




# **SUSTAINABLE GROWTH –** FOR MORE THAN 100 YEARS

Sustainability Report 2020

## About this report.

Sustainability is about balancing economic, social, and environmental responsibility. Within the Datwyler Group, sustainability is one of four strategic priorities embedded in everything Datwyler does, from product development and production to customer support and human resource management.

Given the considerable importance of sustainability to the company, employees, and communities where it does business, Datwyler publishes an independent sustainability report every year that meets the GRI Standards.

 [Discover the reporting structure](#)

## About us.

**Leading provider of high-quality, system-critical elastomer components.**

Datwyler is focusing on high-quality, system-critical elastomer components and has leading positions in attractive global markets such as healthcare, mobility, food & beverage and general industry. With its recognized core competencies and technological leadership, the company delivers added value to customers in the markets served. Datwyler concentrates on markets that offer opportunities to create more value and sustain profitable growth.

With more than 20 operating companies, sales in over 100 countries and more than 7'000 employees Datwyler, headquartered in Switzerland, generates annual sales of more than CHF 1'000 million. Looking back on more than 100 years of successful corporate history, the company has been listed on the SIX Swiss Exchange since 1986 (security no. 3048677).



**> 100 years**

of material expertise



**> 90 million**

components manufactured every day



**> 1 billion CHF**

in sales



**> 100 countries**

with sales



**> 1'000  
customers**

and innovation leaders



**> 20 sites**

worldwide



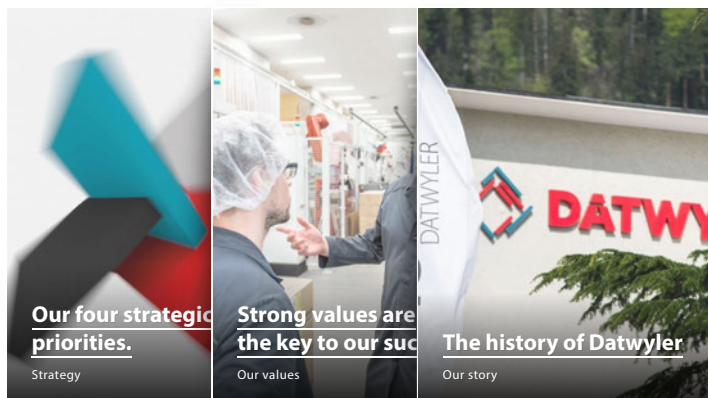
**> 7'000  
employees**

worldwide



**Zero defects**

is our mission



## Chairman CEO Interview.

Paul Hälgi, Chairman of the Board of Datwyler, and CEO Dirk Lambrecht discuss the current challenges of sustainable corporate governance. To meet its own high standards and the expectations of its stakeholders, Datwyler relies on proven sustainability principles and concrete targets.

«Sustainability as a strategic  
priority.»



**Sustainability has never been discussed in as many different ways as it is today. Which trend do you consider to be the most important, and which developments do you view with concern?**

“ PAUL HÄLG:

The focus has been increasingly on CO2 emissions for some years now. The consequences of climate change, which are visible to everyone, show how necessary this is. The issue is also critical to our stakeholders, customers, investors, and employees, who all want to do their part. Datwyler is determined to make at least the required contribution to the Paris climate agreement.

What worries me is the insufficient measurability and comparability of sustainability contributions. There is a lack of absolute benchmarks, which leaves room for greenwashing. This creates a risk that sustainability will be misused by some companies for marketing purposes. In my view, it is therefore important that we quickly arrive at objective comparability options and that comparability is also improved in non-financial reporting.

**What role does sustainability play for Datwyler?**

“ DIRK LAMBRECHT:

Sustainability is nothing new for Datwyler. If we look at our history, the topic fits us very well: We have existed on the market for 106 years, have always come through change well, and have been pioneers in many developments.

It is a matter of always acting with foresight and finding a balance between the economic interests of investors, who now demand sustainability, and social as well as environmental aspects. Sustainability is in Datwyler's genes, and I'm very glad that the topic is now receiving greater attention, because it allows us to put our strengths to good use.

**What are these strengths?**

“ DIRK LAMBRECHT:

Datwyler has always been a very disciplined company. Development starts from our core competencies. In addition to the economic continuity of the company, social responsibility has always been a key aspect. For example, Datwyler's founding family established a pension fund for employees very early on.

There is a very good match between the fundamental values of society and our entrepreneurial activities. That makes us strong together, while also motivating me personally.

“ PAUL HÄLG:

I would like to add that the succession plan at Datwyler already has a high sustainability value because it secures the company's independence. This company can continue to exist successfully—and indefinitely. Datwyler has never sought short-term profit, but rather focused on sustainable, profitable growth. The balance between “People, Planet, Profit” is central. The mindset of the founding family is always with us in the form of these corporate values.

**You said that Datwyler has been living corporate sustainability for more than 100 years. What is a focus today that didn't play a major role in the past?**

“ DIRK LAMBRECHT:

What is new is that investors now have the topic on their agenda. Today, employees are also increasingly looking at how sustainably a company operates and assessing its attractiveness as an employer accordingly.

We have also never felt so strongly that customers are willing to pay for the value of sustainability. More and more, customers are paying attention to whether products are manufactured in a way that conserves resources. Thus the current trend is to take a more holistic view of product development.

**In recent years, Datwyler has taken the issue of sustainability up a notch. What is particularly important in this pursuit?**

“ PAUL HÄLG:

Today, processes are more transparent and backed by objectives. That was less the case in the past.

“ DIRK LAMBRECHT:

In striving to advance sustainability to the next level, we want to achieve a stronger focus that meets the expectations of investors, while we also anchor the idea of sustainability among our employees. We see our employees as entrepreneurs who act independently.

This perspective benefits employees and is an important component of our future success—many good ideas originate at the grassroots level. Our customers and suppliers also contribute ideas. One of my main tasks is to cultivate a culture that will be a sustainable, long-term safeguard for Datwyler as a company, and thus for some 7,000 employees at present and more in the future.

### **Where do you see further potential for expansion at Datwyler in terms of sustainability?**

“ **PAUL HÄLG:**

Today, there is an understanding that sustainability has to do primarily with processes. In fact, many aspects of new plants are geared to this from the outset. But there is still important potential in the engineering of products. For example, we now want to systematically take ecodesign into account in product development.

“ **DIRK LAMBRECHT:**

We are researching new materials that are sustainable and should also secure the company's profit in the long term. We're already doing relatively well in this area, but we're still a long way from where we want to be. It's also not that easy, because there are regions that don't yet have this topic on their agenda. We are dependent on resources and rely on politicians to take responsibility for sustainability while relying on ourselves, as a company, to build on this. But we will certainly address whatever we can influence.

### **We are still in the midst of a pandemic. In times like these, does it make sense to focus on sustainability and continue to invest in this direction, or are there more urgent things to do?**

“ **PAUL HÄLG:**

Sustainability is part of the business model and is no longer a matter for discussion. No one would even think of saying: Due to Covid, quality is no longer so important. We also want to achieve measurability and standards in sustainability, just as we do in quality management. At some point, that will be a matter of course. It just takes a little more time.

“ **DIRK LAMBRECHT:**

Sustainability is part of our corporate culture. In this respect, we do not want to and cannot interrupt our sustainability process because of a temporary phenomenon like the pandemic, as bad as it has been for people all over the world. Such an interruption would severely impact our credibility.

### **What are the benefits of sustainability at Datwyler for customers?**

“ **DIRK LAMBRECHT:**

Many customers are under pressure to prove that they work with suppliers who take sustainability very seriously—for example, producing in a CO<sub>2</sub>-neutral manner, as we already do in one plant. For our customer Nespresso, for example, we are a very attractive supplier because we support its climate protection strategy, which is also communicated externally. The long-term contract with this customer underlines that our overall package meets its high expectations. Another example is the “Alliance to Zero”—an initiative by a coalition of pharma sector companies in which our goal is to cooperate on the value chain to work toward net zero emissions.

We clearly sense that the topic is coming from the customer side. More and more major customers are including sustainability in their supply contracts, giving us additional motivation to continue along the path we have chosen. In the benchmark, we are certainly very well positioned in this area and will gain further market share in the future.

“ **PAUL HÄLG:**

We have our customers' backs when it comes to quality and sustainability—that's how it can be summed up. Measuring and reducing CO<sub>2</sub> emissions—that is, all direct and indirect emissions in a company's value chain—is a difficult topic. But we want to make a contribution to it at an early stage.

### **Does the “climate neutrality 2030” target make sense?**

“ **PAUL HÄLG:**

Nothing happens without concrete targets. The urgency of the issue is clear to us, and we have determined that climate neutrality is realistic in our own operations by 2030. If we can even accelerate the process, we will do so.

“ **DIRK LAMBRECHT:**

You can only achieve something if you define goals that are fueled by a vision. Visions and goals are the common threads that help our employees get their bearings. It is important not only to define goals, but also to communicate them to the outside world. In doing so, we deliberately put pressure on ourselves and make it clear that we are not shirking our responsibility.

We have to act now because the clock is ticking. We have a responsibility to future generations, so I'm grateful for the various movements that have brought the importance of climate protection to public attention.

“ **PAUL HÄLG:**

In my opinion, we also need a CO<sub>2</sub> price signal. I would support any kind of effort in this direction. Of course, this has to be discussed on an international level, but we need this next step.

### **What are the most recent sustainability milestones for you?**

“ PAUL HÄLG:

I think it's very positive that we are investing more in sustainability and increasingly approving investments aimed at reducing CO2. We consciously accept certain additional costs in the interest of sustainability. For example, we have already converted a considerable part of the plants to renewable electricity and will consistently pursue this path in the coming years.

“ DIRK LAMBRECHT:

Through our cooperation with Nespresso, we can increasingly process recycled aluminum and thus make a significant contribution to resource conservation. We are also proud of the fact that our employees develop many ideas on how to further optimize climate and resource protection and also drive forward social issues. Ultimately, it is the employees who are advancing our broader sustainability efforts into the wider world.

## What is important to you for the future?

“ PAUL HÄLG:

From the perspective of the Board of Directors, it is important to design a process that addresses issues through objectives. We should focus on areas where we can make concrete contributions to sustainability. In addition, we should move from optimizing processes even more in the direction of optimizing products.

“ DIRK LAMBRECHT:

As a company, we have a responsibility to the world in which we live. Datwyler is already doing a great deal in the area of sustainability. I am convinced that we are already one of the companies setting a good example here.

In the short and medium term, anchoring the idea of sustainability even more deeply in the company is vital. Although, we now have a Head of Sustainability who will drive the coordination of our efforts, everyone should be aware of their responsibility. We want to achieve a very agile cooperation in which everyone from the Board of Directors to the employees pulls together. We will also cooperate with partners that supports us on this path.

The important thing is to keep at it: We're talking about a long journey here, and we're accelerating it now by setting precise goals.

# 1 Sustainability overview.

For Datwyler, sustainability means operating successfully in the present, while also being oriented toward the long term and delivering more value for all stakeholders.

- 1.1 What sustainability means to Datwyler
- 1.2 Material topics
- 1.3 Twelve Focus topics
- 1.4 Top 10 goals
- 1.5 Contribution to the SDGs
- 1.6 Economic performance
- 1.7 Accelerate digitalisation

## 1.1 What sustainability means to Datwyler.

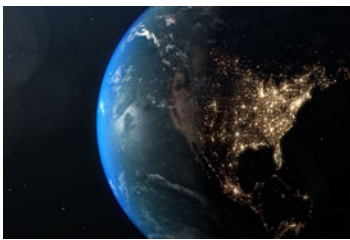
### Climate risk and regulation as major external trends.

In recent years, corporate sustainability has gained significantly in importance, especially for stock-rated businesses. The primary driver has been the increasing global risk of climate change, which has been playing a major role in politics (for example, the Paris Agreement) and society (for example, political movements like "Fridays for Future").

Climate change–driven EU-wide initiatives and regulations such as the EU “Green Deal” and EU Action Plan “Sustainable Finance” oblige the financial industry to act as sustainability enabler by keeping climate protection and other environmental topics in focus. The financial industry and relevant rating and ranking agencies have increased their pressure on corporations for more transparency and improved ESG (Environment-Social-Governance) performance. Swiss authorities have also started to embed sustainability in laws that regulate larger companies, some of which are expected to come into force in 2022.

Being aware of its responsibility towards its stakeholders, society and the environment Datwyler is ready to: take climate action; improve ESG transparency and performance; make a long-term transition toward a circular economy with products and services based on life-cycle thinking; navigate demographic and social changes that affect future consumer and employee expectations; and respond to industry-specific sustainability trends like individual, digitalized healthcare approaches and electric mobility.





### Pressure from society and investors to take climate action.

- Reduce carbon emissions substantially towards long-term climate neutrality
- Follow Science Based Targets to contribute fair share to Paris agreement on climate protection
- Transition to renewable energy and more energy efficiency



### Pressure from investors on ESG transparency and performance.

- Set clear targets on material topics
- Formalize ESG governance with policies and mechanisms
- Identify ESG risks and integrate them in risk management
- Meet investor requirements on ESG ratings



### Circular economy and life-cycle thinking.

- Circular products with low environmental impact
- Reduce, Reuse, Recycle
- Taking responsibility on environmental and social conditions up and down your value chain (Scope 3)
- Life-cycle thinking across company ("no silos")



### Demographic and Social Change.

- Digitalization on all aspect of life
- Diversity in management and workforce
- Purpose-driven context for younger (and older) generations



### Industry specific sustainability trends.

- Aging population in Europe with specific health care requirements
- Digital and individual approaches to health care
- World-wide pandemic
- Electric mobility and light-weight vehicles

### Four strategic priorities to drive Datwyler in a successful future.

Several global megatrends are increasing the demand for more powerful and complex technological products —and many of Datwyler's system-critical components are essential to this technological progress. To take advantage of these growth opportunities while also preparing for unforeseen challenges, Datwyler has defined four strategic priorities: drive profitable growth, accelerate digitisation, increase agility and advance sustainability.

The sustainability measures are discussed in detail throughout this report, while activities related to agility are outlined in chapter "Employer of choice". As the strategic priorities of profitable growth and digitalization are not assigned to a specific focus topic in Datwyler's ESG landscape, they are described below.

DRIVE  
PROFITABLE  
GROWTH

INCREASE  
AGILITY

ADVANCE  
SUSTAINABILITY

ACCELERATE  
DIGITALISATION

«Advance Sustainability» as proactive strategic priority.

For Datwyler, sustainability means operating successfully in the present, while also being oriented toward the long term. Thus, the company wants to not only be responsive to current global and market trends, but to proactively contribute to shaping a sustainable future. A long-term orientation means striking a balance between economic, environmental, and social aspects in all decision-making processes.

Datwyler's vision is to become a truly sustainable company focused on people, planet, and profit. This vision is inspired by the company's intrinsic motivation to safeguard what is most essential for the business and its shareholders, customers, workforce, and their families. Building on more than 100 years of corporate history and a decade of sustainability achievements, when Datwyler made sustainability a strategic priority in 2020, it reinforced the importance of integrating sustainability across the company's activities.



## Sustainability business integration and value creation for stakeholders.

By adding sustainability as fourth strategic priority, it is now considered an integral part of Datwyler's overall strategy to improve opportunities and reduce risks. In addition to helping the company sustain high profitability, sustainability initiatives have simultaneously created value for many stakeholders by:

Creating innovative and sustainable products for customers.

Enhancing prospects for employees in numerous regions.

Cooperating with suppliers and business partners based on fairness.

Sharing success with communities close to production sites.

Decreasing its environmental footprint along the entire value chain.

Offering attractive and equal opportunities for all talents.

Modelling leadership for sustainable development in the industry.

## 1.2 Material topics.

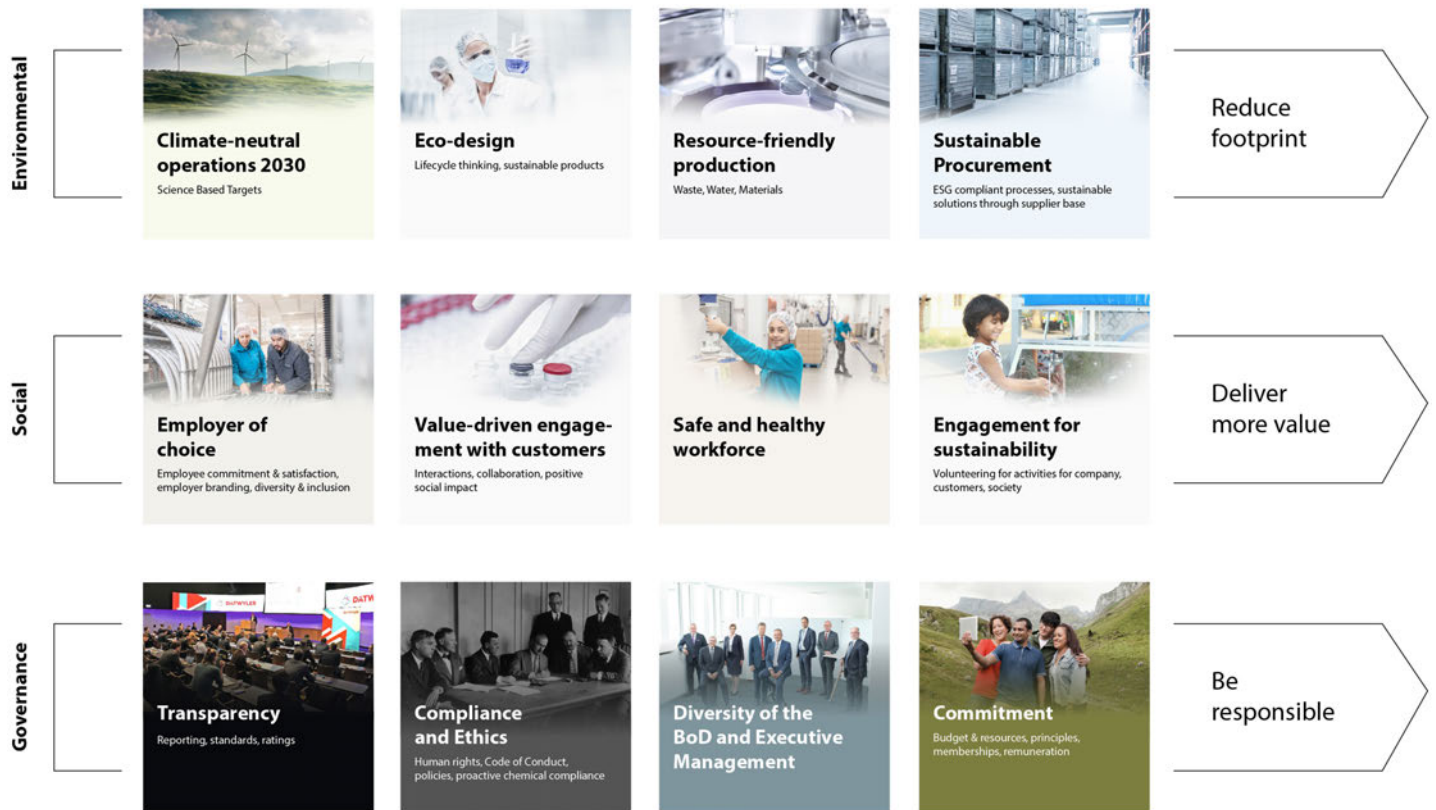
Datwyler conducted a comprehensive materiality analysis in 2016 (see Sustainability Report 2019, page 6), assessing topics in terms of both business relevance and their impact on the economy, society, and the environment. In developing the new sustainability strategy, the selection of material economic, social, and environmental topics was revised and topics were further focused and clarified.

The accompanying analysis was performed by the Sustainability Team and reviewed and confirmed by the Executive Management. No external stakeholders were consulted during the update of the materiality analysis. The results of the materiality analysis and the twelve ESG focus topics show a high level of alignment, which was an objective of the strategy process (GRI 102-47).



### 1.3 Twelve ESG focus topics for further development.

In 2021, Datwyler established an ESG landscape with 12 focus topics that embody the company's commitment to reducing its environmental footprint and delivering more value for all stakeholders. The focus topics are structured according to Environmental, Social, and Governance (ESG) priorities and are intended to close gaps and build on existing strengths. Each topic bundles activities relating to current and future projects, and contain clear responsibilities with measurable objectives, derived measures, and quantifiable key figures for effective monitoring.



#### Environmental

*Reduce footprint*

Reducing its ecological footprint is an important aspect of sustainability, supported by many of Datwyler's stakeholders. To achieve this, one of the company's environmental initiatives is to attain climate neutrality by 2030 following the Science Based Targets approach. Other environmental initiatives focus on: embedding ecodesign principles into its product and manufacturing development processes; increasing sustainability awareness and lifecycle thinking in the company; reinforcing initiatives to reduce water, heating, and electricity consumption; reducing waste generation; and finding sustainable procurement solutions through the supplier base that align with internal and external benchmarks.

Learn more about:  
 Climate-neutral operations 2030  
 Eco-design  
 Resource-friendly production  
 Sustainable Procurement

#### Social

*Deliver more value*

By focusing on social activities Datwyler aims to deliver more value and meaningful purpose to its customers and employees. Employee satisfaction and commitment are crucial for continued success and employer branding. Having a dynamic, diverse, and multicultural workforce brings several advantages such as increased productivity and creativity, improved cultural awareness, a positive reputation, and expanded marketing opportunities. Other social initiatives include: engaging with customers to co-create sustainable products; safeguarding the safety and health of the workforce; initiating volunteer communities for employees to contribute to sustainability-related activities; and contribute to society initiatives.

Learn more about:  
 Employer of choice  
 Value-driven engagement with customers  
 Safe and healthy workforce  
 Engagement for sustainability

#### Governance

*Be responsible*

In the area of governance, Datwyler focuses on continuous development of transparency, compliance and ethics, diversity of the Board of Directors and Executive Management, and commitments such as integrating a sustainability component into variable pay for all bonus eligible employees.

Learn more about:  
 Transparency  
 Compliance and Ethics  
 Diversity of the BoD and Executive Management  
 Commitment

### 1.4 Top 10 goals.



**Climate neutral operations (scope 1+2) until 2030 applying the Science Based Targets (SBT) approach.**

Environmental

**All new products developments include Ecodesign check by 2023.**

Environmental

**Waste free production and reduce water consumption relative to tons of products produced by 3% per year.**

Environmental

**Employee commitment rate above industry benchmark for all sites.**

Social

**Perceived as sustainability leader by customers.**

Social

**Zero accidents and zero injuries and healthy working environment.**

Social

**At least one external community activity per location and per year.**

Social

**Be among top 25% in all relevant sustainability ratings.**

Governance


**Have >=20% of women in executive management.**

Governance

**Code of Conduct signed by all suppliers.**

Governance

## 1.5 Datwyler's contribution to the Sustainable Development Goals (SDGs).

The 17 United Nations Sustainable Development Goals (SDGs)  are a universal blueprint for prosperity for people and the planet, now and into the future. They represent the collective actions the world can take to address the most pressing issues we face as a global community: inequality, injustice, poverty, and climate change.

Datwyler has identified seven goals to which the company contributes as part of its value chain activities.



**Ensure healthy lives and promote well-being for all at all ages.**

- Safe and healthy workforce
- Supporting the global need for COVID-19 vaccines
- Customer Health and Safety and Chemical Compliance

Sustainable Development Goal #3 



**Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.**

- Employer of choice

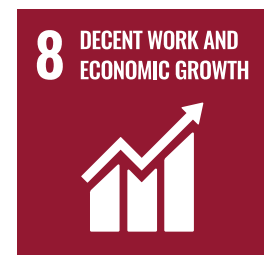
Sustainable Development Goal #4 



**Achieve gender equality and empower all women and girls.**

- Employer of choice
- Diversity of the Board of Directors and Executive Management

Sustainable Development Goal #5 



**Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.**

- Employer of choice
- Strong economic performance as the foundation

Sustainable Development Goal #8 



**Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.**



**Ensure sustainable consumption and production patterns.**



**Take urgent action to combat climate change and its impacts.**

- Climate neutral operations 2030

## 1.6 Strong economic performance as the foundation.

Datwyler strives for sustainable, profitable growth to benefit all its stakeholders. This ambition, combined with the company's unique shareholder structure, helps ensure its independence as a business and enhances its ability to meet its social and environmental responsibilities.

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### Long-term management approach

Datwyler adheres to a long-term management approach, as evidenced by its successful history dating back over 100 years. In fact, several production plants have been located at the same sites for decades. Datwyler often ranks among the largest employers in the regions where it is based, generating considerable direct benefits for the local economy. The company also offers indirect economic benefits through training programs offered to locals, for example, and via the taxes paid by Datwyler's local suppliers and their employees.

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### Emerging from the pandemic even stronger

As a result of the COVID-19 pandemic, Datwyler had to manage extremely challenging developments in some of its markets in 2020. Through early measures, however, the company continued to guarantee its delivery capacity while also protecting employees' health at all times. Thanks to its leading market positions and close customer relationships, the continuing operations of Datwyler generated net revenue of CHF 1'012.1 million in 2020, a currency-adjusted growth of 1.2%. Despite the expenses resulting from the pandemic and the start-up costs for new production capacities, operating profit (EBIT) rose to CHF 148.0 million and the EBIT margin increased to 14.6%. The healthcare and food & beverage businesses and the online distributor Reichelt all reported additional revenues for 2020 and strong incoming order figures for 2021 as a result of the pandemic. (For more details on economic performance see the Annual Report 2020, particularly pages 2–10 and pages 60–67).

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### Promising prospects for the medium term

To strengthen its market focus, boost proximity to customers, use its long-standing core competencies more efficiently and make the organisation more agile, Datwyler restructured the company's organisation in February 2020. The market and production activities are now combined in the two business areas Healthcare Solutions and Industrial Solutions, which will be supported by the new Technology & Innovation and Finance & Shared Services service units. Thanks to its strong market positions and strategic priorities, Datwyler is on track to achieve profitable growth above its market averages.

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*State-of-the-art production at the plant in Schattdorf, Switzerland.*

## 1.7 Accelerate digitalization to strengthen competitiveness.

By continuously investing in state-of-the-art digital technologies, Datwyler is increasing the efficiency of its manufacturing and development processes, and facilitating collaboration among employees and stakeholders. For example, the transition to working from home brought on by COVID has had no impact on employees' productivity. To benefit from the manifold growth in its markets, Datwyler will continue to proactively pursue the new possibilities and opportunities of digitalization, focusing on four main topics: cloudification, network and cyber security, data-driven intelligent organization and smart factories.

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## Real-time production planning thanks to Industry 4.0

In moving from physical servers to the cloud, Datwyler increased scalability and productivity and improved employee collaboration across departmental and national boundaries. To ensure business continuity, Datwyler constantly monitors its networks by internal and external specialists and via regular penetration tests to minimize the risk of cyberattacks. To become an even more data-driven, intelligent organization, the company has invested in a future-ready ERP system with built-in digital technologies, including artificial intelligence, machine learning and advanced analytics. SAP S/4 HANA and SAP Integrated Business Planning (IBP) will enable Datwyler to analyse large volumes of business data for planning, execution, forecasting and simulation in real time, allowing the company to optimally adjust the available production capacities to demand. Powered by in-memory computing technology within SAP S/4 HANA, SAP IBP combines sales and operations, forecasting and demand, and response and supply with demand-driven replacement and inventory planning.

### Highly automated smart factories

In parallel, Datwyler is continuously replacing the existing manufacturing management systems with state-of-the-art SAP MII technology. SAP MII synchronizes manufacturing operations with the back-office business processes, standardizes the data, and thus enables paperless production and production reports in real time. With its smart factories approach, Datwyler increases its competitiveness by using Big Data, real-time information and the technological potential of automation across its sites. A prime example of leading-edge Industry 4.0 competencies is the new healthcare plant in the US, where Datwyler is running fully interconnected, highly automated and paperless production, thanks to state-of-the-art digital technologies. As part of the existing uniform production system, the knowledge that has been acquired in the US is continuously introduced into all other Datwyler plants.



## 2 Governance.

Datwyler focuses on continuous development of transparency, diversity of the Board of Directors and Executive Management, commitment and compliance and ethics, such as a proactive chemical compliance management.

- 2.1 Sustainability governance
- 2.2 Interview Head of Sustainability and Agility
- 2.3 Risk management
- 2.4 Focus topics

### 2.1 Datwyler sustainability governance.

#### Oversight and execution of sustainability strategy at Datwyler.

In 2020, Datwyler further developed its sustainability governance model. Set to be implemented in 2021, this new model is grounded in enabling factors, organized by strategy, overseen by organizational roles and responsibilities, and supported by steering frameworks.



Enabling factors are the ecosystems in which Datwyler is embedded and the leadership, people, partnerships, and resources that the company employs to create value. These enabling factors are the framework Datwyler needs to have a resilient and successful sustainability strategy. This strategy is grounded in a careful assessment of the topics that are material for the company to create sustainable value in a manner that respects all relevant regulations, and is built around ESG focus topics, Top 10 goals, and an objective and key result (OKR) transformation program.

With regard to organizational roles and responsibilities, in line with the Board of Directors' responsibility to determine the principles of corporate strategy (see the Corporate Governance section in the Annual Report), the Board is also responsible for overseeing the development and adoption of the Datwyler Sustainability Strategy and related policies; monitors and reviews general progress toward achievement of the Sustainability Strategy; acknowledges and accepts the yearly ESG reporting; and ensures that risk mitigation activities are developed.

While the Board is responsible for oversight, the Datwyler Executive Management ensures the implementation of the Sustainability Strategy. The Executive Management therefore approves detailed sustainability policies and standards and defines and monitors sustainability risks. Furthermore, to optimize coordination and alignment at the Group level and monitor the implementation of the Sustainability Strategy, a Sustainability Steering Committee and Sustainability focus teams have been established that are coordinated by the Head of Sustainability. The Steering Committee reviews regularly, in dedicated OKR meetings, the sustainability-related performance of the Top 10 goals and is composed of the CxOs Head of Sustainability, and other senior management representatives. The sustainability focus teams take care of the continuous improvement of the ESG focus topics.

The speed and effort of the strategic implementation depends on Datwyler's utilization of steering elements including regulations, transparency, best practices and learnings, risks, and awareness.

## 2.2 Interview Head of Sustainability and Agility

Sabrina Gérard, Datwyler's new Head of Sustainability and Agility, discusses the key priorities and challenges in implementing the renewed sustainability strategy.

«We aim to become an international sustainability leader.»



Sabrina Gérard

### Where does Datwyler stand in terms of sustainability and what will be your focus as Head of Sustainability & Agility?

“Datwyler aims to become an international sustainability leader. I am happy to see that the sustainability journey started years ago and that we are building on a solid foundation. My position was created to further strengthen the coordination of sustainability programs with our employees, customers, and our society. We recently developed our “sustainability landscape”, which highlights our focus on environment, social, and governance topics, and we are already taking bold sustainability initiatives in our organization. Our goals for 2030 are clear and we have started activities to successfully reach them.

To support this aim, as Head of Sustainability I will coordinate the development, execution, and monitoring of our sustainability strategy to improve our company's environmental, social, and economic impact. This includes implementing ESG focus topics and goals, monitoring and evaluating the effectiveness of sustainability programs and campaigns, developing sustainability policies and processes, researching sustainability concerns, conducting risk assessments, and creating and maintaining sustainability budgets, among other pursuits.

### What do you see as the main priority as well as the main challenge to implementing the sustainability strategy?

“ We are focusing on improving our carbon footprint by reducing scope 1 and 2 emissions to zero by 2030, and are evaluating our way forward with regard to scope 3 emissions. We are also working closely with our customers to develop more sustainable products, such as in the Alliance to Zero. And we are creating an hybrid organization that supports our people with a fun, agile, and diverse culture that shares its success with the community around us.

As we work in highly regulated industries, to reach these goals we need to overcome the challenges posed by our established product and process development practices. Introducing eco-design principles, life-cycle, and zero waste thinking in this environment is a challenge. Our engaged workforce, however, shows that they are ready to use this challenge to our advantage and engage in alliances with customers to question the technical boundaries of our products and to investigate new material related possibilities with our suppliers.

### **You are also Head of Agility at Datwyler. How can agility support the sustainability journey?**

“ Agility is the ability of an organization to adapt quickly to internal and external changes, to respond rapidly to customer demands, and to lead change in a productive and cost-effective way without compromising quality. Our sustainability goals require us to adapt our internal products and processes quickly, and our agile mindset and frameworks support us in achieving this. Agile teams are autonomous, self-learning, and work directly to create successful business results. This strongly motivates its team members—a win-win situation for a sustainable, agile organization.

## **2.3 Integration of ESG risks in Datwyler’s risk management.**

The Datwyler Group is aware of the importance of systematic risk management for lasting corporate success and sustainable long-term profits. Final responsibility for assessing risks lies with the Board of Directors, while the Head of Internal Audit, supported by several people in the organization, is responsible for the Group-wide coordination of risk management.

As part of an ongoing process, risks are continuously identified and assessed throughout the Group. This includes economic, social, and environmental risks that affect business continuity. An open exchange of views on opportunities and risks is encouraged at all levels of the company and is part of the corporate culture. The management of each function or business area is responsible for significant risks, informing the Executive Management and the Board of Directors of any potential developments and recording its findings in a risk management database. The CFO of the Datwyler Group and the Head of Internal Audit monitor the risk management process through active exchanges and quarterly meetings with the respective businesses. Risks are also regularly discussed in meetings between the business management and the Group management, ensuring that uniform valuation approaches are applied and that similar risks are treated equally across the Group functions and business areas. The consolidation of risks and the annual reporting to the Board of Directors are carried out by the Head of Internal Audit.

Datwyler divides risks into four categories: strategic, operational, financial, and compliance. Global risks like climate change are translated into one of these business risk categories according to their impact. Strategic risks include risks relating to the industry and the market, external stakeholders, social and environmental developments, corporate governance, and catastrophic events. Operating risks include risks along the value chain, risks from investment activities, and personnel and cultural risks. The financial risk category includes market risk, liquidity and credit risk, capital structure, and compliance with tax and accounting regulations. Finally, compliance risks are defined as the risks arising from laws, regulations, and other rules and regulations, including existing and upcoming laws on ESG topics.

Risks are assessed on the basis of the probability of occurrence and the potential loss amount. Once the individual risks have been identified and assessed, the business area management is responsible for developing a series of measures to reduce the risk of occurrence and the potential loss. The implementation of these measures is monitored as part of the continuous risk management process and taken into account in the next risk evaluation.





## 2.4 Focus topics.

### Transparency.


«With our long-standing public reporting on resource consumption and sustainable business practices, we prove that we take our corporate social responsibility seriously. Through our commitment and transparency, we enhance our reputation with all our stakeholders, motivate our employees to continuously improve and thus contribute to Datwyler's long-term success.»



**Guido Unternährer, Head of Corporate Communications & Investor Relations**

Datwyler believes transparency is fundamental for stakeholders to recognize the company as a reliable partner. The company has consistently disclosed its ESG performance against leading and internationally recognized frameworks and has published a sustainability report according to the GRI Standards and the ten principles of the UN Global Compact since 2009.

The company has also disclosed its energy consumption and resulting CO<sub>2</sub> emissions to CDP (formerly Carbon Disclosure Project) since 2013. In 2020, Ecovadis awarded Datwyler the silver rating for the third consecutive year, ranking Datwyler among the top 25% of the more than 75,000 companies assessed and among the top 16% of companies in the elastomer industry.

 [Learn more about Datwyler's approach](#)





#### UN Global Compact

With more than 11,000 members, the United Nations Global Compact promotes awareness of the social and ecological responsibility of business.

→ [Learn more](#)



#### Carbon Disclosure Project

CDP operates a leading global system for reporting on energy and resource consumption on behalf of institutional investors.

→ [Learn more](#)



#### EcoVadis

EcoVadis is one of the world's leading providers for corporate social responsibility (CSR) audits. 75'000 companies from 160 countries have been assessed already.

→ [Learn more](#)



#### Global Reporting Initiative

The GRI Standards are the most widely used standards for sustainability reporting worldwide.

→ [Learn more](#)

## Compliance and Ethics.

### A fair and responsible partner

Datwyler aspires to have an industry-leading ESG/sustainability policy framework that is continuously evaluated and improved. Datwyler's first Code of Conduct—which is binding for all employees at all sites across the Group—was published in 2008. This code mandates that the companies and employees within the Group must respect the national laws, human rights, personal dignity, and privacy of each individual person.

Datwyler has zero tolerance for discrimination, humiliation, oppression, harassment, or insults. The Code of Conduct also articulates how to deal with business partners and competitors, strictly prohibiting any special treatment, bribery, or corruption. For example, clear rules are defined in the code for placing orders, awarding sponsorship money, and dealing with conflicts of interest. Datwyler has defined expectations of suppliers in a separate Supplier Code of Conduct



*The ethically and socially exemplary conduct of the company's founder, Adolf Daetwyler (in the center), continues to shape the culture and style of the company thirty years after the family's withdrawal.*

### Compliance reporting process

The Datwyler Group has a standardized compliance reporting process, available on the company's intranet. The management teams at individual subsidiaries are responsible for implementing the Code of Conduct and upholding various national laws and standards. At the start of the calendar year, the managers of all subsidiaries formally confirm with the Group Compliance Officer (currently the Group Chief Financial Officer) that all employees have been made aware of the principles defined in the Code of Conduct during an internal information event, which is conducted annually.

They also confirm that all new employees have received a copy of the Code of Conduct and understand its principles; that any violations of the Code of Conduct have been reported; that the processes and procedures for ensuring compliance with the Code of Conduct are regularly reviewed and adapted; that they are aware of the main risks for their area of responsibility regarding "compliance and fraud"; and that they monitor these risks via suitable processes and checks.

Based on the compliance reporting process, no complaints relating to anti-competitive conduct, or the forming of anti-competitive cartels or monopolies were filed against Datwyler in 2020 and no significant fines or non-monetary penalties for infringements of legal provisions were imposed. The confirmation of compliance from subsidiaries is evaluated for accuracy by the internal audit department as part of its inspection work.

### Zero tolerance objectives

Datwyler's ethically sound business practices are supported by its zero tolerance objectives. The Group works proactively to prevent cases of corruption or justified legal action against Group companies. The Code of Conduct also forms an integral part of every person's employment contract, and every employee is expected to be familiar with its content and to report any circumstances that suggest a violation of the code. The points of contact for reporting are an employee's direct line manager, the manager responsible, the personnel department responsible, or the Group Compliance Officer (currently the Group Chief Financial Officer).

In 2020, a formal whistleblower policy was issued to meet requirements of the EU whistleblowing directive as well as national requirements, and to formalize the whistleblowing process that is already upheld by the Group. However, Datwyler had already been offering its global employees information sheets and a whistleblower hotline for reporting code violations since 2008. Details of the whistleblower hotline are displayed at all sites, and this function is reviewed on a regular basis during internal audits. Whistleblower reports are forwarded directly to the internal audit department where each report is treated confidentially in accordance with the relevant data protection provisions and investigated conscientiously. Most reports do not stand up to detailed scrutiny or are resolved locally with the Group Compliance Officer acting as intermediary.

In addition, reports related to local leadership problems can often be solved through better processes or structures. In the reporting year, fourteen reports contained concrete information, although this did not necessarily indicate violations of the Code of Conduct. As in the case of past reports, Datwyler used the findings of these incidents to improve and further develop its processes and guidelines.

To help promote ethically sound collaboration, Datwyler also offers its suppliers an email address for "code of conduct" issues, which is also managed by the Group's internal audit department. No reports were made during the reporting year.

#### HIGHLIGHTS

### Proactive chemical compliance management.

Manufacturing elastomer products requires the use of various chemicals such as polymers, fillers, curing agents, and antioxidants. Datwyler upholds a variety of chemical law requirements at its production and market locations as well as additional transfer, industry, and customer-specific rules. This is assured through transparent procedures for selecting raw and other materials. With its systematic chemical compliance management, the company goes above and beyond legal requirements, setting leading standards worldwide in the elastomer industry.



*With proactive chemical compliance management, Datwyler increases the occupational safety of its employees and the environmental compatibility of its products.*

"Substance of Concern" (SoC) is a Datwyler term for substances that are legally restricted but not yet banned or are at risk of future restrictions. In most cases, the properties of these substances are chronically damaging, for example, carcinogenic, mutagenic, or show reproductive toxicity. Datwyler uses all globally available information on substances to identify SoCs and proactively avoids them in material development and new business activities. As soon as any indications of new risks related to a substance emerge, Datwyler adds it to its list of SoCs. In existing products, Datwyler has started replacing SoCs in coordination with customers. As one of the few manufacturers of elastomer products, Datwyler consistently and uniformly implements such a systematic chemical compliance management at all plants worldwide.

Examples of substances that have been replaced early and voluntarily include mineral oil and phthalate softeners and bisphenol A. In 2020, the company succeeded in implementing a substitute for ETU (EthyleneThioUrea)—a component of curing systems that can generate carcinogenic n-nitrosamines—in its compounds for Mobility.

Datwyler's proactive worldwide chemical management offers several advantages: it improves employee occupational safety; it reduces the environmental impact of manufacturing, use, and disposal of its products; its global customers benefit from particularly safe elastomer compounds for their products; and in the long term, the company gains economically through a decreased need for costly reformulations of elastomer compounds.

## Diversity of the Board of Directors and Executive Management.

In 2020, Datwyler developed a Diversity, Equity, and Inclusion (DEI) policy, which has been in effect since June 2021. In addition, a Diversity Council was established and charged with defining targets for DEI key performance indicators and overseeing the implementation of DEI measures.



Datwyler Board of Directors, 2021.

Regarding female representation in leadership positions, Datwyler has set concrete goals in line with regulatory requirements of the Swiss government:

- 2025 goal: 30% female representation on the Board of Directors
- 2030 goal: 20% female representation in Executive Management

In 2020, female representation on the Board of Directors was 12.5%. There were no women in the Executive Management.

## Commitment.

Datwyler aspires to have every employee committed to advancing the company's sustainability in their field of expertise. To this end, a sustainability component will be integrated into variable pay by 2022 and significant financial and human resources will be allocated to achieving the company targets as well as industry benchmarks. In addition, relevant industry sustainability initiatives in all business units will be closely monitored and selected for engagement and all new investments will be systematically evaluated for their ESG performance.

## 3 Environmental.

In parallel with the continuous reduction in relative resource and material consumption, Datwyler is striving for climate neutrality at its own sites by 2030 applying the Science Based Targets approach

- 3.1 Climate-neutral operations 2030
- 3.2 High-quality products and ecodesign
- 3.3 Resource-friendly production
- 3.4 Sustainable procurement



## 3.1 Climate neutral operations 2030.

«Datwyler has committed itself to minimize environmental impact, proactively seeking new and more sustainable technologies to achieve carbon-neutrality for its own activities. The purpose of our objective is to become a leading eco-friendly company, and to make life safer, better and more sustainable.»



Nuno Viegas, Head of EHS



### Why it matters

Climate change poses a critical risk to society and the global economy. The leading scientific organization IPCC sees evidence that climate change is “widespread, rapid, and intensifying” <sup>1</sup>. The Paris Agreement, which was concluded in December 2015 at the Paris Climate Conference, is the first comprehensive and legally binding global climate protection agreement. It outlines a framework for combating climate change by keeping the rise in average global temperature between 1.5°C and 2°C through various measures implemented by the signatory nations. The Science Based Targets Initiative <sup>2</sup> (SBTi) enables companies to develop reduction plans for greenhouse gas emissions that align with the goals of the Paris Agreement. Through the SBTi, Datwyler is seeking to contributing its fair share in reducing the risk of climate change




## Our focus

Datwyler has set a goal to achieve climate neutrality for its own operations (Scope 1 and 2) by 2030. Beginning with emissions of approximately 80,000 tons of CO<sub>2</sub>eq in 2020, Datwyler is following the reduction path defined by the Science Based Targets, which includes implementing measures to purchase renewable energy and increase energy efficiency. These actions are intended to drastically reduce greenhouse gas emissions despite forecasted business growth. In addition, greenhouse gas emissions that can't be avoided will be offset from 2030 onward in order to achieve climate neutrality. Datwyler also started a project to identify and quantify Scope 3 emissions to develop measure for emission reduction.



## Our long-term ambition

Climate neutral operations (scope 1+2) until 2030 applying the  text: Science Based Targets) (SBT) approach.




## Short-term key target

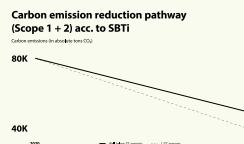
40% of Datwyler's total electricity consumption at all plants from renewable energy sources at end of 2021.

### OUR APPROACH

## Ambitious commitment to climate target

Energy management at the production sites is part of the integrated Environmental Management System (EMS) and is part of the Datwyler Production System. A global Environment Health and Safety (EHS) Manager coordinates the energy management across all plants and is supported by a dedicated EHS officer at each individual plant.

In 2020, the Board of Directors and Executive Management decided that Datwyler should commit to a far-reaching climate target for its operations. The process began by analyzing the options for setting climate targets and determining how to break them down at the company-level as well as at each production site. In this process, the Board determined that the most plausible carbon emission reduction pathway was offered by the Science Based Targets Initiative . The SBTi offers a methodology to calculate Datwyler's "fair share" in reducing carbon emissions in order to achieve the well below 2°C or even more ambitious 1.5°C level. The overall reduction pathway illustrated in the accompanying graph offers guidance for Datwyler on the reductions needed to reach their goal by 2030 and beyond.



Determining the specific investments needed to achieve greater energy efficiency is now one focus of the implementation program. A detailed plan for implementation at the production sites is currently under development. Purchasing renewable energy will be a main contribution in implementation. Datwyler's electricity consumption is approximately 74% (2020) of its overall energy consumption. This is an advantage for Datwyler, as renewable electricity is rapidly becoming more affordable worldwide.

The main goal is to reduce greenhouse gas emissions as much as possible by 2030. The so-called non-avoidable emissions will be offset after 2030 in order to achieve climate neutrality for the company's operations. Datwyler is aware that the greenhouse gas emissions outside its operations—so-called Scope 3 emissions—exceed the greenhouse gas emissions of its own operations. In 2021, a project was launched to identify and quantify Scope 3 emissions, such as in the procurement of raw materials, and subsequently reduce them in a targeted manner. This goal can be achieved by building on efforts in other focus areas, such as ecodesign of products. Specific targets on Scope 3 emissions are not currently set.

## 2020 with 10% carbon emission reduction

Datwyler has been recording the energy consumption and greenhouse gas emissions caused by its own operations for many years. The results of the last five years are shown in the accompanying table.

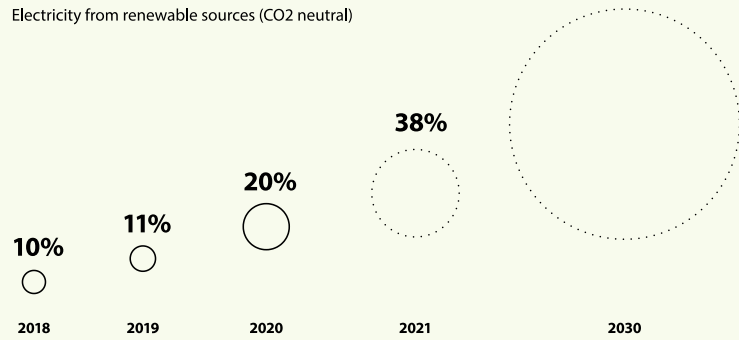
The five-year track record reveals an increase in energy consumption mainly resulting from business growth, new plants and acquisitions. In 2019, Datwyler in Italy invested CHF 1.7 Mio in a cogeneration plant, a combined heat and power unit with a capacity of 1.2 MW that generates electricity for heating and production processes. This new plant has a significantly higher overall energy efficiency. While lowering the need to buy externally produced electricity considerably, the system change has increased gas consumption, which is reflected in the 2020 energy balance compared to 2019. To further reduce carbon emissions at this site, green electricity is purchased since beginning of 2021. The new plant reduces emissions operational risks, such as reliance on the grid and energy volatility, by providing a stable supply of electricity and heat.

In 2020, Datwyler's operations were responsible for emissions of about 80'000 tons CO<sub>2</sub>eq (scope 1 and 2)—a successful reduction in absolute CO<sub>2</sub> emissions by 10% compared to 2019. Thanks to the measures implemented to improve energy efficiency, relative CO<sub>2</sub> emissions have decreased by almost 5% compared to revenue over the past five years. The plants in Schattdorf and Sao Leopoldo have been using renewable electricity since 2012 and 2016, respectively. In 2020, two plants, Alken and Vandalia, transitioned to renewable electricity, which significantly reduced overall carbon emissions compared to 2019. In 2021, Datwyler plans to transition no less than four more plants to renewable electricity. Thus, by year-end, 40% of Datwyler's total electricity consumption (base year 2020) at all plants will be from renewable energy sources.



# Vision 2030

## Electricity from renewable sources (CO2 neutral)



| Energy consumption                  | 2016    | 2017    | 2018    | 2019    | 2020    |
|-------------------------------------|---------|---------|---------|---------|---------|
| Total energy (tonn)                 | 212 890 | 231 578 | 233 053 | 247 343 | 247 979 |
| — of which renewable sources (tonn) | 24 922  | 23 444  | 27 513  | 37 731  | 39 020  |
| — Proportion of renewable sources   | 11.7%   | 10.1%   | 11.8%   | 15.3%   | 15.8%   |
| Total energy per revenue (tonn/G€)  | 382.8   | 278.1   | 301.3   | 265.8   | 296.2   |
| Heating fuels (tonn)                | 37 287  | 39 152  | 39 930  | 42 272  | 40 787  |
| — of which renewable sources (tonn) | 0       | 0       | 0       | 0       | 0       |
| — Proportion of renewable sources   | 0.0%    | 0.0%    | 0.0%    | 0.0%    | 0.0%    |
| Heating fuels per revenue (tonn/G€) | 65.3    | 60.3    | 64.3    | 66.2    | 72.8    |
| Energy generated externally (tonn)  | 155 938 | 162 426 | 159 433 | 207 037 | 189 492 |
| Of which electricity (tonn)         | 155 756 | 162 189 | 159 159 | 207 026 | 187 769 |
| — of which renewable sources (tonn) | 20 536  | 19 332  | 18 624  | 22 782  | 30 762  |
| — Proportion of renewable sources   | 12.0%   | 10.3%   | 9.7%    | 11.3%   | 16.2%   |
| Electricity per revenue (tonn/G€)   | 226.6   | 225.6   | 231.1   | 215.2   | 219.5   |
| Of which district heating (tonn)    | 4 950   | 4 537   | 5 325   | 4 021   | 3 780   |
| — of which renewable sources (tonn) | 4 901   | 4 532   | 5 289   | 3 757   | 3 446   |
| — Proportion of renewable sources   | 99.8%   | 99.9%   | 99.7%   | 93.4%   | 91.2%   |
| Revenue in million G€               | 753.3   | 832.8   | 891.7   | 915.6   | 834.1   |

| Greenhouse gas emissions CO <sub>2</sub> | 2016   | 2017   | 2018   | 2019   | 2020   |
|--|--------|--------|--------|--------|--------|
| Total emissions (tonn)                   | 75 902 | 80 586 | 80 710 | 80 704 | 80 709 |
| — of which Scope 1 (tonn)                | 7 711  | 8 115  | 8 385  | 8 780  | 12 209 |
| — of which Scope 2 (tonn)                | 68 191 | 72 471 | 72 325 | 71 924 | 68 500 |
| Total emissions per revenue (tonn/G€)    | 100.8  | 101.4  | 90.5   | 88.1   | 96.7   |
| Revenue in million G€                    | 753.3  | 832.8  | 891.7  | 915.6  | 834.1  |

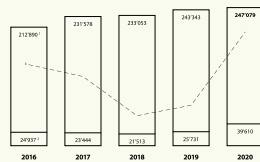
For the reporting period, the company has not yet received any data on the emissions of greenhouse gases from its subsidiaries. The data for the reporting period is therefore based on the data for the previous period. The data for the reporting period is therefore based on the data for the previous period.

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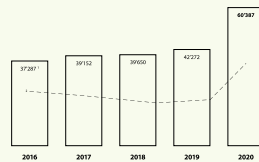
## Energy consumption

1. Total energy
2. Renewable sources
3. Total energy per revenue



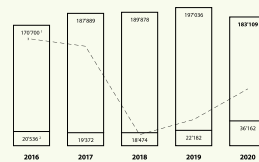
## Heating fuels

1. Heating fuels
2. Heating fuels per revenue



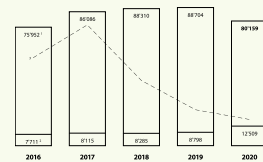
## Electricity consumption

1. Of which electricity
2. Of which renewable sources
3. Electricity per revenue



## Greenhouse gas emissions CO<sub>2</sub>

1. Total emissions
2. Of which Scope 1
3. Total emissions per revenue



## HIGHLIGHTS

## Pune, India solar power plant sustainability project.

The Datwyler production plant Pune in Kesurdi, India, currently depends on electricity purchased from the state-owned electricity company, which is primarily produced from fossil energy. To remedy this, Datwyler plans to install a rooftop solar power plant to create a more sustainable energy supply, decentralize electricity production, and increase viable energy options for the management in India. As the roof owner, Datwyler will sign a contract with Thermax, a local solar power construction company, and purchase the electricity generated from Thermax's plant. The solar power plant is estimated to generate up to 2.1 GW electricity annually. At the same time, it reduced carbon emissions by almost 1800 tonnes CO<sub>2</sub>eq/year.



Datwyler Indian plant in Kesurdi.




## Datwyler Swiss plant nominated for Green Business Award.



*Datwyler Swiss plant in Schattdorf.*

The Datwyler site in Schattdorf was nominated for its CO<sub>2</sub>-neutral production methods. Since 2008, the Swiss site has been sourcing process and heating energy from a nearby wood-fired heating plant, thereby reducing CO<sub>2</sub> emissions by 1,300 tons per year. In 2012, Schattdorf switched completely to electricity from hydropower, which has since further reduced annual CO<sub>2</sub> emissions by 2,300 tons per year. As a result, this site has been able to completely dispense with fossil fuels since 2012. By using groundwater for air conditioning, ventilation, and processes, electricity consumption has now also been considerably reduced despite higher sales. All these projects contributed to Swissmem nominating Datwyler for their Green Business Award.

 [Read more about the nomination](#)



## 3.2 High-quality products and ecodesign.

«The products of the past were developed to perform. Of course, that's what they still need to do, but we now acknowledge that they also have a limited life span and that for our globe to be sustainable, we must take that into account. This is where integration of ecodesign in product development comes into play.»



Renaud Janssen, Vice President Technical Services



### Why it matters

Applying the highest quality standards during product development while striving for the utmost reliability and security are paramount to Datwyler's success. This is reflected in the corporate value of "We excel in what we do." At the same time, the company must stay on top of future-oriented technologies, particularly regarding environmentally friendly alternatives to the status quo. The concept of ecodesign is hence moving to the forefront of Datwyler's product development strategy.



### Our focus

Datwyler's quality management is based on internationally recognized quality and safety assurance systems, proactive chemical compliance, and innovative collaborations with higher education institutions, international standardization committees, and independent testing bodies. The company believes that the concept of ecodesign must be part of a holistic approach to quality product development that considers environmental, social, and economic benefits throughout the life cycle of products.



### Our long-term ambition

Ecodesign is integrated in all new product developments.



### Future key target

All new products developments include Ecodesign check by 2023.

### OUR APPROACH

Datwyler continuously invests in even better materials, process technologies, production equipment, and testing methods.

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### Quality assurance through standardized processes

Datwyler's corporate processes are based on its production system and internationally recognised quality assurance systems. For example, plants making products for the automotive industry are certified in accordance with ISO/TS 16949, while healthcare plants (with the exception of the US plant in Pennsauken) have ISO 15378 certification. State-of-the-art clean room technologies paired with automatic camera inspections, among other systems, ensure impeccable quality for Datwyler's over 300 billion manufactured components. In addition, the impacts of its products on user health and safety are closely examined. Line functions involved in procurement and production are supported by a global quality assurance function and by a local team for each plant.

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### Statutory information obligations as minimum standards

Almost all Datwyler Group products are subject to statutory information obligations in the countries of use, in addition to a variety of chemical law requirements and additional industry and customer-specific rules at its production locations. Chemical legislation and EU REACH regulations regarding the physical composition of products are particularly relevant. REACH (EU Regulation 1907/2006) governs the registration, assessment, and approval of chemical substances within the European Union. Datwyler generally follows a proactive approach in substituting Substances of Concern (SoC)—ingredients that have adverse effects on health and environment—with safer alternatives. This is a continuous process, and in 2020 Datwyler succeeded in substituting ETU (EthyleneThioUrea)—a chemical that can generate carcinogenic n-nitrosamines—in compounds for mobility products.

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## A vision of integrated product development

To drive innovation and stay abreast of the latest technology trends, Datwyler also works with higher education institutions, international standardisation committees, and independent testing bodies. A good example of this is the LeiMot (light engine) research project in which Datwyler is working with leaders in the mobility industry—including Volkswagen, the German Federal Ministry of Economic Affairs and Energy, RWTH Aachen, Fraunhofer Gesellschaft, and FEV—to reduce the weight of an existing, latest generation internal combustion engine by 25%. In the healthcare business, Datwyler is partnering with the renowned Parenteral Drug Association (PDA) to offer webinars and multi-day specialist seminars. With its Start-up Accelerator Programme, Datwyler is reaching out to innovative start-up companies with technologies that challenge the status quo and offer interesting new perspectives. The company's most exciting future-oriented technologies currently include additive manufacturing, printed and integrated electronic components, and electroactive polymers.

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## Integration of ecodesign in development and production

Ecodesign principles offer a critical perspective when developing products that reduce the environmental impact across all life cycle stages of a product. Datwyler's successful approach to ecodesign optimizes the environmental performance of its products while also maintaining their functional qualities. This includes developing environmentally friendly elastomer compounds, optimizing design to save on materials, reducing process-related waste, and using reusable or recyclable packaging and boxes. But ecodesign is more than simply reducing the environmental footprint of a product: this holistic approach helps developers think through social benefits and reconsider economic factors at the same time.

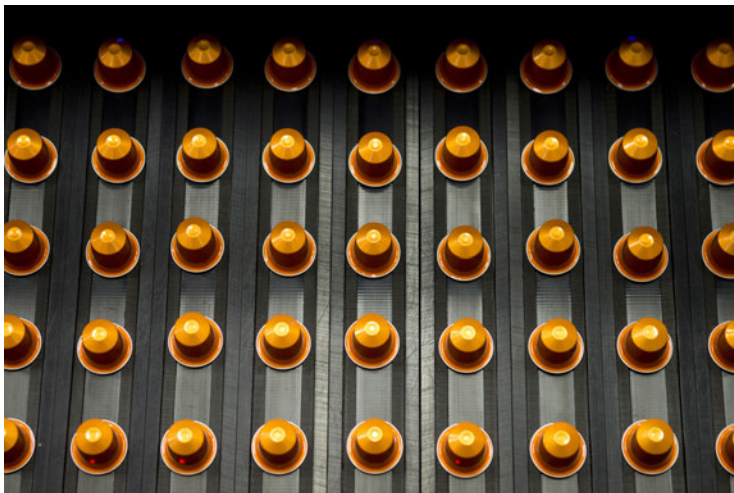
Recently, Datwyler launched an action plan that will guide the company through the next few years of integrating ecodesign systematically across product development and production. Right from the start, Datwyler plans to solicit input from employees by launching an "Idea Box" where ideas and initiatives to minimize ecological impacts are collected and analyzed by the development teams. Another new core element will be an "ecodesign check-box," which will be integrated in all new product developments. Datwyler has also begun to select certain products for deeper analysis using principles from Life Cycle Analysis (LCA). For example, in 2021 to 2022, a stronger focus on local-for-local packaging materials will be pursued. Datwyler aims to have ecodesign systematically integrated in all their new products by 2025.

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### HIGHLIGHTS

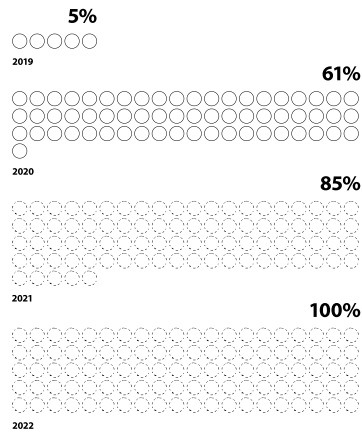
## Strategic partnerships to increase recycled aluminum usage in the food and beverage sector.

Datwyler has extended its strategic partnership with Nespresso and signed a new multi-year contract through 2030. The new contract covers capsule and seal production for portioned coffee product lines and anticipates continuous volume and revenue growth. With Datwyler's investments and adaptations in its production processes, the company increased the use of recycled aluminum in Nespresso's coffee capsules, supporting Nespresso's commitment to make every cup of coffee carbon neutral by 2022. In addition, the Swiss plant where Datwyler produces the coffee capsules has been carbon-neutral since 2012.



This partnership with Nespresso is a good example of how Datwyler can bring its core competencies in solution design, materials expertise, and operational excellence to the world's leading companies in various industries to create value and promote sustainability. In this way, Datwyler supports its customers as a development partner from the design study through the prototype phase to the global production of billions of parts with a zero-defect philosophy throughout the entire product life cycle.

## Share of recycled aluminum



## Alliance to Zero.

«The membership in the Alliance to Zero fits perfectly with our sustainability strategy, which includes striving for climate neutrality at all our sites worldwide by 2030.»



Dirk Borghs, COO Healthcare Solutions

The Alliance to Zero intends to involve, connect, and coordinate suppliers, pharmaceutical companies, manufacturers, and service providers along the supply chain and engage with academia and nonprofit organizations with similar aims.

Datwyler is joined by Harro Höfliger [\[1\]](#), HealthBeacon [\[2\]](#), Körber Pharma [\[3\]](#), Schott [\[4\]](#), Schreiner MediPharm [\[5\]](#), Sharp [\[6\]](#), and Ypsomed [\[7\]](#) as founding members of the Alliance to Zero. In this Alliance to Zero, Datwyler offers its knowledge of high-quality products and all the partners work toward the goal of net zero greenhouse gas (GHG) emissions for more and more products.

The Alliance hopes to achieve this goal by implementing regenerative and restorative practices based on greenhouse gas emissions reduction and circular economy principles. This includes the consideration of ecodesign as well as methods to keep the impact of the used materials as low as possible. The Alliance intends to advocate for net zero activities that support the achievement of the 2015 targets as set out in the Paris Climate Agreement, promoting the transition to an economy that reduces dependency on non-renewable resources and thereby contributing to the achievement of several United Nations Sustainable Development Goals.



[Read more about «Alliance to Zero»](#)





### 3.3 Resource friendly production.

« It's an honor to work for a company that is concerned about environment protection and the responsible use of natural resources. Reducing the consumption of materials, energy, and water is an integral dimension of our production system and of our pursuit of operational excellence at all our plants worldwide.»



Mukesh Suryawanshi, HOD Engineering, Kesurdi plant, India



#### Why it matters

Datwyler's corporate values and the Datwyler Code of Conduct highlight the company's commitment to the responsible handling of natural resources. In fulfilling its promise to be a responsible and sustainable company, Datwyler not only improves sustainability awareness but also gains a competitive advantage by attracting new customers. To uphold these goals, Datwyler has a vested interest in developing more resource-friendly production methods, such as reducing process-related elastomer waste through improvements in production processes and component engineering.



#### Our focus

Resource consumption in production is one of Datwyler's focus topics, as it is a primary lever for reducing its environmental impact. To achieve this, Datwyler's priority is the gradual reduction of waste and water consumption, in addition to improved energy efficiency and increased use of renewable energies. Energy- and emission-related activities are reported here.



#### Our long-term ambition

Waste-free and highly water- and energy-efficient production.



#### Future key targets

- Reduce waste volume relative to tons of products produced by 3% per year
- Reduce water consumption relative to tons of products produced by 3% per year
- Reduce electricity consumption relative to tons of products produced by 3% per year
- Reduce fuel consumption relative to tons of products produced by 6% per year





Responsible use of natural resources is an important principle for Datwyler as a manufacturing company.

## OUR APPROACH

### Datwyler Production System (DPS)

The Datwyler Production System, which is based on the company values and lean principles that guide Datwyler employees, is a long-term improvement program to foster a lean and agile culture and achieve operational excellence. As a shared program for continuous improvement, this system supports uniform production processes across all plants on all continents. For Datwyler, the quest for operational excellence means not only a safe workplace, high-quality products, on-time deliveries, and satisfied and empowered employees, but waste-free processes and environmental protection as well. This makes reducing the consumption of resources and protecting the environment an integral dimension in the pursuit of operational excellence.



### Environmental Management System (EMS)

Within the Datwyler Production System, a certified and integrated Environmental Management System (EMS) provides the basis for optimizing resource use. The Datwyler EMS aims to minimize the impact of the company's operations and products on the environment by designing and manufacturing products and processes that use natural resources sustainably and reduce the company's carbon footprint. A global Environment Health and Safety (EHS) Manager coordinates the environmental management across all plants and is supported by a dedicated EHS officer at each individual plant. In addition, the impact on resource use is also considered when the Group embarks on maintenance or modernization of its worldwide production plants. In the reporting year, investments in property, plant, and equipment amounted to CHF 90.8 million (previous year: CHF 104.6 million).

As a result of the EMS, fourteen of Datwyler's plants have already achieved environmental certification in accordance with the ISO 14001 standard and other sites are laying the groundwork to achieve this certification. The Swiss plant is also a member of the Energy Agency of the Swiss Private Sector (EnAW).

### Water consumption

In 2015, the EMS helped Datwyler set an ambitious goal to achieve annually by 2020: a 3% annual reduction in water consumption in relation to revenue (m<sup>3</sup>/CHF million). Over the last five years, Datwyler has successfully exceeded this target every year, reducing its water consumption by almost a fourth from 2.1 million m<sup>3</sup> of absolute water consumption in 2016 to 1.6 million m<sup>3</sup> in 2020. This 2020 figure was 17.7% lower than the previous year, while the reduction per revenue unit was 9.7% lower. The substantial water consumption reduction in 2020 stems from decreased production at some sites due to COVID-19, the implementation of new treatment facilities for water reuse at several sites, in addition to the divestment of the profile business (Civil Engineering), which required water-intensive cooling during the production process. In fact, most of Datwyler's overall water consumption stems from the specific requirements of the production processes. The cooling systems used in production for the Food & Beverage Business Unit and the washing of healthcare components both require significant amounts of water. Specifically, more than 40% of the group-wide water consumption occurs at the Swiss plant, which uses process water to cover a large proportion of its water demand.

To continuously improve both production processes and component engineering methods, Datwyler reinstated their ambitious water reduction target of 3% per year (in relation to tons of products produced) for 2021 to 2025.

### Fuel consumption

Datwyler will also strive to reduce its fuel consumption in relation to tons of products produced and electricity consumption in relation to tons of products produced by 6% and 3% a year, respectively, by 2025. (For further information on the reduction of Datwyler's fuel and electricity consumption, please refer to Climate-neutral operations 2030.

### Waste disposal



In the area of waste reduction, Datwyler also reinstated their ambitious 3% target (in relation to tons of products produced) annually till 2025, showing its vested interest in achieving ongoing reductions in process-related waste.



2016 2020

-26.1%

|      |       |
|------|-------|
| 2020 | 72.6% |
| 2019 |       |
| 2018 |       |
| 2017 | 67.6% |
| 2016 |       |

Datwyler's future-oriented water policy comprises the switch to more water-efficient processes, e.g. the internal reuse of water and the collection and buffering of rainwater. At the production site in Alken, the wastewater that was previously disposed of is now treated internally and reused in the production process. Incoming wastewater is collected in a buffer vessel, pretreated in a filter system, and then fully purified in reverse osmosis membranes. Two installations reuse different types of flushing water coming from the process water treatment installations. This water is then reused as process water to treat Datwyler's final products. The third installation uses the least contaminated wastewater coming from the plants' washing machines. Hereby, Datwyler is able to save up to 140'000 liters of water a day. On an annual basis, the water savings since 2020 add up to some 30,000 m<sup>3</sup> per year.



### 3.4 Sustainable procurement.

«Through sustainable procurement, we bring innovative and greener materials into Datwyler that offer added value to our customers. Sustainable and local-for-local sourcing is also an opportunity to reduce costs and mitigate supply risks.»



Marc Philippeth, Vice President Procurement



### Why it matters

Datwyler prioritizes using quality raw materials to improve its competitive position and guarantee business continuity. Knowing that a socially and environmentally sustainable supply chain is the basis of its sustainable solutions, the company integrates sustainability in the selection and monitoring of its suppliers, seeks long-term supplier relationships, and actively collaborates with its supply chain to stimulate greener products and ideas. Furthering the sustainability of suppliers also supports the advancement of Datwyler's other focus topics, such as climate-neutral operations, resource-friendly production, and ecodesign.



### Our focus

The purpose of Datwyler's procurement function is to bring innovative and sustainable solutions into the company, while maintaining focus on cost optimization, availability of raw materials, proactive risk management, and compliance. Datwyler continually works to reduce packaging material and source the most environmentally friendly raw materials possible. A binding Code of Conduct for suppliers and guidelines for sustainable procurement form the basis for ethical and environmentally friendly supply chains. In addition, by systematically embedding ESG criteria into its procurement processes, Datwyler strives to continuously increase the sustainability level of the company's suppliers.



### Our long-term ambition

ESG-compliant processes and supply chain and sustainability solutions through suppliers.



### Future key targets

- Code of Conduct signed by all suppliers
- Engage three suppliers each year to further conversations on sustainable solutions
- Ensuring availability of the most important raw materials through pro-active risk management. This includes a.o. local-for-local and whenever possible dual sourcing of materials
- In sourcing, identify five product replacements with better sustainability performance annually by 2030

## OUR APPROACH

### Global standardized guidelines and supplier management processes

Datwyler produces system-critical components which mainly consist of elastomer. Hence, the company primarily buys raw materials such as elastomer materials, plastics, aluminum, metals, and operating materials (some 50,000 tonnes per year). To procure these raw materials, the company works with approximately 400 suppliers worldwide, with about one third of the purchasing volume sourced from the ten largest global suppliers. Approximately 70% of raw materials come from Europe, while 20% and 10% come from Asia and the USA respectively. Overall, 1'800 or so suppliers and service providers invoice Datwyler for more than CHF 10'000 a year. Datwyler's Global Procurement Team takes pride in its versatility and various fields of expertise. It provides local procurement teams at each plant with global standardized guidelines and supplier management processes. In 2020, the company began advancing the sustainability level of its suppliers through:

- Integrating ESG into supplier selection and monitoring practices
- Conducting supplier trainings on ESG issues
- Encouraging suppliers to suggest more sustainable products and share ideas

### Embedding ESG to improve supply chain sustainability

#### Selection

Datwyler's standard Code of Conduct for suppliers forms the basis for its ethical and environmentally friendly supply chains. One of Datwyler's goals is to have all suppliers sign the Code or present equivalent internal guidelines, and a 2020 analysis revealed that 80% of suppliers were already meeting this requirement. In addition, suppliers must be in compliance with certain ISO norms.

#### Monitoring and development

In 2020, Datwyler developed its own Supplier Sustainability Assessment program, which is used to monitor the ESG performance of its main suppliers, which represent 80% of spend. The program awards points for:

- signing Datwyler's Supplier Code of Conduct
- sustainability certificates (ISO 14001, ISO 45001, ISO 50001)
- quality sustainability reporting (toward GRI, disclosing of energy and water footprints)
- a supplier code of conduct
- a defined position responsible for sustainability

A first assessment revealed that suppliers scored 60% of available points in 2020.

#### Auditing

Relevant ESG-related ISO norms are also included in all on-site audits. Due to the pandemic, however, many 2020 audits had to be postponed.

#### Complaint management

The company monitors environmental and safety compliance issues that are submitted by suppliers via a dedicated email address.

#### Training procurement teams

To ensure that the new guidelines are met, Datwyler provides regular trainings for its purchasers. In 2020, all local and global purchasing employees received an initial training to create awareness and enhance implementation of processes. Refresher trainings will be conducted on an annual basis.

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### Facilitating sustainable solutions through supply chain engagement

#### Sharing ideas

Datwyler began organizing workshops and meetings with suppliers that provide a platform for exchanging sustainability ideas. In 2020, the first such meetings were held with two main suppliers. Moving forward, Datwyler will engage three suppliers each year to further these conversations (GRI 102-43, GRI 102-44).

#### Encouraging more sustainable product offerings

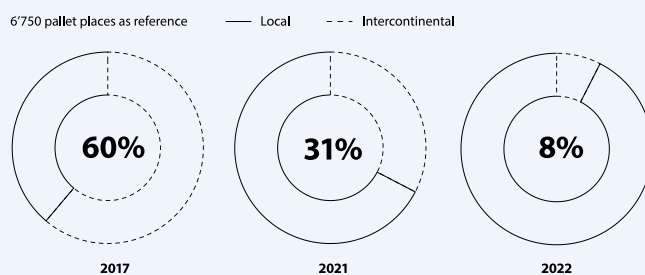
The company also began encouraging suppliers in 2020 to propose more sustainable materials to replace existing products completely or to be used in new developments. Several suggestions have been received already, and the goal is to identify five product replacements annually by 2030.

#### Reducing product and service footprints

Datwyler has set a goal to collaborate with suppliers on at least one project a year that targets the reduction of the carbon footprint of a product or service. Some suppliers have already evaluated the footprint of their products and services, and the company would like to have at least one active project per year from 2021 onward. As a test case, Datwyler is working with the main road transport company for the Belgian plant to reduce the CO<sub>2</sub> emissions per kg of product transported to the customer.

#### Promoting local sourcing

To support its Ecodesign strategic priority, Datwyler aims to increase its share of locally sourced materials. In 2020, after identifying the number of existing local suppliers, packaging materials was selected as a first focus and local sourcing targets were developed. This strategy will also reduce the company's supply chain continuity risks.



*Example of an initiative to increase locally sourced pallets in Datwyler's plant in India.*

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### Proactive reduction of packaging material

Datwyler takes action at various levels to reduce the environmental impact of raw material procurement. Whenever practical and possible, the company has raw materials delivered in large volumes by dry-bulk tankers, which cuts down on packaging materials significantly. About a third of raw materials are delivered in boxes on pallets, which suppliers reclaim and reuse. Non-reusable pallets and boxes comprised of wood, cardboard, or plastic are recycled via disposal companies.

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### Striving for environmentally friendly materials

Datwyler is constantly looking for the most environmentally friendly raw materials possible. To this end, the procurement department works with research and development to implement the findings of proactive chemical compliance management (link to chapter). Natural rubber, for instance, has been reduced to less than 1% of purchased elastomer raw materials, thereby helping to preserve rainforest in Southeast Asia and Central and South America. Recognizing that synthetically produced rubber derived from crude oil has a considerable carbon footprint, Datwyler is currently exploring the option of a synthetic rubber based on monomers derived from plants. In the Food & Beverage business unit, Datwyler, as an innovative partner, is supporting Nespresso to move toward sustainable and traceable aluminium in the spirit of the circular economy.

↑↓ Read more about the strategic partnership with Nespresso

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**50'000 tons**

of raw materials

**36'000 tons**

ingredients to manufacture rubber compounds

**5'000 tons**

rubber compounds (purchased from third parties)

**5'500 tons**

aluminum

**400 suppliers**

for raw materials

## HIGHLIGHTS

### Reuse of pallets thanks to pallet pools

To support the sustainability and circularity of its transport process, the Swiss Datwyler site is working with suppliers that offer pallet pools. Such programs reduce the need for single use pallets by ensuring the reuse of existing resources. By choosing reusable pallets, the site will help avoid the destruction of over 25,000 pallets per year.



Pallets at the Swiss Datwyler site.

## INTERVIEW

«Navigating procurement in pandemic times.»

Marc Philippeth, Datwyler's Vice President Procurement, discusses the main challenges to ensure procurement in pandemic times and the learnings gained.



Marc Philippeth

#### What are the main challenges for procurement during a pandemic?

“ Our biggest challenge and first priority in 2020 was our fight to secure the supply of materials and guarantee continuity of production, especially for vaccines seals and other essential healthcare applications. Work from home orders, restricted freight transport across borders, and business closures caused global supply chain disruptions. With the help of our suppliers, we succeeded in securing the production of essential goods, while also ensuring the health and safety of workers across the supply chain. Unprecedented material shortages in 2021 will be even more challenging, impacting both the Industrial Solutions and Healthcare Solutions business areas.

#### What is the main lesson you learned from these challenges and how are you addressing it?

“ Globalization and long supply chains make us vulnerable. As a result, initiatives are being taken to shorten supply chains with a more local-for-local approach. This will also support more sustainable procurement. Additionally, we will continue to proactively reduce supply risk through whenever possible dual sourcing of materials and/or having safety stocks in place.

## 4 Social.

By focusing on social activities Datwyler aims to deliver more value and meaningful purpose to its customers, employees and communities.

- 4.1 Employer of choice
- 4.2 Value-driven engagement with customers
- 4.3 Safe and healthy workforce
- 4.4 Engagement for sustainability





#### 4.1 **Employer of Choice.**



« At Datwyler, we build on our roots established more than 100 years ago. The principles that guided us are translated in our corporate values and make us who we are today. Our more than 7,000 employees, who live those values, are at the heart of our success story and feel valued and appreciated for their contribution in a diverse and inclusive environment. Every day. That is why Datwyler stands out as an Employer of Choice. »



Oda Suffeleers, Head of Talent Development



### Why it matters

To achieve success in rapidly changing international industrial markets, a qualified and fully committed workforce is vital. To attract the best international talent while fulfilling its social responsibility, Datwyler emphasizes fair and secure working conditions and an attractive, inclusive, and agile work environment. To unlock the full performance potential of its employees, the company also offers in-depth training and development and a strong corporate culture based on the values of «We are entrepreneurs» and «We have respect for others».



### Our focus

Ultimately, Datwyler wants to empower talents to create value for customers, the company, themselves, their local communities, and the entire planet. The company promotes equal opportunities, equal treatment, and fair conditions of employment. It focuses particularly on talent and internal leadership development, prioritizing the development of agility and entrepreneurial initiative in every employee.



### Our long-term ambition

To collaborate as a diverse and inclusive network of ambassadors and contributors, enabling the company to stay on top of labor market trends and be a great place to work.



### Future key target

Employee commitment rate above industry benchmark for all sites.

## OUR APPROACH

### Composition of workforce

At the end of 2020, the headcount of the continuing operations (former Sealing Solutions division without online distributor Reichelt)—including those on fixed-term contracts—totalled 6'456 people. Employees are spread across more than twenty locations in twelve countries, with 36.8% in Asia, 18.2% in North and South America, and 45.0% in Europe. This equated to 6'357 full-time equivalents at the end of the year.

Expressed as an annual average, 611 employees or 9.3% were employed on a fix-term contract. The number of employees on permanent contracts was 5'928 or 90.7% of the workforce. The proportion of women in the overall workforce was 37.4%, while the proportion of women in senior positions was 18.8%. Based on 6'405 as the average number of full-time equivalents for the year, revenue per full-time equivalent was CHF 130'226 in 2020. Datwyler pays fair wages and offers social security benefits in line with the relevant country and sector. Personnel costs, including social security benefits, amounted to CHF 300.8 million in the reporting year.

### Promoting entrepreneurial initiative

Management at Datwyler is based on concrete and inspiring objectives, which are broken down and assigned to the various levels within the hierarchy. The company uses the concept of Objectives and Key Results (OKR) for this purpose. For each selected objective, several key results and related activities are defined that are specific and timebound and challenging to foster thinking and acting what matters most. Above all, they are measurable and verifiable. For each key result, there is a responsible person who coordinates the alignment of activities to meet the objectives at all hierarchical levels and in all units of the company. Activities are regularly reviewed and adjusted if necessary, and the objectives and key results are transparent and observable by all employees. In this way, Datwyler delegates responsibility for achieving goals to the lowest possible level and promotes entrepreneurial initiative and customer focus across the business.

### Agility to strengthen competitiveness

Increasing agility is a key strategic priority for Datwyler. In this way, the company promotes the organisation's adaptability to rapidly changing conditions and further strengthen collaboration across departmental boundaries and hierarchical levels. Since spring 2019, a Head of Sustainability & Agility has been working with a team to increase agility within the organisation. As part of their effort, employees from all locations and hierarchical levels have volunteered to work as self-organised teams in agility communities and train to become agility coaches. Currently there are four communities: core, coaching, projects, and hubs. Agility coaches are conducting training courses available to all Datwyler employees to increase their agility, including Agility@Datwyler, scrum, agile leadership, self-management, and design thinking. Over 1,000 employees took advantage of these trainings in 2020. The agility movement also offers project support to achieve set objectives and key results (OKR). In 2020, despite the pandemic, 14 such projects were active.

### Leadership development / WeLead program

Datwyler is creating an environment for agility to be lived in everyday life and for employees to make full use of their talents, skills, and creativity. To this end, the company offers its managers targeted training that teaches them to

motivate their employees through coaching. The company's internal WeLead program—a series of seven training initiatives, each with its own learning objectives leading to different, yet aligned results—is the basis for its systematic talent management. Depending on the target group, the content ranges from development of self-competence and employee-competence to teaching management skills and raising awareness of strategic decision-making processes at the highest level of an organization. The WeLead fundamentals class and the six WeLead modules are 2-3 day training sessions followed by a personal check-in with a trainer. Traditionally, WeLead trainings were held on site, but in 2020, Datwyler successfully made the shift to online trainings due to the ongoing pandemic. The digital offering allowed participants to split trainings into more frequent, but shorter sessions and elicited a lot of positive feedback. Datwyler hence plans to maintain this option for participants. In 2020, 92 Datwyler employees participated in WeLead training sessions.



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## New Talent Development Team

Datwyler formed a talent development team in early 2020, which has proven to be a catalyst for change. Enabled by organizational changes, this new structure was set up as a center of excellence, allowing leaders with different competencies to work together toward one common goal: create transparency and expertise and make employees happy in the workplace. The team also works closely with the Datwyler organization and the IT department.

↑↓ Read more about «Renewed talent strategy implemented in»

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## Datwyler Academy

The Datwyler Academy is a cross-functional scrum team that applies an agile approach to shape learning, development, and knowledge-sharing activities at Datwyler. The team aspires to create and launch a uniform, global approach to learning activities throughout the employee life cycle by connecting individual, team, and organizational development needs to the company's strategic objectives. In 2020, its first objective was the global implementation of a digital learning Management System (LMS).

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## Performance Reviews and common goals for everyone

At an individual level, the systematic performance review process is an important aspect of management. One of Datwyler's stated objectives is for all employees to have an official progress appraisal with their line manager at least once a year, in addition to regular dialogue.

In 2020, Datwyler's bonus system was redesigned. Now, all 800 employees in the program have the same company goals—individual goals were discontinued. As a result, team effort is rewarded, whereas silo operators are discouraged. Besides growth in net sales and EBIT, advancement in sustainability will be added to the list of company goals in 2022.

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## Diversity, Equity, and Inclusion

Datwyler has zero tolerance for discrimination, humiliation, oppression, harassment, or insults relating to anyone's gender, origins, nationality, culture, religion, or colour. This is clearly laid down in the Code of Conduct, with punishments ranging from sanctions to dismissal.

In 2020, to further strengthen Datwyler's culture in this area, the company issued a formal 'Diversity, Equity, and Inclusion (DEI) policy'. The policy constitutes the basis for effective DEI management throughout the Datwyler Group.

«We firmly believe that our company can only thrive if every single one of our employees is able to realize one's potential to the fullest and is deployed where one's personal strengths are called upon. If everyone can be themselves and feel fully invested in what we do, together we will achieve lasting success. This is what we call 'be yourself @ Datwyler'.»

### Quote from DEI Policy

The newly established Diversity Council, a diverse group of employees led by a management board member or senior manager, meets regularly and acts as steering board. It defines targets for DEI key performance indicators and monitors the implementation of strategic DEI measures and initiatives. All employees have the right to approach the diversity council with ideas or complaints. Currently, the company is running a D&I ideation campaign to engage employees in further advancing Datwyler's inclusive culture.



Datwyler measures its performance in diversity management with key performance indicators and one relevant pulse check or employee survey per year. The diversity council reports to the management board and the Board of Directors at least once a year.

Employee Survey 2020

To measure employee satisfaction and engagement on a range of parameters, Datwyler conducts a comprehensive employee survey every other year (GRI 102-43, GRI 102-44). In 2020, the survey was completely digitalized for the first time. Of 5'872 employees invited, 68% responded. The online format of the survey, however, decreased participation among direct production workers, indicating that digital equity must be improved at the company to ensure inclusiveness.

The results were very positive overall, with all target values improved over the last survey and well above an industry benchmarks (Swiss Arbeitgeber Award and industry). The survey also confirmed employees' support of Datwyler's plan to make sustainability the fourth strategic priorities of the company, with a score of 8.2 out of 10.

Employees who are happy, motivated, and willing to accept change are the backbone of a company because they work hard. They should make up a substantial proportion of the workforce. According to its employee survey, 85% of Datwyler employees fall into this "genuinely satisfied" category.

As a result of the survey, action plans on a site basis were developed.

Employee Benefits and Recognition

The slogan "#FORYOU" serves as an umbrella for a range of benefits and initiatives at Datwyler that support employees and make them feel valued. The program is constantly growing and organized around five pillars:

- 1. Health
- 2. Well-being
- 3. Work environment
- 4. Ideas/involvement
- 5. Personal development

In 2020, Datwyler issued a working from home policy in response to the pandemic, which will remain in place for the foreseeable future and be adapted as needed.

Datwyler employees with English skills of all hierarchy levels are offered the opportunity to gain international experience by working on short-, mid-, or long-term assignments at its plant in Delaware in the United States.

| Employee structure  | Change | 2019  | 2020  |
|---|--------|-------|-------|
| Headcount annual average  | +6.6%  | 7'004 | 6'539 |
| — Direct female   | 0.7%   | 37.2% | 37.6% |
| Average permanent headcount                                       | +5.9%  | 6'567 | 5'769 |
| — Direct female   | 1.3%   | 38.9% | 39.4% |
| Average temporary headcount                                       | +4.1%  | 637   | 687   |
| Average headcount with higher management function                 | +19.5% | 205   | 305   |
| — Direct female   | +5.1%  | 20.5% | 18.8% |
| Headcount end of period   | +1.7%  | 6'984 | 6'956 |
| Employees joining (new, growth existing functions / replacements) | +26.0% | 884   | 654   |
| Employees leaving   | +5.3%  | 1'085 | 1'082 |
| — Direct voluntary leave  | +27.8% | 862   | 622   |
| Total attrition versus prior year                                 | 112.8% | +451  | +428  |
| Rate of new hires   | +25.5% | 13.9% | 17.0% |
| — Turnover rate   | +22.5% | 13.5% | 16.5% |

Headcount annual average: Direct female employees (red), Indirect female employees (green), Direct male employees (blue), Indirect male employees (orange)

Download: PDF / Excel

| Voluntary leaves by gender | Change | 2019  | 2020  |
|----------------------------|--------|-------|-------|
| Male                       | +21.0% | 487   | 575   |
| — Turnover rate            | +16.5% | 12.5% | 16.4% |
| Female                     | +34.1% | 375   | 547   |
| — Turnover rate            | +40.3% | 19.2% | 35.0% |

| Voluntary leaves by age | Change | 2019 | 2020 |
|-------------------------|--------|------|------|
| Under 30                | +17.7% | 385  | 449  |
| 30-49                   | +20.3% | 423  | 537  |
| Over 50                 | +16.7% | 54   | 40   |

| Voluntary leaves by function        | Change | 2019  | 2020  |
|-------------------------------------|--------|-------|-------|
| Higher management (direct)          | +4.5%  | 25    | 23    |
| Staff function (all)                | +20.0% | 12    | 9     |
| Office worker (indirect & all)      | +16.7% | 79    | 90    |
| Production worker (indirect & all)  | +27.0% | 146   | 148   |
| Full-time equivalents average YTD   | +2.1%  | 6'984 | 6'825 |
| Full-time equivalents end of period | +1.2%  | 6'779 | 6'737 |
| — Direct in Asia                    | 0.1%   | 36.2% | 36.2% |
| — Direct in North- and Southamerica | +2.3%  | 16.4% | 16.6% |
| — Direct in Switzerland             | 16.7%  | 8.0%  | 8.9%  |
| — Direct in Rest of Europe          | +1.9%  | 33.9% | 35.4% |

Headcount annual average: Direct female employees (red), Indirect female employees (green), Direct male employees (blue), Indirect male employees (orange)

Download: PDF / Excel

HIGHLIGHTS

Renewed talent strategy implemented in 2020.

Since 2020, Datwyler has steered a new talent strategy through cascading annual talent conferences on multiple organizational levels. This cyclical process, with a main goal of developing internal talents, will prepare leaders for the future and create solid succession plans.

Every manager can nominate talents in their team based on their performance management reviews. At site-level and sometimes BU-level talent conferences, these candidates are discussed and recommended for local and global talent pipelines and local succession management. This serves as input for business area-wide talent and succession management discussions,

where candidates are also nominated for the senior management talent pipeline. CxO and senior management level talents are discussed on Group level.

Confirmed talents are invited to participate in online assessments with the goal of creating personal development plans. These plans formalize, visualize, and track personal development activities tailored to the identified talents. As part of these assessments, HR talent was also developed through formal certification trainings, enabling these trainees to now provide qualitative feedback and follow-up for talents.



*Datwyler employees from all over the world visiting Switzerland.*

### **Supporting research on unconscious bias.**

In 2020, Datwyler began participating in a research project on unconscious bias sponsored by the University of Luzern. Unconscious bias can originate from group thinking, over-reliance on initial information, or dismissing information that does not confirm one's preconceptions. Datwyler employees will be given the opportunity to anonymously respond to three online surveys with a focus on attitudes toward different elements of decision making.

After the second survey, researchers will conduct a "debiasing intervention" and study its effect on the third survey, which will be issued a year later. The study will not only advance science, but also offer insights to improve talent management at Datwyler.





## 4.2 Value-driven engagement with customers.

«Our vision is to thoroughly understand the needs of today and of the future of our customers. Through engagement and cooperation with them, we can develop products and solutions that truly make a sustainable difference.»



Massimo Mainetti, Global Head of Marketing and Product Management



### Why it matters

The needs and requirements of customers are at the heart of everything Datwyler does. The only way a business can enjoy sustainable success is to make sure its customers are completely satisfied. Two of our corporate values—«We are entrepreneurs» and «We bring value to our customers»—speak to the importance of this perspective.

Customer retention takes more than just high-quality customer service. Datwyler truly values its relationship with customers, designing its products and solutions to not only fulfill the highest expectations in terms of functionality and quality but to also do their part to support the customers' sustainability performance and goals. The majority of Datwyler's customers operate in socially important market segments. Together with them, Datwyler can amplify its impact and create high-quality end-consumer products that save lives while also helping to save the planet.



### Our focus

With more than 100 years of experience and a global production footprint, Datwyler's material, engineering, and production expertise helps make it a market leader for system-critical elastomer components.

Efforts to constantly improve allow the company to continually expand its innovative portfolio of products and services. This keeps customers at the forefront of technological advancement by consistently engaging with them to demonstrate its dedication to their needs.

Datwyler has a zero defects philosophy and applies Quality by Design principles in its design and manufacturing processes. Sustainability has become another integral part of Datwyler's value proposition to customers and helps the company differentiate itself in the marketplace.



### Our long-term ambition

Perceived as sustainability leader by customers.



### Future key target

High rankings in customer service rating for sustainability.



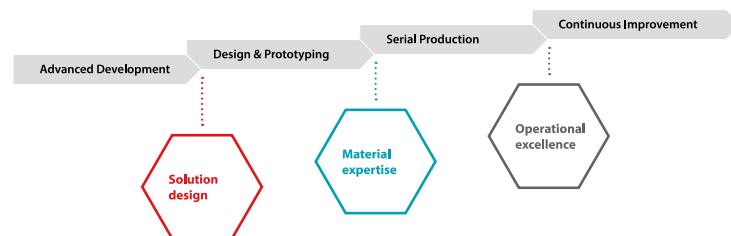
## Supplying system-critical elastomer components

The elastomer components Datwyler produces for specific customers are system-critical parts. They are a key contribution to ensuring systems function properly and safely for customers in the socially important global Healthcare, Mobility, Food & Beverage, and General Industry market segments.

## Datwyler's core competencies

Datwyler's core competencies of **solution design**, **material expertise**, and **operational excellence** form the basis for its value-driven engagement and co-engineering approach with customers across industries. They allow Datwyler to support customers as a development partner—from the original design study and prototype phase through to global production of billions of parts based on a zero-defect philosophy throughout the entire life cycle of the product.

The value of Datwyler's core competencies is becoming increasingly apparent to its globally active customers as they run ever more powerful and complex systems.



## Integrating sustainability into customer engagements

Datwyler is increasingly marketing its ambitious sustainability strategy and how it can add value to customers. All global customer-facing teams are trained on Datwyler's sustainability program and encouraged to always include sustainability in the value proposition presented to customers. It doesn't matter if it is during a 30-minute call or three-day workshop, one of Datwyler's main customers or a new lead, a multinational or a small start-up company. It is Datwyler's explicit goal to encourage sustainability-related collaborations with customers to maximise impact.

↑↓ [Read more about «A collaboration to reduce the weight of engines»](#)

↑↓ [Read more about «Alliance to Zero»](#)

↑↓ [Read more about our sustainability strategy](#)

## Customer Satisfaction Survey

In 2020, Datwyler conducted a global customer survey to measure image perception, satisfaction, and loyalty of existing customers (GRI 102-43, GRI 102-44). Of the 2,155 contacts invited to take the survey, a high rate of 25.2% responded, representing 280 different customers. The survey revealed a positive and consistent image of Datwyler and a high level of satisfaction across different markets, customer sizes, and roles. The average scores on both "image" and "satisfaction" were 8 on a scale from 1 to 10, with 10 representing the highest possible score. "Datwyler offers high-quality products and services" was the image aspect scoring best (8.5). Datwyler received the highest score from customers working in research and development, confirming Datwyler's value as co-engineering partner. The survey also revealed that a third of responding customers were not aware of Datwyler's leadership in sustainability and digitalization, a finding that will inform future customer engagement strategies.

## Systematic complaints management

Datwyler maintains a systematic approach to complaints management with a global process and uniform database. The internationally recognised 8D reporting concept is used to process complaints and resolve the underlying problems. Datwyler also endeavours to define detailed product specifications with customers in advance to avoid the potential for future complaints. The aim is to continuously reduce justified complaints compared to the previous year.

## Continuous improvement process

Datwyler uses the results of customer surveys and complaints management to identify and implement measures for improvement. These are part of the systematic management process and thereby help ensure the service customers receive keeps on getting better. For example, Datwyler uses Tech Days on site with existing and potential customers from the Mobility business unit to strengthen relationships and raise awareness of its competencies and offerings. Doing business with Datwyler must be simple for existing and potential customers. This is why the company wants to develop an even better understanding of the future requirements and needs of its markets and customers. This kind of proactive approach will help Datwyler benefit from changes within the international supplier industry, since customers in global market segments have been steadily reducing the number of suppliers they use and tending to work more closely with those they retain. Datwyler is thus increasingly becoming a development partner with the ultimate aim of saving costs and conserving resources.

## Customer Health and Safety and Chemical Compliance

Datwyler meets a variety of chemical law requirements at its production locations as well as additional industry and customer-specific rules. Almost all Datwyler Group products are subject to statutory information obligations in the countries of use. Chemicals legislation and the EU REACH regulations regarding the physical composition of products are of particular relevance. REACH (EU Regulation 1907/2006) governs the registration, assessment, and approval of chemical substances within the European Union. With its proactive chemical compliance management, Datwyler goes above and beyond legal requirements, setting leading standards worldwide in the elastomer industry. [Link to chemical compliance] Again, in the 2020 reporting year, Datwyler recorded zero incidents of non-compliance with provisions of conduct relating to the impact of products on the health and safety of users.

↑↓ [Read more about our chemical compliance management](#)

> 1'000 customers

with close working relationships

> 30 years

of partnership with renowned customers

45% of revenue

generated by the ten largest customers

NPS 8.0

Customer satisfaction score in 2020

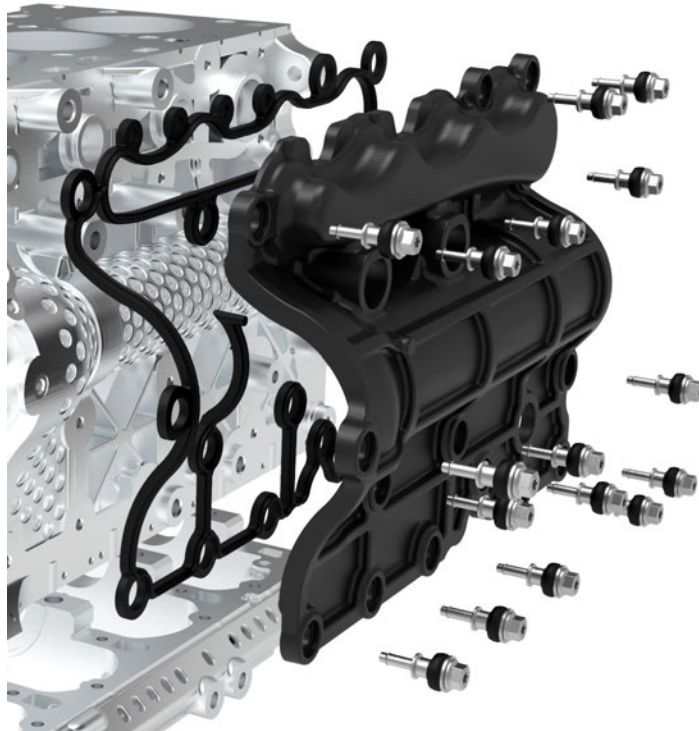
#### HIGHLIGHTS

### A collaboration to reduce the weight of engines

In a partnership with engineering specialist FEV, a sealing solution from Datwyler is now part of the final prototype in the LeiMot (Leichtbaumotor, Lightweight-Engine) research project. The project involves several important players in the mobility industry—including Volkswagen, the German Federal Ministry of Economic Affairs and Energy, RWTH Aachen, Fraunhofer Gesellschaft, and FEV—with one common goal: reduce the weight of the most important components—the cylinder head and crankcase—of an existing, latest generation internal combustion engine (ICE) by 25%.


Through replacing standard metal components and parts with fiber composite alternatives and additive manufacturing, the project not only lowers the overall weight of the engine but also improves operating efficiency, operating behavior, thermal management, and reduces noise, vibration, and harshness (NVH) in order to meet future requirements for comfort, safety, and sustainability.

 Read more about this collaboration




Datwyler's sealing solution for a new plastic thermoset cover provides best fluid and thermal resistance while contributing to the lower weight of the system.

### Alliance to Zero.

Datwyler is a founding member of the newly announced Alliance to Zero , a non-profit membership association, aiming to facilitate the transition of the pharma sector to compliance with net zero emissions in line with the goal of the Paris Climate Agreement.

Working towards this goal, Datwyler and its customer Ypsomed Group, a leading developer and manufacturer of injection and infusion systems for self-medication and a renowned diabetes specialist and another founding members of the Alliance, are currently joining forces to collaboratively improve the sustainability their joint products.

 Read more about the Alliance to Zero

### Customer awards for Datwyler company Bins Brazil and Datwyler Mobility Korea.



Bins, Brazil  
**6th Stihl Supplier Meeting Certificate of Merit**  
Highlight for the supply of high-performance products and services, working in the pursuit of excellence



Bins, Brazil  
**Continental Supplier Award**  
Best Supplier Award in the Quality, Purchasing, and Logistics categories in 2019

Datwyler Mobility, Deagu, Korea  
**General Motors Supplier Quality Excellence Award 2020**  
The award is given annually to suppliers who meet

Bins, Brazil  
**Clarios Merit Award 2020**  
3rd Place: Best Performance of BSS in FY2020  
Merit Award of Suppliers with best performance -

rigorous quality standards. Datwyler was awarded this distinction in succession from 2012 to 2020.



Quality category  
Merit Award of Suppliers with best performance -  
Supply Chain category

## Supporting the global need for COVID-19 vaccines.

Datwyler made major investments in recent years to increase its manufacturing capacity globally in order to support the increased demand for COVID-19 vaccines. By scaling up facilities faster than originally planned, Datwyler's worldwide capacity for coated components has increased by almost 50% over the last two years. Furthermore, Datwyler is ramping up production at other sites by utilizing all available equipment, moving to a 24/7 work schedule, implementing efficiency improvements, and investing in additional tools for each specified product.

Through these efforts, Datwyler's seven manufacturing sites around the world are designing, developing, and manufacturing system-critical components for the COVID vaccine. With a global distribution network already in place, the company supports leading vaccine manufacturers around the globe, such as BioNTech and the Serum Institute of India, in a timely manner. To meet these rigorous timelines, it has put extensive measures into place at all facilities to manage the current and potentially future work restrictions that are mandated by governmental authorities. These measures not only ensure that it meets distribution deadlines but puts the safety of its employees at the forefront, which is and will always be a key priority.



### CHALLENGE

## Maintaining customer engagement during the pandemic.

Not being able to interact with our customers personally was a challenge in 2020. To maintain quality engagement, Datwyler created virtual simulations that gave customers an understanding of our production processes and increased the use of digital tools like webinars, digital trade shows, and VR factory visits.

Datwyler also shared a series of webinars with customers on the following topics:

- Striving for Zero Defects
- Meeting and exceeding regulatory requirements
- Using quality principles to quantify and analyze particulate matter
- Pandemic preparedness

Packaging components for cartridges and drug delivery devices





## 4.3 Safe and healthy workforce.

«I very much appreciate that Datwyler places high emphasis on the safety and health of its employees. At our Pennsauken plant, we even received an award for our efforts. The employee participation, collaboration and teamwork among the various health and safety initiatives throughout the plant has been a critical factor to achieving this milestone.»



Michael Roadside, Head of Environmental, Health & Safety, Pennsauken plant, USA





## Why it matters

A safe and healthy workplace is of utmost importance to Datwyler. Good health and safety measures not only reduce injuries and illnesses for employees, they secure long-term benefits for Datwyler by reducing absences and ensuring that the workplace is more efficient and productive. With the integrated Datwyler Production System, workplace safety and health management are an integral part of the company's drive for operational excellence.

## Our focus

An accident- and injury-free vision is strongly embedded in Datwyler's corporate strategy. This ensures the commitment of the company and those responsible under its Code of Conduct to ensuring a safe working environment and providing employees with regular training. This focus applies to the technical planning of workplaces, facilities, and processes, and to safety management and people's individual behaviour as they go about their day-to-day work. Furthermore, each site has its own targets to guide their performance and make Datwyler's corporate strategy more tangible. During the COVID-19 crisis, Datwyler has worked to lower the psychological and physical burden of the pandemic on its employees. For example, the company introduced healthy initiatives on site and group levels to enhance work from home habits and employee well-being.



### Our long-term ambition

Zero accidents and zero injuries and healthy working environment.



### Future key target

0.15 accident-related days of absence a year per full-time equivalent and four days of absence due to illness a year per full-time equivalent on company level.



*Employee safety is a top priority at all Datwyler plants.*



## OUR APPROACH

### Established health and safety management

Datwyler is committed to protecting the health and safety of all employees, contractors, or visitors by planning, managing, conducting, and supervising its work in compliance with legislation and best practices. One priority of Datwyler's health and safety management is to develop and coordinate health and safety systems and processes at a global level to prevent accidents and improve health and safety conditions at production sites. The global Environment Health and Safety (EHS) Manager coordinates global workplace safety and health initiatives in cooperation with Human Resource Management. Technical support is provided to specific sites as needed by a local EHS manager, who oversees deployment and follow-up of processes.

To ensure state-of-the-art health and safety awareness, plants hold regular trainings and audits and encourage employees to report any safety observations. Findings from these audits and individual accidents on site-level are reported to the global EHS Manager, who retains the findings in a central database that is accessible to all plants to enhance learning. These regular audits ensure health and safety compliance, good practices, continuous training, and advance site certification. Already, fourteen of Datwyler's production sites are ISO 14001 certified, and the six largest



sites are ISO 45001 certified. As these six plants comprise more than half of Datwyler's employees, they are instrumental in increasing safety awareness on an employee level. By ensuring that unsafe actions and conditions are identified and eliminated on a regular basis, employee health and safety is further advanced.

In all production plants of the two business areas Healthcare Solutions and Industrial Solutions distributed around the world, there were 2'098 days of absence due to workplace accidents in 2020. Expressed per full-time equivalent, this figure equates to 0.33 days' absence for the year as a whole (prior year 0.35). This figure is slightly above the Datwyler target of 0.25, which is the 'Good Practice' benchmark set by SUVA, the Swiss Accident Insurance Fund. Higher than accident-related absence is absence due to illness. This amounted to 41'878 days in the reporting year. This equates to 6.54 days' illness per full-time equivalent (prior year 6.51). This value is still above the medium-term Datwyler target of four days of absence due to illness a year per full-time equivalent. Lengthy individual periods of absence tend to distort the average. The data covers all employees at all sites, including temporary staff. Datwyler is employing systematic absence management and individual consultations to continuously work on further improvement of the work environment aiming to reduce the absence rate and keep employee motivation high.

Implementation of Indonis

In 2020, Datwyler implemented Indonis, a new health and safety reporting tool in their EHS management system. It allows employees to directly address different levels of incidents in a common system, and compiles data across production sites. By ensuring that the relevant information is available to all interested parties, Datwyler continuously digitizes workflows through all employee levels, increasing engagement of front-line employees by rewarding and recognizing them adequately. Ultimately, this system helps Datwyler achieve better visibility and transparency across the organization.

Health measures suited for the home office

Due to the pandemic, many Datwyler employees have experienced altered circumstances in their day-to-day work, such as working from home, for more than a year. To ease the psychological and physical toll on its employees, Datwyler invested significant time in rethinking ways of working and connecting with fellow employees. Healthy initiatives included: sharing preventive actions for home office ergonomics through the intranet, including best practices for correct body positioning, appropriate work chairs, and suitable work surfaces; advising employees to stick to their usual workday routines such as dressing for or walking before work; and offering its employees external training sessions on healthy work from home habits. To support balanced daily routines, in Switzerland and Belgium, Datwyler also introduced and successfully established a bike leasing system and sponsored sports outfits for runners and cyclists to promote bike to work and other outdoor activities as part of the Datwyler #FORYOU program.

Absences

|   | Change | 2019      | 2020      |
|---|--------|-----------|-----------|
| Total available working days (FTE 19'640)                 | -4.9%  | 1'812'537 | 1'687'029 |
| Total absences other than vacation days                   | 3.1%   | 77'294    | 79'685    |
| Total absences other than vacation days in % of 19'640    | 0.4%   | 4.2%      | 4.5%      |
| — thereof absences due to work-related accidents, in days | -10.0% | 2'912     | 2'098     |
| Work-related accidents in days per FTE (annual average)   | -4.4%  | 0.26      | 0.10      |
| — thereof absences due to illness, in days                | -4.7%  | 34'891    | 41'878    |
| Illness in days per FTE (annual average)                  | 0.5%   | 0.51      | 0.54      |
| Absences due to vacation days consumed                    | -4.3%  | 117'644   | 113'121   |
| Absences due to vacation days consumed in % of 19'640     | 0.2%   | 6.3%      | 6.7%      |

FTE = Full-time equivalent      19'640 = Total available working days  
The numbers are rounded up or down to the nearest whole number. The numbers are rounded up or down to the nearest whole number.

Download: PDF / Excel

HIGHLIGHTS

COVID-19 measures.

During the worldwide pandemic, the protection of the employees health was the top priority. Datwyler responded quickly, implementing state-of-the-art behavioral, hygiene and prevention measures. Furthermore, by implementing a COVID-19 testing program for its employees and fostering the use of national tracking systems, the company prevented COVID-19 infections from disseminating across their sites. The implementation of the Indonis platform in May 2020 at its India site was particularly important in preventing the spread of the virus in that location. The platform enabled employees to evaluate their safety measures—for example, distancing, masking, and sanitation—and enabled Datwyler to generate, track, and report statistics that led to further direct action.



Vaccination campaign for employees at the Datwyler site in Brazil.

## Safety and risk award of US site in Pennsauken.



In 2020, the Datwyler site in Pennsauken qualified for PMA Companies' Risk Management Excellence Award. The Risk Management Excellence Award has rigorous qualifying criteria and since its inception in 2016, less than 3% annually of PMA's insurance clients across the nation in this business category have received this award. This award resulted from the Pennsauken site's impressive management of efficiency, performance improvement, and implementation of a risk control service plan.

Furthermore, the site exceeded the industry expectations for overall risk management and implementation of safety efforts. Specifically, Datwyler's Total Claim Frequency Rate and Lost Time Claim Frequency Rate decreased by 69% and 43%, respectively, between 2018 and 2020. Through hard work and dedication to improved workplace safety, Datwyler achieved these results in a collaborative partnership with PMA Risk Control by developing and implementing annual service plans targeting historical loss drivers. The plans included the completion of ergonomic evaluations in the Washer/Packer, Mill Room, and Mold/Die changeout operations, on-site hazard assessments, and quarterly joint Risk Management calls to monitor progress. Datwyler consistently met or exceeded the annual service plan goal each policy year.





## 4.4 Engagement for sustainability.

«I am proud to belong to a company that takes up its corporate social responsibility by proactively contributing to the communities where we live and do business. Through coordinated valuable community projects, we make a positive impact and improve the lives of the citizens in our company's vicinities. We believe giving back builds character and creates a sense of wellbeing and pride in our employees.»



Margot Anthoni, Head of Talent Development



### Why it matters

Datwyler is often among the largest employers in the regions where it operates. With this comes a responsibility to elevate local communities by supporting charitable projects. Enabling employees, who are typically part of these communities, to volunteer also creates a sense of pride and belonging and benefits Datwyler's reputation both as an employer and community member.



### Our focus

Datwyler supports its local communities not only through wages and tax payments, but also through donations, volunteering and engagement, education, and improvement of local infrastructures.



### Our long-term ambition

Engage Datwyler people at all locations in relevant community work.



### Future key target

At least one external community activity per location and per year.

## OUR APPROACH

### Benefitting society

Many of Datwyler's products benefit society directly. In 2020, the company was particularly proud of its important contribution to the global fight against the pandemic. The COVID-19 vaccine will join a long list of vaccine products for which Datwyler has developed system-critical sealing solutions, ensuring that each vaccine is free from contamination and meets all compatibility and functional requirements for drug delivery.

 [Read more about Datwyler's collaboration with COVID-19 vaccine developers](#)

### Benefitting local communities



As a large regional employer, Datwyler's bigger sites generate considerable direct and indirect economic benefits for the local area. Municipalities benefit not only from the tax paid by Datwyler companies and its employees, but also for instance from the extensive apprenticeship program the company offers.

Datwyler wants to go further though. To achieve its goal of having at least one active local community engagement project at every location, Datwyler undertook a global survey to understand what kind and how many such projects were active already. While many sites were engaged in various initiatives, 50% were not. To facilitate local charitable initiatives at these sites, the company is launching a sustainability awareness campaign and developing a social engagement plan, which will be available to all sites. Datwyler is now scouting for employee volunteers and ambassadors and rolling out an idea platform to gather input on potential initiatives.

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#### HIGHLIGHTS

### Datwyler Group Management cleans up snow slide debris in the Swiss Alps.

To creating awareness for Datwyler's renewed sustainability strategy and lead by example, some 20 Datwyler managers, including complete Group leadership, from six different nations spent a Saturday in June picking up rocks, logs and other snow slide debris from steep alpine meadows.



Active engagement of the CEO.


### Extensive community projects in India.

Since 2017, the Datwyler site in India has been committed to improving the local infrastructure, particularly regarding education, access to safe water, and women's empowerment. This has been achieved through a combination of monetary donations and volunteerism by Datwyler employees. The site has renovated two public kindergartens, supported skill development programs for children, and planted 500 trees. In collaboration with the NGO Planet Water, in 2020 alone Datwyler India supported the installation of water purification plants including 24 hand-washing stations in four local villages, supplying over 7,000 people with clean drinking water.

In response to the COVID-19 pandemic, Datwyler donated money to local relief funds, ventilators to a local hospital, medication and protective equipment to local police departments, and food to local authorities and hospitals.



Numerous initiatives are planned for 2021, including 10 additional water purification plant installations, school and kindergarten renovations, donations of lab equipment to a local nursing school, and installations of sanitary toilets for women in local villages.

 Read more about our successful community projects in India



### Supporting people in need and public safety.

Employees of Datwyler Brazil, recently certified as a Great Place to Work, showed solidarity with their community by participating in a “warm campaign.” Together with three other local employers, they collected 10,000 coats and blankets to benefit people in need during the winter. The site also took part in collecting food donations, which local police distributed to communities experiencing food shortages. In addition, Datwyler Brazil participates in a program that enables taxpayers to allocate up to 5% of outstanding balances toward public safety, such as equipping local police departments and supporting educational initiatives for children and adolescents in vulnerable communities.



### Recognition for societal benefit.

Datwyler employs around 1,500 people in Ningguo, a peripheral and less developed region in China. Highlighting the positive societal impact of Datwyler’s presence in the region, the site received two awards from the local government in 2020, one as “Outstanding Company for the Development of Ningguo City” and one as “Excellent Taxpayer per Acre”.





ENQUIRIES



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# GRI Content Index



For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The GRI Materiality Disclosures Service was performed on the English version of the report.

## Universal Standards

### GRI 101: Foundation (2016)

### GRI 102 General Disclosures (2016)

#### 1. Organizational profile

|            |  |   |
|------------|--|---|
| GRI 102-1  | Name of the organization                                     | Dätwyler Holding Inc.   |
| GRI 102-2  | Activities, brands, products, and services                   | About Datwyler  |
| GRI 102-3  | Headquarters   | Dätwyler Holding Inc.<br>Gotthardstrasse 31, 6460 Altdorf, Switzerland  |
| GRI 102-4  | Location of operations                                       | Overview of all locations   |
| GRI 102-5  | Ownership and legal form                                     | Shareholder structure   |
| GRI 102-6  | Markets served   | About Datwyler  |
| GRI 102-7  | Scale of the organization                                    | About Datwyler  |
| GRI 102-8  | Information on employees and other workers                   | Employer of choice  |
| GRI 102-9  | Supply Chain   | Sustainable procurement   |
| GRI 102-10 | Significant changes to the organization and its supply chain | None.   |
| GRI 102-11 | Precautionary Principle                                      | Risk Management   |
| GRI 102-12 | External Initiatives   | Alliance to Zero<br><br>United Nations Global Compact; Sustainability reporting according to the Global Reporting Initiative GRI Standards; Reporting to CDP (formerly the Carbon Disclosure Project), Alliance to Zero |
| GRI 102-13 | Membership of associations                                   | Swissmem; Global Compact Network Switzerland  |

#### 2. Strategy

|            |                                      |                        |
|------------|--------------------------------------|------------------------|
| GRI 102-14 | Statement from senior decision-maker | Chairman CEO Interview |
|------------|--------------------------------------|------------------------|

#### 3. Ethics and integrity

|            |  |  |
|------------|--|--|
| GRI 102-16 | Values, principles, standards, and norms of behavior | Compliance and Ethics<br><br>There has been a binding code of conduct for employees since 2008 and one for suppliers since early 2014. There is also an annual compliance reporting process. |
|------------|--|--|

#### 4. Governance

## 5. Stakeholder Engagement

|            |  |   |
|------------|--|---|
| GRI 102-40 | List of stakeholder groups             | Customers, the environment, employees, shareholders, suppliers and the communities in which the Datwyler Group companies have often been long established and promote regional development as reliable employers and partners.                            |
| GRI 102-41 | Collective bargaining agreements       | 71.5% of all employees are covered by collective agreements (or collective bargaining agreements)   |
| GRI 102-42 | Identifying and selecting stakeholders | The Datwyler Group places great emphasis on respecting and engaging in an open and honest dialogue with all stakeholders who play a role in our business success and who are significantly affected by our business operations.                           |
| GRI 102-43 | Approach to stakeholder engagement     | The following regular processes are intended to improve stakeholder engagement: supplier evaluations, customer surveys, employee surveys. The various sites also maintain regular contact with representatives from local authorities and the government. |
| GRI 102-44 | Key topics and concerns raised         | For results from supplier evaluations, customer surveys, employee surveys, see links for further information.   |

## 6. Reporting practice

|            |  |   |
|------------|--|---|
| GRI 102-45 | Entities included in the consolidated financial statements | If not stated otherwise, all entities in the Datwyler Group.  |
| GRI 102-46 | Defining report content and topic Boundaries               | As part of a multistage process, Datwyler first conducted interviews on the subject of sustainability with representatives of the management teams and experts within the company. Datwyler also performed a benchmark analysis of peer companies. The Executive Management structured the identified key topics by order of strategic relevance, and approved them for the Group accordingly. Topics with material economic, social, and environmental impacts were also identified and are being gradually developed. |
| GRI 102-47 | List of material topics                                    | Material topics   |
| GRI 102-48 | Restatements of information                                | None.   |
| GRI 102-49 | Changes in reporting                                       | The new healthcare plant in Middletown, USA, was included for the first time for the entire calendar year 2020.   |
| GRI 102-50 | Reporting period   | 1.1.2020 – 31.12.2020   |
| GRI 102-51 | Date of most recent report                                 | 31.08.2021  |
| GRI 102-52 | Reporting cycle  | Annual  |
| GRI 102-53 | Contact point for questions regarding the report           | Sabrina Gérard<br>Head of Sustainability and Agility<br>sabrina.gerard@datwyler.com   |
| GRI 102-54 | Claims of reporting in accordance with the GRI Standards   | This report has been prepared in accordance with the GRI Standards: Core option.  |
| GRI 102-55 | GRI content index  | Content Index   |
| GRI 102-56 | External assurance   | No external assurance   |

# Topic-specific Standards

## GRI 200 Economic

### GRI 201: Economic Performance (2016)

|                                     |   |                              |
|-------------------------------------|---|------------------------------|
| GRI 103-1<br>GRI 103-2<br>GRI 103-3 | Management Approach (2016)                      | Economic performance         |
| GRI 201-1                           | Direct economic value generated and distributed | Economic performance         |
| GRI 201-3                           | Defined benefit plan obligations                | Annual Report 2020 (page 52) |

### GRI 203: Indirect Economic Impacts (2016)

|                                     |                                       |                      |
|-------------------------------------|---------------------------------------|----------------------|
| GRI 103-1<br>GRI 103-2<br>GRI 103-3 | Management Approach (2016)            | Economic performance |
| GRI 203-2                           | Significant indirect economic impacts | Economic performance |

### GRI 205: Anti-Corruption (2016)

|                                     |  |                                     |
|-------------------------------------|--|-------------------------------------|
| GRI 103-1<br>GRI 103-2<br>GRI 103-3 | Management Approach (2016)   | Compliance and Ethics               |
| GRI 205-2                           | Communication and training about anti-corruption policies and procedures | Compliance and Ethics               |
| GRI 205-3                           | Confirmed incidents of corruption and actions taken.                     | No incidents in the reporting year. |

### GRI 206: Anti-competitive Behavior (2016)

|                                     |  |                       |
|-------------------------------------|--|-----------------------|
| GRI 103-1<br>GRI 103-2<br>GRI 103-3 | Management Approach (2016)                   | Compliance and ethics |
| GRI 206-1                           | Legal actions for anti-competitive behaviour | Compliance and ethics |

### Company-specific topic: Accelerate digitalisation

|                                     |                            |                           |
|-------------------------------------|----------------------------|---------------------------|
| GRI 103-1<br>GRI 103-2<br>GRI 103-3 | Management Approach (2016) | Accelerate Digitalization |
|-------------------------------------|----------------------------|---------------------------|

## GRI 300 Environmental

### GRI 302: Energy (2016)

|                                     |   |                                     |
|-------------------------------------|---|-------------------------------------|
| GRI 103-1<br>GRI 103-2<br>GRI 103-3 | Management Approach (2016)                                | Carbon neutral operations 2030      |
| GRI 302-1                           | Energy consumption within the organization                | Carbon neutral operations 2030      |
| GRI 302-3                           | Energy intensity  | Carbon neutral operations 2030      |
| GRI 302-4                           | Reduction of energy consumption                           | Carbon neutral operations 2030      |
| GRI 302-5                           | Reduction in energy requirements of products and services | High-quality products and ecodesign |

### GRI 303: Water and Effluents (2018)

|                                     |  |                              |
|-------------------------------------|--|------------------------------|
| GRI 103-1<br>GRI 103-2<br>GRI 103-3 | Management Approach (2016)             | Resource-friendly production |
| GRI 303-1                           | Water withdrawal and water consumption | Resource-friendly production |

### GRI 305: Emissions (2016)

|                                     |   |                                |
|-------------------------------------|---|--------------------------------|
| GRI 103-1<br>GRI 103-2<br>GRI 103-3 | Management Approach (2016)              | Carbon neutral operations 2030 |
| GRI 305-1                           | Direct (Scope 1) GHG emissions          | Carbon neutral operations 2030 |
| GRI 305-2                           | Energy indirect (Scope 2) GHG emissions | Carbon neutral operations 2030 |
| GRI 305-4                           | GHG emissions intensity                 | Carbon neutral operations 2030 |

## GRI 306: Effluents and Waste (2016)

|                                     |                                   |                              |
|-------------------------------------|-----------------------------------|------------------------------|
| GRI 103-1<br>GRI 103-2<br>GRI 103-3 | Management Approach (2016)        | Resource-friendly production |
| GRI 306-2                           | Waste by type and disposal method | Resource-friendly production |

## GRI 307: Environmental Compliance (2016)

|                                     |   |   |
|-------------------------------------|---|---|
| GRI 103-1<br>GRI 103-2<br>GRI 103-3 | Management Approach (2016)                              | Resource-friendly production  |
| GRI 307-1                           | Non-compliance with environmental laws and regulations. | Based on the compliance reporting process, no lawsuits were filed against Datwyler in 2020 for non-compliance with environmental protection laws and regulations. |

## GRI 400 Social

### GRI 401: Employment (2016)

|                                     |   |   |
|-------------------------------------|---|---|
| GRI 103-1<br>GRI 103-2<br>GRI 103-3 | Management Approach (2016)                | Employer of Choice                                      |
| GRI 401-1                           | New employee hires and employee turnover. | Employee data<br><br>Detailed breakdown in preparation. |

### GRI 403: Occupational Health and Safety (2018)

|                                     |   |                            |
|-------------------------------------|---|----------------------------|
| GRI 103-1<br>GRI 103-2<br>GRI 103-3 | Management Approach (2016)  | Safe and healthy workforce |
| GRI 403-1                           | Occupational health and safety management system  | Safe and healthy workforce |
| GRI 403-2                           | Hazard identification, risk assessment, and incident investigation                      | Chemical compliance        |
| GRI 403-3                           | Occupational health services  | Safe and healthy workforce |
| GRI 403-4                           | Worker participation, consultation, and communication on occupational health and safety | Safe and healthy workforce |
| GRI 403-5                           | Worker training on occupational health and safety                                       | Safe and healthy workforce |
| GRI 403-6                           | Promotion of worker health  | Safe and healthy workforce |
| GRI 403-9                           | Accidents and day lost  | Safe and healthy workforce |
| GRI 403-10                          | Work-related illness  | Safe and healthy workforce |

### GRI 404: Training and Education (2016)

|                                     |   |                    |
|-------------------------------------|---|--------------------|
| GRI 103-1<br>GRI 103-2<br>GRI 103-3 | Management Approach (2016)  | Employer of Choice |
| GRI 404-2                           | Programs for upgrading employee skills and transition assistance programs | Employer of Choice |
| GRI 404-3                           | Percentage of employees receiving regular performance reviews             | Employer of Choice |

### GRI 405: Diversity and Equal Opportunity (2016)

|           |                            |                    |
|-----------|----------------------------|--------------------|
| GRI 103-1 | Management Approach (2016) | Employer of Choice |
|-----------|----------------------------|--------------------|



GRI 103-2  
GRI 103-3

|           |  |                    |
|-----------|--|--------------------|
| GRI 405-1 | Diversity of governance bodies and employees | Employer of Choice |
|-----------|--|--------------------|

#### GRI 406: Non-discrimination (2016)

|                                     |                            |                    |
|-------------------------------------|----------------------------|--------------------|
| GRI 103-1<br>GRI 103-2<br>GRI 103-3 | Management Approach (2016) | Employer of Choice |
|-------------------------------------|----------------------------|--------------------|

|           |  |                    |
|-----------|--|--------------------|
| GRI 406-1 | Incidents of discrimination and corrective actions taken | Employer of Choice |
|-----------|--|--------------------|

#### GRI 408: Child Labor (2016)

|                                     |                            |                       |
|-------------------------------------|----------------------------|-----------------------|
| GRI 103-1<br>GRI 103-2<br>GRI 103-3 | Management Approach (2016) | Compliance and ethics |
|-------------------------------------|----------------------------|-----------------------|

|           |  |   |
|-----------|--|---|
| GRI 408-1 | Operations and suppliers at significant risk for incidents of child labour | In its Code of Conduct established in 2008 and with its participation in the UN Global Compact, the Datwyler Group has committed itself to protecting human rights. This means that all legal entities categorically reject the use of child labour. In the reporting year, no sites or suppliers were identified where child labour represents a significant risk. |
|-----------|--|---|

#### GRI 409: Forced or Compulsory Labor (2016)

|                                     |                            |                       |
|-------------------------------------|----------------------------|-----------------------|
| GRI 103-1<br>GRI 103-2<br>GRI 103-3 | Management Approach (2016) | Compliance and ethics |
|-------------------------------------|----------------------------|-----------------------|

|           |   |   |
|-----------|---|---|
| GRI 409-1 | Operations and suppliers at significant risk of incidents of forced or compulsory labor | In its Code of Conduct established in 2008 and with its participation in the UN Global Compact, the Datwyler Group has committed itself to protecting human rights. This means that all legal entities categorically reject the use of forced or compulsory labour. In the reporting year, no sites or suppliers were identified where forced or compulsory labour represents a significant risk. |
|-----------|---|---|

#### GRI 414: Supplier Social Assessment (2016)

|                                     |                            |                         |
|-------------------------------------|----------------------------|-------------------------|
| GRI 103-1<br>GRI 103-2<br>GRI 103-3 | Management Approach (2016) | Sustainable procurement |
|-------------------------------------|----------------------------|-------------------------|

|           |  |                         |
|-----------|--|-------------------------|
| GRI 414-1 | New suppliers that were screened using social criteria | Sustainable procurement |
|-----------|--|-------------------------|

#### GRI 416: Customer Health and Safety (2016)

|                                     |                            |                       |
|-------------------------------------|----------------------------|-----------------------|
| GRI 103-1<br>GRI 103-2<br>GRI 103-3 | Management Approach (2016) | Compliance and ethics |
|-------------------------------------|----------------------------|-----------------------|

|           |   |                       |
|-----------|---|-----------------------|
| GRI 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | Compliance and ethics |
|-----------|---|-----------------------|

#### GRI 419: Socioeconomic Compliance (2016)

|                                     |                            |                       |
|-------------------------------------|----------------------------|-----------------------|
| GRI 103-1<br>GRI 103-2<br>GRI 103-3 | Management Approach (2016) | Compliance and ethics |
|-------------------------------------|----------------------------|-----------------------|

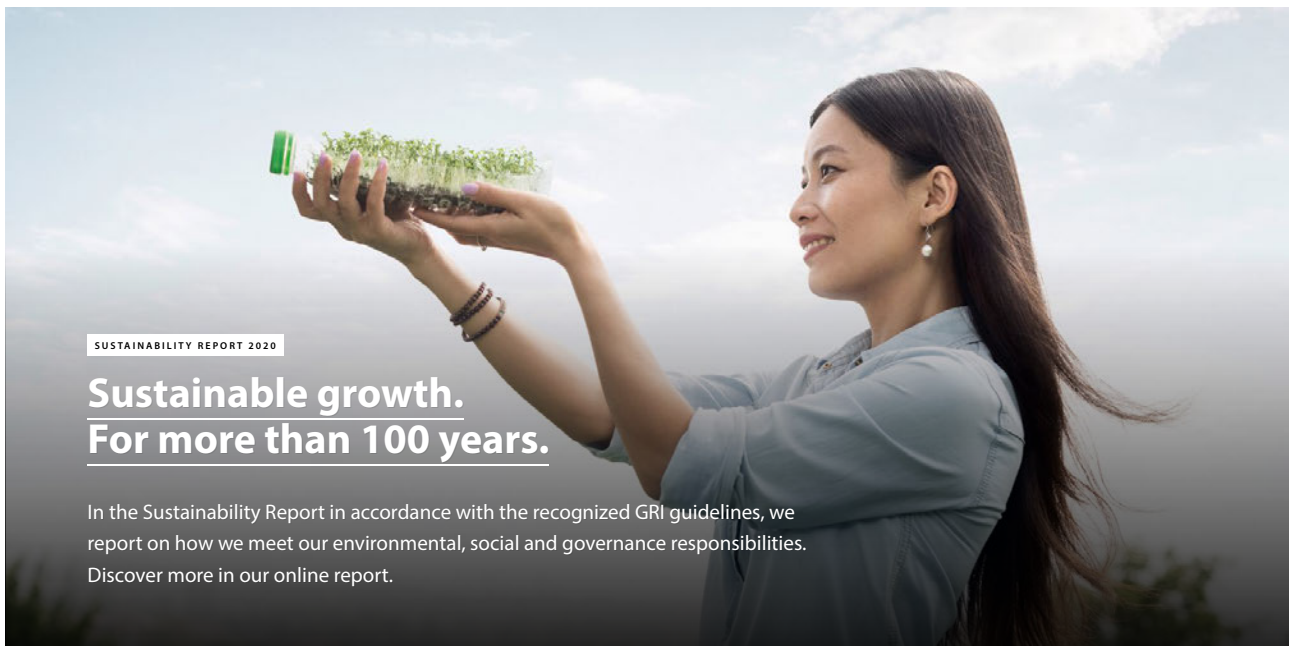
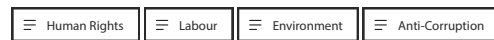
|           |  |                       |
|-----------|--|-----------------------|
| GRI 419-1 | Non-compliance with laws and regulations | Compliance and ethics |
|-----------|--|-----------------------|

#### Company specific topic: High client satisfaction

|                                     |                            |  |
|-------------------------------------|----------------------------|--|
| GRI 103-1<br>GRI 103-2<br>GRI 103-3 | Management Approach (2016) | Value-driven engagement with customers |
|-------------------------------------|----------------------------|--|

## Communication on Progress 2020.

Since 2009, the Datwyler Group has been a member of the UN Global Compact. The Communication on Progress below summarises significant aspects of the ten principles of the Global Compact. More information about specific actions and outcomes can be found in the referenced parts of the sustainability report and in the GRI Content Index.



SUSTAINABILITY REPORT 2020

### Sustainable growth. For more than 100 years.

In the Sustainability Report in accordance with the recognized GRI guidelines, we report on how we meet our environmental, social and governance responsibilities. Discover more in our online report.

### «Advance Sustainability» as proactive strategic priority.

For Datwyler, sustainability means operating successfully in the present, while also being oriented toward the long term. Thus, the company wants to not only be responsive to current global and market trends, but to proactively contribute to shaping a sustainable future. A long-term orientation means striking a balance between economic, environmental, and social aspects in all decision-making processes.

Datwyler's vision is to become a truly sustainable company focused on environmental, social and governance. This vision is inspired by the company's intrinsic motivation to safeguard what is most essential for the business and its shareholders, customers, workforce, and their families. Building on more than 100 years of corporate history and a decade of sustainability achievements, when Datwyler made sustainability a strategic priority in 2020, it reinforced the importance of integrating sustainability across the company's activities.

By adding sustainability as fourth strategic priority, it is now considered an integral part of Datwyler's overall strategy to improve opportunities and reduce risks. In addition to helping the company sustain high profitability, sustainability initiatives have simultaneously created value for many stakeholders by:

Creating innovative and sustainable products for customers.

Enhancing prospects for employees in numerous regions.

Cooperating with suppliers and business partners based on fairness.

Sharing success with communities close to production sites.

Decreasing its environmental footprint along the entire value chain.

Offering attractive and equal opportunities for all talents.

Modelling leadership for sustainable development in the industry.

In this way, we live up to our environmental and social responsibility as a reliable partner to our stakeholders and contribute to achieving the UN Sustainable Development Goals. Datwyler has been a member of the UN Global Compact since 2009 and is engaged in the area of environmental protection, responsible labour practices, human rights and the prevention of corruption both within the company itself and in its supply chain.

In our sustainability reporting, we provide information on our sustainability goals and performances in a transparent manner and in accordance with the GRI Standards.

Dirk Lambrecht  
Group CEO

## HUMAN RIGHTS

### Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 1

Datwyler's Code of Conduct clearly stipulates that the companies and employees of the Group must respect the human rights, dignity, privacy, and personal rights of every individual. Datwyler does not tolerate any form of discrimination, humiliation, oppression, harassment, or offence. In the reporting year 2020, the Compliance Officer (currently the CFO) received no complaints of alleged discrimination in Datwyler companies. In its Code of Conduct, Datwyler commits to ensuring a safe and healthy working environment.

Sustainability Report 2020  
→ Compliance and Ethics

Company Website  
→ Code of Conduct

### Businesses should make sure that they are not complicit in human rights abuses.

Principle 2

In its Code of Conduct, Datwyler commits to open and honest behavior with integrity. Datwyler gives its suppliers fair contractual terms and reasonable valuable consideration. In return, Datwyler also expects the suppliers to treat their employees and suppliers fairly and honestly.

Since 2014, the Datwyler Group also has a supplier Code of Conduct.

Sustainability Report 2020  
→ Compliance and Ethics  
→ Sustainable Procurement

Company Website  
→ Supplier Code of Conduct

## LABOUR

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

Principle 3

Datwyler's Code of Conduct explicitly states that employees are free to join trade unions. The Datwyler companies maintain a constructive dialogue with internal employee representatives. Employees in Switzerland are subject to the Collective Bargaining Agreement of the Swiss mechanical and electrical engineering industries. Company-wide, 71.5% of the Datwyler workforce were covered by collective bargaining agreements in 2020.

Company Website  
→ Code of Conduct

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

Principle 4

In its Code of Conduct, Datwyler commits to protecting human rights and categorically rejects the use of forced and compulsory labour. The systematic sustainability reporting shows that all companies of the Datwyler Group comply with this principle.

Company Website  
→ Code of Conduct

### Businesses should uphold the effective abolition of child labour.

Principle 5

In its Code of Conduct, Datwyler commits to protecting human rights and categorically rejects the use of child labour. The systematic sustainability reporting shows that all companies of the Datwyler Group comply with this principle.

Company Website  
→ Code of Conduct

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

Principle 6

The Code of Conduct specifies that Datwyler does not tolerate any form of discrimination, humiliation, oppression, harassment, or offence. In the reporting year 2020, the Compliance Officer (currently the CFO) received no complaints of alleged discrimination in Datwyler companies.

**Sustainability Report 2020**

→ Compliance and Ethics

**Company Website**

→ Code of Conduct

**ENVIRONMENT**

**Business should support a precautionary approach to environmental challenges.**

Principle 7

For Datwyler, environmental protection is an important mission and is therefore embodied in the company's values and Code of Conduct. This encompasses both environmentally friendly production, the efficient use of resources, and the development of products that are made of the most environmentally sound components possible.

The environmental data in the sustainability reporting covers more than 98% of resource consumption, more than 96% of waste, and more than 96% of the workforce of the Datwyler Group.

The company is continuously investing in the maintenance and modernisation of its production plants worldwide. In the reporting year, investments in property, plant, and equipment amounted to CHF 90.8 million (previous year: CHF 104.6 million). The impact on the use of resources is also considered when any investments are made in equipment and buildings.

**Sustainability Report 2020**

→ Climate-neutral operations 2030

→ Resource-friendly production

**Business should undertake initiatives to promote greater environmental responsibility.**

Principle 8

At the end of 2020, 13 Datwyler plants were certified to ISO 14001, and additional plants are working toward ISO environmental certification. Thanks to measures that were implemented, Datwyler succeeded in reducing resource consumption per revenue unit for electricity, water and waste volume over the last five years despite higher revenues.

Datwyler has set a goal to achieve climate neutrality for its own operations (Scope 1 and 2) by 2030. Beginning with emissions of approximately 80'000 tons of CO<sub>2</sub>eq in 2020, Datwyler is following the reduction path defined by the Science Based Targets, which includes implementing measures to purchase renewable energy and increase energy efficiency. These actions are intended to drastically reduce greenhouse gas emissions despite forecasted business growth. In addition, greenhouse gas emissions that can't be avoided will be offset from 2030 onward in order to achieve climate neutrality. Datwyler also started a project to identify and quantify Scope 3 emissions to develop measures for emission reduction.

**Sustainability Report 2020**

→ Climate-neutral operations 2030

→ High-quality products and ecodesign

→ Resource-friendly production

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

Principle 9

Environmental protection at Datwyler encompasses both environmentally friendly production with efficient use of resources and the development of products that are made of the most environmentally sound components possible. With its proactive chemical compliance management, the company goes above and beyond the legal requirements. Datwyler proactively identifies substances of concern that are particularly hazardous to health and harmful to the environment and prohibits the use of these substances in the development and production of new elastomer products.

In many cases, Datwyler products directly help to protect the environment. One example is the new rubber gaskets for environmentally friendly natural gas engines or for Selective Catalytic Reduction technology, which reduce nitrogen-oxide emissions from diesel-powered vehicles in the automotive industry.

**Sustainability Report 2020**

→ High-quality products and ecodesign

→ Resource-friendly production

→ Value-driven engagement with customers

**ANTI-CORRUPTION**

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

Principle 10

Datwyler's Code of Conduct strictly prohibits collusion, bribery, and corruption. The Code of Conduct is reiterated to employees regularly during internal training sessions. Once again, no legal actions for anti-competitive behaviour or anti-trust or monopoly practices were brought against Datwyler in 2020, nor were significant fines or non-monetary sanctions imposed on Datwyler for noncompliance with laws and regulations during the reporting year. In accordance with the Code of Conduct, Datwyler does not provide financial support to political parties, organizations, or office holders.

Since 2014, the Datwyler Group also has a supplier Code of Conduct.

The internal auditors regularly monitor compliance with laws and observation of the Code of Conduct in all organizational units of Datwyler.

**Sustainability Report 2020**

→ Compliance and Ethics

**Company Website**

→ Code of Conduct

→ Supplier Code of Conduct