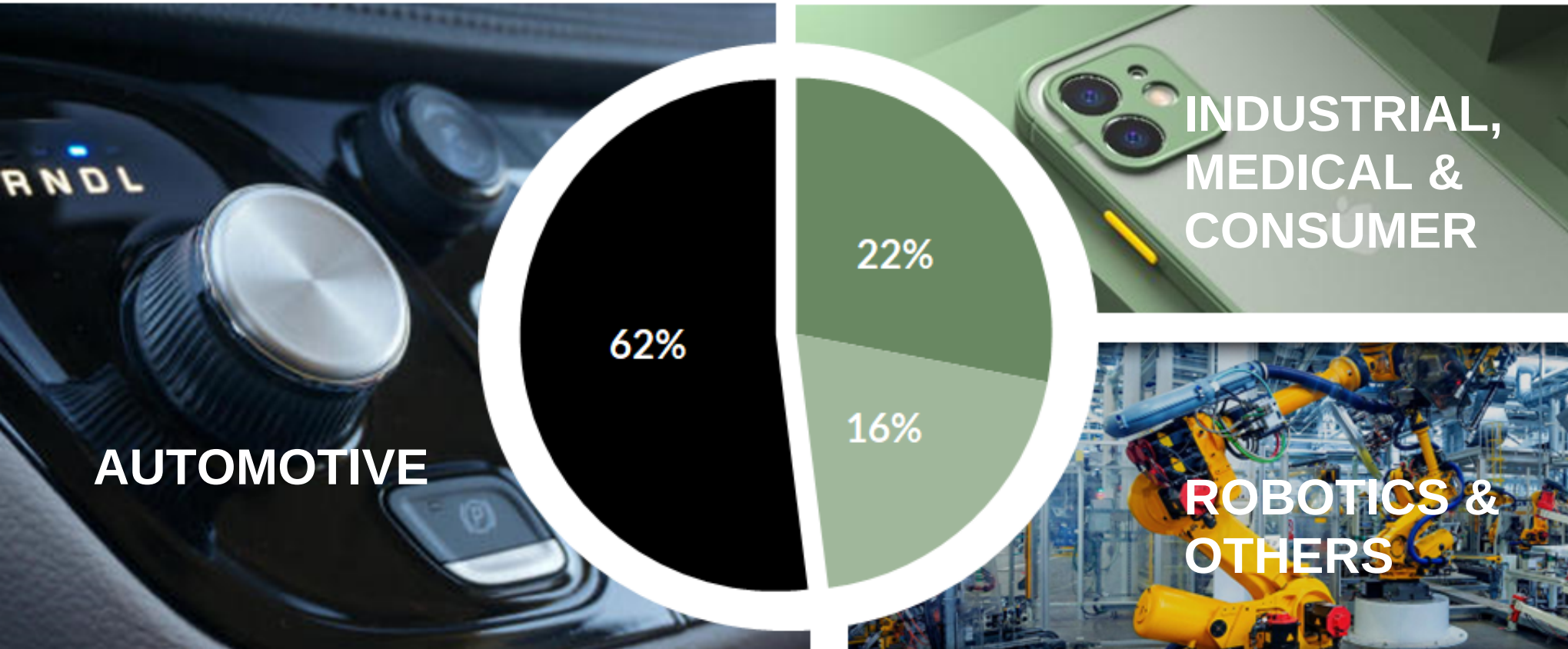GSN prepared to achieve zero damage impact over all ecological and social categories.

RAPID COSTS REDUCTION
GSN achieved rapid costs down effects by a 3 months average to substitute a competitors product.

HOW DID CUSTOMERS BENEFIT FROM GSN IN 2022?

GSN

THE GSN EXPERTISE

62%

AUTOMOTIVE

22%

16%

INDUSTRIAL, MEDICAL & CONSUMER

ROBOTICS & OTHERS

GSN

WE MAKE TECHNOLOGY *BETTER* ▪️ GSN

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TOSHIBA Panasonic FLEXTRONICS X PORSCHE LAND-ROVER JAGUAR

HUAWEI GE BMW GM VW PEUGEOT