

Sustainability Report 2021

Message from the CEO

Formally, we started the Sustainability corporate initiative in 2020. However, in truth, social responsibility and sustainable business practices have been part of our DNA since our founding over 80 years ago.

Progress. Goals. Perspective.

The aim of the recently launched Sustainability initiative is not to introduce something new but instead, to bring a cohesive global approach towards sustainability topics. With global coordination and resources, we can enhance and strengthen the impact of programs that are implemented at the local level.

The goals of the initiative are to:

- Protect the environment
- Make a positive social impact in our communities
- Ensure a healthy and safe working environment for our employees
- Make diversity of our workforce a priority
- Promote ethical behavior and responsible business practices throughout our supply chain and within our own company

This report, our first, shares the highlights of our progress in the last year. As we all know, making progress on Sustainability goals requires a long-term perspective. The challenges related to climate change and societal change are formidable. However, there is no ignoring what needs to be done. I believe that the threats we face are existential. We must do all we can as a company to meet the risks head-on and find ways to mitigate or in some cases even eliminate them.

We have set ambitious targets for 2022, expanding our renewable energy sources and reducing our reliance on fossil fuels, improving gender diversity particularly in leadership and in rolling out Code of Conduct training to all employees. With all of the work already underway, I know that we are on the right path, making steady progress towards our goals.

Dr. Thomas Meier-Bickel, CEO

Over 80 years of social responsibility and sustainable business practices.



Tree planting ceremony in India with Thomas Meier-Bickel

Sustainability at Oetiker

Oetiker is a global leader in high-end connecting solutions for the vehicle industry and for high-value applications in industrial segments. Our expertise in high-quality clamps, rings, straps and quick connectors ranges from powertrain and drivetrain applications to medical applications.

Founded in 1942

Operating in 30 countries worldwide

+2 billion products produced annually



“We give our customers the peace of mind that their mission-critical components are reliably connected.”

Protection of our Environment

Reducing our carbon footprint
Investing in renewable energy
sources

Advancing Social Issues

Health and Safety
COVID19 Response
Diversity and Inclusion
Giving back to our communities
Support for the Ukraine
Investing in schools in India

Ethics & Corporate Governance

Ethical business conduct
Code of Conduct
Cybersecurity resilience

Protecting the Environment

Oetiker values the Earth's natural resources and is committed to its protection for future generations. We set the goal to be CO₂-neutral in all our business activities by 2035. By improving efficiency and shifting to renewable energy sources, we are committed to doing our part to mitigate the effects of climate change.

Reducing our Carbon Footprint

Continuous improvement of our environmental management system has always been important as part of ISO:14001 certification. Now with the goal to become carbon neutral, we put more focus, resources and investment to reach our emission reduction targets across Scope 1, 2 and 3.

The reduction of CO2 emissions is one of our most important concerns. We expect to achieve the greatest gains from local energy efficiency projects and by increasing the share of self-generated renewable energy in our electricity mix.

We are also exploring ways to capture and re-use heat from production processes as well as using water in closed-loop cooling cycles.



Achieve Carbon Neutrality by
2035
(Scope 1 & 2)

15
projects completed to improve energy efficiency at local production sites

73
tons CO² reduced from lowering natural gas consumption

52
projects completed to reduce our carbon footprint in 2021

Sustainable procurement
32
suppliers onboarding onto the Ecovadis platform

590
conventional light bulbs replaced with LED



143 tco²
reduced from air travel



27%
reduction in municipal water usage

2
high emitting sites installed solar panels



Reducing our Carbon Footprint



Reduce, Reuse, Recycle programs support target of zero waste to landfill by 2025. We are focused on innovative ways to reduce waste that go beyond sorting garbage into different colored bins.

52 projects were completed globally to improve efficiency and reduce carbon emissions. Here are some of the highlights.

We go beyond policies to engage all employees to do their part to achieve environmental targets. We published 28 thought pieces on our Intranet to build awareness and spark ideas at the local level.

LED lighting upgrade at 6 sites took out 149 tons of CO2 emissions from our footprint



New compressors resulted in a reduction of 180 tons of CO2 emissions



Pallet programs: Pallets made from recycled wood are sent back to supplier for reuse



Investments in Solar Energy in India and Poland



Reducing our reliance on fossil-fuel power plants will make the biggest reduction in Scope 2 carbon emissions.

We have already made investments at two production facilities – one in India and one in Poland.

Our goal is to meet the majority of our electricity needs with renewable energy. We estimate that close to two-thirds of purchased electricity already comes from renewable sources.

We plan to boost this by continuing to invest in own-site renewable projects across our global business, particularly in countries where the grid heavily relies on fossil fuels.



India Production Plant: In India, emissions were reduced by almost one-third after the installation of +1000 solar roof panels.



Poland Production Plant: In Poland, we are able to power administrative offices with energy from the sun.

Advancing Social Issues

We believe in making a positive impact in the communities where we live and work. As part of our commitment to our employees, we care for their health and safety. As part of our desire to make the world a better place, we actively improve the diversity of our workforce and assure equality for all.



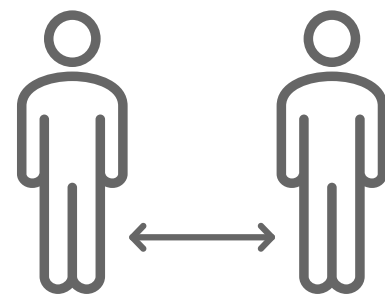
Health & Safety COVID Response

Protecting our employees during the global COVID pandemic was the top priority. We were quick to enact measures in line with local health authorities to reduce the risk of exposure.

We are also proud to have contributed to the fight against the virus by providing mission critical connecting solutions for ventilators to treat hospitalized patients and by donating supplies to local community organizations.



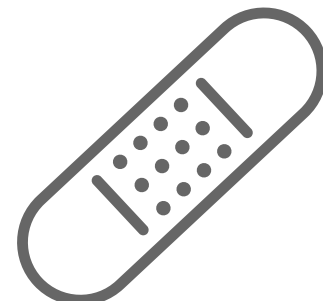
WEAR A MASK



6 FEET APART



HAND HYGIENE



GET A VACCINE

Our COVID-19 Response

Guided by our values, the Oetiker Group’s pandemic response prioritized our people.

From the beginning, we mobilized global and local response teams to closely monitor developments and to enact virus prevention control measures. Information from trusted health authorities like the Centers for Disease Control and Prevention (CDC), the World Health Organization (WHO) and the Robert Koch Institute informed all decisions.

Here is a brief look at some of the steps we took in 2021 to support our employees, customers and communities combat COVID-19 and stay safe throughout the pandemic.

We are proud that we remained fully operational over the past two years since the pandemic began. None of our sites were forced to shutdown due to a virus outbreak.



Mobilized global and local COVID Response Management Teams



Community Contributions
Oxygen Concentrators
Masks, Sanitizer,
Disinfectant Wipes

Keeping our facilities safe
Maintained high standards of virus prevention protocols across our sites



Oetiker sites operated as essential businesses throughout the pandemic



Supported and encouraged desk-based employees to work from home



Provided mission critical connecting solutions for ventilators and vaccine production

Health & Safety

Caring for the health and safety of our employees is one of our company’s values. We provide a safe and healthy workplace, with a focus on the prevention of work-related injury and ill health.

Health and safety is everyone’s responsibility. We support the development and continuous improvement of our Occupational Health and Safety (OHS) Program as outlined in our internal policies and communications and reinforced through training sessions.

Our safety-first mentality promotes a positive workplace culture where all employees at all levels think of safety first. This includes using proper personal equipment, following the safety laws and being conscious of safe practices at all times. With this mindset, we are not afraid to report safety deviations including unsafe conditions, unsafe acts or injuries as we see these as opportunities to learn, improve and care for each other.



109
Workplace Inspections Conducted



52%
Decrease in Lost Time Accident Frequency Rate (since 2017)

88
Safety Committee Meetings



159
Safety Improvements Implemented and Shared



56%
Decrease in # of Days Lost (since 2017)

20
Lessons Learned and Shared



Diversity & Inclusion

With our Diversity and Inclusion efforts, we are actively working towards equality for all. We know that diverse people bring diverse viewpoints which spark innovation, creativity and openness.

In 2021, over 200 leaders across the world completed training to become aware of unconscious biases and actively counter them.

We also conducted selected compensation studies to ensure equitable compensation across gender, tenure with the company, age, race or any other group that could be a basis for disparity.

We established clear metrics and set local targets to improve gender diversity. We have seen a significant increase in the number of female candidates as well as hires after setting quantifiable goals coupled with quarterly measurement.



Workforce originates from
+40
countries



Introduced global flexible working policy to support life and work balance



1 in 5
leaders are
women



One-third of our workforce is older than 50, allowing for younger employees to learn from those with more experience



Disparities due to gender identified in pay analysis



Women account for
30%
of the workforce globally



Increase in female new hires compared to 2020

Corporate Social Responsibility

Social responsibility and sustainable business practices have been embedded in our company since our founding over 80 years ago.

Our people are our business. They deliver connecting solutions to our markets, serve our customers and help to build stronger communities.

Community engagement and sponsorships are driven at the local level. Each site is empowered to set the priorities for local projects and to organize volunteer events.

The pandemic severely limited volunteerism and community engagement in 2021. However, we are proud to support an ongoing partnership in India and more recently, global efforts to provide relief efforts to the Ukraine in addition to the annual sponsorships and donations.

Community Engagement



+20K

Donated to local charities, sports leagues and scholarships (USD)



Annual food and toy drive with local community organizations



Sponsorship of local ice rinks



Land shared with community for dog park



Supported employee in the Złombol charity rally racing event

+550 Students in Five Schools
30 Newly Renovated Lavatories
40 Volunteer Hours

Oetiker India partnered with a local NGO to improve sanitation in five primary schools. The project installed new toilet facilities, hand washing stations, water storage tanks and purification systems, sanitary pad vending machines as well as education about hand-washing and hygiene.



Sending Aid to Ukraine

In response to the humanitarian crisis in the Ukraine, employees at multiple sites across the Oetiker world quickly mobilized to help with relief efforts.

Employees in Canada and Spain chose to send their financial aid to the Apart Hostel Wita Stwosza in Wroclaw, where some of our Polish employees volunteer.

Some of the other organizations that we supported are:



Oetiker matched employees donations to raise

+23k

for Ukraine relief efforts.



Poland

In Poland, we are working with local agencies to hire Ukrainians who have sought refuge in Poland. Some employees have invited Ukrainian families into their homes while others are volunteering at the local hostel that has now become a home for Ukrainians who fled the war. In addition to donating supplies, giving basic Polish language lessons is another way in which our employees are providing assistance.

Germany

Employees collected medical supplies, hygiene products, food and water that were then bundled and transported directly to towns in the Ukraine. Once the supplies were unloaded at their intended destinations, the vehicles were used to provide transport to Ukrainians seeking refuge in Germany.

Ethics & Corporate Governance

Our values define who we are and how we act. They have been part of our DNA since our founding in 1942 and are the basis for our ethical, legal and professional standards.

Compliance topics are taken seriously and are governed by the Group Executive Board, consisting of the CEO, the CFO and key Function Heads.



Our Values



Global long-term perspective

We respect our family business heritage and conduct our business with a global, long term perspective

- Planning horizons, investments and management decision-making ensure long-term sustainability of the company
- Global presence allows for close proximity to our customers
- Global perspective means acting in the best interests of the company as a whole



Customers at the core

We focus all actions on our customers

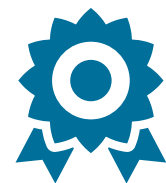
- Serving our customers is our reason for being
- Our battleground is external – in our markets with competitors
- Customer orientation in living our values every day



Value people

We operate from a foundation of trust

- Trust in people; give them the freedom and responsibility to achieve results
- Encouragement to take on new responsibilities and support with investments in professional and personal development
- Cross-functional and cross-cultural cooperation and respect for individual and cultural differences



Pride in our quality

We have a zero-defect-mentality

- Quality mindset lived by all functions and regions
- Active and open approach, focused on preventing errors and making improvements
- Source of competitive advantage from our quality products, customer service, employees, teamwork, and underlying processes



Innovation

We embrace the spirit of our founder, with technological leadership and customers always at the forefront

- Focus on understanding and addressing current and future needs for products, processes and services
- Open culture where failure is acceptable as a way to learn from experiments and tests
- Empowerment to systematically adjust to changes and make value-added improvements

Code of Conduct

Released in 2021, the Code of Conduct is at the core of our compliance policy framework. It is a global guide for employees, business partners, suppliers and anyone who conducts business with Oetiker. Rooted in our Values, it outlines the accepted global standards for professional business conduct. It serves as a summary of the basic rules that guide day-to-day decision-making and specifies the behaviors we expect particularly from our leaders and our employees. It also provides the foundation for detailed company policies and local procedures.

The Code of Conduct is supported by a ‘Speak Up’ process, that enables employees to report actual or potential violations. All reports are handled confidentially and are investigated. Oetiker has a no retaliation policy against individuals who make reports in good faith.



+100

Employees filed voluntary acknowledgments

Code of Conduct training included in standard induction processes for new employees

Targeted training program to be rolled-out per function in 2022

11

Related global policies to reinforce the Code of Conduct

Released Supplier code of conduct, detailing sustainability standards

Available in

SEVEN

languages



Incident reporting process as additional option to contacting supervisor or Human Resources



Cybersecurity and Data Protection

Increasingly, cybersecurity is more than just a concern for software companies. We see it not only as a part of good corporate governance but also as a social responsibility to help protect our employees from becoming victims of cybercrime.

In 2021, we launched a cyber-awareness program. Using online and real-time simulations, topics ranged from password security, phishing, email spoofing, social engineering to mobile phone safety.

Approximately two-thirds of our employees participated in the program. As a result of the education, we saw a significant reduction in the number of employees who fell victim to simulated phishing attacks. This training has the benefit of protecting our employees while on company networks and also in their out-of-the-office lives with their privately owned devices.



+1200

Employees participated in training sessions

Frequent internal communications to inform employees about risks

All desk-based employees required to complete GDPR training course

4,000
Hours of training



Incident reporting and employee awareness more than doubled as a result of training sessions

80%
completion rate



Only 4 in 1,000 employees were successfully ‘phished’ during simulated attack

Looking Ahead

As we enter the third year of our corporate sustainability program, we have set long-term objectives and annual targets for each of the topic areas. Quarterly tracking and global coordination support local teams in achieving the targets.

2022 Sustainability Targets

2022 TARGET HEALTH AND SAFETY

- ISO 45001 certification at one manufacturing site with a roll out plan to reach all sites in 2-3 years
- Complete site assessments to identify risks and opportunities
- Set site-specific benchmarks and KPIs to promote ‘Safety First’ culture
- Implement control measures and develop procedures and trainings based on assessments
- Establish and launch annual engagement and educational activities to promote a culture of safety

2022 TARGET ATTRACTIVE EMPLOYER

- Increase the share of female new hires at all manufacturing locations
- Increase the share of women in leadership positions

Health and Safety

- Establish a company-wide safety-first mentality with the focus on prevention and improvements in order to achieve zero accidents

Attractive employer

- Improve the diversity of our workforce
- Foster a culture of equality and inclusion

Corporate Social Responsibility

- Make a positive contribution in the communities where we live and operate

Corporate Governance

- Conduct business according to fair and ethical practices

2022 TARGET CORPORATE SOCIAL RESPONSIBILITY

- Set up a global framework for CSR with metrics and coordination

2022 TARGET CORPORATE GOVERNANCE

- Roll-out Code of Conduct training to all employees
- Enhance suite of Compliance policies

Innovation and new products

- Ensure that every NPI projects considers environment sustainability

Production processes

- Reduce emissions generated from energy consumption
- Transition to renewable/green energy sources
- Reduce waste and increase recycling
- Reduce freshwater consumption

Procurement

- Work with business partners to ensure sustainable procurement: reduce carbon footprint, respect labor and human rights, and uphold the highest standards of business ethics

2022 TARGET PROCUREMENT

- Invite and onboard corporate and top local suppliers
- Begin to measure carbon footprint from purchased raw materials

2022 TARGET INNOVATION AND NEW PRODUCTS

- Define and adopt a sustainability framework for new product innovations
- Initiate tracking of all new product innovations against the framework

2022 TARGET PRODUCTION PROCESSES

- Reduce Scope 2 emissions in absolute terms by -5% and by intensity -25% from a 2019 base year
- Increase share of renewable energy to more than 66%
- Establish recycling, waste and water reduction targets

Disclosure Information

This report covers the reporting period from January 1 to December 31, 2021. The performance indicators presented in this report are based on data collected from all production facilities worldwide. They report this information to the corporate sustainability team on a monthly basis using various internal tools for reporting.

In the year under review, 100% of production facilities reported on social and environmental indicators, covering the majority of the total workforce. Currently, the environmental indicators are focused on energy and water consumption, emissions from fleet vehicles and air travel. The environmental footprint of purchased materials and transport, waste disposal, construction of facilities and buildings, as well as the use of products are not yet included.

The unaudited results were prepared in accordance with GRI Standards.



Environmental Sustainability Reporting

Carbon dioxide (CO2) emissions are calculated in line with the GHG Protocol Corporate Standard, following best practices. Scope 1 emissions include direct CO2 emissions resulting from combustion in owned or controlled boilers and from fleet vehicles (fuel-based method). Emissions from diesel backup generators are not yet included, though deemed to be relatively insignificant.

Scope 2 includes CO2 emissions from purchased electricity. At this time, Scope 3 includes indirect emissions from business air travel.

We intend to expand Scope 2 emissions from Sales and Trade offices as well as tracking of Scope 3 emissions from purchased goods, upstream and downstream transport and waste disposal in the coming year.

We update emission factors on an annual basis. Some of the reductions in emissions in Scope 1 are due to an overall reduction of the number of fleet vehicles (-10%). The purchase of ökogas is not accounted for within our numbers. Even though the natural gas product that we buy is certified as ‘climate neutral,’ from the purchase of offsets by the supplier, we still calculate it according to the standard emissions factor, as the emissions from our boilers are the same.

Environmental Performance

Company performance

| | 2019 | 2020 | 2021 |
|---|-------|-------|-------|
| Absolute emissions Scope 1 (metric tons CO2e) | 2,180 | 1,742 | 1,866 |
| Absolute emissions Scope 2 location-based (metric tons CO2e) | 6,015 | 5,911 | 6,554 |
| Absolute emissions: Scope 1 and 2 emissions (metric tons CO2e) | 8,195 | 7,653 | 8,420 |
| Scope 3 (business air travel) | 500 | 151 | 143 |
| Total direct and indirect emissions of carbon dioxide metric tons CO2e (scope 1, 2 and 3) | 8,695 | 7,804 | 8,563 |
| Total production (parts in millions) | 1,987 | 1,841 | 2,182 |
| Intensity: Scope 1 and 2 emissions per million parts produced (MTCO2e) | 4.12 | 4.16 | 3.86 |

Energy Sourcing Performance

| | 2019 | 2020 | 2021 |
|--|--------|--------|--------|
| Total consumption of purchased or acquired electricity (MWh) | 23,127 | 21,836 | 23,302 |
| Total solar generation (MWh) | - | 121 | 445 |
| Total solar consumption (MWh) | - | 82 | 281 |
| Total emissions of purchased natural gas (metric tons CO2e) | 1'432 | 1'401 | 1'358 |

Water Performance

| | 2019 | 2020 | 2021 |
|-------------------------------|--------|--------|--------|
| Total consumption of water m³ | 33,642 | 20,742 | 14,471 |



Reliable Connections

Over 80 years of social responsibility and
sustainable business practices.

[Oetiker.com](https://www.oetiker.com)

