LANDIS+GYR HELPS PEOPLE, ORGANIZATIONS AND COMMUNITIES AROUND THE GLOBE MANAGE ENERGY BETTER. IN THE PURSUIT OF THIS MISSION, LANDIS+GYR ASSUMES RESPONSIBILITY AS A CORPORATE CITIZEN BY FULFILLING THE HIGHEST STANDARDS IN ENVIRONMENTAL AWARENESS AS WELL AS BUSINESS ETHICS ACROSS THE ENTIRE VALUE CHAIN OF THE GROUP'S PRODUCTS AND SERVICES.

Corporate Social Responsibility

2016/17 ENVIRONMENTAL KEY FIGURES

WATER

+0.2 %

Consumption stabilized thanks to use of alternative water sources

LANDFILL

–26.6 %

As a result of recycling efforts

CHEMICALS

–14.3 %

As a result of replacement of chemicals identified as hazardous

CO_2E

–2.2 %

Overall CO_2 emissions decreased by another 2.2 %. Since the program's inception in 2007 the reduction amounts to 20.1 %.

Anticipating Tomorrow's Energy Challenges

Hans Sonder, Group Environmental Officer

In the financial year 2016/17, Landis+Gyr continued its extensive efforts to mitigate the Group's environmental impact. The execution of existing programs and new initiatives aimed to increase sustainability throughout the entire design and production process resulted in a further reduction in greenhouse gas emissions and resource consumption. By developing and delivering market-leading, environmentally sound solutions anticipating tomorrow's energy challenges, Landis+Gyr is making an important contribution to creating a sustainable future.

Responsible Partner. Landis+Gyr operates in full compliance with the laws, rules and regulations of the countries in which it is active. The Company has implemented a strong set of internal and external control measures and stipulates zero tolerance of corruption and violations of the principles of fair competition and human rights. To ensure socially balanced, healthy and safe working conditions, Landis+Gyr has established a set of stringent standards within the Group's operations and its supply chain. Its suppliers comply with and provide evidence of their compliance with Landis+Gyr's Quality, Environmental, Health and Safety Policy, and Code of Business Conduct and Ethics. These include declarations of compliance, self-assessment and third-party assessment and auditing. In addition to ISO 9001, 14001 and 18001 certification throughout the Company and at all its key suppliers, Landis+Gyr requires its tier one suppliers to acknowledge and implement the EICC (Electronics Industry Citizenship Coalition) Code of Conduct.

Further Reduction of Environmental Impact. In 2016/17, Landis+Gyr continued to promote its activities aimed at reducing its environmental impact. Resources were devoted to measuring its environmental impact and training its employees. Landis+Gyr routinely monitors the performance of its waste treatment and emission control systems in order to ensure their effectiveness and to identify potential for improvement. Lifecycle and recycling aspects are an integral factor of design and production processes in the entire value chain of the Group's products and services.

Water: Focus on Resource Efficiency. Landis+Gyr continued several initiatives aimed at reducing water consumption during the reporting period. In 2016/17, water consumption within the Landis+Gyr Group marginally increased by 0.2 % to 116,520 m^3 from 116,340 m^3 in the prior year and despite a significant sales growth of 5.45 %. 63.6 % (2015/16: 68.4 %) of total water consumption was attributed to level-1 sites and 29.9 % to level-2 sites (2015/16: 24.6 %). Level-3 sites accounted for 6.5 % of the total amount (2015/16: 7.0 %).
The use of alternative water sources and resource efficiency are high priorities at all operations of Landis+Gyr. Therefore, Landis+Gyr is committed to expanding its capacity for collecting rain water as well as for recycling and reusing water.

Waste: Significant Landfill Reduction. To curb the harmful effects of waste, Landis+Gyr aims to achieve constant operational improvements that reduce or prevent waste through design and in-process modifications, reuse and recycling. Waste management also includes the final treatment and disposal of waste at landfills and incineration facilities.
The total produced waste in 2016/17 slightly decreased by 1.9 % to 3,874 metric tons from 3,949 metric tons in the prior year. 80.8 % of total waste came from level-1 (2015/16: 78.9 %) and 19.2 % from level-2 sites (2015/16: 21.1 %). The reduction is primarily a result of improved waste sorting and recycling at its manufacturing sites. One of Landis+Gyr's key targets is to reduce landfill waste. The actions taken during the past year focused on the Company's main landfill generators and produced the desired results. Overall landfill volumes were reduced significantly in all regions by a total of 26.6 % compared to the previous year.

Chemicals: Use Halved in Five Years. The sound management of chemicals throughout the entire value chain and the entire lifecycle of Landis+Gyr's products and services is an essential target of the Group. Therefore, Landis+Gyr is promoting chemical management projects to phase out the use of chemicals defined as hazardous and to minimize corresponding emissions. In 2016/17, the total use of chemicals decreased by another 14.3 % to 11.7 metric tons from 13.6 metric tons in the prior year. Level-1 sites accounted for most of the chemicals impact, whereas use of chemicals at level-2 and level-3 sites was negligible. Since 2012/13, the overall use of chemicals has dropped by almost half.

Carbon Footprint

Ten Years of Carbon Footprint Records. Since 2007, Landis+Gyr has recorded its carbon footprint. The carbon footprint is calculated by converting all GHG emissions to metric tons expressed in CO_2 equivalents (CO_2e), using appropriate GWP (Global Warming Potential) factors as published by the Intergovernmental Panel on Climate Change (IPCC). Total CO_2 emissions within the Landis+Gyr Group amounted to 31,594 metric tons CO_2e in 2016/17, down by 2.2 % compared to 32,296 metric tons CO_2e in 2015/16.

2016/17 by Scope. In accordance with accepted global standards, the carbon footprint has also been documented in scopes. The decrease in overall emissions can mainly be attributed to Scope 1 (direct emissions, down by 12.1 % to 3,092 metric tons CO_2e, accounting for 9.8 % of the total) and was mainly related to reduced gasoline consumption in emergency power generators and Company vehicles. Scope 2 (indirect emissions associated with the generation of purchased electricity or district heating) showed a slight improvement of 2.9 % to 21,816 metric tons CO_2e, amounting to 69.1 % of the total. The improvement is attributed to reductions in electricity and district heating consumption in Asia Pacific, North and South America. Business air travel, as part of Scope 3 (indirect emissions from sources neither owned nor controlled by the Company) contributed 6,686 metric tons CO_2e, up 6.0 % and amounting to 21.1 % of Landis+Gyr's total carbon footprint. The increase was mainly due to increased air travel in the Asia Pacific region related to supplier contracts.

Between 2007 and 2016/17, Landis+Gyr has achieved significant reductions in emissions related to its R&D and manufacturing processes. Since 2007, Scope-1 emissions decreased by 56.7 %, whereas Scope-2 emissions dropped by 21.4 %. However, during the same period Scope-3 emissions were up by 21.1 % due to increased travel activity. Over the period of ten years since the start of recording, total carbon emissions decreased by 21.8 %.

2016/17 by Economic Intensity Ratios. Ratio indicators provide information on performance relative to a business type. The indicators chosen to express GHG intensities are: missions per product, employee, per 10 m^2 of floor area and per USD 100 turnover. In 2016/17, the average Group emissions amounted to 1.1 kg per product, 4.2 metric tons per employee, 1.4 metric tons per 10 m^2 of floor area and 1.5 kg per USD 100 of turnover. The charts also display the values for the previous years.

Between 2007 and 2016/17, Landis+Gyr has achieved significant reductions in emissions. A comparison on a per-unit-of-production reveals emissions more than halved from 2.3 kg per product in 2007 to 1.1 kg in 2016/17. Similarly, average emissions per employee decreased by 35 % to 4.2 metric tons in 2016/17 from 6.5 metric tons in 2007 and emissions per 10 m^2 of floor area decreased by 22 % compared to 2007 and stabilized in 2016/17 at 1.4 metric tons. On a per-turnover basis, emissions decreased from 2.8 kg per USD 100 turnover in 2007 to 1.5 kg in 2016/17, which is equivalent to a reduction of 46 %.

ENVIRONMENTAL IMPACT

WATER

		TOTAL
2012/13	56,040 m³ groundwater	132,710 m³
2013/14	51,234 m³ groundwater	135,395 m³
2014/15	34,627 m³ groundwater	107,226 m³
2015/16	35,379 m³ groundwater	116,340 m³
2016/17	36,731 m³ groundwater	116,520 m³

Overall totals of level-1, level-2 and level-3 sites

WASTE

					TOTAL
2012/13	2,421 t	n.a.	n.a.	n.a.	2,421 t
2013/14	2,441 t	690 t	543 t	18 %	3,131 t
2014/15	1,936 t	835 t	654 t	24 %	2,771 t
2015/16	3,118 t	832 t	490 t	12 %	3,949 t
2016/17	3,131 t	744 t	360 t	9 %	3,874 t
	Level-1	Level-2	Landfill volume	Landfill ratio	

CHEMICALS

				TOTAL
2012/13	23.2 t	0.0 t		23.2 t
2013/14	20.9 t	0.1 t		21.0 t
2014/15	17.3 t	0.1 t	no emission	17.4 t
2015/16	13.5 t	0.1 t		13.6 t
2016/17	11.6 t	0.1 t		11.7 t
	Level-1	Level-2	Level-3	

Level-1 sites: production and major R&D centers
Level-2 sites: smaller production facilities
Level-3 sites: sales offices

CO_2 PER SCOPE

	SCOPE 1	SCOPE 2	SCOPE 3	TOTAL
2007	7,143 t	27,762 t	5,521 t	40,426 t
2008	8,178 t	24,698 t	6,637 t	39,513 t
2009	7,058 t	23,770 t	4,633 t	35,461 t
2010	6,680 t	23,976 t	4,582 t	35,238 t
2011	5,690 t	24,133 t	5,237 t	35,060 t
2012/13	5,585 t	22,869 t	5,467 t	33,921 t
2013/14	5,911 t	22,487 t	6,225 t	34,623 t
2014/15	4,809 t	22,774 t	6,421 t	34,005 t
2015/16	3,516 t	22,470 t	6,311 t	32,296 t
2016/17	3,092 t	21,816 t	6,686 t	31,594 t

Scope 1: all direct GHG emissions
Scope 2: indirect GHG emissions from consumption of purchased electricity, heat or gas
Scope 3: other indirect emissions

CO_2 BY ECONOMIC INTENSITY RATIOS

KG CO_2 PER PRODUCT

2007	2.3 kg
2008	2.5 kg
2009	2.2 kg
2010	2.1 kg
2011	1.8 kg
2012/13	1.6 kg
2013/14	1.6 kg
2014/15	1.5 kg
2015/16	1.5 kg
2016/17	1.1 kg

METRIC T CO_2 PER EMPLOYEE

2007	6.5 t
2008	6.5 t
2009	6.4 t
2010	6.0 t
2011	5.7 t
2012/13	5.4 t
2013/14	5.1 t
2014/15	4.8 t
2015/16	4.3 t
2016/17	4.2 t

METRIC T CO_2 PER 10 M² FLOOR AREA

2007	1.8 t
2008	1.5 t
2009	1.7 t
2010	1.5 t
2011	1.6 t
2012/13	1.5 t
2013/14	1.5 t
2014/15	1.4 t
2015/16	1.4 t
2016/17	1.4 t

KG CO_2 PER USD 100 TURNOVER

2007	2.8 kg
2008	2.4 kg
2009	2.3 kg
2010	2.0 kg
2011	1.9 kg
2012/13	1.7 kg
2013/14	1.8 kg
2014/15	1.8 kg
2015/16	1.7 kg
2016/17	1.5 kg