

Global Compact Communication on Progress and GRI Content Index referencing the Datwyler Sustainability Report 2018

Message from the CEO

Long-term values

More than 100 years of innovation for the benefit of our customers, employees, shareholders and the community – that is the hallmark of the Datwyler Group. Over this period, Datwyler has evolved from a family-owned Swiss company into an international group. Building on our strong roots, we have developed our own style with high standards and unique values:

- We are entrepreneurs.
- We bring value to our customers.
- We excel in what we do.
- We have respect for others.

We strive to deliver sustainable profitable growth for the benefit of our stakeholders as the foundation for adding longterm value and preserving the corporate independence of the Datwyler Group. In our efforts, we are addressing the challenges of our times. As early as 2008, we voluntarily adopted the standards of the Global Reporting Initiative (GRI) for the sustainability section of our Annual Report, and in 2009 we joined the UN Global Compact. This is an initiative launched by the United Nations stating ten principles in the areas of human rights, labour, the environment and in combating corruption. As a UN Global Compact participant, Datwyler commits to follow the ten principles and to accept its responsibility within society. This endeavour is based on the Datwyler values and the Code of Conduct that lay down globally binding rules for all Datwyler Group employees.

As far as our suppliers are concerned, we have set out our requirements in a dedicated code of conduct based on the UN Global Compact since the beginning of 2014. Regular surveys of customers, suppliers and employees provide the basis for our process of continuous improvement. Since 2013, the Datwyler Group has also reported its greenhouse gas emissions to the Carbon Disclosure Project (CDP). In this way, we live up to our social responsibility every day as a reliable partner to our stakeholders and contribute to achieving the UN Sustainable Development Goals.



Dirk Lambrecht
Group CEO

Integration of the Global Compact Communication on Progress in the sustainability reporting according to the Global Reporting Initiative

Since 2008, the Annual Report published by Dätwyler Holding Inc. has followed the Global Reporting Initiative (GRI) Guidelines. Together with the detailed GRI Content Index, the Sustainability Report meets the latest internationally recognised GRI guidelines as confirmed by GRI. Since 9 November 2009, the Datwyler Group has been a member of the UN Global Compact. The table below summarises the significant aspects related to the ten principles of the Global Compact. More information about the specific actions and outcomes can be found on the referenced pages of the Sustainability Report and this GRI Content Index. All documents are available for downloading at www.datwyler.com.

Global Compact Principles	Summary of Actions and Outcomes	Information in the Sustainability Report 2018	Information in the GRI Content Index 2018
Human Rights			
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	The Datwyler Group's Code of Conduct clearly stipulates that the companies and employees in the Group 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 2018, the Compliance Officer (currently the CFO) received no complaints of alleged discrimination in Datwyler companies. In its Code of Conduct, the Datwyler Group commits to ensuring a safe and healthy working environment.	Page 1: Long-term values Page 19-21: Attractive employer, agility and empowerment Pages 24/25: Fair business practices	Page 5: Ethics and integrity (102-16) Pages 7/8: Social topics, human rights assessment (412)
Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	In its Code of Conduct, the Datwyler Group commits to open and honest behaviour with integrity. The Datwyler Group 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.	Pages 22/23: Sustainable supply chains Page 24/25: Fair business practices	Page 5: Ethics and integrity (102-16) Page 5/6: Stakeholder engagement Pages 7/8: Social topics
Labour			
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	The Datwyler Group'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 of the Sealing Solutions Division in Switzerland are subject to the Collective Bargaining Agreement of the Swiss mechanical and electrical engineering industries. Group wide, 63.8% of the Datwyler Groups workforce, were covered by collective bargaining agreements in 2017.	Pages 19-21: Attractive employer, agility and empowerment Pages 24/25: Fair business practices	Page 5/6: Stakeholder engagement (102-41)
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.	In its Code of Conduct, the Datwyler Group commits to protect human rights. It categorically rejects the use of forced and compulsory labour. The systematic sustainability reporting shows that all companies in the Datwyler Group comply with this.	Pages 24/25: Fair business practices	Page 8: Social topics, forced or compulsory labour (409-1)
Principle 5: Businesses should uphold the effective abolition of child labour.	In its Code of Conduct, the Datwyler Group commits to protect human rights. It categorically rejects the use of child labour. The systematic sustainability reporting shows that all companies in the Datwyler Group comply with this.	Pages 24/25: Fair business practices	Page 8: Social topics, child labour (408-1)
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	The Code of Conduct lays down that Datwyler does not tolerate any form of discrimination, humiliation, oppression, harassment or offence. In the reporting year 2018, the Compliance Officer (currently the CFO) received no complaints of alleged discrimination in Datwyler companies.	Pages 19-21: Attractive employer, agility and empowerment Page 24/25: Fair business practices	Page 5: Ethics and integrity (102-16) Page 7/8: Social topics, diversity and equal opportunity (405-1), non-discrimination (406-1)

Global Compact Principles	Summary of Actions and Outcomes	Information in the Sustainability Report 2018	Information in the GRI Content Index 2018
Environment			
<p>Principle 7: Business should support a precautionary approach to environmental challenges.</p>	<p>For the companies in the Datwyler Group, environmental protection is an important mission and, as such, is embodied in the Group's values and Code of Conduct. This 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.</p> <p>The environmental data in the sustainability reporting covers more than 98% of resource consumption and waste and more than 90% of the workforce of the Datwyler Group.</p> <p>The Group is constantly investing in the maintenance and modernisation of its production plants worldwide. In the reporting year, investments in property, plant and equipment amounted to CHF 138.0 million (previous year: CHF 117.9 million). The impact on the use of resources is also considered when any investments are made in equipment and buildings.</p>	<p>Pages 12/13: Leading quality, products Pages 14-17: Resource-friendly production Pages 22/23: Sustainable supply chains</p>	<p>Page 7: Environmental topics</p>
<p>Principle 8: Business should undertake initiatives to promote greater environmental responsibility.</p>	<p>At the end of 2018, 17 Datwyler companies were certified to ISO 14001. Other companies are working towards ISO environmental certification.</p> <p>The Sealing Solutions Division and its Swiss affiliate have been members of the Swiss Private Sector Energy Agency since 2002. During this time, Datwyler Sealing Solutions in Schattdorf reduced its CO₂ emissions according to Swiss set of laws to 0.</p> <p>A wood-fired electricity generating plant has been in operation at the Sealing Solutions Division's Swiss site since October 2008 to supply process and heat energy. The use of renewable energy sources enables Datwyler to save around 500,000 litres of heating oil annually and to reduce CO₂ emissions by some 1,300 tonnes. At the same location, Datwyler uses only 100% hydroelectric power from naturemade-basic-certified power stations since October 2012. This saves around 2'300 tonnes of CO₂ emissions per year.</p>	<p>Pages 12/13: Leading quality products Pages 14-17: Resource-friendly production Pages 22/23: Sustainable supply chains</p>	<p>Page 7: Environmental topics</p>
<p>Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies.</p>	<p>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 for the development and production of new elastomer products.</p> <p>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 to reduce nitrogen-oxide emissions from diesel-powered vehicles in the automotive industry.</p>	<p>Pages 12/13: Leading quality products Pages 14-17: Resource-friendly production</p>	<p>Page 7: Environmental topics</p>
Anti-Corruption			
<p>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>The Datwyler Group'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, anti-trust or monopoly practices were brought against Datwyler during 2018. Nor were any significant fines or non-monetary sanctions imposed on Datwyler for non-compliance with laws and regulations during the reporting year. In accordance with the Code of Conduct, the Datwyler Group does not provide financial support to political parties, organisations or office holders.</p> <p>Since 2014, the Datwyler Group also has a supplier Code of Conduct.</p> <p>The internal auditors regularly monitor compliance with laws and observation of the Code of Conduct in all organisational units of the Datwyler Group.</p>	<p>Pages 22/23: Sustainable supply chains Pages 24/25: Fair business practices</p>	<p>Page 5: Ethics and integrity (102-16) Page 6: Economic topics, Anti-corruption (205-2, 205-3), Anti-competitive behaviour (206-1) Page 7/8: Social topics, supplier social assessment (414-1), compliance (419-1)</p>

GRI Content Index referencing the Datwyler Sustainability Report 2018

Integration of Sustainability Information following the Global Reporting Initiative Guidelines

The Sustainability Report 2018 published by Dätwyler Holding Inc. follows the Global Reporting Initiative (GRI) Guidelines for the eleventh time. The report, together with the information compiled in this detailed GRI Content Index, has been prepared according to the latest internationally recognised GRI guidelines as confirmed by GRI.

GRI is the world's leading standard for corporate sustainability reporting (www.globalreporting.org). The GRI guidelines require disclosures that set the overall context for understanding an organisation's sustainability performance. Furthermore, they cover disclosures on the organisational profile and numerous performance indicators relating to the organisational profile as well as to economic, environmental and social topics. By adopting these guidelines, Datwyler is seeking to provide its stakeholders with comprehensive and transparent information on the company's sustainability focus.

The GRI Content Index below shows where to locate specific information in the Sustainability Report or in the Annual Report.

If you have any queries about Datwyler's sustainability reporting, please contact:

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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.

GENERAL STANDARDS

Reference	Disclosure	Page *
GRI 101: Foundation (2016)		
This report has been prepared in accordance with the principles of the GRI standards.		
GRI 102: General Disclosures (2016)		
1. Organisational profile		
GRI 102-1	Name of the organisation	p. 30
GRI 102-2	Activities, brands, products, and services	p. 4–5, AR p. 14–21
GRI 102-3	Headquarters	p. 30
GRI 102-4	Location of operations	AR p. 90–91
GRI 102-5	Ownership and legal form	AR p. 28–29
GRI 102-6	Markets served	p. 4–5, AR p. 14–21
GRI 102-7	Scale of the organisation	p. 2–5
GRI 102-8	Information on employees and other workers	p. 2–5, 19–21
GRI 102-9	Supply Chain	p. 22–23
GRI 102-10	Significant changes to the organisation and its supply chain None.	
GRI 102-11	Precautionary Principle All employees and suppliers are told to use resources sparingly (Code of Conduct). There is also a systematic approach to risk management with a view to minimising a wide variety of risks, including environmental risks.	AR p. 24
GRI 102-12	External Initiatives United Nations Global Compact; Nachhaltigkeitsbericht nach den Global Reporting Initiative (GRI) Standards; Berichterstattung nach dem Carbon Disclosure Project (CDP)	
GRI 102-13	Membership of associations Swissmem; Global Compact Network Switzerland	
2. Strategy		
GRI 102-14	Statement from senior decision maker	p. 1 AR p. 8–11
3. Ethics and integrity		
GRI 102-16	Values, principles, standards, and norms of behavior Our values are based on 100 years of success as a company, see also www.datwyler.com/en/governance/values 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.	p. 1, 24–25
4. Governance		
GRI 102-18	Governance structure	AR p. 28–38
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 63.8% 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 Price, quality, delivery times, conditions of employment, wages and increasingly the environment and social aspects too (compliance) by shareholders/investors and customers. Concerns are addressed and action taken accordingly where this makes sense.	
6. Reporting practice		
GRI 102-45	Entities included in the consolidated financial statements If not stated otherwise, all entities in the Datwyler Group, incl. the Sealing Solutions and Technical Components divisions	
GRI 102-46	Defining report content and topic boundaries	p. 6
GRI 102-47	List of material topics	p. 6
GRI 102-48	Restatements of information None.	
GRI 102-49	Changes in reporting None.	
GRI 102-50	Reporting period 1.1.2018 – 31.12.2018	
GRI 102-51	Date of most recent report 23.5.2018	
GRI 102-52	Reporting cycle Annual	
GRI 102-53	Contact point for questions regarding the report	p. 30
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	p. 26
GRI 102-56	External assurance No external assurance	

TOPIC-SPECIFIC STANDARDS

Reference	Disclosure	Page	Reasons for omission
GRI 200: Economic			
GRI 201: Economic Performance (2016)			
GRI 103 103-1/103-2/103-3	Management Approach (2016)	p. 8	
GRI 201-1	Direct economic value generated and distributed	p. 8	
GRI 201-3	Defined benefit plan obligations	AR p. 69	
GRI 203: Indirect Economic Impacts (2016)			
GRI 103 103-1/103-2/103-3	Management Approach (2016)	p. 8	
GRI 203-2	Significant indirect economic impacts	p. 8	
GRI 205: Anti-corruption (2016)			
GRI 103 103-1/103-2/103-3	Management Approach (2016)	p. 22–25	
GRI 205-2	Communication and training about anti-corruption policies and procedures	p. 24–25	
GRI 205-3	Confirmed incidents of corruption and actions taken No incidents in the reporting year.		
GRI 206: Anti-competitive Behaviour (2016)			
GRI 103 103-1/103-2/103-3	Management Approach (2016)	p. 24–25	
GRI 206-1	Legal actions for anti-competitive behaviour	p. 25	

Reference	Disclosure	Page	Reasons for omission
GRI 300: Environmental			
GRI 302: Energy (2016)			
GRI 103 103-1/103-2/103-3	Management Approach (2016)	p. 14–15	
GRI 302-1	Energy consumption within the organisation	p. 17	
GRI 302-3	Energy intensity	p. 17	
GRI 302-4	Reduction of energy consumption	p. 15	
GRI 302-5	Reduction in energy requirements of products and services	p. 12–15	
GRI 303: Water (2016)			
GRI 103 103-1/103-2/103-3	Management Approach (2016)	p. 14–16	
GRI 303-1	Water withdrawal by source	p. 16–17	
GRI 305: Emissions (2016)			
GRI 103 103-1/103-2/103-3	Management Approach (2016)	p. 14–16	
GRI 305-1	Direct (Scope 1) GHG emissions	p. 17	
GRI 305-2	Indirect energy-related (Scope 2) GHG emissions	p. 17	
GRI 305-4	GHG emissions intensity	p. 17	
GRI 305-5	Reduction of GHG emissions	p. 15–16	
GRI 306: Effluents and Waste (2016)			
GRI 103 103-1/103-2/103-3	Management Approach (2016)	p. 14–16	
GRI 306-2	Waste by type and disposal method	p. 16–17	
GRI 307: Environmental Compliance (2016)			
GRI 103 103-1/103-2/103-3	Management Approach (2016)	p. 23–25	
GRI 307-1	Non-compliance with environmental laws and regulations Based on the compliance reporting process, no lawsuits were filed against Datwyler in 2018 for non-compliance with environmental protection laws and regulations.	p. 23	
GRI 400: Social			
GRI 401: Employment (2016)			
GRI 103 103-1/103-2/103-3	Management Approach (2016)	p. 19–21	
GRI 401-1	New employee hires and employee turnover	p. 21	Detailed breakdown in preparation
GRI 403: Occupational Health and Safety (2016)			
GRI 103 103-1/103-2/103-3	Management Approach (2016)	p. 18	
GRI 403-2	Types of injury and rates of injury	p. 18	
GRI 404: Training and Education (2016)			
GRI 103 103-1/103-2/103-3	Management Approach (2016)	p. 19–20	
GRI 404-2	Skills management and lifelong learning	p. 19–20	
GRI 404-3	Percentage of employees receiving regular performance reviews	p. 19–20	
GRI 405: Diversity and Equal Opportunity (2016)			
GRI 103 103-1/103-2/103-3	Management Approach (2016)	p. 19, 21	
GRI 405-1	Diversity of governance bodies and employees	p. 21 AR p. 33–37	

Reference	Disclosure	Page	Reasons for omission
GRI 406: Non-discrimination (2016)			
GRI 103 103-1/103-2/103-3	Management Approach (2016)	p. 19	
GRI 406-1	Incidents of discrimination and corrective actions taken	p. 19	
GRI 408: Child Labor (2016)			
GRI 103 103-1/103-2/103-3	Management Approach (2016)	p. 22–23	
GRI 408-1	Operations and suppliers at significant risk of 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 103 103-1/103-2/103-3	Management Approach (2016)	p. 22–23	
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 412: Human Rights Assessment (2016)			
GRI 103 103-1/103-2/103-3	Management Approach (2016)	p. 22–24	
GRI 412-3	Investment agreements that include human rights clauses	p. 22–24	
GRI 414: Supplier Social Assessment (2016)			
GRI 103 103-1/103-2/103-3	Management Approach (2016)	p. 22–23	
GRI 414-1	New suppliers that were screened using social criteria	p. 22–23	
GRI 416: Customer Health and Safety (2016)			
GRI 103 103-1/103-2/103-3	Management Approach (2016)	p. 12–13	
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	p. 12–13	
GRI 417: Marketing and Labeling (2016)			
GRI 103 103-1/103-2/103-3	Management Approach (2016)	p. 12–13	
GRI 417-1	Product and service information and labelling	p. 12–13	
GRI 419: Socioeconomic Compliance (2016)			
GRI 103 103-1/103-2/103-3	Management Approach (2016)	p. 22–25	
GRI 419-1	Non-compliance with laws and regulations	p. 22	
Company specific topic: Strong customer satisfaction			
GRI 103 103-1/103-2/103-3	Management Approach (2016)	p. 10–11	

* Page(s) in this report or in the Annual Report (AR = Datwyler Annual Report 2018)