



Datwyler strives to define the most environmentally friendly materials possible when developing sealing components.

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 (m³/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 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.

118 million

CHF invested by the
Datwyler Group in 2017.

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. In Switzerland, the Sealing Solutions division plant has also been a member of the Energy Agency of the Swiss Private Sector (EnAW) since 2002. At the Sealing Solutions division, an overall Environment Health and Safety (EHS) Manager is responsible

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 2017 reporting year: heating fuel – 5%, electricity – 0.4%, water – 9.6%, volume of waste – 4.5%. This means Datwyler achieved the objectives it set itself for water consumption and the volume of waste.
- **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%.

for coordinating issues relating to environmental management. This person is supported by a dedicated EHS officer at each plant. With the introduction of the integrated Datwyler Production System in spring 2017, environmental management will become an integral dimension of the drive for operational excellence. The other five dimensions are people, safety, quality, delivery and costs. The Production System enables Datwyler to develop uniform production processes for all plants in every continent (see also p. 12 'Sustainable quality products and services'). And even as part of its existing environmental management work, Datwyler is keen to optimise the use of resources and minimise any significant impact on the environment. 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 117.9 million (previous year: CHF 77.8 million). The impact on the use of resources is also considered when any investments are made in equipment and buildings.

Environmentally friendly component design

In addition to resource-friendly production, Datwyler also strives to define the most environmentally friendly materials and processes possible when developing sealing components. The idea is to reduce to a minimum the environmental impact of manufacturing, using and subsequently disposing of products (see also p. 12 'Sustainable qual-

ity products and services'). In several cases, the use of Datwyler seal components makes a direct contribution to environmental protection. Examples include seals for environmentally friendly natural gas drives and for technologies associated with the reduction of nitrogen oxide emissions from diesel vehicles in the automotive industry or facades and window profiles for improving insulation in buildings.

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 8.8% to 231'578 MWh during the 2017 reporting year (previous year: 212'890 MWh). Of this, 187'889 MWh or 81.1% relates to electricity consumption, which increased by 10.1% during 2017. One reason for this is the inclusion in the figures, for the first time, of the German firm Ott, which specialises in injection moulding and was acquired in late September 2016. Also, Datwyler started operations at two new mixing plants during 2017, located at existing production sites in Belgium and the Czech Republic. In Belgium, the business is manufacturing mixtures under clean room conditions for the first time, and this results in a disproportionately high increase in electricity consumption. To keep pace with organic growth in demand, Datwyler has also put additional production facilities into operation at various plants. Then there are changes in the product mix, with greater emphasis on more energy-intensive components such as health care components from clean rooms.

Currency-adjusted revenue, which is used as the basis for assessing relative resource consumption, increased by 10.5% during 2017. Here, full account was taken in the reporting year of the acquisition Ott – in terms of both revenue and resource consumption – whereas no account had been taken during the previous year. Relative electricity consumption declined by 0.4% 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 2017. Various measures are currently being reviewed with a view to using electricity more efficiently in future. A good example is the new, ecological cooling system at the Swiss site, in which Datwyler invested CHF 3.7 million in 2016. The use of ground-water for air conditioning, ventilation and certain processes reduced electricity demand by over 60% during the first year of operation (2017) compared with a conventional solution based on chillers. In absolute terms, the electricity savings per year amount to between 1'000 and 1'700 MWh, depending on the number of hot days in the year being compared. At 39'152 MWh or 16.9%, process and heating

69.7 %
of waste is recycled.



Datwyler started operations at two new mixing plants during the reporting year, which partly explains the increase in electricity consumption.



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

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 5% on the previous year, in absolute terms, due to the heating being on for more days and more space being devoted to production. Datwyler did, however, manage to reduce fuel consumption per revenue unit by 5% in 2017. This means the business only just missed its objective of a 6% reduction in relative consumption.

Increase in CO₂ emissions

With a view to reducing energy consumption per revenue unit, Datwyler is also striving to reduce CO₂ emissions per revenue unit. CO₂ 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. Similar to the trend for energy consumption, Scope 1 emissions from direct energy consumption (fuel) rose slightly less than Scope 2 emissions from indirect energy consumption (electricity and district heat-

ing). Overall, absolute CO₂ emissions at the Datwyler Group increased by 13.4% to 97'006 tonnes (previous year: 85'560 tonnes). The disproportionately increase can be explained by the growing production capacity at plants in China and India, which increase the average level of CO₂ associated with the electricity consumed.

Significant decline in relative water consumption

At around 2.1 million m³, absolute water consumption in the Datwyler Group was almost unchanged from the previous year. Reduction per revenue unit amounted to 9.6%, which meant the objective of a 3% reduction was easily surpassed. The high water consumption at the Sealing Solutions division reflects the specific requirements of production processes. Particularly water-intensive are the cooling of seal profiles used for construction and civil engineering applications, the cleaning of health care components, and the cooling equipment used for manufacturing in the Consumer Goods segment. The water demand at the Swiss production site of around 865'000 m³ (accounting for over 40% of water consumption across the Group) is largely covered by process water.

237'256

MWh was the amount of energy consumed in 2017.

Reduction in the relative volume of waste

The absolute volume of waste increased in the reporting year to 13'913 tonnes (previous year: 13'191 tonnes). By reducing the relative volume of waste per revenue unit by 4.5%, however, Datwyler actually exceeded the reduction objective of 3%. The recycling rate increased from 67.6% to 68.3%. This is one consequence of the efforts made at the Sealing Solutions division to find customers for process-related elastomer waste. In the reporting year, 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. But 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.

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Annual saving of 3'600 tonnes of CO₂

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 CO₂ 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 CO₂ emissions by another 1'300 tonnes or so a year.

SUMMARY OF RESOURCE CONSUMPTION ⁽¹⁾

	Unit	SEALING SOLUTIONS			TECHNICAL COMPONENTS			GROUP		
		2017	2016		2017	2016		2017	2016	
Energy										
Total energy consumption	MWh	231'578	212'890	+8,8%	5'678	5'776	-1,7%	237'256	218'666	+8,5%
Heating fuels	MWh	39'152	37'287	+5,0%	1'951	1'795	+8,7%	41'103	39'082	+5,2%
Energy generated externally	MWh	192'426	158'910	+9,6%	3'727	3'981	-6,4%	196'153	179'584	+9,2%
– of which electricity	MWh	187'889	170'700	+10,1%	3'727	3'981	-6,4%	191'616	174'681	+9,7%
– of which district heating	MWh	4'537	4'903	-7,5%	0	0		4'537	4'903	-7,5%
Greenhouse gas emissions CO₂ ⁽²⁾										
Total emissions	tonnes	97'006	85'560	+13,4%	1'815	1'847	-1,7%	98'821	87'406	+13,1%
– of which Scope 1	tonnes	8'115	7'711	+5,2%	394	363	+8,7%	8'509	8'073	+5,4%
– of which Scope 2	tonnes	88'891	77'849	+14,2%	1'421	1'484	-4,2%	90'312	79'333	+13,8%
Water										
Drinking/industrial water consumption	m ³	2'115'447	2'117'336	-0,1%	6'748	6'625	+1,9%	2'122'195	2'123'961	-0,1%
Waste										
Total waste	tonnes	13'913	13'191	+5,5%	978	943	+3,7%	14'891	14'134	+5,4%
– of which regular waste	tonnes	13'162	12'416	+6,0%	978	943	+3,7%	14'140	13'359	+5,9%
– of which special waste	tonnes	751	775	-3,1%	0	0		751	775	-3,1%
Proportion of waste sent for recycling	%	68,3%	68%	+1,1%	89,5%	91%	-1,6%	69,7%	69%	+0,8%

⁽¹⁾ 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.

⁽²⁾ The CO₂ 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 CO₂ 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.