

# Communication on Progress 2021

---

Summary of Policy, Actions and Outcomes

# Inhaltsverzeichnis

---

<b>1. Preamble</b>	<b>5</b>
1.1 GWF Success Model	5
1.2 GWF Leadership Principles	6
1.3 GWF Code of Conduct	6
1.4 GWF Risk Map	6
1.5 GWF Certifications, Audits and Approvals	6
<b>2. Human Rights</b>	<b>7</b>
2.1 Businesses should support and respect the protection of internationally proclaimed human rights	7
2.2 Businesses should make sure that they are not complicit in human rights abuses	7
2.3 The elimination of all forms of forced and compulsory labor	7
2.4 The effective abolition of child labor	7
2.5 Metrics and efforts	7
Future KPIs	7
<b>3. Anti-Corruption</b>	<b>8</b>
3.1 Businesses should work against corruption in all its forms, including extortion and bribery	8
3.2 Metrics and efforts	8
Future KPIs	8
<b>4. Labor standards</b>	<b>8</b>
4.1 Businesses should uphold the freedom of association and the effective recognition of the rights to collective bargaining.	8
4.2 Eliminate discrimination with respect to employment and occupation	8
4.3 Metrics and efforts	9
Social Reintegration Program	9
Evaluation acc. to “Great place to work”	9
Future KPIs	9

# Inhaltsverzeichnis

---

<b>5.</b>	<b>Environment</b>	<b>9</b>
5.1	Businesses should support a precautionary approach to environmental challenges.	9
5.2	Businesses should undertake initiatives to promote greater environmental responsibility	9
5.3	Businesses should encourage the development and diffusion of environmentally friendly technologies	10
5.4	Metrics and efforts	11
	Binding targets for saving energy	11
	Consumptions	13
	Brass	16
	Future KPIs	16
<b>6.</b>	<b>CEO Water Mandate</b>	<b>17</b>
6.1	Direct operations	17
6.2	Supply Chain & Watershed Management	17
6.3	Collective Action	17
6.4	Public Policy	17
6.5	Community Engagement	18
6.6	Transparency	18

## Statement of continued support

---



To our stakeholders:

GWF MessSysteme AG is a technology leader for the measurement and management of valuable resources. Our products and solutions measure water, wastewater, gas, heat, and electricity and help our customers to manage and optimize their processes. Hence our products and solutions contribute actively in reducing our customers environmental footprint.

Our company is a 123-year-old family business and is committed to delivering sustainable results. Our focus on quality, our long-term and values-based relationships, and our overall approach to doing business aim to achieve impact on the “triple bottom line”. Our participation and commitment to the UN Global Compact is an important element of our efforts to continue this journey.

I am pleased to confirm that GWF MessSysteme AG reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption. In this annual Communication on Progress (CoP), we describe our actions to continually improve the integration of the Global Compact and its principles to deliver on our mission to **continue to grow our abilities to reduce humans’ impact on the environment by using relevant data generated with highest quality measurement instruments.**

Also, we remain committed to the CEO Water Mandate and are happy to share that we have made significant progress in improving our water efficiency per product manufactured, included water related topics to our supplier audits and actively engaged in the topic of water and water management publicly.

We look forward to continuing sharing our progress with our stakeholders using our primary channels of communication. Sincerely yours,

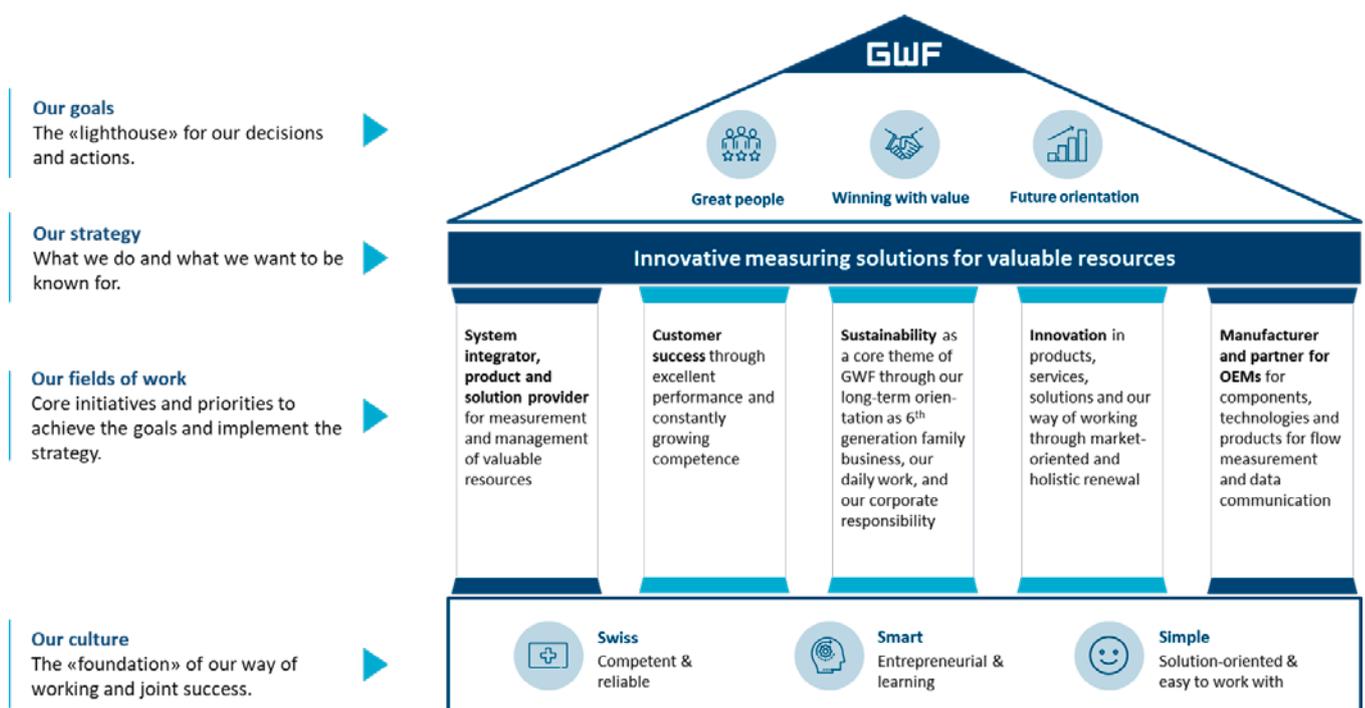
Florian Strasser  
President & Chairman

## 1. Preamble

GWF's values and the way we conduct our business adhere to the highest standards when it comes to upholding and fostering the United Nations Global Compact principles and fundamental values. We document our way of doing business in various documents that we reference in this CoP. We will share relevant content in this Preamble section to provide our stakeholders a holistic overview on existing documentation and approaches that impact the way we work and continuously improve our behaviors, systems and processes.

### 1.1 GWF Success Model

Our GWF Success Model defines our goals, our strategy, our fields of work, and our culture. This model is frequently used in internal discussions and discussions with our stakeholders. We use this model to execute, question and improve our daily routines and the way we work. The Success Model is reviewed and if necessary, adjusted annually by the Board of Directors and is redesigned completely every five years. The current Success Model guides our company through 2025.



## 1.2 GWF Leadership Principles

Our GWF Leadership Principles have been thoughtfully developed together with our Board of Directors, our Management Board and broader GWF leadership. They are shared in our own GWF Leadership Academy and are becoming an integral part of our annual people review processes. Our leaders and managers are expected to know these leadership principles and apply them in their daily work.

### OUR LEADERSHIP PRINCIPLES

	<b>Know our game plan.</b>	Leaders have internalized GWF's objectives, strategy and culture. They know our 'game plan', their own role, and the role of their teams, and they know how to contribute to the success of the entire organization.
	<b>Share your enthusiasm.</b>	Leaders are fair, consistent, and have character. They motivate those around them even in difficult situations, and they always make sure to learn from failures and to celebrate the team's successes.
	<b>Be ready to play.</b>	Leaders go the 'extra mile' for the success of their colleagues and the entire team. They stay fit, stick to the agreed approach, and are always ready to play.
	<b>Pass with precision.</b>	Leaders let colleagues shine by providing the preparation, clarity and precision that enables the work of others. At the same time, they demand rigor and top performance from their fellow team members.
	<b>Score goals.</b>	Leaders ensure results by scoring goals themselves or by making the plays that help others achieve success.

## 1.3 GWF Code of Conduct

GWF has established a formal Code of Conduct to guide and support our employees and our leadership in decision making. This Code of Conduct provides specific insights and examples on how to handle day-to-day and extraordinary situations. The Code of Conduct is communicated to our entire staff frequently and is part of our leadership trainings. Many behavioral aspects of the ten UN Global Compact Principles are captured in our GWF Code of Conduct. Our Code of Conduct is available on our website.

## 1.4 GWF Risk Map

GWF has a holistic internal risk management system in place that spans our strategic, operational and leadership processes. Our Board of Directors reviews the Risk Map regularly and ensures that the ten UN Global Compact Principles are captured.

## 1.5 GWF Certifications, Audits and Approvals

GWF invests regularly in external certifications and approvals, namely numerous ISO certifications. The required documentation and associated audits address the overall topic of sustainability. Also, our participation in the UN Global Compact is discussed. Our intensive documentation of our business processes is reviewed by senior management regularly. In its fiduciary responsibility, our Board of Directors frequently reviews audit reports and defines areas for improvement.

## 2. Human Rights

---

GWF's values and the way we conduct our business adhere to the highest standards when it comes to upholding and fostering the United Nations Global Compact principles around Human Rights.

### 2.1 Businesses should support and respect the protection of internationally proclaimed human rights

The values and Code of Conduct of GWF convey the Company's key guiding principles and fundamental values, which are compliant with internationally proclaimed human rights. With our documented values and Code of Conduct as well as our commitment to the UN Global Compact, GWF transparently and openly supports and respects the protection of internationally proclaimed human rights. GWF expects its employees and suppliers to do the same. Our initiatives to sensitize our employees to human rights issues include internal communication as well as our participation in events like the "World Water Run" to highlight the human right of access to clean and safe water.

### 2.2 Businesses should make sure that they are not complicit in human rights abuses

The Code of Conduct serves as a guideline for day-to-day work and sets the highest ethical standards. It applies to all GWF employees worldwide and establishes parameters for ethical business practices. GWF conducts regular audits of its suppliers. In the light of our UN Global Compact participation, GWF has reviewed its approach to supplier audits and now includes a compliance assessment with the GWF code of conduct or similar standards. In FY 2021 no violations were identified.

### 2.3 The elimination of all forms of forced and compulsory labor

The GWF Code of Conduct and daily business practices exclude all forms of forced and compulsory labor. In FY 2021 no cases of violation were registered.

### 2.4 The effective abolition of child labor

At GWF no employees are hired who have not yet reached the minimum age of 15 years. GWF supplier audits include a compliance assessment with the GWF code of conduct and compliance with laws and regulations including human rights. In FY 2021 no cases of violation were registered.

### 2.5 Future efforts

#### Supplier reports

GWF develops a registration of suppliers in problematic regions of the world. GWF will demand a code of conduct from such suppliers as part of a QAR. Compliance is monitored and evaluated.

## 3. Anti-Corruption

---

GWF's values and the way we conduct our business adhere to the highest standards when it comes to upholding and fostering the United Nations Global Compact principle around Anti-Corruption. Our code of conduct explicitly states that we do not engage in corruption of any kind.

### 3.1 Businesses should work against corruption in all its forms, including extortion and bribery

Corruption and bribery of any kind are not tolerated at GWF. It is not permissible to become involved in such acts, including any offers of illegal payments or similar gifts for the purpose of influencing decision making. In FY 2021 GWF was not involved in any legal cases, rulings or other events related to corruption and bribery.

### 3.2 Future efforts

#### Employee education

GWF will further advance our internal prevention management against corruption and bribery by educating our employees on the topic. This is monitored and evaluated.

## 4. Labor standards

---

GWF's values and the way we conduct our business adhere to the highest standards when it comes to upholding and fostering the United Nations Global Compact principles around Labor standards.

### 4.1 Businesses should uphold the freedom of association and the effective recognition of the rights to collective bargaining.

GWF recognizes employees' freedom of association. In 2020 GWF employees founded the "GWF Club," an employee organization to identify and tackle challenges for our employees and communicate these to senior management. In addition, the "GWF Club" organizes events and meetings like our "GWF Dialogue" where employees get the opportunity to meet with senior management and ask questions. We take an active exchange between shareholders, management and employees very seriously and offer all our employees direct access to the company's leadership through our "open door policy".

### 4.2 Eliminate discrimination with respect to employment and occupation

GWF promotes equal opportunities and the equal treatment of its employees regardless of the color of their skin, race, nationality, social origin, disability, sexual orientation, political or religious conviction, gender or age. Employment is based purely on professional capabilities, potentials and achievement. GWF annually reviews its payment structure and ensures equal pay for equal work.

Moreover, we are particularly proud of its integration of people with disabilities and re-integration of long-term unemployed individuals into the active workforce. Collaboration with the Swiss RAV as well as private organizations like Foundation Brändi from Switzerland are examples of programs GWF is involved in to find gainful employment for individuals with challenges.

GWF participated in the well-known “Great Place to Work” survey in 2020 and achieved the prestigious certification and 12th place. Some highlights of the results can be found here: [GWF MessSysteme AG Great Place to Work® Switzerland](#)

Following the survey, GWF implemented a variety of measures to increase involvement and enhance transparency of the overall GWF direction. Tools such as the ones described above have been reworked and communicated throughout the organization. In 2022, follow-up surveys will be launched.

### 4.3 Future efforts

#### Anti-discrimination program

GWF will introduce internal prevention management against discrimination. This is monitored and evaluated.

## 5. Environment

---

GWF’s values and the way we conduct our business adhere to the highest standards when it comes to upholding and fostering the United Nations Global Compact principles around the Environment.

### 5.1 Businesses should support a precautionary approach to environmental challenges.

GWF’s mission is to reduce humans’ impact on the environment by using relevant data generated with highest quality measurement instruments. Environmental protection is embodied in this mission, our values, the Code of Conduct and our commitments to the UN Global Compact as well as the CEO Water Mandate. The Company strives to use resources sparingly and to avoid the use of materials that place an unnecessary strain on the environment. GWF has increased its transparency on its footprint and started to proactively take measures to reduce emissions and negative environmental impact. Also, GWF is ISO 14001 certified. The 2021 audit did not identify unknown areas for improvements.

In 2021, GWF reduced its CO<sub>2</sub> emissions per manufactured device by optimizing production processes. Also, GWF modernized its working model to increase flexibility for employees and reduce commute-related CO<sub>2</sub> emissions. As a positive side effect, occupation of GWF’s offices reduced despite a growing workforce which resulted in less energy usage.

### 5.2 Businesses should undertake initiatives to promote greater environmental responsibility

GWF’s leadership team undertook several initiatives and used our Commitment to the UN Global Compact to discuss areas of improvement to reduce our environmental footprint with our entire staff. Our employee suggestion system “GWF Idea” encourages employees to submit ideas. In 2022 GWF will start a targeted campaign to collect additional suggestions to promote greater environmental responsibility.

Examples of initiatives in 2021 include:

- Digitized the invoicing processes – objective to receive and send all invoices by email instead of printing and sending them by mail. Objective was reached approximately 60% in 2021. Further optimization ongoing.
- Reduced waste through optimized return and sales processes resulting in higher probability to resell returned products and sell off inventory. Objective was reached approximately 50% in 2021. Further optimization ongoing.
- Optimized packaging of high-volume products to reduce paper and plastic waste.
- Enrolled in the UN Global Compact SDG Ambition program to identify further opportunities for positive environmental impact
- Held internal workshops to get our environmental and sustainability approach fully aligned with our mission statement.
- Increased efficiency in our service technician dispatching process resulting in significant reduction of distance driven by car per serviced object. Objective was reached approximately 40%. Further optimization ongoing.

### 5.3 Businesses should encourage the development and diffusion of environmentally friendly technologies

As a technology company and systems integrator GWF is very active in developing and bringing to market new technologies, products and service models that help reduce humans' impact on the environment.

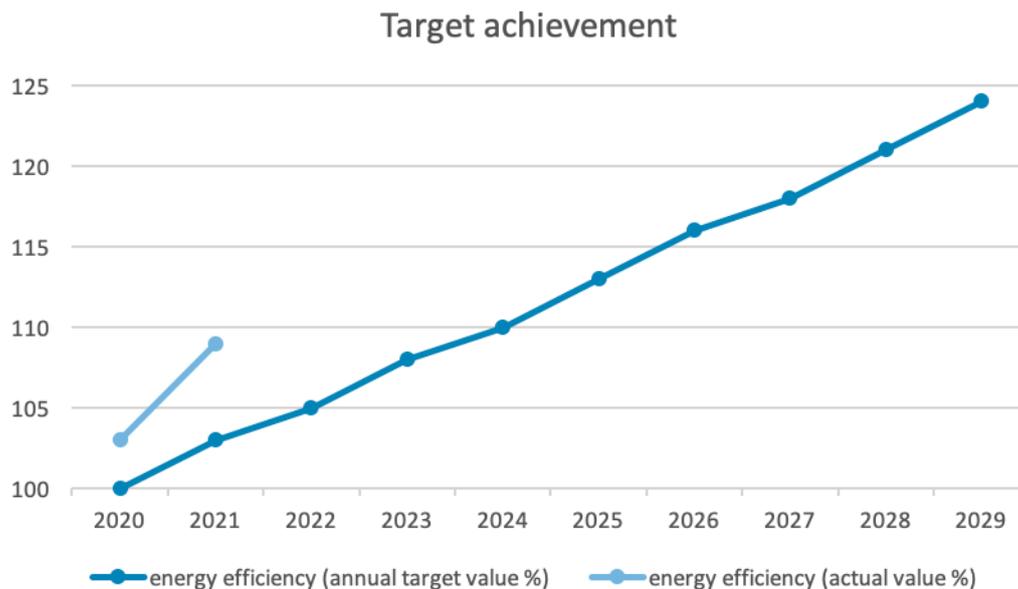
Examples of new environmentally friendly technologies, products and service models developed and deployed by GWF in 2021 include:

- Large scale roll-out of LoRa based gas, water, and district heating meters to reduce CO<sub>2</sub> footprint in read-out processes and enhance data quality.
- Development and execution of data-driven business models for submetering applications to increase transparency of individual's energy and water consumption.
- Participation in Microsoft's #BuildFor2030 Hackathon and conferral of "Hero" award for a fully cloud-hosted myGWF service that increases data transparency.
- Participation and victory in the IHZ Innovation Prize with GWF's Sonico® product line. Sonico® has unprecedented measurement accuracy resulting in better water management for industrial and utility customers.
- Development of new generation radio module "Mito" with 50% less battery capacity needed compared to previous generation and competitor products.
- Development of new generation ultrasonic water meter "Ductus S Pro" to accurately measure fully and partially filled pipes.
- Installation of scalable measurement system for large irrigation system in Central Asia. Roll-out expected in 2022.
- Development of "Non-Revenue-Water" business model to support utilities to assess their water grids and reduce water losses based on measurement data.

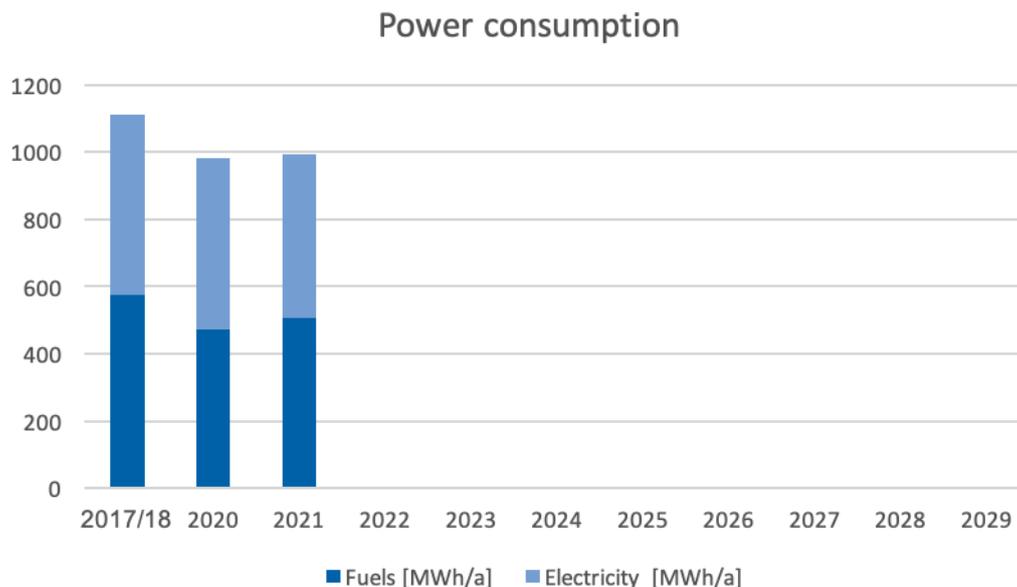
## 5.4 Metrics and efforts

### Binding targets for saving energy

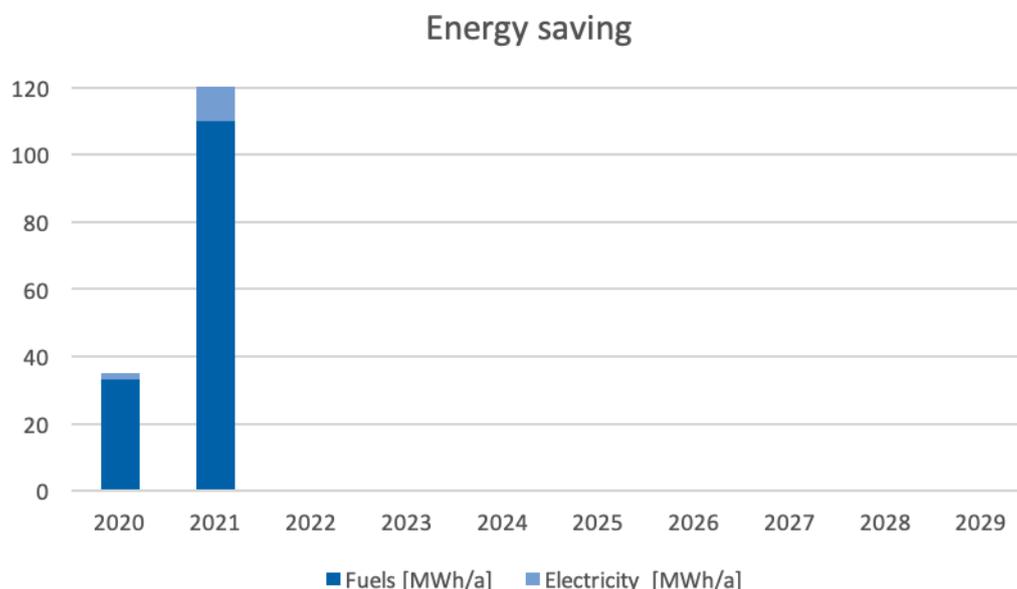
Together with our partner act we have concluded a contract for the continuous reduction of energy consumption. GWF has committed itself to optimizing our energy budget over the years and constantly reducing consumption. This contract was established in 2020 and our progress will be yearly monitored.



By 2029, we want to reduce our energy consumption by a quarter compared to today. In 2020 and 2021 we achieved and even exceeded our goal with appropriate measures.

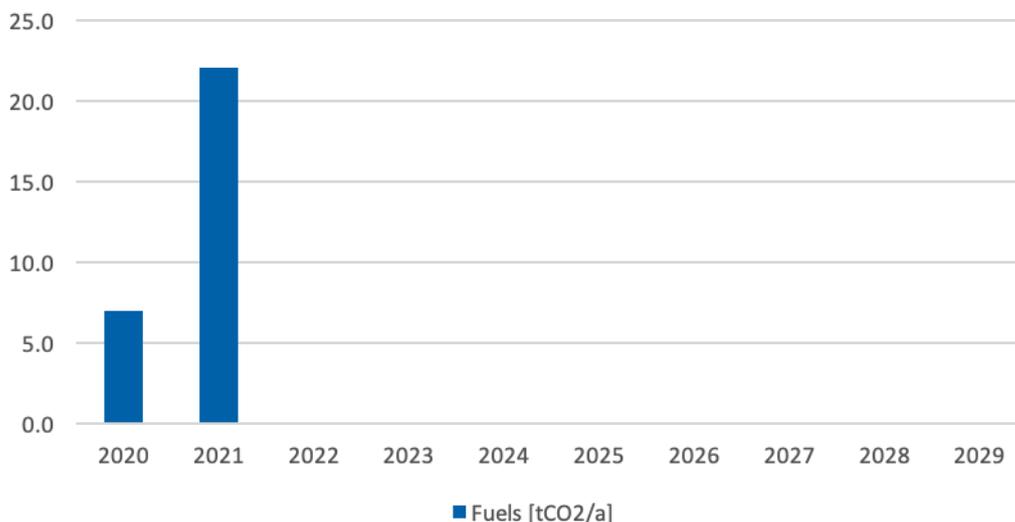


This graphic shows the breakdown of energy consumption. GWF requires electricity for production or gas (shown as fuel) as a heating energy source. The energy consumption in 2020 and 2021 remained about the same. At the same time, production at the Lucerne site was increased by **29%** in 2021 compared to 2020.



Hence we can indicate substantial energy savings vs. a going concern energy usage which were possible based on process improvements. Most savings are in the reduction of heating energy. We have drawn up a catalog of measures to ensure that we achieve our annual targets. In this diagram and the one below, the energy savings already made (MWh/a) as well as in CO<sub>2</sub> emissions (tCO<sub>2</sub>/a). These savings are based on the calculation of the implemented measures and may deviate from the actual consumption values.

## Saving CO2 emissions

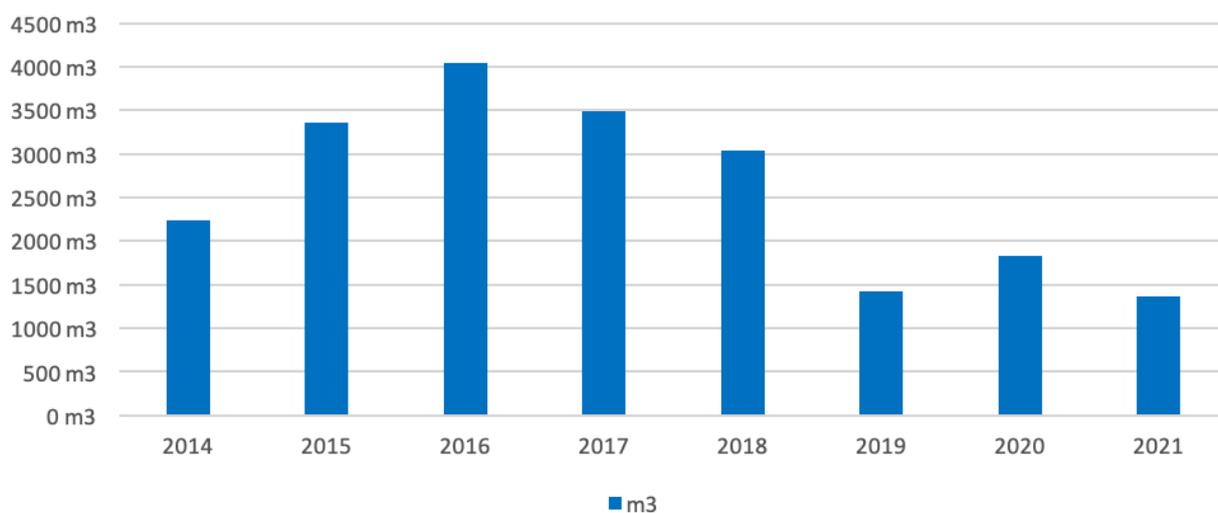


Since GWF heats with methane gas and this is a fossil fuel, the entire CO<sub>2</sub> saving in 2020 and 2021 was saved with the reduced heating energy.

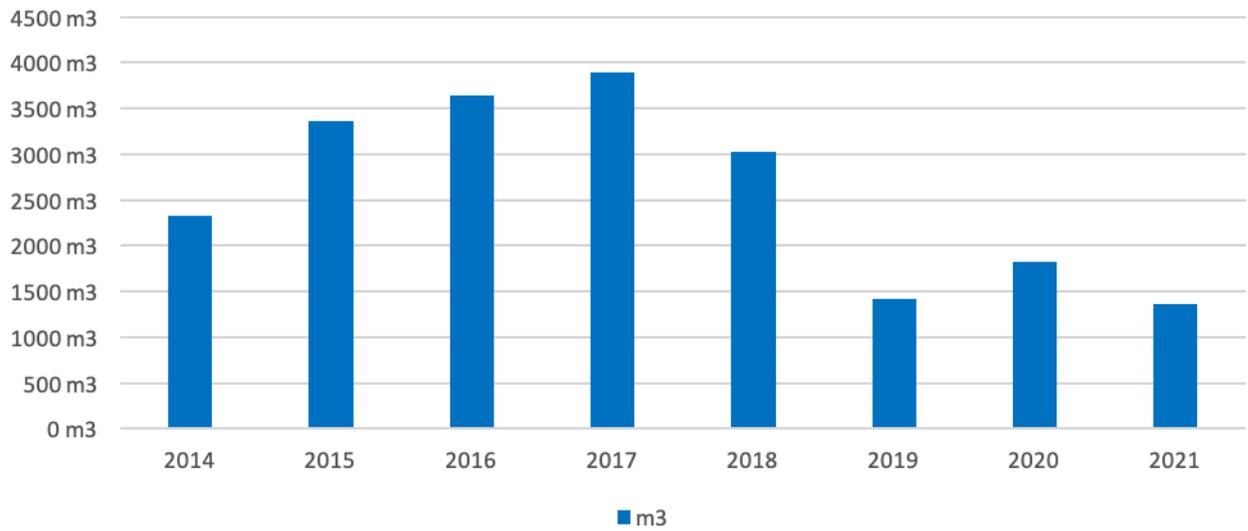
### Consumptions

GWF monitors its consumption and strives for a steady reduction. Thanks to our IMS ISO14001, we are able to identify possible optimization potential and take optimization measures. The charts below show that we are making steady reductions even though GWF is subject to constant growth and production is increasing.

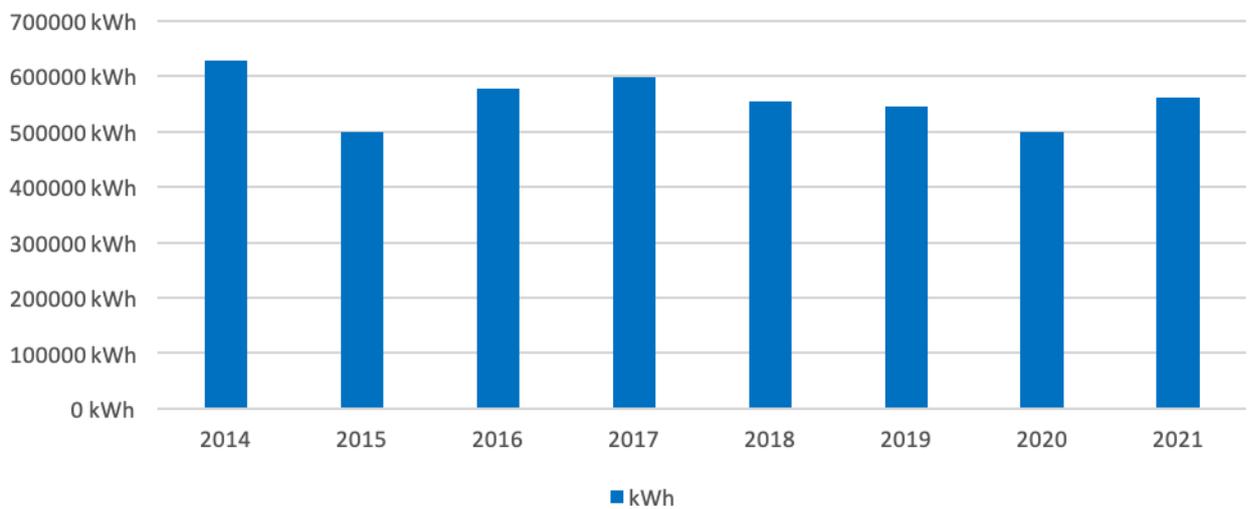
## Water consumption



## Sewage

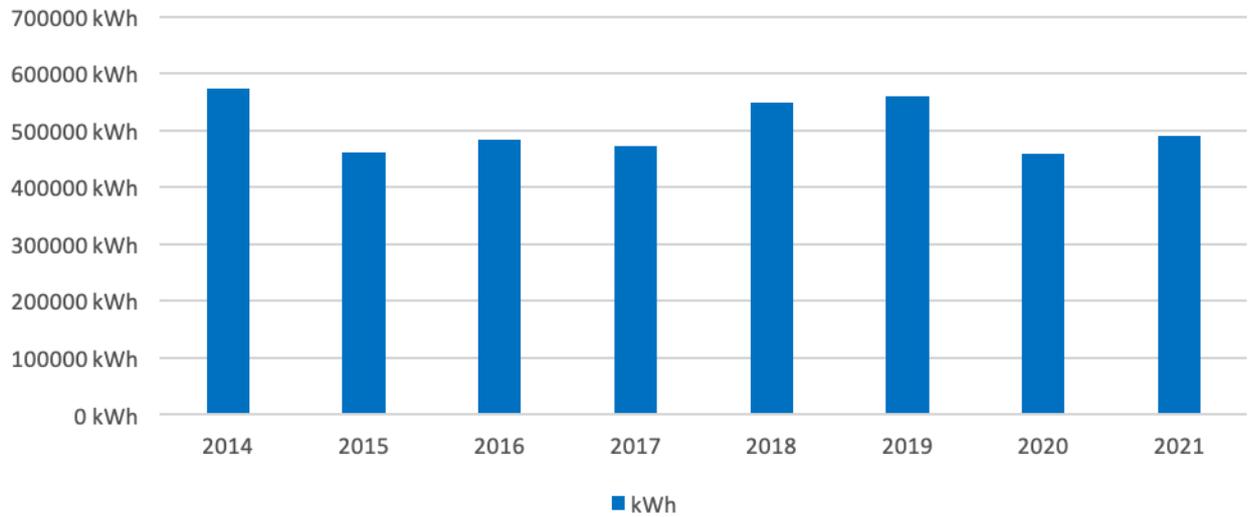


## Gas consumption

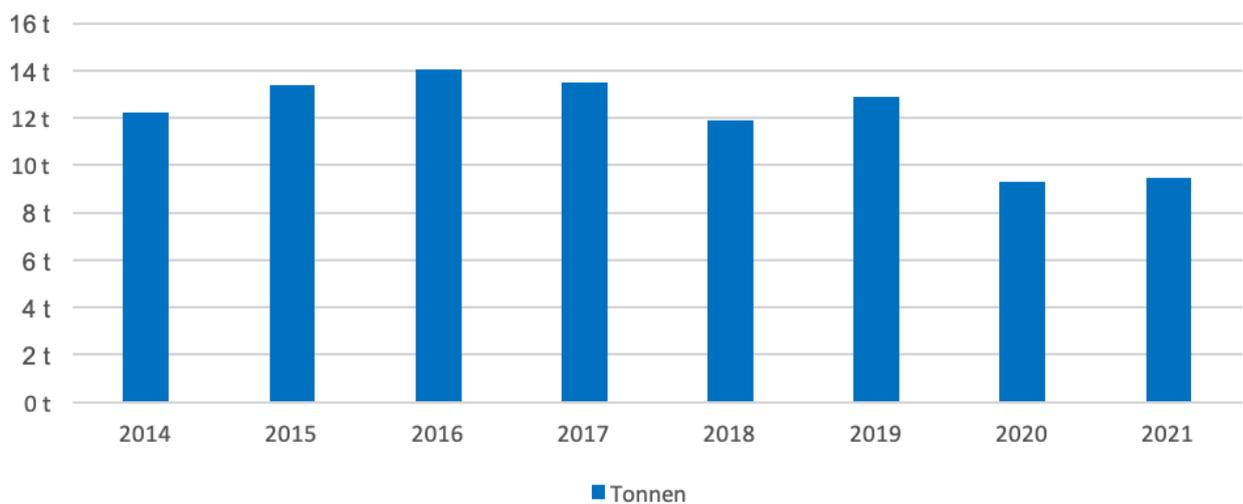


The fuel consumption consistently means the heating energy using natural gas (methane).

## Energy consumption



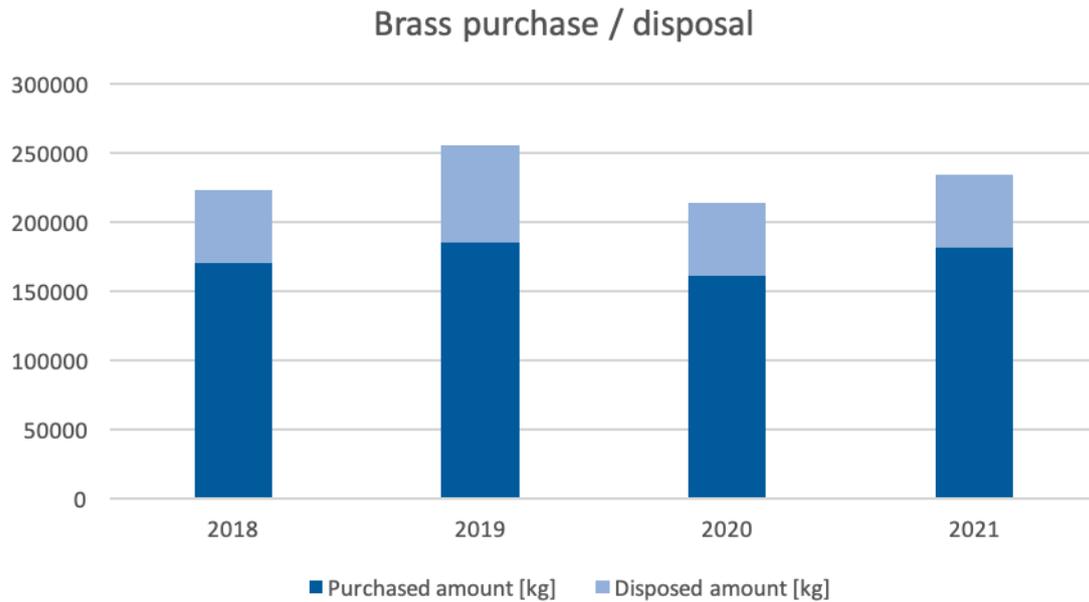
## Waste disposal



Waste has also been steadily reduced through optimization and awareness-raising. GWF has steadily professionalized its disposal with partners, which reduced waste.

## Brass

Brass is the metal most used in our production. It is used for the housings of our water meters. As part of our services, we professionally recycle used meters.



The graphic shows that around a quarter of the annual production volume of brass measuring devices is recycled. The trend towards recycled devices is growing as production has also increased over the years.

## Future KPIs

- Establishment of an Eco Rating (EcoVadis) including monitoring and action plan.
- Showing the Earth Overshoot Day based on the GWF footprint

## 6. CEO Water Mandate

---

As a company actively working on the topic of water and wastewater management, our commitment to the CEO Water Mandate leads directly to impact. We have leveraged our participation in numerous customer discussions and used the CEO Water Mandate toolkit in our projects. We believe that our engagement in water will grow as our service offerings around water stewardship as well as water and wastewater management become more known. We are actively expanding our reach and are teaming up with individuals and companies around the world who are leading experts in these topics.

### 6.1 Direct operations

Overall, GWFs water footprint in its own operations remains comparatively low. However, we recognize our responsibility to further improve it and to use our position as employer and business partner to increase awareness on the topic. In 2021, GWF grew its production for water meters significantly and by adhering to more efficient production processes improved its water usage footprint per manufactured device by xxx %. Also, GWF established a baseline for future reference and started to identify levers for saving additional water. For 2022, GWF will execute a “water preservation” campaign in all GWF sites increasing awareness for the most valuable resource on planet earth.

### 6.2 Supply Chain & Watershed Management

In early 2022, we have added the topic “Water Management” to our supplier audits. Being active in the field of water measurement and management, we actively offer our suppliers support in making their water consumption more transparent and offer our help to identify areas for optimization. We actively encourage our suppliers to engage in watershed risk assessments as part of their environmental risk management. For our own operations, we have not identified risks related to our watershed.

Therefore, we have extended our supplier audit questionnaire with environmental, health and safety and water management topics.

### 6.3 Collective Action

In 2021, GWF was actively involved in many activities to increase awareness on water sustainability. Namely, GWF employees participated in the “World Water Run”, a global initiative to increase awareness on water scarcity and the necessity to address the water challenge. We have also taken an active role in the “Swiss Water and Climate Forum”, a Swiss based initiative to increase awareness around the close connection of water management and CO<sub>2</sub> emissions. Also, we have participated actively in numerous conferences and meetings with our in-depth know-how and expertise.

### 6.4 Public Policy

In 2021, we have engaged actively with government agencies and utilities around the globe to discuss potential improvements to water management. Namely, we are actively involved in Africa and Central Asia to optimize irrigation and water supply infrastructures. Also, we are supporting our customers to execute new regulation, for example around wastewater management and water stewardship in the UK.

## **6.5 Community Engagement**

In line with our actions described under 6.3, GWF has started working with its partners in numerous occasions to increase community engagement around water. We have used our social media outlets to increase awareness and we are currently working with other water related companies to develop partnerships in solution development.

## **6.6 Transparency**

GWF tracks its water usage in its facilities and reports the status as part of its public reporting. Also, we engage in benchmarking our water footprint with public sources and with like-minded companies to identify further areas of improvement.



