

Corporate Social Responsibility

Landis+Gyr supports both energy industry and consumers by providing solutions which allow for better planning and management of energy consumption, enabling positive environmental outcomes. In parallel, the Group is constantly working on reducing its own environmental footprint as well as the one of its products.

Climate change, technological innovations as well as demographic and social changes are challenging individuals but also the energy industry.

Landis+Gyr is determined to meet and manage these challenges as sustainably as possible and to fulfill its Corporate Social Responsibility (CSR) holistically and as a leader within the industry. In recent years, the Company has strengthened its group-wide sustainability management and introduced standards to ensure socially balanced, healthy and safe working conditions in all areas of its operations and supply chain. Landis+Gyr is committed to a safe working environment and an inclusive corporate culture that encourages employees to develop their unique skills (for more information on Landis+Gyr's approach to employees, see chapter "Our People" on pages 44 ff.). The Group and its employees engage in a wide range of activities to strengthen relationships with local communities, customers, business partners, employees and other important stakeholders.

Through a range of operational enhancements and training programs, Landis+Gyr works to reduce greenhouse gas emissions, waste and the consumption of water and hazardous chemical substances caused by its business activities. The Group is dedicated to improving employees' awareness of sustainability issues, encouraging them to actively participate and promoting improvement along the entire internal energy consumption value chain. In addition, the Group has set goals to reduce its CO₂ impact and works on designing a portfolio with a better environmental footprint.

Nine material topics from the ESG1 materiality analysis

Environmental

- Energy efficiency & climate protection
- Resource efficiency
- Strategic responsible sourcing

Social

- Employee motivation
- Occupational health and safety
- Fair labor practices
- Community engagement

Governance

- Data security and privacy
 - Business integrity
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Nine Priority Topics for Future Development

During FY 2019, Landis+Gyr expanded its CSR program efforts to further identify and enhance the scope and focus of its sustainability management processes. The program considers the ecological, social and governance related as well as economic impact of the Group's activities. It focuses on nine key topics which were identified as most relevant for Landis+Gyr in an in-depth materiality analysis.

For each work stream, objectives are defined for a three-year basis. Currently, Landis+Gyr is in the implementation phase of the first CSR cycle from 2019 to 2021. More than 70 unique tasks have been initiated to reach the objectives. The measures are determined and managed by nine work stream leaders all supported by the central CSR office. They coordinate the CSR actions for their respective material topic, track the progress and report quarterly to a newly established Sustainability Committee.

The Committee reviews the work streams, aligns the various activities and priorities and provides guidance and support where needed. It meets four times a year and reports to the Executive Management Team and the Board of Directors.

The objective of the CSR program is to formalize Landis+Gyr's ESG strategy and to both coordinate and advance its implementation across the Group. For example, a Research & Development working group is currently developing a Green Design Manual. It aims to consolidate Landis+Gyr's sustainable practices for its global hardware portfolio and considers aspects like the disassembly process or energy self-consumption of Landis+Gyr products. The CSR program also will mitigate operational risks and address new regulatory requirements and business opportunities. More details on the nine material topics and Landis+Gyr's goals for each of them can be found in the Group's Sustainability Report 2018/2019.

Further Reduction of Ecological Footprint

Landis+Gyr's mission "Manage energy better" is a clear commitment to customers, consumers and the society. In the reporting period, Landis+Gyr successfully continued its efforts to further improve the Group's environmental profile including its carbon footprint.

As a result, the Group reduced its CO₂ emissions by another 9% to 24,889t in FY 2019. Minimized process emissions and less road travel were the main drivers of this reduction which was also impacted by the shutdown of several factories in March 2020 due to CCOVID-19 and the outsourcing of some product lines, primarily in the UK.



Focus Areas of Environmental Program 2019–2021

Carbon Footprint

Further improvement of the Company's Carbon Footprint

Waste Management

Enhancement of Landis+Gyr's waste management and further reduction of landfill ratio

Product Portfolio

Optimization and renewal of the portfolio of products with optimized environmental impact over the full product life cycle

Total waste volume went down by 16% to 3,641 t compared to 4,345 t in FY 2018. Overall water consumption decreased by 13% to 99,903 m³ compared to 115,326 m³ in the previous year. Modernizing of in-house water supply at our sites in China and India made a positive contribution whereas increase of water consumption in Lafayette (US) and Reynosa (MEX) was driven by wetter conditions. The total decrease of chemical use by 13% to 9.3 t compared to 10.6 t in FY 2018 was seen throughout all regions. Changes of processing methods, improved awareness and training and the outsourcing of product lines drove the impact.

Since it began measuring its carbon footprint in 2007, Landis+Gyr has lowered its CO₂ emissions on a per-turnover basis from 2.8 to just below 1.3 kg per USD 100, a 42% decrease.

Landis+Gyr will publish a detailed update of the Group's CSR achievements and initiatives for its financial year 2019/20 with the release of the half-year results 2020 on October 28th, 2020.

Contributing to the Sustainability of Utilities and End-Users

Besides Landis+Gyr's continuous efforts to reduce its own ecological footprint, the Group contributes to the decrease of CO₂ emissions of both utilities and end-users. With its intelligent products and solutions, Landis+Gyr provides valuable insights into energy consumption. By making the usage more visible, the Group helps to increase the awareness for the consumption and thus the attempts to reduce it. As an example, Landis+Gyr's products enable remote control and supply switch management, which contributes to the reduction of truck rolls needed for the maintenance of the products. The proactive alarming of faults and outages leads to a faster service restoration. This, again, results in better customer service and a impact on CO₂ emissions for the impacted utilities. Finally, the Smart Metering supported peak load shifting results in enhanced efficiency.

For the first time, Landis+Gyr has calculated the reduction in CO₂ emissions made possible by its installed smart metering products. Landis+Gyr's smart meter base enabled a direct CO₂ emission reduction of 8 million tons in 2019. This does not include all the operational benefits on the supply side. As a good corporate citizen and frontrunner of its industry, Landis+Gyr is committed to continue this journey and to help society manage energy better.

Key environmental data

	2019	2018	2017	2016	2015
Net revenue in USD million	1,699	1,765	1,738	1,659	1,574
Employees	5,768	5,611	5,915	5,919	6,001
m ³ water	99,903	115,326	104,962	116,520	116,340
t waste	3,641	4,345	4,083	3,874	3,949
t chemicals	9.3	10.6	11.9	12.2	13.6
t CO _{2e}	24,889	27,334	28,088	31,594	32,296
Kg CO _{2e} /USD 100 turnover	1.3	1.3	1.3	1.5	1.7
t CO _{2e} per employee	3.7	4.0	3.8	4.2	4.3

Landis+Gyr Group's fiscal year runs from April 1 to March 31.



“As a forerunner in the area of Corporate Social Responsibility, we take our role as responsible corporate citizens seriously and Landis+Gyr is actively contributing to a more sustainable environment.”

Hans Sonder
Senior Vice President Business Transformation



Environmental Benefits of Smart Metering

Insights

in energy consumption increase awareness and help reduce the consumption



Remote

reads and supply switch management significantly reduce truck rolls



Proactive

alarming of faults and outages leading to faster service restoration positively impacting CO₂ emissions



Smart

Metering supported peak load shifting leading to enhanced efficiency

