



Thanks to a systematic and proactive chemical compliance management, Datwyler uses only safe and environmentally friendly substances worldwide.

## RESOURCE-FRIENDLY PRODUCTION

For the Datwyler Group, a responsible attitude to natural resources represents an important principle that is enshrined in both the corporate values and the Code of Conduct.

Most of the sealing and electronic components at the Datwyler Group are small parts used in clients' systems, products or equipment. For example, Datwyler sealing components are used in every second car worldwide or one in every five syringes. As for Datwyler electronic components, they can be found in, say, robots or control systems for smart home systems or production facilities.

### Focus on own production plants

During their useful life, the direct environmental impact associated with Datwyler components is low. And even the environmental impact associated with the disposal of Datwyler components is negligible compared with our customers' systems, products or equipment. As such, it quickly became clear in the materiality analysis that, as regards responsible use of natural resources, the Datwyler Group's focus is on resource-friendly production. And while the Group still wants to keep growing of course, Datwyler also wants to reduce consumption of resources such as heating energy, electricity and water for each revenue unit at the same time. The same applies to the volume of waste produced

at the plants. With this in mind, the Group has set itself ambitious objectives, up to 2020, based on average values to be achieved each year: reduction in fuel consumption in relation to revenue (MWh/CHF million) of 6% a year, reduction in electricity consumption in relation to revenue (MWh/CHF million) of 3% a year, reduction in water consumption in relation to revenue (m<sup>3</sup>/CHF million) of 3% a year and reduction in the volume of waste in relation to revenue (tonnes/CHF million) of 3% a year. With these objectives and associated measures, Datwyler is adopting a targeted approach to reducing its environmental impact. Unsurprisingly, the production-oriented Sealing Solutions division uses considerably more resources than the distribution business at the Technical Components division. In terms of actual numbers, the distribution business is responsible for less than 3% of energy consumption (Scope 1 and 2), less than 0.5% of water consumption and less than 7% of the volume of waste across the Group. This makes it clear that the Sealing Solutions division accounts for the vast majority of resource consumption and waste. The explanations below regarding the progress achieved towards achieving objectives – by

**138 million**  
CHF invested by the  
Datwyler Group in 2017.

KEY POINTS IN BRIEF

- **Environmental** management is focused on the business's own production plants within the Sealing Solutions division.
- **Datwyler** environmental management is certified in accordance with ISO 14001 at the majority of plants and is integrated into the new production system.
- **Reduction** in material relative consumption per revenue unit in the 2018 reporting year: heating fuel -1.7%, electricity -1.9%, water -4.3%, volume of waste -1.5%. This is the second time in a row that Datwyler has reduced relative consumption of all resources, but only achieved its own ambitious targets for water consumption.
- **Objectives:** Average annual reduction in the relative consumption of resources per revenue unit up to 2020: fuel -6%, electricity -3%, water -3%, volume of waste -3%.

way of relative consumption figures – therefore focus on the Sealing Solutions division. Absolute consumption figures for both divisions and the Group can be found on page 17.

**Certified and integrated environmental management**

The certified and integrated environmental management system provides the basis for optimising the use of resources. A number of Datwyler plants already have certification in accordance with the internationally recognised ISO 14001 standard. Other companies are striving to achieve ISO environmental certification. The Swiss plant has also been a member of the Energy Agency of the Swiss Private Sector (EnAW). At the Sealing Solutions division, an overall Environment Health and Safety (EHS) Manager is responsible for coordinating issues relating to environmental management. This person is supported by a dedicated EHS officer at each plant. In addition, 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.

**71.1 %**  
of waste is recycled.

**Production system as basis for operational excellence**

With a view to ensuring the business is competitive and equipped to cope with the increasing speed with which the requirements of global supply chains change, Datwyler has an integrated production system with uniform production processes for all plants on all continents. As a shared, long-term programme for continuous improvement, the Datwyler production system offers a framework for achieving operational excellence. For Datwyler, the quest for operational excellence means a safe workplace, no quality issues, deliveries on time, waste-free processes, environmental protection, and satisfied and empowered employees. This makes reducing the consumption of resources and protecting the environment an integral dimension in the pursuit of operational excellence.

**Reduction of relative electricity and fuel consumption**

Absolute energy consumption in Datwyler's Sealing Solutions division – which is so dominant in terms of resource consumption – increased by 0.6% to 233'053 MWh during the 2018 reporting year (previous year: 231'578 MWh). Of this, 189'878 MWh or 81.5% relates to electricity consumption, which increased by 1.1% during 2018. Currency-adjusted revenue, which is used as the basis for assessing relative resource consumption, increased by 3.0% during 2018. Relative electricity consumption declined by 1.9% per revenue unit. This means that while Datwyler is heading in the right direction, it failed to achieve the ambitious objective of a 3% reduction in relative electricity consumption for 2018. At 39'650 MWh or 17%, process and heating energy from the burning of fuels such as heating oil or natural gas at the business's own sites accounts for a much smaller share of energy consumption. This consumption was up 1.3% on the previous year, in absolute terms. Datwyler did, however, manage to reduce fuel consumption per revenue unit by 1.7% in 2018. This means the company has missed its ambitious objective of a 6% reduction in relative consumption. Various measures are currently being planned and reviewed with a view to using electricity and energy more efficiently in future. At its Italian plant, Datwyler is investing CHF 1.7 million in a modern combined cooling, heat and power unit powered by natural gas. This 1.2 MW trigeneration unit generates electrical energy and heat for heating purposes and for production processes. Cooling requirements can also be covered by the use of an absorption chiller. The new combined cooling, heat and power unit will reduce



If special waste cannot be prevented, Datwyler works with external specialists to ensure proper and environmentally-friendly removal.



Environmental management is an integral dimension of the standard Datwyler production system.

purchased electricity by more than 70% and CO<sub>2</sub> emissions by some 900 tonnes per year from autumn 2019. Another good example is the ecological cooling system at the Swiss plant. The use of groundwater for air conditioning, ventilation and certain processes reduced electricity demand by over 60% compared with a conventional solution based on chillers. In absolute terms, the electricity savings per year amount up to 1'900 MWh. Moreover, at many sites, Datwyler equips the air compressors with heat recovery systems.

#### Slight reduction in relative CO<sub>2</sub> emissions

With a view to reducing energy consumption per revenue unit, Datwyler is also striving to reduce CO<sub>2</sub> emissions per revenue unit. CO<sub>2</sub> emissions from direct and indirect energy consumption are calculated by an external specialist on the basis of recognised emission factors derived from reported energy volumes. Both Scope 1 emissions from direct energy consumption of fuels and Scope 2 emissions from indirect energy consumption of electricity and district heating increased in the year under review. Overall, absolute CO<sub>2</sub> emissions at the Datwyler Group increased by 2.6% to 88'310 tonnes (previous year: 86'086 tonnes). The

slightly disproportionate increase compared to electricity consumption can be explained by the growing production capacity at plants in China and India, which increase the average level of CO<sub>2</sub> associated with the electricity consumed. The relative CO<sub>2</sub> emissions per revenue unit were slightly reduced by 0.4%. In India, the Maharashtra Pollution Control Board has placed the Datwyler plant in the category of companies with the lowest levels of air pollution.

#### Decline in relative and absolute water consumption

The Datwyler Group's absolute water consumption of some 2.1 million m<sup>3</sup> decreased slightly by 1.5% compared with the previous year. The reduction per revenue unit of Datwyler's Sealing Solutions division, which is crucial for resource consumption, amounted to 4.3%. This exceeded the target of a 3% reduction. The substantial water consumption at the Sealing Solutions division reflects the specific requirements of production processes.

Particularly water-intensive are the washing of health care components and the cooling equipment used for manufacturing in the Consumer Goods segment. The water demand at the Swiss plant of some 860'000 m<sup>3</sup> (accounting for over 40% of water consumption across the Group) is largely covered by process water. Several production sites have treatment facilities and use the water several times before returning it cleaned to the environment.

**3'600**  
tons of CO<sub>2</sub> savings  
per year in Switzerland.

#### Slight reduction in the relative volume of waste

The absolute volume of waste increased in the reporting year slightly to 14'118 tonnes (previous year: 13'913 tonnes). At the same time, however, the relative volume of waste per sales unit was reduced by 1.5%. The reduction objective of 3% was thus not achieved. The recycling rate increased from 68.3% to 69.7%. This is one consequence of the efforts made at the Sealing Solutions division to find customers for process-related elastomer waste. The US Health Care plant was recognised for its voluntary 'Environmental Stewardship' by the New Jersey Department of Environmental Protection in acknowledgement of its commitment to recycling. The elastomer material concerned, which is of perfectly good quality, is used, for example, to manufacture floor coverings at sports facilities. Datwyler also has a vested interest in achieving ongoing reductions in process-related elastomer waste by continuously looking to improve both production processes and the way components are engineered. This can save both costs and resources.

i

#### CO<sub>2</sub>-neutral industrial production in Switzerland

The Swiss production site of the Sealing Solutions division provides a good example of how to use natural resources responsibly. Since the end of 2012, Datwyler has only been sourcing environmentally friendly electricity for the site – generated entirely from hydropower and originating from power plants with 'naturemade basic' certification belonging to the local electricity provider. This means some 10% of the electricity consumed across the Group comes from environmentally friendly hydropower. The resulting reduction in CO<sub>2</sub> emissions amounts to around 2'300 tonnes a year. The Swiss production site has been sourcing process and heating energy from a nearby wood-fired heating plant since as long ago as 2008. This allows Datwyler to save around 500'000 litres of heating oil a year and reduce annual CO<sub>2</sub> emissions by another 1'300 tonnes or so a year.

## SUMMARY OF RESOURCE CONSUMPTION <sup>(1)</sup>

Unit	SEALING SOLUTIONS			TECHNICAL COMPONENTS			GROUP			
	2018	2017		2018	2017		2018	2017		
<b>Energy</b>										
Total energy consumption	MWh	233'053	231'578	+0.6%	5'602	5'678	-1.3%	238'655	237'256	+0.6%
Heating fuels	MWh	39'650	39'152	+1.3%	2'241	1'951	+14.9%	41'891	41'103	+1.9%
Energy generated externally	MWh	193'403	192'426	+0.5%	3'361	3'727	-9.8%	196'764	196'153	+0.3%
– of which electricity	MWh	189'878	187'889	+1.1%	3'361	3'727	-9.8%	193'239	191'616	+0.8%
– of which district heating	MWh	3'525	4'537	-22.3%	0	0		3'525	4'537	-22.3%
<b>Greenhouse gas emissions CO<sub>2</sub> <sup>(2)</sup></b>										
Total emissions	tonnes	88'310	86'086	+2.6%	1'823	1'899	-4.0%	90'133	87'984	+2.4%
– of which Scope 1	tonnes	8'285	8'115	+2.1%	453	394	+14.9%	8'738	8'509	+2.7%
– of which Scope 2	tonnes	80'024	77'970	+2.6%	1'371	1'505	-8.9%	81'395	79'475	+2.4%
<b>Water</b>										
Drinking/industrial water consumption	m <sup>3</sup>	2'086'088	2'115'447	-1.4%	4'611	6'748	-31.7%	2'090'699	2'122'195	-1.5%
<b>Waste</b>										
Total waste	tonnes	14'118	13'913	+1.5%	939	978	-4.0%	15'057	14'891	+1.1%
– of which regular waste	tonnes	12'939	13'162	-1.7%	939	978	-4.0%	13'878	14'140	-1.9%
– of which special waste	tonnes	1'179	751	+56.9%	0	0		1'179	751	+56.9%
Proportion of waste sent for recycling	%	69.7%	68.3%	+2.0%	92.1%	89.5%	+2.8%	71.1%	69.7%	+1.9%

<sup>(1)</sup> As regards resource consumption (scope 1 and 2) and waste, the focus is on the 18 production plants of the Sealing Solutions division. The three distribution centres of the Technical Components division are also shown in this table, which account for less than 3% of energy consumption, less than 0.5% of water consumption and less than 7% of the volume of waste at Group level. By presenting things this way, Datwyler covers, at Group level, more than 98% of the overall resource consumption and waste and more than 90% of the workforce. For newly acquired companies with production plants, resource consumption and net revenue are taken into account in the first full calendar year. The companies acquired in 2018, Parco and Bins, were therefore not included in the reporting year.

<sup>(2)</sup> The CO<sub>2</sub> emissions are reported as direct (Scope 1) emissions, resulting from the combustion of fossil fuels at the Group's own facilities, and indirect (Scope 2) emissions, caused for example by the consumption of electricity and district heating. The CO<sub>2</sub> emissions from electricity consumption have been calculated using the so-called market-based approach. This value is also similar to those generated using a location-based approach. The emission factors used to calculate CO<sub>2</sub> emissions from electricity consumption were adjusted according to the latest International Energy Agency figures for the year under review and the previous year. This led to a decline in the previous year's figures compared with the Sustainability Report 2017.