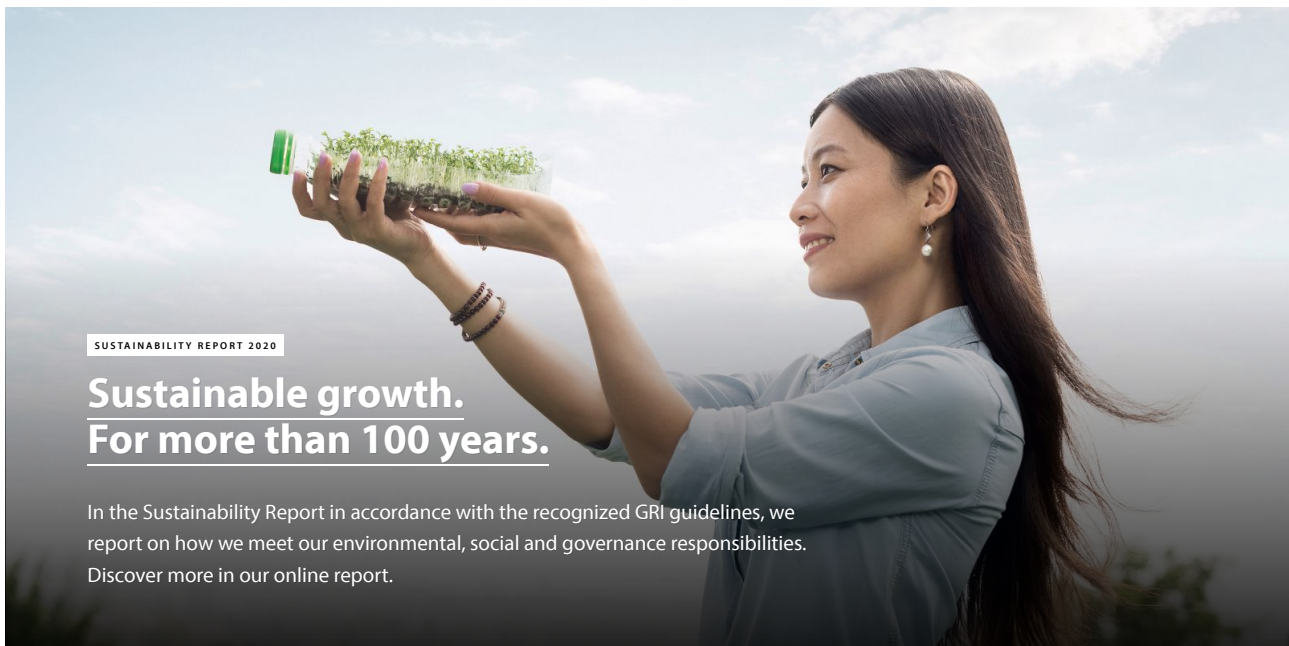


UN GLOBAL COMPACT

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.

☰ Human Rights
☰ Labour
☰ Environment
☰ Anti-Corruption



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 CO₂eq 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